Utilities Department
and Information Technology Department

Request for Proposal (RFP) Number 171422
for Professional Services

Title: “Fiber-to-the-Node Network”

Pre-proposal Teleconference 1:00 p.m.
Thursday, June 7, 2018

RFP submittal deadline: 3:00 p.m.
Thursday, June 28, 2018

Contract Administrator: Carolynn Bissett
carolynn.bissett@cityofpaloalto.org
1. INTRODUCTION

The City of Palo Alto is seeking proposals from qualified firms to develop a business case to build a Fiber-to-the-Node (“FTTN”) network to multiple neighborhood nodes, with an expansion option to deploy a citywide Fiber-to-the-Premises (“FTTP”) network. The required services and performance conditions are described in the Scope of Work (or Services).

2. ATTACHMENTS

The attachments below are included with this Request for Proposals (RFP) for the Proposer’s review and submittal (see asterisk):

Attachment A – Proposer’s Information Form*
Attachment B – Scope of Work/Services
Attachment C – Sample Agreement for Professional Services* (any proposed revisions required with submittal per RFP sections 5.8 and 6.0)
Attachment D – Sample Table, Qualifications of Firm Relative to City’s Needs* (table or equivalent required with submittal per RFP section 5.3)
Attachment E – Sample Cost Proposal Format* (form or equivalent required with submittal per RFP section 5.8)
Attachment F – Insurance Requirement
Attachment G – IT Privacy Policy, VISA, and SaaS (VISA form-required later, only from finalist)
Attachment H – Non-disclosure Agreement (NDA)-required later, only from finalist

Appendix A – Potential Business Uses
Appendix B – Fiber Optic Backbone Map

The items identified with an asterisk (*) shall be filled out, signed (if required) by the appropriate representative of the Proposer’s company, and returned with submittal.

3. PRE-PROPOSAL CONFERENCE AND CERTIFICATIONS

3.1 Pre-proposal Teleconference

A pre-proposal teleconference will be held Thursday, June 7, 2018 at 1:00 p.m. In order to participate in the non-mandatory teleconference, please
call 1-877-336-1831 using Access Code 5301570. All prospective Proposers are strongly encouraged to attend.

3.2 Examination of Proposal Documents

The submission of a proposal shall be deemed a representation and certification by the Proposer that it:

3.2.1 Has carefully read and fully understand the information that was provided by the City to serve as the basis for submission of this proposal.
3.2.2 Has the capability to successfully undertake and complete the responsibilities and obligations of the proposal being submitted.
3.2.3 Represents that all information contained in the proposal is true and correct.
3.2.4 Did not, in any way, collude, conspire to agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms or conditions of this proposal.
3.2.5 Acknowledge that the City has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by Proposer, and Proposer hereby grants the City permission to make these inquiries, and to provide any and all related documentation in a timely manner.

3.3 Addenda/Clarifications

Should discrepancies or omissions be found in this RFP or should there be a need to clarify this RFP, questions or comments regarding this RFP must be emailed and received by the City no later than 1:00 p.m. Pacific Time, Thursday, June 14, 2018.

Any and all questions, comments, inquiries and other communications and correspondence regarding this RFP shall be by the following means only: e-mailed to carolynn.bissett@cityofpaloalto.org. Responses from the City will be communicated through the City’s electronic procurement system to all recipients of this RFP including without limitation via RFP addendum. Inquiries received after the date and time stated will not be accepted. All addenda shall become a part of this RFP and shall be acknowledged on the Proposer’s submittal.

The City shall not be responsible for nor be bound by any oral instructions, interpretations or explanations issued by the City or its representatives.
3.4 Submission of Proposals

All proposals shall be submitted electronically through the City’s electronic procurement system (PlanetBids) at:

https://www.planetbids.com/portal/portal.cfm?CompanyID=25569

Proposals must be received by no later than 3:00 p.m. on June 28, 2018.

The e-procurement system will not accept any proposals after the specified close time.

3.5 Withdrawal or Modification of Proposals

A Proposer may withdraw or modify its proposal at any time before the expiration of the time for submission of proposals as provided in the RFP by entering the e-procurement system and selecting to withdraw the proposal. No request for modification of the proposal shall be considered after its submission and acceptance on grounds that Proposer was not fully informed to any fact or condition.

3.6 Rights of the City of Palo Alto

This RFP does not commit the City to enter into a contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract.

Proposals will be reviewed for responsiveness to all of the requirements, terms and conditions of this RFP. The City may disqualify any proposal found to be nonresponsive. Notwithstanding the foregoing, the City reserves the right to request clarification from Proposers prior to rejecting a proposal for failure to meet RFP requirements, terms and/or conditions. In the event of a minor and non-material defect in a proposal, the City may choose to waive such defect and/or ask for clarification in writing and take into consideration the additional information gathered thereby. Clarifications are limited exchanges between the City and a Proposer for the purpose of clarifying certain aspects of the proposal, and will not provide a Proposer the opportunity to materially revise or modify its proposal.

The City reserves the right to:

- Make the selection based on its sole discretion;
- Reject any and all proposals;
- Issue subsequent Requests for Proposals;
• Postpone opening for its own convenience;
• Remedy technical errors in the Request for Proposals process;
• Approve or disapprove the use of particular subconsultants;
• Negotiate with any, all or none of the Proposers;
• Accept other than the lowest offer;
• Waive informalities and irregularities in the proposals and/or
• Enter into an agreement with another Proposer in the event the
originally selected Proposer defaults or fails to execute an agreement
with the City.

An agreement shall not be binding on the City unless and until it is
approved in accordance with Palo Alto Municipal Code and policy and
executed by authorized representatives of the City and of the Proposer.

4. PROPOSED TENTATIVE TIMELINE

The tentative RFP timeline is provided for the convenience of the Proposers, but
may be subject to change at any time by the City. Any such changes will be stated in
an addendum to this RFP. The tentative RFP timeline is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issued</td>
<td>May 24, 2018</td>
</tr>
<tr>
<td>Pre-Proposal Teleconference</td>
<td>June 7</td>
</tr>
<tr>
<td>Deadline for questions, clarifications</td>
<td>June 14</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>June 28</td>
</tr>
<tr>
<td>Finalist Identified</td>
<td>July 12</td>
</tr>
<tr>
<td>Consultant Interviews</td>
<td>TBD</td>
</tr>
<tr>
<td>Consultant selection and contract preparation</td>
<td>TBD</td>
</tr>
<tr>
<td>Contract awarded</td>
<td>TBD</td>
</tr>
<tr>
<td>Work commences</td>
<td>TBD</td>
</tr>
</tbody>
</table>

5. PROPOSAL CONTENT AND FORMAT (to be submitted in this order only)

These instructions outline the guidelines governing the format and content of the
proposal and the approach to be used in its development and presentation. The
intent of the RFP is to encourage responses that clearly communicate the
Proposer’s understanding of the City’s requirements and its approach to successfully
provide the products and/or services on time and within budget. Only that
information which is essential to an understanding and evaluation of the proposal
should be submitted. Items not specifically and explicitly related to the RFP and
proposal, e.g. brochures, marketing material, etc. will not be considered in the
evaluation.
All proposals shall address the following items in the order listed below and shall be numbered 1 through 8 in the proposal document.

