

**REPORT TO MAYOR AND COUNCIL**

TO THE HONORABLE MAYOR AND COUNCIL:

DATE: January 6, 2015

SUBJECT: RECOMMENDED AWARD OF A DESKTOP MANAGED SERVICES CONTRACT TO AXIOM TECHNOLOGIES (FOR REQUEST FOR PROPOSAL #2285, DESKTOP MANAGED SERVICES), IN THE ANNUAL AMOUNT OF \$419,112 FOR A ONE YEAR TERM WITH THE OPTION TO RENEW FOR UP TO FOUR ADDITIONAL ONE-YEAR TERMS

Report in Brief

This item came before Council on December 9th and was continued at the direction of the City Manager so that staff could further research its recommendation regarding the award of this contract. At the December 9th meeting, staff provided a report to Council based on analysis of the responses and corresponding interviews recommending Axiom as the company that best met the City's needs. The additional research staff has performed since December 9th confirms Staff's conclusion that Axiom Technologies should be awarded the contract to Request for Proposal No. 2285, Desktop Managed Services, in the amount of \$419,112 for a one-year term with the option to renew for up to four additional one-year terms.

The proposed agreement provides the City with reduced costs and increased service levels, through performance based contract terms to deliver help desk and desktop services for all the City's computers. This agreement will also provide the City access to personnel with the skills necessitated by the rapid advance of information technology without the required investment in hiring and training of staff.

Background

The concept of outsourcing desktop support surfaced as part of the Budget Task Force work in April 2009. Information Technology staff researched the idea and determined it to be cost effective with no decrease in customer service levels and likely an improvement to service levels. This idea was presented to the Council as a cost reduction strategy, and received Council support.

In calendar year 2008 the cost for providing help desk, desktop services and associated support systems was over \$1,000,000. Through the proposed agreement, these same services will be provided for approximately \$555,000. The contract for \$419,112 with Axiom represents the majority of the cost; the remaining \$135,000 of costs reflects anticipated staff time for oversight of the contract, staff support in resolving complex problems, and support of related City-owned systems and services. By outsourcing these services, the City obtains over \$400,000 in savings compared to the cost to provide the services in 2008.

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In 2011 the City contracted with R-Computer to provide desktop managed services for an amount of \$357,698 a year, representing a cost savings to the City of over \$500,000. The City subsequently executed two amendments to the R-Computer agreement, bringing the current annual cost to \$487,361. After three years under the previous contract working with R-Computer, staff put this contract out to bid again on April 11, 2014. Bids for RFP # 2285 were opened by the City Clerk on Friday, May 16, 2014. Ten submittals were received and reviewed, the top two finalists are Axiom Technologies in the amount of \$419,112 and R-Computer Inc. in the amount of \$426,372. As a result of the review of the proposals and staff meetings with both firms, staff selected Axiom Technologies as the preferred vendor for desktop services. Including software overhead costs, Axiom's proposal represents an annual net savings of approximately \$55,000 less than what the City currently pays for desktop managed services.

Discussion

Following the December 9th Council meeting a neutral third-party consultant, Savant Solutions, was retained by staff to review the R-Computer and Axiom Technologies proposals. The principals of Savant have assisted the City in the past with information technology strategic planning and have no relationship with either firm being reviewed. Savant staff is considered experts in the field of technology RFP creation and evaluation.

As a result of this outside objective analysis (see Attachment A), Axiom's proposal was confirmed as the best response to RFP# 2285. Savant Solutions drew this conclusion due to the quality of bidder responses based on four major criteria: technical ability, direct support services, management and tracking services. Savant's analysis determined Axiom as the superior bidder/vendor, satisfying 92% of the City's bid requirements compared to R-Computer's ranking of 73% bid requirement satisfaction.

As stated in Savant's analysis of the request for proposals, *"In the 29 years of Savant's existence, it has performed hundreds of similar analyses of vendor responses in the context of a competitive RFP. In Savant's opinion, Axiom is the clear choice of vendor based on [Savant's] independent and objective analysis of the RFP."*

The proposed vendor, Axiom Technologies, currently has similar support contracts in place with the Department of the Navy, the California Department of Healthcare Services and the California High Speed Rail Authority. All three of these contracts combined support over 15,000 computers. Supporting clients of this size is very complex and requires advanced technical skills. Jeff Lewis, the City's Information Technology (IT) Director personally contacted each agency for references. All responses to the technical abilities and customer service provided by Axiom were exceptional. On a scale of one to ten, Axiom received no rating below a nine. The City's IT Director also visited two sites, meeting with customers and partners at their location as well as on-site Axiom staff. Axiom's staff was professional, spoke highly of its leadership and was well received by the agencies for which they worked.

The City has had seven years positive experience with Axiom Technologies—although the firm has had two different names during that time frame: Axiom Technologies and Thebes Consulting. In responding to the subject RFP, Axiom Technologies proposes to bring in highly skilled personnel to provide desktop managed services utilizing enterprise management tools in accordance with industry best practices. In addition, the proposed agreement adds one additional technical staff to support the City as compared to R-Computer's

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proposal. With Axiom satisfying over 90% of the requirements in the RFP and providing additional staff, work that has been historically performed by City staff will now be carried out under the Desktop Services contract. This will free up existing City staff to assist internal customers and the community in a more effective manner.

Additional advantages Axiom's proposal included Axiom's expertise and experience stabilizing a technology environment, creating an accurate inventory of desktop and laptop systems, standardizing security and Microsoft patches that protects the City from breaches, compliance with the Department of Justice requirements including Criminal Justice Information System security compliance and automating an environment to improve efficiencies and productivity for an agency. An example that illustrates Axiom's advanced capabilities from their work at the Department of Health Services where staff of Axiom designed and implemented desktop services for the agency which has over 10,000 computer systems. Based upon their design, they were able to update approximately 500 computers per day. The process developed to implement similar support in Concord under our current desktop services contract took approximately nine months for 500 desktop and laptop systems.

The existing contract for Desktop Managed Services ended December 31, 2014. During the interim period, R-Computer proposed to the City rates that are close to double the rates under the existing expired contract. Due to this increase, the City chose to contract with two vendors at lower rates to continue Desktop Managed Services until a new contract is in place.

The term of the proposed Desktop Managed Services contract with Axiom is for one year, with an option to extend for up to four additional one year terms. If the City determines Axiom is not a good fit for the City, it has the option to replace Axiom within a year. If this occurs, all vendors would have an opportunity to bid for City's business again in one year's time.

Questions Raised

During the December 9, 2014 meeting, the following questions were raised about staff's recommendation of Axiom Technologies as the preferred service provider for the City's desktop services:

Transition Costs: There was a concern that transition costs for desktop software were not included in the response from Axiom Technologies. Axiom has confirmed that the transition work is minimal and is included as part of the proposed agreement.

Local Vendor Preference: Language was included in the RFP along with the City's policy (Exhibit E in the RFP) confirming that professional services agreements—such as the Desktop Management Services Contract— are excluded from the City's local vendor preference policy.

Reference to Increased Bid Amount: During Public Comment a statement was made that Axiom's response totaled \$531,351. This is incorrect. Axiom's bid totals \$419,112.

Communications with **R-Computer:** R-Computer was contacted and notified that an "intent to award" letter was sent by City Purchasing to Axiom Technologies on November 26th, 2014.

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The major difference between the two proposals (Axiom's and R-Computer's) is the service provided, including resources and technical expertise. Axiom's response included 25 percent more onsite staff, including a Desktop Engineer. As determined by Savant Solutions, Axiom's response met over 90% of the City's requirements, while R-Computers' met approximately 70%. Axiom's RFP responses also provided better detail on how they were going to accomplish the City's needs.

Business License Issue: Axiom Technologies possesses the requisite business licenses for the locations where they perform their business. After Axiom received the letter of intent to award the contract from the City's purchasing department, Axiom obtained a Vacaville and Concord business license.

Axiom Staff: A comment was made that Axiom is only a husband and wife business and they have only existed for two years. In fact, Axiom currently has seven staff, including the owners. They have additional staff ready to come on board if the City's Desktop Manage Service contract is awarded to them. As backup to their agency, Axiom partners with three vendors that have access to technical consultants which can backfill desktop support staff as needed.

Fiscal Impact

In calendar year 2008 the cost for providing help desk, desktop services and associated support systems was over \$1,000,000. Through the proposed agreement these same services will be provided for approximately \$555,000. The contract for \$419,112 with Axiom represents the majority of the cost; the remaining \$135,000 of costs reflects anticipated staff time for oversight of the contract, staff support in resolving complex problems, and support of related City-owned systems and services. Including software overhead costs, this represents an annual reduction of \$55,000 below current year costs. By continuing to outsource these services, the City will obtain over \$400,000 in savings compared to the cost to provide the services in 2008.

Funding for the Desktop Managed Services contract is included in the Information Technology budget and the 10-Year Plan that the Council approved in the annual budget process for FY2014-15. Future years' funding remains at the discretion of the Council through the annual budget process.

Public Contact

On April 11, 2014, the bid solicitation document was released. Notice of this RFP was sent to the Concord Chamber of Commerce, posted at the Civic Center Bulletin (Wing C), and posted on the City's website which includes hundreds of registered vendors. Ten (10) companies submitted proposals by the deadline. A non-mandatory, pre-submittal meeting and site review was held April 30, 2014.

The Council Agenda was posted in compliance with all legal requirements.

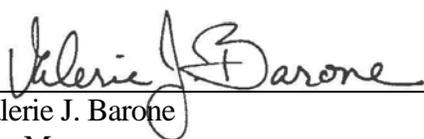
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Recommendation for Action

Staff recommends that the City Council approve a Professional Services Agreement to Axium Technologies to provide Desktop Management Services in the amount of \$419,112 for Fiscal Year 2014-15, and authorize the City Manager to execute the agreement.



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Attachments -

Attachment A - Savant Solutions Independent Analysis

Attachment B -RFP #2248 Contract

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Independent Analysis of RFP 2285 Responses

Executive Briefing – Summary of Findings

RFP 2285 Analysis performed December 15th-22nd, 2014 by Savant Solutions on behalf of the City of Concord

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Executive Briefing – Summary of Findings

Executive Summary

Concord IT asked Savant Solutions to perform an independent, outside, objective analysis of the results of RFP #2285 based solely on the original RFP distributed and the top two vendors’ responses. The two respondents to the RFP were R-Computer and Axiom, both of whom currently perform support activities for the City of Concord. The subject of this RFP was to provide on-going user and IT support for a variety of specific activities which are individually listed in the RFP. Vendor selection was based upon the quality of the responses to the individual activities listed, contract conditions and price.

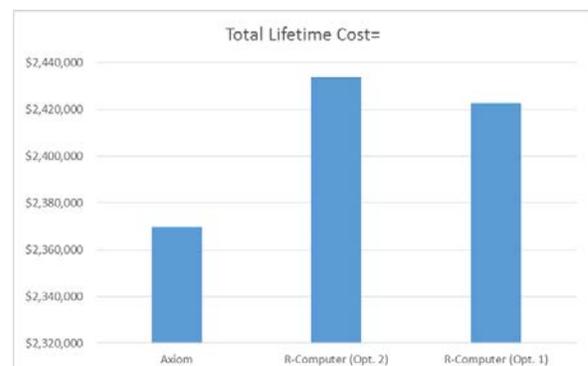
Using an internal tool for decision-making in complex conditions based upon Kepner-Tregoe methodology, Savant carefully inferred and weighted the four major criteria for the vendor selection:

1. Supplier Characteristics (Stability, Capability, Incumbency)
2. Direct Support Services (Help Desk, Desktop Client and Application Services)
3. Management and Tracking Services (Procurement, Asset Management, Security Services, etc.)
4. Contract Adherence (Term, Renewals, SLAs, Pricing/Costs)

For each major criterion, Savant then extracted and weighted its sub-criteria and individual components based upon the content of the original RFP. Savant reviewed and validated this data with Concord IT management. Savant then compared the individual vendor’s responses to each component and rated the quality of each answer in a sliding scale. Consolidation of this data provided an overall vendor ranking based on the percentage of the vendor’s overall fulfillment of the stated requirements.

Savant also compared the vendor responses to the contractual components of the RFP including conditions and price. The total cost over a five year period was calculated for each vendor.

This independent analysis found Axiom to be the clear vendor of choice based upon both evaluations. Axiom satisfied 92% of requirements against R-Computer’s 73%. Also, Axiom’s 5-year cost was calculated to be approximately \$200,000 less than R-Computer over the 5-year period.



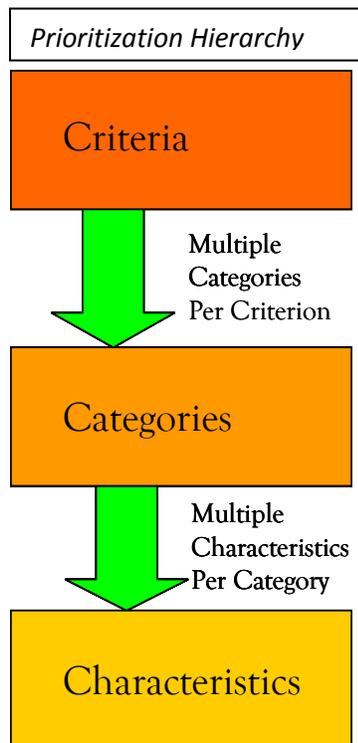
In the 29 years of Savant’s existence, it has performed hundreds of similar analyses of vendor responses in the context of a competitive RFP. In Savant’s opinion, Axiom is the clear choice of vendor based on its independent and objective analysis of the RFP.

Situation

In early December, the City of Concord IT Department asked Savant Solutions to perform an independent evaluation of the results of an RFP to perform a variety of support functions. The two candidates for the contract are R-Computer and Axiom. R-Computer currently performs many of the end-user support activities described in the RFP and Axiom provides server architecture and administration services, so both contenders are known to the city. Both vendors provided responses to the RFP which Savant was asked to evaluate.

Methodology

Savant has developed an evaluation methodology and copyrighted tool based upon Kepner Trego



analysis for complex decision making. Savant has used this technique on hundreds of RFPs to date in various industries and for many Savant clients large and small, many of whom have adopted the KT tool as their preferred evaluation method for all RFPs going forward. Use of this methodology is briefly described in Appendix 1 which was extracted from Chapter 4 of Savant’s book “The Art of Profitable Process”.

Savant usually creates the decision hierarchy for the RFP to be constructed from the values and strategies of the issuing company and department, which form the major decision criteria. They are weighted by the percentage of the decision, up to 100%. We then identify and weight the categories that support the criteria, again by percentage. Characteristics that describe each category are then developed and weighted on a scale of 1-5 with 5 being the most important. We build the RFP from that decision-making framework, ensuring the characteristics that cover each category are represented by relevant questions in the RFP. Characteristics weighted a 5 are separately examined as “show stoppers” (items considered critical to successfully meeting the needs and addressing the reasons for issuing the RFP in the first place).

In the case of RFP 2285 the RFP was already constructed and the responses in hand. So Savant reverse-engineered the RFP into the Savant format, then constructed the decision-making tool for the Concord content. We then validated criteria, categories and characteristics with Concord IT management and reviewed weights representing Concord priorities.

After constructing the tool, we compared both responses question by question to rate how well each vendor responded. The ratings range from 0 to 5, with 0 meaning “no response” and 5 meaning “good response”. Usually we form a team to do this, but to save time Savant performed the ratings independently based on its experience and the following broad-brush rules:

Independent Analysis of RFP 2285 Responses

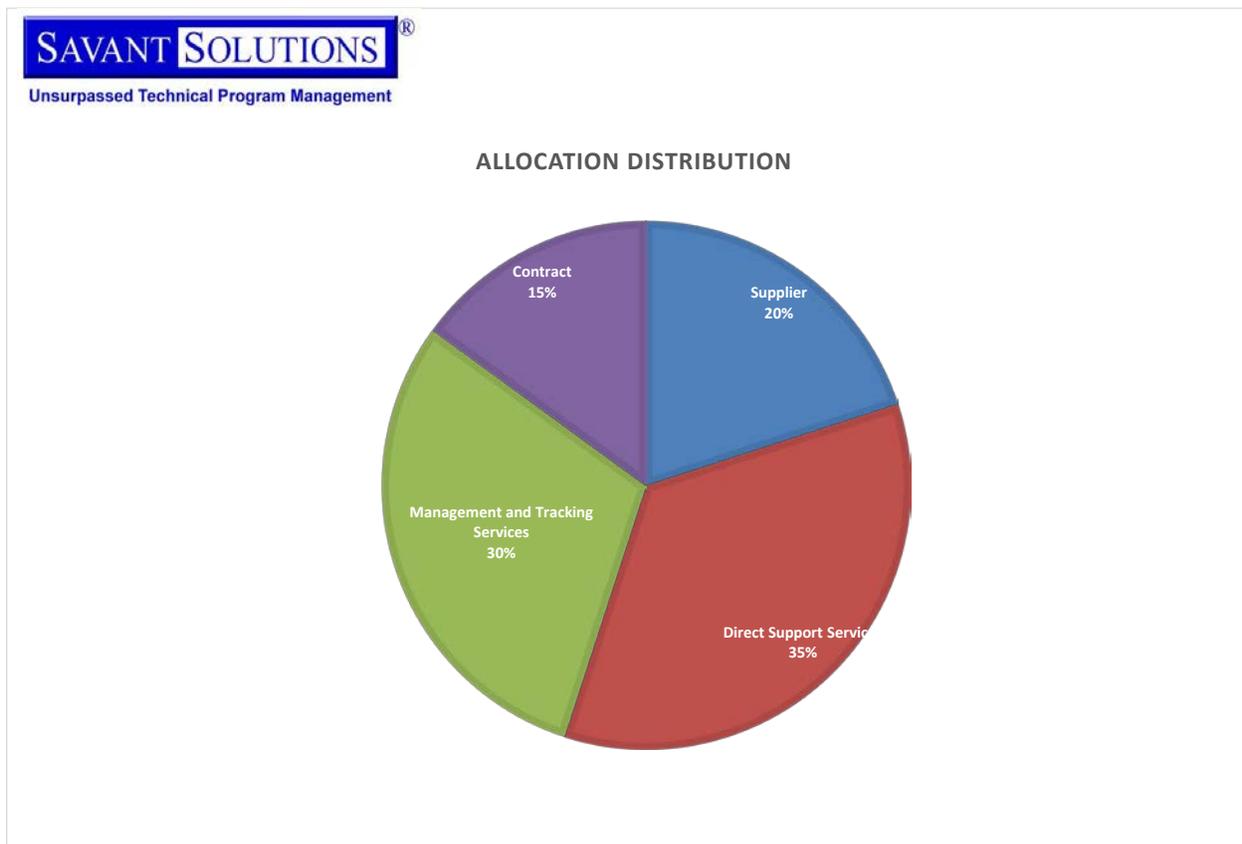
1. If the question was answered in detail, with a positive response to doing the task and detail of the tool and/or process of how it was to be performed, we scored it a 4 or 5 as to the quality of the response
2. If the question was answered with a positive response but without explanation, we scored it a 2 or 3
3. If the question was not answered, we scored it a 0 or 1

The following is a spreadsheet of the Criteria (Level 1), Categories (Level 2) and Characteristics (Level 3) derived from RFP 2285 and the response impact priorities assigned to each level and item:

Level 1	Level 2	Level 3	Level 1	Level 2	Level 3 Weigh
Supplier			20%		
	Stability			25%	
		Age			3
		Size			4
		References			5
		Financials			4
	Capability			50%	
		Approach			5
		Philosophy			4
		Examples			5
	Incumbency			25%	
		Concord experience with supplier			4
Direct Support Services			35%		
	Help Desk			40%	
		Help Desk — General			4
		Single Point of Contact (SPOC)			4
		Help Desk Operations and Administration			3
		Help Desk Administration Roles and Responsibilities			3
		Service Request and Trouble Ticket Management			4
		End-User Satisfaction Surveys			4
		Desktop Management			4
		User Administration Services			4
		Installs, Moves, Adds and Changes			5
		Self-Help (Knowledge Base)			3
		Exception Requests			3
		Planning and Analysis			3
		Reporting Roles and Responsibilities			3
	Desktop Client Services			30%	
		Desk-Side Support			4
		Hardware and Software Break/Fix			4
		Installs, Moves, Adds and Changes			4
		Technology Refresh			4
		Backup and Recovery			5
		Output Management			4
	Desktop Application Services			30%	
		Electronic Software Distribution Process and Management			5
		Patch Management			4
		Image Management			5
		Integration and Testing			5

Management and Tracking Services		30%	
Procurement			20%
	Acquisition Management		5
	Service Catalog		3
	Lease Management		4
	Configuration Management		5
	Order Processing		5
	Supplier		5
Asset Management Services			20%
	Asset Management Software		4
	Physical Inventory		4
	Asset Receiving		4
	Asset Tracking		4
	Software License Management		4
	Asset Cascading and Disposal		4
	Contract Management (Warranty, Maintenance and Assets)		4
Desktop Network Administration and Management			20%
	Server Administration		4
	Network Operations		4
	Network Monitoring		4
Service Management and Administration			20%
	Quality Assurance		5
	Continuous Improvement		3
	Performance Management		4
	Service-Level Management		5
	Relationship Management		5
	Capacity Management		3
	Change Management		4
Security Services			20%
	Security Incident Management		4
	Physical Security		4
	System Security and Integrity		4
	Virus Protection		4
	Security Procedures, Policies and Standards		4
	Security Firewall Services		4
	Security Intrusion Detection Services		4
	Security Penetration Services		4
Contract		15%	
Term			10%
	Agreed to 1 year contract?		4
	Agreed to City termination conditions?		4
Renewal			10%
	Agreed to four 1 year renewal options?		4
	Offered improved contract renewal terms and pricing?		4
SLAs			20%
	Agreed to all City SLA requirements?		4
	Offered more stringent SLAs than that required by the City?		4
	Support response time SLAs		4
Support Strategy			20%
	Support plan days/times/coverage		4
	Clear and documented issue escalation procedure		5
	Train end-users on "How to" applications assistance		4
	Offer enhanced coverage hours/days option(s)		4
Pricing & Costs			40%
	CapEx		3
	OpEx		3
	Lifetime Vendor Cost		5

A simpler way of looking at the top decision-making criteria is the following pie chart:



Ratings

Savant looked at the RFP responses to each characteristic question and scored roughly as described. Here's an example of the question, the responses and how they were scored:

Area of RFP:

3.2.1.1 Help Desk — General

- a. Set up the Help Desk, including implementation of systems necessary to document, track and manage end-user request for services, inquiries and problem notifications.
- b. Provide a single point of contact and coordination for all incident reports and requests for service, such as IMACs in the service components supported under the terms of the agreement.
- c. Provide expert Level 1 assistance to inquiries on the features, functions and usage of hardware and software per the Help Desks supported hardware and software appendixes.
- d. Provide where appropriate, or identify and escalate (such as Level 2 and Level 3 escalation), manage resolution and close tickets.
- e. Manage the root cause analysis (RCA) process on recurring problems.
- f. Perform administration services such as creating, changing and deleting user accounts.
- g. Help Desk — project oversight.

Axiom Response

Axiom will acquire, install, configure and maintain ServiceDesk as the system to track and manage end-user request for service, inquiries and problem notification and management. The Axiom help desk will act as the single point of contact and coordinate all reported incidents and request for service including all IMACs. Axiom will provide expert level 1 assistances for users that have inquiries on features, functions and usage of hardware and software used by the City. As level 1 support Axiom help desk personnel will try to resolve all customer issues during the first contact and only escalate issues or requests that are beyond the capability of the level 1 technician. Any call that required escalation will be escalated to the Axiom level 2 technicians. Only after the level 2 technician has troubleshot the problem without resolution will it be escalated to level 3. Depending on the nature of the problem or request determines if it will be escalated to Axiom level 3 technicians or if it will be escalated to a different group for resolution. Regardless of who resolves that problem Axiom will work to insure that the entire process is well documented and that the resolution is documented for future use. Axiom will also manage the root cause analysis on any problems that are recurring. Axiom help desk personnel will also provide Active Directory account management including creating, changing and deleting users as needed.

R-Computer Response:

In accordance with the objectives set forth and outlined by the SOW in section 3.2, R-Computer proposes to provide Help Desk Services to the City of Concord. The help desk will act as a single point of contact for the City’s IT related processes. The help desk will be responsible for categorizing, logging and tracking of all service requests and performing root cause analysis of incidents. The help desk will provide first level problem resolution and second and third level support. Issues that cannot be resolved by the helpdesk will be escalated as necessary. Onsite technicians will be scheduled and dispatched as necessary by the help desk. The help desk will maintain an online knowledgebase and will assist in the development of self-help and self-healing tools. Additionally the help desk will assist with product procurement, warranty and RMA processing and vendor contract management. Reports on all help desk activities will be generated as required and user satisfaction surveys will be conducted on a regular basis.

Savant Ratings:

Help Desk		Axiom	R-Computer
	Help Desk — General	5	5
	Single Point of Contact (SPOC)	5	5
	Help Desk Operations and Administration	5	5
	Help Desk Administration Roles and Responsibilities	5	4
	Service Request and Trouble Ticket Management	5	4
	End-User Satisfaction Surveys	4	4
	Desktop Management	5	3
	User Administration Services	4	4
	Installs, Moves, Adds and Changes	4	3
	Self-Help (Knowledge Base)	4	4
	Exception Requests	5	4
	Planning and Analysis	5	2
	Reporting Roles and Responsibilities	5	3

In both RFP responses, Savant had to search outside the specific area for the full quality of the response. Axiom was more often on-point; R-Computer’s responses tended to be more general.

Findings

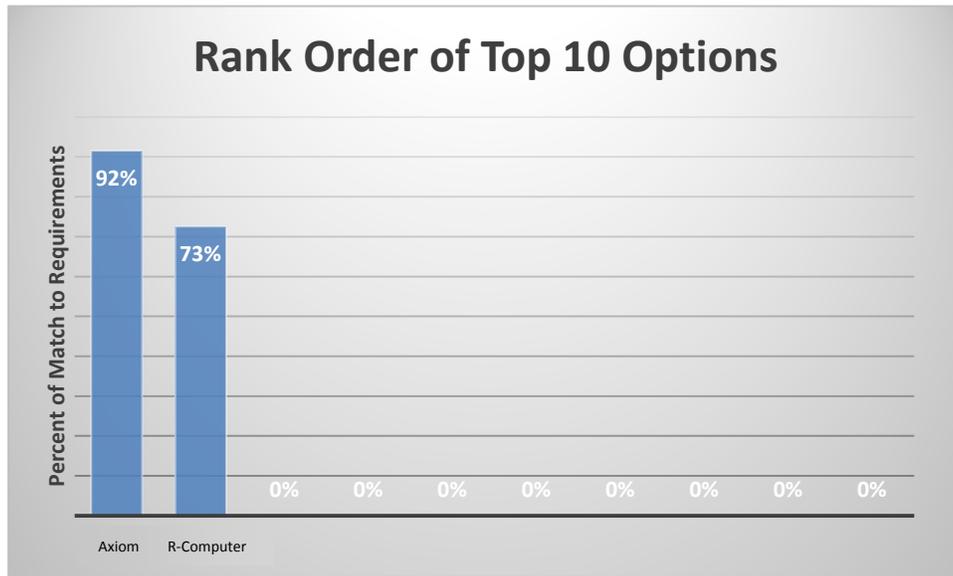
In scoring the major criteria, both companies scored the same as a qualified supplier. Distance was not a major consideration in the RFP, but it is about the same as well. In Direct Support Services, Axiom scored slightly higher, as in the Contract Terms and price. Axiom was scored considerably better in the Management and Tracking services. These summary scores are shown below:

Level 1 Item	Maximum Score Possible	Axiom	R-Computer
Supplier	20%	18%	18%
Direct Support Services	35%	34%	27%
Management and Tracking Services	30%	27%	18%
Contract	15%	13%	11%

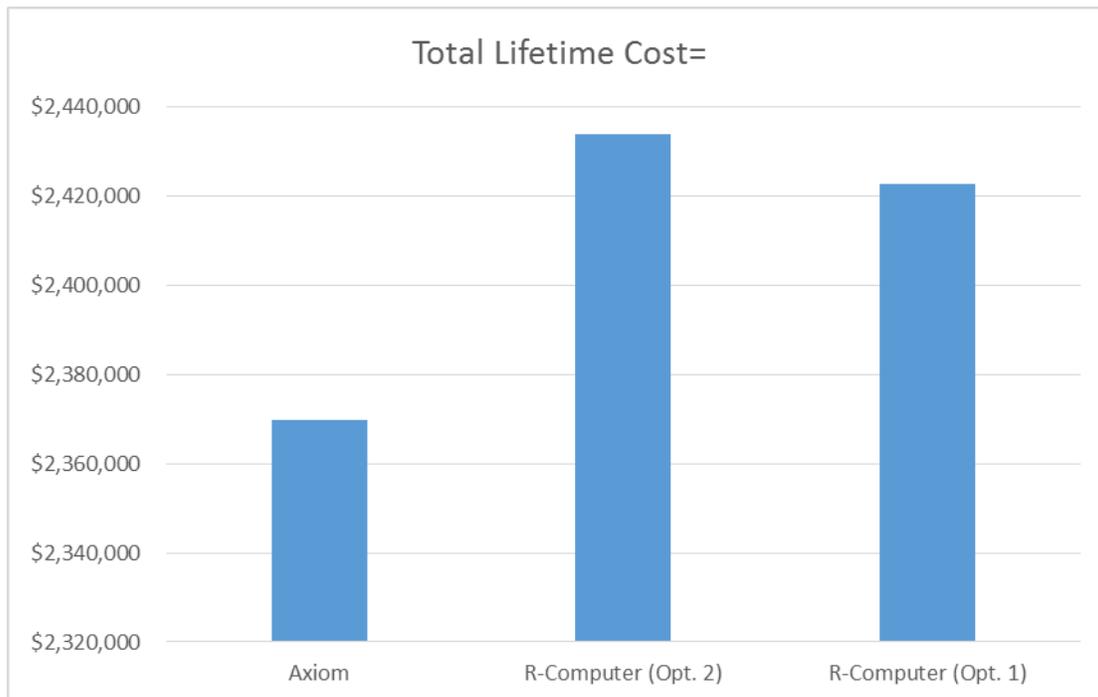
In the characteristics that are very important to Concord, Axiom provided generally better responses than R-Computer, as shown in the table below. In particular, the escalation procedure was missing in the Strategy of the R-Computer response and elsewhere was simply handled by software rather than being more spelled out in the correct place by Axiom.

Critical Vendor Evaluation Capabilities	Axiom	R-Computer
References	5	5
Approach	5	5
Examples	5	5
Installs, Moves, Adds and Changes	4	3
Backup and Recovery	5	3
Electronic Software Distribution Process and Management	5	3
Image Management	5	4
Integration and Testing	5	4
Acquisition Management	5	3
Configuration Management	5	3
Order Processing	5	3
Supplier	5	3
Quality Assurance	5	4
Service-Level Management	5	3
Relationship Management	4	3
Clear and documented issue escalation procedure	5	2
Lifetime Vendor Cost	5	5

The number of important characteristics scored well by Axiom is an indicator of more care in the RFP question responses and an implied better attention to detail. Overall, in our analysis, Axiom covered 92% of the inferred requirements as opposed to R-Computer's 73%, as shown on the following page.



In the evaluation of price and contract terms, Axiom again outscored R-Computer, although not by much.



Conclusions and Recommendations

In Savant’s opinion, Axiom simply did a better job of responding to the RFP than R-Computer. This, in Savant’s experience, tends to indicate their probable attention to detail in the support process will be more focused as well (current performance is a good indicator of potential future performance). The conclusion was reached independently, without knowledge of Concord IT’s own analysis or desires. There may be some shading errors in the evaluation of the competitors as the evaluation was performed rapidly, but the size of the difference in the scores cannot be overcome by a few adjustments.

Savant recommends the selection of Axiom as the City of Concord’s provider of choice for Desktop Managed Services as defined in RFP2285.

Savant’s Pedigree

Savant was formed in 1985. Its Principals, Scott Conn and Mike Macfarlane, came up through the ranks as Senior and C-level executives at multiple firms including AT&T, Xerox, Deluxe Corporation, Cadence, Sybase and Gartner Group among others. They are considered experts at delivering Technical Strategy, Outsourcing, Quality Management, Process Improvement, Cloud Migration, Program Management and RFP Creation and Evaluation services to high and low tech businesses alike. Since their founding, they have saved millions for their clients who include:



Savant has also authored three books on software projects and management including:

- *The Art of Profitable Process* by Mike Macfarlane and Scott Conn
- *Practical Crap Detection for Software Projects* by Mike Macfarlane
- *Practical Crap Detection for Program Management* by Mike Macfarlane

These books are available from Amazon and Create Space

Appendix 1: Complex Prioritization and Decision Making¹

One of the most important methodologies a team needs is how to make a fact-based decision that everyone consents to. In our experience, groups without decision-making skills make up the rules as they go along, and the loudest, most persistent, or most politically connected win. How well the decision sticks, however, depends on the depth of consent in the room. It may also be the wrong decision, as the single-point interest group is a terrible representative of common best interest. Look to the machinations of the Congress of the United States for bad practices.

A good decision is one that has widespread benefit, fulfills the requirements of the company, has no fatal flaws, has widespread contribution and participation, and enjoys widespread consent.

The hierarchy of a decision begins with the overarching criteria under which it is made, for example, customer satisfaction, profitability, employee satisfaction, business scalability, are all high-level goals, principles, values or strategies that may be affected differently by each of the decision options.

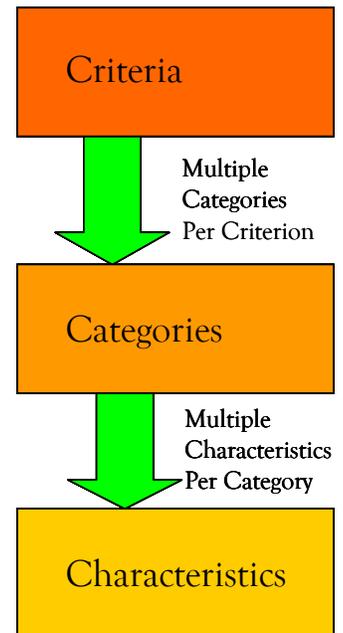
Each criterion may have many categories which contribute to its fulfillment, such as service response rates, problem fix rates, manufacturing productivity or schedule adherence. These are all categories that might fit under some of the higher-level principles.

Finally, each category may have multiple characteristics that the decision can directly affect. For example, geographic proximity, industry experience, warranty period, on-schedule delivery record, education level, and processing cycle time are all characteristics that can be associated with the categories, as well as with the options presented for the decision. Detailed characteristics form the common ground for comparing and prioritizing decision options, as well as the identification of objectives that must be fulfilled, even though each is small in the overall scheme of things.

Using this concept of prioritization hierarchy, complex decisions can be made using a common methodology with the following steps:

1. Decide the rules for making decisions and/or prioritizing multiple options.
2. Assign an advocate for each decision or option. This person's responsibility is to understand it thoroughly, both pros and cons, and represent it accurately in a meeting.
3. Hold a meeting to rate the decision characteristics of each option.
4. Score the results based on the rules developed in Step 1.
5. Review the Show Stoppers scores for each option as well.
6. Make the decision or prioritization based on a combination of rule-based scoring and the Show Stoppers.

