



City Clerk Document No.: _____

City Council Meeting Date: May 26, 2022

**CITY OF CHANDLER SOFTWARE AS A SERVICE AGREEMENT
BUDGET SOFTWARE SOLUTION
CITY OF CHANDLER AGREEMENT NO. MS2-920-4405**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City, Client or Customer), and Questica Ltd., a corporation incorporated under the laws of the State of Delaware (Contractor or Questica), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____, 2022 (Effective Date).

RECITALS

A. City proposes to purchase a budget software solution as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.

B. Contractor is ready, willing, and able to provide the services described in Exhibit A for the compensation and fees set forth therein.

C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements below, and intending to be legally bound, the Parties agree:

1.0 DEFINITIONS.

The following definitions apply to the parties' Services Agreement.

A.R.S. means Arizona Revised Statutes, as amended.

Access Information means any information relating to City, its Resellers and/or End Users' use of the Services, including without limitation, (a) navigational information, including usage of hyperlinks within or available through the Services; (b) transactional or processing information, including billing information and method of payment; and/or (c) Internet or I/P addresses, demographic information (like age, profession, or gender), domain names, computer type, browser types, and other anonymous statistical data arising from such use of the Services and access to the Facilities.

Agreement means this legal agreement executed between the City and the Contractor

Affiliate means with respect to any person or entity, any other person or entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or entity, and for the purposes of this definition “control” of an entity means the ownership of 50% of the outstanding shares or other equity interests in such entity, or the right to elect or appoint a majority of the board of directors or governing body of such entity.

Base Programs means each version of a computer program used by Contractor to perform the Services, including the object code and source code, and all Upgrades, Documentation, workarounds, error-corrections, patches, and bug fixes.

City, Client or Customer means the City of Chandler, Arizona.

City Confidential Information means: (a) all information related to the business of City and any of its City’s and other third parties, to which Contractor has access, whether in oral, written, graphic or machine-readable form, in the course of or in connection with this Agreement; (b) all notes, analyses and studies prepared by Contractor or any of its Representatives, during the term of this Agreement or anytime thereafter, incorporating any of the information described in this Section 3; (c) the Access Information; and (d) the City Data.

City Data means all Confidential Information, all personal data and any other information relating to the employees, City or customers of City, or End Users or relating to the businesses of City or its Affiliates, including third party information, operations, facilities, products, services and markets, all as and to the extent provided to or obtained by Contractor or its Representatives from City, Resellers, or End Users, or derived from any of the foregoing. Usage data of End Users who are customers of City shall be considered City Data. City Data includes any such information in any form (tangible or electronic), regardless of the form or method by which such information is created, stored, maintained or communicated, and includes all data maintained by Contractor for City. Unless otherwise indicated, City Data includes all Access Information.

Contractor or Questica means the person or business organization named in the Agreement.

Crisis means an extraordinary event affecting Contractor that requires emergency response measures to be taken, including any event that may result in the Services, Software or Facilities becoming unavailable for a significant amount of time.

Confidential Information means City Confidential Information and/or Contractor Confidential Information, as the context may require.

Custom Software means the modifications and enhancements to the Software Programs and new computer programs, including application program interfaces, developed from time to time by Contractor for the exclusive use of City.

Days means calendar days.

Documentation means the user, operations and training manuals, marketing materials, proposals, and responses to requests for information or proposals pertaining to the Services or the Software Programs, as well as any specifications reviewed by City, concerning the relevant Software licensed hereunder.

End User means any person or entity that receives and uses the Services.

Error means any error in the code of any Software Programs which prevents such Software Programs from operating in accordance with the relevant Documentation.

Exit Plan means the plan set forth in Exhibit F hereto.

Facilities means the hardware, application software, operating system software, firmware, networks, communication devices and lines and all other equipment, software, devices and related materials provided by or used by Contractor to host the Software Programs and provide the Services. Unless otherwise indicated, the Facilities shall be construed to include the Software Programs.

Implementation Date means the implementation date set forth in an applicable Schedule for the respective Services.

Intellectual Property Rights means all: (a) patents, patent applications, patent disclosures and inventions (whether patentable or not), (b) copyrights and copyrightable works (including computer programs) and registrations and applications therefor, (c) semiconductor chip "mask" works, and registrations and applications for registration thereof, (d) trade secrets, know-how and other confidential information, (e) unregistered and registered design rights and any applications for registration thereof, (f) database rights, and (g) all other forms of intellectual property, including waivable or assignable rights of publicity or moral rights, and any right to bring suit or collect damages for the infringement, misappropriation or violation of the foregoing, anywhere in the world. For purposes of the IP License, the Intellectual Property Rights shall be construed to include all Intellectual Property Rights of Contractor and its Affiliates existing on the date of grant of the IP License, plus all Intellectual Property Rights of Contractor and its Affiliates subsequently developed or acquired by Contractor or its Affiliates through the time of the occurrence of an Interruption.

Interruption means any material, or continuing, or repeated suspension or interruption in the supply of the Services by or on behalf of Contractor to City, the Resellers, or End Users, or any other material, or continuing, or repeated failure of Contractor to meet its obligations under this Agreement in regard to the Services, whether resulting from breach, termination, partial or complete cessation of business, disruption of business, bankruptcy or other insolvency proceedings, or otherwise, or termination of this Agreement.

Licensed Materials means all engineering, testing and design documentation, schematics, source code, and other materials necessary for City or its Representatives to exercise the IP License.

May or Should means something that is not mandatory but is permissible.

On Premises Equipment means Facilities provided by Contractor to City, Resellers, or End Users of the Services for receiving, managing, maintaining or using the Services.

Contractor Confidential Information means Contractor nonpublic financial information.

Reseller(s) means one or more independent sales or support companies engaged to sell, support or implement the Services to End Users.

Representatives means each party's officers, directors, employees, consultants, attorneys, accountants, agents and independent subcontractors (and their employees) and other representatives.

Shall, Will, or Must means a mandatory requirement.

Software Programs means the Base Programs and Custom Programs.

Upgrades has the meaning stated in Exhibit A.

2.0 SERVICES

2.1 Services under Schedules. Contractor will perform and deliver Services described in this Agreement and any Schedules hereto, in accordance with the milestones, delivery dates, specifications and requirements as set forth herein. Unless otherwise agreed upon by both parties, or as the result of a delay on the part of Questica, the obligation to provide professional services to the Subscriber expires the earlier of:

- 2.1.1 completion of the services described in the SOW
- 2.1.2 12 months from the effective date of the relevant Order Form

2.2 Reserved.

2.3 Reports. On a quarterly basis or more frequently as may be specified in a Schedule, Contractor will provide to City a written report summarizing Contractor's performance of the Services with respect to all metrics and categories of description set forth in an applicable Schedule, and any other information reasonably requested by City.

2.4 Services Audit. City may on 30 days' notice and not more than once in a 12-month period conduct audits and reviews of the Facilities on Contractor's premises with respect to the Services.

2.5 Activation and Installation. Unless otherwise stated in the applicable Schedule, construction, maintenance and operation of the Facilities, and activation and performance of the Services are and shall be the responsibility of Contractor.

2.6 City Data. Notwithstanding any other provision in this Agreement or Schedules, Contractor shall make all City Data (complete and unaltered) available at any time to City, in a format reasonably requested by City, at no additional charge. As between the parties, City Data shall be and remain the property of City. Contractor shall use the City Data solely to perform Contractor's obligations under the Services Agreement and this Agreement. Except as expressly permitted in this Agreement, Contractor shall not sell, assign, lease, disseminate, or otherwise dispose of the City Data or any part thereof to any other person, nor shall Contractor commercially exploit any part of the City Data. Contractor shall not possess or assert any property interest in or any lien or other right against or to any City Data.

2.7 City Affiliates. City's rights under the Services Agreement and this Agreement may be exercised by and for the benefit of City and, as applicable, End Users, and their respective Affiliates. For this purpose, "Affiliates" may include any person or organization that is party to any Business Collaboration with City or its other Affiliates. "Business Collaboration" means any strategic alliance, partnership, joint venture, broker-dealer, sales representative, investment advisor, or other marketing or business arrangement between City or its other Affiliates and any such person or organization through which City or such Affiliates derive revenue or profit or conduct business involving financial services.

2.8 Offshore Performance of Work Prohibited. Due to security and identification protection concerns, direct Services under this Agreement must be performed within the borders of North America. Any Services that are described in the scope of work that directly serve the City and may involve access to secure or sensitive data or personal client data or development or modification of software for the City must be performed within the borders of the North America. Notwithstanding anything to the contrary, and unless stated otherwise in the scope of work, this definition does not apply to indirect or "overhead" services, redundant back-up services, or services that are incidental to the performance of this Agreement.

3. BACKUP IP LICENSE

3.1 Sufficiency of Intellectual Property; Further Assurances. Contractor represents and warrants that the IP License and the Intellectual Property Rights licensed to City thereunder are and will be sufficient for City or its Representatives to manage, maintain, perform and deliver the Services for present and future End Users, without infringement of Intellectual Property Rights owned or held by others. Promptly upon request by City, Contractor shall, at its expense, sign and deliver such further agreements, certificates and other documents and give City such other

assistance as City may reasonably require to evidence more fully and give full and proper effect to the IP License. To the extent that Contractor or its Affiliates' Intellectual Property Rights include any U.S. patents or copyrights that are owned by third-party licensors, Contractor will at City's request, provide City with written confirmation from such third-party owner that such owner will give effect to the terms of Section 3.1 without any further condition, payment or other obligation. The IP License and the terms of Section 3.1 shall not be impaired or diminished by the occurrence or continuance of any breach of this or any other agreement between the Parties, any lack of capacity or authority, any reorganization, liquidation, dissolution, merger, or consolidation of either Party, or any other change of circumstances of either Party.

4. NON-DISCLOSURE

4.1 Restrictions. Each party, as recipient of the other party's Confidential Information, will receive, hold and protect in confidence the Confidential Information of the other party. The receiving party may disclose the Confidential Information of the disclosing party to its Representatives who have a need to know such Confidential Information solely in connection with this Agreement. The receiving party will cause such Representatives to comply with this Agreement and will assume full responsibility for any breach of this Agreement by any such Representatives. The receiving party will not transfer or disclose any Confidential Information of the disclosing party to any third party without the disclosing party's prior written permission and without such third party having a contractual obligation (consistent with this Section 4 ("Non-Disclosure")) to keep such Confidential Information confidential. The receiving party will not use any Confidential Information of the disclosing party for any purpose other than in connection with this Agreement. Notwithstanding any confidentiality restrictions set forth herein, City may disclose Contractor Confidential Information to third parties in connection with such third party's provision of software or services to City. Such disclosures will be made under an obligation of confidentiality limiting the use of such Confidential Information by such third parties to the provision of services to City.

4.2 Exclusions. Confidential Information will not include information that: (i) is in the public domain at the time of disclosure; (ii) was in the possession of or demonstrably known by the receiving party prior to its receipt from the disclosing party without restriction on its use or disclosure; (iii) is independently developed by the receiving party without use of or reference to or reliance on the disclosing party's Confidential Information; or (iv) becomes known by the receiving party from a source other than the disclosing party without breach of this Agreement and is not subject to an obligation of confidentiality. Notwithstanding anything to the contrary, City may disclose Contractor Confidential Information as required to satisfy any request by any governmental or regulatory body.

4.3 Legal Requirements. If the receiving party is requested or required to disclose any of the disclosing party's Confidential Information under a subpoena, court order, statute, law, rule, regulation or other similar requirement (a "Legal Requirement"), the receiving party will, to the extent not precluded by law, provide prompt notice of such Legal Requirement to the disclosing party so the disclosing party may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If the disclosing party is not successful in obtaining a protective order or other appropriate remedy and the receiving party is, in the reasonable opinion of its counsel, legally compelled to disclose such Confidential Information, or if the disclosing party waives compliance with the provisions of this Agreement in writing, the receiving party may disclose, without liability hereunder, such Confidential Information in accordance with, but solely to the extent necessary, in the reasonable opinion of its counsel, to comply with the Legal Requirement.

4.4 Disposition of Confidential Information on Termination or Expiration. Upon termination or expiration of the Services Agreement and this Agreement or upon the disclosing party's written request and where practicable, the receiving party will return to the disclosing party all copies of Confidential Information already in the receiving party's possession or within its control. Following its return, and upon notice from the disclosing party, and unless otherwise required by law, the receiving party must destroy such Confidential Information using means to protect against unauthorized access to or use of the information, including, where appropriate, burning, shredding, or pulverizing such information, or by taking such other means as to assure that such information will not be recoverable following

its disposal. In such case an officer of the receiving party will certify in writing to the disclosing party that all such Confidential Information has been so destroyed. Notwithstanding the foregoing, the receiving party may retain copies of such Confidential Information as required by applicable law, and, to the extent such copies are electronically stored in accordance with the receiving party's retention or back-up policies or procedures (including, without limitation, those regarding electronic communication), so long as such Confidential Information is kept confidential as required under this Agreement.

4.5 Privacy. For all City Information collected, stored or processed by Contractor, Contractor shall: (a) maintain safeguards against destruction, loss, alteration of or unauthorized access to such City Information; and (b) not, without City's prior approval, modify or discontinue any such safeguards without comparable or better replacement safeguards. Contractor acknowledges the sensitivity and confidentiality of personally identified information which may be contained in the City Information and the applicability of the Gramm-Leach-Bliley Act and/or other applicable privacy laws, regulations and guidelines ("Privacy Laws"). Contractor agrees to comply with all applicable legal and contractual requirements relating to the privacy and confidentiality of personally identified information applicable to Contractor in the performance of its obligations under this Agreement.

5. SECURITY

5.1 Security. Contractor represents and warrants that it shall at all times adhere to and comply with, in all material respects, the minimum security standards to ensure that there is no unauthorized access to or use of City information described in this Section, which security standards may be mutually amended by the parties from time to time (the "Security Standards").

5.2 Security Standards. Contractor will use reasonable efforts to prevent unauthorized access to restricted areas of its servers and any databases or other material generated from or used in conjunction with the Service. Contractor will respond immediately to remedy any known security incidents or breaches.

(a) External Segment Security. Contractor's external connections to the Internet will have appropriate security measures and controls applied to its systems and will include an Intrusion Detection System (IDS) that will monitor all inbound and outbound communications and information. The IDS is intended to detect, record, alert, and terminate unauthorized activity.

(b) Web Site Segment Security. All Internet accessible systems will reside behind Firewalls. The Firewalls will enforce secure access between all Web servers and the Internet. The Firewalls will allow only specific types of data to pass from the Internet to the systems on the Web Segment. An IDS device is used to scan all data that passes within the Web Server segment and will detect, report and terminate any unauthorized activity prior to it reaching the Web Servers.

(c) Internal Network Segment Security. All data entering the Service's internal data network from any external source (Web Segment and Internet) must pass through Firewalls. The Firewalls will enforce secure connections between internal and external systems and will only allow specific types of data to pass through. Access to customer data by Contractor employees will be limited to authorized personnel only. All Contractor employees will follow the security policies regarding access and use of internal systems.