5.1 Chapter 1 – Proposal Summary

This Chapter shall discuss the highlights, key features and distinguishing points of the proposal. A separate sheet shall include a list of individuals and contacts for this RFP and how to communicate with them. Limit this Chapter to a total of three (3) pages including the separate sheet.

5.2 Chapter 2 – Profile on the Proposing Firm(s)

This Chapter shall include a brief description of the Proposer’s firm size as well as the proposed local organization structure. Include a discussion of the Proposer firm’s financial stability, capacity and resources. Include all other firms participating in the proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting form (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

5.3 Chapter 3 – Qualifications of the Firm

This Chapter shall include a brief description of the Proposer’s and any sub-Proposer’s qualifications and previous experience on similar or related projects. Provide in a table format (see Sample Table, Attachment D), descriptions of pertinent project experience with other public municipalities and private sector entities, including a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of clients to be contacted for references. Give a brief statement of the firm’s adherence to the schedule and budget for the project.

This Chapter shall include information regarding any relationships with firms and/or individuals that may submit proposals in response to the RFPs being developed.

5.4 Chapter 4 – Work Plan or Proposal

This Chapter shall present a well-conceived service plan. Include a full description of major tasks and subtasks. This section of the proposal shall
establish that the Proposer understands the City’s objectives and work requirements and Proposer’s ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required services and the firm’s ability to meet the City’s schedule, outlining the approach that would be undertaken in providing the requested services.

5.5 Chapter 5 – Proposed Innovations

The Proposer may also suggest technical or procedural innovations that have been used successfully on other engagements and which may provide the City with better service delivery. In this Chapter discuss any ideas, innovative approaches, or specific new concepts included in the proposal that would provide benefit to the City.

5.6 Chapter 6 – Project Staffing

This Chapter shall discuss how the Proposer would propose to staff this project. Key project team members shall be identified by name, title and specific responsibilities on the project. An organizational chart for the project team and resumes for key Proposer personnel shall be included. Key personnel will be an important factor considered by the review committee. Changes in key personnel may be cause for rejection of the proposal.

5.7 Chapter 7 – Proposal Exceptions

This Chapter shall discuss any requested exceptions or changes that Proposer may wish to make to the City’s RFP conditions, requirements and sample contract. If there are no exceptions noted, the Proposer accepts all conditions and requirements identified in the Attachment C –“Sample Agreement for Professional Services.” Items not excepted will not be open to later negotiation.

5.8 Chapter 8 – Proposal Costs Sheet and Rates

The fee information is relevant to a determination of whether the fee is fair and reasonable in light of the services to be provided. Provision of this information assists the City in determining the firm’s understanding of the project, and provides staff with tools to negotiate the cost, provide in a table (See Sample Table, Attachment E).

Consultant shall provide the following information

- Direct labor rates for proposed staff;
- Overhead rate and breakdown of overhead elements;
- Subconsultant billing rates and mark-up percentage for ODC’s (other direct costs); and identify all reimbursable expenses.
This Chapter shall include the proposed costs to provide the services desired. Include any other cost and price information, plus a not-to-exceed amount, that would be contained in a potential agreement with the City. The hourly rates may be used for pricing the cost of additional services outlined in the Scope of Work.

PLEASE NOTE: The City of Palo Alto does not pay for services before it receives them. Therefore, do not propose contract terms that call for upfront payments or deposits.

6. CONTRACT TYPE AND METHOD OF PAYMENT

It is anticipated that the agreement resulting from this solicitation, if awarded, will be a not-to-exceed budget per task form of contract. A Sample Agreement of Services is provided as Attachment C. The method of payment to the successful Proposer shall be on a per task basis with a maximum “not to exceed” fee as set by the Proposer in the proposal or as negotiated between the Proposer and the City as being the maximum cost to perform all work. This figure shall include direct costs and overhead, such as, but limited to, transportation, communications, subsistence and materials and any subcontracted items of work. Progress payments will be based on a percentage of project completed.

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Requirements in Attachment F. If a Proposer desires to take exception to the Agreement, Proposer shall provide the following information in Chapter 7 of their submittal package. Please include the following:

- Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- Proposer shall furnish the reasons for, as well as specific recommendations, for alternative language.

The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the proposed Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

Insurance Requirements

The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in Attachment F.

All policies, endorsements, certificates and/or binders shall be subject to the approval of the Risk Manager of the City of Palo Alto as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the
Risk Manager. The selected Proposer agrees to provide the City with a copy of said policies, certificates and/or endorsement upon award of contract.

7. EVALUATION CRITERIA AND SELECTION PROCESS

7.1 Evaluation Criteria and Selection Process

City staff will evaluate the proposals in two steps based on the following maximum allocation of points:

<table>
<thead>
<tr>
<th>Evaluation Steps</th>
<th>Points (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1: Written Proposal</td>
<td>80</td>
</tr>
<tr>
<td>Step 2: Proposer Demonstration</td>
<td>20</td>
</tr>
<tr>
<td>GRAND TOTAL (Maximum)</td>
<td>100</td>
</tr>
</tbody>
</table>

The Evaluation Committee will be comprised of key stakeholders, leadership and subject matter experts from the Information Technology and Utilities Departments. The Evaluation Committee will be provided with orientation on the evaluation process and the evaluation criteria.

The Evaluation Committee will score proposals based on evaluation and analysis of the written proposals and materials required under the RFP and in-person Proposer Demonstrations.

The award of the contract, if an award is made, will be made to the Proposer whose proposal meets the RFP and evaluation requirements and whose proposal will be most advantageous to the City with price and all other factors considered, as determined through the Proposal Evaluation and Selection Process detailed herein.

(Continued on the next page.)
7.2 Evaluation Step 1: Written Proposal

The Evaluation Committee will evaluate and score written proposals using the following maximum point scale:

<table>
<thead>
<tr>
<th>Evaluation Criteria: Written Proposal</th>
<th>Points (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality and completeness of proposal</td>
<td>15</td>
</tr>
<tr>
<td>Quality, performance and effectiveness of the solution, goods and/or services to be provided by the Proposer</td>
<td>15</td>
</tr>
<tr>
<td>Proposers experience, including the experience of staff to be assigned to the project, the engagements of similar scope and complexity</td>
<td>10</td>
</tr>
<tr>
<td>Cost to the city</td>
<td>20</td>
</tr>
<tr>
<td>Proposer’s ability to perform the work within the time specified</td>
<td>5</td>
</tr>
<tr>
<td>Proposer’s prior record of performance with City or other local, county or state agency</td>
<td>10</td>
</tr>
<tr>
<td>Proposer’s ability to provide future maintenance, repairs parts and/or services</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total (Maximum)</strong></td>
<td><strong>80</strong></td>
</tr>
</tbody>
</table>

The Evaluation Committee will tabulate the written proposal scores as detailed above, and will then rank Proposers, starting with the Proposer receiving the highest total score, then continuing with the Proposer receiving the second highest total score, and so on. The Proposers with the top 5 scores will be eligible to move on to Evaluation Step 2 (Proposer Demonstration). The City will post the list of Proposers eligible to continue to Evaluation Step 2 on the same website on which the City posted this RFP.