Figure 4.1: Prioritization Hierarchy



¹ From *The Art of Profitable Process*, pp 32-33. Mike Macfarlane with Scott Conn

**MASTER SERVICE AGREEMENT
FOR DESKTOP MANAGED SERVICES
BY AND BETWEEN
CITY OF CONCORD
AND
AXIOM TECHNOLOGIES**

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MASTER SERVICE AGREEMENT

THIS MASTER SERVICE AGREEMENT (“Agreement”) is made as of _____, 2015 (“Effective Date”) by and between the City of Concord, California, a California municipal corporation and its affiliated local agencies with its primary business address at 1950 Parkside Drive, Concord, California 94519 (“City”); and Axiom Technologies, LLC, a California corporation, with its principal offices located at 527 Crownpointe Circle, Vacaville, California 95687 (“External Services Provider” or “Provider”). City and Provider may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

WHEREAS, in response to City’s Request for Proposal No. 2285 to provide Desktop Managed Services to City (“Request for Proposal”), Provider submitted to City its corresponding “Proposal for: City of Concord RFP # 2285 ‘Provide Desktop Managed Services’” to City (“Proposal”); and

WHEREAS, based on the Proposal, City and Provider have engaged in extensive negotiations and discussions that have culminated in the formation of the relationship described in this Agreement with respect to the information technology outsourcing services in order to:

Create advantage for City and City’s end-users through the outsourcing of the Services (as defined below), achieve best-in-class standards and sustain and enhance such standards through continuous improvement;

Reduce City's current expenditure on operations and support activities for Desktop Managed Services by obtaining competitive market prices and introducing support processes through the provision of the Services as provided in this Agreement;

Improve Service Levels through regular assessment and reviews of all processes and procedures for the performance of the Services, and improve overall productivity to provide significant value to City; and

Provide a prompt and smooth Transition (as defined below) of the Services in accordance with the Transition Plan (as defined below) with minimum disruption to City's business.

NOW THEREFORE, the Parties hereby agree as follows:

AGREEMENT

1. INTERPRETATION

1.1 Defined Terms. The defined terms used in this Agreement will have the meanings set forth in Schedule 1, Definitions, or stated where they first appear, unless the context clearly requires otherwise.

1.2 Reference to Statutes. A reference to any statute, enactment, order, regulation or other similar instrument will be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent statute, enactment, order, regulation or instrument or as contained in any subsequent re-enactment thereof.

1.3 Headings. Headings are in this Agreement for ease of reference only and will not affect the interpretation or construction of this Agreement.

1.4 Interpretation. The recitals above are (i) intended as a general statement of purposes for this Agreement; and (ii) are not intended to expand or contract the scope of the Parties' obligations or to alter the plain meaning of this Agreement's terms and conditions. However, the Parties do intend that the Agreement be interpreted and performed in a manner consistent with these objectives.

1.5 Section References. References to Articles, Sections, Schedules and Appendices are, unless otherwise provided, references to articles, sections, schedules and appendices to this Agreement.

1.6 Waiver of Presumption. The Parties are sophisticated and have been represented by counsel during the negotiation of this Agreement. As a result, any presumption or rules of construction relating to the interpretation of contracts against the drafter thereof should not apply. The Parties hereby waive any such presumption or rule.

2. AGREEMENT STRUCTURE

2.1 Order of Precedence. This Agreement, and all Schedules thereto, will be construed to be consistent, insofar as reasonably possible. In the event of any conflict between the provisions of the Master Service Agreement and the Schedules thereto, the conflict will be resolved in accordance with the following order of precedence: first, the Master Service Agreement; and second, the Master Service Agreement Schedules; provided, however, that any specific description of any service or other performance obligation in any Schedule will supersede any inconsistent general reference in the relevant agreement.

2.2 Amendment, Modification. This Agreement may only be amended, varied or modified by further written agreement of authorized representatives of Provider and City. Any such amendment, variation or modification will be binding upon both Parties.

3. SCOPE OF SERVICES

3.1 Services. Commencing on the effective date of each Service, whether under this Agreement and its Schedules, and continuing throughout the term of said agreements, Provider will be responsible for providing to City:

3.1.1 the services, functions and responsibilities described in this Agreement (the services, functions and responsibilities described in the Schedule 2, Statement of Work, attached hereto);

3.1.2 any services, functions or responsibilities not specifically described in this Agreement, but which are inherent in or necessary for the proper performance and delivery of the Services and not otherwise expressly excluded by the Parties; and

3.1.3 other miscellaneous activities related to the Services that City may request from time to time that do not require additional resources or affect Service Levels or other agreed performance standards.

3.2 Project Services. The Services contain certain Project Services. Personnel assigned to perform Project Services will possess the training, education, skills and competence necessary to perform their assigned responsibility, and unless City otherwise agrees, will be chosen from personnel ordinarily assigned to the performance of Services for City. When Provider proposes additional staff or resources

for Project Services, City, at its option, may: (i) temporarily relieve Provider of Service Level obligations, so that Services may be performed with available staff or resources, without additional Charges or undue impact upon operations or user satisfaction; or (ii) authorize additional staff and resources, for which City will pay based on approved contract rate card, or (iii) adjust against any available credits to the City. There will be no additional charge for Project management performed by Contract Staff ordinarily assigned to performance of Services for City.

3.3 Location of Services. All Services will be provided by the Provider either at City premises or from a Provider Service Location specified in the applicable Service Description, provided, however, that all Services will be performed within the United States of America.

3.4 Reports. Provider will provide to City, the monthly and other periodic reports concerning Provider's service and performance specified in Schedule 5, Reports, such as data that are necessary and appropriate for the calculation and/or review of Service Levels and weekly time sheets for City dedicated personnel reflecting activities performed by the Provider. Periodic reports may be based upon Provider's standard forms of reports to its customers, if they provide the information that City reasonably requires or the reporting shall be based on the format specified by the City. Reporting requirements will contain read-only online access for responsible City management to tools used to manage delivery of service (e.g., "dashboards" for Service Level performance, trouble-ticket systems). Provider will provide all tools and procedures required for reporting Service Levels are implemented and customized as required at no additional cost to City.

3.5 Out-of-Scope Services and New Services. City may from time to time request that Provider perform an Out-of-Scope Service and New Services. On a mutually agreed date Provider will provide City with a written proposal for such Out-of-Scope Service or New Services that will address (i) a description of the services, functions and responsibilities Provider anticipates performing in connection with such Out-of-Scope Service or New Services; (ii) a schedule for commencing and completing such Out-of-Scope Service or New Services; (iii) Provider's prospective fixed price Fees for such Out-of-Scope Service or New Services, with a detailed breakdown of such Fees; (iv) a description of any new software or hardware to be provided by Provider in connection with such Out-of-Scope Service or New Services; and (v) such other information as may be requested by City.

3.5.1 Provider will not begin performing any Out-of-Scope Service or New Services unless and until the Change has been approved in accordance with the Change Control Procedures (as defined in Section 6.5).

3.5.2 If Changes can be effected or Out-of-Scope Services or New Services performed with the resources available for performance of the Services, there will be no adjustment in Provider's Fees (other than through normal operation of charging metrics for additional or reduced consumption of chargeable resources). Provider's Fees for Out-of-Scope Services or New Services involving net additional or reduced resources will be at the rates specified in Schedule 4, Fees, unless there is no applicable fee specified for the type of Out-of-Scope Service or New Services requested and the Fees specified cannot reasonably be applied, in which case Provider's Fees for Out-of-Scope Services or New Services will be no higher than the fees that Provider then offers to its most favored customers.

3.5.3 The Parties will consider in good faith opportunities for gain-sharing with respect to Out-of-Scope Services or New Services.

3.6 City Performance of Services. This is a non-exclusive Agreement. City has the right to perform itself, over the Initial Term, any of the Services or the Out-of-Scope Services or New Services.

To the extent City performs any of the Services or the Out-of-Scope Services or New Services itself, Provider will cooperate with City or such third parties as reasonably required to transition such Services to City. In the event City reduces the Services pursuant to this Section, the Fees will be adjusted in accordance with applicable charging metrics and, if no such metric applies, the Change Control Procedures, to reflect the reduced scope of Services being provided by the Provider.

3.7 Excuse from Performance. In addition to the excused performance contemplated under Section 24 (Force Majeure), Provider will be excused from failures to achieve the Critical Transition Milestones, perform the Services, meet or exceed the Service Levels in this Agreement to the extent that (i) City fails to perform the retained services identified in the Service Description or other provisions of this Agreement and (ii) such failure or other acts or omissions of City or its agents (not undertaken at Provider's direction or with Provider's consent) directly causes Provider's failure to perform; provided, however, that Provider must (a) give City prompt notice of City's failure to perform such retained services resulting in such performance failure, (b) use its reasonable efforts to continue to perform despite City's failure to perform retained services and (c) use its reasonable efforts to mitigate the adverse consequences of City's failure to perform such retained services.

4. TRANSITION

4.1 General. Provider will perform or cause its Subcontractors to perform (as the case may be) all functions and services set forth in the Transition Plan and as otherwise necessary to accomplish the Transition of the Services from City to Provider, and will complete the Critical Transition Milestones on or before the dates set forth in Schedule 8, Transition Services.

4.1.1 City will not incur separate charges for Transition Services, beyond those identified in Schedule 4, Fees.

4.1.2 The Transition Services will be performed in accordance with the Transition Plan, in a manner intended to minimize any adverse impact on City's business and without causing a material disruption to City's business or operations.

4.1.3 City will perform or cause its agents and subcontractors (as the case may be) to perform all of its obligations set forth in the Transition Plan in a timely manner that will not prevent or delay the Transition or Provider's timely completion of the Critical Transition Milestones. In the event that action or inaction of City or any agent or subcontractor (other than action or inaction undertaken at Provider's direction or with its consent) prevent or delay Transition or any Transition Milestone, Provider's performance will be excused for the period of the delay caused by City. In the event that action or inaction of Service Provider or any Service Provider's agents or subcontractors prevents or delays any Critical Transition Milestone, Customer shall be entitled to retain the Retainage, if any, set forth in the Transition Plan until Service Provider completes such Critical Transition Milestone.

4.1.4 The Provider Contract Executive, as identified in Schedule 7, shall serve as the overall manager for all Transition related activities and Services. Until the Transition has been completed, the Provider Contract Executive will review with the City Contract Executive the status of the Transition Services for which that individual is responsible as often as may be reasonably requested by the City Contract Executive.

5. INFORMATION TECHNOLOGY INFRASTRUCTURE LIBRARY V3

5.1 ITIL Implementation. As set out more fully in Schedule 9, ITIL Road Map, Provider acknowledges that the Services will include its implementation of the Help Desk and Desktop Support portions of the Information Technology Infrastructure Library V3 (“ITIL”), with respect to both Provider personnel and City employees identified by the City Contract Executive.

5.2 ITIL Roll Out. Provider will implement the Help Desk and Desktop Support portions of ITIL in compliance with the timeline set forth in Schedule 9, ITIL Road Map. Implementation will be undertaken in a manner intended to minimize any adverse impact on City’s business and without causing a material disruption to City’s business or operations.

5.3 ITIL Benchmarks. Provider’s progress toward meeting its obligations with respect to the implementation of ITIL will be measured against the benchmarks set forth in Schedule 9, ITIL Road Map.

6. OPERATION

6.1 Service Locations. The Services will be provided to City from the Service Locations as specified in Schedule 2, Statement of Work, at the locations specified in Schedule 2, and any other location for which Provider has received City’s approval.

6.1.1 Provider will bear any costs of transition occasioned by Provider's relocation of Services as a result of changes in Law where the change in location is not addressed elsewhere in this Agreement or otherwise requested by City. If any change in Law requires City’s relocation of Services, City will bear any costs of transition occasioned by such relocation.

6.1.2 Any change in the location where the Services are performed during the term of this Agreement must be approved in advance and in writing by City. City will not unreasonably withhold or delay consent, but City may condition its consent upon reasonable assurances of timely performance without any material disruption or interruption of the Services, such as approval and performance of a mutually agreed migration plan. City will have the right to withhold consent if a change in Service Location results in Services being performed from a location outside the State of California.

6.1.3 Any relocation of operations undertaken at Provider’s initiative will be undertaken in accordance with Schedule 2, Statement of Work, at Provider’s expense (such as reimbursement of City’s reasonable, actual costs related to relocation, payment of any and all taxes attributable to relocation, taxes, or increases in taxes upon the Services, and reimbursement of any additional, continuing costs related to relocation).

6.1.4 In the event that any change has a material increase on the Fees, City will not bear or be charged or be responsible for any additional one-time or ongoing expenses or Fees as a result of the relocation of Services. City will have the right to terminate this Agreement upon notice to Provider, without any obligation to pay any Termination for Convenience Fees or other amounts if the Service Location change has material impact on Fees.

6.2 City Architecture, Policies and Procedures. In providing the Services to City, Provider must adhere to City's information management technical architecture, standards, guidelines, policies and procedures, City’s applicable internal controls as they may be modified and communicated in writing to Provider by City prior to Effective Date provided, however, that if City modifies its technical architecture in a manner that requires Provider to acquire new hardware, software or other resources that materially increases Provider's costs above what had been planned and such is not a scheduled update or upgrade to

the existing Software or hardware used to provide the Services, the modification will be considered a Change that is subject to the Change Control Procedure. Except as provided in this Article, adjustments in Services in accordance with this Section will be deemed to be within the scope of the Services to the same extent and in the same manner as if expressly described in this Agreement.

6.3 Currency of Services, Technology. Provider will, without any additional Fee, cause the Services, as approved by City, to evolve and to be modified, enhanced, supplemented and replaced as necessary for the Services to keep pace with technological advances and advances in the methods of delivering services. In particular, and without limiting the generality of the preceding sentence, Provider's software, tools, utilities, methodologies, processes and other normal procedures for performing Services will be upgraded and enhanced as and when upgraded or enhanced for Provider's own business and the support of its customers generally; Provider will keep such software, tools, utilities, methodologies, processes and other normal procedures on current supported releases as reasonably determined by City; Provider will keep material hardware for which Provider has financial responsibility and which are necessary to provide the Services, under warranty and/or manufacturer's service contracts; and Provider will refresh hardware for which Provider has financial responsibility, consistent with good industry practice and as required to achieve agreed performance standards. Third party tools and utilities used to perform Services will be maintained on current, or near-current, supported releases. Adjustments in Services in accordance with this Section will be deemed to be within the scope of the Services to the same extent and in the same manner as if expressly described in this Agreement.

6.4 Procedures Manual. Within ninety (90) days after the Effective Date, with City's input and cooperation, Provider will prepare a Procedures Manual in the form and scope agreed to by the Parties and will deliver the procedures manual, either in hardcopy or made available via the Internet, to City, for City's approval ("Procedures Manual").

6.4.1 The Procedures Manual will contain Provider's procedures for performing the Services so that the Services are performed accurately and in a timely manner, and will contain all operations manuals, support plans and user guides necessary and sufficient to document such procedures to City's satisfaction. Provider will perform the Services in accordance with the Procedures Manual.

6.4.2 Following City's review of the Procedures Manual, Provider will revise the Procedures Manual as reasonably requested by City and will resubmit the Procedures Manual for approval. Provider will periodically update the Procedures Manual to reflect any Changes in the operations or procedures described within a reasonable time after such Changes are made.

6.5 Change Control Procedures. City or Provider may propose Changes. All such Changes will be implemented pursuant to the procedures set forth in Schedule 10, Change Control Procedures.

6.5.1 Subject to Article 6.6, routine changes, such as all Changes that do not require material, net additional cost, effort or resources, or that can be accommodated with the resources ordinarily available for performance of the Services without impact to Service Levels, Projects or Deliverables, will not result in any increase or decrease to the Fees. Charges for Changes that do require material, net additional cost, effort or resources, or that cannot be so accommodated, will be determined in accordance with Section 3.5.2, above.

6.5.2 If Provider and City are not able to agree on (i) the effect of the Change, if any, on the Fees and the manner in which such effect was calculated, (ii) the effect of the Change, if any, on Service Levels and any necessary revisions thereto, or (iii) the anticipated time schedule for implementing

the Change, then the issue will be resolved in accordance with the dispute resolution procedure set forth in the Article 20 of this Agreement (Governance); provided, however, Provider will not proceed with any Change while the Parties seek to resolve such disagreement. Provider shall not implement any change in its performance of Services that would have a material, adverse effect upon City's use or receipt of the Services, or increase Provider's Fees or City's other costs, without City's approval, which City may give or withhold in its sole discretion. Provider may make temporary changes in its operations required by an emergency if prior approval is impractical, but in such cases shall promptly document and report such emergency changes to City. If City agrees that such temporary Change was reasonably required, City agrees to reimburse Provider for reasonable costs of implementing such temporary Change.

6.5.3 Provider will not be required to comply with any such Change request if its compliance will violate applicable Law. Provider will promptly inform City if it determines it cannot implement the Change mandated by City and comply with applicable Law.

6.5.4 Provider will not invoice, and City will not be liable for, any Change or Out-of-Scope work performed by Provider unless a Change has been approved in accordance with the Change Control Procedures. The Fees for such work will be specified in the applicable Change request form.

6.6 Prioritization of Scheduling. Provider agrees that City will retain final discretion over the priorities in scheduling performance of the Services, such as any Projects, and may change priorities from time to time via the Governance Processes. If a change in priorities by City will adversely affect any Service Level, Provider will, if practicable notify City's Contract Executive of the expected impact ("Impact Assessment") of the change in priorities. If City's Contract Executive approves the change in priorities, and there is a failure to meet a Service Level that Provider notified City may occur in the Impact Assessment, then the failure to meet the Service Level will be excused to the extent caused by the change in priorities. City acknowledges that changes in priorities may affect ongoing performance of Services and Fees and other costs to City. Provider agrees to cooperate with City and use diligent efforts to minimize additional costs, Fees or other adverse effects, and further agrees that City may adjust priorities, temporarily relieve Provider from Service Level or other obligations or authorize additional staff, Services or other resources in City's sole discretion.

7. INDEPENDENT CONTRACTOR.

Provider and all person(s) employed by or contracted with Provider to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Provider has full rights to manage its employees in their performance of Services under this Agreement. Provider is not authorized to bind City to any contracts or other obligations. Neither Party's personnel will be eligible to participate in any of the employee benefits or similar programs of the other Party. Provider will inform the Contract Staff that they will not be considered employees of City for any purpose, and that City will not be liable to any of them as an employer in any amount for any claims or causes of action arising out of or relating to their assignment in connection with this Agreement or release therefrom. Provider is responsible for determining, providing and administering all compensation paid and benefits provided to the Contract Staff, and is responsible for withholdings for FICA, federal, state and local income taxes on wages and benefits for the Contract Staff. Provider is responsible for the eligibility of the Contract Staff to work in each jurisdiction where they are providing Services to City and for reporting to the appropriate federal, state and local agencies all compensation and payment of all applicable taxes arising therefrom. City has no authority to supervise, discipline, direct, control or instruct any of Provider's personnel.

8. VENDOR STAFF

8.1 Provider Contract Executive. Provider will appoint the individual specified in Schedule 7, Key Provider Personnel, to be the Provider Contract Executive. The Provider Contract Executive will serve as Provider's primary representative under this Agreement.

8.1.1 Provider's appointment of any Provider Contract Executive will be subject to City's approval.

8.1.2 The Provider Contract Executive will (i) serve as Provider's single point of accountability for the Services, (ii) have day-to-day authority for facilitating City satisfaction and (iii) be authorized to act for and on behalf of Provider with respect to all operational matters relating to this Agreement.

8.2 Key Provider Personnel. Though the individuals specified in Schedule 7, Key Provider Personnel, will be the initial Key Provider Personnel, City acknowledges that various circumstances may require Provider to use other members of the Contract Staff as necessary to complete the Services contemplated herein. Whereas all Key Provider Personnel will be dedicated to the City account on a full-time basis unless otherwise agreed by City, City acknowledges that Contract Staff not identified as Key Provider Personnel may provide service to other Provider customers, as well. Before assigning any new individual to a Key Provider Personnel position, Provider will (i) consult with City regarding the proposed assignment, (ii) introduce the individuals to appropriate representatives of City and provide City the opportunity to interview such individual, (iii) subject to applicable Law, provide City with any information regarding the individuals that may be reasonably requested by City, (iv) agree to City's request to conduct a background check on such individuals and (v) obtain City's approval for the proposed assignment.

8.3 Replacement. Provider will replace or reassign the Provider Contract Executive and Provider Key Personnel only in accordance with this Section.

8.3.1 Provider will not replace or reassign any of the Key Provider Personnel, without City's prior consent, which consent shall not be unreasonably withheld, for eighteen (18) months from the Effective Date (in the case of those initially assigned), or the date of an individual's first assignment to the City account, as applicable, unless City consents to such reassignment or replacement or such person (i) voluntarily resigns from Provider, (ii) is dismissed by Provider for cause, (iii) fails to perform his or her duties and responsibilities pursuant to this Agreement or (iv) dies or is unable to work due to his or her disability.

8.3.2 After the initial eighteen (18) month period, Provider will not reassign any of the Key Provider Personnel without prior consultation with City and without thirty (30) days' prior written notice.

8.3.3 If City decides that any of the Key Provider Personnel should not continue in that position, then City may, in its sole discretion and upon notice to Provider, require removal of the Key Provider Personnel from the Contract Staff. Provider will, as soon as reasonably practicable, replace such person. City will generally provide at least two (2) months' notification to allow Provider time to identify and transition new personnel in the event of a removal request, unless such Key Personnel's continued performance is not acceptable to City or City reasonably believes that immediate removal is warranted.

8.4 Contract Staff. Provider will appoint a sufficient number of individuals to the Contract Staff so that the Services are provided in accordance with the Service Levels and generally accepted industry practices. Only individuals with proper education and experience and with suitable training and qualifications to perform the Services may be appointed to the Contract Staff. Except as otherwise approved by City in its sole discretion, Contract Staff working at any City Service Location may only provide Services that support City's operations and will not, during such time, provide services for other Provider clients. Provider will notify City as soon as reasonably practicable after dismissing or reassigning any member of the Contract Staff whose normal work location is at a City Service Location. Provider personnel must not identify themselves as City's employees.

Provider will inform City about the unavailability of Contract Staff adhering to the following schedule: (a) for absences exceeding 10 business days inform no later than three (3) weeks before the expected absence; (b) for absences between 5-10 business days inform no later than two (2) weeks before the expected absence, and (c) promptly inform City of any ad-hoc absences. In all cases of absence of Contract Staff, Provider shall provide that there will be no impact to the Services being delivered to City.

8.5 Turnover of Contract Staff. In the event that City, acting in good faith, believes the quality of the Services is suffering due to turnover of Contract Staff, Provider will (i) meet with City to discuss the reasons for, and the impact of, such turnover rate and (ii) use commercially reasonable efforts to reduce the turnover rate to a reasonably low level. To the extent applicable, Provider will submit to City its proposals for reducing the turnover rate, with changes that may be required by City, and will take such actions as are necessary to reduce the turnover rate.

8.6 Unacceptable Contract Staff. Subject to applicable Laws, City may inform Provider if City determines that any member of the Contract Staff is unacceptable, such as City's determination that such individual (i) is not qualified to perform the responsibilities required for the position held by such individual, (ii) is not performing his or her responsibilities to City's reasonable satisfaction in accordance with this Agreement, (iii) has violated any term or condition of this Agreement, such as the security obligations or breach or violation of City policies, procedures and directives, (iv) does not pass the background check process that may be required or (v) is not performing effectively with City, or in a manner consistent with City's best interests. Within five (5) days following City's request, the Parties will review the matters, and if, after such review, the Parties do not otherwise agree, Provider will remove the individual from the Contract Staff. City shall have no responsibility for any termination of employment or other disciplinary action that Provider or its subcontractors may take in respect of any of their personnel. In urgent cases (incidents involving dishonesty, serious misconduct or danger to others), City reserves the right to require the Provider to remove, and Provider shall immediately remove, the relevant member(s) of the Contract Staff. Provider will manage the replacement of such Contract Staff without disrupting Services during the replacement period and training period of new staff. City will not be liable for any costs related to adding such replacements to Contract Staff.

8.7 Subcontractors. Provider may subcontract the performance of Services only in accordance with this Section.

8.7.1 Prior to subcontracting any of the Services, Provider must first notify City of the proposed subcontract and Subcontractor and obtain City's prior approval, except that Provider may, without City's prior approval, in the ordinary course of business, enter into subcontracts for third party services or products for which total estimated or anticipated value is less than ten thousand dollars (\$10,000) in Services to City in any Contract Year; provided, however, that such subcontract does not constitute a material portion of the Services and/or are not exclusively dedicated to City.

8.7.2 Any subcontract must contain: (i) terms and conditions at least as protective of City and its confidential and proprietary information as the terms and conditions of this Agreement, (ii) Article 13, Compliance and Audit, (iii) waivers of any lien rights, (iv) an acknowledgment that City will have no liability to Subcontractor for amounts that are owed to Subcontractor arising out of the Services, and (v) provisions for transfer of the subcontract to City or a successor Provider upon expiration or termination of this Agreement. Upon reasonable notice, at the request of City, Provider will allow City to review the non-financial terms of any subcontract for Services to the extent necessary to verify that the subcontract complies with the terms of this Agreement.

8.7.3 Prior to materially amending, modifying or otherwise supplementing any subcontract relating to the Services that requires City approval and that affects City, Provider must notify City of the proposed amendment, modification or supplement and must obtain City's written approval.

8.7.4 No subcontracting will release Provider from its responsibility for its obligations under this Agreement. Provider will be responsible for the work and activities of any Subcontractor, such as compliance with the terms of this Agreement.

8.7.5 City may revoke its approval of any subcontractor whose performance City reasonably believes to be deficient, and in such cases Provider shall discontinue use of the subcontractor's products and/or services and provide substitutes therefore.

8.7.6 Provider will be responsible for all payments to its Subcontractors and will indemnify, defend and hold City harmless from and against all Claims by its Subcontractors pursuant to Section 21.1.

9. FACILITIES USE

9.1 City Facilities. To the extent specified in an applicable Service Description, City will make available to Provider furnished space in the City Service Location specified in such Service Description for the purpose of allowing Provider to perform the Services. City will provide the City Service Location with normal office resources (e.g., fax, telephone services, utility services, office supplies, and copier support) at no charge to Provider.

9.2 Provider Use of Facilities. Unless obtaining City approval to the contrary, Provider will: (i) use the space in the City Service Location for the sole purpose of providing the Services and otherwise meeting its obligations under this Agreement; (ii) comply with the leases and other agreements applicable to the City Service Location; and (iii) comply with all policies and procedures governing access to and use of City Service Location, which policies and procedures will be provided to Provider prior to its access and use of the City Service Location.

9.2.1 Use of such facilities by Provider does not constitute leasehold or sub leasehold interest in favor of Provider, but is instead a license, revocable by City at any time.

9.2.2 Provider will keep the City Service Locations in good order, not commit or permit waste or damage to such facilities and not use such facilities for any unlawful purpose.

9.2.3 When the City Service Locations are no longer required for performance of the Services, Provider will return such locations to City in substantially the same condition as when Provider began using such locations, ordinary wear and tear excepted.

9.3 Facilities-Related Services. Provider will permit City and City agents to enter into those portions of the City Service Locations occupied by Provider's staff at any time to perform facilities-related services (such as, for example, repairs to the building).

9.4 Improvements. Provider will not make any improvements or changes involving structural, mechanical or electrical alterations to the City Service Locations without City's approval, which City will not unreasonably withhold if Provider demonstrates that such improvements or changes are reasonably necessary to provide the Services and to meet Provider's other obligations under this Agreement. Approved improvements will become City's property, or that of City's lessor, if so required under applicable leases. Provider shall keep City's property, and that of its lessors, free from mechanic's, materialmen's and other liens of every kind and take all reasonable measures that City or its lessors may require (such as posting of bonds and obtaining releases of claims of lien).

10. ASSET ACQUISITION AND CITY SERVICE PROVIDERS

10.1 Price Matching Policy. In the event City desires to make an IT asset acquisition, City may, at its sole option, deliver to Provider written verification of the asset's brand, features, and price, as listed by any third party vendor, for the purpose of allowing Provider the opportunity to match the same price for the identical branded asset, bearing the same features. Provider shall be under no obligation to match said price, but shall have five (5) business days from receipt of said notice in which to elect whether to partake of the opportunity. Upon expiration of the five (5) day period, if Provider has not given City written confirmation of its desire to provide to City the identical branded asset, bearing the same features, at the same price, City shall be free to purchase the asset from any vendor of its choice.

10.2 City Service Providers. Attached to this Agreement as Schedule 6 ('City Service Providers') is a list, current as of the Effective Date, of those service providers with whom the City has entered into agreements for the provision of services not included within the scope of Provider's Services. Provider acknowledges that, in performing the Services, it will be required to interface with City Service Providers.

10.2.1 With the exception of Provider, City may replace or substitute the service providers with whom it has entered into any agreement for services at any time, in its discretion.

10.2.2 Provider will promptly notify City of any breach of, misuse, or fraud in connection with, any City Service Provider contracts that Provider knows or reasonably should know has occurred. Provider will cooperate with City to prevent or stay any such breach, misuse, or fraud.

11. SERVICE LEVELS

11.1 General. Provider will perform the Services at the Service Levels in accordance with Schedule 3. With respect to those Services for which a Service Level is not specified in Schedule 3, Provider's performance will meet or exceed the industry standards for first tier providers of similar services.

11.1.1 Provider shall maintain the Service Levels set forth in Schedule 3 following Transition. During Transition, Provider will verify that Provider will be able to meet the Service Levels. Where Service Levels are not currently reported or cannot be verified by Provider, such Service Levels, for the remainder of the first twelve (12) months after the Effective Date, shall be set, via the Change Control Procedure, at the lower of (i) the highest service levels actually achieved during the three (3)

month period after completion of Transition, (ii) the Service Level specified in Schedule 3, or (iii) at a level mutually agreed to by the Parties.

11.1.2 The Parties agree that the Provider's performance of the Services is expected to continuously improve and become more efficient over the term of the Agreement. Provider shall implement new and/or enhanced tools required to provide continuous improvement at no cost to City.

11.2 Adjustment. The City Contract Executive and the Provider Contract Executive will review the Service Levels for the preceding twelve (12) months during the last calendar quarter of every Contract Year. They will adjust the Service Levels, via the Change Control Procedure, for the following Contract Year, that (i) require periodic adjustment pursuant to Schedule 3 to reflect any improved performance capabilities associated with advances in the technology and methods used to perform the Services, or (ii) are no longer appropriate because of an increase, decrease or change to the Services. The City Contract Executive and Provider Contract Executive are also empowered to adjust other Service Levels for other reasons they deem appropriate based on mutual agreement.

11.3 Measurement and Monitoring Tools. As of the applicable Service Commencement Date, Provider will implement the measurement and monitoring tools and procedures necessary, at Provider's expense, or required to measure and report Provider's performance of the Services against the applicable Service Levels. Such measurement and monitoring tools and procedures will (i) permit reporting at a level of detail sufficient to verify compliance with the Service Levels and (ii) be subject to audit by City. Provider will provide City with information concerning and access to such measurement and monitoring tools and procedures upon request for verification.

11.4 Root Cause Analyses. In the event of any failure to provide the Services in accordance with the applicable Service Levels (whether or not excused), Provider will within three (3) business days of such failure, or such other time period as may be specified in the applicable Service Levels Schedule or as may be mutually agreed, (i) perform a root-cause analysis to identify the cause of such failure, and (ii) provide City with a report detailing the cause of, and procedure for correcting such failure. Upon City's approval of such procedure, implement such procedure as per mutually agreed timeframe, and provide City with assurance satisfactory to City that such failure will not recur following the completion of the implementation of the procedure.

11.5 Service Credits. The Parties will review the Provider's performance against Service Level commitments formally once per month. If Provider fails to provide the Services in accordance with the applicable Service Levels, City will be credited with the Service Credits set forth in section 3 of Schedule 3 against any amounts then due. The Service Credits will not limit or preclude City's right to recover, in accordance with this Agreement, other damages incurred by City, or to seek other remedies to which it may be entitled hereunder as a result of such failure; provided, however, that the amount of any damages that City is entitled to receive for such failure will be offset by the amount of Service Credits paid to City by Provider. No Service Credits will be payable for failures excused under Section 3.7. Service Credits will be subject to Earn-back as set forth in Schedule 3.

11.6 Continuous Improvement. Provider will, as part of its total quality management process, provide continuous quality assurance and quality improvement through (i) the identification and application of proven techniques and tools from other installations within its operations and (ii) the implementation of demonstrable programs, practices and measures designed to improve performance standards.

11.6.1 Such procedures will contain checkpoint reviews, testing, user acceptance and other procedures that enable City to confirm the quality of Provider's performance, which will be incorporated into the Procedures Manual and the reports provided to City pursuant to Section 3.4.

11.6.2 Provider will utilize project management tools, such as productivity aids and project management systems, as appropriate in performing the Services.

11.6.3 Provider will review all systems, Services, practices and procedures not less than twice per calendar year and will use reasonable efforts to provide on-going productivity gains, best practice flow-through and early identification of developing problems in all such areas.

11.6.4 Provider will communicate such activities to City in a semi-annual productivity and improvement report, which the City Contract Executive and Provider Contract Executive will review.

12. PAYMENT TERMS

12.1 Fees. In consideration of Provider providing the Services, City will pay to Provider the Fees as set forth in Schedule 4, Fees. The Fees set forth in Schedule 4 define charges for all tools, software, personnel and other resources required to provide Services to City. Except as expressly set forth in this Agreement, there will be no other charges or Fees payable by City in respect of Provider's performance of its obligations under or in connection with this Agreement, other than retained or pass-through costs expressly identified in applicable Schedules, which shall, to the extent possible, identify and estimate all third party costs to be retained by or passed through to City. City shall not pay any handling charge or administrative charge or markup on any pass-through cost or cost reimbursement. City may set-off against the Fees any amounts owed to City by Provider, as provided below. Further, City shall have no obligation to pay or reimburse any Pass-Through or other expense of any kind except to the extent required by the express terms of the Agreement or from time to time agreed in writing by the Parties' authorized representatives. City shall not pay for vacancies or absences in excess of agreed schedule of Contract Staff, as identified in Schedule 4, unless prior agreement has been reached for adequate backfill for such Contract Staff.

12.2 Invoicing. No later than the tenth (10th) day of each calendar month during the term of this Agreement, Provider will invoice City for the Services performed in the prior month.

12.2.1 Each of Provider's invoices will (i) set forth (a) any pass-through expenses incurred and billable under the express terms of this Agreement and (b) any discounts, credits or charges, such as Service Credits, Additional Resource Charges and Reduced Resource Credits, charged or issued during the period to which such invoice relates, and (ii) reflect any adjustment to or change in the Fees implemented during the period to which such invoice relates.

12.2.2 All invoices must be presented within one-hundred eighty (180) days after the end of the relevant month or completion of the relevant milestone. City will not be obligated to pay any amount (including any allowable pass-through expense) not invoiced in accordance with this Agreement within such time period.

12.3 Payment. The undisputed Fees will be due and payable to Provider within thirty (30) days of receipt of Provider's invoice.