(d) Physical Site Security. All systems containing customer or company related data will be contained in locked data cabinets and will reside in a secure Data Center. Only authorized personnel will have access to the Data Center and/or Operations area via an internal security system. The entire physical facility, internal and external, will be monitored 24/7/365.

(e) General Data Security and Network Monitoring. All printed documents containing customer, confidential, financial, or sensitive information that is no longer needed will be shredded. Any printed material of this nature that

is retained will be secured in cabinets. All data backups will be locked and secure both on-site and off-site as documented in the Security Policy Document and the Backup/Disaster Recovery Guide. Contractor will actively monitor the IDS systems, Local Area Network/Wide Area Network, (LAN/WAN) equipment and all critical servers. Encryption techniques will be used for data transmissions where applicable.

(f) Assessments. City reserves the right to conduct risk assessments, vulnerability assessments, black box penetration tests or hire a third party to conduct risk assessments, vulnerability assessments, and black-box penetration tests of the Contractor's environment. Contractor will be alerted in advance and arrangements made for an agreeable time. Contractor shall respond to all Critical, High, and Medium severity vulnerabilities discovered by providing an acceptable timeframe to resolve the issue and/or implement compensating control(s).

(g) Audit Logging. Contractor will provide to the City system, audit, and other logs required by the City from the Contractor's environment and service offering upon reasonable request.

(h) StateRAMP Authorization. The Contractor understands that, during the term of this contract or subsequent extensions, the City may require Contractors who will be storing, processing, and/or transmitting City data in external, non-City environments (Cloud), to attain verified StateRAMP (www.stateramp.org) Ready status for the cloud products the City will be utilizing. Contractor will be required to maintain StateRAMP authorization at the required category level throughout the agreement term and partnership with the City. The City will provide StateRAMP sponsorship to Contractor for the purpose of this agreement engagement. Should the City enact this requirement, the City and the Contractor will agree upon a timeline for attaining the required status.

5.3 Updates to Security Standards. If a change or addition to the Security Standards is required by law, rule, regulation, order, judgment or decree, Contractor shall comply with such amended Security Standards as soon as possible but in no event later than the time period for compliance indicated in such law, rule, regulation, order, judgment or decree. If the event Contractor adopts changes to the Security Standards, Contractor will provide the Services in accordance with such new Security Standards; provided that if such new Security Standards are of a level which is less than the level of the Security Standards previously required by this Agreement, and if City does not agree with such new Security Standards, City may terminate and this Agreement upon written notice to Contractor. If City accepts such new security standards, such new security standards shall be deemed to be "Security Standards" for purposes of this Agreement.

5.4 Security and Supervision. Contractor's personnel, when on City's premises or accessing City's networks or providing maintenance services hereunder, will comply with all of City's security, supervision, and other standard procedures applicable to such personnel, including, if applicable, City's Internet and Electronic Communications Usage Policy.

5.5 Audit. City reserves the right to conduct, either itself or through a third-party independent contractor selected by City at City's expense, an on-site audit and review of Contractor's architecture, systems and procedures used in connection with the Services and the Software Programs. Such audit and review shall be conducted upon City's reasonable request. After conducting an audit, City shall be entitled to notify Contractor of the manner in which Contractor does not comply with any of the security, confidentiality or privacy obligations herein, if applicable. Upon such notice, Contractor shall use commercially reasonable efforts to make any necessary changes to ensure compliance with such obligations. If Contractor is unable to remedy the defects or deficiencies causing its noncompliance with any obligation, City may terminate this Agreement upon written notice to Contractor. Any audits described in this Section shall be conducted during reasonable times and upon reasonable advance notice to Contractor and shall be of reasonable duration and shall not unreasonably interfere with Contractor's day-to-day operations. Further, City shall not conduct an audit more than twice per year unless City determines in its reasonable discretion that additional audits are necessary. In the event that City conducts an audit through a third-party independent contractor, such independent contractor shall be required to enter into a non-disclosure agreement containing confidentiality provisions substantially similar to those set forth herein to protect Contractor's proprietary

information. In addition to and not in lieu of City's rights to conduct an audit as described in this Section, once per year during the term of this Agreement, Contractor will provide City with a written certification that Contractor has tested its architecture, systems and procedures and that it is in full compliance with the security, confidentiality and privacy obligations herein. Such certification shall be signed by an officer of Contractor.

5.6 Information Security Incident Management. Contractor must adhere to a formally documented incident management process, must cooperate with City personnel in the diagnosis, investigation and response of any security incidents or faults that impact City data. Contractor must notify the City within 24 hours of suspicion, detection or confirmation of a breach or unauthorized access to City information that is hosted, stored, processed, or transmitted by the Contractor. Notification will be made using City provided email and phone as identified in the Notices section of this contract.

5.7 Business Continuity and Disaster Recovery Management. Contractor must have business continuity and disaster recovery plans and processes in place to ensure the service for the City is adequately maintained in the event of any negative impact on the Contractor's service. Contractor will regularly backup City data and retain such City backup data copies according to City data retention requirements or otherwise provide backup data to the City.

5.8 Applicable Laws and Regulations. Contractor will comply, and assist City to comply with, all applicable State and Federal laws and regulations including, but not limited to:

Federal Information Security Modernization Act of 2014 (FISMA):

<https://csrc.nist.gov/topics/laws-and-regulations/laws/fisma>

- OMB Circular A-130:

<https://www.federalregister.gov/documents/2016/07/28/2016-17872/revision-of-omb-circular-n-o-a-130-managing-information-as-a-strategic-resource>

- National Cyber Strategy of the United States of America:

<https://www.cisa.gov/executive-order-strengthening-cybersecurity-federal-networks-and-critical-infrastructure>

- Health Insurance Portability and Accountability Act (HIPAA) including Business Associate Agreement/ Health Information Technology for Economic and Clinical Health Act (HITECH):

<https://www.hhs.gov/hipaa/index.html>

- Tax Information Security Guidelines For Federal, State and Local Agencies: Safeguards for Protecting Federal Tax Returns and Return Information (IRS Publication 1075):

<https://www.irs.gov/pub/irs-pdf/p1075.pdf>

- Criminal Justice Information Services Security Policy (CJIS)

<https://www.fbi.gov/services/cjis/cjis-security-policy-resource-center>

- Centers for Medicare & Medicaid Services (CMS), Minimum Acceptable Risk Standards for Exchanges (MARS-E)

<https://www.cms.gov/CCIIO/Resources/Regulations-and-Guidance/Downloads/2-MARS-E-v2-0-Minimum-Acceptable-Risk-Standards-for-Exchanges-11102015.pdf>

- A.R.S. 18-551 - Definitions Information Security Including PII:

<https://www.azleg.gov/ars/18/00551.htm>

- A.R.S. 18-552 - Notification of security system breaches; requirements; enforcement; civil penalty; preemption; exceptions: <https://www.azleg.gov/ars/18/00552.htm>

- State of Arizona statewide policies, standards and procedures:

<https://aset.az.gov/resources/policies-standards-and-procedures>

- SIPC Memorandum of Understanding (MOU): <https://www.sipc.org/about-sipc/>

- State Environmental policies: <https://azdeq.gov/LawsAndRules>

- Family Education Rights Privacy Act (FERPA):

<https://www2.ed.gov/policy/gen/guid/fpco/ferpa/students.html>

- Driver's Privacy Protection Act (DPPA):

<https://azdot.gov/motor-vehicles/driver-services/driver-license-information/motor-vehicle-record>

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- State of Arizona Library, Archives and Public Records, Records Management Division, General Retention Schedules <https://azlibrary.gov/arm/policies>
- Payment Card Industry (PCI) Security Standards including but not limited to Supplemental Documents, Information Supplements and Validation Requirements: <https://www.pcisecuritystandards.org/>

6. FEES AND OTHER PAYMENTS

6.1 Fees. Notwithstanding anything to the contrary in any Schedule, no Fees will be due or owed, with respect to any Services unless and until: (i) the parties agree to a Schedule covering such Services, and (ii) City receives an invoice for the relevant Fees.

6.2 Price Protection. Fees for recurring Services, if any, may be increased only on an annual basis upon at least sixty (60) days written notice before any annual renewal of such Services. The percentage of any such increase will not exceed five percent (5%) per such increase per annum.

6.3 Taxes. Contractor shall be responsible for the payment of all sales, use or similar taxes applicable to the purchase by Contractor of any materials and components used in the manufacture or assembly of any Products. City, the Resellers or End Users, as applicable, shall be responsible for the payment of all sales or use taxes imposed by any jurisdiction in the United States applicable to the sale of any Products under this Agreement, or to the extent applicable will provide appropriate sales tax exemption certificates.

6.4 Invoices. Contractor will provide City with an itemized invoice for all Fees that become due hereunder. Each valid and undisputed invoice will be due and payable within thirty (30) days after City's receipt of such invoice.

6.5 Reserved.

7. REPRESENTATIONS, WARRANTIES, COVENANTS AND LIMITATION OF LIABILITY

7.1 Compliance with Laws. Contractor shall and shall use its best efforts to cause its suppliers to comply with all applicable United States and foreign, federal, state, and local laws, rules, and regulations, with respect to the performance of the Services.

7.2 No Infringement. Contractor represents and warrants that the Services, Facilities and Software to be performed, operated or used under this Agreement do not and will not, infringe any third-party patent, trade secret, copyright, trademark or other intellectual property rights in the United States or any other country or jurisdiction to which Contractor provides the Services for use by City, the Resellers, or End Users.

7.3 Encryption. Contractor will identify in the applicable Schedule any encryption used in the Services and Software and the Commodity Classification, Export License or License Exceptions, and Import License granted with respect thereto. Contractor represents that it has complied with, and will continue to comply with, all applicable laws, rules and regulations of the United States or any foreign country with respect to the export or importation of the Services and Software, any modifications, enhancements or updates thereto, and any technical data derived therefrom.

7.4 Services. Contractor represents, warrants and covenants that: (a) it shall perform the Services in conformance with the levels of service, quality control, and other performance standards described in this Agreement; (b) all Services provided in connection with this Agreement are and will be performed to the best of Contractor's ability and in an effective, timely, professional and workmanlike manner in accordance with the highest applicable industry standards and practices; and (c) Contractor personnel performing any Services hereunder will be appropriately

trained and have a level of skill commensurate with the requirements of this Agreement, and Contractor will promptly replace any person who is performing Services under this Agreement upon City's reasonable request.

7.6 Services Not to be Withheld. Contractor represents, warrants, and agrees that during the term of this Agreement it will not withhold Services under this Agreement (including, without limitation, implementation, termination transition assistance services) or access to the Facilities for any reason, including, but not limited to, a dispute between the parties arising under this Agreement, another agreement between the parties, or any unrelated dispute between the parties.

7.7 Viruses. Contractor represents, warrants, and covenants that the Software does not and will not contain any computer code designed to disrupt, disable, harm, or otherwise impede in any manner, including aesthetic disruptions or distortions, the operation of the Software or any System (referred to as "viruses" or "worms").

7.8 Other Code. Contractor represents, warrants, and covenants that the Software Programs, if and when released to City or deposited in escrow pursuant to Section 3.3, does not and will not contain any computer code that: (a) would disable the Software or any System or impair in any way their operation based on the elapsing of a period of time, the exceeding of an authorized number of copies or scope of use, or the advancement to a particular date or other numeral (referred to as "time bombs," "time locks," "license keys," or "drop dead" devices); (b) would permit Contractor or any third party to access the Software or any System (referred to as "traps," "access codes," or "trap door" devices); or (c) would permit Contractor or any third party to track, monitor or otherwise report the operation and use of the Software by City or any of its customers or clients.

7.9 Documentation. Contractor represents, warrants and covenants that the Documentation: (a) does and will accurately and completely describe the relevant Software Programs; (b) is and will be complete, free of errors and sufficiently detailed to allow City's personnel to operate and use such Software Programs; and (c) will be updated as and when any Upgrade is provided for such Software Programs and such updated Documentation will be delivered by Contractor to City promptly upon any such update.

7.10 Open Source. Contractor warrants that, except as approved by City, and for so long as the Services are to be provided by Contractor, (a) the Licensed Materials, including any Custom Programs, do not and will not include "open source software" or any derivative work thereof, and (b) Contractor shall not include in any deliverables or other work product created by Contractor for delivery to City any "open source" software or any derivative work thereof; provided, however, that Contractor may use or distribute "open source" software if such software is not included in the Software Products and is not installed and used by Contractor at City's premises (as in the case of software used only by Contractor in Contractor's own internal systems), or if such software as used by Contractor is not combined, incorporated, merged, or dynamically linked with any proprietary software owned or used by City (as in the case of development tools or devices that include "open source software" but do not introduce any part of such software into any deliverables, work product, or other City software). For purposes of this Supplement, "open source" software means any software that is licensed or provided, in whole or in part, pursuant to a license or terms of use that allows users to run, copy, distribute, study, change and improve the software without any obligation of the user to pay fees or royalties, and which contains one or more of the following restrictions: (i) the user may not sublicense, resell or distribute the same software or any derivative work thereof under different terms of use, (ii) the user may not charge license fees for the sublicense, resale or distribution thereof, (iii) the user must release source code to any third party to whom such software or any derivative work thereof is distributed, (iv) the user may not claim copyright or other intellectual property rights in any derivative work thereof, or (v) the user is prohibited from discriminating by restricting the persons or purposes for which the software is used. Excluded from the definition of "open source software" is software that is readily available in source code form but is not subject to any restriction on the further use or distribution thereof or any derivative work thereof, including "academic licenses" such as the MIT (aka XII) License, the Berkeley Software Distribution (BSD) license, and the Mozilla license. Contractor shall apply Contractor's business continuity and disaster recovery plans as set forth in Exhibit D hereto in conjunction with the Services.

7.11 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7.12 Limitation of Liability. NEITHER PARTY'S CUMULATIVE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) SHALL EXCEED THE AMOUNT PAID BY YOU HEREUNDER IN THE 12 MONTHS PRECEDING THE INCIDENT, PROVIDED THAT IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) EXCEED THE TOTAL AMOUNT PAID BY YOU HEREUNDER. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT OR ANY SCHEDULE, IN NO EVENT WILL CONTRACTOR OR CITY OR ITS RESELLERS BE LIABLE FOR ANY OF THE FOLLOWING: LOST PROFITS, LOST REVENUE, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NO LIMITATION OR EXCLUSION OF CONTRACTOR'S LIABILITY WILL APPLY WITH RESPECT TO ANY CLAIMS ARISING OUT OF OR RELATING TO SECTIONS 3 ("IP LICENSE"), 4 ("NON-DISCLOSURE"), 7.6 ("VIRUSES"), 7.7 ("OTHER CODE") AND 8 ("INTELLECTUAL PROPERTY INDEMNIFICATION") OF THIS AGREEMENT, AN "ABANDONMENT" BY CONTRACTOR OF ITS OBLIGATIONS UNDER THIS AGREEMENT AS DESCRIBED HEREIN, OR ITS WILLFUL MISCONDUCT OR NEGLIGENCE, OR ANY CLAIMS FOR PERSONAL INJURY OR PROPERTY DAMAGE (INCLUDING WITHOUT LIMITATION ALL COSTS ASSOCIATED WITH THE RECOVERY OR REPLACEMENT OF LOST OR DAMAGED DATA). For the avoidance of doubt, any fines or penalties assessed on a party under applicable law arising out of the other party's breach of this Agreement are direct damages.