7.3 Evaluation Step 2: Proposer Demonstration

Each Proposer found eligible by the Evaluation Committee (through Evaluation Step 1) to proceed to Evaluation Step 2, the Proposer Demonstration, is required to make a presentation and a product demonstration of its proposal to the Evaluation Committee, in-person and at the City of Palo Alto on 250 Hamilton Avenue, Palo Alto, California. In this demonstration, such Proposers will be providing an overview of their proposal pursuant to this RFP.
The Evaluation Committee will evaluate and score the Proposer Demonstrations using the following maximum point scale:

<table>
<thead>
<tr>
<th>Evaluation Criteria Proposer Demonstration</th>
<th>Points (Maximum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview of proposed strategy, systems solution, implementation methodology, schedule, plan and budget</td>
<td>10</td>
</tr>
<tr>
<td>Walk-through of similar project(s) and solution(s)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total (Maximum)</strong></td>
<td><strong>20</strong></td>
</tr>
</tbody>
</table>

The Proposer Demonstrations will have two parts, as detailed below, and each part will have a question-and-answer session. Proposers may be scored on Proposer’s answers to follow-up questions if clarification of Proposer’s responses is necessary.

*Proposer Demonstration Part 1*: In this section, the Proposer will present their proposed strategy, systems solution, implementation methodology, schedule, plan and budget for the project. There will be a question and answer session at the end of this section.

*Proposer Demonstration Part 2*: The Proposer will walk through previous project(s) and solution(s) that the Proposer has implemented that are similar to the one detailed in this RFP, including what challenges the Proposer faced and how the Proposer addressed those challenges. There will be a question and answer session at the end of this section.

Each Proposer’s time slot for oral interviews will be determined randomly. Proposers who are selected shall make every effort to attend. If representatives of the City experience difficulty on the part of any Proposer in scheduling a time for the oral interview, it may result in disqualification from further consideration. A Proposer that does not make itself available as required may be deemed nonresponsive and thereby the City reserves the right to disqualify the Proposer.

Proposers are encouraged to travel to Palo Alto for this presentation/demonstration, however, video conferencing will also be accepted if necessary. Proposer Demonstrations shall be conducted on behalf of a Proposer by the staff to be assigned to the contract (if awarded), the Project Manager, and other personnel who would be working on the project on a day-to-day basis.

The City will not be responsible either directly or indirectly for any Proposer costs related to the Proposer Demonstrations.

The City reserves the right to request additional materials, information and clarifications from any Proposer during the evaluation and selection process.
7.4 Final Scoring and Selection

The Evaluation Committee will tabulate the written proposal and Proposer Demonstration scores as detailed above, and will then rank Proposers, starting with the Proposer receiving the highest total score, then continuing with the Proposer receiving the second highest total score, and so on. The Proposer with the highest total score will be identified as the highest-ranked Proposer eligible to proceed with the award of contract, if an award is made.

The Evaluation Committee will make a recommendation to the awarding authority, if a recommendation for an award is made. The acceptance of the proposal will be evidenced by written Notice of Intent to Award from the City’s Purchasing/Contract Administration Division to the successful Proposer.

8. [RESERVED]

9. PUBLIC NATURE OF MATERIALS

Responses to this RFP become the exclusive property of the City of Palo Alto. At such time as the Administrative Services Department recommends to form to the City Manager or to the City Council, as applicable, all proposals received in response to this RFP become, in accordance with applicable law, public records, with the possible exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as “Confidential,” “Trade Secret,” or “Proprietary”. The City shall not in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as “Confidential,” “Trade Secret,” or “Proprietary” or if disclosure is required under applicable law, including without limitation the California Public Records Act. Any proposal which contains language purporting to render all or significant portions of the proposal “Confidential,” “Trade Secret,” or “Proprietary” may be regarded as non-responsive.

Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the City of Palo Alto may not accept or approve that the information that a Proposer submits is a trade secret. If a request is made for information marked “Confidential,” “Trade Secret,” or “Proprietary,” the City shall provide the Proposer who submitted the information with reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction.

10. COLLUSION

By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from
submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

11. DISQUALIFICATION

Factors such as, but not limited to, any of the following may be considered just cause to disqualify a proposal without further consideration:

11.1 Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms or conditions of this proposal;

11.2 Any attempt to improperly influence any member of the evaluation team;

11.3 Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City;

11.4 Evidence of incorrect information submitted as part of the proposal;

11.5 Evidence of Proposer’s inability to successfully complete the responsibilities and obligation of the proposal; and

11.6 Proposer’s default under any previous agreement with the City, which results in termination of the Agreement.

12. NON-CONFORMING PROPOSAL

A proposal shall be prepared and submitted in accordance with the provisions of these RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the City.

13. GRATUITIES

No person shall offer, give or agree to give any City employee any gratuity, discount or offer of employment in connection with the award of contract by the city. No city employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a city contract.

14. FIRMS OR PERSONS NOT ELIGIBLE TO SUBMIT A PROPOSAL

In order to avoid any conflict of interest or perception of a conflict or interest, Proposer(s) selected to provide professional services under this RFP will be subject to the following requirements:

14.1 The Proposer(s) who works on the procurement will be precluded from submitting proposals or bids as a prime contractor or subcontractor in the ultimate procurement, in accordance with applicable law.
14.2 The Proposer(s) may not have interest in any potential Proposer for the ultimate procurement, in accordance with applicable law.

14.3 The Proposer may not have a conflict of interest as defined under Palo Alto Municipal Code section 2.30.600 or 2.30.610, or as defined under state law including without limitation the Political Reform Act or Government Code section 1090 et seq., in accordance with applicable law.

The successful proposer under this RFP may be prohibited, in accordance with conflict of interest laws including without limitation California Government Code section 1090 and Palo Alto Municipal Code sections 20.300.600 and 2.30.610, from subsequently proposing/bidding on any resultant RFP or Invitation for Bid (“IFB”) or contract that such successful proposer helps to develop under this RFP. As applicable, such prohibitions include involvement in any manner, including as a proposer/bidder, and as a subcontractor to a proposer/bidder, in such a subsequent RFP, IFB or contract, and from having any prohibited financial interest in such, under applicable conflict of interest laws.