12.4 Credits and Refunds. Provider will promptly provide credit to City on invoices for the previous month's vacancies or absences exceeding agreed schedule of Contract Staff, identified in

Schedule 4, Fees. Provider will promptly credit any payment made to which Provider is not entitled under this Agreement and refund to City any such payment for which there are not sufficient Additional Resource Charges under the then-current invoice against which to credit the overpayment. If Provider receives any refund, credit or other rebate (such as deposits) in connection with any Managed Agreement that is attributable to periods prior to the Effective Date or for which City retained financial responsibility after the Effective Date, then Provider will promptly (i) notify City of such refund, credit or rebate and (ii) pay to City the full amount of such refund, credit or rebate. Provider will reimburse City for all prepaid amounts related to the Services to the extent that Provider receives the benefit of any such pre-payment.

12.5 Taxes. City shall pay all applicable taxes on Services provided by the Provider. City is not responsible for any taxes based on the income of Provider. In addition, City is not responsible for taxes paid by Provider relating to employees and resources acquired by Services Provider to provide the Services.

12.6 Disputed Amounts. City may reasonably dispute an amount on an invoice and may withhold payment of such disputed amount. In such event, City will promptly notify Provider in writing of the disputed amount, with an explanation of the reasons therefore. Following notification of a disputed invoice charge, the Parties will use their reasonable endeavors to resolve the disputed amount within fifteen (15) days. If the parties are unable to reach resolution, the dispute shall be submitted to mediation, per the terms of the Dispute Resolution procedures set forth herein.

12.7 Setoff and Withholding. Except as set forth in this Section, City will not withhold payment of any undisputed amounts.

13. COMPLIANCE AND AUDIT

13.1 Compliance with Laws. Each Party will obtain and maintain all Authorizations applicable to such Party at its own expense. Provider will comply with all Laws, and Regulatory Requirements, applicable to Provider's delivery of the Services and its performance of this Agreement, such as those imposed on City but applicable to activities or tasks that Provider undertakes pursuant to this Agreement. City will comply with all Laws applicable to City's receipt of Services and its performance of this Agreement. In particular, and without limiting the generality of the foregoing, (i) Provider will comply with applicable privacy laws in all relevant jurisdictions, (ii) enter into model processor or other, similar agreements concerning transfers of personally identifiable data within and without the member states of the European Union, when reasonably required by City, and cause its subcontractors to do so.

13.2 Changes in Laws. Provider will be responsible for identifying and becoming familiar with any changes in Laws that are related to Provider's delivery or performance of the Services. If Provider becomes aware of changes in Laws that impact City's use or receipt of the Services, Provider will reasonably inform City.

13.2.1 Provider will promptly notify City of any such changes in Laws and will advise City of what actions, if any, City must take and when those actions must be taken related to the Services to remain compliant with such Laws, except for changes in Laws directed at the government sector, in which event City will notify Provider of changes to such Laws that affect Provider's delivery or performance of the Services.

13.2.2 Provider and City will work together to identify the impact of such changes on how City uses, and Provider delivers, the Services.

13.2.3 Provider will perform the Services at no additional charge to City and will bear the costs associated with (i) regulatory changes affecting its business as a provider of the Services, (ii) changes in Provider's standards, methods, practices and procedures for Cities generally, (iii) changes in Laws, other than changes in Laws directed at the government sector and (iv) regulatory changes affecting its Cities generally, unless such changes and Provider's compliance with such changes will result in material cost increases to Provider above and beyond those necessary to effect changes affecting Provider's other Cities and operations generally. Costs affecting City's receipt of the Services specific to City's unique compliance measures will be determined and compensated in accordance with the Change Control Procedures.

13.2.4 If a change in Laws prevents Provider from performing its obligations under this Agreement, Provider will, if practicable, develop and, upon City's approval, implement a suitable workaround until such time as Provider can perform its obligations under this Agreement in compliance with Laws without such workaround.

13.2.5 To the extent this Agreement incorporates any Policies and Procedures or Administrative Directives issued by the City, revisions as to such Policies and Procedures and/or Administrative Directives shall become enforceable against Provider upon City's provision of a written copy of the same to Provider in accordance with the notice requirements of Section 25.1.

13.3 Unlawful Payments. Provider has not and will not directly or indirectly through a third-party intermediary pay or provide, or offer to pay or provide, any monies or other items of value (for example, gifts, meals, contracts, entertainment, employment, hospitalities, and sponsorships that are not permitted by Provider) to (i) an officer or employee of a governmental department, agency, instrumentality (such as a government-owned commercial enterprise) or public international organization, or any person acting on behalf of any such entity; or (ii) any political party or official thereof or any candidate for political office, in order to obtain, retain or direct business to any person.

13.4 Ethics Policies. Provider will comply, and cause its officers, directors, employees, agents and subcontractors to comply, with ethical standards and corporate social responsibility policies as may be required.

13.5 Provider Internal Audits. Provider will, upon request, make available to City a summary report of the results and a summary of pertinent supporting information of any internal or external review or audit conducted by Provider and its internal and external auditors, relating to Provider's operating practices and procedures to the extent relevant to the Services. City acknowledges that Provider's audits, reviews, audit results and other related information are Confidential Information hereunder.

13.6 Audit. Upon thirty (30) days' prior notice from City, unless shorter notice is required by exigent circumstances, and subject to the confidentiality obligations in Article 17, Provider will provide, and will cause its Subcontractors to provide, City or any City representative (other than a Provider Competitor), with access to such facilities, records and supporting documentation as may be reasonably requested by City in order to audit Provider's compliance with its obligations under this Agreement, such as those pertaining to Fees, Service Levels, the Security Protocol the City Controls and any applicable Authorization, Managed Agreement or ethics policies. Audits shall be conducted in a manner that minimizes any disruption of Provider's performance of Services and other normal operations.

13.6.1 Provider will, and will cause its Subcontractors to, (i) assist City and its designees in the performance of the audits described in this Section or (ii) cooperate fully with City and

its designees in the performance of the audits described in this Section. Upon City's request, Provider will provide a reasonable level of resources to support the performance of the audits described in this Section, at no additional cost to City. Provider's obligations to provide any such support shall not impede Provider's ability to meet its obligations under this Agreement or Provider's normal business operations. City, in its sole discretion and at its expense, may perform the audits described in this Section through its internal and/or external auditors.

13.6.2 If an audit of Fees charged discloses that Provider has overcharged City, City will notify Provider of the amount of such overcharge and Provider will promptly pay to City the amount of the overcharge, plus Interest calculated (at the then Prime Rate) from the date of receipt by Provider of the overcharged amount until the date of repayment to City. If such audit reveals any other deficiencies in Provider's performance of its obligations under this Agreement, such as any Schedules, Provider will promptly take steps to rectify all such deficiencies. At Provider's request, City will make the audit report available to Provider and provide Provider an opportunity to explain any apparent discrepancies. If the audit of Fees charged discloses that Provider has undercharged City, City will promptly pay to Provider the amount of the undercharge without interest.

13.6.3 If, as and when regulatory authorities with jurisdiction over City so request, Provider will cooperate with regulatory agencies, their auditors and examiners, in the same manner contemplated by this Section for audits conducted by City.

13.6.4 Provider shall submit to City, an acceptable plan to cure any such breaches and process/system weakness within thirty (30) days (unless a shorter period is required by exigent circumstances) and thereafter diligently complete the cure within the said period.

13.6.5 City, its auditors and other representatives shall observe Provider's reasonable confidentiality and security arrangements. Provider Competitors shall not be engaged to audit Provider.

13.7 Control Rules. Without limiting the generality of the foregoing and subject to this Section and the confidentiality provisions of this Agreement, Provider will provide, or cause its auditor to provide, City and its internal and external auditors with all descriptions of controls, tests of controls, audit reports and any other information that City or its auditor deem appropriate or necessary to enable City and its auditor to fulfill their legal obligations under the Securities Act of 1933; the Securities Exchange Act of 1934; the Sarbanes Oxley Act of 2002; related rules and regulations of the Securities and Exchange Commission, and Regulation S-X thereto; the rules, regulations and listing standards of the New York Stock Exchange; the rules, regulations and standards of the Public Company Accounting Oversight Board; and any other financial control or disclosure requirement imposed by law on public companies, as such legal requirements may be amended or modified from time to time (the "Control Rules").

13.7.1 If any report or audit contemplated under this Section reveals a significant deficiency or material weakness in the internal controls placed in operation at Provider, Provider will promptly take such corrective action as agreed to by Provider and City. Provider will perform the corrective action at no additional charge to City, unless such action (i) will result in material cost increases to Provider above and beyond those necessary to effect changes affecting Provider's other Cities and operations general and (ii) is unique to the government sector, in which case Provider shall apportion such costs among all such affected Cities in the government sector. Costs specific to City's unique compliance measures will be determined and compensated in accordance with the Change Control Procedures.

13.7.2 With forty five (45) days notice (unless shorter notice is required by exigent circumstances), City and its auditor may conduct audits and tests of control at Provider Service Locations in order to obtain any additional evidence of effective internal control that City or its auditor deem appropriate or necessary. Provider will grant, and cause Subcontractors to grant, reasonable access by City and its auditor to employees, facilities, data, records, controls, processes and procedures in connection with any such audit.

13.8 Records. Provider will maintain and provide access, upon City's request, to those records, documents and other information relating to this Agreement and the provision of the Services for five years from expiration or termination of this Agreement. At any time after expiration or termination of this Agreement, Provider may retire its retention obligation under this Section by providing a copy of such documents and records to City in a mutually agreed format. Upon notice from City, Provider will suspend any document destruction policy for any period of time reasonably requested by City.

14. TERM AND TERMINATION

14.1 Initial Term. The term of this Agreement will commence on the Effective Date and will be in effect for a period of twelve (12) months from the Effective Date, subject to Section 14.8, unless this Agreement is (i) sooner terminated in accordance with this Article 14 or (ii) extended in accordance with its terms or by mutually agreed amendment.

14.2 Renewal. At the City's option, this Agreement may be renewed or extended for four (4) additional one (1) year periods. In the event the City desires to renew or extend the Agreement, City shall deliver written notice to Provider of such renewal along with any requested modifications of the Agreement at least ninety (90) days before expiration of the then-current Term. City may allow this Agreement to expire by giving notice no later than ninety (90) days prior to the end of the then-current Term that it does not wish to renew this Agreement. Renewal will be at the then-current Service Levels and will be subject to Fees as specified in Schedule 4.

14.3 Termination by City. Unless otherwise agreed by the Parties, City may terminate this Agreement, in whole or in part:

14.3.1 by not less than sixty (60) days' notice to Provider, if Provider (i) is directly responsible for any unexcused failure or unexcused delay of more than fifteen (15) business days in meeting any Critical Transition Milestone date or of more than thirty (30) days in meeting a Service Commencement Date, (ii) is directly responsible for any failure or combination of failures defined by Schedule 3 as "Unacceptable Service," (iii) breaches any material warranty, representation or covenant or fails to perform any material obligation, and such breach is not remedied within thirty (30) days of written notice of the breach, or (iv) commits multiple breaches of its obligations that may be immaterial if considered individually, but are material in the aggregate;

14.3.2 by not less than thirty (30) days notice to Provider if Provider becomes insolvent or is subject of any proceeding related to its liquidation, winding-up or insolvency or makes an assignment for the benefit of creditors, or if a receiver or similar officer will be appointed to take charge of all or part of the assets of Provider, or enters into an agreement for the composition, extension or readjustment of its obligations, and if any such action for involuntary bankruptcy is not dismissed within thirty (30) days;

14.3.3 if City believes in its reasonable, good-faith judgment that a significant material change in Provider's financial condition as compared to its financial condition as of the Effective Date

poses an unacceptable risk to City for provision of the Services during the initial Term City shall have the right to Terminate for Convenience this Agreement subject to payment of any Termination for Convenience Fees identified in Schedule 4 and netting of any credits due City from Provider. City agrees to, within thirty (30) days of the event creating City's desire to execute this right, provide written notice of such desire and meet to discuss formally with Provider executive leadership the basis for City's concern and provide Provider the opportunity to present its position on City's basis for concern. If after such formal meeting City still believes in its reasonable, good-faith judgment that a significant material change in Services Provider's financial condition does exist which poses an unacceptable risk to City for provision of Services during the initial Term and executes this right then City shall, within ten (10) days of such meeting, provide Provider written notice of City's decision and fully disengage from receipt of the Services and finalize Termination within one-hundred-twenty (120) days of said notice. Notwithstanding that Section 14.3 permits City to terminate the Agreement in whole or in part the Parties understand and agree that with respect to this Section that City may only terminate the Agreement in whole.

14.3.4 by not less than sixty (60) days notice to Provider, , without liability for any Termination for Convenience Fees, if Provider, without the prior written consent of City, merges with or is acquired, directly or indirectly, by a third party (excluding an internal reorganization or amalgamation), if City believes, in its reasonable opinion, that such change in Control would be detrimental to City's business interests, provided that City gives notice of termination within ninety (90) days of notice of such merger or acquisition identifying a termination date not more than eighteen (18) months after notice of such merger or acquisition.

14.3.5 by not less than ten (10) days notice to Provider, and without paying any termination charges, if a Force Majeure Event is either incurable or has continued for at least ten (10) days that renders impracticable the performance of the Services (or any material portion of the Services) by Provider substantially as contemplated hereby; or

14.3.6 by not less than one-hundred eighty (180) days notice, given no less than six (6) months after the Effective Date, to Provider for convenience and without cause. In the event that City terminates this Agreement for convenience prior to the end of the Initial Term of this Agreement, City will have no other liability to Provider, other than payment for Services performed or Pass-Through Orders placed in accordance with the terms of the Agreement. If a purported termination for cause by City under Section 14.3.1 is determined pursuant to Article 20 not to be a proper termination for cause, that termination shall be deemed a termination for convenience subject to this Section 14.3.6. No Termination for Convenience Fee or other termination fee or charge shall be payable.

14.4 Termination by Provider. Provider may only terminate this Agreement, (i) by not less than sixty (60) days prior written notice to City, if City: (a) commits a material intentional infringement misappropriation of Provider's proprietary rights and fails to cure such misappropriation of rights within forty five (45) days after receipt of written notice specifying such breach and Provider's intention to terminate this Agreement or (b) commits a breach of confidentiality under Article 17 or, (ii) immediately upon written notice to City if City fails to make undisputed payments required under the terms of this Agreement, and fails to remedy such failure to make such undisputed payments within forty five (45) days after receipt of written notice specifying such breach and Provider's intention to terminate this Agreement. (For purposes of this paragraph "intentional" shall mean infringement or misappropriation undertaken at the direction of or with express approval from, or the actual knowledge of, City's responsible management).

14.5 Continued Performance. During any period commencing upon notice of termination and continuing until the effective date of termination specified in any such notice, Provider will perform the Services in accordance with terms and conditions and performance standards in effect as of the date on which notice of termination is given. If this Agreement is terminated by Provider for City's failure to make undisputed payments, this obligation will be contingent upon City's payment in advance each month for the Services. In addition, upon City's request, Provider will provide to City such information and other cooperation as may be reasonably necessary for (i) City and/or its outside advisers to prepare requests for proposals or other, similar, documentation related to selection of a successor to Provider and (ii) a third party to prepare a reasonably informed, non-qualified offer to perform similar services. The types of information and of cooperation to be provided by Provider will be at least as comprehensive as those initially provided by City to Provider prior to the Effective Date. Provider will not be required to produce information concerning its costs (other than any costs from time to time reimbursed by City). In the event City terminates this Agreement under Section 14.3.1, then notwithstanding the restrictions contained in Section 25, City may solicit and hire Provider Key Personnel that have provided Services at a City location during the term of the Agreement. If City terminates this Agreement under Section 14.3.5, then Provider will make its Key Personnel available to City, if requested, on a full time basis, for up to six (6) months after the effective date of termination, at the rates set forth in Schedule 4.

14.6 Termination Assistance. In connection with expiration or any termination of this Agreement, the Parties will, commencing promptly after the giving of any notice of termination or at least one hundred eighty (180) days prior to expiration of this Agreement, jointly develop a plan, in accordance with Schedule 11, Termination Assistance, to effect the orderly transition to City or its designee from Provider the Services then being performed or managed by Provider. Such plan will be completed by the Parties within thirty (30) days and will set forth the tasks and actions to be performed by Provider and City (as set forth in Schedule 11), the time for completing such tasks and actions, and the criteria for declaring the transition completed. The Parties and their employees and agents will cooperate in good faith to execute such plan and each Party will perform those tasks and actions assigned to it in such plan.

14.7 Phased or Partial Termination. Cessation of particular Services may be scheduled in phases by Service Classification via the Change Control Procedure in order to accommodate City's business needs, and Fees will be reduced proportionally as such Services are phased out and discontinued. In the event of a partial termination, Provider will provide Termination Assistance related to the affected Services. To the extent that City provides Provider with not less than sixty (60) days prior notice of such phased or partial termination, the scope of particular Services (such as affected Fees and Service Levels) will be equitably adjusted to the extent necessary to allow for operational dependencies, and phased reduction of Service (or introduction of new service from Provider or other sources) all in order to assure orderly, continuous operations with consistent quality of service. In addition, City may, one time only per Service Classification, upon sixty (60) days' prior notice, extend the termination date for the Agreement with respect to a Service Classification(s) or all of the Services for up to one hundred eighty (180) additional days.

14.8 Extension of Services. At City's request, Provider will provide to City for up to twelve (12) months after the expiration date of the Term or, if applicable, the effective date of termination, any or all of the Services being performed by Provider prior to such date, such as Termination Assistance. Thereafter, Provider may upon mutual agreement provide such support and service related to termination and transition as City may reasonably request at its then-current standard rates. This Agreement will continue to govern the performance of all such Services during such period, except that (i) the charges for such Services will be at the Providers then-current standard rates in effect as of the date of expiration or termination, and (ii) the charge for any Termination Assistance not part of the Services will be Provider's then-current standard rates.

14.9 Specific Performance. Provider acknowledges that, if it were to breach, or threaten to breach, its obligation to provide City with Termination Assistance, then (i) City may be irreparably harmed, (ii) money damages may not be an adequate remedy, and (iii) continuing performance of Termination Assistance, other Services and the Parties' other respective obligations would best preserve the *status quo* pending resolution of any disputes then pending. Accordingly, City may seek to enforce Provider's obligation to provide Termination Assistance by a preliminary or permanent mandatory injunction, decree of specific performance or other appropriate equitable remedy. Provider irrevocably waives any requirement that City post any bond or undertaking, or demonstrate irreparable harm or the inadequacy of money damages.

14.10 Survival. The provisions of Article 1 (Interpretation), Article 13 (Compliance and Audit), Article 14 (Term and Termination), Article 15 (Intellectual Property), Article 16 (City Data), Article 17 (Security and Confidentiality), Article 20 (Governance), Article 21 (Indemnification), Article 23 (Damages), Article 25 (Notices), Article 26 (Non-Solicitation), Article 27 (Severability), Article 30 (Governing Law) and Article 35 (No Third Party Beneficiaries) will survive termination or expiration of this Agreement.

15. INTELLECTUAL PROPERTY RIGHTS

15.1 City Software and Materials. Neither Provider nor any Subcontractor shall have any ownership interest in any City Software, City Materials or other intellectual property that City provides to Provider, discloses to Provider or allows Provider to Use in any way. Subject to City obtaining all applicable Consents and to any restrictions contemplated in such Consents (such as payment of applicable fees), City grants to Provider a limited, non-exclusive and non-transferable right to Use the City Software and City Materials, directly or through permitted Subcontractors, solely in and for performing the Services pursuant to this Agreement and to the extent permitted under any applicable Third Party Agreements.

15.2 Rights in Deliverables. The Service Descriptions or Statements of Work will specify whether Provider has "No Rights," "Limited Rights" or "Full Rights" in the Deliverables. If a Service Description or statement of work does not specify whether Provider will have "No Rights," "Limited Rights" or "Full Rights" in the particular Deliverable, then Provider will have No Rights in such Deliverable. Unless otherwise expressly provided in a Statement of Work, Provider will be solely responsible for (i) obtaining any Consent that may be required to exercise its rights in the Deliverables and (ii) complying with any applicable Third Party Agreement. Provider shall also cause all of its employees and Subcontractors engaged in the development of any Deliverables to enter into appropriate agreements with Provider assigning and releasing to Provider any intellectual property rights they may otherwise assert in any work in any medium created or modified in the course of performing Services.

15.2.1 Provider will create the No Rights Deliverables as "works made for hire" or "commissioned works" owned by City. To the extent that any No Rights Deliverable is not a "work made for hire" or "commissioned work" owned by City, Provider hereby irrevocably assigns, and agrees to assign, and will cause Subcontractors to assign, and agree to assign, to City without further consideration all of its and their right, title and interest in and to such No Rights Deliverable (but in no event with respect to Provider Software or Provider Materials identified therein), and to cause its employees and those of its Subcontractors engaged in the preparation of the No Rights Deliverable to waive and agree not to assert any moral rights or reversionary rights. If and to the extent such waivers are deemed invalid, Provider will, and will cause its employees and those of its Subcontractors engaged in the preparation of the No Rights Deliverable, to grant to City the exclusive, perpetual, irrevocable, worldwide and royalty-free right to use, modify and distribute such items without any requirement of attribution or prior consent.

City grants to Provider, during the term of this Agreement, a limited, non-exclusive and non-transferable right to Use the No Rights Deliverable, directly or through permitted Subcontractors, solely in and for providing the Services to City.

15.2.2 Provider will create the Limited Rights Deliverables as "works made for hire" or "commissioned works" owned by City. To the extent that any Limited Rights Deliverable is not a "work made for hire" or "commissioned work" owned by City, Provider hereby irrevocably assigns, and agrees to assign, and will cause Subcontractors to assign, and agree to assign, to City without further consideration all of its and their right, title and interest in and to such Limited Rights Deliverable, and to cause its employees and those of its Subcontractors engaged in the preparation of the Limited Rights Deliverable to waive and agree not to assert any moral rights or reversionary rights. If and to the extent such waivers are deemed invalid, Provider will, and will cause its employees and those of its Subcontractors engaged in the preparation of the No Rights Deliverable, to grant to City the exclusive, perpetual, irrevocable, worldwide and royalty-free right to use, modify and distribute such items without any requirement of attribution or prior consent.

15.2.3 Subject to any restrictions specified in the applicable Service Description or statement of work, Provider grants to City a perpetual, irrevocable, paid-up, royalty-free, worldwide, non-exclusive, sub-licensable but otherwise non-transferable (except to a successor) right to Use the Full Rights Deliverables in connection with its own business; provided, however, that City (or its successor) may sub-license any such Full Rights Deliverable to unrelated third parties only for the purpose of providing services to City, its Affiliates or their successors.

15.3 Provider Software and Materials. City shall have no ownership rights in any Provider Owned Software and Provider Materials that Provider provides to City, discloses to City or allows City to Use in any way, including without limitation any such materials incorporated or embedded in any Deliverable, and the assignment of rights contemplated under this Section shall not apply to Provider Software or Provider Material.

15.3.1 Unless otherwise specified in Schedule 13, Provider Software and Provider Materials, or the applicable Service Description, Provider grants to City a perpetual, irrevocable, paid-up, royalty-free, worldwide, non-exclusive, sub-licensable as provided for below within this section but otherwise non-transferable (except to a successor) right to Use the Provider Owned Software and Provider Materials that may be incorporated or embedded in any Deliverable in connection with City's own business; provided, however, that City (or its successor) may sub-license any such work to unrelated third parties only for the purpose of providing services to City, its Affiliates or their successors.

15.4 Commissioned Work. Neither Provider nor any of its Subcontractors (or any of its or their employees) shall have any ownership interest in Commissioned Work, other than Provider's continuing rights in and to any Provider Materials that may be incorporated or embedded in such Commissioned Work. All Commissioned Works will be considered "works made for hire" or "commissioned works" owned by City and, to the extent that any such Commissioned Work may not constitute a "work made for hire" or "commissioned work" owned by City, Provider hereby irrevocably assigns, and agrees to assign, and will cause Subcontractors to assign, and agree to assign, to City without further consideration all of its and their right, title and interest in and to the Commissioned Works, and to cause its employees and those of its Subcontractors engaged in the preparation of the Commissioned Work to waive and agree not to assert any moral rights or reversionary rights excluding any pre-existing Provider Materials incorporated or embodied in such Commissioned Work. Provider grants to City a perpetual, irrevocable, paid-up, royalty-free, worldwide, non-exclusive, sub-licensable and transferable right to Use any such pre-existing Provider Materials as part of the Commissioned Work; provided,

however, such license shall not extend to separating such pre-existing Provider Materials from the Commissioned Work to develop any stand alone product for marketing to third parties.

15.5 Provider Responsibilities. Provider covenants that all Software Deliverables will consist of source code and documentation sufficient to allow a reasonably knowledgeable and experienced programmer to compile, maintain and support the software. City may make such filings and registrations as it deems advisable to obtain patent, copyright or other protection for Full Rights and Limited Rights Deliverables, Commissioned Works and other City intellectual property. Provider will provide such assurances, take such action, and execute such further documents and instruments as City may reasonably request (at no material cost to Provider) in order to carry out the purposes of this Article and, in particular, to register or otherwise secure patent, copyright, trademark, service mark or other intellectual property protection in all countries for City's intellectual property.

16. CITY DATA AND INTANGIBLE PROPERTY

16.1 City Data. Neither Provider nor any Subcontractor will have any right, title or interest in or to any City Data.

16.1.1 Without City's approval, City Data will not be (i) used by Provider or Subcontractors other than in connection with providing the Services or otherwise complying with Provider's obligations under this Agreement, (ii) disclosed, sold, assigned, leased or otherwise provided to third parties by Provider or Subcontractors or (iii) commercially exploited by or on behalf of Provider or Subcontractors.

16.1.2 Provider irrevocably assigns, transfers and conveys, and will cause Subcontractors to assign, transfer and convey, to City, without further consideration, any right, title and interest that it or they may possess or claim in and to City Data, and to cause its employees and those of its Subcontractors to waive and agree not to assert any moral rights or reversionary rights they may possess in the City Data. If and to the extent such waivers are deemed invalid, Provider will, and will cause its employees and those of its Subcontractors engaged in the use of City Data to grant to City the exclusive, perpetual, irrevocable, worldwide and royalty-free right to use, modify and distribute such items without any requirement of attribution or prior consent. Upon request by City, Provider will, using commercially reasonable efforts, execute or have executed and delivered, and will cause Subcontractors to execute and deliver, any instruments or other documents that may be necessary or desirable under any Law to preserve, or enable City to enforce, its rights with respect to City Data.

16.2 City Intangible Property. Upon City's request at any time, and without prejudice to any additional requirements specified in this Agreement, a Service Description or otherwise, Provider will (i) provide City with physical and electronic access to all or any part of the City Data, City Software, related documentation or other intangible property of City, such as all work-in-progress (collectively, "City Intangible Property") in Provider's possession or control, (ii) promptly return to City, in the format and on the media then in use, all or any part of such City Intangible Property and (iii) erase or destroy all or any part of such City Intangible Property, in each case to the extent so requested by City; provided, however, that Provider may retain a copy thereof to the extent, and for so long as, reasonably necessary to perform the Services, Termination Assistance or other activities reasonably related to termination or expiration, unless otherwise instructed by City. Provider has no right to retain, encrypt, corrupt or destroy any City Intangible Property (other than retaining archival copies, if any, authorized by City), and waives any and all statutory or common law liens, claims of lien or similar rights, remedies or encumbrances that may now or hereafter exist and might limit or condition Provider's unconditional obligations to return City Intangible Property. The foregoing requirement is in addition to any other requirements contained in

applicable Service Descriptions, Procedures Manuals or other documentation concerning periodic deliveries of City Intangible Property.

17. SECURITY AND CONFIDENTIALITY

17.1 Security Protocol. Provider will develop and implement, or satisfy City that Provider has developed and implemented, and maintain throughout the Term a comprehensive Security Plan that meets or exceeds City's Security Protocol as set forth in Section 3.8.5 of Schedule 2, and the City's Administrative Directive 162, a copy of which Provider hereby acknowledges having received. The Security Plan will be no less rigorous than Provider's security policies in effect as of the Effective Date.

17.1.1 City may revise the Security Protocol from time to time during the Term.

17.1.2 If City changes such Security Protocol in a manner that results in substantial cost increases to Provider, Provider's compliance with the new Security Protocol will be subject to the Change Control Procedures. City will give Provider reasonable advance notice of changes in the Security Protocol.

17.1.3 If Provider intends to implement a Change to the Provider's Security Plan (pursuant to City's request), Provider will notify City. Provider will not, without City's approval, implement any such Change if, in City's reasonable judgment, such Change would cause the Provider's Security Plan to fail to meet the standards set forth in the Security Protocol.

17.1.4 If Provider or Subcontractors discover or are notified of a breach or potential breach of security relating to the Security Protocol, Provider will – promptly (i) notify the City Contract Executive of such breach or potential breach and (ii) use commercially reasonable efforts to remedy the effects of the breach or potential breach.

17.2 Confidentiality. Without prejudice to any additional requirements contemplated under the Security Protocol, the recipient of Confidential Information will maintain its confidentiality at least to the same extent and manner as the recipient protects its own Confidential Information.

17.2.1 Neither City nor Provider will disclose, publish, release, transfer or otherwise make available Confidential Information of, or obtained from, the other Party in any form to, or for the use or benefit of, any person or entity without such other Party's consent.

17.2.2 Notwithstanding the foregoing, City and Provider will be permitted to disclose relevant aspects of the other's Confidential Information to its officers, directors, agents, professional advisors, contractors, subcontractors and employees and to the officers, directors, agents, professional advisors, contractors, subcontractors and employees of its Affiliates, to the extent such disclosure is not restricted under any Authorization or Managed Agreement, but only to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations or the determination, preservation or exercise of its rights and remedies under this Agreement.

17.2.3 The recipient of any Confidential Information will take all reasonable measures to provide that Confidential Information of the disclosing Party is not disclosed or duplicated in contravention of the provisions of this Agreement by such officers, directors, agents, professional advisors, contractors, subcontractors and employees, whether during or after the term of their employment or engagement by the recipient.

17.2.4 When Provider provides City's Confidential Information to any such entity, including any Affiliate, Provider will require such entity to sign, or confirm that it has signed, a confidentiality agreement with terms substantially the same as those described in this Article.

17.2.5 Upon expiration or termination of the Agreement, after completion of transition to a successor Provider, each Party will return or destroy the other Party's Confidential Information.

17.2.6 The obligations in this Article will not restrict any disclosure made pursuant to any Law. The recipient will give prompt notice to the disclosing Party of any demand for such disclosure.

17.3 Unauthorized Use or Disclosure. Without limiting either Party's rights in respect of a breach of this Article, each Party will (i) promptly notify the other Party of any attempted or actual unauthorized possession, use or knowledge of the other Party's Confidential Information by any person or entity that may become known to such Party; (ii) promptly furnish to the other Party full details of the attempted or actual unauthorized possession, use or knowledge; and (iii) assist the other Party in investigating or preventing the recurrence of any attempted or actual unauthorized possession, use or knowledge of Confidential Information. Each Party will reasonably cooperate with the other Party in any investigation or litigation deemed necessary by the other Party to protect its confidentiality or proprietary rights.

18.4 Facilities Segregation. Provider agrees to segregate City Data and information logically from its other customers' data and information.

18. REPRESENTATIONS WARRANTIES, AND COVENANTS

18.1 City. City represents, warrants and covenants that:

18.1.1 City is a municipal corporation;

18.1.2 City has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

18.1.3 the execution, delivery and performance of this Agreement by City (i) has been duly authorized by City and (ii) will not conflict with, result in a breach of or constitute a default under any other agreement to which City is a party or by which City is bound;

18.1.4 City is in compliance with all Laws, and Regulatory Requirements, applicable to City, except where the failure to be in compliance would not have a material adverse effect on City's ability to fulfill its obligations under this Agreement; and

18.1.5 there is no outstanding litigation, arbitrated matter or other dispute to which City is a party which, if decided unfavorably to City, would reasonably be expected to have a material adverse effect on City's ability to fulfill its obligations under this Agreement.

18.2 Provider. Provider represents, warrants and covenants that:

18.2.1 Provider is a corporation duly organized, validly existing and in good standing under the Laws of the State of California;

18.2.2 Provider has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

18.2.3 The execution, delivery and performance of this Agreement by Provider (i) has been duly authorized by Provider and (ii) will not conflict with, result in a breach of or constitute a default under any other agreement to which Provider is a party or by which Provider is bound;

18.2.4 Provider is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on Provider's ability to fulfill its obligations under this Agreement;

18.2.5 Provider is in compliance with all Laws, and Regulatory Requirements, applicable to Provider except where the failure to be in compliance would not have a material adverse effect on Provider's ability to fulfill its obligations under this Agreement; and

18.2.6 There is no outstanding litigation, arbitrated matter or other dispute to which Provider is a party which, if decided unfavorably to Provider, would reasonably be expected to have a material adverse effect on Provider's ability to fulfill its obligations under this Agreement.

18.3 EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT OR A STATEMENT OF WORK, ALL IMPLIED AND STATUTORY WARRANTIES AND CONDITIONS, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED OR STATUTORY WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR SATISFACTORY QUALITY ARE HEREBY OVERRIDDEN, EXCLUDED AND DISCLAIMED.

18.4 Notwithstanding Section 14.10, and unless a separate warranty term is specified, the representations and warranties of the Parties under this Article shall survive expiration or termination of this Agreement only with respect to claims that accrued during the Term (for clarity this applies to the provision of Termination Assistance and extension of Services under Section 14.8).

19. ADDITIONAL COVENANTS

19.1 City Covenants. City covenants and agrees with Provider that the City Software and City Materials will not infringe upon the proprietary rights of any third party (except as may have been caused by a modification or unauthorized Use by Provider or Subcontractors).

19.2 Provider Covenants. Provider covenants and agrees with City that:

19.2.1 None of the Services, Deliverables, Provider Software, Provider Materials, Commissioned Work or any enhancement or modification to the City Software or City Materials performed by Provider or Subcontractors, or any other work or item provided to City by Provider or Subcontractors or used in the performance of the Services, infringe upon or misappropriate, or will infringe upon or misappropriate the proprietary rights of any third party (except as may have been caused by (i) Provider's compliance with City's designs, but only to the extent that there were no non-infringing means to comply with City's designs or (ii) a modification or unauthorized Use or combination by City or its agents);

19.2.2 Provider will take commercially reasonable measures, as described in the SOWs, to prevent the introduction into or proliferation of any Malicious Code into the Deliverables, City Software or City's operating systems or environment. If Malicious Code is found to have been introduced into any such systems or deliverables Provider shall immediately notify City of the introduction and with

City's assistance reduce the effects of such Malicious Code, and if the Malicious Code causes an interruption of the Services, a loss of operational efficiency, or loss of data, Provider shall assist City to the same extent to mitigate and restore such loss;

19.2.3 without the consent of City, Provider will not insert into the Deliverables, City Software or any Provider Software or Provider Materials used to provide the Services any code that would have the effect of disabling or otherwise shutting down all or any portion of City's operating systems or environment;

19.2.4 upon City's request, or promptly following its own discovery, Provider shall, as part of the Services, correct any errors in reports, transactions, City Data, processing or other Services only to the extent attributable to errors and omissions of Provider, its employees and subcontractors, or to failures of computers, networks, systems or other resources provided by Provider. If Provider is not responsible for such errors in reports, transactions, City Data, processing or other Services, the Parties will utilize Contract Staff in accordance with Article 6.6 (Prioritization of Scheduling);

19.2.5 without the consent of City, Provider will not insert into any Deliverables, City Software or City's operating systems or environment any code that is made generally available to the public on open source code licensing terms or on other terms that would require City to make the source code thereof publicly available;

19.2.6 Provider will have and maintain adequate facilities, equipment and a duly qualified staff as necessary to perform the Services in an efficient, professional and timely manner and as described in each Service Description;

19.2.7 Provider will perform the Services in a timely, efficient and professional manner in accordance with industry standards, without prejudice to Provider's obligation to meet any applicable Service Levels;

19.2.8 The Deliverables and any and all fixes, updates, enhancements and modifications thereto provided by Provider, will function in accordance with their Specifications prior to implementation and for the period specified in the applicable Statement of Work or other commissioning document, unless such malfunction or non-conformance with Specifications is caused by (i) a modification other than by or on behalf of Provider, (ii) a use contra-indicated in the Statement of Work or Provider provided documentation or (iii) defects in City supplied components or materials; and

19.2.9 Provider will warrant that Deliverables will in all material respects conform with mutually agreed upon specifications and standards and be free from material defects or nonconformities for a period of at least one hundred and twenty (120) days after their first production use. Hardware, when supplied will be subject to normal manufacturer's warranties unless otherwise agreed. Provider also warrants that Services will be rendered with promptness and diligence and will be executed in a workmanlike manner, in accordance with the Information Technology Infrastructure Library Best Practices, (currently found at www.itil.com) and in compliance in all material respects with the Statements of Work and the Service Levels.