8. INTELLECTUAL PROPERTY INDEMNIFICATION

8.1 Indemnification by Contractor. Contractor, at its expense, will indemnify, defend and hold harmless City, the End Users and any of its or their officers, directors, employees, agents, consultants, other representatives, and any third parties permitted to use the Facilities, Software, or Services (collectively, the "Indemnified Parties") from all liabilities, costs, losses, damages and expenses (including reasonable attorneys' and experts' fees and expenses as well as interparty damages caused by Contractor or third parties) and will reimburse such fees and expenses as they are incurred, including in connection with any claim or action threatened or brought against the Indemnified Parties, arising out of or relating to any claim that any of the Facilities, Software or Services or any portion or use thereof constitutes an infringement, violation, trespass, contravention or breach of any patent, copyright, trademark, license, or other property or proprietary right of any third party, or constitutes the unauthorized use or misappropriation of any trade secret of any third party. City will promptly notify Contractor of any such claim or action and will reasonably cooperate with Contractor in the defense of such claim or action, at Contractor's expense.

8.2 City's Right to Participate. Contractor will have the right to conduct the defense of any such claim or action and all negotiations for its settlement or compromise except that City may in its sole discretion participate in the defense of any such claim or action at City's expense. Without limiting the foregoing, Contractor may not, without City's prior written consent, settle, compromise, or consent to the entry of any judgment in any such commenced or threatened claim or action, unless such settlement, compromise or consent: (i) includes an unconditional release of the relevant Indemnified Parties from all liability arising out of such commenced or threatened claim or action; and (ii) is solely monetary in nature and does not include a statement as to, or an admission of fault, culpability or failure to act by or on behalf of, any Indemnified Party or otherwise adversely affect any Indemnified Party. If Contractor fails to appoint an attorney within ten (10) calendar days after City has notified Contractor of any such claim or action, or after Contractor becomes aware of such claim or action, whichever is earlier, City will have the right to select and appoint an alternative attorney and the reasonable cost and expense thereof will be paid by Contractor.

8.3 Election of Remedy. If the Facilities, Software or Services or any portion thereof becomes, or in Contractor's or City's reasonable opinion is likely to become, the subject of any such claim or action, then City may terminate the relevant Schedule with respect to the affected Services and cease to receive the benefit, directly or indirectly, of the affected Facilities or Software or require Contractor to either: (i) procure for City the right to continue using the

Services and Software, or such portion thereof, as contemplated hereunder; (ii) modify the Services and Software, or such portion thereof, to render same non-infringing (provided such modification does not adversely affect the use of such Services and Software, or such portion thereof, as reasonably determined by City); or (iii) replace same with an equally suitable, functionally equivalent, compatible, non-infringing services and software, as reasonably determined by City. If none of the foregoing is possible and if such Services and Software, is found to infringe by a court, Contractor or City will have the right to terminate the relevant Schedule with respect to such Services and Software and Contractor will refund to City all amounts paid by City for such Services and Software. Any termination of any Schedule(s) by City under this Section will be without prejudice to any other rights and remedies which City may have under this Agreement or at law or in equity.

9. SERVICE LEVELS: SUPPORT SERVICES

9.1 Service Levels. Contractor shall provide the Services in accordance with the Service Levels set forth in Exhibit C hereto.

9.2 Support Services. Contractor shall provide the Support Services set forth in Exhibit D hereto.

9.3 Acceptance of Custom Work. Within fifteen (15) business days, or longer should both parties mutually agree to an extension, from the delivery of each individual Custom Work, the City shall, in its sole discretion, review the Product Customization and notify Contractor whether it finds the Customizations satisfactory or unsatisfactory. If it is determined that the Customizations are unsatisfactory, then City shall state in writing the reasons for its determination, including identifying any nonconformance with the City's specifications or expectations. Contractor will promptly correct the deficiencies and reinstall the Customizations, and the approval procedure shall be reapplied until City finally declares the Customizations satisfactory. In the absence of a written response within 15 Business Days after the delivery of the Customizations or once the City has declared the Customizations satisfactory, the Customizations shall be considered 'Accepted'. The parties may agree to an extension of the 15 Business Day deadline for written response.

10. TERM

10.1 Agreement Term. This Agreement is effective as of the Effective Date and will continue for a period of five years or until the Agreement is terminated as provided for herein.

10.2 Schedule Term. Each Schedule will commence on the date first set forth in such Schedule and will continue until the terms of such Schedule or this Agreement expire or are terminated in accordance with Section 11.

11. TERMINATION

11.1 Termination for Breach.

(a) If Contractor materially breaches this Agreement or any Schedule, and such breach is incapable of cure, or such breach is capable of cure but Contractor does not cure such breach within twenty (20) days after written notice of material breach, City may terminate the relevant Schedule upon written notice to Contractor. To the extent that Contractor commits a material breach of a nature which goes beyond the relevant Schedule, City may terminate: (a) this Agreement (in which event all of the other Schedules will terminate concurrently therewith); or (b) all affected Schedules. Termination of a Schedule or this Agreement will be without prejudice to any other rights and remedies that the non-defaulting party may have under this Agreement or at law or in equity.

(b) Contractor may terminate this Agreement if City materially breaches the payment or license terms of this Agreement and (i) such breach is incapable of cure, or (ii) such breach is capable of cure and City fails to pay undisputed amounts under a particular invoice within three (3) months after such amounts are due, and Contractor

has notified City of its intent to terminate this Agreement and City has not cured such breach within thirty (30) days of receipt of such notice.

11.2 Termination for Convenience by Client; No "Abandonment".

(a) City may terminate this Agreement or any Schedule hereunder at any time upon 60 days written notice to Contractor. In the event of such termination, City agrees to pay a SaaS Recovery Amount equivalent to 50% of the Subscription fees for the remainder of the initial term of the Agreement.

(b) This Agreement shall automatically expire or terminate upon expiration or termination of this Agreement, unless such termination occurs in conjunction with an Interruption.

(c) Notwithstanding any other provision in this Agreement to the contrary, Contractor agrees that it will not "abandon" its obligations under this Agreement, unless and until this Agreement is terminated and the requirements of Section 3 and 11.3–11.4 hereof have been carried out in full. For purposes hereof, "abandon" means the threatened or actual intentional refusal by Contractor to provide or perform any of the Services required of Contractor under this Agreement, regardless of the reason. If Contractor breaches or threatens to breach this Section, Contractor agrees that City will be irreparably harmed, and, without any additional findings of irreparable injury or harm or other considerations of public policy, City shall be entitled to apply to a court or tribunal of competent jurisdiction for and, provided City follows the appropriate procedural requirements (e.g., notice), Contractor shall not oppose the granting of an injunction compelling specific performance by Contractor of Contractor's obligations under this Agreement without the necessity of posting any bond or other security. Contractor further agrees not to oppose any such application for injunctive relief by City except to require that City shall establish that Contractor has committed abandonment.

11.3 Exit Plan. In the event of any expiration or termination of this Agreement, the Parties shall prepare and carry out an Exit Plan on the terms set forth in Exhibit F hereto.

11.4 Services Wind Down Period. Any expiration or termination of this Agreement or any of the Schedules, Client shall be entitled to continued provision of the Services by the Provider and access to the Facilities for a period of time determined by Client, not to exceed ninety (90) days and provided City continues to pay for such Services, required for Client to wind down its current use of the Services or to make a transition to alternate services providers or facilities.

12. INSURANCE

(a) Insurance Coverage. Contractor will, during the term of this Agreement, at its sole cost and expense, obtain and maintain in full force and effect, subject to City's reasonable approval, the insurance coverage in the minimum amounts and on the terms set forth in Exhibit G hereto or such other amounts as may be set forth in a Schedule. All insurance required hereunder to be carried by Contractor (as well as any approved subcontractors or agents) will be with sound and reputable insurers and on forms as both are reasonably satisfactory to City.

(b) Insurance Certificates. Contractor will provide City with a copy of all relevant certificates of insurance upon City's request including those evidencing that City has been added as an additional insured. Certificates are to be delivered to City at the address set forth in the applicable Schedule prior to delivery of any Software Program(s) hereunder, and annually thereafter, and at least thirty (30) days prior to any expiration of each insurance policy.

(c) Waiver of Rights of Recovery. Contractor waives all rights of recovery against City and its subcontractors or agents that Contractor may have or acquire because of deductible clauses in or inadequacy of limits of any policies of insurance that are secured and maintained by Contractor. Contractor will require its approved subcontractors and agents to waive the rights of recovery (as the aforesaid waiver by Contractor) against City, Contractor and their other

subcontractors or agents and deliver evidence of such waiver to City before such subcontractors or agents perform any Services.

(d) No Limitation. Nothing in this Section will be construed as limiting Contractor's (or any subcontractor's or agent's) liability to City or any third party. The mere purchase and existence of insurance does not reduce or release Contractor from liability incurred or assumed within the scope of this Agreement. Contractor's failure to maintain insurance will not relieve it of liability under this Agreement.

(e) Claims. Contractor will promptly make a full written report to City as to all accidents or claims for damage arising from or in connection with: (i) this Agreement; (ii) the discharge of Contractor's duties under this Agreement or any Schedule; or (iii) the presence of Contractor or Contractor's Representatives on City's premises. Contractor will cooperate fully with City and with any insurance carrier in the investigation and defense of all such accidents and claims, such obligation to survive the termination or expiration of this Agreement.

13. DISASTER RECOVERY

An outline and executive summary of Contractor's business continuity and disaster recovery plan is attached as Exhibit E hereto (such outline and summary plus all of Contractor's supporting detailed documentation and plans as contemplated by the provisions of this Section, the "Disaster Recovery Plan"). The Disaster Recovery Plan for all Services shall: (a) be designed to continue all Contractor business operations that are critical to the overall operation and functionality of the Services notwithstanding the occurrence of a Crisis; (b) specify procedures and frequency of testing; and (c) shall be, and shall be maintained consistent with, then-current generally accepted industry standards. The Disaster Recovery Plan shall specifically address the ability of Contractor to provide each of the Services in the event of a Crisis. The Disaster Recovery Plan shall provide, among other things, a mechanism for the redundancy or back-up of business operations designed to keep the Services from becoming unavailable as Unscheduled Downtime as defined in the Service Level Agreement due to a Crisis and to permit the related business operations of City to be re-instituted in a time period that permits the ongoing operation and functionality of City's business to which the Services relate. Without limiting the generality of the foregoing, the Disaster Recovery Plan shall address all of the computer software, computer hardware (whether general or special purpose), telecommunications capabilities (including all voice, data and video networks) and other similar or related items of automated, computerized, and/or software system(s) and any other network(s) or system(s) that are used by or relied on by Contractor in the provision of the Services and the manner in which Contractor will re-institute the processing of relevant information in a time period that permits the ongoing operation and functionality of City's business to which the Services relate. Notwithstanding the foregoing, if a Crisis prevents Contractor from providing the Services to City, Contractor shall allocate its efforts and resources to restoring City's Services no less favorably to City than it allocates to any of its other Clients affected by the Crisis.

14. GENERAL

14.1 Force Majeure.

(a) For purposes of this Agreement "Force Majeure" means an event that is outside the reasonable control of a Party, or that with the exercise of due diligence or reasonable business practices could not reasonably have been prevented, avoided or removed by that Party, and that prevents that Party from performing its obligations under this Agreement and does not result from such Party's negligence or the negligence of its agents, employees or subcontractors, including unforeseeable events such as acts of God, earthquakes, storms, floods, natural events, wars, court order, rebellions, riots, strikes, civil disturbances, acts of foreign and/or domestic governmental authorities, labor strikes and lockouts, but excluding any failure by a third party to supply any materials or components to Contractor unless such failure is itself the result of Force Majeure affecting such third party.

(b) Upon the occurrence of an event of Force Majeure with respect to a Party, its obligations under this Agreement will, to the extent that they are affected by the event of Force Majeure, be suspended; provided, however, that under no circumstances will a Party's obligations to pay any amounts due under this Agreement be suspended nor Contractor's disaster recovery obligations under sections 5.7 and 13. Any Party affected by an event of Force Majeure will promptly inform the other Party and will use commercially reasonable efforts to fulfill its obligations under this Agreement and to remove or avoid any disability and mitigate any damages caused by such event of Force Majeure at the earliest practicable time and to the greatest extent possible.

14.2 License of Intellectual Property; 365(n). The Software is "intellectual property" as defined in 11 U.S.C.A. 101(35A) which has been licensed hereunder in a contemporaneous exchange for value and this Agreement will be governed by 11 U.S.C.A. 365(n), as the same may be amended or supplemented from time to time, if Contractor files for bankruptcy.

14.3 UCITA Not Applicable. This Agreement and the transactions contemplated herein are not and will never be subject to the Uniform Computer Information Transactions Act (prepared by the National Conference of Commissioners on Uniform State Laws) as currently enacted by any jurisdiction or as may be codified or amended from time to time by any jurisdiction.

14.4 Contractor Financial Assurances. Upon City's request (to be made not more than once per year) Contractor will provide City with financial information of Contractor which will allow City to adequately assess Contractor's creditworthiness. Contractor will not provide City with any nonpublic financial information unless it is requested by the City Manager or City Manager's designee of City in writing under this Section.

14.5 Assignment. Neither party will assign its rights or obligations under this Agreement without the prior written consent of the other party which shall not be unreasonably delayed or withheld, and any purported assignment without required consent shall be void; provided, that: (a) either Party may collaterally assign this Agreement in connection with any financing or an acquisition of all or substantially all of such Party's assets and business, and (b) City may assign this Agreement to one or more Affiliates or Resellers (but any payment obligations shall remain the primary obligation of the City). Subject to the foregoing limitations, this Agreement will be binding upon the parties and their respective legal successors and permitted assigns.

14.6 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

For the City

Name: Christina Pryor, CPPO
 Title: Purchasing Manager
 Address: 175 S. Arizona Ave., 3rd Floor

 Chandler, AZ 85225
 Phone: 480-782-2403
 Email: christina.pryor@chandleraz.gov

For the Contractor

Name: Stefan Baerg
 Title: SVP Sales, Questica & eCivis
 Address: Questica Ltd. c/o GTY Technology Holdings, Inc.
 385 E. Colorado Blvd. #260
 Pasadena, CA 91101
 Phone: 877-707-7755 x 4588
 Email: sbaerg@questica.com

14.7 Remedies. Each party acknowledges that a breach of certain of its obligations under this Agreement each party's confidentiality obligations set forth in this Agreement) other than any payment obligations hereunder, may result in irreparable and continuing damage to the other party for which monetary damages may not be sufficient, and agrees that the other party will be entitled to seek, in addition to its other rights and remedies hereunder or at law, injunctive or all other equitable relief, and such further relief as may be proper from a court of competent jurisdiction.