~ End of Section ~
Attachment A
Proposer’s Information Form

PROPOSER (please type/ print):

Name: ____________________________________________________________
Address: __________________________________________________________
Telephone: _________________________ Email: __________________________

Contact Person: __________________________________________ Title: _______

eMail (Required): ________________________________________________
Telephone (Required): _____________________________________________

Proposer, if selected, intends to carry on the business as (check one):

☐ Individual ☐ Joint Venture
☐ Partnership ☐ Corporation

When incorporated? ______________
In what state? ______________
When authorized to do business in California? _______

☐ Other (explain): ________________________________________________

ADDENDA
To assure that all Proposers have received each addendum, check the appropriate box(s) below. Failure to acknowledge receipt of an addendum/addenda may be considered an irregularity in the Proposal:

Addendum number(s) received: ☐ 1; ☐ 2; ☐ 3; ☐ 4; ☐ 5; ☐ 6;

Or, ☐ _____ _____No Addendum/Addenda Were Received (check and initial).

PROPOSER’S SIGNATURE
No proposal shall be accepted which has not been signed in ink in the appropriate space below:

By signing below, the submission of a proposal shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the RFP, that they are aware of the applicable facts pertaining to the RFP process, its procedures and requirements, and they have read and understand the RFP. No request for modification of the proposal shall be considered after its submission on the grounds that the Proposer was not fully informed as to any fact or condition.
Attachment A – Proposer Information continued...

1. If Proposer is INDIVIDUAL, sign here

   Date: ___________________________  Name and Title (type or print)
   Signature

2. If Proposer is PARTNERSHIP or JOINT VENTURE; at least two (2) Partners shall sign here:

   Partnership or Joint Venture Name (type or print)
   ____________________________
   Date: ___________________________
   Member of the Partnership or Joint Venture signature

   Date: ___________________________
   Member of the Partnership or Joint Venture signature

3. If Proposer is a CORPORATION or LLC, the duly authorized officer(s) shall sign as follows:

   The undersigned certify that he/she is respectively:

   __________________________________________  __________________________________________  __________________________________________
   Officer Signature  Name  Title

Corp./LLC Contract Signature Method: Authorization to sign contracts and other documents on behalf of the corporation must be indicated by selecting one of the following methods:

☐ Method 1 (Two Specified Officers). Authorization may be shown by two officers, one from each of the following groups, signing the instrument. (Corp. Code §§313; 5214.)

   Group A
   (i) Chairman of the Board
   (ii) President
   (iii) Any Vice-President

   Group B
   (i) Secretary or Assistant Secretary
   (ii) Chief Financial Officer
   (iii) Any Assistant Treasurer

   Email: __________________________________________

☐ Method 2 (Certified Board Authorization). Authorization may be shown by providing the City a copy of the corporation’s bylaws, board of directors meeting minutes, or any resolution of corporation’s board authorizing the person signing the instrument to execute instruments of the type in question, and certified by the Secretary or Asst. Secretary of the corporation to be a true copy. (Corp. Code §§314; 5215.)

☐ Method 3 (Notarized Officer Signature). Authorization may be shown by the signature of either the corporation’s president, vice president, secretary, or assistant secretary accompanied by a notary acknowledgment in the form prescribed by Civil Code §1189. (Civil Code §1190.)

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary’s certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

_______________________________
Corporation Name (type or print)

By: ___________________________________________  Date: __________________

Title: ___________________________________________
Statement of Purpose
The City of Palo Alto is issuing this Request for Proposals (“RFP”) to develop a business case to build a Fiber-to-the-Node (“FTTN”) network to multiple neighborhood nodes, with an expansion option to deploy a citywide Fiber-to-the-Premises (“FTTP”) network. The City also wants to evaluate alternative hybrid fiber-wireless solutions capable of delivering gigabit speed Internet connectivity. A FTTN network may provide an incremental approach for fiber expansion and lower the barriers for the City and/or private sector network builders and Internet service providers to extend the so-called “last mile” from these nodes to individual premises in residential neighborhoods and commercial zones. This incremental approach to fiber expansion would be a phased, lower risk, economically viable deployment plan. The City’s primary goal for the business case is to evaluate the best technology options to make available next-generation, ultra-high-speed broadband Internet connectivity to all residents and businesses in Palo Alto.

Another purpose of the business case is to determine whether the City’s existing dark optical fiber backbone (“fiber network”) can be a viable component of an expanded network so the City can more fully utilize its fiber asset by providing access to the entire community and to improve the delivery of essential City services. Examples include:

- Support of wireless broadband connectivity to improve the delivery of municipal services by Public Safety, Public Works, Planning, Transportation and Utilities staff working in the field;
- Establishing fiber-optic communication links to support the deployment of Smart City and Smart Grid applications;
- Additional opportunities to license dark fiber to third parties for commercial purposes (e.g. fiber backhaul services for the commercial wireless carriers to support their network densification initiatives by deploying small cell sites to improve network coverage and capacity).

The City’s Information Technology and Utilities Departments have the joint responsibility for evaluating the proposals and developing the business case. Staff from these departments will be the primary contact persons working with the successful proposer, if an award is made under this RFP.

Further information to help inform proposers’ responses to this RFP is provided in the section entitled “Project Context,” to be found below the Scope of Work section. Proposers’ responses shall reflect an understanding of the project context and other information provided in this RFP.

Scope of Work
On August 21, 2017, the City Council directed staff to develop a business case for a municipal-provided Fiber-to-the-Node (FTTN) network. The directive asked staff to:

- Engage a Management Consultant (“Consultant“) to develop the business case, funding plans, identify potential partners and/or service providers;
- Prepare a high-level network design;
- Draft ordinances that will lower the City's fiber construction costs, such as a Dig Once, String Once (a.k.a. One Touch Make Ready), Microtrenching and Multi-unit housing access.
The successful proposer will work with City staff to respond to the Council directive. Respondents can leverage, where appropriate, the findings and recommendations in the City’s 2015 *Fiber-to-the-Premises Master Plan* and the *Wireless Network Plan*, in addition to other information collected for fiber expansion opportunities (subject to the execution of a confidential non-disclosure agreement).

The estimated timeline for this business case is to provide the Utilities Advisory Commission and City Council with some preliminary findings in the fourth quarter of 2018, and a final report with recommendations by the first or second quarter of 2019. The final report will include presentations before the Utilities Advisory Commission and the City Council at a public meeting.

**Task 1**

*Conduct research and analysis, and produce a written (draft and final) Business Case, Financial Model, and Regulatory Assessment that addresses the following items, at a minimum:*

**Business Case, Financial Model, and Regulatory Assessment:**

- Identification and articulation of potential applications for a Fiber-to-the-Node network. Examples of uses of the proposed network are listed in Appendix A (“Potential Business Uses of a Fiber-to-the-Node Network”);
- Evaluation of operational cost drivers and benefits (qualitative and quantitative) for each proposed use for a Fiber-to-the-Node network in order to understand all proposed technologies;
- Financial forecast of upfront capital costs, potential revenue opportunities and ongoing operating and network maintenance costs. Ten (10) year financial projections should be provided;
- Overview of local, state and federal legal and regulatory issues that may affect the operation of the proposed network. For example, the impact of the Federal Communications Commission decision to repeal the 2015 rules that implemented net neutrality with Title II classification;
- Final business case should include supporting documentation, including assumptions, calculations and worksheets that support financial projections.¹

**Task 2**

At a minimum, the City’s objective is to own the core backbone network infrastructure in both residential and business areas. To support the business case, determine if the FTTN network would create an incentive for a private third party vendor(s) to partner, fund and build out the so-called “last mile” to serve individual commercial and residential premises with gigabit-speed broadband connectivity, voice and video services, and other emerging advanced applications dependent on high-bandwidth Internet access.