20. GOVERNANCE

20.1 Contract Executives. City will appoint an individual ("City Contract Executive") who will serve as the primary representative for the City under this Agreement. The City Contract Executive will have overall responsibility for managing and coordinating the performance of City's obligations under this Agreement, finalizing Schedules necessary to governing the operation of this Agreement, and will be authorized to act for and on behalf of City with respect to all operational matters relating to this Agreement. Notwithstanding the foregoing, the City Contract Executive may, upon notice to Provider, delegate such of his or her responsibilities to other City employees, as the City Contract Executive deems appropriate.

20.2 Continued Performance. Provider will continue to provide the Services during the pendency of any of the proceedings commenced pursuant to this Article, and City will continue to perform its obligations (including but not limited to the making of payments to Provider), all in accordance with this Agreement).

20.3 Jurisdiction. The Parties hereby submit and consent to the exclusive jurisdiction of competent courts within the County of Contra Costa, California. They irrevocably agree that all actions or proceedings relating to and permitted this Agreement will be litigated in those courts. Each of the Parties waives any objection which it may have based on improper venue or *forum non conveniens* to the conduct of any such action or proceeding.

20.4 Injunctive Relief. The Parties agree that in the event of any breach or threatened breach of any provision of this Agreement concerning (i) Confidential Information, (ii) intellectual property rights or (iii) other matters for which equitable rights are expressly provided in this Agreement, money damages may not be an adequate remedy. Accordingly, the non-breaching Party may seek preliminary or permanent, mandatory or prohibitory injunction or order from a court of competent jurisdiction.

21. INDEMNIFICATION

21.1 Provider Indemnity. Provider will indemnify, defend and hold City, its Council members, officers, directors, employees, agents and volunteers, and their respective officers, directors, employees and agents (collectively, the "City Indemnitees"), harmless from and against, any third party Claims arising out of or relating to Provider's performance of its obligations under this Agreement, including, but not limited to, the following:

21.1.1 relating to a fraudulent inaccuracy, untruthfulness or breach of any material warranty, representation or covenant made by Provider under this Agreement;

21.1.2 relating to a violation of any Law applicable to Provider as a provider of the Services, unless such compliance is a requirement under a Service Description, there is no way to comply with the requirement and comply with Law, and Provider has previously informed City in writing that Provider cannot comply with both the requirement and Law;

21.1.3 relating to (a) a work-related injury of Provider employees or its agents unless City's intentional act was the proximate cause of such injury, (b) employee benefits of Provider employees, (c) any aspect of the Contract Staff's employment relationship with Provider or the termination of the employment relationship with Provider, including but not limited to any claims for co-

employment of the Contract Staff with City; (d) any claims asserted by its Subcontractors; or (e) any claims asserted in connection with the Managed Agreements as a result of Provider's act or omission;

21.1.4 relating to any amounts, including taxes, interest and penalties, assessed against City that are the obligation of Provider;

21.1.5 arising out of or relating to any breach by Provider of its obligation with respect to Confidential Information; or

21.1.6 relating to personal injury (including death) or property loss or damage resulting from Provider's acts or omissions.

21.2 City Indemnity. City will indemnify, defend and hold Provider, its officers, directors, employees, agents and Affiliates, and their respective officers, directors, employees and agents (collectively, the "Provider Indemnitees"), harmless from and against, any Claims resulting from, arising out of or relating to City's negligence or willful misconduct; or

21.2.1 relating to a fraudulent inaccuracy, untruthfulness or breach of any material warranty, representation or covenant made by City under this Agreement;

21.2.2 relating to a violation of Law by City;

21.2.3 relating to any amounts, including taxes, interest and penalties, assessed against Provider that are the obligation of City;

21.2.4 arising out of or relating to City's breach of its obligations with respect to Confidential Information;

21.2.5 relating to personal injury (including death) or property loss or damage resulting solely from City's acts or omissions; or

21.2.6 relating to any claims asserted in connection with the Managed Agreements as a result of City's act or omission.

21.3 Intellectual Property Indemnity. Subject to the provisions of this Section, City and Provider each agree to defend the other against any third party action to the extent that such action is based on a claim that the City Software or City Materials, in the case of City, and the Services, the Deliverables, the Provider Software or the Provider Materials, in the case of Provider, or the Confidential Information provided by or on behalf of the other Party (each an "Indemnified Item"), (i) infringes a copyright under United States or other applicable law, (ii) infringes a patent granted under United States or other applicable laws, or (iii) constitutes an unlawful disclosure, use or misappropriation of another party's trade secret. The indemnitor will bear the expense of such defense and pay any damages and reasonable attorneys' fees that are attributable to such claim finally awarded by a court of competent jurisdiction.

21.3.1 If an Indemnified Item becomes the subject of a claim under this Section, or in the indemnitor's opinion is likely to become the subject of such a claim, then the indemnitor may, at its option, (i) modify the Indemnified Item to make it non-infringing or cure any claimed misuse of another's trade secret, provided such modification does not adversely affect the functionality of the Indemnified Item, (ii) procure for the indemnitee the right to continue using the Indemnified Item pursuant to this Agreement, or (iii) replace the Indemnified Item with an Indemnified Item that is substantially equivalent

that is non-infringing or that is free of claimed misuse of another's trade secret. Any costs associated with implementing any of the above alternatives will be borne by the indemnitor. If none of the foregoing courses of action is practical, the allegedly infringing Item will be withdrawn, and the scope, charges and Service Levels will be equitably adjusted to reflect such withdrawal.

21.3.2 With respect to any Software provided or developed by a Party pursuant to this Agreement, such Party will have no liability to the other Party under this Section (i) to the extent that any claim of infringement is based upon the use of the Software in connection or in combination with equipment, devices or Software not supplied by that Party or use of the Software in a manner for which the Software was not designed, (ii) for infringements that arise solely as a result of the implementation by that Party of functionality requirements presented by the other Party where there is no non-infringing alternative to such implementation, and the other Party has been so advised by that Party prior to implementation, and (iii) for fixes, updates, modifications, enhancements and improvements to the Software made by any Party other than that Party or its subcontractors (unless directed to do so by the other Party).

21.4 Indemnitee Responsibilities. If any third party claim is commenced against a Party entitled to indemnification under this Article, the indemnitee will provide notice of the claim and copies of all related documentation to the indemnitor. Such notice and documentation will be provided as promptly as possible. The indemnitee will cooperate, at the cost of the indemnitor, in all reasonable respects with the indemnitor and its attorneys in the investigation, trial and defense of such claim and any appeal. The indemnitee may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such claim and any appeal. In such case, the indemnitor will cooperate with the indemnitee's attorneys.

21.5 Settlement. An indemnitor will have no liability with respect to any settlement reached without its prior written consent. Settlements of indemnified claims will be subject to the indemnitee's approval, which will not be unreasonably withheld or delayed; provided, however, that such consent may be given or withheld in the indemnitee's sole discretion to the extent the settlement admits liability, stipulates to any declaratory or equitable remedy, or affects the indemnitee's intellectual property or Confidential Information.

21.6 Limitation. The indemnitor's liability to pay or reimburse amounts owed with respect to any indemnified claim will be limited to the extent of the indemnitor's proportional contribution to the relevant Claim. No indemnitor will be liable for any amounts owed with respect to Claims suffered by the indemnitee to the extent attributable to the indemnitee's negligence or willful misconduct.

21.7 Subrogation. In the event an indemnitor indemnifies an indemnitee pursuant to this Article, the indemnitor will, upon payment in full of such indemnity, be subrogated to all of the rights of the indemnitee with respect to the Claim to which such indemnity relates.

21.8 Provider Warranties. It is understood by the Parties that the indemnity provisions herein are distinct from the performance warranties as provided in the Agreement and its Schedules. Provider's acts and conduct which are related to its performance under this Agreement and its Schedules are not subject to the indemnity provisions of this Article, but are instead subject to warranties, covenants, and promises to perform as described in Articles and Schedules, as they may be amended from time to time by the Parties in accordance with this Agreement.

22. INSURANCE

22.1 General. Provider will maintain insurance during the term of this Agreement as set forth in Schedule 15, City Insurance Requirement. Provider will also cause its Subcontractors who perform Services at City Service Locations to maintain, or will maintain for such Subcontractors, insurance during the term of this Agreement as set forth in Schedule 15, City Insurance Requirement.

22.2 Damage to Property. Provider is responsible for the risk of loss of, or damage to, any property of City at a Provider Service Location, unless such loss or damage was caused by the acts or omissions of City or an agent of City. City is responsible for the risk of loss of, or damage to, any property of Provider at a City Service Location, unless such loss or damage was caused by the acts or omissions of Provider or a Subcontractor.

23. DAMAGES

23.1 Exceptions to Limitations. This Article does not exclude or limit liability for (i) either Party's indemnification obligations with respect to Claims under Article 21, Indemnification, (ii) either Party's breach of Article 17, Security and Confidentiality, and (iii) a Party's fraud or willful misconduct.

23.2 Disclaimer of Consequential Damages. Subject to Section 23.1, both Parties' liability hereunder will be for actual direct damages only and the Parties hereby disclaim liability to the other for any punitive, special, incidental or consequential damages or lost profits. The following costs and expenses will be considered direct damages and neither Party will assert that they are indirect, incidental, consequential or special damages or lost profits to the extent they arise directly from a Party's failure to perform in accordance with this Agreement:

23.2.1 costs and expenses to repair, recreate from the original documents of the City or reload any lost, stolen or damaged City Data, the retention and storage of which is required under the City's Policy and Procedure No. 26, "Records Management Program," a copy of which Provider acknowledges having received and the entirety of which is incorporated herein as if restated in full;

23.2.2 costs and expenses to implement a work-around in respect of any failure to provide the Services;

23.2.3 costs and expenses to, replace lost, stolen or damaged hardware, Software or other materials;

23.2.4 cover damages, such as incremental costs and expenses incurred to procure the Services or corrected Services in-house or from an alternate source;

23.2.5 payments, fines, penalties or interest imposed by a governmental body or regulatory agency for failure to comply with requirements or deadlines;

Limitation on Service Provider Liability. Subject to Section 23.1, Provider's aggregate liability for damages to City during the entire Term will not exceed the lesser of City's actual, proven direct damages or the total Fees for the twelve (12) months immediately preceding the last act or omission giving rise to such claim for liability, unless the liability arises out of an act or omission during the first twelve (12) months after the Effective Date, in which case the Provider's aggregate liability for City's actual, proven direct damages will not exceed the estimated amount of Fees that would be payable during the first twelve (12) months of the Agreement.

23.3 Waiver of Liability Cap. In the event Provider's total liability for claims asserted by City under or in connection with this Agreement exceeds eighty five percent (85%) of the liability cap set

forth in Section 23.1 and Provider refuses to waive such cap or increase the available liability cap, then City may terminate this Agreement upon sixty (60) days prior written notice to Provider.

23.4 Limitation on Customer Liability. Subject to Section 23.1, City's aggregate liability for damages to Provider during the entire Term of the Agreement will not exceed the lesser of Service Provider's actual, proven direct damages or the total Fees for the twelve (12) months immediately preceding the last act or omission giving rise to such claim for liability, unless the liability arises out of an act or omission during the first twelve (12) months after the Effective Date, in which case City's aggregate liability for Service Provider's actual, proven direct damages will not exceed the estimated amount of Fees that would be payable during the first twelve (12) months of the Agreement.

23.5 Negotiated Risk Allocation. The Parties expressly acknowledge that the limitations and exclusions set forth in this Article have been the subject of active and complete negotiation between the Parties and represent the Parties' agreement based upon the level of risk to the Parties associated with their respective obligations under this Agreement and the payments provided hereunder to Provider for its performance of the Services.

24. FORCE MAJEURE

24.1 Excuse from Performance. If and to the extent that a Party's performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by fire, flood, earthquake, elements of nature or acts of God, acts of war, acts of a public enemy, acts of a nation or any state, territory, province or other political division, terrorism, riots, civil disorders, rebellions or revolutions, epidemics, theft, quarantine restrictions, freight embargoes or any other similar cause beyond the reasonable control and without the fault or negligence of such Party (each, a "Force Majeure Event"), and such non-performance, hindrance or delay could not have been prevented by reasonable precautions, then the non-performing, hindered or delayed Party will be excused for such non-performance, hindrance or delay, as applicable, of those obligations affected by the Force Majeure Event for as long as such Force Majeure Event continues.

24.1.1 The foregoing excuse from non-performance is conditioned upon such Party continuing to use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay, through the use of alternate sources, workaround plans, backup or emergency power, redundant telecommunications circuits, or other means.

24.1.2 Notwithstanding the foregoing, the acts or omissions of a Party's agents, subcontractors, representatives, materialmen, suppliers or other third parties providing products or services to such Party will not constitute a Force Majeure Event (unless such acts or omissions are themselves the product of a Force Majeure Event).

24.1.3 The occurrence of a Force Majeure Event does not excuse, limit or otherwise affect Provider's obligation to provide either normal recovery procedures or any other Disaster Recovery services specified in this Agreement or in any Service Description unless such Services themselves are prevented by the Force Majeure Event.

24.2 Responsibilities of Parties. The Party whose performance is prevented, hindered or delayed by a Force Majeure Event will:

24.2.1 immediately notify the other Party of the occurrence of the Force Majeure Event and describe in reasonable detail the nature of the Force Majeure Event and such Party's good faith estimate of the likely duration of such Force Majeure Event.

24.2.2 with the cooperation of the other Party, exercise all reasonable efforts to mitigate the extent of any non-performance, hindrance or delay caused by a Force Majeure Event and any adverse consequences of such Force Majeure Event, such as, in the case of Provider, (i) performance of required work or the provision of the Services with the use of Provider's qualified management or other employees or Subcontractors, as permitted by this Agreement, and (ii) cooperating with City's efforts to secure necessary replacement services from third party vendors and suppliers.

24.2.3 immediately notify the other Party of the cessation of such Force Majeure Event.

24.3 Alternative Sources. Within two (2) hours of the occurrence of a Force Majeure Event, City and Provider will determine the extent to which, and the duration that, the Force Majeure Event is likely to prevent Provider from performing its obligations in accordance with this Agreement and whether Provider is likely to promptly procure a suitable temporary alternate source for the affected Services.

24.3.1 If any Force Majeure Event prevents, hinders or delays performance of any of the Services, and Provider is unable to promptly (but in no event later than 48 hours) provide a suitable temporary alternate source for the affected Services, City may, at City's expense, procure such Services from an alternate source and suspend Provider's provision of such Services for the duration of the Force Majeure Event pursuant to an agreement executed between City and such alternate source in respect of the provision of such services.

24.3.2 Subject in all cases to Section 14.3.4, for the duration of the agreement executed between City and an alternate source for affected Services as described in 25.3.1, City is not obligated to continue paying Provider for the affected services.

24.4 Allocation of Resources. Whenever a Force Majeure Event or a Disaster causes Provider to allocate limited resources between or among Provider's customers, Provider will treat City (and restoration of Services to City) as well or better than every other Provider Customer. In addition, in no event will Provider redeploy or reassign any Key Provider Personnel to another account in the event of a Force Majeure Event.

25. NOTICES

25.1 General. Any notice or other communication which either Party hereto is required or authorized by this Agreement to give or make to the other will be given or made either by reputable air courier service, or by facsimile transmission confirmed by electronic confirmation, addressed to the other Party in the manner referred to below and, if that notice is not returned as being undelivered within seven (7) days of dispatch of that notice or communication in the case of reputable air courier service, or is electronically confirmed in the case of facsimile transmission, such communication will be deemed for the purposes of this Agreement to have been given or made after three (3) days, if sent by reputable air courier service, or (four) 4 hours, for a facsimile transmission.

25.2 Addresses. For the purposes of Section 25.1 above, the address of each Party will be:

25.2.1 For Provider:

Axiom Technologies, LLC
527 Crownpoint Circle
Vacaville, California 95687
Telephone: (707) 452-9408

25.2.2 For City:

City of Concord
Attention: Information Technology Department
1950 Parkside Dr., MS/05
Concord, California 94519
or by facsimile at (925) 671-3198

With a mandatory additional copy to:

City of Concord
Attention: City Attorney's Office
1950 Parkside Dr., MS/08
Concord, California 94519
or by facsimile at (925) 671-3469

25.2.3 Either Party may change its address for service by notice as provided in this Article.

26. NON-SOLICITATION

Except as provided in Articles 7 and 14, during the Term and for the period of twelve (12) months after the expiration or termination of the Agreement (and any Termination Assistance or extension of Services under Sections 14.6 and 14.8), neither Party will, without the prior written consent of the other Party directly or through a third party, intentionally solicit or entice away (or seek or attempt to entice away) from the employment of the other Party's employees. This Article will not apply to unsolicited responses by employees to general recruitment advertising. In addition, this Article shall not apply to City soliciting Provider's employees solely dedicated to providing the Services.

27. RELATIONSHIP

27.1 Independent Parties. Provider and City are independent entities. Neither this Agreement will constitute, create or give effect to a joint venture, pooling arrangement, principal/agency relationship, partnership relationship, employer/employee or formal business organization of any kind and neither Provider nor City will have the right to bind the other without the other's express prior written consent.

27.2 Third Party Agreements. Unless otherwise agreed, Provider will provide that all Third Party Agreements that are to be assigned or transferred to City pursuant to Article 14, will be freely assignable to City without any modification or consent, subject only to City agreeing to assume Provider's obligations thereunder from and after the effective date of the assignment.

28. SEVERABILITY

If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision will be separable from the remainder of the provisions hereof which will continue in full force and effect as if this Agreement had been executed with the invalid provisions eliminated.

29. WAIVER

The failure of either Party to insist upon strict performance of any provision of this Agreement, or the failure of either Party to exercise any right or remedy to which it is entitled hereunder or thereunder, will not constitute a waiver thereof and will not cause a diminution of the obligations established by this Agreement. A waiver of any default will not constitute a waiver of any subsequent default. No waiver of any of the provisions of this Agreement will be effective unless it is expressly stated to be a waiver and communicated to the other Party in writing.

30. GOVERNING LAW

This Agreement will be governed by and construed in accordance with the laws of the State of California and applicable U.S. federal laws, without giving effect to its principles of conflict of laws.

31. BINDING NATURE

This Agreement is binding on Provider and City and their respective successors and permitted assignees.

32. ASSIGNMENT AND DIVESTITURE

Provider may not assign this Agreement without the prior written consent of City. Any such assignment will be void. City may assign or transfer this Agreement, upon notice to Provider, to a related party or unrelated party pursuant to a sale, merger or other business reorganization of City or any of its operating units.

33. GOOD FAITH

Whenever this Agreement requires or contemplates any action, consent or approval, each Party will act reasonably and in good faith and will not unreasonably withhold or delay such action, consent or approval, unless the Agreement expressly establishes some other standard, such as exercise of a Party's sole discretion.

34. FURTHER ASSURANCES

Each party will provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to give effect to this Agreement and to carry out its provisions.

35. NO THIRD PARTY BENEFICIARIES

Nothing in this Agreement, express or implied, is intended to confer rights, benefits, remedies, obligations or liabilities on any person (such as any employees of the Parties) other than the Parties or their respective successors or permitted assigns.

36. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

37. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties in connection with its subject matter and supersedes all prior communications and agreements between the Parties relating to its subject matter.

IN WITNESS WHEREOF, this Agreement is hereby executed by the duly authorized representatives of the Parties, as set forth below.

CITY OF CONCORD,
A California Municipal Corporation

Axiom Technologies, LLC,
A California Company

Valerie Barone
City Manager

By: Susan Bowley
Its:

APPROVED AS TO FORM:

Mark Coon
City Attorney

ATTEST:

Joelle Fockler
City Clerk

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SCHEDULE 1

DEFINITIONS

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TERM	DEFINITION
Additional Resource Charges or ARC	As defined in Schedule 4, Fees.
Affiliate	Means, with respect to an entity, any other entity Controlling, Controlled by or under common Control with that entity.
Appendices	Means the Appendices to the Schedules that may be mutually agreed upon by the Parties from time to time.
Authorizations	Means any notice, consent, license or authorization from any regulatory, governmental or other authority necessary, required or customary for a Party to enter into or perform its obligations under this Agreement.
Base Case	Means City's budget for those functions directly and indirectly considered as Services and related to providing Services.
Base Fees	As defined in Schedule 4, Fees.
Change	Means any change with respect to the scope or performance of the Services.
Change Control Procedures	As defined in Section 6.5, means the procedures set forth in Schedule 10, pursuant to which the parties will propose, authorize and implement any Change.
Change Order	As defined in Schedule 10, Change Control Procedures.
Claim	Means all claims for Losses asserted by third parties.
Commissioned Work	As defined in Section 15.4, means all non-Software literary works or other works of authorship that may be created pursuant to or in connection with this Agreement, including any procedures manuals, training materials and other items that are created for City.
Confidential Information	Means all information that relates to the business, affairs, products, developments, trade secrets, knowhow, personnel, customers and suppliers of either Party that has been designated as "confidential information" by a Party and disclosed under circumstances sufficient to place the recipient on reasonable notice of the confidentiality of the information, together with all information derived from the foregoing, but excluding any information (i) independently developed by the receiving Party without using the Confidential Information of the disclosing Party, (ii) publicly disclosed by an entity other than the receiving Party under no duty of confidentiality or (iii) rightfully in the possession of the receiving Party without a duty of confidentiality prior to the receipt of such information.

TERM	DEFINITION
Consents	Means any notice or consent required for City to (i) permit Provider to Use any City Software, (ii) permit Provider to manage any Managed Agreements under this Agreement, (iii) permit Provider to transfer to City any Third Party Agreements in accordance with Article 14, or (v) permit City to Use any Provider Software.
Contract Executives	Means the City Contract Executive and Provider Contract Executive collectively.
Contract Staff	Means the Provider Contract Executive, the Key Service Provider Personnel and any other employee of Provider, or its or their Subcontractors that perform the Services from City premises or from remote locations.
Contract Year	Means each 12-month period (except the first contract year which will be six (6) months ending June 30, 2011), starting on the Effective Date.
Control (and Derivatives)	Means, with respect to an entity, the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest ordinarily having voting rights), or the direct or indirect power to direct the management and policies of the entity.
Control Rules	As defined in Section 13.7, means the legal obligations under the Securities Act of 1933; the Securities Exchange Act of 1934; the Sarbanes Oxley Act of 2002; related rules and regulations of the Securities and Exchange Commission, including Regulation S-X; the rules, regulations and listing standards of the New York Stock Exchange; the rules, regulations and standards of the Public Company Accounting Oversight Board; and any other financial control or disclosure requirement imposed by law on public companies, as such legal requirements may be amended or modified from time to time.
Critical Transition Milestones	Means the transition milestones set forth in the Transition Plan in Schedule 8 that are identified as critical.
City Contract Executive	As defined in Section 20.1, means the individual(s) designated by City who will serve as the primary City representative(s) under this Agreement.

TERM	DEFINITION
City Data	Means any and all data provided to Provider by City, its agents or customers, or collected by Provider in the course of its performance of the Services and any and all data generated or compiled from or using such data, including, without limitation, any personal data of any City employee or contractor and any data concerning any of City's customers.
City Indemnitees	As defined in Section 21.1.
City Intangible Property	As defined in Section 16.2., means and includes all or any part of the City Data, City Software or other intangible property of City, including work-in-progress.
City Materials	Means any materials, documentation, manuals, guidelines, business processes, methodologies, database rights, inventions, designs, drawings, Confidential Information or other items licensed or owned by City and used by City to support its IT or other operations, excluding City Software and excluding the Provider Software and Provider Materials.
City Service Locations	Means the Service Locations owned or leased by City, at which Services will be delivered.
City Software	Means the Software listed in Schedule 12, City Software. For the avoidance of any doubt, City Software may include both Software owned by and licensed to City, but excludes Software licensed to City by Provider.
Deliverable(s)	Means all tangible products commissioned by City including Software, hardware, systems and related documentation, manuals or other items that Provider may develop, or have developed, for City pursuant to or in connection with this Agreement, and includes, without limitation, (i) any modification or enhancement of, or derivative work based upon, the City Software or City Materials or hardware or systems or (ii) any third party Software or related documentation, manuals or other materials licensed to City and developed by Provider or any of its Affiliates, Subcontractors or other agents as part of the Service. Deliverables will not include the ongoing delivery of Services under the Service Description.
Disaster	Means any unplanned interruption or disruption of the Services that at a minimum materially impairs the ability of Provider to deliver the Services in the manner specified in the applicable Service Description.

TERM	DEFINITION
Dispute	As defined in Section 20.2, means any dispute, controversy or claim of any kind or nature arising under or in connection with this Agreement including, but not limited to, disputes as to the creation, validity, interpretation, breach or termination of this Agreement.
Effective Date	As defined in the first paragraph of this Agreement.
Fees	As set forth on Schedule 4, Fees. Means all charges to be paid by City to Provider for Services.
Force Majeure or Force Majeure Event	As defined in Section 24.1, means a fire, flood, earthquake, element of nature or act of God, act of war, act of a public enemy, act of a nation or any state, territory, province or other political division, terrorism, riots, civil disorders, rebellions or revolutions, epidemics, theft, quarantine restrictions, freight embargoes, failure of public utilities or any other similar cause beyond the reasonable control and without the fault or negligence of a Party that prevents, hinders or delays such Party's performance of its obligations.
Full Rights	As defined in Section 15.2, means, with respect to Deliverable, that City will own no right, title or interest in or to the Deliverable, apart from City's continuing rights in and to any City Software or City Materials that may be incorporated or embedded in such Deliverable.
Impact Assessment	As defined in Section 6.6, means Provider's notification to City of the expected impact of City's change in priorities for (i) scheduling work, (ii) the relocation of Services to a different Service Location, (iii) City's performance of facilities-related services at the City Service Locations, or (iv) such other changes directed by City.
Indemnified Item	As defined in Section 21.3, means the City Software or City Materials, in the case of City, and the Services, the Deliverables, Provider Software or Provider Materials, in the case of Provider, or the Confidential Information provided by or on behalf of the other Party.
Initial Term	As defined in Section 14.1, means the time period agreed upon by the Parties as the initial term.
In-Scope Project	As defined in Schedule 4.

TERM	DEFINITION
Intellectual Property Rights	As defined in Section 15 of the Agreement.
Law or Laws	Means any treaty, directive, statute, legislation or other law enacted by any federal, state or local government in a relevant jurisdiction, including any Regulatory Requirement contemplated thereunder.
Limited Rights	As defined in Section 15.2, means with respect to a Deliverable, Provider will have the perpetual, irrevocable, paid-up, royalty-free, worldwide, non-exclusive, sub-licensable but otherwise non-transferable right to Use the Deliverable, in whole or in part.
Malicious Code	Means any virus, worm, Trojan horse, time bomb, spyware or other malicious code intended to interrupt, corrupt, disable or damage computer programs, systems, environments or data, or to permit unauthorized access thereto.
Master Service Agreement	Means this Agreement and its Schedules.
Milestone Credits	As defined in Schedule 4, Fees.
No Rights	As defined in Section 15.2, means with respect to a Deliverable, that Provider will have no rights in the Deliverable, other than Residual Rights.
Out-of-Scope Service	Means a service that is not within the scope of the Services prior to the execution of a Change and is not contemplated under Section 3.1 or Section 3.2 of the Agreement
Parties	Means both Provider and City.
Party	Means either Provider or City as appropriate
Pass-Through Expenses	As defined in Schedule 4, Fees.
Procedures Manual	As defined in Section 6.4, means a procedures manual in the form and scope that may be specified by City that Service Provider will deliver to City, for City's approval that will include Service Provider's procedures for performing the Services and all operations manuals, support plans and user guides necessary and sufficient to document such procedures to City's reasonable satisfaction.

TERM	DEFINITION
Project Services	A group of related but temporary work activities undertaken to create a unique product, service or result to meet specified objectives
Proposal	As defined in the recitals.
Provider Contract Executive	Means Provider's service delivery manager who will be the primary contact for the management and administration of this Agreement.
Provider Indemnities	As defined in Section 21.2.
Provider Materials	Means any materials,documentation, manuals, guidelines, business processes, methodologies, database rights, inventions, designs, drawings, Confidential Information or other items licensed or owned by Provider and used by Provider to perform the Services, excluding
Provider Owned Software	Means any Provider Software owned by Provider or any of its Affiliates.
Provider Locations	Means any Service Location owned or leased by Provider from which Services will be delivered.
Provider Software	Means Software that is owned or licensed by Provider or any of its Affiliates, Subcontractors or other agents and used by Provider or any of its Affiliates, Subcontractors or other agents to provide the Services.
Provider Third Party Software	Means any Provider Software licensed by Provider or any of its Affiliates, Subcontractors or other agents from a third party.
Reduced Resource Charge or RRC	As defined in Schedule 4, Fees.
Regulatory Requirement	Means any applicable regulation, ordinance, government decree or other government requirement with respect to a Party's performance of its obligations under this Agreement.
Report	As defined in Schedule 5, Reports.
Request for Proposal	As defined in the recitals.

TERM	DEFINITION
Residual Rights	Means information and knowledge that is retained by an employee, agent or subcontractor of a Party in his/her unaided human memory after having had access to the other Party's Software or Materials or Confidential Information.
Root Cause Analysis	An activity that identifies the root cause of an incident or problem
Schedule	Means a Schedule attached to this Agreement.
Security Protocol	As set forth in Section 3.8.5 of Schedule 2.
Service Commencement Date	Means the date set forth in Schedule 8 for completion of the Transition of Services.
Service Classification	Means the bundle of services included in any given set of Gartner-defined logical functions in desktop managed services.
Service Description	Means Schedule 2 and any subsequent Service Description that the Parties mutually agree to add to this Agreement for new or additional Services.
Service Level	Means the standards prescribed for the performance and quality of the Services pursuant to this Agreement as defined in Schedule 3.
Service Level Schedule	Means Schedule 3, Service Levels.
Services	As defined in Section 3 of the Agreement.
Software	Means any application, operating system, middleware component, tools, utilities or other computer program, in object or source code form as applicable in the circumstances.
Specifications	Means technical and functional documentation describing the Deliverables, as prepared by the Provider and approved by City.
Subcontractor	Means any agent or contractor approved by City and retained by Service Provider to perform Services on behalf of Provider.

TERM	DEFINITION
Term	As described in Section 14.
Termination Assistance	As defined in Schedule 14.6, Termination Assistance.
Termination for Convenience Fee	Means the Fee payable by City specified in Schedule 4, Fees, in the event that City terminates this Agreement for Convenience in accordance with Section 14.3.
Third Party	Means an entity other than Provider and its Affiliates and other than City and its Affiliates.
Third Party Agreements	Means any third party license agreements, support agreements and other third party contract rights utilized by Provider in connection with the performance of the Services.
Transition	Means the set of tasks and activities necessary and sufficient for Provider to complete the successful transfer of Services from City or its contractors to Provider, in accordance with Schedule 8.
Transition Manager	Means the individual designated by Provider who will be responsible for managing and implementing the Transition Services.
Transition Plan	Means the plan agreed to by the Parties to effectuate the Transition attached as Schedule 8, Transition Plan and Milestones.
Transition Schedule	Means the schedule or timeline from commencement to completion of Transition.
Transition Services	As defined in Section 4.1.
Unacceptable Service	As defined in Schedule 3, Service Levels.
Use	Means to make, reproduce, copy, distribute, adapt, modify, make derivative works of, perform, display, transmit and otherwise use, and to sublicense any or all of such rights to third parties.



SCHEDULE 2

STATEMENT OF WORK

Revised December 1, 2014

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1.0 General Information

1.1 Introduction

Axiom Technologies, LLC (hereinafter “External Service Provider” or “ESP”) must provide to the City of Concord (City) the services as described in this Statement of Work (SOW), including any additional services that the ESP has committed to provide during the contract term. The services include all functions, tasks and responsibilities as accepted by the ESP.

The ESP must manage and perform the services seamlessly by function and without regard to technology platform and must do so using IT Infrastructure Library (ITIL) practices.

The services described in this SOW cover all production, test and development environments and any other infrastructure environment that the City uses from time to time or requires for its desktop managed services.

The services described in this SOW are intended to be comprehensive but are not all-inclusive in describing the particular activities, resources or other details necessary for the proper performance of the services.

The ESP must provide the services described in this SOW as they evolve and change during the contract term, through the change control process. This includes modifying, changing, replacing, supplementing and enhancing the above services over time.

Where references are made to supply and purchase of services, equipment/hardware and software throughout this document this is subject to the City's approval and compliance with the City's policies.

1.2 Retained Functions

The following functions will be retained by the City and are outside the scope of this SOW. The establishment of the City's IT policy, procedures and standards, including:

- ESP relationship management
- Network Services including IT operations (server management)
- IT enterprise application management
- IT business strategy
- IT business risk management
- IT business planning
- Knowledge management
- Change management
- Solution management
- IT architecture design and management
- Infrastructure asset management
- Security management

- Standards
- Sourcing strategy
- Value assurance
- Return on IT (ROIT), financial management
- Hardware ownership
- Software Licenses

1.3 Overview

ESP shall provide services and support the City's standard approved desktop computing infrastructure environment that includes desktop computing hardware devices and associated system software, laptop/notebook computing hardware devices and associated system software, business productivity software and City's applications that are part of the City's standard approved desktop computing device images, network-attached printers, scanners, multifunctional devices (such as printer/scanner/fax) and copiers that are attached to the local-area network (LAN), handheld computing hardware devices and associated system software (for example, Mobile Phones, PDAs and handheld devices), locally attached peripheral devices (service objectives, e.g., personal printers, exclusive of consumables). These services will be completed at the City's locations as identified in this SOW.

1.4 Objectives

To meet the City's organizational requirements for availability, reliability, and secure services backed by service levels that improve desktop and end user experience and productivity, standardize the desktop environment — both hardware and software — improve security and data management in the desktop environment, improve asset management, and control and improve total cost of ownership management while supporting the City's organizational and business initiatives.