14.8 Interpretation. The terms and conditions of this Agreement are the result of negotiations between the parties. The parties intend that this Agreement should not be construed in favor of or against any party by reason of the extent to which any party or its professional advisors participated in the preparation or drafting of the Agreement. Unless the context of this Agreement otherwise indicates when used in a series of items the word "or" will be construed such that the series may include any of the items, all of the items, or any combination of the items.

14.9 Entire Agreement. This Agreement and all exhibits and schedules attached constitute the complete agreement and understanding between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings between the parties.

14.10 Time of the Essence. Contractor acknowledges that time is of the essence with respect to Contractor's obligations hereunder and that prompt and timely performance of all such obligations, including all timetables, milestones and other requirements in this Agreement and any Schedule, is strictly required for City in light of its schedules and commitments.

14.11 No Waiver by Conduct. No waiver of any of the terms of this Agreement or any Schedule will be valid unless in writing and designated as such. Any forbearance or delay on the part of either party in enforcing any of its rights under this Agreement will not be construed as a waiver of such right to enforce the same for such occurrence or any other occurrence.

14.12 Independent Contractor. Contractor acknowledges that it is acting as an independent contractor, that Contractor is solely responsible for its actions or inactions, and that nothing in this Agreement will be construed to create an agency or employment relationship between City and Contractor or its Representatives. Contractor is not authorized to enter into contracts or agreements on behalf of City or to otherwise create obligations of City to third parties. Neither Contractor nor any of its Representatives are City employees for any purpose, including for: (i) federal, state or local tax, employment, withholding or reporting purposes; or (ii) eligibility or entitlement to any benefit under any of the City's employee benefit plans (including those that are subject to the Employee Retirement Income Security Act of 1974, as amended), incentive, compensation or other employee programs or policies (collectively, "Benefit Plans"). Contractor agrees that all such Representatives will be informed that they are employees solely of Contractor, or its agent or subcontractor if applicable, and not eligible to participate in any Benefit Plan. Contractor agrees that Contractor is solely responsible for payment of all applicable workers' compensation, disability benefits and unemployment insurance, and for withholding and paying such employment taxes and income withholding taxes as required.

14.13 Non-exclusivity. Contractor acknowledges that City may from time to time enter into other transactions with companies that may be competitors, suppliers or customers of Contractor. No such activities will be affected by City's agreement to enter into this Agreement.

14.14 No Publicity. Contractor agrees not to disclose the identity of City or its End Users or any of their directors, officers, managers, employees, consultants or agents as a customer or prospective customer of Contractor or the existence or nature of this Agreement without the City's prior written consent. Without limiting the generality of the foregoing, Contractor will not use, in advertising, publicity or otherwise, the name of City or its End Users or any of their directors, officers, managers, employees, consultants or agents or any trade name, trademark, service mark, logo, or symbol of City or its End Users.

14.15 Severability. If any one or more of the provisions of this Agreement are for any reason held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will be unimpaired and will remain in full force and effect, and the invalid, illegal or unenforceable provision will be replaced by a valid, legal and enforceable provision that comes closest to the intent of the parties underlying the invalid, illegal or unenforceable provision.

14.16 Survival. Any provision of this Agreement which, by its nature, would survive termination or expiration of this Agreement will survive any such termination or expiration of this Agreement, including Sections 2.3 ("Grant of License"), 3 ("IP License"), 4 ("Non-Disclosure"), 7 ("Representations, Warranties, Covenants and Limitation of Liability"), 8 ("Intellectual Property Indemnification"), 11 ("Termination"), 14 ("General") and corresponding Exhibits and Schedules.

14.17 Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Arizona, without regard to its choice of laws principles. Notwithstanding the fact that some of the Products may be manufactured outside the United States, the Parties hereby expressly disclaim the application of the United Nations Convention on the Sale of Goods.

14.18 Counterparts; Method of Amendment. This Agreement, each Schedule and any amendments thereto may be executed in counterparts and will not be effective or enforceable unless and until it is executed with the handwritten signature of an authorized representative of each of the relevant entities. Without limiting the foregoing, none of the following will amend or modify this Agreement or result in the execution of a Schedule: (i) terms and conditions which are displayed or conveyed electronically or are associated with, or are responded to by the operation of a mouse or other pointing device, typing on a keyboard, "virtual" actions, an automated computer program, the removal of shrinkwrap, the opening of a package, the loading or use of software or other goods or services, or any other action other than such a handwritten signature as described in the previous sentence; or (ii) payment by City of any License Fees, Maintenance Fees or other consideration to Contractor or use of or any other action with respect to the Software Programs or Maintenance Services.

14.19 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between Contractor and City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.

14.20 City's Right of Cancellation. The parties acknowledge that this Agreement is subject to cancellation by City under the provisions of A.R.S. § 38-511.

14.21 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Services Agreement and this Agreement, not to engage in a boycott of Israel as defined by state statute.

14.22 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor (as defined under A.R.S.) who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the parties' agreement and may be subject to penalties up to and including termination of the parties' agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

14.23 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

14.24 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained

to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, City may annul this Agreement without liability or, at its discretion, to deduct from the Services Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

14.25 Non-Waiver Provision. The failure of either party to enforce any of the provisions of this Agreement or to require performance of the other party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

14.26 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, Contractor must provide written notice to City, as set forth in this Agreement, of any work or services performed by Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by City. Such notice must be given 7 business days prior to commencement of the services by Contractor for a third party, or 7 business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in this Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor represents that except for those persons, entities, and projects identified to the City, the services performed by Contractor under this Agreement are not expected to create an interest with any person, entity, or third-party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of the parties' agreement.

14.27 Jurisdiction and Venue. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

14.28 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as an expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.

14.29 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

14.30 Exhibits, Precedence of Documents. The following exhibits are made a part of this Agreement and are incorporated by reference:

Exhibit A – Scope of Services

Exhibit B – Fee Schedule
Exhibit C – Service Level Requirements
Exhibit D – Support Services Requirements
Exhibit E – Disaster Recovery Plan
Exhibit F – Exit Plan
Exhibit G – Insurance Requirements

In the event of a conflict in the terms and conditions or a legal ambiguity arises among this Agreement and the attached exhibits, the documents in the following order prevail and control: (1) this Agreement; (2) Exhibit A – Scope of Services; (3) Exhibit B – Fee Schedule; (4) Exhibit C – Service Level Requirements; (5) Exhibit D – Support Services Requirements; (6) Exhibit E – Disaster Recovery Plan; (7) Exhibit F – Exit Plan; and (8) Exhibit G – Insurance Requirements.

14.32 Authorized reseller status; Option to purchase affiliate products. Questica is a subsidiary of GTY Technology Holdings Inc. (“GTY”) and an authorized reseller of products and services produced and provided by other subsidiaries of GTY (such subsidiaries, “Questica Affiliates”). These products and services include software-as-a-service technology for the procurement and vendor supplier sourcing industry, digital services and payment technology through a software-as-a-service platform, software solutions for grants management and indirect cost reimbursement and related implementation and consulting services, software tools to streamline permitting and licensing services, and additional web-based budgeting preparation, performance, management and data visualization solutions (“Affiliate Products”). Questica Affiliates include Bonfire Interactive Ltd., Bonfire Interactive US Ltd., eCivis Inc., CityBase, Inc., Open Counter Enterprise Inc. and Sherpa Government Solutions LLC. In addition to the products and services that are the subject of this Agreement, Subscriber has the option to purchase from either Questica, as an authorized reseller, or Questica Affiliates, Affiliate Products on terms and conditions, including pricing, to be agreed upon in writing by Subscriber and Questica or Subscriber and the applicable Questica Affiliate.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives. This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

FOR THE CITY

By: _____

Its: Mayor

FOR THE CONTRACTOR

By: Stefan Baerz

Its: Vice President, Sales

APPROVED AS TO FORM:

By: _____
City Attorney 

ATTEST:

By: _____
City Clerk

EXHIBIT A

SCOPE OF WORK

1. General

1.1. Shared Responsibility

Questica and The Customer agree that the implementation of Questica Budget is a shared responsibility, and that they will employ their best efforts to complete their agreed tasks on a timely basis. Neither Questica nor The Customer is expected to have resources available to mitigate timeframe slippage caused by the other party, and neither shall have an obligation to do so.

1.2. General Clarification

Initial Data Load

"Data import", "import workbooks", and "initial data load" are synonymous terms referring to the initial migration of data from The Customer's existing systems into Questica.

Where this initial data load is to be performed by Questica, the data shall be returned to Questica in Excel workbooks. Questica's Project Manager will provide blank workbooks for this purpose as an output of initial discovery meetings. These are adapted from standard templates to use The Customer's terminology and to incorporate all elements of The Customer's chart of accounts, other data entities, and columns within those data entities. Such data provided must be "clean", consistent, and complete. The Questica PM is not responsible for cleaning data.

The Customer can use the software's user interface or Questica's Excel® export/import feature to further amend and maintain data, or to load data where this is a customer task.

For example, where Questica's work to load prior year data may be limited to a specific number of years in order to reduce implementation cost, there is no system limit to the number of prior years that the customer can load using Excel® export/import.

Data Model

The Questica Budget system is a relational database built on a standard data model. Using the system's user interface, this data model may be enhanced to mirror The Customer's data structures, notably the chart of accounts that is unique to The Customer's institution. While all of the standard tables ('entities') must be retained, the following points are held to be true:

- Any of the standard entities may be renamed to match The Customer's terminology;
- Out-of-the-box entities may be ignored, or in some cases filled with place-holder data, if not useful;
- There is a defined, immutable, relationship between certain entities - for example Costing Centers (Operating) and Projects (Capital) roll up to a single Division, each in turn rolling up to a single Department;
- The GL Account/Account Category, Department/Division, Fund Category/Fund, and Asset Category/Asset Type structures must be consistent across all years and across the modules (Operating, Personnel, Capital, and Performance);
- GL Account Categories must be categorized as containing either a revenue or expenditure accounts;
- Questica Budget enacts data integrity through the use of relational data structures. Data structures which do not follow accepted data principles (for example, re-using GL Accounts/Object Codes to mean different things to different Divisions) can typically be accommodated but is not guaranteed and such accommodation can extend the import timeframe;
- A list of the standard entities and their relationship is available upon request.

Integrations

“Integration” as used in this Scope of Work refers to the automation of data exchange between Questica Budget and 3rd party systems. For each of the integrations in scope, Questica shall be responsible for:

- Configuring data transformations, as described by The Customer during the implementation.
- Providing the software interface into Questica Budget, and the operational infrastructure required to manage the integration, as well as the operational infrastructure required to manage the integration (e.g., FTP server).

Questica does not offer services to build the 3rd party system end of integrations. The Customer is responsible for creating data sources and destinations within their 3rd party systems, either through their IT team or through their system’s integrator. Such data sources and destinations may be database queries, delimited files, and/or web services.

The Customer is advised that in a “cloud” environment, Questica is unlikely to be granted the local network access to The Customer’s other enterprise systems for a direct database-to-database integration. The most likely mode of integration will be exchange of formatted text (.CSV) files transmitted using secure FTP (SFTP or FTPS). Integration via web services may be possible where the 3rd party system provides a web services interface that provides/accepts data required by The Customer. It will be The Customer’s responsibility to create or cause to be created the necessary file transfer mechanism on their side of the transfer; and to ensure that the 3rd party system’s integration components are available, including web services where used.

For all integrations in scope, the following are held to be true except where specifically listed as a customization:

- Records being copied into Questica require a unique key to unambiguously match incoming data with pre-existing records. This key may be a single field value (e.g., Object Code) or a combination of multiple values (e.g., Position+Employee Number). An exception report is provided for data elements which cannot be thus matched. In the case of the Capital integrations this is particularly noteworthy: each record must include a unique project identifier (e.g., Project Number).
- While it is likely that Questica can accommodate any chart of account segments (“chart fields”), and Questica shall accommodate reasonable requests for mapping chart fields to accommodate situations such as legacy account structures, the encoding and decoding of arbitrary structures and mappings (those which cannot be logically described) is not in-scope.
- Questica integrations do not include the synchronization of chart of account strings, segments, or combinations, which is to say that the list of funds, GL accounts, costing Active, and projects, etc. is not automatically updated from the general ledger or other external system, unless otherwise specified in the Customizations section of this agreement.
- Each distinct data source and/or output file is considered one point of integration. For example, if Statistical Actuals are required from multiple data sources, Questica will need to configure one integration for each data source and a single Statistical Actuals integration will be insufficient.
- Filtering is coded into the integration and there is no custom user interface for the selective export of sections of the budget except to choose a budget year, or in the case of Actuals imports the date range.
- Standard budget export integrations, where in scope, do not have the ability to export only changes since the last export. The entire budget is exported each time. A budget amendment export integration is required in order to export selected parts of the budget, such as changes since the last export.
- Amended budget export integrations, where in scope, will be either export individual amendments as created, or export the batch of amendments since the last export, or import amendments from the general ledger system as read-only budget lines. Which of these options is used is a detail determined during the implementation, but each amendment integration will only work in one of these modes.
- Actuals Import integrations cannot be used to amend the budget.

Customizations

Customizations include custom business rules, modifiers, user interface (grids, forms, etc.), non-standard integrations, hand-crafted reports, and ad hoc entities. They are all detailed in section “2.10. Customizations” of this Scope of Work document. Sections prior to “2.10. Customizations” detail the delivery of standard product functionality and services.

2. Scope of Work

In the Scope of Work tables, entries in the column headed “Scope of Work” are defined as follows:

Entry	Meaning
In scope	The task or function is within the scope of work to be undertaken by Questica professional services. There may be additional refinement of the scope.
Customer task	The task or function is not within the scope of work to be undertaken by Questica professional services, but will be undertaken by The Customer, with such help from Questica as is detailed in the item description. There may be additional information qualifying this.
Not in scope	The task or function is not within the scope of work to be undertaken by Questica professional services, nor will it be undertaken by The Customer.

Specifications

Before Questica undertakes any customizations described herein, as well as integrations with other systems, and data imports, The Customer and Questica shall prepare and sign-off on the detailed specifications ("Specifications") for the work to be performed.