The successful proposer shall *conduct research and analysis, and provide a written plan (draft and final) that addresses the following items, at a minimum:*

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¹ Financial projections should be delivered in Microsoft Excel Spreadsheet format complete with all formulas and assumptions clearly enabled and visible.
• Identify potential public-private partnership models and partners and/or service providers that the City could engage with to build-out a FTTP or hybrid fiber-wireless network. For reference, the City will make available to the successful proposer previous research regarding public-private partnership models;

• Provide an assessment of FTTN network design options based on potential applications for the network identified in Task 1 and a plan to transition the network to FTTP or hybrid fiber-wireless solutions if a public-private partnership can be formed to provide citywide broadband connectivity. The design should take into account that services could be enabled either on a “closed” or “open access” basis, dependent on identifying a “last mile” partner(s) and service provider(s);

• Based on potential applications identified in Task 1, provide a high-level, scalable FTTN network design which meets the City’s overall goals for fiber expansion. The design(s) should include recommended fiber network architecture (e.g. Passive Optical Network (PON) and Active Optical Network (AON) a.k.a. Active Ethernet); network topology (e.g. point-to-point, star, ring); network components (e.g. end-user interface units such as OLT); optical splitters, and Central Office/Huts/Cabinets. The proposed design should also take into account the potential implementation of Smart Grid applications (e.g. AMI and smart meters for the City’s electric, gas and water utilities) and prospective communication approaches to support these applications. The proposed design(s) should include cost estimates.\(^2\)

• Evaluate fiber only and hybrid fiber-wireless approaches to the premise capable of providing a preferred symmetric gigabit-speed (minimum) connectivity; evaluate emerging wireless and hybrid fiber-wireless technologies (e.g. 60 GHz band 5G fixed wireless access technology); identify benefits, challenges and trade-offs among the different technology approaches;

• Determine the feasibility of integrating the City’s existing fiber network with a citywide FTTP network, or hybrid fiber-wireless solutions and evaluate the impact of those solutions on commercial dark fiber revenues;

• Provide guidance with regard to the best approach for a phased build-out of the proposed network design.

Note: The successful proposer shall complete Tasks 1 and 2 in parallel to finalize the financial projections and recommended business model.

Task 3

Provide a written (draft and final), current local market assessment of providers that offer broadband, cable TV, telephony, dark fiber, and other related services. The assessment shall provide the following, at a minimum:

• Information about recent network and service offering upgrades by AT&T Fiber, Comcast and other broadband service providers. This updated assessment should include the approximate percentage

\(^2\) In the high-level network design, consider the possibility of using abandoned gas pipes for fiber routes. Abandoned gas pipes were not considered in the Fiber-to-the-Premises Master Plan (58 percent of Palo Alto has abandoned gas pipes in residential neighborhoods and commercial zones).
of the city that has access to symmetrical gigabit connectivity for less than $100 per month with no data caps;

- Evaluate any impacts on the City’s fiber expansion plans due to these upgrades:
  - Provide a matrix of service offerings and applications currently available in Palo Alto from all ISPs offering wireline and wireless business and residential services; include pricing data for all Internet service tiers (including download/upload speeds and data caps), cable TV or other video offerings and telephony services. The matrix should also include service bundling options for other broadband-enabled services such as “over-the-top” video streaming, home monitoring and security services. Include in the matrix other available services and applications available from the ISPs such as telemedicine, online learning, teleconferencing, multi-point video conferencing, augmented virtual reality devices, infrastructure sensors for smart transportation and public safety applications, and access to emerging “Internet of Things” applications. The matrix should also include performance comparisons among the existing providers; include customer satisfaction ratings from organizations such as J.D. Power and Consumer Reports, etc.

- From a competitive perspective, evaluate emerging deployment of fixed and mobile 5G technologies by the mobile operators and any impacts on future FTTN and FTTP initiatives undertaken by the City.

- Work collaboratively with the Citizen Advisory Committee (see “Project Context” below) to conduct an interest survey to determine community support for a City FTTN and/or FTTP network that would be an alternative to existing services already available in Palo Alto from AT&T, Comcast and other providers. The survey should determine:
  - Satisfaction levels with current service providers;
  - Interest in the types of services and applications delivered over a new City network;
  - Price tolerance threshold for installation costs and ongoing retail costs for services delivered over a City network;
  - Level of support if the City pursued a ballot measure to determine the overall interest in the community for a municipal-provided fiber network that may involve some financial risks for the City;
  - Recommendation for the preferred survey vehicle and methodology.

- Provide an analysis with supporting data about how a municipal network could impact the ability of residents to telecommute in order to mitigate traffic congestion problems and other ancillary benefits that would accrue to improve the quality of life in Palo Alto, in addition to enhancing economic development opportunities.

Task 4
Provide a written (draft and final) report addressing the following, as a minimum: Identify potential City ordinances that may lower fiber construction costs and incentivize private builders/operators to build in Palo Alto. Examples of ordinances include, without limitation, Dig Once, Microtrenching, One Touch Make Ready and Multi-unit housing access. Evaluate the impact such potential ordinances would have in terms of encouraging broadband expansion in Palo Alto by both the City and/or third parties. This task should also include a review of existing City of Palo Alto municipal codes for utility planning and joint trench coordination and the affect new ordinances would have on these existing codes.
Note
Dependent on the outcome of the business case, identification of potential public-private partnership opportunities, and other findings and recommendations developed in the above-noted tasks under this RFP, the City may issue another RFP solicitation to engage an engineering firm to prepare a detailed design and cost estimate for a FTTN network, including an expansion option to build a citywide FTTP network. Issuance of such an RFP would be contingent on City Council approval to proceed. Please see RFP Section 14 - Firms or Persons Not Eligible to Submit a Proposal.

Project Context

Palo Alto is a thriving community of approximately 66,400 people situated adjacent to Stanford University in the heart of Silicon Valley, approximately thirty-three (33) miles south of San Francisco and seventeen (17) miles north of San Jose. On weekdays, due to daily commuters, the population increases to nearly 140,000. Palo Alto enjoys international recognition. People from all over the world come to Palo Alto for purposes of education and research at Stanford University, training or business with the high technology firms at the Stanford Research Park, or medical care at the Stanford Medical Center.