1.5 Definitions/Acronyms

For a listing of definitions and acronyms, see Appendix 1 of this Schedule Two

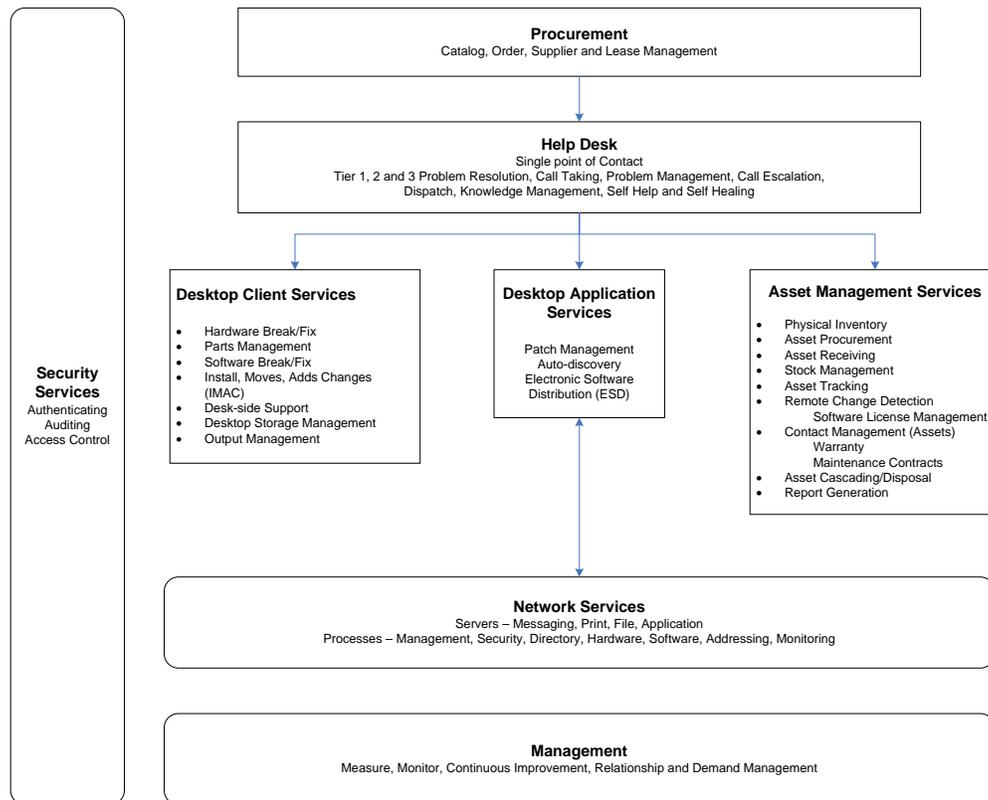
2.0 Service Environment

This section describes the hardware and software, personnel, and policies, procedures and standards, as well as services that are included in the SOW.

2.1 Hardware/Software

The desktop computing hardware and software to be supported based on Figure 2.1 is defined as the local IT hardware and software resources that connect to the LAN, which supports individual and collective use in the business environment. Desktop computing hardware resources include networked and non-networked (stand-alone or isolated networked machines); PC systems (for example, desktop, workstation, laptop and mobile computing devices); and peripheral devices (for example, printers, scanners, plotters, facsimile machines, compact disc CD/DVD, other local storage devices, uninterruptible power supplies [UPS] and so on). Desktop computing software includes operating systems, office automation applications, software suites, and utilities that provide functionality to the above-mentioned hardware resources. The desktop computing environment encompasses the entire device to include the network interface card (NIC) or adapter. This service includes all network traffic originating from desktop devices. This service ends at and does not include the interface point file and print servers, application servers, database servers and peripherals; to the edge device at the LAN, firewalls/routers; Ethernet switches other network devices, and other user premise devices.

Figure 2.1 Desktop Managed Services



Source: Gartner (November 2008)

2.2 Personnel

The ESP will be responsible for hiring and maintaining a professional staff to provide the services. All ESP staff must pass the City of Concord's Police background check. The ESP must seek and receive the City's approval before hiring or changing relationship and day-to-day operational management personnel.

2.3 Policies, Procedures and Standards

The policy and procedures attached as Appendix 9 will be followed by the ESP and all its employed and subcontracted personnel.

2.4 Scope

Procurement

Procurement includes; Acquisition Management, Service Catalog, Lease Management, Configuration Management, Order Processing and Supplier Management in Procurement services in desktop management. The activities associated with the pricing, evaluation (technical and costing), selection, of new and upgraded hardware and software will remain the responsibility of the City. All procurement activities must following the City's policies and directives.

For clarity purposes section 3.1 Procurement delineates the roles and responsibilities of the procurement function in desktop managed services.

The services, attributes and toolsets currently associated with the procurement process are shown in Appendix 2, Section A of this Schedule Two.

Help Desk

This section identifies the objectives and describes the services required for the help desk. Help desk services provide centralized information and support management service to handle the City's queries and operational problems about IT-related processes, policies, systems and use. Included in the help desk services is a single point of contact, Tier 1 problem resolution, Tier 2 and Tier 3 support, service request tracking, problem management, call escalation management, dispatching, knowledge management and self-help and self-healing. The services, attributes and toolsets currently associated with the help desk process are shown in Appendix 2, Section B of this Schedule Two.

Overview

"Help desk services" is defined as the provision of customer support for all information technology services for the City of Concord, California locations (Appendix 8 of this Schedule Two). Help desk services include:

- Help desk
 - First-level problem resolution
 - Second-level support
 - Third-level support
- Problem management

- Problem categorization and logging
- Problem tracking and escalation
- Problem resolution

The help desk, in general, must be in operation normal business hours (8:00 AM PST/PDT to 5:00 PM PST/PDT). ESP may propose extended service up to 24 hours per day, 7 days per week, 52 weeks per year as an option. The help desk MUST provide local (or toll-free, whichever is the most cost-effective solution) telephone access, Web access or e-mail access.

Objectives

This help desk service is the customer support of all IT services for the City of Concord's sites (see Appendix 8 of this Schedule Two). Providing first-level help desk support is within the scope of this proposal. The help desk must be in operation normal business hours (8:00 AM PST/PDT to 5:00 PM PST/PDT). Optionally propose extended service up to 24 hours per day, 7 days per week, 52 weeks per year. The provider must meet the service levels as described in Appendix 7.

Desktop Client Services

Desktop client services include the service and support required at the physical location desktops or laptops, associated peripherals (are and other related equipment to maintain the equipment in good working order with up-to-date hardware and software, as required. Included in desktop client services are: problem management; hardware maintenance and support; parts management; software maintenance and support; installations; moves; adds and changes; technology refresh and output management. The services, attributes and toolsets currently associated with the desktop client services process are shown in Appendix 2, Section C of this Schedule Two.

Desktop Application Services

The desktop application services provide the service and support required to maintain the desktop software (office applications i.e. word processing, spreadsheet etc.), client applications (specific to the City's enterprise applications) and standard operating environments required to run the functions and applications associated with the desktop tasks and activities, as well as the associated business processes. The services include OS patch management, image management, auto discovery and electronic software distribution (ESD). These services and their attributes and toolsets currently associated with the desktop application services process are shown in Appendix 2, Section D of this Schedule Two.

Asset Management

The objective of asset management is to have a single repository for all IT assets and allow the centralized management of the inventory. It includes asset management for the entire system of integrated management processes, strategies and technologies that enable the City to gain control over the physical, financial and contractual aspects of our IT assets throughout the asset life cycle. Included in this service is physical inventory, asset tracking, and software license management, contract management for assets, asset cascading, asset disposal and report generation. These services and their attributes and toolsets currently associated with the desktop application services process are shown in Appendix 2, Section E of this Schedule Two.

Management Services

Management services will be retained by the City. It includes support for fault, configuration and performance management, and comprises the monitoring of network devices and notifying appropriate personnel of errors as well as the administrative functions surrounding the desktop devices network service and support. It includes; LAN management (configuration management, monitoring, fault management and performance management), wireless LAN management, messaging systems management (user administration, server management and enterprise applications).

User access administration, client device backup and restore (desktop, laptop and mobile devices), thin-client architecture management (configuration and support) are the responsibility of the ESP.

These services and their attributes and toolsets currently associated with the desktop network management and administration services process are shown in Appendix 2, Section F of this Schedule 2.

Security Services

Security services will be retained by the City. The ESP will interface with the City's operations group to implement security defined in the City's Information Technology Usage Policy and Security Guidelines (Administrative Directive 162). It includes security services that provide protection for the City's data assets from external unauthorized use, modification, disclosure or destruction, whether accidental or intentional, while providing adequate audit trails and complying with applicable laws. Included in this service are: client antivirus; filtering; encryption; new user setup; password resets; user account deletion; and user account modification. These services and their attributes and toolsets currently associated with the security services process are shown in Appendix 2, Section G of this Schedule Two.

Management and Administration

Management and administration will be retained by the City. It includes monitoring and reporting services, which are associated with ongoing health checks, status reporting and problem management (ongoing surveillance, tracking, escalation, resolution and tracking of problems) of the desktop managed services. Included in this service is: the approval and documentation of service levels and reporting cycles; the measurement, analysis and provision of management reports on performance relative to requirements; the development of improvement plans, and where appropriate, the review and approval of service-provider-developed improvement plans; the implementation of approved improvement plans; reporting on service-level performance improvement results; service-level agreement change management; and the review of root-cause analysis for recurring or major incidents. These services and their attributes and toolsets currently associated with the security services process are shown in Appendix 2, Section H of this Schedule Two.

2.5 Scale

The City of Concord is required to replace 25% of the desktop and laptop fleet each fiscal year. Currently the total IMACS per user per year is not available from the City's custom Help Desk system. The summary of assets (supported desktops, laptops, printers, attached printers, multi-function printers, number of images to be supported, etc.) to be covered under this SOW is detailed in Appendix 3, ("Desktop Computing Equipment") of this Schedule Two.

2.6 Workload Volume

Currently the detailed total break/fix activities, desk side support activities, MACS per user per year, is not available from the City's custom Help Desk system. Total Help Desk Call volumes for the year and the approximate Install volumes are provided in Appendix 4 of this Schedule Two.

2.7 Technical & Support Environment

The City of Concord has approximately ~382 employees and contractors. Many of the employees work out of the office and spend minimum time at the computer. The make-up of the of the City's computer fleet is approximately ~400 Dell Optiplex desktops running Windows 7 OS and 40 laptops of mixed manufactures (HP, Dell, Toshiba) running Windows XP OS. All locations in the City of Concord are fiber connected. The City also has 72 Motorola Mobile Digital Computers (MDC) in the Police cars. The MDCs are currently excluded from this bid. The detailed support environment is defined in Appendix 5 of this Schedule Two. Appendix 6 of this Schedule Two details the technical environment.

2.8 Service Levels

Desktop managed services include desired restoration times for desktops, laptops and printers; file restoration time; IMAC completion times; and client satisfaction as well as many other service levels. See Appendix 7 of this Schedule Two for the detailed service-level requirements by service category.

3.0 Services Requirements

The section identifies the roles and responsibilities associated with the services defined in Gartner-defined logical functions in desktop managed services.

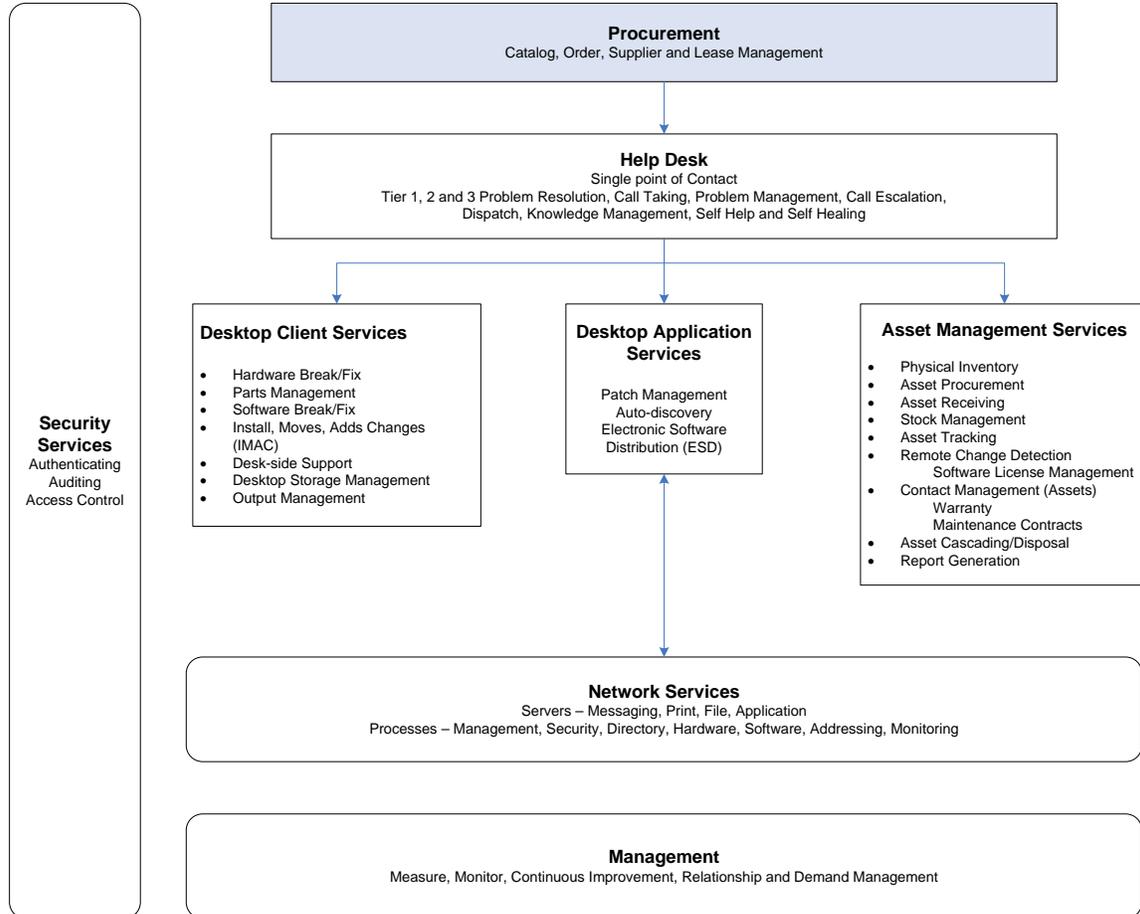
While the list of roles and responsibilities in each section may not be an exhaustive list and may not cover all the roles and responsibilities the City might require, it does identify the most common roles and responsibilities used in an outsourcing agreements for desktop managed services. The parties shall make a good faith effort to define any roles and responsibilities not otherwise described in this Service Description, consistent with the intention of the parties as reflected in this Service Description, the Master Services Agreement, and any attached schedules thereto.

Procurement

This section includes the roles and responsibilities for service catalogs, order processing, supplier management, configuration management and lease management in procurement services.

Procurement includes the most-common roles and responsibilities for Acquisition Management, Service Catalog, Lease Management, Configuration Management, Order Processing and Supplier Management in Procurement services. For clarity purposes, Figure 3.1 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.1 Procurement



Source: Gartner (November 2008)

The list of roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require. However, it identifies the most-common roles and responsibilities used in the Procurement section of desktop managed services.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.1.1 Acquisition Management		ESP	City
a.	Establish acquisition and tracking policies and procedures		P
b.	Review and approve acquisition and tracking policies and procedures		P
c.	Develop and maintain a list of preferred suppliers and vendors		P
d.	Approve the list of preferred suppliers and vendors		P
e.	Develop and issue acquisition bid requests, as required and approved by the City	H	P, A
f.	Establish audit procedures to ensure compliance with best practices and best pricing	P	A
g.	Assist with periodic audits of procurement procedures	P	H
h.	Negotiate contracts for provider-purchased/leased service-related components	H	P
i.	Negotiate contracts for the City's purchased/leased service-related components		P
j.	Manage ordering, procurement and delivery processes in compliance with the City's procurement and acceptance processes	P	
k.	Manage and track provider purchase orders and service orders	P	
l.	Coordinate the delivery and installation of new products and services, as required	P	
m.	Ensure that new equipment/hardware complies with the City's established IT standards and architectures	P	
n.	Review and approve the selection of hardware to be installed in the City's facilities and the software to be installed on the City's hardware	H	P
o.	Review and approve acquisition acceptance processes		P
p.	Adhere to the City's acquisition acceptance processes	P	
q.	Install and configure assets	P	
r.	Establish, update and maintain an asset inventory database and service component configuration charts that includes manufacturer, model, serial number, asset ID number, asset location, ownership information, configuration information, software information, mission-critical information, date of installation, maintenance information and history, financial information (including any license payments	P	

	made by the contractor), and the current status of the license, if applicable		
s.	Provide tracking data on City-owned equipment and hardware and the software licenses installed in the City's environment	P	
t.	Review tracking methodologies		P
u.	Approve tracking methodologies		P
v.	Track and advise the City in a timely manner regarding the expiration and renewal requirements of device/software licenses	P	
w.	Provide asset inventory and services reports, as requested	P	
x.	Provide the capability for organizational inquiry into the asset database	P	
y.	Periodic review and audit of asset inventory management procedures		P
z.	Terminate, dispose of and reallocate assets, as needed and as specified, and provide disposition reports, as needed	P	
aa.	Recommend criteria and formats for administrative, service activity and service-level reporting	P	
bb.	Approve criteria and formats for administrative, service activity and service-level reporting		P
cc.	Develop and implement a customer satisfaction program for tracking the quality of service delivery to end users	H	P
dd.	Provide reporting — for example, statistics, trends and audits	P	
3.1.2 Service Catalog		ESP	City
a.	Produce a catalog of approved standard and nonstandard items for purchase	P	A
b.	Maintain an online service catalog that includes name, description, key business users, value/importance, key support areas, planned maintenance/outage data and service-level agreements (SLAs)	P	
c.	Manage additions, changes and deletions to the service catalog	P	
3.1.3 Lease Management		ESP	City
a.	Develop lease-tracking methodologies	P	

b. Review and approve lease-tracking methodologies		P
c. Track and advise the City in a timely manner on the expiration and renewal requirements of hardware leases and software licenses	P	
d. Provide leased asset inventory and service reports, as requested	P	
e. Provide the capability for organizational inquiry into the asset database	P	
f. Provide periodic review and audit of asset inventory management procedures		P
g. Terminate, dispose of and reallocate assets, as needed and specified, and provide disposition reports, as needed	P	
3.1.4 Configuration Management	ESP	City
a. Define configuration management policies and procedures	P	
b. Establish a process for tracking configuration changes	P	
c. Approve configuration management policies, procedures and processes		P
d. Establish a configuration management database per City requirements	P	
e. Approve the configuration management database		P
f. Select, install and maintain the configuration management tools	P	
g. Enter and upload configuration data into the configuration database	P	
h. Establish process interfaces for problem and incident management, change management, technical support, maintenance and asset management processes	P	
i. Establish appropriate authorization controls for modifying configuration items and verify compliance with software licensing	P	
j. Establish guidelines for physical and logical separation among development, test and production and the process for deploying and back-out of configuration items	P	
k. Establish configuration baselines as reference points for rebuilds, and providing the capability to revert to stable configuration states	P	
l. Establish process for verifying the accuracy of	P	

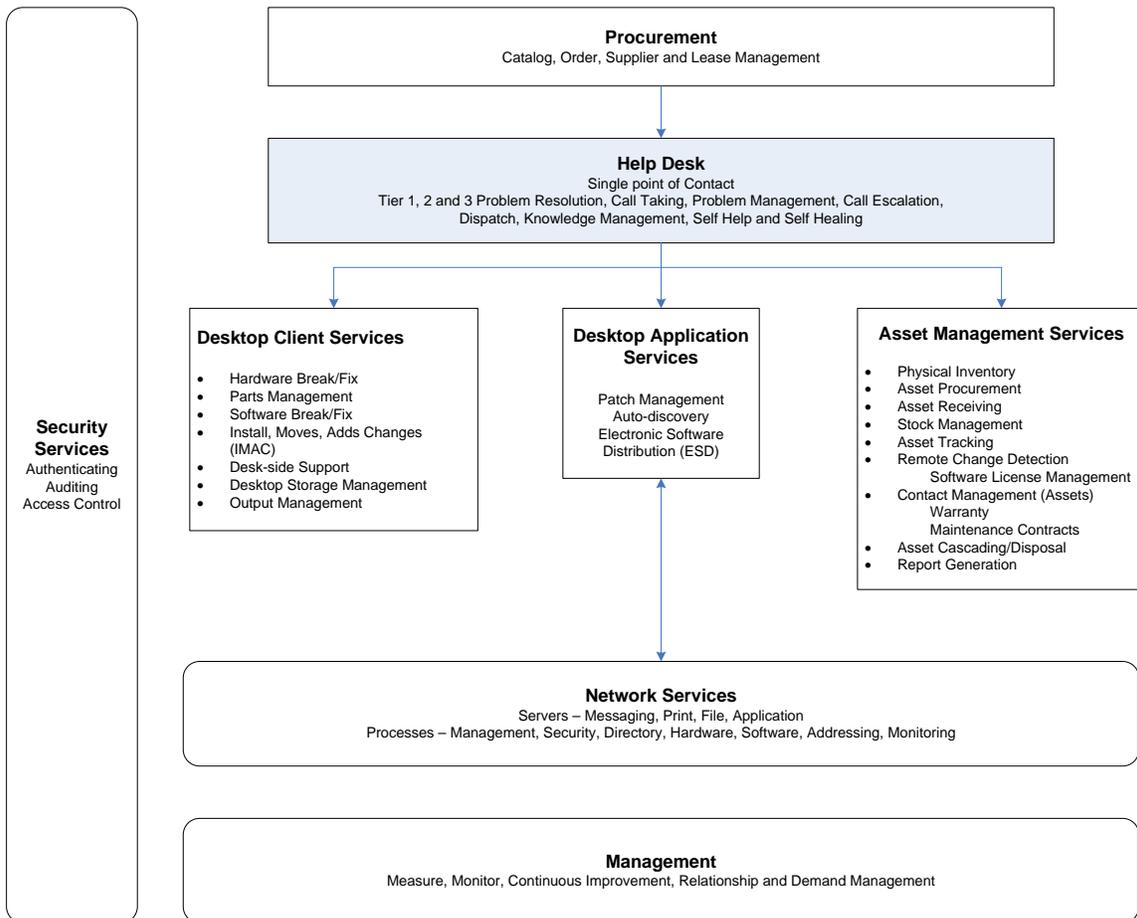
configuration items, adherence to configuration management process and identifying process deficiencies		
m. Provide configuration management reports as required and defined by the City	P	
n. Audit the configuration management process and the accuracy of configuration data		P
3.1.5 Order Processing	ESP	City
a. Coordinate with third-party vendors for purchases		P
b. Process purchase requests, obtain approvals, order and receive products		P
c. Develop and maintain a list of preferred suppliers and vendors		P
d. Develop and issue acquisition bid requests, as required and approved by the City	H	P
e. Establish audit procedures to ensure compliance with best practices and best pricing		P
f. Assist in periodic audits of procurement procedures	P	A
g. Evaluate proposals against clearly defined and objective criteria		P
h. Negotiate contracts for City purchased/leased service-related components		P
i. Manage the ordering, procurement and delivery processes in compliance with City procurement and acceptance processes	H	P
j. Manage and track provider purchase orders and service orders	P	
k. Ensure that new equipment/hardware complies with the City's established IT standards and architectures	P	
l. Review and approve the selection of hardware to be installed in the City's facilities and the software to be installed on the City's hardware		P
m. Review and approve the acquisition acceptance process		P
n. Adhere to City acquisition acceptance processes	P	
o. Manage relationships with new and established third-party vendors		P
p. Install and configure assets	P	

3.1.6 Supplier Management	ESP	City
a. Develop and document account management structures, planning and procedures	P	A
b. Develop a detailed IT service catalog that details services offered, including all service options, pricing, installation time frames, order processes (new, change and remove service), web page for vendors, and prerequisites	P	
c. Develop a service-ordering process that clearly defines how to order change or delete services	P	
d. Recommend criteria and formats for administrative, service activity and service-level reporting	P	
e. Approve criteria and formats for administrative, service activity and service-level reporting		P
f. Develop and implement a customer satisfaction program for tracking the quality of service delivery to end users	H	P
g. Provide performance reporting (for example, statistics, trends and audits)	P	

3.2 Help Desk

This section identifies the objective and describes the services required. It includes the most common roles and responsibilities for Tiers 1, 2, 3 support, problem resolution, service request tracking, incident and problem management, customer satisfaction; call escalation, dispatch and knowledge management support in help desk services. For clarity purposes, Figure 3.2 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.1 Help Desk



Source: Gartner (November 2008)

The list roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require. However, it identifies the most-common roles and responsibilities used in Help Desk section of desktop managed services.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.2.1 Help Desk Roles and Responsibilities	ESP	City
3.2.1.1 Help Desk — General		
a. Set up the help desk, including implementation of systems necessary to document, track and manage end-user request for services, inquiries and problem notifications.	P	
b. Provide a single point of contact and coordination for all incident reports and requests for service, such as IMACs in the service components supported under the terms of the agreement.	P	
c. Provide expert Level 1 assistance to inquiries on the features, functions and usage of hardware and software per the help desk-supported hardware and software appendices.	P	
d. Provide where appropriate, or identify and escalate (such as Level 2 and Level 3 escalation), manage resolution and close problems.	P	
e. Manage the root cause analysis (RCA) process on recurring problems.	P	
f. Perform administration services such as creating, changing and deleting user accounts.	P	
g. Help desk — project oversight.	H	P
3.2.1.2 Single Point of Contact (SPOC)		
a. Provide SPOC call-in access via a toll-free number for all help desk services described in the SOW for all recipient IT service components and recipient locations.	P	
b. Provide for multiple alternative communications channels, including voice messages, e-mail and intranet. In the case of voice communications, any interactive voice response (IVR) system must allow for immediate exit from the system, and live communication with a help-desk agent.	P	
c. Record and redirect non-help desk IT service incidents and service requests.	P	
3.2.1.3 Help Desk Operations and Administration		
a. Develop and document operational procedures that meet recipient requirements and adhere to defined help-desk policies.	P	
b. Review operational procedures.	P	A
c. Receive, track, answer and resolve recipient end-user and technical staff calls.	P	
d. Coordinate IMACs, including all IT service components.	P	
e. Provide "how-to" and Level 2 assistance for recipient-defined COTS applications included in its distributed computing environment.	P	
f. Coordinate employee user account administration, activation,	P	

3.2.1 Help Desk Roles and Responsibilities	ESP	City
changes and terminations, including password/account setup and reset; remote access connectivity; e-mail accounts; user IDs; password resets; remote paging devices; voice mail administration; telephone lines; secure ID cards; and catalog quotations.		
g. Provide end-to-end problem identification, recording, escalation, resolution and closure process.	P	
h. Provide additional resources as required during planned and unplanned critical events.	P	
i. Identify industry policies and best practices.	P	
j. Help implement industry policies and best practices	P	
3.2.1.4 Help Desk Administration Roles and Responsibilities		
a. Develop and document help-desk administration procedures that meet recipient requirements and adhere to defined help-desk policies.	P	H
b. Review help desk administration procedures.		P, A
c. Select and implement software and hardware (such as IVR) needed to collect, track and manage requests for service received by the help desk.	P	
d. Track, manage and report help desk utilization.	P	
e. Provide escalation contact list(s) for recipient contacts.		P
f. Maintain and provide escalation contact list(s) for all service components (including third parties, such as vendors and service providers).	P	
g. Issue broadcasts or other notices to provide status updates as required for planned and unplanned events.	P	A
h. Provide end-user or manager online/portal access to service requests and incident reports.	P	
i. Develop and execute procedures for conducting end-user satisfaction surveys according to service-level requirements.	P	
j. Review and approve procedures for conducting end-user satisfaction surveys.		P
k. Maintain a continuous improvement program that improves help desk services using metrics to improve service delivery.	P	
l. Work with provider operational and technical staff, as well as recipient, to identify solutions that minimize the need to call the help desk (such as additional end-user training, self-help opportunities and root cause analysis).	P	A
m. Approve solutions that minimize the need to call the help desk.		P
n. Coordinate and make available environment documentation (such as network configuration and inventory of software to be supported), as it relates to the desktop.	P	

3.2.1 Help Desk Roles and Responsibilities	ESP	City
3.2.1.5 Service Request and Trouble Ticket Management		
a. Identify and describe priorities, response and resolution targets for service calls and requests of differing impacts.		P
b. Provide a system to document, manage and track all requests for service, problem reports and inquiries regardless of the means by which the request is submitted (by telephone, e-mail, fax, direct online input by end users or other ways).	P	A
c. Develop procedures to receive and respond to recipient calls for service according to defined prioritization and resolution targets. Ensure that response to requests is based on priority and impact rather than the method used to notify the help desk (by telephone, e-mail, fax, direct input to service request system by end users or other ways).	P	
d. Review and approve procedures to receive and respond to recipient calls.		P
e. Review and approve procedures for the escalation of incidents.		P
f. Resolve incidents within prescribed time limits, if possible; otherwise, escalate to appropriate Level 2 resource.	P	
g. Identify problem characteristics and root cause.	P	
h. Categorize, prioritize and log all IT incidents (such as inquiries, problems and service requests) in the trouble ticket system.	P	
i. Monitor incidents (trouble tickets) and escalate per policies and procedures until resolution and end-user satisfaction.	P	
j. Verify acceptance of services by contacting the end user to confirm results and level of satisfaction.	P	
k. Ensure that recurring problems that meet defined criteria are reviewed using root cause analysis processes.	P	
l. Ensure that inventory and configuration management records are updated to reflect completed service request (IMACs and others).	P	
3.2.1.6 End-User Satisfaction Surveys		
a. Review and approve procedures to receive and respond to recipient calls.		P
b. Provide authorized user with survey via e-mail after closing each case.	P	H
c. Collect and report on customer satisfaction regarding case resolution.	P	
3.2.1.7 Desktop Management		
a. Recommend and develop policies for the use of remote-control tools for maintenance and troubleshooting.	P	
b. Review and approve policies for the use of remote-control tools for maintenance and troubleshooting.		P

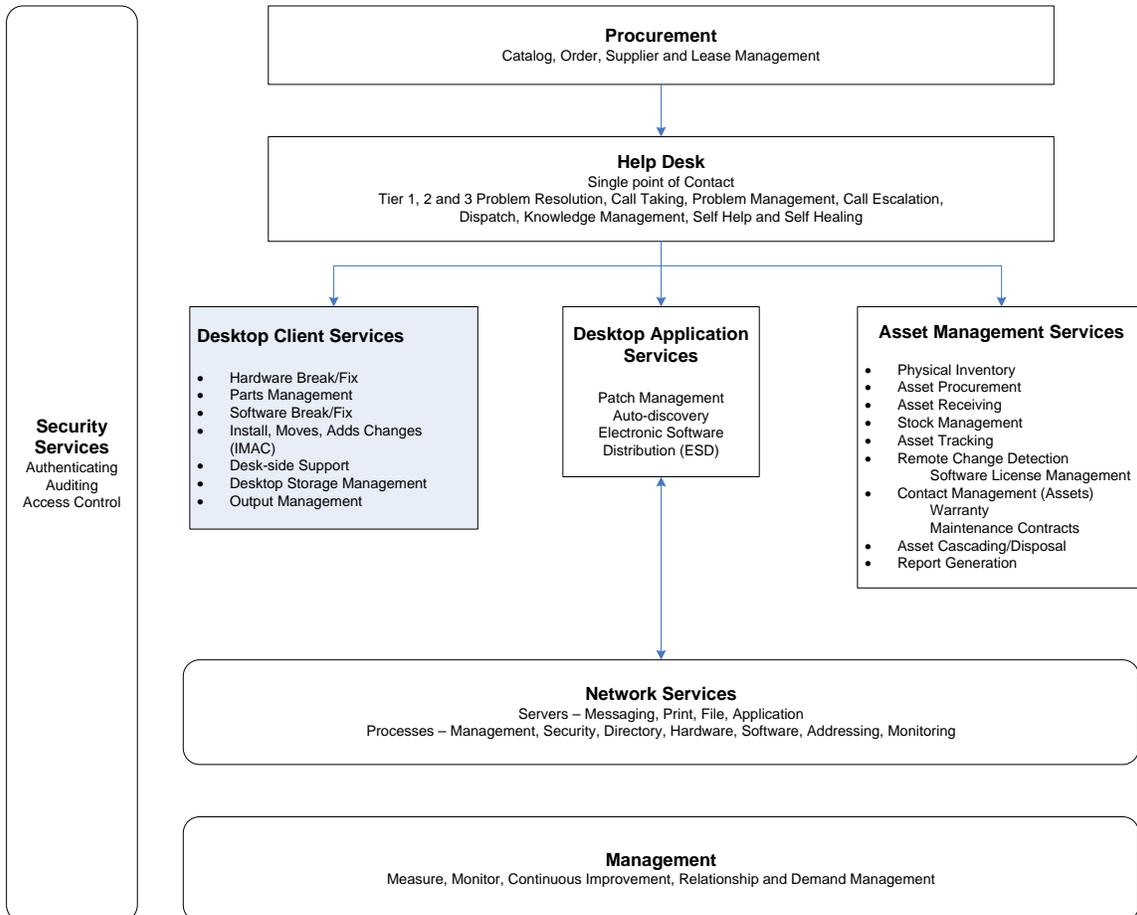
3.2.1 Help Desk Roles and Responsibilities	ESP	City
c. Diagnose problems using remote-control capability and, when possible, implement corrective actions to resolve problems. If resolution is not possible, escalate per the escalation procedures.	P	
d. Utilize remote controls to manage and update desktop system software, and to maintain configuration and inventory information.	P	
e. Use remote-control tools to manage and enforce compliance with standards.	P	
f. Assist in enabling the enforcement of compliance to standards and the appropriate optimization at the desktop.	P	
3.2.1.8 User Administration Services		
a. Develop and document requirements and policies regarding user administration.	P	H
b. Approve requirements and policies regarding user administration.		P
c. Receive and track requests for user account activation, changes and terminations.	P	
d. Create, change and delete user accounts per requests in accordance with recipient's security policies.	P	
e. Coordinate as necessary with other specialized areas to manage user accounts.	P	H
f. Reset passwords as required, in accordance with City's security policies.	P	
3.2.1.9 Installs, Moves, Adds and Changes		
a. Receive and track requests for IMACs.	P	
b. Confirm the requirements and scope, and acquire recipient approval of the IMAC request.	P	
c. Contact the user and schedule an appropriate, agreed time for the work to take place in remote offices.	P	
d. Contact the user and schedule an appropriate, agreed time for the work to take place.	P	
e. Approve IMAC schedule.		P
f. Verify completion of IMACs by contacting the user to confirm satisfaction.	P	
3.2.1.10 Self-Help (Knowledge Base)		
a. Identify requirements for self-help capabilities.	P	H
b. Implement self-help capabilities that enable end users to perform self-service, such as password resets and other administrative functions.	P	
c. Monitor and review the effectiveness of self-help capabilities and use.		P
d. Develop recommendations for and implement improvements to self-help capabilities.	P	