2.1. Questica Budget Configuration & Shared Components

Functional Area	Description	Scope of Work
Implementation and Production Hosting	Hosting of a single production instance of the Questica Budget system, as well as additional sandboxes for The Customer's development/test/QA/training needs. In addition to these server instances, The Customer must provide user workstation environments as follows: • A web browser: supported browsers - Microsoft Edge, Firefox latest release, Chrome latest release; • Microsoft .NET Runtime 4.6 installed; • Microsoft Excel® 2007 or newer (if spreadsheet export/import feature is required, and/or saving reports as Excel is required); • Microsoft Word® 2007 or newer (if scheduled reporting and/or saving reports as Word is required); • A ClickOnce browser extension (if self-serve report authoring is required from browsers other than Internet Explorer or Edge), or Microsoft's freely available desktop version of Report Builder installed.	In scope: As per hosting agreement.
Consulting Services - BPI	Questica will facilitate a review of: The budget process for both the operating and capital budgets;- The chart of accounts; Personnel planning and budgeting; Reporting requirements. This process will require the participation of stakeholders in group workshops and may include or one-on-one workshops. Budget Process End to end review, including high level descriptions of the tasks performed, the timing of these tasks, and dependencies, including impact of planned position	In scope with: 4 half day workshop(s);- Gap document describing Questica's understanding of gaps, options for filling the gaps, selected option (where one has been identified).

	control configuration changes made in Oracle. Questica will facilitate a design of the budget process as it relates to the Questica Budget system being implemented, seeking opportunities for improvement. This output will be documentation of:- Budget process stages;- What happens in each stage;- Input, outputs, and participants in each stage;- Stage permission requirements. Chart of Accounts Determine the data model, including the COA, roll-ups (whether part of the GL or not), and other budgetary fields of data. Complete field mapping and prototyping in Questica Budget. Personnel Budgeting Review and refine personnel budgeting process and data. To include common personnel budget issues including vacant positions, overtime, benefits, allowances, and statutory deductions. Reporting Requirements Ensure reporting is supported by the data model. Identify reports in three primary groups: those required for developing budget, those required for managing budget, and those disseminating for information "up and out" (management and public). Reporting can be through traditional print reports, saved searches, dashboards, smart reports, and OpenBook. The customer will assume responsibility for maintaining all process documents after hand-off.	
Consulting Services - Change Management	Questica will facilitate a change management process in relation to the implementation of Questica Budget. This process will require the participation of stakeholders in group workshops and may include or one-on-one workshops. A change management plan document will be produced based on the information gathered, containing: - What is changing; - Organizations impacted by the change; - Each organization's ability and willingness to change; - A training plan;	In scope with: - 4 half day workshop(s) (or equivalent in one-on-one interviews); - Change management plan;

	- Strategies for dealing with the change. Note that the change management included in this item offer the benefit of Questica's experience in the domain of budget system implementation. It is not the enactment of, or replacement for, a comprehensive project of change management as may be required by the customer's PMO (project management office), or for a significant change beyond the introduction of a new system that approximates to current processes and procedures.	
Project Management & Analysis	Questica will assign a Project Manager/Analyst ("PM") to lead this implementation on Questica's behalf. The role and responsibility of the PM is to ensure that the product is implemented according to this Scope of Work and to carry out the tasks detailed in sub-section "2.11.1. Questica Project Management Responsibilities" of this Scope of Work. Limitations: Weekly status meetings is the number of scheduled meetings for the purpose of status reporting that the Questica PM is obligated to attend/host. Exceeding this limit is at the discretion of Questica's PM. This does not limit his or her availability for ad-hoc contact as needed. The scope includes overhead of project management and analysis as stated in the "Scope or Work" column at right. Where delays are not on the part of Questica, additional project management and analysis beyond this limit may be billable at Questica's standard services rate, to be documented through a mutually agreed upon Change Order. Questica PM will make reasonable efforts to be available during Arizona time zone hours.	In scope with:- One weekly status meeting;- 35 weeks of project management and analysis contiguous from project kick-off, or until all other implementation services are delivered, whichever occurs first.
On-Site PM Visits	Each on-site visit by the Questica PM, and other implementation staff (excluding training, see below) shall be a minimum of one day and no more than five consecutive business days within the same working week. Where more than one individual is on-site at the same time this	Not in scope

	is considered as multiple visits (one per individual attending). Meeting premises, facilities (including external internet access) and equipment are to be provided by The Customer. Costs associated with travel, board and lodging for on-site visits are payable by The Customer as per contract. All other work by the Questica lead(s) will be carried out off-site and contact will be via normal telecommunication channels.	
Application-Level Security	Determine how and when to use the various security levels available within Questica Budget, enter users and assign them to groups and roles.	Customer task: Questica will assist with this task until administrators have received training in security configuration.
Single Sign-On	Configure Questica Budget to use The Customer's existing Windows, LDAP, CAS, Google, or SAML Authentication, for user logon.	In scope: Configure production instance to use The Customer's SAML (Azure AD) Authentication for user logon. Questica is not responsible for software and configuration changes required to make it authenticate with non-standard implementations of authentication protocols.
Import Configuration		
Import Master Configuration Data	Configuration and data import of the following Questica standard data structures, using data supplied by The Customer in Excel® workbooks provided by Questica:• Department/Division hierarchy;• Fund Categories and Funds;• Account Categories and Expense and Revenue GL Accounts• Statistical Account Categories and Statistical Accounts• Other Chart of Account Segment Values• Performance Measure Units.	In scope
Analytics		
Standard Reports	Provision of Questica Budget's standard reports. These reports are provided as-is and may not fully address The Customer's specific reporting requirements.	In scope

Administrator Authored Reporting	Questica's reporting infrastructure allows users to create ad hoc views which can be used as datasets when using Report Builder 3.0 for administrator authored reporting; as the data source for dashboard widgets; and as part of the ad-hoc analytics interface. Each ad hoc view requires a base "entity" (database table), which can be one of Questica's native data entities; a user configured entity; or a custom built "report entity" which consolidates the data from multiple entities and presents it to the ad hoc view as a single entity ready to report on.	In scope
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2.2. Operating Module

The Questica Budget Operating module is included in this installation.

Functional Area	Description	Scope of Work
Configuration		
Import Costing Centers	Configuration and data import of standard Questica Operating data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to: • Create Costing Centers (for each historical and current/future budget year to be loaded); • Add Costing Centers to Departments consistent with, and shared by, the Capital budget module; • Associate Costing Centers with Funds; • Define Budget Promotion Stages.	In scope
Initial Data Load		
Import Initial Budget	Import the current/future Operating budget from data import workbooks: • Create dollar budget line items at the chart of account level by Costing Center.	In scope: Questica will import the most recent budget with 4 years of future forecast data. Questica will repeat the import once, to accommodate a refresh prior to going live.

Import Historic Budgets	Import prior years' Operating budgets. All prior years must have a chart of account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.	In scope: Questica will import 2 prior years' budgets.
Import Actuals Transactions	Import Operating actuals transactions from data import workbooks.	Customer task: The Customer can add their historical data manually, or using Questica's Excel® export/import feature, or with an automated integration.
Import Initial Statistical Budget	Import the current/future Operating statistical budget from data import workbooks: • Create statistical budget line items at the statistical account level by Costing categorized.	Customer task: The Customer will enter their statistical budget data using the Questica user interface or Questica's Excel® export/import feature.
Import Historic Statistical Budgets	Import prior years' Operating statistical budgets. All prior years must have a statistical account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.	Customer task: The Customer can add their historical statistical budget data using the Questica user interface or Questica's Excel® export/import feature.
Import Statistical Actuals Transactions	Import Operating statistical actuals transactions from data import workbooks.	Customer task: The Customer can add their historical data manually, or using Questica's Excel® export/import feature, or with an automated integration.
Integration		
Budget Export	Automated facility to transfer the Operating module budget data from Questica Budget to The Customer's Oracle Financials general ledger at the approved budget with full account string detail when invoked by a user. Note that this scope item is in addition to the built-in budget export, which will create a CSV file using the configured account structure suitable for import into most general ledger systems.	In scope: Questica will create no more than 1 point of integration for the approved operating budget.

Amended Budget Export	Automated facility to transfer individual approved amendments to the Operating module budget data, from Questica Budget to The Customer's Oracle Financials general ledger, or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the general ledger cannot be updated by re-running the full export provided in the item in the "Budget Export" item above.	In scope: Questica will create no more than 2 points of integration for the operating budget amendments.
Actuals Import	Automated facility to transfer actual and encumbrance data from The Customer's Oracle Financials general ledger to the Questica Budget Operating module at a transaction level on a daily basis when automatically scheduled; and/or on demand. Note that this scope item is in addition to the built-in actuals import which is able to read a CSV file, provided it conforms to some simple formatting requirements and the configured account structure.	In scope: Questica will create no more than 1 point of integration for the operating actual costs.
Statistical Budget Export	Automated facility to transfer the Operating statistical budget data from Questica Budget to a single target system at the approved budget object/costing centre level when invoked by a user.	Not in scope
Amended Statistical Budget Export	Automated facility to transfer individual approved amendments to the Operating statistical budget data, from Questica Budget to a single target system, or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the 3rd party system cannot be updated by re-running the full export provided in the item in the "Statistical Budget Export" item above.	Not in scope

Statistical Actuals Import	Automated facility to transfer actual data from a single target system to the Questica Budget Operating statistics at a transaction level on a daily basis when automatically scheduled; and/or on demand.	Not in scope
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2.3. Personnel Planning & Budgeting Module

The Questica Budget Personnel Planning & Budgeting module is included in this installation.

Functional Area	Description	Scope of Work
Initial Data Load	<i>Configuration and data import of standard Questica Personnel data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to:</i> • Create positions;• Create salary grades;• Create salary grade steps;• Create modifiers (benefits);• Create employees;• Allocate employees to positions;• Allocate positions to costing centers. For the purpose of the above, the definitions of positions, grades, grade steps, employees and modifiers shall be those found in the Questica Budget Personnel manual. The relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Operating Manual.	
Import Positions & Employees	Import from data import workbooks.	In scope
Import Grades & Scales	Import from data import workbooks.	In scope
Create Benefits (Modifiers)	Create “modifiers” to generate supplementary personnel costs such as benefits, allowances, and insurance. Note that modifiers are not simple 2-dimensional data that can be represented in a spreadsheet. It is not possible to load modifiers in bulk from Excel® workbooks.	Customer task: Questica will assist with this task until administrators have received training in modifier configuration.
Import Position/Costing Center Allocations	Import from data import workbooks.	In scope
Integration		
Payroll Actuals Import	Automated facility to transfer actual payroll transactions at the employee/position detail level from The Customer’s HR or payroll system to the Questica Budget Operating module; automatically scheduled, and/or on demand. This data may be used to replace existing GL Actuals with payroll detail or	In scope: Questica will create no more than 1 point of integration for the payroll actuals.

	may be stored in a separate table. Notwithstanding items expressly referenced in the “Customizations” section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points: • Each distinct data source and/or output file is one point of integration; • A user interface will be created for the selective import of sections of the budget within two date ranges, no other criteria will be available; • Data in each integration point will either replace all GL actuals in the personnel GL account category or be written to a custom entity created to store the payroll actuals, but not both.	
HR Data Sync.	Automated facility to synchronize Personnel data between Questica Budget and The Customer’s HR or payroll system. This integration synchronizes: • New, deleted, and updated employees; • New, deleted, and updated positions; • Changes in employee-position relationships; • Changes in position-costing centre relationships. The integration of profiles (bargaining units), grades, steps, pay scales and benefits shall not be included unless expressly referred to in the “Customizations” section of this Scope of Work. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, the integration of custom chart field items is not included unless expressly set out in the “Customizations” section of this Scope of Work.	In scope: Questica will create no more than one integration for Employees, one for Positions, and one for Position Allocations.

2.4. Capital Module

The Questica Budget Capital module is included in this installation.

Functional Area	Description	Scope of Work
Configuration		
Import Projects	Configuration and data import of standard Questica Operating data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to: • Create Projects (including closed projects where historical budget is to be loaded); • Add Projects to Departments consistent with, and shared by, the Operating budget module; • Define Project Promotion Stages. The configuration data may optionally contain data necessary to: • Define Asset Categories & Asset Types; • Define Project Regions; • Define a Single Set of Project Ranking Metrics.	In scope
Initial Data Load		
Import Initial Budget	Import the current/future capital budget from data import workbooks: • Create dollar budget line items with GL Accounts and Funds by Project.	In scope: Questica will import the most recent budget with 9 years of future forecast data. Questica will repeat the import once, to accommodate a refresh prior to going live.
Import Historic Budgets	Import prior years' capital budgets. All prior years must have a chart of account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.	In scope: Questica will import 2 prior years' budgets.
Import Actuals Transactions	Import capital actuals transactions from data import workbooks.	Customer task: The Customer can add their historical data manually, or using Questica's Excel® export/import feature, or with an automated integration.

Import Initial Statistical Budget	Import the current/future capital statistical budget from data import workbooks: • Create statistical budget line items at the statistical account level by Project	Customer task: The Customer will enter their statistical budget data using the Questica user interface or Questica's Excel® export/import feature.
Import Historic Statistical Budgets	Import prior years' capital statistical budgets. All prior years must have a statistical account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.	Customer task: The Customer can add their historical statistical budget data using the Questica user interface or Questica's Excel® export/import feature.
Import Statistical Actuals Transactions	Import capital statistical actuals transactions from data import workbooks.	In scope: Questica will import up to 2 years of actual costs. The Customer can add older actuals manually or using Questica Budget's spreadsheet import feature if desired.
Integration		
Budget Export	Automated facility to transfer the Capital module budget data from Questica Budget to The Customer's Oracle Financials general ledger or project system with full GL string capabilities when invoked by a user. Note that this scope item is in addition to the built-in budget export, which will create a CSV file using the configured account structure suitable for import into most general ledger systems.	In scope: Questica will create no more than 1 point of integration for the approved capital budget.
Amended Budget Export	Automated facility to transfer individual approved amendments to the Capital module budget data, from Questica Budget to The Customer's Oracle Financials general ledger or project system, or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the general ledger cannot be updated by re-running the full export provided in the item in the "Budget Export" item above.	In scope: Questica will create no more than 2 points of integration for the capital project budget amendments.

Actuals Import	Automated facility to transfer actual data from The Customer's Oracle Financials general ledger or project system to the Questica Budget Capital module at a transaction level on a daily basis when automatically scheduled; and/or on demand. Note that this scope item is in addition to the built-in actuals import which is able to read a CSV file, provided it conforms to some simple formatting requirements and the configured account structure.	In scope: Questica will create no more than 1 point of integration for the capital project actuals.
Statistical Budget Export	Automated facility to transfer the Capital statistical budget data from Questica Budget to a single target system at the approved budget object/costing centre level when invoked by a user.	Not in scope
Amended Statistical Budget Export	Automated facility to transfer individual approved amendments to the Capital statistical budget data, from Questica Budget to a single target system, or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the 3rd party system cannot be updated by re-running the full export provided in the item in the "Statistical Budget Export" item above.	Not in scope
Statistical Actuals Import	Automated facility to transfer actual data from a single target system to the Questica Budget Capital statistics at a transaction level on a daily basis when automatically scheduled; and/or on demand.	Not in scope

2.5. Reserved

2.6. Performance Measures

The Questica Budget Performance Measures module is included in this installation.