The City of Palo Alto is a charter city operating under the council manager form of municipal government. The City’s General Fund budget is $210 million for fiscal year 2018. The City has thirteen (13) departments. The City of Palo Alto also provides the following utility services: electric, gas, water, storm drainage, wastewater collection, water treatment and commercial dark fiber.

According to the latest American Community Survey (ACS 5 year estimates) released in December of 2017, a little over half of the 27,765 housing units in Palo Alto were owner occupied; the remainder are rented with approximately 5 percent vacant. The median household income in Palo Alto is $137,043 and the per capita income is $78,721. The median value of owner-occupied housing units is $1,702,100. In Palo Alto, 61 percent of all households are estimated to have an annual income of greater than $100,000. Palo Alto is home to approximately 7,000 businesses. The most common types of businesses are in the services sector, which make up nearly 60 percent of all business types. The next most popular sectors are manufacturing at 16.6 percent and retail at 16 percent.

The land area in Palo Alto in square miles is 25.87 miles. The population is concentrated on eleven (11) square miles between the Baylands/San Francisco Bay and the foothills. The incumbent telecommunications service providers in Palo Alto are AT&T and Comcast.

Fiber Network History
The City’s dark optical fiber backbone network (fiber network) was originally conceived in the mid-1990s. The City’s initial telecommunications strategy was to build a dark fiber ring around Palo Alto that would be capable of supporting multiple network developers and/or service providers with significant growth potential. City of Palo Alto Utilities (“CPAU”) has the day-to-day responsibility for operating, maintaining, expanding and marketing the fiber network.
The first phase of the fiber network construction occurred in 1996-1997. The initial portions of the network were constructed in a ring architecture in existing utility rights-of-way. The fiber network was routed to pass and provide access to key City facilities and offices. The majority of the City’s business parks (e.g., Stanford Research Park) and commercial properties are also passed by the fiber network. The original fiber network consisted of 33 route miles with 144 or more strands of single-mode fiber along most routes. The network has been expanded to approximately 49 route miles of mostly 144- or 288-count single-mode fiber. The fiber network is approximately 55 percent aerial and 45 percent underground. Fiber plant in residential areas is mostly aerial. The City’s aerial fiber optic plant is attached in the safety clearance zone on utility poles. The City jointly owns 5,400 of the 6,000 utility poles in Palo Alto with AT&T. Approximately 150 utility poles are jointly owned by the City, AT&T and PG&E, and approximately 450 poles are owned exclusively by the City. There are approximately 6,700 streetlight poles owned by the City. Detailed pole data and maps will be provided to the successful proposer under a confidential non-disclosure agreement.

For reference, a fiber optic backbone map of Palo Alto is attached as Appendix B (“Fiber Optic Backbone Map”).

The fiber network construction was financed internally by the Electric Enterprise Fund through a 20-year, $2 million loan at a 0% interest rate. These funds were used to construct the system and to cover operating expenses. At the end of Fiscal Year 2008, the fiber optics business completed the loan repayment to the Electric Enterprise Fund for all capital and operating expenses from the beginning of the project. A separate Fiber Optics Enterprise Fund, capable of maintaining its own capital and operating budgets and financial operating reserve, was also created. In Fiscal Year 2009, a Fiber Optics Enterprise Fund Rate Stabilization Reserve (RSR) was established.

In 2000, CPAU began to license “dark fiber” for commercial purposes. The fiber network has high market share and brand awareness among commercial enterprises and other organizations that need the quantity and quality of bandwidth provided by direct fiber optic connections. At the end of 2017, 107 commercial customers have connected to CPAU’s dark fiber network. The total number of dark fiber service connections serving commercial customers and the City is approximately 221 (some customers have multiple connections).

By connecting to the City’s fiber network, customers gain access to their Internet Service Provider (“ISP”) of choice. Many customers gain access to the Internet through the Palo Alto Internet Exchange (“PAIX”, now owned by Equinix). PAIX is a carrier-neutral collocation facility which hosts over seventy (70) ISPs at their facility located in downtown Palo Alto. A dark fiber customer can interconnect communications systems or computer networks across multiple Palo Alto locations and can also connect directly to their local and/or long distance carrier(s) of choice with a full range of communication services. Commercial dark fiber customers can also have redundant connections for enhanced reliability.

Among the above-noted commercial dark fiber customers there are several value-added “resellers” licensing dark fiber from CPAU to deliver a variety of telecom services. The fiber network also serves the
following City accounts: IT Infrastructure Services, Utilities Substations, Utilities Engineering, Public Works, Water Quality Control Plant and Community Services.

Annual dark fiber license revenues come from the following customer categories:

- City dark fiber service connections: 27% of gross revenues.
- Private sector entities licensing dark fiber from the City include:
  - Resellers: 42% of gross revenues. “Resellers” are defined as telecommunication companies that purchase large amounts of transmission capacity from other carriers and resell it to smaller end-users. Examples of resellers are companies that sell broadband, telephony and video services to the commercial and residential markets.
  - Various commercial enterprises: 31% of gross revenues. Examples of private end-users are companies involved in various technologies and services including web hosting, social media, finance, medical, pharmaceuticals, research and development, software, law firms, consulting firms, e-commerce, etc.

The commercial market for fiber-capable bandwidth has evolved relative to original projections. Networking capability originally targeted the large commercial sector, but now includes all types of small commercial customers for networking, data transmission, recreational and social media capability, as well. The percentage of new orders from smaller commercial businesses has grown to approximately 15 percent of all new orders. Commercial customer data transfer requirements have spilled over into the residential market with a small number of residents paying commercial rates for CPAU fiber cable to their homes for business purposes. At the end of fiscal year 2017, the licensing of dark fiber service connections resulted in a fiber fund reserve of approximately $28 million.

Plans to expand the fiber network closer to some commercial areas that are at a significant distance from the backbone are ongoing. These expansion plans are typically based on identifying clusters of commercial customers with business profiles comparable to the existing customer base. In general, these customers need high bandwidth dark fiber service connections and have the technical resources to install and maintain the required transmission equipment to provision the fiber strands. Examples of fiber network expansion opportunities include multi-tenant office buildings or office parks. In March of 2014, CPAU completed a project to install dark fiber service connections at eighteen (18) Palo Alto Unified School District facilities. The extension of the fiber network to school district facilities brings fiber infrastructure closer to a number of residential neighborhoods distributed throughout Palo Alto. Moreover, dark fiber connections to the schools significantly enhance the value of the network for future expansion and facilitate broadband connectivity for a key community anchor institution and other potential users.

The City has also evaluated the feasibility of expanding commercial telecommunications offerings to include new products such as “lit” managed networking services (e.g. SONET, Ethernet and wavelength services); however, staff concluded that there are multiple firmly established telecommunications providers that specialize in addressing these types of services, both locally and nationally. As a result, the City believes there is no unique opportunity for the City to capitalize in the highly competitive
market for managed telecommunication services; however, it does not limit third-party service providers licensing fiber on the City’s network to do so.