3.2.1 Help Desk Roles and Responsibilities	ESP	City
e. Review and approve improvements to self-help processes.		P
3.2.1.11 Exception Requests		
a. Develop and document exception request procedures.	P	H
b. Review and approve provider exception process.		P
c. Document exception requests in trouble ticket system.	P	
d. Provide request status to requestor when approved.	P	
3.2.1.12 Planning and Analysis		
a. Identify and recommend the help desk solution that best meets the recipient's business needs and expense/service-level expectations.	P	H
b. Approve help desk solutions and expense/service levels.		P
c. Perform operational planning for help desk capacity and performance purposes.	P	
d. Determine transitional plan and issues regarding facilities, layout and integration.	P	
e. Perform analysis of recipient environment, including acquiring recipient management team feedback, to identify the appropriate sets of skills, training and experience needed by help desk staff.	P	
f. Recommend incident management, reporting standards and policies.	P	
3.2.1.13 Reporting Roles and Responsibilities		
a. Report on help desk statistics and trends as requested (such as service request volumes and trends by types of users).	P	
b. Report on trends in service requests indicating a need for training.	P	
c. Audit results and operations periodically.		P
d. Provide online/portal access to recipient help desk reports.	P	
e. Develop recommendations for and implement improvements to self-help capabilities.	P	
f. Review and approve improvements to self-help processes.		P

3.3 Desktop Client Services

Desktop Client Services includes the most-common roles and responsibilities for Desk-Side Support; Hardware and Software Break/Fix; Installs; Moves, Adds, and Changes (MACs); Technology Refresh, Storage and Data Management, Backup and Recovery and Output Management in Desktop Client services. For clarity purposes, Figure 3.3 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.3 Desktop Client Services



Source: Gartner (November 2008)

The list of Desktop Client services roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require. However, it identifies the most-common roles and responsibilities used in desktop managed services.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.3.1 Desk-Side Support	ESP	City
a. Provide troubleshooting and problem resolution for all network devices, including bridges, file servers, communications servers, mail servers, workstation interface boards and cabling (See Exception Table)	P	P
b. Break/fix hardware and software support, including troubleshooting at the desktop for problem determination	P	
c. Resolve problems with long-term fix — if the problem cannot be resolved within the service-level time frame, implement an alternative route	P	
d. Identify and resolve user hardware/workstation problems	P	
e. Provide end-user support and problem resolution	P	
f. Provide end-user training on new installations and answer "how-to" questions	P	
g. Coordinate with third-party vendors to resolve hardware problems, as required	P	
h. Coordinate and support physical relocations (MACs)	P	
i. Perform client reporting — includes feedback on problem tracking, request tracking, project updates and chargeback information, and technology budget planning	P	
j. Support special projects (See Exception Table)	P	
k. Provide remote access support	P	
l. Break/fix hardware and software support	P	
m. Provide support of special projects and special needs — for example, supporting City electric service and construction crews traveling to and supporting emergency restoration of electric services after a catastrophic event, such as an earthquake	H	P
n. Initiate, update and close problem tickets in the work management system	P	
o. Client reporting — includes feedback on problem tracking, request tracking, project updates and chargeback information, and technology budget planning	P	H
p. Coordinate support to meet relocation schedules and needs of users	P	

q. Install and test required replacement and spare parts	P	
r. Provide problem resolution and MAC support to the user's point of business/work	P	
s. Provide trouble shooting and problem resolution and MAC for all transmission and telecommunications devices required for the user's needs	H	P
t. Coordinate with third-party vendors to resolve hardware and software problems	P	P
u. Provide end user training on how to use telecommunication system features and services, such as voice mail, telephone and two-way radio; train personnel who are using these systems for the first time, as well as provide refresher training	H	P
3.3.2 Hardware and Software Break/Fix	ESP	City
a. Resolve hardware- or software-related problems	P	H
b. Interface with hardware and software vendors for planning and problem resolution	P	
c. Perform regular maintenance on distributed hardware	P	
d. Provide maintenance for authorized user hardware	P	
e. Perform appropriate adjustments, repairs and replacements necessary to restore equipment and/or software operation and performance to manufacturer's specifications	P	
f. Maintain required inventories of spares	P	
g. Return faulty hardware to appropriate source and obtain repairs or replacements	P	
h. Interface with manufacturers and third-party vendors for technical assistance	P	H
i. Interface with hardware vendors and return defective hardware for repair or replacement	P	
3.3.3 Installs, Moves, Adds and Changes	ESP	City
a. Reorder and cascade new and used equipment	P	H
b. Perform MAC requests and update the work management system	P	
c. Coordinate the installation of PCs, and peripherals	P	H
d. Set up security, file access and other administrative procedures associated with moves	P	
e. Determine users' requirements	P	A

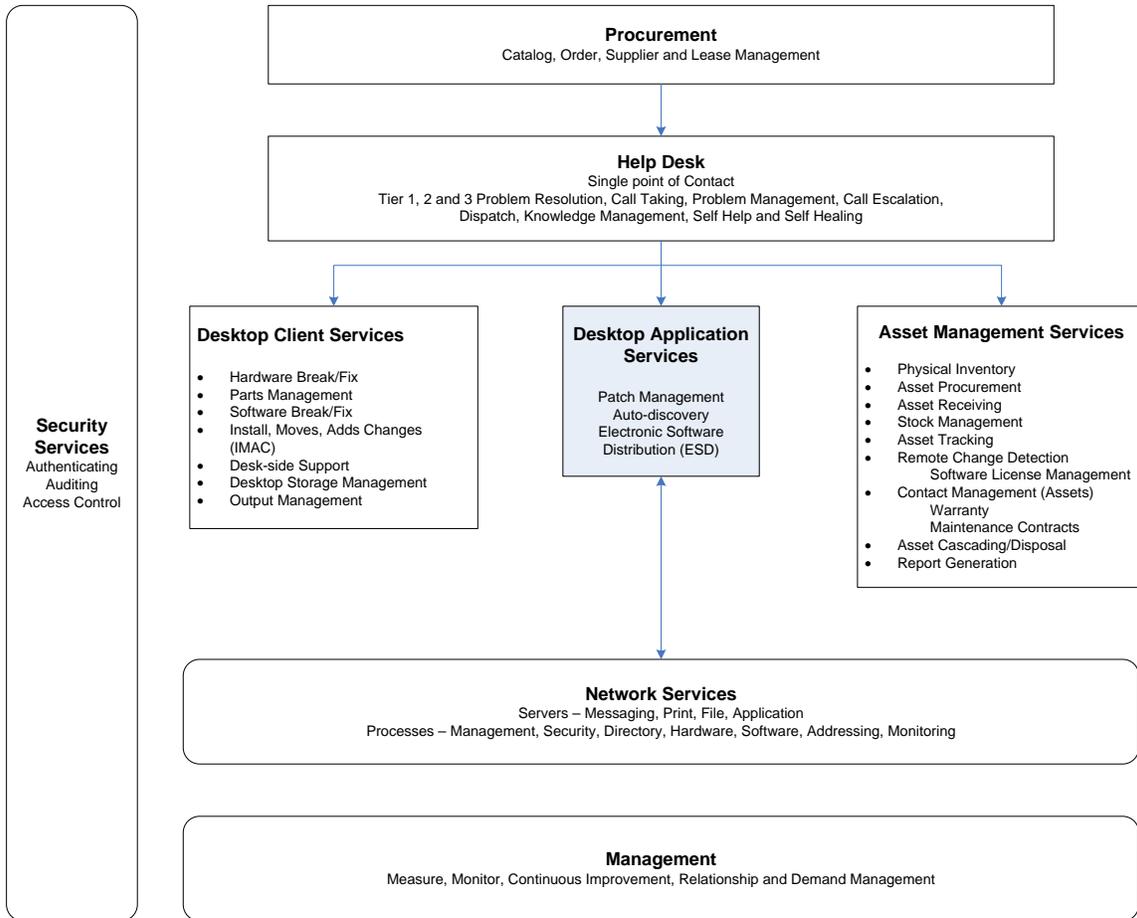
f. Move workstations, as required	P	
g. Coordinate physical space	P	A
h. Install non-network software for users in local sites (Less than 5 users)	P	
i. Ensure that connectivity issues are addressed for installations	P	
j. Consult with users to identify and clarify their needs	P	
k. Assess infrastructure capabilities to satisfy users' needs	P	A
l. Identify incompatibilities among the users' applications, needs and the established infrastructure	P	
m. Consult with third-party vendors for recommendations and options to satisfy users' needs	P	
n. Obtain approvals to proceed with selected implementations	P	A
o. Prepare and submit required documents to initiate orders for equipment, software and third-party services	P	A
p. Coordinate with other City departments, as required	H	P
q. Initiate, update and close work requests in the work management system	P	
r. Coordinate with engineering for MACs that require infrastructure modifications	H	P
s. Provide and execute test, implementation, fallback and communications plans in conformance with network change management policies and procedures	H	P
t. Move telecommunications equipment, as required	P	A
u. Establish and change security passwords for access to transmission systems and telecommunications systems for maintenance and MAC operations	H	P
v. Establish initial passwords for user access to telecom services, such as phone mail — reset passwords or take appropriate alternative action when users have lost their passwords		P
w. Plan and schedule moves	P	A
x. Order, receive and provide all required equipment, materials and third-party vendor services to implement MACs	P	A, H
y. Install and set up equipment, cables, and all other hardware required for implementing MACs	P	
z. Test completed MACs and verify acceptance by end user	P	

aa. Document changes to inventory use and configuration	P	A
bb. Upon completion of MAC perform end-user notifications	P	A
3.3.4 Technology Refresh	ESP	City
a. Recommend and establish technology roles and responsibilities (TR&R) life cycle management policies, procedures and plans appropriate for the support of City business needs	P	P
b. Approve TR&R policies, procedures and plans in accordance with the change and release management process		P
c. Manage, maintain and update, as necessary, approved TR&R policies, procedures and plans	P	
d. Perform the tasks required to fulfill TR&R plans		P
e. Provide management reports on the progress of TR&R plans	P	
f. Periodically review the approved TR&R implementation plans to ensure that they properly support City business requirements	P	
3.3.5 Backup and Recovery	ESP	City
a. Perform data and file backups and restores per established procedures	H	P
b. Perform off-site vaulting of data tapes	H	P
c. Perform data backup and recovery for center	H	P
d. Perform backup on all systems per defined and agreed-on schedules	H	P
e. Recover data and reinstall, as required	H	P
f. Maintain tape libraries	H	P
g. Initialize new tapes	H	P
h. Perform scheduled (daily, weekly and nightly) backups on all systems	H	P
i. Recover data and reinstall, as required	H	P
j. Maintain and manage the archiving environment for in-scope applications	H	P
3.3.6 Output Management	ESP	City
a. Ensure that output devices are functioning, including performing and/or coordinating routine maintenance	P	

3.4 Desktop Application Services

Desktop Application Services includes the most-common roles and responsibilities for Electronic Software Distribution Process and Management, Image Management, Patch Management, and Integration and Testing for Desktop Application services. For clarity purposes, Figure 3.4 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.4 Application Services



Source: Gartner (November 2008)

The list of Desktop Application services roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require. However, it identifies the most-common roles and responsibilities used for desktop managed services.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.4.1 Electronic Software Distribution Process and Management		ESP	City
a.	Define application software image build and deployment requirements and policies		P
b.	Develop and document, in the standards and procedures manual, the application software image build and deployment procedures that meet requirements and adhere to defined policies	P	H
c.	Review and approve the application software image build and deployment procedures		P
d.	Provide technical assistance for defining application software image specifications and deployment plans	P	
e.	Review and approve application software image specifications and deployment plans		P
f.	Build the City software image	P	
g.	Conduct end-user testing of application software images to validate that they perform in accordance with approved specifications, can be deployed successfully and operate with all supported applications, hardware and software	P	
h.	Approve application software images for deployment		P
i.	Manage deployment efforts using formal project management tools, methodologies and standards (such as IT Infrastructure Library change and configuration management practices)	P	
j.	Electronically deploy approved application software images on applicable devices	P	
k.	Conduct application software deployment reviews and provide results of reviews to the City	P	
l.	Review/approve application software deployment review results		P
3.4.2 Patch Management		ESP	City
a.	Review all patches relevant to the IT environment and classify how the patches should be installed, as defined by IT policies	P	
b.	Install patches per the City's change management process and procedures, including acquiring required City approvals	P	

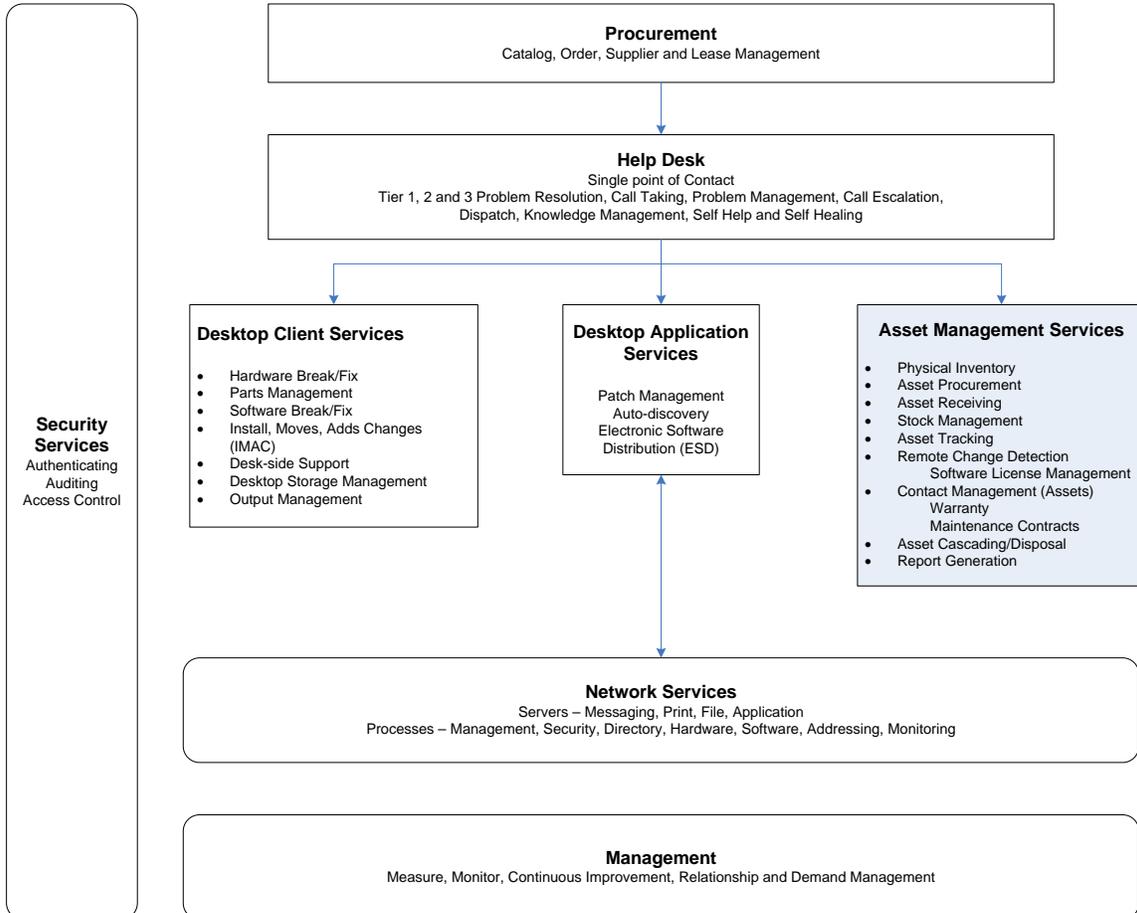
3.4.3 Image Management	ESP	City
a. Define image management requirements and policies	P	
b. Develop, document and maintain, in the standards and procedures manual, image management procedures that meet the requirements of and adhere to defined policies	P	
c. Review and approve image management procedures and processes		P
d. Establish an image management database, in accordance with City requirements	P	
e. Review and approve the image management database		P
f. Install and maintain image management tools	P	
g. Enter/upload configuration data into the configuration database	P	
h. Establish appropriate authorization controls for modifying image items and verify compliance with software licensing	P	
i. Establish guidelines for physical and logical separation among development, test and production and the process for deployment and backup of image items as it relates to the Desktop	P	
j. Establish image baselines as reference points for rebuilds, and provide ability to revert to stable configuration states	P	
k. Establish process for verifying the accuracy of images, adherence to image management process and the identification of process deficiencies	P	
l. Provide City image management reports, as required and defined by the City	P	
m. Audit image management processes and the accuracy of configuration data		P
3.4.4 Integration and Testing	ESP	City
a. Define integration and testing requirements and policies		P
b. Develop, document and maintain, in the standards and procedures manual, the integration and testing procedures that meet the requirements of and adhere to defined policies	P	
c. Review and approve integration and testing procedures		P
d. Manage the integration test environment	P	

e. Maintain software release matrices across development, quality assurance, and production environments and networks	P	
f. Validate and approve the software release matrix		P
g. Conduct integration and security testing for all new and upgraded equipment, software or services to include unit, system, integration and regression testing, based on definitions in the requirements and design documentation	P	
h. Evaluate all new and upgraded service components or services for compliance with City security policies, regulations and procedures	P	
i. Assess and communicate the overall impact and potential risk to service components, prior to implementing changes	P	
j. Define user acceptance test requirements		P
k. Stage new and upgraded equipment, software or services to smoothly transition into the environment, based on definitions in the requirements and design documentation	P	
l. Perform modifications and performance enhancement adjustments to City system software and utilities as a result of changes to architectural standards or additions and upgrades to the environment	P	
m. Test new releases of supported hardware and software to ensure that the required performance and functionality conforms with the City's service levels	P	
n. Provide and support the middleware required to integrate software and hardware (See Exception Table)	P	
o. Provide integration of application software		P
p. Perform configuration management and change management activities related to integration and testing	P	

3.5 Asset Management Services

Asset Management includes the most-common roles and responsibilities for Physical Inventory, Asset Receiving, Asset Tracking, Software License Management, Contract Management (Warranty, Maintenance and Assets), and Asset Cascading and Disposal for Asset Management services. For clarity purposes, Figure 3.5 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.5 Asset Management Services



Source: Gartner (November 2008)

The list of Asset Management services roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require. However, it identifies the most-common roles and responsibilities used in desktop managed services.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

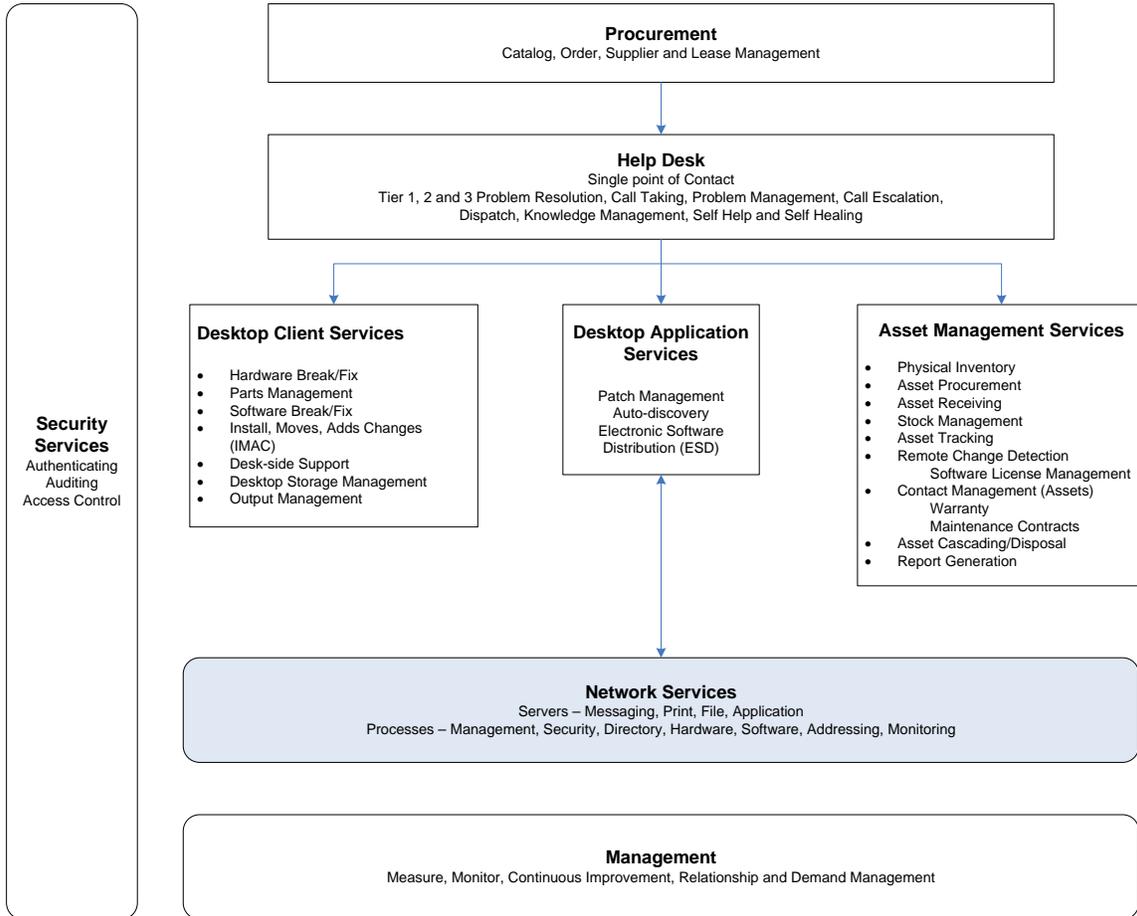
3.5.1 Physical Inventory		ESP	City
a.	Maintain an inventory of replacement parts for hardware maintenance	P	
b.	Maintain a physical inventory of all network and non-network hardware	P	H
c.	Maintain a distributed spare parts inventory, as required to meet service levels	P	
d.	Provide periodic reports on spares inventory, as required to meet service levels	P	
e.	Track, document and provide periodic and ad hoc reports of transmission system and telecommunications system spare inventories, capacities not used, locations and value	P	H
f.	Maintain spare equipment and components in an appropriately controlled environment	P	
3.5.2 Asset Receiving		ESP	City
a.	Establish asset-receiving policies and procedures	P	H, A
b.	Review asset-receiving policies and procedures		P
c.	Establish asset-receiving audit procedures to ensure compliance with best practices		P
d.	Periodically audit asset-receiving procedures	H	P
3.5.3 Asset Tracking		ESP	City
a.	Track inventory assets, equipment, software and services	P	
b.	Keep a current database of the location, configuration and financial data associated with each asset	P	
c.	Produce asset management reports and make available on the intranet	P	
d.	Establish, update and maintain an asset inventory database and service component configuration charts that include manufacturer, model, serial number, asset identification number, asset location, ownership information, configuration information, software information, mission-critical information, date of installation, maintenance information and history, financial information (including any license payments made by the contractor), and the current status of the license, if applicable	P	

3.5.4 Software License Management	ESP	City
a. File and track software license agreements	P	H
b. Ensure compliance with software licenses	P	A
c. Proactively scan for pirated and unauthorized software	P	
d. Report software license anomalies	P	
3.5.5 Asset Cascading and Disposal	ESP	City
a. Store equipment removed from active service until redeployed	P	H
b. Inventory all capital telecommunications and transmission system equipment prior to disposal, and issue updates to IT Customer Service Manager regarding removal from property books	P	A
c. Dispose of equipment no longer required in compliance with the City's property disposal and/or investment recovery policies and procedures	P	H
d. Document changes to inventory use and configuration	P	
3.5.6 Contract Management (Warranty, Maintenance and Assets)	ESP	City
a. Review and verify accuracy of vendor changes per the contract terms and conditions		P
b. Ensure that all warranty data is entered correctly	H	P
c. Prepare and submit any warranty-covered rebate paperwork, as appropriate	P	A
d. Conduct parts management and monitoring for warranty and out-of-warranty equipment	P	A

3.6 Desktop Network Administration and Management

Network Administration and Management will be retained by the City including the most common roles and responsibilities for server administration (print, file and application) management, and administration desktop network administration and management services.

Figure 3.6 Network Administration and Management



Source: Gartner (November 2008)

The list of Desktop Network Administration and Management service roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities the City might require.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.6.1 Server Administration	ESP	City
a. Execute operations and provide operational support for all servers		P
b. Operate server console		P
c. Monitor performance		P
d. Resolve online system-related problems		P
e. Monitor print queues, server operation and disk space		P
f. Reset print queues, when required		P
g. Reboot servers, when required, preferably during off-peak hours		P
h. Add server disk space, as required, to meet authorized user needs		P
i. Proactively prepare for user requirements		P
j. Perform server startup and shutdown and execute common utilities, as identified		P
k. Perform weekly and emergency system maintenance		P
l. Monitor network alerts		P
m. Reset digital subscriber line modems		P
n. Provide network statistical reporting		P
o. Analyze and correct all desktop and/or LAN problems		P
p. Perform system backups		P
q. Implement the basic network security procedures provided by the network operating system		P
3.6.2 Network Operations	ESP	City
a. Provide LAN connectivity contained in the service environment		P
b. Develop and document network administration requirements and policies		P
c. Develop/document procedures for administration that meet requirements and adhere to defined policies and procedures		P

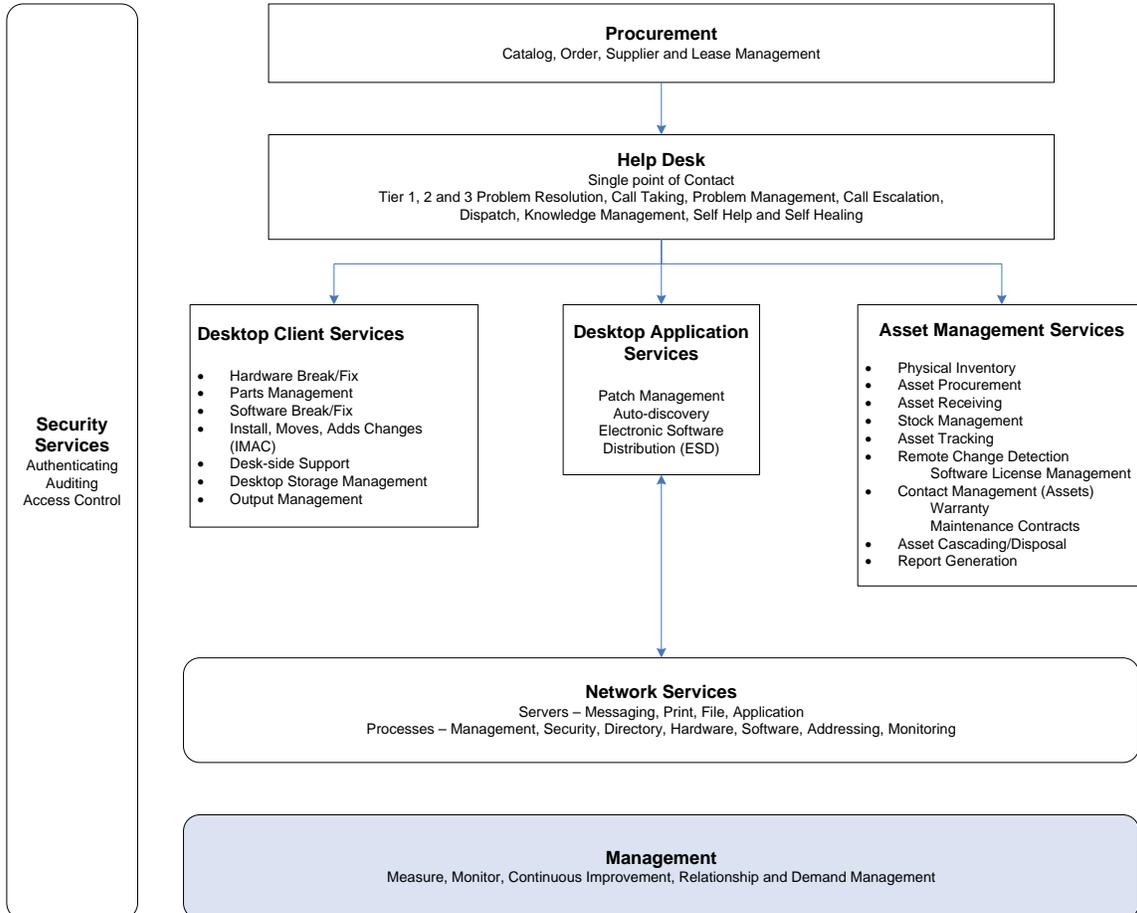
d. Approve administration policies and procedures		P
e. Perform day-to-day network operations and administration activities		P
f. Manage network devices in accordance with City policies, including security oversight and change management		P
g. Maintain IP addressing schemes, router configurations, routing tables, virtual private network configurations and so on		P
h. Manage user accounts as needed for access and maintaining network resources, such as logon user-id and password maintenance		P
i. Maintain/provide audit information, including access, general logs and application logs, in accordance with the City's security policies		P
j. Ensure that network administration activities are coordinated through defined change management processes		P
3.6.3 Network Monitoring	ESP	City
a. Develop and document requirements and policies for network monitoring and problem management		P
b. Approve requirements and policies for network monitoring and problem management		P
c. Develop and document network monitoring and problem management procedures, including escalation thresholds, that meet requirements and adhere to defined policies		P
d. Approve network monitoring/problem management procedures		P
e. Provide/implement tools for monitoring network devices/traffic		P
f. Implement measures for proactive monitoring and self-healing capabilities to limit network outages		P
g. Monitor network per service-level agreements (SLAs)		P
h. Identify network problems and resolve in accordance with incident and problem management services, policies, procedures and SLAs		P
i. Provide on-site staff at City facilities, as required, to perform maintenance and problem resolution activities		P
j. Coordinate resolution of circuit problems with third parties, including public carriers, Internet service		P

providers and city/county affiliates using the network		
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3.7 Service Management and Administration

Service Management and Administration includes the most-common roles and responsibilities for Quality Assurance, Continuous Improvement, Performance Management, Service-Level Management and Capacity, Demand, Change and Relationship Management in Service Management and Administration services. For clarity purposes, Figure 3.7 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.7 Service Management and Administration



Source: Gartner (November 2008)

The list roles and responsibilities below is not exhaustive and may not cover all the Service Management and Administration services roles and responsibilities the City might require.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.7.1 Quality Assurance		ESP	City
a.	Develop and maintain quality assurance (QA) procedures	H	P
b.	Ensure compliance with QA procedures and document and report nonconformance to the City		P
c.	Maintain hardware and software quality consistent with industry practices		P
d.	Perform regular internal quality assessments and implement continuous process improvements		P
e.	Respond to internal and external audits	H	P
f.	Work to support data security compliance efforts	H	P
3.7.2 Continuous Improvement		ESP	City
a.	Identify requirements and policies for root-cause analysis (RCA), including events that trigger an RCA	H	P
b.	Develop procedures for performing an RCA that meet requirements and adhere to defined policies	H	P
c.	Approve RCA procedures		P
d.	Conduct proactive trend analyses to identify recurring problems	H	P
e.	Track and report recurring problems or failures and provide associated consequences of problems, if there is a business impact to the City (Root Cause Analysis)	P	P
f.	Recommend solutions to address recurring problems or failures	H	P
g.	Approve solutions to address recurring problems or failures		P
h.	Flag all Priority 1 and Priority 2 incidents that require RCA	P	A
i.	Identify the root causes of Priority 1 and Priority 2 incidents, and recommend appropriate resolution action	P	
j.	Approve solutions to address Priority 1 and Priority 2 incidents		P
k.	Provide status report detailing the root causes of and procedures for correcting recurring problems and Priority 1 and Priority 2 incidents until closure, as determined by the City	H	P

3.7.3 Performance Management	ESP	City
a. Define service-level requirements (Appendix A)		P
b. Document service-level objectives and service-level agreements (SLA)		P
c. Measure and analyze performance, relative to objectives and SLAs		P
d. Develop improvement plans	H	P
e. Authorize and approve improvement plans		P
f. Implement improvement plans	P	
g. Report on service-level results	P	
h. Report on help desk statistics and trends, as requested	P	
i. Develop and document service component performance requirements		P
j. Approve service component performance requirements		P
k. Develop and document performance management procedures that meet requirements and adhere to defined policies	H	P
l. Approve performance management procedures		P
m. Perform service component tuning to maintain optimum performance in accordance with change management procedures	P	
n. Manage service component resources (including devices) to meet defined availability and performance service levels	H	P
o. Provide regular monitoring and reporting of service component performance, utilization and efficiency as it applies to Desktops	P	
p. Proactively evaluate, identify and recommend configurations or changes to configurations that will enhance performance	P	
q. Develop improvement plans, as required, to meet service levels	P	
r. Authorize improvement plans		P
s. Implement improvement plans and coordinate with third parties, as required		P
t. Provide technical advice and support to the application maintenance and development staffs as required	H	P

u. Assess the impacts, risks and costs of capacity changes		P
v. Approve capacity-related recommendations		P
w. Maintain capacity levels to optimize the use of IT resources and minimize City costs to deliver services at agreed-on service levels		P
x. Ensure adequate capacity in the IT environment to meet service-level reporting (SLR) requirements, taking into account daily, weekly and seasonal variations in capacity demands		P
y. Validate asset utilization and capital efficiency		P
3.7.4 Service-Level Management	ESP	City
a. Approve and document service levels and SLR cycles		P
b. Document SLRs requirements and SLAs	H	P
c. Report on service performance improvement results	P	
d. Coordinate SLA monitoring and reporting with designated City representatives and third-party vendors, as required	P	
e. Measure, analyze and provide management reports on performance relative to requirements	P	A
f. Develop SLR improvement plans, where appropriate	H	P
g. Review and approve improvement plans		P
h. Implement improvement plans	P	
i. Review and approve SLA metrics and performance reports		P
j. Provide City portal access to performance and SLA reporting and monitoring systems	P	
3.7.5 Relationship Management	ESP	City
a. Develop and document account management structure, planning and procedures	P	H
b. Approve account management structure, planning and procedures		P
c. Develop a detailed IT service catalog that delineates services offered, including all service options, pricing, installation time frames, order processes (new, change and remove service) and prerequisites (Custom Reports)	P	A
d. Develop a service ordering process that clearly defines	P	A

how to order, change or delete services		
e. Recommend criteria and formats for administrative, service activity and service-level reporting	P	

f. Approve criteria and formats for administrative, service activity and service-level reporting		P
g. Develop and implement customer satisfaction program for tracking the quality of service delivery to end users	H	P
h. Report on relationship management success, including statistics on continuous improvement, trends in customer satisfaction and audits of all processes	P	
3.7.6 Capacity Management	ESP	City
a. Define capacity management requirements and policies		P
b. Develop, document and maintain capacity management procedures in the standards and procedures manual that meet requirements and adhere to defined policies		P
c. Review and approve capacity management procedures		P
d. Establish comprehensive capacity management planning		P
e. Review and approve a capacity management planning process		P
f. Define, develop and implement tools that enable effective capacity monitoring and trending of IT infrastructure, applications and IT components	H	P
g. Identify business needs that will alter capacity requirements		P
h. Participate in all capacity-planning activities		P
i. Assess capacity impacts when adding, removing or modifying applications	H	P
j. Continually monitor IT resource usage to enable proactive identification of capacity and performance issues	P	P
k. Capture trending data and forecast future City capacity requirements, based on City-defined thresholds	P	P
l. Assess incidents/problems related to throughput performance	P	P
m. Recommend capacity changes to improve service performance	P	P
n. Assess impact/risk and cost of capacity changes		P
o. Approve capacity-related recommendations		P
p. Optimize capacity levels for IT resources and minimize City costs to deliver services at agreed-on service		P