This section of the SoW relates only to the configuration of the system. Unless explicitly included as a consulting activity (above), it is The Customer's responsibility to plan, design, and roll-out the performance measurement program(s).

The 'Unlimited Read Only' license does not pertain to this module, as it is provisioned with unlimited read+write licenses.

Functional Area	Description	Scope of Work
Configuration		
Measure Categories and Units	Configuration of Performance Measures Categories and Units, establishing those lookup values within the system.	In scope: Questica will, with the help of The Customer, determine and configure the Performance Measures Categories and Units, establishing those lookup values within the system.
Initial Data Load		
Measures	Configuration of the initial set of performance measures.	In scope: Questica will import the initial set of performance measures, to a limit of 4 hours of consulting.
Scorecards	Configuration of the initial set of performance measurement scorecards and including them on dashboards.	In scope: Questica will, with the help of The Customer, create the initial set of scorecards, to a limit of 4 hours of consulting.
Integration		
Measure Actuals Import	Automated facility to load actual data from The Customer's 3rd party data collection systems to the Questica Budget performance measures on a scheduled basis; and/or on demand.	Not in scope: Users will enter measure actuals data using the user interface or Excel export/import.

2.7. OpenBook

Questica's "OpenBook" cloud service for data transparency is included in this implementation.

Functional Area	Description	Scope of Work
Configuration		
System Administration	General configuration of OpenBook to set the look-and-feel, captions, and add users.	Customer task: As a customer task, The Customer will leverage Questica's training material and reasonable assistance of Questica's PM or consultant to understand the administration options.
Configuration of Visualizations	The Customer is able to add multiple "visualizations" of their data to their OpenBook site. Each dataset is displayed according to a template selected from a library of visualization styles.	In scope: A Questica consultant will assist in configuring OpenBook "Visualizations", to a limit of 10 hours of consulting time (* additional services can be purchased at Questica's standard hourly rate).
Configuration of Questica Budget	Configure ad hoc views in Questica Budget as a convenient source of OpenBook data.	In scope: Questica will, with the help of The Customer, configure up to 3 ad hoc views as a source of OpenBook data. The Customer is able to configure as many additional ad hoc views as required.
Integration		
Import from Questica Budget	Connection of OpenBook to Questica Budget, through a shared API key, and the publication of ad hoc views for seamless import of data into OpenBook from Questica Budget.	In scope
Import from CSV Files	Initial and ongoing population of datasets through the import of .CSV files.	Customer task: As a customer task, The Customer will leverage Questica's training material and reasonable assistance of Questica's PM or consultant to load and configure datasets from CSV files.

2.8. Training

Functional Area	Description	Scope of Work
Online Resources	Questica has invested in creating and maintaining a substantial library of online training courseware in the Questica Help and the Questica Academy. Having signed-up with a valid Customer email address, all material is available to all users during and after the implementation.	
Training Approach	Questica's standard training model is to train the trainers and/or advanced users within The Customer's organization in all aspects of the application related to the system delivered. Training is a blend of online courseware and "live" training, either in a classroom (if in scope, see "Training Location" below) or via a web conference. In the case of video training Questica's PM will field outstanding questions after the scheduled viewing. Where a specialist trainer is "In Scope" below this might be as a follow-up to a video or presentation of the entire course.	
Training Schedule	Questica's PM will help determine at which point in the implementation the delivery of training is most appropriate. The Customer may prefer to receive some or all of their training in the early stages of the implementation, in the knowledge that such training will need to be carried out using a generic training database. Alternatively, the Customer may choose to wait until the implementation is substantially complete in order to be trained on their own instance of Questica. Having received train-the-trainer training, the Customer is responsible for training the end users, except where explicitly included in scope (below).	
Training Location	* Note that this item relates only to location of training and does not confer training in addition to those items scoped below. On-Site Training: Is not included. Remote Training: All training provided by Questica will be delivered using web conferencing tools. Attendees are able to participate in the training from multiple locations using their own computer, or in a conference room with shared screen (their own computer is recommended). Audio is provided by telephone or the computer's own audio facilities. These sessions may be recorded upon request, with the unedited recording provided to The Customer for storage and dissemination using their own media repository.	
Instructional Videos/eLearning Courseware	Instructional on-boarding videos (one per module) or full eLearning courseware (covering all modules) aimed at end-users. This material will show general system usage, and how to enter and query budgets tailored to The Customer's process.	Not in scope

The following sections detail the proposed training. The Customer's PM will work with Questica's PM or training specialist to determine the final training plan and topics may be swapped to receive more of one and less of another, provided that the total amount of training does not exceed this proposed plan.

Training: Administration	Training in Questica Budget administration is delivered via a series of training courseware, such as pre-recorded videos.	In scope: This will be delivered in one training session.
Training: Administrator Authored Reporting	Training in the use of ad hoc views and dashboards is delivered via pre-recorded training videos. Questica also provides instructional videos on the use of the Report Builder 3.0 report authoring tool but recommend that users make use of the many online resources to gain expertise in this tool.	In scope: Up to 3 training sessions will be held on this topic.
Train-the-Trainer: Operating	"Train the trainer" training in the use of Questica Budget's Operating module, to include statistical budget.	In scope: Up to 4 training sessions will be held on this topic.
Train-the-User: Operating	"Train the user" training in the use of Questica Budget's Operating module.	Customer task
Train-the-Trainer: Personnel	"Train the trainer" training in the use of Questica Budget's Personnel Planning & Budgeting module.	In scope: This will be delivered in one training session.
Train-the-User: Personnel	"Train the user" training in the use of Questica Budget's Personnel Planning & Budgeting module.	Customer task
Train-the-Trainer: Capital	"Train the trainer" training in the use of Questica Budget's Capital module.	In scope: Up to 4 training sessions will be held on this topic.
Train-the-User: Capital	"Train the user" training in the use of Questica Budget's Capital module.	Customer task
Train-the-Trainer: Performance Measures	"Train the trainer" training in the use of Questica Budget's Performance module is via pre-recorded training video.	In Scope
Train-the-User: Performance Measures	"Train the user" training in the use of Questica Budget's Performance module.	Customer task

2.9. Operating Budget Book

Functional Area	Description	Scope of Work
Professional Services	<i>Description of Joint Onboarding for Proposed and Adopted Budget Books for City of Chandler utilizing Workiva Documents, Spreadsheets and Wdata.</i>	
Onboarding	CPA, Project Manager and Client Success Manager assigned to engagement. Guide the Client through the entire implementation. Provide consulting on how to Publish Proposed and Adopted Books utilizing one document in Wdesk.	In Scope: Questica will provide professional services. City will review, test and sign-off on all work within five (5) business days of receipt of Contractor's work, unless otherwise agreed to by the Parties.
Document Accessibility Remediation	Professional Services – Document Accessibility Remediation)- 2022-23_Adopted_Budget_Book.pdf	In Scope: Alternative text for all images, diagrams, charts, flowcharts, maps, and math formulas and symbols, is to be provided by the client. Alternative text is required for any graphic that provide content and should sufficiently convey this content to a screen reader user. The alternative text will need to be provided at least 2 business days before the scheduled project delivery of the remediation services. If the alternative text is not provided before the scheduled delivery date, Contractor will proceed to deliver the project without the alternative text and mark the corresponding checkpoint as "failed" in the associated compliance report(s). In that case, if the client provides the alternative text within 3 calendar months, Contractor will add the alternative text

		and generate new compliance report(s) at no additional charge.
Initial Data Load		
Importing Data	Importing and combining into one document in Wdesk the Combined Proposed Book FY 2022-23 (Estimated 459 pages) and City of Chandler Annual Budget 2022-23 (Estimated 595 pages), get the basic sections setup and provide up to 347 pages of linking. By combining the books into one document we estimate the size of the document built in Wdesk to be 693 pages. We have utilized the Client's Combined Proposed Book FY 2021-22 (459 pages, provided by Client) and City of Chandler Annual Budget 2021-22 (595 pages, located here: https://www.chandleraz.gov/sites/default/files/2021-22_Adopted_Budget_Book.pdf) as the definition of your requirements in regards to scoping this project. By combining the books into one document in Wdesk we estimate the size of the new document built in to be 693 pages. Please note the FY 2021-22 documents mentioned above have been utilized for scoping requirements as the 2022-23 Combined Proposed and Annual budget are not available at this time. Should the size of the document (693 pages) being setup vary in size or complexity significantly, additional fees may accrue.	In Scope:
Loading Data	Assist with loading data and demonstrate how to tag and group imported data.	In Scope
Integration		
Set Up Wdata	Set up Wdata and chains, building a connection from Client's Wdata to accounting system or folder.	In Scope
Wdesk Spreadsheets	Spreadsheets built out in Wdesk.	In Scope
Data Model	Provide data model purpose-built for municipalities.	In Scope
Training	Team members working in the project will take the courses recommended by Contractor from the Workiva Learning Hub.	In Scope

	Project SME/Champion(s) attend 1.5 hours education session on the using Wdata and Wdesk.	
City of Chandler Responsibilities	Client provides Contractor with access to the organization's Wdesk instance. With the Joint Onboarding the Client is responsible for performing the vast majority of implementation tasks. Consequently, Client will be primarily responsible for meeting project timelines and deadlines. The Client uploads the Combined Proposed Book FY 2022-23 (Estimated 459 pages) and City of Chandler Annual Budget 2022-23 (Estimated 595 pages) related data and documents per Contractor instructions for the Contractor consultant to review prior to Project Kickoff. Provide on-going guidance to the Contractor team respecting presentation and disclosure requirements, general ledger structure, year-end processes, etc., as necessary. Group all accounts by, at minimum, by Object and Function as recommended/advised by Contractor within Wdesk. Reconcile the financial data within the Wdesk as necessary to agree with previously published reports. This process may also require posting adjusting journal entries within Wdesk or accounting system. If this is necessary, the Client will be responsible for this work. Link out the 346 pages of the 693-page document not linked by Contractor. Provide a mapping/group legend for each value in the statements, schedules, and notes. Complete miscellaneous tasks as may be assigned during the implementation including the configuration of any work papers deemed necessary to automate complex values. Review, test and sign-off on all Contractor work within five (5) business days of receipt of Contractor's work. Alternative text for all images, diagrams, charts, flowcharts, maps, and math formulas and symbols, is to be provided by the client. Alternative text is required for any graphic that provide content and should sufficiently convey this content to a screen reader user. The alternative text will need to be provided at least 2 business days before the scheduled project delivery of the remediation services. If the alternative text is not provided before the scheduled delivery date, Contractor will proceed to deliver the project without the alternative text and mark the corresponding checkpoint as "failed" in the associated compliance	

	report(s). In that case, if the client provides the alternative text within 3 calendar months, Contractor will add the alternative text and generate new compliance report(s) at no additional charge.	
Project Completion	Project timeline is 12-14 weeks after kickoff call. The project is complete when the City of Chandler Combined Proposed Book FY 2022-23 and City of Chandler Annual Budget 2022-23 is recreated in Wdesk with accepted exceptions and City signoff. Twenty-five hours AfterCare Support through F.H. Black & Company Inc. are valid for three years from the project completion date. Additional AfterCare Support can be purchased any time with the purchase of a service level agreement. Anything outside of the above scope of work is outside the scope of this project and will need to be identified and quoted separately.	

CIP Budget Book – The Parties agree to review this section of the SOW and mutually sign-off prior to any commencement of work related to the CIP Budget Book. Any changes to this SOW must be documented through an agreed upon Change Order. If any changes to this section result in a material reduction scope, any resulting reduction in cost will be credited to the City and returned in the event that payment has already been made.

Functional Area	Description	Scope of Work
Professional Services	<i>Guided Self-Onboarding Capital Improvement Program 2023-2032 for City of Chandler utilizing Workiva Documents, Spreadsheets and Wdata.</i>	
Onboarding	CPA, Project Manager and Client Success Manager assigned to engagement. Guide the Client through the entire implementation. Importing the Capital Improvement Program 2023-2032 (Estimated 281 pages), get the basic sections setup and provide up to 10 pages of linking.	In Scope: Questica will provide professional services. City will review, test and sign-off on all work within five (5) business days of receipt of Contractor's work, unless otherwise agreed to by the Parties.
Document Accessibility Remediation	Professional Services – Document Accessibility Remediation)- 2022-23_Adopted_Budget_Book.pdf	In Scope: Alternative text for all images, diagrams, charts, flowcharts, maps, and math formulas and symbols, is to be provided by the client. Alternative text is required for any graphic that provide

		content and should sufficiently convey this content to a screen reader user. The alternative text will need to be provided at least 2 business days before the scheduled project delivery of the remediation services. If the alternative text is not provided before the scheduled delivery date, Contractor will proceed to deliver the project without the alternative text and mark the corresponding checkpoint as "failed" in the associated compliance report(s). In that case, if the client provides the alternative text within 3 calendar months, Contractor will add the alternative text and generate new compliance report(s) at no additional charge.
Initial Data Load		
Importing Data	Importing the Capital Improvement Program 2023-2032 (Estimated 281 pages), get the basic sections setup and provide up to 10 pages of linking. We have utilized the Client's Capital Improvement Program 2022-2031 (located here https://www.chandleraz.gov/sites/default/files/2022-2031_Capital_Improvement_Program.pdf) as the definition of your requirements in regard to scoping this project. Please note the Capital Improvement Program 2022-2031 documents mentioned above have been utilized for scoping requirements as the 2023-32 are not available at this time. Should the size of the document (Estimated 281 pages) being setup vary in size or complexity significantly, additional fees may accrue.	In Scope:
Loading Data	Assist with loading data and demonstrate how to tag and group imported data.	In Scope

Integration		
Set Up Wdata	Set up Wdata and chains, building a connection from Client's Wdata to accounting system or folder.	In Scope
Wdesk Spreadsheets	Spreadsheets built out in Wdesk.	In Scope
Data Model	Provide data model purpose-built for municipalities.	In Scope
Training	Team members working in the project will take the courses recommended by Contractor from the Workiva Learning Hub. Project SME/Champion(s) attend 1.5 hours education session on the using Wdata and Wdesk.	In Scope
City of Chandler Responsibilities	Client provides Contractor with access to the organization's Wdesk instance. With the Guided Self-Onboarding the Client is responsible for performing the vast majority of implementation tasks. Consequently, Client will be primarily responsible for meeting project timelines and deadlines. The Client uploads the Capital Improvement Program 2023-2032 related data and documents per Contractor instructions for the FHB consultant to review prior to Project Kickoff. Provide on-going guidance to the Contractor team respecting presentation and disclosure requirements, general ledger structure, year-end processes, etc., as necessary. Group all accounts by, at minimum, by Object and Function as recommended/advised by Contractor within Wdesk. Reconcile the financial data within the Wdesk as necessary to agree with previously published reports. This process may also require posting adjusting journal entries within Wdesk or accounting system. If this is necessary, the Client will be responsible for this work. Link out the 271 pages of the 281-page document not linked by Contractor. Provide a mapping/group legend for each value in the statements, schedules, and notes.	