**Fiber Network Rebuild Project**

In fiscal year 2016, the City established a new capital improvement project (Fiber Optic Network Rebuild CIP FO-16000) and budgeted $1.2 million, to rebuild portions of the dark fiber network for improved reliability and increased capacity. The rebuild project will install new aerial duct or substructures (conduit and boxes) and additional fiber backbone cable to increase capacity for sections of the dark fiber ring that are at or near capacity and allows CPAU to meet commercial customer requests for service.

**Fiber-to-the-Premises Initiatives**

Since the late 1990s, the City has evaluated various business plans, construction cost estimates and operational models (including public-private partnerships) to expand the City’s fiber network for citywide use. Due to a number of factors, the City has been unable to move forward with implementation of citywide FTTP; however, given the upturn in the economy and the escalating interest in deploying gigabit-speed fiber networks across the country, the City believes there may be renewed opportunities to build an all-fiber network in Palo Alto capable of providing gigabit-speed broadband and other advanced services for both commercial and residential customers.

In 2013, the City Council decided that an important next step in advancing FTTP in Palo Alto was to develop a Master Plan which documents a network design by conducting an engineering study with a cost model and business model to deploy a network. The Council initiative was titled “Technology and the Connected City.” The Master Plan was intended to establish a roadmap for either a third-party telecommunications service providers or the City itself building a citywide FTTP Network. The City Council also directed the City Manager to appoint a Citizen Advisory Committee to work with City staff on the Technology and the Connected City initiative. The Committee’s role is to provide feedback regarding the development of fiber and wireless expansion plans.

In September 2015, staff presented a Fiber-to-the-Premises Master Plan and Wireless Network Plan to the City Council. The staff report and plans can be viewed at:

*Summary Title: Discussion of Fiber-to-the-Premises Master Plan and Direction to Staff on Next Steps for Fiber and City Wireless Services*

http://www.cityofpaloalto.org/civicax/filebank/documents/49073

Concurrent with the City’s aforementioned fiber and wireless planning, in 2014, Google Fiber announced Palo Alto as a potential “Google Fiber City” for a build-out of a fiber optic network. Since early 2014, staff was engaged with Google personnel to complete an extensive checklist process regarding City infrastructure and processes, in addition to negotiating agreements for a project description, utility pole attachments, encroachment permits, environmental reviews and other agreements for cost recovery for use of staff time. Based on Council direction, staff also worked with Google to develop a “co-build” concept which explored the feasibility of building a City network in parallel with Google’s network. In
July 2016, Google announced a delay in their plans to build a fiber optic network in Silicon Valley, which also included Mountain View, San Jose, Santa Clara and Sunnyvale. Google advised staff that they are exploring more innovative ways to deploy their network, which may include implementing wireless technologies. Co-build discussions were also discontinued.

As an interim step to FTTP, and in preparation for meeting the City’s goals in the Master Plan, in August 2017, staff presented options to the City Council to pursue a conceptual plan for a municipal Fiber-to-the-Node Network for fiber and broadband expansion. The staff report and recommendations can be viewed at:

**Summary Title: Work Plan for Fiber-to-the-Premises and Wireless Network**


The City’s overall goals for fiber and broadband expansion include:

- **Ubiquitous access to Gigabit-class broadband infrastructure**: Provide the infrastructure to enable every Palo Alto home, business, visitor, and public or private institution the opportunity to access affordable high-speed broadband connections to the Internet and other networks;

- **Open access**: Demonstrate, support, and build a non-discriminatory, open-access infrastructure that should, to the maximum extent possible, be open to all users, service providers, content providers, and application providers, and be usable via all standard commercial devices;

- **Unfettered access and speed**: Deliver an unfettered broadband offering that does not impose usage limits or restrict delivery speed on one use of data over another (i.e., does not limit streaming). All application providers (data, voice, video, cloud services) are equally able to provide their services, and the consumer’s access to advanced data opens up the marketplace;

- **Competitive local broadband marketplace**: Create a local competitive marketplace that offers fast and affordable broadband.
ATTACHMENT C-SAMPLE CONTRACT

(USE FOR PROFESSIONAL SERVICES (DESIGN and NON-DESIGN)

CITY OF PALO ALTO CONTRACT NO.

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND

FOR PROFESSIONAL SERVICES

This Agreement is entered into on this day of , , ("Agreement") by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and , , located at ("CONSULTANT").

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to ("Project") and desires to engage a consultant to in connection with the Project ("Services").

B. CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the Services as more fully described in Exhibit “A”, attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, in this Agreement, the parties agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described at Exhibit “A” in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

☐ Optional On-Call Provision (This provision only applies if checked and only applies to on-call agreements.)

Services will be authorized by CITY, as needed, with a Task Order assigned and approved by CITY’s Project Manager. Each Task Order shall be in substantially the same form as Exhibit A-1. Each Task Order shall designate a CITY Project Manager and shall contain a specific scope of work, a specific schedule of performance and a specific compensation amount. The total price of all Task Orders issued under this Agreement shall not exceed the amount of Compensation set forth in Section 4 of this Agreement. CONSULTANT shall only be compensated for work performed under an authorized Task Order and CITY may elect, but is not required, to authorize work up to the maximum compensation amount set forth in Section 4.

SECTION 2. TERM.
The term of this Agreement shall be from the date of its full execution through unless
terminated earlier pursuant to Section 19 of this Agreement.

OR

The term of this Agreement shall be from the date of its full execution through completion of the services in accordance with the Schedule of Performance attached at Exhibit “B” unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY’s agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (“Basic Services”), and reimbursable expenses, shall not exceed Dollars ($ ). CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event Additional Services are authorized, the total compensation for Basic Services, Additional Services and reimbursable expenses shall not exceed Dollars ($ ). The applicable rates and schedule of payment are set out at Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates (set forth in Exhibit “C-1”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT
represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by CONSULTANT’s errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of CITY’s stated construction budget, CONSULTANT shall make recommendations to CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING.

☐ Option A: No Subcontractor: CONSULTANT shall not subcontract any portion of the work
to be performed under this Agreement without the prior written authorization of the city manager or designee.

☐ Option B: Subcontracts Authorized: Notwithstanding Section 11 above, CITY agrees that subconsultants may be used to complete the Services. The subconsultants authorized by CITY to perform work on this Project are:

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the city manager or his designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign as the to have supervisory responsibility for the performance, progress, and execution of the Services and as the project to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

CITY’s project manager is , Department, Division, Palo Alto, CA 94303, Telephone: . The project manager will be CONSULTANT’s point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. Upon delivery, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.
SECTION 15. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT’s records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.

[Option A applies to the following design professionals pursuant to Civil Code Section 2782.8: architects; landscape architects; registered professional engineers and licensed professional land surveyors.] 16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

[Option B applies to any consultant who does not qualify as a design professional as defined in Civil Code Section 2782.8.] 16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an “Indemnified Party”) from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements (“Claims”) resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONSULTANT’s services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.