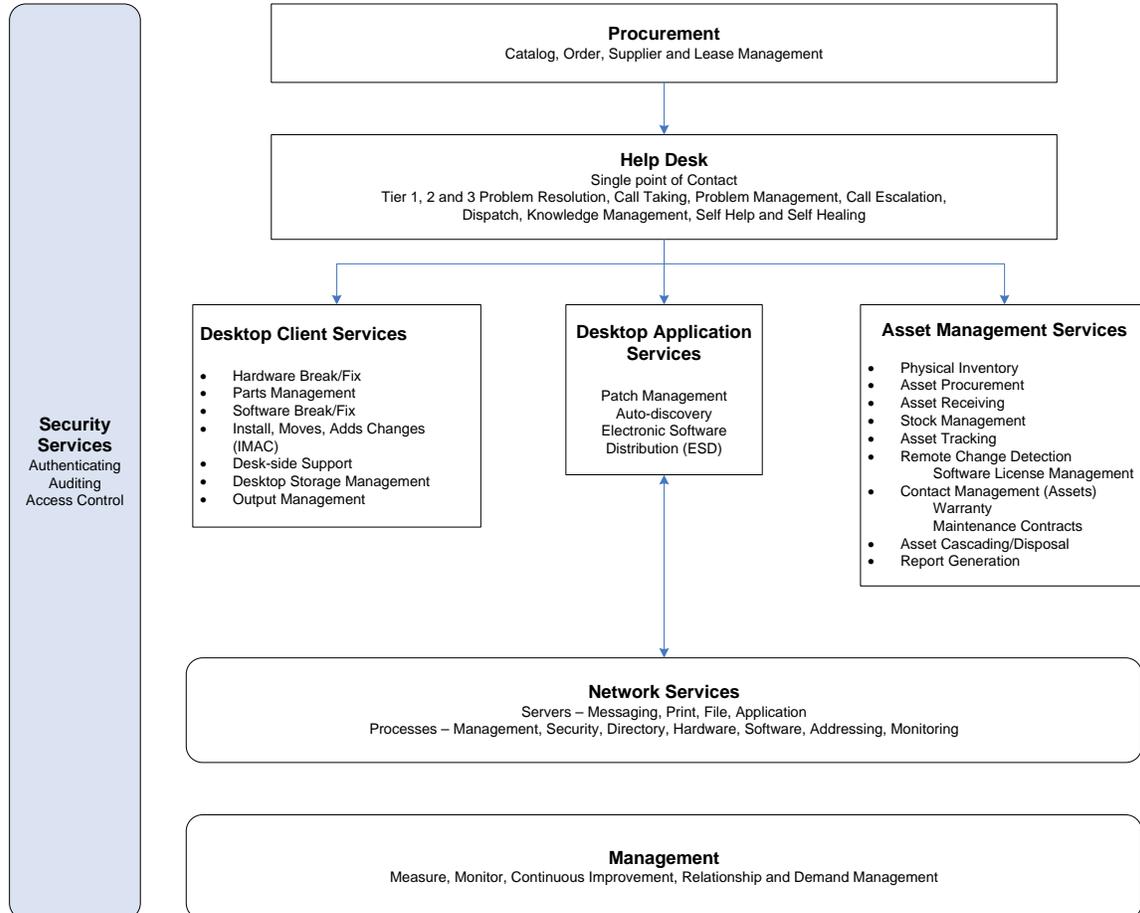
levels		
q. Ensure adequate capacity in the IT environment to meet SLR requirements, taking into account daily, weekly and seasonal variations in capacity demands		P
r. Validate asset utilization and capital efficiency		P
3.7.7 Change Management	ESP	City
a. Define change management requirements and policies		P
b. Develop, document and maintain change management procedures in the standards and procedures manual that meet the requirements of and adhere to defined policies		P
c. Participate in the development of change management procedures and policies		P
d. Review/approve change management policies and procedures		P
e. Establish change classifications, such as impact, priority and risk, and change authorization processes		P
f. Document and classify proposed changes to services, including cost and risk impact and back-out plans of those changes, and establish plans for major changes	P	P
g. Provide change management plans to the City for review	P	P
h. Develop and maintain a schedule of planned changes and provide it to the City for review as required	P	P
i. Schedule/conduct change management meetings to include review of planned changes and the results of changes made	P	P
j. Provide change documentation, as required	P	P
k. Authorize and approve scheduled changes and/or alter the schedule of change requests		P
l. Notify City clients of change timing and impact	H	P
m. Implement change and adhere to detailed release plans	P	P
n. Modify configuration database, asset management items and service catalog (if applicable) to reflect implemented changes	P	P
o. Verify that changes meet objectives and resolve negative impacts from the changes	P	P
p. Monitor changes and report results of changes and impacts	P	P

q. Conduct user acceptance tests, as required	P	P
r. Perform quality control audits and approve change control results		P
s. Secure and maintain 2 master copies of all new in-scope software versions in a secure software library and update configuration databases	P	P

3.8 Security Services

This section includes the most-common roles and responsibilities for Security Incident Management, Physical Security, System Security and Integrity, Virus Protection, Firewall Services, Intrusion Protection, Penetration Services, Auditing, and Access Control in Security Services. For clarity purposes, Figure 3.8 delineates the Gartner-defined logical functions in desktop managed services.

Figure 3.8 Security Services



Source: Gartner (November 2008)

The list of Security Services roles and responsibilities below is not exhaustive and may not cover all the roles and responsibilities an City might require. However, it identifies the most-common roles and responsibilities used in outsourcing agreements for the procurement of desktop managed services. These security roles and responsibilities are for the PC (desktops and laptops) devices only. Servers and network security is the responsibility of the City.

Term Definitions: In each role and responsibility matrix below, the P, A and H in the ESP and City fields are defined as primary responsibility, approve and helping role, respectively.

3.8.1 Security Incident Management	ESP	City
a. Develop policies for security incident management	P	
b. Approve policies for security incident management		P
c. Provide initial review (Level 1) of security incidents and determine whether escalation to City information security (Level 2, 3 support) is warranted	P	
d. Identify and remove from the network PC virus/worm-infected system	P	
e. Identify and provide countermeasures for virus/worm attacks	P	
f. Establish security audit policies		P
g. Provide technical expertise for security audits	P	
h. Collect and review all incidents reported by all other security services, such as NIDS, HIDS, penetration testing and firewall	P	
i. Provide security reporting	P	
3.8.2 Physical Security	ESP	City
a. For facilities under the City's control, comply with the City's physical security requirements	P	A
b. For facilities under the vendor's control, perform all physical security functions (such as identification of badge controls, alarm responses) in compliance with City security policies and standards	P	A
c. Ensure that security devices are kept in working order; ensure that procedures are developed with adequate controls and audit trails, and that they respond to security violations and breaches	P	H
d. Grant access to approved City personnel	P	A
3.8.3 System Security and Integrity	ESP	City
a. Monitor and approve access to data, systems and applications	P	A
b. Implement access requests, access rights lists and passwords	P	A
c. Deactivate passwords and access rights	P	A
d. Develop security policies	H	P

e. Develop information security standards, guidelines and ID approval procedures	P	A
f. Develop and execute security practices	P	A
g. Update access rights lists (See Appendix 15.1)	P	A
h. Report security breaches	P	H
i. Respond to security alerts and alarms	P	A
j. Administer security databases, including Microsoft Active directory, Remote LAN Access, and application specific security	P	
k. Generate and install systems, applications and network IDs	P	
l. Establish procedures for resetting passwords	P	A
m. Reset passwords according to approved procedures	P	A
n. Follow up with users to clarify ID-administration requests	P	
o. Maintain statistics on performance	P	
p. Cooperate with and respond to periodic security audits	P	H
3.8.4 Virus Protection	ESP	City
a. Install and maintain virus control tools for all systems using the City's anti-virus software	P	
b. Update virus software and virus definition files	P	
c. Provide consulting services for virus protection	P	
d. Respond to virus incidents	P	
e. Recover virus corrupted files	P	
3.8.5 Security Procedures, Policies and Standards	ESP	City
a. Define security requirements, standards, procedures and policies, including regulatory requirements		P
b. Actively participate in industry-standard security forums and users groups to remain up-to-date with current security trends, threats, common exploits, and security policies and procedures		P
c. Assist in developing security standards, policies and procedures, including industry best practices	H	P
d. Provide a security assessment group to conduct continual assessments of City's security effectiveness		P
e. Provide a City security customer service contact that will be the direct liaison with business departments for	P	

security requirements		
f. Conduct risk assessments to identify control or security gaps		P
g. Provide security plans and IT infrastructure, based on security requirements, standards, procedures, policies, City of Concord, federal, state, and local requirements and risks		P
h. Review and approve security plans		P
i. Implement the City's physical and logical security plans consistent with City security policies and industry standards (such as PCI and DOJ)	P	
j. Establish access profiles and policies for adding, changing, enabling/disabling and deleting logon access of City employees, agents and subcontractors		P
k. Perform logon/security-level access changes, as detailed in profiles and policies for all services	P	
l. Provide and support best available commercial off-the-shelf security analysis and monitoring products into the City's system and network infrastructure	H	P
m. Report security violations to the City per the City policies	P	
n. Resolve security violations internal to the City		P
o. Resolve security violations that originate outside the hosted networks, such as denial of service attacks, spoofing and Web exploits	H	P
p. Review all Windows desktop security patches relevant to the IT environment and classify the need and speed in which the security patches should be installed, as defined by security policies	P	
q. Install security patches	P	A
r. Perform periodic security audits		P
s. Maintain all documentation required for security audits and internal control and control testing (such as PCI and DOJ)	P	
t. Place and support systems with particularly sensitive data in controlled access areas — only end users with current, authorized access permission are allowed to enter these areas	P	A
u. Ensure that the availability of easily transportable gigabytes, such as data on a stick, is controlled per the City's requirements	P	A
v. Enable third-party security audits	H	P

w. Implement a security awareness program	P	H, A
3.8.6 Security Firewall Services	ESP	City
a. Recommend best-practice firewall policies		P
b. Develop City-specific firewall policies and requirements		P
c. Approve firewall policies		P
d. Provide services in conformance with firewall policies and requirements	P	
e. Perform firewall engineering and firewall security design		P
f. Assess firewall security and propose alternative security designs		P
g. Review and approve firewall security designs		P
h. Review and approve firewall access control list (ACL) policies		P
i. Develop recommendations for improved security	H	P
j. Review and approve recommendations for improved security		P
k. Provide ACLs		P
l. Maintain ACLs in accordance with City policies		P
3.8.7 Security Intrusion Detection Services	ESP	City
a. Develop policies and standards for intrusion detection		P
b. Approve policies and standards for intrusion detection		P
c. Provide intrusion detection services and reporting		P
d. Enable independent intrusion detection services		P
e. Develop recommendations for improved security	P	
f. Review and approve recommendations for improved security		P
g. Implement approved recommendations	P	P
3.8.8 Security Penetration Services	ESP	City
a. Develop policies for security vulnerability and penetration testing		P
b. Approve policies for security vulnerability and penetration testing		P
c. Conduct security vulnerability scans and penetration testing		P

d. Enable independent vulnerability and penetration services		P
e. Provide reporting on testing results		P
f. Develop recommendations for improved security	P	
g. Review and approve recommendations for improved security		P
h. Implement approved recommendations	H	P
i. Develop policies for security incident management	H	P
j. Approve policies for security incident management		P
k. Provide initial review (Level 1) of security incidents and determine whether escalation to City information security (Level 2, 3 support) is warranted	P	
l. Identify and remove from the network PC virus/worm-infected systems	H	P
m. Identify and provide countermeasures for virus/worm attacks	H	P
n. Establish security audit policies	H	P
o. Provide technical expertise for security audits		P
p. Collect and review all incidents reported by other security services (such as NIDS, HIDS, penetration testing and firewall)		P
q. Maintain a central repository of log files, in accordance with City policies and service levels, including application-specific and system-specific log files		P
r. Provide security reporting	P	P

4.0 Service Management

Service management describes activities needed to support the Desktop Managed Services proposed to meet this proposal. This includes service-level requirements and reporting requirements.

4.1 Service – Level Requirements

Required ESP service levels are set forth in Appendix 7 to this Schedule Two.

Reports

Common Reports Listing — Desktop Managed Services

- Service-level trend report
- Service-level attainment by service level
- Service tickets opened / closed by length of time opened
- Customer satisfaction survey summary

Weekly/biweekly status update — The weekly/biweekly status report, to be submitted by the provider to the City, should include: accomplishments to date as compared to the project plan; any changes in tasks, resources or schedule with new target dates, if necessary; all open issues or questions regarding the project; an action plan for addressing open issues or questions and potential impacts on the project; and risk management reporting.

5.0 Exclusions

The City specifically excludes any support related to custom software created by and specifically for the City's departments including software break/fix support, mobile digital computers (MDC), Computer Aided Dispatch (CAD) system and desktops. All network components (switches, routers and wiring). All application servers, system servers and server applications.

6.0 Appendix 1 — Definitions and Acronyms

Common Term	Definition	
ADMINISTRATIVE FUNCTIONS	Routine functions, such as setting up user IDs, changing authorization tables, changing account codes, and similar functions handled by the provider	
AVAILABILITY OF SUPPORT STAFF	Refers to the schedule that the service provider will have staff available to respond to service requests or Tier 2 help desk calls	
BREAK/FIX	An end-user request placed because of a software or hardware problem encountered in accessing or operating IT resources where support services are required to resolve the problem	
INCIDENT RESOLUTION TIME	The time elapsed from the initiation of the trouble ticket until service is restored.	
LOCAL TIME	The Pacific standard time at the locations where services are provided, adjusted for Daylight Saving Time (summer time), where it applies.	
PERFORMANCE TARGET	The desired level of service the City is seeking for that particular service level requirement.	
PRIORITY LEVELS	"Priority levels" (or severity levels) are defined categories that identify the degree of business criticality and importance to the City (the "business impact") of specific incidents, and the associated provider response requirements attributed to any such incident. The following priority level table categories and descriptions apply to all services:	
	Priority Level 1 — Emergency/Urgent <i>Critical City Business Impact</i>	The problem has caused a complete and immediate work stoppage affecting a primary City process or a broad group of users such as an entire department, floor, branch, line of operations, or external customer. No work-

		<p>around available. Examples:</p> <ul style="list-style-type: none"> • An inability to conduct electronic trading • No access to the Internet and e-mail • A major network outage where there is no work-around solution available • A security violation (that is, denial of service, port scanning)
	<p>Priority Level 2 — High <i>Major City Impact</i></p>	<p>An organizational process is affected in such a way that one or more key City functions are severely degraded, multiple users are impacted or a key City customer is affected. A work-around may be available; however, the work-around is not easily sustainable. Examples:</p> <ul style="list-style-type: none"> • A major network link outage where there is an alternative; however, the alternative is not sustainable
	<p>Priority Level 3 — Medium <i>Moderate City Impact</i></p>	<p>An organizational process is affected in such a way that certain functions are unavailable to end users or a system and/or service is degraded. A work-around may be available. Examples:</p> <ul style="list-style-type: none"> • Telecommunication problem (that is, excessive network latency)
	<p>Priority Level 4 — Low <i>Minimal City Impact</i></p>	<p>An incident that has little impact on normal business processes and can be handled on a scheduled basis. A work-around is available. Example:</p> <ul style="list-style-type: none"> • User requests (for example, a system enhancement) • Peripheral problems (for example, a network printer) • Preventive maintenance

Acronym	Definition
COTS	Commercial off-the-shelf
ESD	Electronic software distribution
IMAC	Install, move, add, change
KPI	Key performance indicator
MTTR	Mean time to repair
MTBF	Mean time before failure

OEM	Original equipment manufacturer
RM	Relationship manager
SPOC	Single point of contact
SOW	Statement of work
T&M	Time and material
TR	Technology refresh
UPS	Uninterrupted power supply
YTD	Year-to-date
MRR	Monthly recurring cost
NRR	Nonrecurring cost
SLA	Service-level agreement
SLR	Service-level requirements

7.0 Appendix 2 — Scope

7.1 Section A – Procurement

Key Processes	Key Attributes	Key Toolsets
Assist in rating service provider proposal responses	Single point of contact, is generally based at the help desk	Electronically integrated
Managing the desktop asset ordering and procurement process	Central decision making	Procurement process tracking tool
Procuring the asset(s)	Central order processing system for desktop equipment	Reporting tool
Coordinating asset receipt and delivery with City personnel	Standard hardware and software images	Tools are included in or linked to the help desk and asset management tool
Ensuring compliance with established IT standards and architectures		

7.2 Section B – Help Desk

Key Processes	Key Attributes	Key Toolsets
Single point of contact	Single point of contact for all IT service requests and incident reports 24/7	Service request management tool
Tier 1, problem resolution	E-mail/Web ticketing capability	Customer satisfaction and performance assurance processes
Tier 2 and Tier 3 support	Fully automated call distribution	Knowledge base and knowledge management tool
Service request tracking	Interactive voice response systems	
Problem management		Integrated toolsets
Call escalation management		
Dispatch, knowledge management		
Self-help and self-healing		

7.3 Section C – Desktop Client Services

Key Processes	Key Attributes	Key Toolsets
Problem management	Integrated with network monitoring tools	Integrated to track desk-side technician performance, customer satisfaction and performance assurance
Hardware maintenance and support	Telephonic and electronic e-mail submissions and confirmations to users	
Parts management	Electronic white boards	Knowledge database and knowledge management
Software maintenance and support	Programmed for automated dispatch, escalation and notification based on service-level requirements	
Installations, moves, adds and changes	Technical personnel (on-site or dispatched)	PDAs used for service ticket receipt and updating
Technology refresh	Interaction and integration with help desk	
Storage management		
Output management		

7.4 Section D – Desktop Application Services

Key Processes	Key Attributes	Key Toolsets
Image management	Remotely delivered	Autodiscovery tool (various)
Autodiscovery	Creating and testing of all images in controlled or centralized environment	ESD tool (various)
Electronic software distribution (ESD)	Packaging, distribution and compliance tracking of all software	Integrated with the help desk and asset management tool
	Integrated with the asset management tool	

7.5 Section E – Asset Management

Key Processes	Key Attributes	Key Toolsets
Physical inventory	Turnkey asset management	Logistics management
Product stock management	Asset inventory	Reconcile receipt of incoming assets against purchase order
Asset tracking	Integrated with other tools	Contract management
Software license management		Correlate assets with originating purchase order
Contract management for assets		Automated collection agent to capture configuration
Asset cascading		
Asset disposal		
Report generation		Captures remote laptops when connected to the network

7.6 Section F – Desktop Network Management and Administration Services

Key Processes	Key Attributes	Key Toolsets
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User access administration	24/7	Integrated network monitoring tools (not to start with – What's Up Gold)
Server management (configuration management, monitoring, fault management and performance management)	Non-location-specific (remote support) Monitoring of network devices and servers and notifying as appropriate	
Server patch management (packaging, distribution and compliance tracking)	Reporting	
Server backup and restore		
Client device backup and restore (desktop, laptop and mobile devices)		
Storage management		
Server-based computing and thin-client architecture management (configuration and support)		
LAN management (configuration management, monitoring, fault management and performance management)		
Wireless LAN management – City IT Operations		
Messaging systems management (user administration, server management and application management) – – City IT Operations		
Mobile messaging support – BEZ Server		
Collaboration tools management		

7.7 Section G – Security Services

Key Processes	Key Attributes	Key Toolsets
Antivirus	Remote support	Antivirus software
Filtering	Access management	Other software for spam and data miners
Encryption		
Relays		
New user setup		
Password resets		
User account deletion		
File restoration		
User account modification		

7.8 Section H – Management and Administration

Key Processes	Key Attributes	Key Toolsets
Approve and document service levels and reporting cycles	Management team mirrors service provider team	Benchmarks Risk analysis framework

Measure, analyze and provide management reports on performance relative to requirements	Full-time personnel (relationship, contract and delivery manager)	(Desktop side only) Continuous improvement processes
Develop improvement plans, where appropriate	Report review and distribution	
Review and approve service-provider-developed improvement plans	Forecasting	
Implement approved improvement plans	Lessons learned from review and action planning	
Report on service-level performance improvement results	Results analysis	
Service-level agreement change management		
Review of root-cause analysis for recurring or major incidents		

8.0 Appendix 3 — Scale — Desktop Computing Equipment Summary

System	Number of Units
Desktop Computers	400
Laptop Computers	79
Networked Printers	107
Non-networked Printers	46
Multi-function Printers (Copiers, Print, Fax)	31
Scanners	19
Faxes	12
Wireless Devices (e.g., BlackBerrys)	60
Number of Images Supported	4

9.0 Appendix 4 — Current Workload Volume (annual)

Type	Number
------	--------

Type	Number
Help Desk Calls	6055
Break/Fix Activities	Unknown
Deskside Support Activities	Unknown
Installs	125
Moves	Unknown
Adds	Unknown
Changes	Unknown
Asset Changes	Unknown
Image Changes	Unknown

(Note: Current help system does not collect the type of call with enough accuracy to provide accurate numbers and are labeled Unknown. All Unknowns are include in the total Help Desk Calls).

10.0 Appendix 5 — Supported Software

Software Standards	Vendor	Description
Office Suite 2003	Microsoft	Access, Excel, Outlook, PowerPoint, Publisher, Word
Visio 2003	Microsoft	Drawings & flow charts
Project 2003	Microsoft	Project Management
Acrobat	Adobe	Reader and some creation
PhotoShop	Adobe	Photo Editing
Sophos	Sophos	anti-virus
Business Applications	Vendor	Description
Permits Plus	Accela	Building Permits and Parcel Addressing
Class	Active Network	POS and Registration
Questys	Questys Solutions	Document Imaging
HDL	HDL Software	Sales Tax, Property Tax & Business License
Lawson	Lawson Software	Financials (GL, AP AR etc) HR, Business Intelligence
GBA	GBS Master Series	Sewer Maintenance

11.0 Appendix 6 — Technical Environment

Category	Manufacturer	Approximate Quantities
Desktops	Dell Optiplex	400
Displays	Dell 19"	400
Keyboards	Dell Standard	286
Mice	Dell optical scroll	311

Ergo Keyboards	Microsoft	64
Ergo Mice	Logitech	39
Laptops	HP	64
Rugged Laptops	Panasonic	15
Desktop OS	XP SP2/3	all

12.0 Appendix 7 — Service Levels

12.1 Procurement — Standard and Nonstandard Orders Processed

Component	Explanation of Component
Definition	Entry of orders into system after receipt of properly executed order from service recipient
Requirement	Business days between 08:00- 17:00 PST/PDT
Measurement Range	Low = 90% of the time within eight business hours of final service recipient approval, purchase order created and forwarded to service provider. High = 99% of the time within two business days of final service recipient approval, purchase order created and forwarded to service provider
Compliance	Not applicable
Measurement Frequency	Monthly
Calculation Formula	Number of orders entered in the specified service-level time-frame/number of total orders approved = service level attained
Data Sources	Web-based system from service provider with date and time-stamp capabilities

12.2 Desktop Client Services — Hardware/Software Break/Fix — Priority 1 — Mission-Critical Impact

Component	Explanation of Component
Definition	Time to resolve problems for hardware, software and system components in the desktop environment that are mission-critical or affect a significant number of end users (10 Desktops or more, or 25%, or 1 site or workgroup). The number of hours until resolution (Note: Any resolution time requirements less than four business hours will require "hot" spares).
Requirement	Business days between 08:00- 17:00 PST/PDT
Measurement Range	Low = 48 business hours 90% of the time; High = 1 hour 96% of the time
Compliance	Not applicable
Measurement Frequency	Monthly

Component	Explanation of Component
Calculation Formula	Number of problems resolved within SLA time frame/total number of problems = "service level attained"
Data Sources	Web-based system from service provider with date and time-stamp capabilities.

12.3 Desktop Application Services

Component	Explanation of Component
Definition	The time it takes to assess, schedule, test, package and distribute a patch for all software
Requirement	Business days between 08:00- 17:00 PST/PDT
Measurement Range	Low = three business days, 90% of the time; High = four hours, 95% of the time
Compliance	Not applicable
Measurement Frequency	Monthly
Calculation Formula	Number of application(s) requested = number of application(s) ready to deploy within three business days
Data Sources	Web-based system from service provider with date and time-stamp capabilities, as well as ACD system with same or similar capabilities

12.4 Desktop Asset Management Services — Physical Inventory

Component	Explanation of Component
Definition	Acceptable time required to complete a physical inventory upon appropriate request from the City. Normally an annual physical inventory is taken with periodic monthly "spot inventories" used for accuracy certification
Requirement	Annual physical inventory – 5 business days Monthly "spot check" as needed – 2 business days All times are business days between 08:00- 17:00 PST/PDT
Measurement Range	Low = Within 30 days of request for inventory; High = within 10 days of request for inventory
Compliance	Not applicable
Measurement Frequency	Monthly
Calculation Formula	No calculation as each incident is either in or out of compliance with the service-level requirement
Data Sources	Web-based system from service provider with date and time-stamp capabilities

12.5 Desktop Administration and Management Services

Component	Explanation of Component
Definition	Maintain call center environment in good operating condition so that standard/normal service-recipient activities can take place within defined time frames
Requirement	Business days between 08:00- 17:00 PST/PDT
Measurement Range	Low = 97%; High = 99%
Compliance	Not applicable
Measurement Frequency	Monthly
Calculation Formula	Total available hours/by total hours in measurement period = service-level attained
Data Sources	Tool supplied by service provider that automatically records via "date and time stamping" for each activity within a process, including uptime and downtime data

12.6 Security Services — Establish Individual User Accounts (Including E-Mail)

Component	Explanation of Component
Definition	Acceptable time for creation of access authorizations and codes for SR or SP that as representatives of the SR or SP for user access to systems.
Requirement	Number of business hours until completion from time of notification by service recipient
Measurement Range	Low = 3 days, 95% of the time; High = 1 hour, 80% of the time
Compliance	Not applicable
Measurement Frequency	Monthly
Calculation Formula	ID's created within SLA time frame = "service-level attained"
Data Sources	Tool supplied by service provider that automatically records via "date and time stamping" the request time and completion time of the user account

12.7 Service Management and Administration

Component	Explanation of Component
Definition	Measures performance of service (surveys) provided to end user or customer. Used to identify end user's opinion of service performance. The results are used to identify and resolve any issues and problems. Resulting actions should improve end-user/management satisfaction and service performance.
Requirement	Very satisfied or satisfied (Note: Customer satisfaction process will not start until six months after contract initiation and project/activity initiation)
Measurement Range	Low = 60%; High = 85%
Compliance	Not applicable
Measurement Frequency	Monthly for 10% of end users who contact help desk; annually for all end users
Calculation Formula	Monthly, by taking <5% of daily activities and completing a customer satisfaction record per documented processes and procedures. The sampling should be divided over the various functional areas. The same formula once per year for all end users.
Data Sources	Monthly reporting periods = Number of responses with a very satisfied or satisfied rating/total number of responses = % Service Level Attained. The same formula is used for the annual customer satisfaction process.

13.0 Appendix 8 — Geographic Distribution

City	State	Zip Code	Key Contact Name/Phone	Number of Users
Concord	California	94519 & 94520	Kathi Amoroso 925-671-3305	479
South Lake Tahoe (April – October)	California	96150	Kathi Amoroso 925-671-3305	5

13.1 Locations in the City of Concord

Building Description	Address
City Hall - Building A	1950 Parkside Drive
City Hall - Building C	1950 Parkside Drive
City Hall - Building D	1950 Parkside Drive
HR	1950 Parkside Drive
Police Department	1350 Galindo Street
Salvio Parking Garage	2255 Salvio Street
Yard	1445 Gasoline Alley
Auto Shop	2360 Bisso Lane
Todas Santos - Building Engineering	2151 Salvio Street
Printing Service Center	2730 Parkside Circle
Senior Center	2727 Parkside Circle
Building PKG - Downtown Coordinator Office	2051 Salvio Street
Centre Concord	5298 Clayton Road
City of Clayton	6000 Heritage Trail
Cowell Pool	3501 Cowell Road
Day Camp / Science Center	3915 Cowell Road
Golf Course	4050 Port Chicago Hwy
Willow Pass Center	2748 East Olivera Road

14.0 Appendix 9 — Policy and Procedures

Expense reimbursement policy — The City will reimburse the ESP for expenses directly incurred by the ESP and approved in writing by the City in providing services hereunder, provided that: (a) any such reimbursement shall be made in accordance with the City's then applicable standard expense policy; (b) the ESP submits original receipts for reimbursement within thirty (30) days of costs being incurred, (c) the City shall not pay any expenses related to ESP's overhead, salaries, or other fixed costs; and (d) any expenses over \$500 must be preapproved in advance in writing by the City. The ESP shall separately state expense reimbursement on the monthly invoices submitted to the City. The ESP shall be responsible for all travel expenses not requested by the City, including, but not limited to, relocation of the ESP resources on a permanent or temporary basis.

Access — Consistent with this Schedule Two and the scope and intent of the Master Help Desk Services Agreement by and Between City and Axiom Technologies, LLC ("ESP") the City will grant to ESP the right, upon reasonable request, to reasonably access, operate, use and modify any system utilized by the City, including, without limitation, computer programs, supporting documentation for such programs and tangible media upon which such programs are recorded without charge to the ESP, to provide the services set forth in any subsequent executed agreement. The City shall obtain all consents from third parties necessary to permit the ESP to access, operate, use, and modify such systems pursuant to any executed agreement. For the ESP's employees working at the City's facilities, the City shall also provide to the ESP, at the City's sole expense, appropriate office space together with furnishings, equipment, personal computers and peripherals, fixtures, janitorial service, telephone service, utilities, supplies, duplicating services, mail room services, building security, and other services appropriate to the creation of an effective and productive working environment.

14.1 System Access Request:

See attached form: System Access Request.pdf

14.2 Software/Hardware Purchase Request:

See attached form: Software Hardware Purchase Request IS.pdf

14.3 Technology Purchasing & Inventory Procedures

See attached Administrative Directive: AD007.pdf

14.4 Information Technology Usage Policy and Security Guidelines

See attached Administrative Directive: AD162.pdf

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SCHEDULE 3

SERVICE LEVELS

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Developing a six month baseline first:

FINANCIAL:

- Cost per Customer Contact
- Cost per PC/Laptop/Staff person
- Total Cost from Annual Billing
- Cost of Ordered Equipment
 - Total
 - Average Order
 - Itemized

CUSTOMER:

- Hardware Break/Fix
 - 48 hrs. 90%
 - 1 hr. 95%
- Application Delivery
 - 24 hrs. 90%
 - 4 hrs. 95%
- Account Provisioning
 - 24 hrs. 95%
 - 1 hr. 80%
- Informed of Status
- 1st Contact Resolution
 - 80%
- Customer Satisfaction (see below)
- Calls Answered Promptly (see below)

INTERNAL:

- Number of Calls – Sort able
- Procurement Orders Processed
 - 8 hrs. 90%
 - 16 hrs. 99 %
- Physical Inventory
 - Annual – 5 business days
 - Spot Check – 2 days
 - For both – low within 30 days, high within 10 days
- Maintain Call Center in Working Order
 - 8:00 a.m. – 5:00 p.m. 97%
 - 7:00 a.m. - 7:00 p.m. 99%
- Customer Satisfaction
 - Satisfied 60%
 - Very Satisfied 85%

- Managed Agreements Meeting SLA's 99%
- Number of Contacts By:
 - Channel
 - Phone
 - Web
 - Person
- Phone Answered Within 3 Rings 99%
- Compliance With Software Licenses

INNOVATION:

- Self Service Capabilities
- Reduce Cost Per Contact and PC
- Number of Improvement Suggestions Implemented
- Delivery of Requested Innovations in RFP
 - ITIL
 - Online Catalog for Purchases
 - Content Management Database Tools/Procedures

INCENTIVES:

- All Measures in Aggregate
 - 105% = 5% Premium
 - 100%-95% = 0 Premium
 - 95%-90% = 10% Penalty
 - 90%-85% = 20% Penalty
 - 85%-0% = Termination

SERVICE LEVEL ADJUSTMENTS:

- Provider will normalize SLA measurements for:
 - Unexpected or unapproved daily volume that exceeds the monthly average by 15%.
 - Problems resulting from components (hardware, software, and network) for which Provider is not responsible.
 - Problems caused by the actions or inactions of end users.
 - Changes made to the environment, which were not communicated in accordance with the Change Control procedures.
 - Equipment, products, or both not identified by City to Provider for support.
 - City's reprioritization of available resources to the extent this reprioritization affects Provider's ability to perform the Services at the specified Service Levels.
 - City's failure to perform obligations as set forth in the SOW or the Procedures Manual to the extent this failure affects Provider's ability to perform the Services at the specified Service Levels.

- Performance or nonperformance by City's third-party vendors or OEM.
- All adjustments to the SLAs will be agreed between the parties as part of the governance process.

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SCHEDULE 4

FEES

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Fees

I. Introduction

This Schedule 4 ('Fees') is applicable as of the Effective Date of the Agreement and sets forth the Fees payable to Provider for provision of Services and the methodology to calculate adjustments to Fees, if any.

II. Rate Schedule

City agrees to pay Provider according to the Rate Schedule set forth below. Projects not described below (hereinafter referred to as "Special Projects") and consulting services will be estimated on a per project basis. Consulting services and Special Projects shall not be commenced by Provider without advance written authorization from City, nor shall City be responsible for payment for Consulting Services and Special Projects in the absence of advance written authorization.

Description	Quantity	Unit Cost	Monthly Total
Help Desk Services	526	\$13.00*	\$6,838.00*
Client Device OS Support	526	\$21.00*	\$11,046.00*
Client Device Application Support	526	\$17.00	\$8,942.00*
Asset Management Support	900	\$9.00*	\$8,100.00*
		TOTAL	\$34,926.00*
*Maximum Annual Increase (all Fees) per renewal	Any increase not to exceed the San Francisco-Oakland-San Jose Consumer Price Index (CPI) for the preceding quarter or three percent (3%), whichever is less		
Termination for Convenience	Three times the monthly total for the sum of: (a) Help Desk Services, (b) Client Device OS support, (c) Client Device Application Services and (d) Asset Management Support		

III. Billing Terms

City shall be billed for services on a monthly basis, on the first workday of each calendar month. Each monthly bill shall itemize the nature and fees for the services (including Special Projects and Consulting) performed during the prior month. City shall pay each invoice within 35 calendar days of the date of mailing of the invoice. City shall have 10 business days from the receipt of the invoice to notify Provider of any objections to the invoice. If City does not submit an objection within this time period, City agrees that invoices are accurate and City agrees to pay according to the agreed upon payment terms. Provider reserves the right to stop all work until the account is brought current, in the event that any City invoice is more than 60 days past due.

IV. Pass-Through Orders

A Pass-Through Order consists of third party products or services, or both, which shall be provided on a pass-through basis, (individually a "Third Party Product" or a "Third Party Service" and collectively "Third Party Items"). Pass-Through Orders may not be placed for items included in the Services. Pass-through orders may be placed for items such as specialized IT consulting services, but shall be approved in writing and in advance by City.