	Complete miscellaneous tasks as may be assigned during the implementation including the configuration of any work papers deemed necessary to automate complex values. Review, test and sign-off on all Contractor work within five (5) business days of receipt of Contractor's work, unless otherwise agreed to by the Parties. Alternative text for all images, diagrams, charts, flowcharts, maps, and math formulas and symbols, is to be provided by the client. Alternative text is required for any graphic that provide content and should sufficiently convey this content to a screen reader user. The alternative text will need be provided at least 2 business days before the scheduled project delivery of the remediation services. If the alternative text is not provided before the scheduled delivery date, Contractor will proceed to deliver the project without the alternative text and mark the corresponding checkpoint as "failed" in the associated compliance report(s). In that case, if the client provides the alternative text within 3 calendar months, Contractor will add the alternative text and generate new compliance report(s) at no additional charge.	
Project Completion	Project timeline is 12-14 weeks after kickoff call. The project is complete when the City of Chandler Capital Improvement Program 2023-2032 is recreated in Wdesk with accepted exceptions and City signoff. Twenty-five hours AfterCare Support through F.H. Black & Company Inc. are valid for three years of project completion date. Additional AfterCare Support can be purchased any time with the purchase of a service level agreement. Anything outside of the above scope of work is outside the scope of this project and will need to be identified and quoted separately.	

2.10. Customizations

Functional Area	Description	Scope of Work
Customizations		
Custom Business Rules (CBRs), Modifiers, User Interface	200 hours for unnamed Customizations. To be determined by City of Chandler and documented in an agreed upon specification. Remaining 100 Hours:	In scope: This project includes 300 hours identified exclusively for the development of the following customizations. Work on these customizations shall not exceed 300 hours except on receipt and acceptance of a

	Chart of Account Integration * Notes: Chart of Account Integration- up to 6 segments See all the personnel salary / benefit cost changes by account based on MOU and other anticipated changes for current and forecast years and set vacancy savings rate. *Notes: See all the personnel salary / benefit cost changes by account based on MOU and other anticipated changes for current and forecast years and set vacancy savings rate. Scenario Locking *Notes: Lock a budget version so that it cannot be changed, but is available for inquiry.	change order, which may require additional funding. Customizations not listed here can be accommodated upon receipt and acceptance of a change order, which will include a specification and may include an estimate for the work to be charged on a time & materials basis at the applicable rate.
Custom Reports, Custom Ad Hoc Entities and Custom Dashboards	200 hours for unnamed custom reports. To be determined by City of Chandler and documented in an agreed upon specification. Remaining 175 Hours: Reporting: • See or run a history report of changes made to budget up until a specific time period, including changes to DP, CIP, and Expenditures • Generate summary & detailed reports using whole GL string • Generate a user-friendly dynamic parameterized reports that provide access to both summary and detailed information. • Generate a DP Report (all DP requests submitted) that differentiates between one-time and on-going costs for general fund, other fund, and revenue (offset) sliced by Dept, by Fund, by Category, by Expense Acct Code (4 digits) and full account string parameters • Generate a CIP Report (all CIP requests submitted) that can differentiates between capital, O&M Cost, and Total Cost, sliced by Dept, by Project, by Fund, by Category, by Expense Acct	This project includes 375 hours identified exclusively for the development of the following reports and/or ad hoc entities. Work on these shall not exceed 375 hours except on receipt and acceptance of a change order, which may require additional funding. Custom reporting and dashboard requirements not listed here can be accommodated upon receipt and acceptance of a change order, which will include a specification and may include an estimate for the work to be charged on a time & materials basis at the applicable rate.

	Code (4 digits) and full account string parameters • Print / export summary and detailed reports	
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2.11. Project Management

Functional Area	Description	Scope of Work
Project Management	<i>This is a representation of high-level tasks that will be mutually agreed upon during project initiation.</i>	
Project Management Activities by Questica	Coordinating the development of the project plan in consultation with The Customer project manager and team members. Ensure the timely execution of Questica's deliverables. Ensuring that members of The Customer team are sufficiently educated in the Questica Budget application understand the implications of initial design decisions. Providing The Customer with timely and detailed descriptions of the items identified as "Customer task" within this SoW, along with their expected duration and completion dates. Providing regular progress status reports to the key team members. Advising The Customer of the impact on the expected delivery dates of any Questica or Customer deliverable is advanced or delayed. Tracking issues through an issue log. Author and coordinate the approval of change order estimates, and the execution of the deliverables approved.	In scope

Project Management Activities by City	Running The Customer's project according to The Customer's norms, standards, practices, and protocols. Acting as primary communication point with the Questica PM. Providing definitive responses to the Questica PM on all decision points. Ensuring the timely execution of The Customer's deliverables, as identified within this SoW, and advising the Questica PM of expected completion dates. Ensuring that implementation training material is reviewed in a timely manner. Ensuring that change orders contain a full specification of the changes required. Ensuring that customizations are fully specified and documented and receive Customer sign off. Ensuring that all Customer team members have a clear understanding of their responsibilities to the project. Approving (sign-off) Questica deliverables.	In scope
Project Planning		
Project Planning Activities by Questica	1. The project plan will be prepared by the Questica project manager in consultation with The Customer's project manager and team members. 2. The project planning phase will determine whether Questica Budget modules are to be implemented serially or in parallel and, if serially, the order of module implementation. 3. The implementation of each Questica Budget module will involve the following stages: a. An overview of, and training in, the module and the ways in which the	In scope

	module can be extended by configuration and customizations. b. A determination of how best to configure and, if necessary, customize the module to meet the objectives of The Customer. c. An overview of the advantages and, if present, disadvantages of the proposed configuration and customizations. d. Documentation of the agreed configuration and customizations. e. The preparation of data import templates consistent with the agreed configuration and customizations. f. The completion by The Customer of the data import templates. g. The import by Questica of the data import templates. h. Customer approval of the imported Questica Budget structures and data. i. The creation of custom report entities to support The Customer's reporting, where such reporting is not readily available within Questica Budget's natural data model. j. Training in the creation of (ad hoc) views, and ad hoc print reports using Microsoft Report Builder 3.0. k. Determination of custom reporting requirements that cannot be met by the standard reports and the use of the out-of-the-box ad hoc reporting features. l. The preparation of change orders and specification for any custom reports not detailed in this Scope of Work.	
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	m. The development by Questica of any required custom reports, whether detailed in this Scope of Work or added to the scope through a change order. n. The testing and acceptance of custom reports and report views. o. The deployment of custom reports and report views. p. The development of an integration strategy for updating the Questica Budget database with actual result data from the financial system and the passing of budget data into the financial system. q. The development by The Customer of the integration components (queries, intermediate tables, file output/input etc.) which are required to access actual data from the financial system/HR System and update the financial system with budget data. r. The development by Questica of: i. integration components which transform budget data prior to updating the financial system; ii. integration components which transform actual result data prior to updating the Questica Budget database; iii. integration components required to initiate the execution of integrations. s. The deployment of all integration components. t. The testing and acceptance by The Customer of the integration components.	
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Change Orders

Any changes to the agreed specifications, including changes requested by The Customer within the warranty period, shall be the subject of a new change order and the work to be carried out thereunder shall be separately quoted, agreed, and billed and shall not be included as part of this Scope of Work. The Parties will determine a mutually agreeable change order process upon project commencement.

Implementation Breakdown

Breakdown By Type	Type	Hours
BA	Design, Analysis & Configuration	574.00
PM	Project Management	181.00
CO	Consulting	289.00
TR	Training	54.75
INT	Integrations	248.75
DEV	Customizations	349.00
REP	Custom Reports	375.00
PS	IT Services	74.50
PS	Workiva Implementation	924.00
	Total In Scope Hours	3,070.00

The City of Chandler may choose to re-distribute hours between focus areas as needed via a \$0 Change Order (e.g., trade custom reporting time for customization time or for training time). This may also apply to swapping integrations if needed.

Warranty

Once completed, Questica provides a limited warranty on custom reporting and product customizations for a period of six months from the 'Acceptance' of the report or customization. Modifications to reports and customizations to support upgrades of Questica within this six-month period are also included in this Limited Warranty. Enhancements or modifications outside the scope of the accepted specification, scope of work, or authorized change requests are not warrantied.

Customer Resources

The requirement for Customer resources is variable with:

- The duration of the project
- The degree of internal Customer consultation
- The level of internal Customer agreement
- The number of customizations
- The familiarity of Customer staff with their General Ledger, ERP, HR and other third-party systems

EXHIBIT B
FEE SCHEDULE

This fee schedule reflects the City's selection of Option 1 and includes unnamed customizations and custom reports.

Description	Qty	Amount
Software Licenses		
Questica Budget		
Unlimited Operating License Seats	Included	
Unlimited Personnel License Seats	Included	
Unlimited Capital License Seats	Included	
Unlimited Read-Only Licences	Included	
Allocations	Included	
Statistical Ledger	Included	
Performance	Included	
Total Software:		\$290,213
Recurring Costs		
Maintenance & Support	Included	\$72,553
Hosting	Included	\$15,000
OpenBook Software Subscription	Included	\$10,000
Budget Book Software & Annual After-care + Remediation- (Operating and CIP)	Included	\$30,794
Total Recurring Costs (Due Annually):		\$128,347
Professional Services (Per Scope of Work)	\$473,625	
Design, Analysis & Configuration	Included	
Project Management + Customer Success Management	Included	
Consulting	Included	
Training	Included	
Customizations	Included	
Custom Reports	Included	

IT Services	Included
Budget Book Configuration	\$212,353
Total Professional Services (One-Time):	\$685,978
Discount	(\$290,213)
Grand Total Year 1	\$814,325

Pricing Terms and Guarantees

- Questica annual subscription fee is \$128,347
- Questica has agreed to secure the proposed annual costs for 2 years from the contract effective date, and will apply a 5% inflationary increase beginning in Year 3
- Questica Annual fees
 - Year 1 is \$814,325 (SaaS and Professional Services)
 - Year 2 is \$128,347
 - Year 3 is \$134,764 (includes 5% increase)
 - Year 4 is \$141,503 (includes 5% increase)
 - Year 5 is \$148,578 (includes 5% increase)
 - Total 5 Year contract is \$1,367,517
- Above pricing in US dollars
- Applicable Taxes Extra
- **Terms of Payment:**
 - Software Subscription (including annual maintenance, support, and hosting services):
 - Due 100% upon Contract Effective Date (Net 30) and annually in advance for future years
 - Professional Services:
 - 25% due the earlier of software installation or 30 days from Contract Effective Date
 - 25% due the earlier of historical (Operating) budget available for validation or 90 days from Contract Effective Date
 - 25% due the earlier of (Operating) actuals import integration configuration created & tested or 120 days from Contract Effective Date
 - 15% due the earlier of completion of training or 180 days from Contract Effective Date
 - 10% due the earlier of final customer acceptance of system implementation or 30 days continuous use in a production environment
- Additional Professional Services are available upon request at Questica's then current hourly rate, currently set at \$225/hr.

EXHIBIT C
SERVICE LEVEL REQUIREMENTS

The following table sets out the Service Level Metrics applicable to the cloud-based Services.

	Service Level Metric Description	Metric	Remedy / Remedial Action
1.	Availability	Metric: Availability $\geq$ 99.9% Measurement Period: Monthly Measurement: “Availability” with respect to any cloud-based Service in any month equals the following number divided by the number of minutes in the month and multiplied by 100: the difference between the number of minutes in the month and the minutes of Down Time for the month. “Down Time” with respect to any month equals the sum of all periods of time during that month when any of the following events are occurring other than as a result of Scheduled Maintenance: (i) the cloud-based Service cannot be accessed by any User; (ii) the performance of the cloud-base Service is materially compromised; or (iii) the Subscriber is unable to use the cloud-based Service to access the Subscriber Data; (iv) a critical function with the cloud-based service is unavailable or is materially compromised. “Scheduled Maintenance” means any maintenance conducted by Vendor: (i) between 12:00 a.m. and 5:00 a.m. (local time in Burlington, Ontario) or (ii) during any maintenance period for which the Subscriber has been given written notice at least three (3) Business Days in advance of the first day of the maintenance period (provided that the maintenance period does not last longer than 24-hours in total).	For failing to meet this Service Level Metric, the Vendor will provide to the Subscriber a credit equal to 10% of the value of the Subscribed Service Fees for the month in which the Service Level is not achieved. The waiving of this credit shall be based at the Subscriber’s discretion in writing.
2.	Restore Time	Metric: No single period of Down Time will last longer than four (4) hours. Measurement: A period of Down Time begins at the earlier of the following times: (i) when Vendor becomes aware of the outage or partial outage through its own monitoring efforts;	See Remedy / Remedial Action for Service Level Metric #1 (Availability)

	Service Level Metric Description	Metric	Remedy / Remedial Action
		and (ii) when any one of the Vendor's clients reports the outage to Vendor. A period of Down Time ends when: (i) the cloud-based Service is functioning in substantial accordance with its specifications (i.e., the system is again usable, and that there are no material issues affecting users); and (ii) the Subscriber confirms that it is able to access the affected cloud-based Service and use the cloud-based Service to access the Subscriber Data.	
3.	Incident Response	Metric: Incident Response Time Targets Met 100% Measurement Period: Monthly Measurement: Incident Response Time starts at the time an incident is reported by the Subscriber via the Vendor's incident reporting system. Incident Response Time ends when: (i) the Vendor starts work on the ticket; and (ii) when the Vendor acknowledges receipt of the ticket.	For failing to meet this Service Level Metric, and provided the Vendor fails to meet the response Time Targets on more than one incident in a given month, the Vendor will provide to the Subscriber a credit equal to a percentage of the value of the Subscribed Service Fees for the month in which the service level metric was not met based on incident priority: • Priority 1 – 10% • Priority 2 – 5% • Priority 3 – 3% • Priority 4 – 3% The waive of this credit shall be based at the Subscriber's discretion in writing.
4.	Incident Resolution	Metric: Incident Resolution Time Targets Met $\geq 99\%$ Measurement Period: Monthly Measurement: Incident Resolution Time starts at the time an incident is reported by the Subscriber via the Vendor's incident reporting system. Incident Resolution Time ends when: (i) a solution has been provided and implemented that resolves the reported incident; or (ii) a work-a-round acceptable to the Subscriber is provided that provides a temporary solution to the reported incident; or (iii) a time frame for implementation of the solution to the reported incident has been established that is acceptable to the Subscriber.	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions.

	Service Level Metric Description	Metric	Remedy / Remedial Action
5.	Disaster Recovery	Metric: Disaster Recovery Target Met Measurement Period: Any Disaster Event Measurement: If there is a disaster, the application will be recovered within twenty-four (24) hours. Disaster Recovery Time starts when a disaster event is encountered that critically impacts the application. Disaster Recovery Time ends when services have been restored.	For failing to meet this Service Level Metric, Vendor will provide to the Subscriber a credit equal to 20% of the Subscribed Service Fees for the applicable month.
6.	Mean Time Between Incidents	Metric: Mean Time Between Incidents $\geq$ 10 days Measurement Period: Quarterly Measurement: The average time between the reporting of a P1 or P2 incident and the reporting of the next P1 or P2 incident	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions.
7.	Return any Request for Support made within defined Business Hours	Metric: Return any Request for Support made within defined Business Hours Measurement Period: Quarterly Measurement: The average time to return any request for support is two (2) hours.	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions.

Under no circumstances will the credits or penalties resulting from a single event be compounded. The Subscriber will at its sole discretion, determine which Service Level Metric is to be enforced for a single event.

PERFORMANCE MONITORING

The following table sets out a number of Services Agreement -specific KPIs.

	Key Performance Indicator	Metric	Remedy / Remedial Action
1.	CPU Usage	CPU Usage will not exceed 75% on more than 5 occasions in a month	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective actions. For failing to meet this Performance Level Metric, the Vendor will provide to the Subscriber a credit equal to 10% of the value of the Subscribed Service Fees for the month in which the Performance Level is not achieved.

2.	RAM / Memory Usage	Memory Usage will not exceed 75% on more than 5 occasions in a month	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective actions. For failing to meet this Performance Level Metric, the Vendor will provide to the Subscriber a credit equal to 10% of the value of the Subscribed Service Fees for the month in which the Performance Level is not achieved.
3.	Page Faults	No more than 5 page faults per second on more than 5 occasions in a month	The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective actions. For failing to meet this Performance Level Metric, the Vendor will provide to the Subscriber a credit equal to 10% of the value of the Subscribed Service Fees for the month in which the Performance Level is not achieved.

ADDITIONAL TERMS

Incident(s) – Is an event that is not part of normal operations that disrupts an operational process or processes. An incident may involve the failure of a feature or service that should have been delivered or some other type of operation failure.

The Vendor will communicate with The Subscriber throughout the resolution period for P1 and P2 incidents, ensuring that The Subscriber is aware of the estimated Resolution Time, and if they expect the resolution to exceed the Target Resolution Time. The Vendor will make Best Efforts to resolve P1 and P2 within the respective Resolution Time Targets.

The Vendor will complete a root cause analysis and report the results to The Subscriber within one week of the resolution date for all P1 and P2 incidents.

The Vendor will provide a Preventative Action report to The Subscriber within two weeks of the resolution date for all P1 and P2 incidents, outlining the steps to be taken to prevent a similar incident from happening again.

A Permanent Fix for all P1 and P2 incidents will be delivered within three months of the date the incident is resolved.

Incident Priority Level Definitions

Priority Level	Description	Response Time	Resolution Time Target
1	The Incident has caused loss of a service to a business-critical operation or workgroup. Productivity loss of affected parties is extreme or absolute. Productivity and/or financial loss of affected business operations are significant	1 Hour	4 Hours

Priority Level	Description	Response Time	Resolution Time Target
	and business processes or system functionality is seriously affected.		
2	The Incident has caused a severe reduction of a service, reduced stability and/or performance issue related to a business-critical service. Productivity and/or financial loss of affected business operations are significant and business processes or system functionality is seriously affected.	2 Hours	8 Hours
3	An incident has been reported affecting a non-critical service and business operations can continue with minimal disruption to business operations.	1 Business Day	Next Upgrade or Point Release
4	An incident has been reported affecting a non-critical IT service and business operations can continue with no disruption to business operations.	1 Business Day	A Future Upgrade or Point Release

Business Hours – Are defined as 8:00am to 8:00pm, Monday to Friday local time to Burlington, Ontario

EXHIBIT D

SUPPORT SERVICES REQUIREMENTS

1. SUPPORT SERVICES

- 1.1 Software Support. Contractor will perform the following Software Support Services on a per incident basis: (i) assist City in diagnosing reported errors; and (ii) provide technical services to City to attempt to correct diagnosed errors. Software Support Services include support of Content. A support incident may require multiple interactions and off-line research to resolve it. For additional fee, Support Services may also include assistance with report writing, dashboards, and customizations (includes interfaces and new connections). Contractor will be available to assist with trouble-shooting of integrations defined in Scope of Work included with this Agreement.
- 1.2 Database Support. Contractor will maintain all City data at all times regardless of size of database and database size will not impact system responsiveness. Contractor will not purge any data without City's prior written approval.
- 1.3 Test Environment. A clone of the production environment and production database will be made upon go live. This test environment will emulate the production environment including links and functionality to any test systems needed to test, train or validate upgrades, and/or bug fixes.
- 1.4 Third Party Software Versions. Contractor will support Office 2010 and newer products. Contractor will support major browser (Chrome, MS Edge) current version and up to three versions back.

2. HOURS OF COVERAGE

- 2.1 Hourly Support Service. Support Services that are performed at the written request of the City that are outside the scope of, or in addition to, the Support Services detailed herein, will be deemed hourly service, and City will be billed in accordance with Contractor's then current time and materials support policy. Upon City's request, Contractor will provide a written estimate of the cost to perform the work prior to beginning work on any task that is being billed in accordance with Contractor's time and materials support policy.

3. PROCEDURES

- 3.1 Authorized Contacts. Within 30 days of the execution of the Agreement, each Party will provide to the other a list of its authorized contact people. Each Party must give to the other 14 days' prior notice of any proposed changes to the list of authorized contact people.

4. SOFTWARE RELEASES

- 4.1 Contractor will provide release notes and training for new features. Contractor will provide City access to releases that are issued by Contractor during the term of the Agreement. Major Releases must be available for testing and feedback 21 business days prior to scheduled Production release. Minor and bug fix releases must be placed in Test environment 14 business days or as soon as possible prior to scheduled production release. Updates will not take place during City's business hours, unless required to mitigate a specific issue affecting City's usage of software. Releases will not be moved to production environment if a Priority 1 bug is discovered. Contractor will make reasonable efforts to ensure ADA compliance.

5. CONTENT LIBRARY/TRAINING MATERIALS

- 5.1 During the term of the Agreement, City will have access to Contractor's Content Library and training materials.

6. MONITORING AND REPORTING SERVICES

6.1 Upon reasonable request, and no more than once in a calendar year, Contractor will provide to City email address the following information:

- Number of support tickets Open, Closed within the month
- Number of overall Open tickets and Closed tickets Annually
- Average length ticket is open
- Average length to close a ticket
- Number of enhancement requests
- Number of bugs reported and number of fixes implemented
- Number of upgrades
- Number of security patches
- Availability reporting metrics for the month as outlined in this agreement
- System response metrics as outlined at go live and within this agreement
- Annually provide SSAE 18 SOC2 report

EXHIBIT E
DISASTER RECOVERY PLAN

The Contractor will provide its standard disaster recovery plan upon reasonable request.

EXHIBIT F EXIT PLAN

For purposes of this Exit Plan, the following terms shall bear the meanings set out below:

"Replacement Services" means any services which are substantially similar to the Services and which Client or one of its Affiliates procures in substitution for the Services following the termination of this Agreement, whether those services are provided internally and/or by any third party.

"Replacement Supplier" means any third-party service provider of Replacement Services appointed by Client or one of its Affiliates from time to time.

"Termination Assistance Fees" means the charges payable by the Licensee for the Termination Services as shall be set out in the Exit Plan.

"Termination Period" means the period of 12 months (which may be reduced at the Licensee's discretion by giving Licensors 60 days' written notice) commencing on the date of service of any notice of termination of this Agreement.

"Termination Services" means the termination transition services to be provided under the Exit Plan. In addition, Services under this Agreement shall be provided in accordance with the terms of this Agreement during the Termination Period.

1. Provided that Client and its Affiliates are in compliance in all material respects with their obligations under this Agreement, for the Termination Period, Provider shall provide all reasonable and necessary transition assistance to Client and its Affiliates to allow, as chosen by Client, the orderly transfer and replacement of the Services by Client or a Replacement Supplier, or their respective Representatives. Such transition may entail the substitution of Web sites, communication networks, software, servers, and reports, and/or the termination or modification of the Services in whole or in part. Provider and Client shall cooperate with each other in the production of the Exit Plan in accordance with this Schedule with a view to completing the Exit Plan in a timely manner.
2. As soon as reasonably practicable after any notice of termination is served in accordance with this Agreement, the Parties shall:
 - (a) Agree upon a date (which shall be no later than 14 calendar days after the date of such meeting) for the joint production and circulation of a first draft of the Exit Plan; and
 - (b) Appoint a senior management individual of each of the Parties, each of whom shall act as a point of contact for the Termination Period and to deal with all matters relating to termination of both the Services and/or any license relating to the Licensed Materials granted under this Agreement.
3. The Exit Plan shall:
 - (a) Address the scope of the Termination Services, Termination Assistance Fees and the service levels applying to the Termination Services. Unless otherwise agreed by the parties, each party shall continue to meet its respective obligations under this Agreement during the Termination Period. Provider acknowledges that it is important to Client to effect an orderly transition in-house or to a Replacement Supplier of the Replacement Services and, in this respect, it is also important that there is no degradation in the provision of the Services. All Termination Assistance Fees shall be chargeable as stated in the Exit Plan; and
 - (b) Describe more particularly the process by which the parties shall return or cease to use each other's Confidential Information; and
 - (c) Address the project management of the Termination Services and identify relevant individuals who shall manage the provision and implementation of the Termination Services.
4. Upon request by Client during the Termination Period, Provider shall provide to Client any reasonable documentation describing, explaining or which would otherwise assist Client in inviting third party service providers to supply the same or similar software and/or services (or any part of the same) and negotiating alternate arrangements with those third parties with regard to the provision of Replacement Services. Any such provision shall be made subject to reasonable licensing and/or confidentiality obligations which shall be agreed by the parties.
5. Provider shall provide or make available to Client detailed information, data, and records reasonably necessary for the provision of services similar to the Services and/or any software which may be used by Client or a Replacement Provider in lieu of the Software post termination of this Agreement. Any such availability shall be made subject to reasonable licensing or confidentiality obligations which shall be agreed by the parties.

6. The Parties shall agree any other reasonably necessary provisions to facilitate a smooth and orderly transition from Provider to Client or the Client's nominated Replacement Supplier.
7. Client shall pay Provider for all services rendered in executing the Exit Plan that are not already included in the Scope of Work for this Agreement.

Notes

All schedules referred to in this form must be drafted by the user and are not supplied.

EXHIBIT G INSURANCE REQUIREMENTS

A. Minimum Scope and Limits of Insurance: Contractor must provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

Said insurance must also include coverage for products completed operations, independent contractors, personal injury, property damage, and advertising injury.

Products – Completed Operations Aggregate	\$4,000,000
Each Occurrence	\$2,000,000

The policy must be endorsed to include the following additional insured language: "The City of Chandler, its agents, representatives, officers, directors, officials, employees, and volunteers shall be named as an additional insured with respect to liability arising out of the activities performed by Contractor." This endorsement may not contain an exclusion or limitation of completed operations coverage as regards the additional insured except with respect to the stated aggregate limits of liability.

The policy may not exclude the explosion/collapse/underground ("xcu") hazard.

2. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

Policy shall contain a waiver of subrogation against the City of Chandler.

3. Tech E&O and Network Security & Privacy Liability Insurance (Cyber)

In addition to the insurance requirements set forth in the Agreement, Contractor agrees to provide the following insurance coverage and limits of coverage as part of this Agreement.

For Service Contracts under \$500,000 minimum limits:

Per Loss	\$3,000,000
Aggregate	\$3,000,000

For Service Contracts over \$500,001 minimum limits:

Per Loss	\$5,000,000
Aggregate	\$5,000,000

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this Agreement. In the event that the professional liability insurance required by this Agreement is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Agreement; and that either continuous coverage will be maintained for an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this

Agreement is completed. If such insurance is maintained on an occurrence form basis, Contractor shall maintain such insurance for an additional period of one (1) year following termination of Agreement. If such insurance is maintained on a claims-made basis, Contractor shall maintain such insurance for an additional period of three (3) years following termination of the Agreement. If Contractor contends that any of the insurance it maintains pursuant to other sections of this clause satisfies this requirement (or otherwise insures the risks described in this section), then Contractor shall provide proof of same. The insurance shall provide coverage for the following risks:

- 3.1 Liability arising from theft, dissemination and / or use of confidential information (a defined term including but not limited to bank account, credit card account, personal information such as name, address, social security numbers, etc. information) stored or transmitted in electronic form.
- 3.2 Network Security Liability arising from the unauthorized access to, use of or tampering with computer systems including hacker attacks, inability of an authorized third party, to gain access to your services including denial of service, unless caused by a mechanical or electrical failure.
- 3.3 Liability arising from the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network or similar computer related property and the data, software, and programs thereon.
- 3.4 Additional Requirements: The policy shall provide a waiver of subrogation.

B. Additional Insurance Requirements: The policies must contain, or be endorsed to contain, the following provisions: Contractor's insurance coverage must be primary insurance and non-contributory with respect to the obligations that Contractor has undertaken under this Agreement. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, volunteers, and employees, for losses arising from work performed by the Contractor under this Agreement.

C. Notice of Cancellation: Each insurance policy required by the insurance provisions of this Agreement must provide the required coverage and must provide thirty (30) days prior written notice of cancellation to the City except for non-payment of premium for which a ten (10) day notice will be provided. Such notice must be sent directly to the addresses listed below and must be sent by certified mail, return receipt requested:

City of Chandler
Attention: Purchasing Division
P.O. Box 4008, Mail Stop 901
Chandler, Arizona 85244-4008
Phone: (480) 782-2400
Email: purchasing@chandleraz.gov

With a copy to: Office of the City Attorney
Attention: Risk Management
175 South Arizona Avenue
P.O. Box 4008 Mail Stop 602
Chandler, Arizona 85244-4008
Phone: (480) 782-4640
Fax: (480) 782-4652
Email: legal.notices@chandleraz.gov

- D. Acceptability of Insurers:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the State of Arizona and with an "A.M. Best" rating of not less than A- VII. City in no way warrants that the above-required minimum insurer rating is sufficient to protect Contractor from potential insurer insolvency.
- E. Verification of Coverage:** Contractor must furnish City with certificates of insurance (ACORD form or equivalent approved by City) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by City before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the Agreement. Failure to maintain the insurance policies as required by this Agreement or to reasonably provide evidence of renewal is a material breach of this Agreement. All certificates required by this Agreement must be sent directly to the City of Chandler Information Technology Department with a copy to Risk Management as the addresses listed in Section C. The Agreement number and description are to be noted on the certificate of insurance. At City's request, Contractor must make certified copies of all insurance policies required by this Agreement available for City's review through a representative and at Contractor's most proximate business location.
- F. Approval:** Any modification or variation from the insurance requirements in this Agreement must have prior approval from the Office of the City Attorney, whose decision will be final. Such action will not require a formal contract amendment but may be made by administrative action