These Third Party Item(s) are included in the Pass-Through Order solely as a convenience to City to acquire the Third Party Item(s). By signing the Pass-Through Order, City authorizes Provider to order each Third Party Item for provision to the City by the applicable vendor. Provider has alliances with certain third party product and service vendors. As part of any such alliance relationship, Provider may be entitled to receive from these vendors certain fees, discounts, or other financial benefits. City acknowledges that Provider may receive these benefits for the Third Party Item(s).

The Third Party Item(s) shall be governed solely by the standard terms, conditions and service descriptions of their vendor. Provider will invoice City for each Third Party Item at the applicable price in the Pass-Through Order. City agrees that Provider has no responsibility for the Third Party Items, which Provider provides on a pass-through, "as-is" basis, and City agrees to look solely to the applicable vendor for each Third Party Item.

SCHEDULE 5

REPORTS

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The contents, frequency, and timing of the Reports required under the Master Services Agreement shall be as set forth in Schedule 2 – Statement of Work.

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SCHEDULE 6
CITY SERVICE PROVIDERS

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CITY SERVICE PROVIDERS

As of the Effective Date of the Master Services Agreement between Axiom Technologies, LLC, and the City of Concord, the City Service Providers are:

Organization	Services
Astound	Internet Service Provider
Axiom	Consulting & Desktop Services
Astro Business Technologies	Multi-Function Devices & Printer Maintenance
AT&T	Local & Long Distance Provider
Cor-O-Data	Off-Site Tape Storage
DELL	Desktops & Laptops
Hewlett Packard (R-Computer)	Scanners & Multi-Function Devices
Image Access Corporation	Fujitsu Scanners
Insight	Adobe Software
Data 911	Mobile Digital Computers (MDC's)
Pittman	Plotters
Proofpoint	Spam Filter
Quest Technology Management	Cisco Technology Services
Sophos	Anti-Virus
MRC	Panasonic MFD
Verizon	Cellular Devices

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SCHEDULE 7

KEY PROVIDER PERSONNEL

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As of the Effective Date of the Master Service Agreement for Desktop Managed Services by and between Axiom Technologies, LLC., and the City of Concord, the Key Provider Personnel are:

Role	Name
Provider Contract Executive/Service Manager	Susan Bowley
Enterprise Design Architect	Matthew Bowley
Desktop Engineer	TBD
Desktop Technician II	TBD
Desktop Technician I	TBD
Help Desk Technician	TBD

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SCHEDULE 8

TRANSITION PLAN AND MILESTONES

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TRANSITION PLAN AND MILESTONES

In accordance with Article 4 of the Master Services Agreement, Provider and the City hereby agree to develop and adopt a Transition Plan and Milestones to govern the implementation and transition of Services from City to Provider. As of the Effective Date, the Transition Plan is still being developed, but both parties agree to the following in the interim:

1. Services Currently Provided by the City of Concord or Legacy Provider

A. Provider shall prepare for the City a proposed Transition Plan for the smooth and orderly transition of Services currently being provided by the City or Legacy Provider to Provider. The Transition Plan shall be completed within 21 days of the execution of the Master Services Agreement.

B. This Transition Plan shall:

1. include timeframes and responsibilities for each step;
2. identify Critical Transition Milestones and the dates by which each must be accomplished;
3. include a process for regular periodic progress reviews with designated City staff;
4. incorporate timeframes that are realistic and expeditious

C. The City requires the Transition to be completed as quickly as possible while maintaining reasonable levels of service. In general, sixty (60) to ninety (90) days is anticipated to complete the Transition, however, actual time will be jointly determined by City, Legacy Provider and Provider.

D. City or Legacy Provider and Provider shall review, revise, and mutually agree on the Transition Plan within the timeframe specified in the approved Transition Plan, but in no event more than five (5) business days after the parties agree to the Transition Plan.

E. Provider shall implement the adopted Transition Plan according to the timeframe identified in the Transition Plan.

2. Services Not Currently Provided by City of Concord

A. For all Services not currently being provided by the City, Provider shall prepare for City a proposed Implementation Plan to include timeframe and any City resources needed. The timeframes should be realistic and expeditious. Implementation must be completed as quickly as possible within the bounds of reasonableness. In general, sixty (60) days after the Parties' agreement as to the Implementation Plan is anticipated, however, actual time will be jointly determined by City and Provider.

B. City and Provider shall review, revise, and mutually agree to the Implementation Plan within ten (10) days of Provider's delivery of the same to City.

SCHEDULE 9
ITIL ROAD MAP

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ITIL Road Map

The City desires to implement the Help Desk and Desktop Support portions of the Information Technology Infrastructure Library V3 (ITIL) and/or the National Institute of Science and Technology (NIST). The City acknowledges that its current HELP Desk and Desktop Support services are not currently meeting the ITIL specifications and therefore desires the assistance of Provider in establishing ITIL based practices for HELP Desk and Desktop Support.

The outline below establishes the sequence and approximate timing necessary to ensure successful adoption and inculcation of ITIL processes and practices in the HELP Desk and Desktop Support services.

The City further acknowledges that neither City nor Provider staffs have sufficient expertise in ITIL and that staff from both entities will require training on the ITIL processes as part of this transition and implementation.

The desired outcome of this ITIL implementation is to bring the necessary processes, controls, and lexicon to the City's HELP Desk and Desktop Support functions scaled appropriately for the City's environment and process maturity.

1. Provider identifies three viable sources for obtaining ITIL training for Provider and City staff. Provider and City collectively agree on a single designated source for such training.

Time Frame: 60 days after Notification to Proceed

2. Provider develops proposed scope of ITIL implementation for review with City staff. Such scope to be limited to HELP Desk and Desktop Support functions. Additionally the proposed scope must be appropriately scaled to the City's desktop environment.

Time Frame: 60 days after step 1 above

3. The City and Provider will collectively refine and agree on the ITIL Scope.

Time Frame: 15 Days after step 2 above

4. The Provider will develop a Training and Implementation Plan sufficient to train both Provider and designated City staff on the ITIL processes and procedures per the agreed upon from step 3 above. This plan shall also specify a date for completion of training in addition to any relevant information the Provider shall deem appropriate.

Time Frame: 60 Days after step 3 above

5. The City and Provider will collectively refine and agree on the training plan.

Time Frame: 15 Days from step 4 above

6. The Provider shall carryout the Training Plan as agreed to in step 5.

Time Frame: As defined in the agreed to Plan

7. The Provider shall prepare a Gap Analysis comparing current processes and procedures against the ITIL specified processes and procedures and review this with the City. This Gap Analysis shall note any differences between current processes and procedures and include recommendations for addressing any gaps including costs and time frame.

Time Frame: 30 Days from completion of the Training

8. City and Provider shall review, revise, and prioritize the Gap Analysis report resulting from step 7 above and mutually agree on the final document including prioritized actions, budget, and time frame to bring procedures and processes into conformity with ITIL.

Time Frame: 21 Days from completion of Gap Analysis report in step 7 above

9. The Provider shall commence implementation of the approved plan resulting from step 8 above and shall begin coaching both Provider and City staff on changes to lexicon, processes, and procedures.

Time Frame: 10 Days from completion of plan resulting from step 8 above and continuing for the remaining term of the Agreement

SCHEDULE 10
CHANGE CONTROL PROCEDURES

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Change Control Procedures

The Change Control Procedures anticipated by the Master Service Agreement for Desktop Managed Services by and between the City of Concord and Axiom Technologies, LLC. (the "Agreement"), will be jointly developed at date subsequent to the execution and commencement of the Agreement.

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SCHEDULE 11

TERMINATION ASSISTANCE

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Termination Assistance

Provider agrees to provide Termination Assistance Services, as described in the Agreement and below ("Exit Plan"). Provider will generally provide Termination Assistance Services to enable the Services to continue with minimal interruption and facilitate an orderly transfer of the Services to City and/or City's designee ("Disengagement" and "Successor," respectively).

1. Termination Assistance Services Prior to Termination/Expiration

a) Provider will provide assistance to City and the Successor with the development of an Exit Plan. The Exit Plan will include sections on performance of the Termination Assistance Services described in this Schedule, milestones and their acceptance criteria.

b) Provider will provide the Procedures Manual to City or to City Successor, and provide supplemental training to personnel of City or City's Successor in the performance of the Services that are to be transferred.

c) Provider will provide the Successor with such information regarding the Services as is necessary to implement the Exit Plan and in order for the Successor to assume responsibility for, and continue the performance of, the Services in an orderly manner. Provider will make reasonable efforts to minimize disruption in the operations of City; identifying key support contacts (names and phone numbers) of Provider staff during the Disengagement.

d) Subject to the Parties' rights and obligations under the Agreement with respect to City's IT infrastructure and Termination Assistance Services provided by Provider herein, Provider will provide to the Successor, as applicable:

(i) machine-readable source and object code (in each case, to the extent City is entitled to such code under the Agreement), along with run documentation and job control listing for the Software developed specifically for City (Commissioned Work) and other similar information necessary to access and use such Software;

(ii) to the extent used to provide the Services, documenting and delivering source materials (to the extent City is entitled to such materials under the Agreement), object libraries and reference files;

(iii) to the extent applicable, delivering support profiles, enhancement logs, problem tracking/resolution documentation, and status reports associated with the Services, in each case subject to City's record historical performance metrics retention policies as outlined in the then-current Procedures Manual;

(iv) providing assistance in identifying alternate sources of resources, including skilled labor and spare equipment parts;

(v) transferring physical and logical security processes and tools, including cataloging and tendering all badges and keys for City Service Locations, documenting ownership

and access levels for all passwords used by Provider Contract Staff in respect of City owned systems, and instructing City in the use and operation of security controls in accordance with the Procedures Manual;

(vi) assisting with physical de-installation and transportation of systems and equipment owned by or to be conveyed to City from the Provider Service Locations;

(vii) identifying, recording and providing release levels for City Software and updating such records of release levels prior to and during transition of the Services;

(viii) unloading all requested data files and other City Data and City Confidential Information from Provider Owned Software and Provider Third Party Software. Returning all City Data and other City Confidential Information, including backup tapes, in accordance with the Agreement;

(ix) erasing, wiping clean or otherwise destroying any remaining copies of City Software or City data files and all other City Data and City Confidential Information from Provider retained Software and systems;

(x) delivering all requested City data files (with content listing as available) and printouts of control file information to the extent available with the then current backup systems and procedures, in accordance with Section 17.2 of the Agreement;

(xi) subject to the Agreement, provide all source and object code and related documentation in Provider's possession for City Software.

e) Subject to Provider's reasonable security requirements, Provider shall extend reasonable cooperation to City or City Successor.

f) At City's election, Provider will assign to City any third party contracts, support agreements, maintenance agreements and other Third Party contracts utilized by Provider solely in connection with performance of the Services, to the extent allowed by said contracts, leases, Licenses, or agreements, that Schedule 13 specifies will be transferred or assigned to City. With respect to any such contracts, leases, licenses or other agreements so assigned, Provider will remain responsible for all obligations to any such third party arising prior to the effective date of termination and City will assume and be responsible for all obligations to any such Third Party arising subsequent to the effective date of termination.

g) Provider will prepare that portion of the Exit Plan detailing Provider's responsibilities, including as appropriate, schedules and resource commitments by skill level.

SCHEDULE 12

CITY SOFTWARE

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City Applications w/o PD

Application Name	Supported Version	#of Users
ACCELA_PERMITSPLUS	5.4.10	186
ADOBE_ACROBAT_PRO	8.1	42
ADOBE_CREATIVESUITE	CS3 - 9	22
Includes Dreamweaver, Flash, Illustrator, InDesign, Photoshop, & VersionCue		
ADOBE_FLASHPLAYER	9	303
ADOBE_PHOTOALBUM	2	15
ADOBE_PHOTOSHOP_ELEMENTS	3	13
ADOBE_READER	8.1, X	303
ADOBE_STUDIO	8	8
Includes Dreamweaver, Contribute, ExtManager, FireWorks, Flash, FlashViewer		
AIMWorX_CLIENT	4	1
ANALOG_LOG_ANALYZER	2	1
APIAN_SURVEYPRO	3	93
APPLE_QUICKTIME_PLAYER	7	303
ArcGIS ArcView	3.1	95
ArcGIS ArcView	9	3
ArcGIS ArcInfo	9.1	2
ArcGIS ArcWorkstation	9.1	2
AUTODESK_MAP	3D 2006	15
BANK_OF_NEWYORK	1	2
BRODERBUND_CLICKART	11	1
BRODERBUND_PRINTSHOP	20	1
CHEC_INFRAMANAGER-SUITE	3	5
CITRIX_CLIENT	10	303
CLARION	5.5	2
CLARION	6	1
CLASS	6.0.3	101
CoCoCo AB990	3	8
CONTRA_COSTA_CLEANWATER_PROGRAM_SIZING	1	2
CROSSROADS_COUNTS	8.35	14
CROSSROADS_SPEED	8.6	12
CRYSTAL_REPORTS_DEVELOPER	10	12
CRYSTAL_REPORTS_VIEWER	10	303
CSI_ELECTRICAL_INSPECTOR	5	6
DESI_PHONEPLATE_MAKER	1	1
DMCI_QUESTIONNAIRES	2003	303
DMCI_QUESTIONNAIRES_SCANNING	5	2
E-ONE_PLATFORM	4	7
EXCHANGE_ADMINISTRATOR	5.5	5
FASTER	5.58.164	2
FONT_RESERVE	2.6.5	5
FORD_PFM	1	2
GBA_MASTERCLIENT	6.7	1
GOLF_APC_PAYROLL	1	1
GOLF_EAGLE	1	1
GOLF_INVENTORY	1	1
GOLF_POS	1	2
GOOGLE_MINI	1	1
HDL_BUSINESS_LICENSE	4.0.17	38

City Applications w/o PD

Application Name	Supported Version	#of Users
HDL_SALESTAX	2.45	17
HIGHWAY_CAPACITY_MANUAL	2000	3
ISIS	1	2
IRFANVIEW	2.1	17
JAMAR_PCWARRANTS	1.02	12
JAMAR_PETRA	3	12
JAMAR_TRAXPRO	5	10
JAVA_JRE	7	303
JOHNSON_CONTROLS_A/C_CONTROLS	1	8
LAWSON_CLIENT	9	303
LAWSON_DESKTOP_INSITE	LID	5
LAWSON_INTERFACE_DESKTOP_CLIENT	1	2
LAWSON_MS_ADDINS	10	65
LAWSON_PROCESSFLOW	1	2
MASTERCARD_ONLINE	10	2
MHC_DOCUMENT_EXPRESS	3	3
MS_FRONTPAGE	2003	4
MS_IE7	7	303
MS_JOURNALVIEWER	15	303
MS_OFFICESUITE	2010	303
Includes Access, Excel, InfoPath, Outlook, PowerPoint, Publisher, Word		
MS_POWERPOINT_VIEWER	2007	1
MS_PROJECTS_PRO	2010	30
MS_VISIO_PRO	2003	39
MS_VISIOVIEWER	2003	303
MS_VISIOVIEWER	2007	303
NEXTPAGE-FOLIOBUILDER	4.4	4
NEXTPAGE-FOLIOVIEWER	4.4	303
NUANCE_OMNIPAGE	16	1
NUANCE_PAPERPORT	11	1
PANASONIC_Document Management Service	10.1	303
PCTRANS-TSIS	4.32	5
PELCO-DX8000	10.01	10
PHOENIX_OPW_FUEL_MGMT	K800	1
POWERSVISION	800 Series	1
PRINTNOW	1.1	267
PROCOMM	3	1
PUREEDGE_VIEWER for HUD	1	2
QUICKBOOKS	8	1
RADIA_SYSTEM_ADMINISTRATOR	5.1	2
SHIVA_ADMIN_TOOLS	1	1
SMARTDATA	5	4
SMARTWARE_SMARTMAINTENANCE	6	5
SMARTWARE_SMARTMAINTENANCE_CLIENT	6	111
STREETWISE_MTC	8.1	4
STREETWISE_TRAFFIC_SIGNAL	1	3
SYMANTEC_ANTIVIRUS	10.1.5	303
SYM_PRO	4	3
TAXFACTORY	2.3	4
TELOGER	3	1

City Applications w/o PD

Application Name	Supported Version	#of Users
TRAFFICWARE-SYNCHRO	5	6
UPS_WORLDSHIP	8	1
VOICEPRO_BITMAP	1	1
WALZ_WCMPLUS	1	8
WINZIP	8.1	303
WS_FTP_PRO	1	1
XEROX_SCANNING_SOFTWARE	1	2

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SCHEDULE 13

SERVICE PROVIDER SOFTWARE

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Service Provider Software

As of the Effective Date, Provider will configure and manage an enterprise service management toolset that includes software tools for:

1. Incident management
2. Problem management
3. Change management
4. Release management
5. Configuration management
6. Service Levels management
7. Event detection and correlation
8. Self service portal
9. Capacity management
10. Availability management
11. Asset management

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SCHEDULE 14

INTERNAL CONTROLS AND PROCEDURES

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Internal Controls and Procedures

1. Incident Management – Help Desk

1.1. Objective

- 1.1.1. This procedure defines the steps involved in responding to customer calls through the Help Desk and Managed Desktop Procedures
- 1.1.2. To restore normal service operation as quickly as possible
- 1.1.3. Minimize the impact on business operations

1.2. Scope

- 1.2.1. This procedure applies to all calls received by the Help Desk and policies relating to a Managed Desktop IT Strategy
- 1.2.2. Incident Management includes all events which are communicated by users, assets, staff and tools
- 1.2.3. Addressing all service requests reported to the Help Desk

1.3. Responsibilities

1.3.1. Help Desk Staff

- 1.3.1.1 Logging all calls received
- 1.3.1.2 Deciding on the action to be taken on a call
- 1.3.1.3 Prioritizing calls based on severity and user impact
- 1.3.1.4 Ensuring that the customer is kept aware of the progress on their call
- 1.3.1.5 Taking action on problems
- 1.3.1.6 Root Cause Analysis and Problem Identification
- 1.3.1.7 Updating all tickets with detailed descriptions of work performed, problem resolution and escalating as necessary.
- 1.3.1.8 Informing users of IT operations that may impact the user.
- 1.3.1.9 Scheduling MACs and facility needs

1.3.2. Service Technicians/Onsite Support Staff

- 1.3.2.1 Ensuring that the customer is kept aware of the progress on their call
- 1.3.2.2 Taking action on problems and finding the best possible resolution
- 1.3.2.3 Root Cause Analysis and Problem Identification
- 1.3.2.4 Updating all tickets with detailed descriptions of work performed, time spent, resolutions and escalating as necessary.
- 1.3.2.5 Communicating with the Help Desk and other IT Departments
- 1.3.2.6 Implementing MACs
- 1.3.2.7 Coordinating facility changes
- 1.3.2.8 Working with outside vendors

1.3.3. Service Manager

- 1.3.3.1 Analyzing calls and the time taken to resolve calls
- 1.3.3.2 Ensuring SLAs are being met

- 1.3.3.3 Changing prioritization based on impact and severity
- 1.3.3.4 Identifying and correcting problems with the service raised through customer complaints or customer surveys.
- 1.3.3.5 Overseeing escalation and resolution plans.
- 1.3.3.6 Creating monthly reports

1.4. Inputs

- 1.4.1.1 Phone call from user to help desk
- 1.4.1.2 Email from user to help desk
- 1.4.1.3 Email from user to service desk software
- 1.4.1.4 Managed Desktop Agent to service desk software
- 1.4.1.5 Email from asset to service desk software
- 1.4.1.6 Direct input by user via web portal
- 1.4.1.7 Direct ticket by IT Staff

1.5. Outputs

- 1.5.1.1 Service desk software Service Ticket email to user
- 1.5.1.2 Help Desk call metrics
- 1.5.1.3 Service desk software reporting
- 1.5.1.4 Help Desk call responses to users
- 1.5.1.5 Email from help desk to users

1.6. Control Mechanisms

- 1.6.1.1 The Service Manager will review the Help Desk metrics monthly to ensure that responses to users calls are being provided in a timely manner
- 1.6.1.2 Service desk software SLA Dashboard will be monitored daily to ensure SLAs to calls are being met.

1.7. Help Desk Procedures/Incident Management

The Help Desk is in important function for the Managed Desktop processes. It is the main point of contact between the IT Department and the users on a daily basis. It is also the point for reporting Incidents and requesting service. The Help Desk has an obligation to keep users informed of services activities, actions and operations that are likely to impact the user's ability to perform their day-to-day activities.

1.7.1. Support Request received via phone call or email (Inputs 6.1 – 6.2)

- 1.7.1.1 Help Desk records the customer details in service desk software as a new service ticket
 - Name/Department/Phone/Location of the User
 - Call-back/Contact method

- Related problems or known issues
- 1.7.1.2 Issue is qualified or rejected
 - User is given explanation of rejected request
 - Ticket is closed with status of Cancelled
- 1.7.2. Support Request created automatically via service desk software (Inputs 6.2 – 6.7)
 - 1.7.2.1 Issue is reviewed and qualified or rejected by help desk
 - User is notified of rejected request and given reason
 - Ticket closed with status of Cancelled
- 1.7.3. Issue is identified and documented in service desk software.
 - 1.7.3.1 Request is categorized as an Incident, Service Request, MAC Request, Question
 - 1.7.3.2 Incidents are prioritized based on urgency and impact to business operations
- 1.7.4. Tier 1 Call Resolution
 - 1.7.4.1 Issue is qualified to determine if it can be resolved via Tier 1 Support or escalated
 - 1.7.4.2 Help desk staff will attempt First Call Resolution
 - 1.7.4.3 Help desk will give user the service ticket number and an estimated time to respond to the issue
 - 1.7.4.4 User will be informed of any changes to estimated response time greater than 1 hour.
 - 1.7.4.5 Issue is worked to successful resolution
 - 1.7.4.6 If issue cannot be resolved by Tier 1 support it will be escalated to Tier 2 Call Resolution (9.5)
 - 1.7.4.7 Issue is verified to be resolved to User's satisfaction
 - 1.7.4.8 Details of issue and resolution updated in service desk software.
 - 1.7.4.9 Trouble ticket is closed
- 1.7.5. Tier 2 Call Resolution
 - 1.7.5.1 Issue is qualified to determine if it can be resolve via Tier 2 Support
 - If the issue is determined to be hardware related it will be escalated to Onsite Support
 - If the issue is determined to be network or application related it will be escalated to the appropriate department
 - If the issue is printer related requiring repair, the vendor will be called
 - 1.7.5.2 User is informed of the ticket status and a new estimated time to repair
 - 1.7.5.3 Issue is worked to successful resolution
 - 1.7.5.4 If issue cannot be resolved by Tier 2 support it will be escalated to Tier 3 Support
 - 1.7.5.5 Issue is verified to be resolved to User's satisfaction

- 1.7.5.6 Details of issue and resolution updated in service desk software.
- 1.7.5.7 Trouble ticket is closed
- 1.7.6. Tier 3 Call Resolution
 - 1.7.6.1 Issue is qualified to determine if it can be resolve via Tier 3 Support
 - If the issue is determined to be hardware related it will be escalated to Onsite Support
 - If the issue is determined to be network or application related it will be escalated to the appropriate department.
 - 1.7.6.2 User is informed of the ticket status and a new estimated time to repair
 - 1.7.6.3 Issue is worked to successful resolution
 - If issue cannot be resolved by Tier3 support it will be escalated to Service Manager. Service manager will make decision on the best course of action. User will be informed as to the status and resolution plan.
 - 1.7.6.4 Issue is verified to be resolved to User's satisfaction
 - 1.7.6.5 Details of issue and resolution updated in service desk software.
 - 1.7.6.6 Trouble ticket is closed

1.8. Onsite/Desk Side Support

- 1.8.1. Technician is dispatched or scheduled to perform work at the physical location of the unit.
 - 1.8.1.1 Scheduling will be entered into Connectwise and tech will be notified of request via email and/or smart phone.
 - 1.8.1.2 Scheduled date and time frame will be coordinated with the user.
 - 1.8.1.3 Any changes in the scheduling will require notification of the user prior to set time.
- 1.8.2. Technician will review the ticket and call user if there are any questions in regards to the ticket
- 1.8.3. Technician arrives onsite. Issue is worked to successful resolution.
 - 1.8.3.1 If issue cannot be resolved by Onsite support it will be escalated to Service Manager.
 - Service manager and onsite technician will make decision on the best course of action.
 - User will be informed as to the status and resolution plan.
 - 1.8.3.2 Issue is verified to be resolved to User's satisfaction
 - 1.8.3.3 Details of all activities performed to resolve the issue is recorded in CW.
 - 1.8.3.4 Trouble ticket is closed

1.9. Ticket Completion

- 1.9.1. Ticket is reviewed for Root Cause Analysis

1.9.2. Satisfaction Survey is sent to user

2. Problem Management

2.1. Objective

- 2.1.1. Responsible for managing the lifecycle of all problems.
- 2.1.2. To prevent problems and recurring incidents from happening.
- 2.1.3. To minimize the impact of incidents that cannot be avoided.

2.2. Scope

- 2.2.1. Activities required to diagnose the root cause of incidents and to determine the resolution to those problems.
- 2.2.2. Responsible for ensuring the resolution is implemented through appropriate control procedures such as Change Management
- 2.2.3. Requires the accurate and comprehensive recording of Incidents in order to identify effectively and efficiently the cause of the incidents and trends.

2.3. Responsibilities

2.3.1.

2.4. Detection Methods

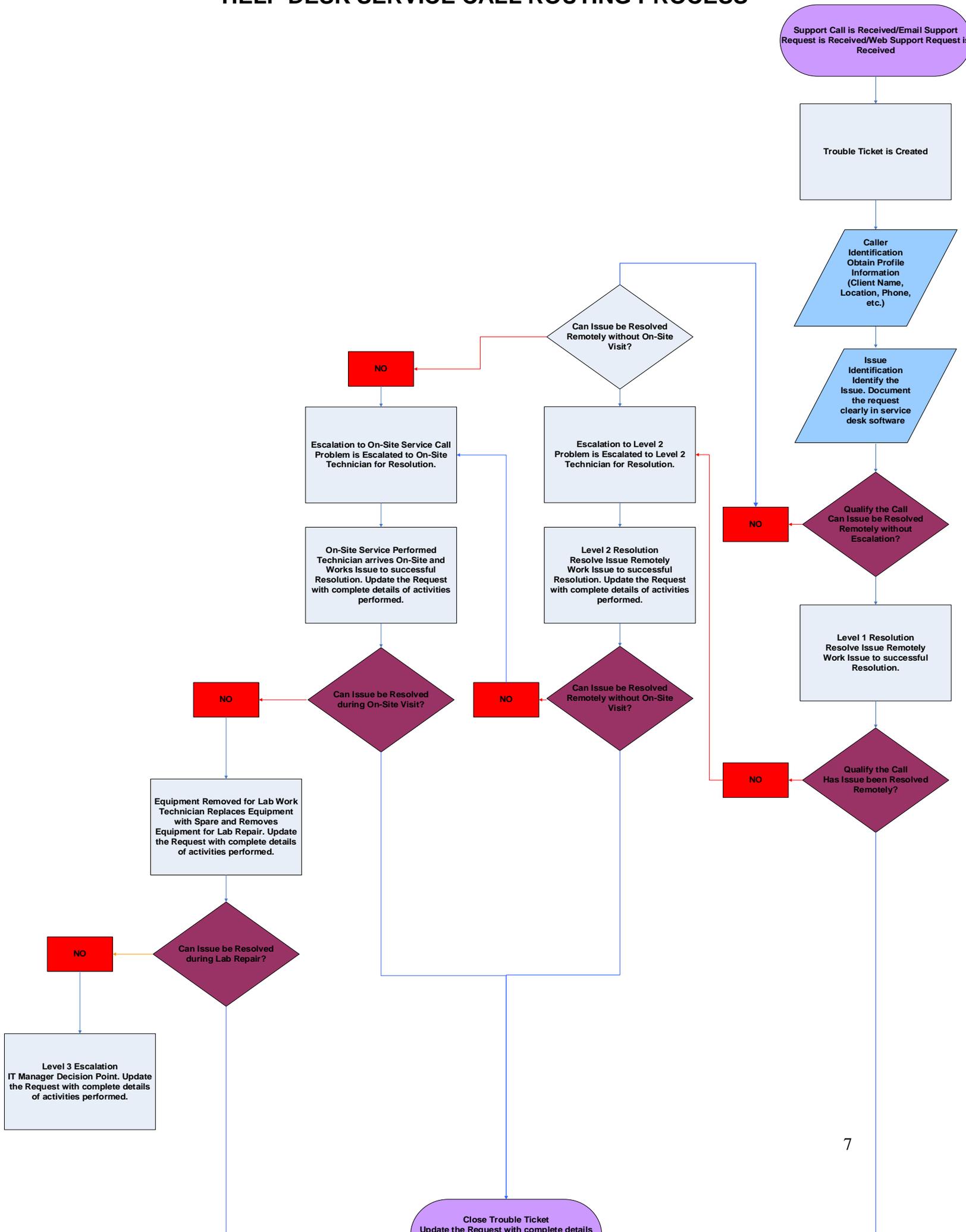
- 2.4.1. Suspicion or detection of a cause of one or more incidents by the Help Desk, resulting in a Problem Record being raised
 - 2.4.1.1 Help Desk may have resolved the incident but has not determined a definitive cause and suspects that it is likely to recur, so will raise a Problem Record to allow the underlying cause to be resolved.
 - 2.4.1.2 Alternatively, it may be immediately obvious from the outset that an incident, or incidents, has been caused by a major problem, so a Problem Record will be raised without delay.
- 2.4.2. Analysis of an incident by a technical support group which reveals that an underlying problem exists, or is likely to exist.
- 2.4.3. Automated detection of an infrastructure or application fault, using event/alert tools automatically to raise an incident which may reveal the need for a Problem Record.
- 2.4.4. Notification from a vendor or contractor that a problem exists that has to be resolved.
- 2.4.5. Analysis of incidents as part of proactive Problem Management – resulting in the need to raise a Problem Record so that the underlying fault can be investigated further.

2.5. Problem Logging

- 2.5.1. All relevant details of the problem must be recorded so that a full historic record exists.
 - 2.5.1.1 User details
 - 2.5.1.2 Service details

- 2.5.1.3 Equipment details
- 2.5.1.4 Priority and categorization details
- 2.5.1.5 Incident description
- 2.5.1.6 Details of all troubleshooting and attempted actions
- 2.5.2. Record must be date and time stamped to allow suitable control and escalation
- 2.5.3. A cross reference must be made to the incident which initiated the Problem
- 2.6. Problem Categorization and Prioritization
 - 2.6.1. All Problems must be categorized in the same manner as incidents
 - 2.6.2. Problems are to be prioritized in the same way as incidents but take into the consideration of the frequency and impact of the incidents.
 - 2.6.3. Prioritization also takes into account the severity of the problems and how serious it is from an infrastructure perspective.
- 2.7. Problem Diagnosis
 - 2.7.1. Troubleshooting is to be conducted to find the root cause of the problem.
 - 2.7.2. Impact, severity and urgency will be considered when assigning resources to the diagnostic efforts.
 - 2.7.3. Vendors and Other IT Specialists will be involved as necessary
 - 2.7.4. In some cases a workaround may be implemented while a permanent solution is found.
 - 2.7.5. A Knowledgebase Record is to be entered into the Knowledgebase so that if further incidents arise, they can be identified and addressed quickly.
 - 2.7.5.1 Any workaround should be included in the Knowledgebase Record.
- 2.8. Problem Resolution
 - 2.8.1. When a solution is found, it should be implemented as quickly as possible but precautions should be made that the solution does not cause further difficulties.
 - 2.8.2. If a change in functionality is required, it will require a proper Request For Change (RFC)
 - 2.8.3. The Knowledge base is to be updated with the details and fix for the problem.
- 2.9. Problem Closure
 - 2.9.1. When any change/resolution has been completed, reviewed and successfully applied, the Problem Record should be formally closed.
 - 2.9.2. All related Incident Records should be closed.
 - 2.9.3. All major problems will be reviewed while involved parties' memories are still fresh.
 - 2.9.3.1 Things that were done correctly
 - 2.9.3.2 Things that were done wrong
 - 2.9.3.3 What could be done better
 - 2.9.3.4 What can be done to prevent further recurrence
 - 2.9.3.5 Was there any third party responsibility
 - 2.9.3.6 Is there any follow-up actions required

HELP DESK SERVICE CALL ROUTING PROCESS



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SCHEDULE 15

CITY INSURANCE REQUIREMENTS

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City Insurance Requirements

Without limiting Provider's indemnification of the City, and prior to commencing any of the Services required under this Agreement, Provider shall purchase and maintain in full force and effect during the period of performance of the Agreement and for twelve (12) months following acceptance by the City, at its sole cost and expense, the following insurance policies from insurance companies authorized to do business in the State of California. These policies shall be primary insurance but only to the extent of the liabilities assumed by Provider as set forth in the Indemnification Article of this Agreement as to City so that any other coverage held by the City shall not contribute to any loss under Provider's insurance. The minimum coverage, provisions and endorsements are as follows:

A. Commercial General Liability Insurance

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000	Each Occurrence
\$2,000,000	General Aggregate
\$1,000,000	Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Provider; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.

3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by Provider to comply with the insurance requirements of this Agreement:

a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;

b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and

c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. Automobile Liability Insurance Coverages

Provider shall procure automobile liability insurance covering all vehicles used in the performance of this Agreement providing a One Million Dollar (\$1,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage which may arise from the operation of Provider in performing this Agreement.

C. Workers' Compensation

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily injury by disease.

2. The indemnification and hold harmless obligations of Provider included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Provider or any Subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

D. Professional Liability

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against negligent acts, errors or omissions of Provider and its employees. Covered services as designated in the policy must specifically include work performed under this agreement. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per occurrence or two million dollars (\$2,000,000) aggregate. Any coverage containing a self-retention must first be approved by the City Attorney's Office.

E. Compliance With Requirements

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Concord, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds but only to the extent of the liabilities assumed by Provider as set forth in the Indemnification Article of this Agreement in respect to liability arising out of Provider's Services.

2. Primary and non-contributing. Each insurance policy provided by Provider shall contain language or be endorsed to contain wording making it primary insurance but only to the extent of the liabilities assumed by Provider as set forth in the Indemnification Article of this Agreement as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Provider's insurance.

3. Cancellation.

a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or material modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or material modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

F. Additional Insurance Related Provisions

Provider and City agree as follows:

1. Provider agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Provider, provide the same minimum insurance coverage required of Provider. Provider agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Provider agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Provider agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Provider for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Provider in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. Evidence of Coverage

Prior to Effective Date of this Agreement, Provider, and any Subcontractor of Provider shall, at its sole cost and expense, purchase and maintain not less than the minimum insurance coverage with the endorsements indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City however, such satisfactory approval shall not be unreasonably withheld, and as described in this Agreement. Provider shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. Evidence of Compliance

Provider or its insurance broker shall provide the required proof of insurance compliance, delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. In the event of any claim or potential claim and upon City's reasonable request, Provider shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

City of Concord City Attorney's Office
1950 Parkside Drive MS/08

Concord, CA 94519

Telephone: (925) 671-3160

Fax: (925) 671-3469

I. Qualifying Insurers

All of the insurance companies providing insurance for Provider shall have, and provide written proof of, an A. M. Best rating of at least A minus 7 (A- VII) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

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