SECTION 18. INSURANCE.
18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best’s Key Rating Guide ratings of A-:VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days’ prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days’ notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT’s receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Chief Procurement Officer during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or
given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY.

19.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT’s services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
           City of Palo Alto
           Post Office Box 10250
           Palo Alto, CA  94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the project director
                 at the address of CONSULTANT recited above

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure
documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONSULTANT shall comply with the CITY’s Environmentally Preferred Purchasing policies which are available at CITY’s Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of CITY’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONSULTANT shall comply with the following zero waste requirements:

(a) All printed materials provided by CONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY’s Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.

(b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Division’s office.

(c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE. CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code section 4.62.060.

SECTION 25. NON-APPROPRIATION
25.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS

☐ 26.1 This Project is not subject to prevailing wages. CONSULTANT is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7 if the contract is not a public works contract, if the contract does not include a public works construction project of more than $25,000, or the contract does not include a public works alteration, demolition, repair, or maintenance (collectively, ‘improvement’) project of more than $15,000.

OR

☐ 26.1 CONSULTANT is required to pay general prevailing wages as defined in Subchapter 3, Title 8 of the California Code of Regulations and Section 16000 et seq. and Section 1773.1 of the California Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute the contract for this Project from the Director of the Department of Industrial Relations (“DIR”). Copies of these rates may be obtained at the Purchasing Division’s office of the City of Palo Alto. CONSULTANT shall provide a copy of prevailing wage rates to any staff or subcontractor hired, and shall pay the adopted prevailing wage rates as a minimum. CONSULTANT shall comply with the provisions of all sections, including, but not limited to, Sections 1775, 1776, 1777.5, 1782, 1810, and 1813, of the Labor Code pertaining to prevailing wages.

26.2 CONSULTANT shall comply with the requirements of Exhibit “E” for any contract for public works construction, alteration, demolition, repair or maintenance.

SECTION 27. MISCELLANEOUS PROVISIONS.

27.1. This Agreement will be governed by the laws of the State of California.

27.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

27.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that
action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys’ fees paid to third parties.

27.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

27.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.

27.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

27.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

27.8 In the event of a conflict between the terms of this Agreement and the exhibits hereto or CONSULTANT’s proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONSULTANT’s proposal, the exhibits shall control.

27.9 If, pursuant to this contract with CONSULTANT, CITY shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident (“Personal Information”), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City’s express written consent.

27.10 All unchecked boxes do not apply to this agreement.

27.11 The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

27.12 This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.
ATTACHMENT C - SAMPLE CONTRACT

CONTRACT No.  SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

City Manager (Contract over $85k) Officer 1
Purchasing Manager (Contract over $25k)
Contracts Administrator (Contract under $25k) By:

APPROVED AS TO FORM:

City Attorney or designee (Contract over $25k) Officer 2 (Required for Corp. or LLC)

Contracts Administrator (Checklist Approval) By:

Title:

Title:

Attachments:

EXHIBIT “A”: SCOPE OF SERVICES
EXHIBIT “A-1”: PROFESSIONAL SERVICES TASK ORDER (for on-call contracts only)
EXHIBIT “B”: SCHEDULE OF PERFORMANCE
EXHIBIT “C”: COMPENSATION
EXHIBIT “C-1”: SCHEDULE OF RATES
EXHIBIT “D”: INSURANCE REQUIREMENTS
EXHIBIT “E”: DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS
ATTACHMENT C-SAMPLE CONTRACT

EXHIBIT “A”
SCOPE OF SERVICES
ATTACHMENT C-SAMPLE CONTRACT

(Optional – for On Call Agreements only)

EXHIBIT “A-1”
PROFESSIONAL SERVICES TASK ORDER

Consultant hereby agrees to perform the work detailed below in accordance with all the terms and conditions of the Agreement referenced in Item 1A below. All exhibits referenced in Item 8 are incorporated into the Agreement by this reference. The Consultant shall furnish the necessary facilities, professional, technical and supporting personnel required by this Task Order as described below.

CONTRACT NO. ISSUE DATE
Purchase Requisition No. 

1A. MASTER AGREEMENT NUMBER 
1B. TASK ORDER NO. 
2. CONSULTANT 
3. PERIOD OF PERFORMANCE: START: COMPLETION: 
4. TOTAL TASK ORDER PRICE: $ 
BALANCE REMAINING IN MASTER AGREEMENT $ 
5. BUDGET CODE: COST CENTER COST ELEMENT WBS/CIP PHASE 
6. CITY PROJECT MANAGER’S NAME/DEPARTMENT 
7. DESCRIPTION OF SCOPE OF SERVICES MUST INCLUDE: 
   ▪ WORK TO BE PERFORMED 
   ▪ SCHEDULE OF WORK 
   ▪ BASIS FOR PAYMENT & FEE SCHEDULE 
   ▪ DELIVERABLES 
   ▪ REIMBURSABLES (with “not to exceed” cost) 
8. ATTACHMENTS: A: Scope of Services B: 

I hereby authorize the performance of the work described above in this Task Order. I hereby acknowledge receipt and acceptance of this Task Order and warrant that I have authority to sign on behalf of Consultant.

APPROVED: 
CITY OF PALO ALTO 

APPROVED: 
COMPANY NAME: 

BY: 
Name 
Title 
Date

BY: 
Name 
Title 
Date
EXHIBIT “B”
SCHEDULE OF PERFORMANCE

CONSULTANT shall perform the Services so as to complete each milestone within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Completion From NTP</th>
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<tbody>
<tr>
<td></td>
<td>No. of Days/Weeks</td>
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<tr>
<td>1.</td>
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<td>2.</td>
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<td>9.</td>
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<td>10.</td>
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</table>
EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule attached as exhibit C-1 up to the not to exceed budget amount for each task set forth below.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Basic Services, including reimbursable expenses, and the total compensation for Additional Services do not exceed the amounts set forth in Section 4 of this Agreement.

<table>
<thead>
<tr>
<th>BUDGET SCHEDULE</th>
<th>NOT TO EXCEED AMOUNT</th>
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<tbody>
<tr>
<td>Task 1</td>
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<tr>
<td>Task 2</td>
<td>$</td>
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<td>( )</td>
<td></td>
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<tr>
<td>Task 3</td>
<td>$</td>
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<tr>
<td>( )</td>
<td></td>
</tr>
<tr>
<td>Task 4</td>
<td>$</td>
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<td>( )</td>
<td></td>
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<tr>
<td>Task 5</td>
<td>$</td>
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<tr>
<td>( )</td>
<td></td>
</tr>
<tr>
<td>Sub-total Basic Services</td>
<td>$</td>
</tr>
<tr>
<td>Reimbursable Expenses</td>
<td>$</td>
</tr>
<tr>
<td>Total Basic Services and Reimbursable expenses</td>
<td>$</td>
</tr>
<tr>
<td>Additional Services (Not to Exceed)</td>
<td>$</td>
</tr>
<tr>
<td>Maximum Total Compensation</td>
<td>$</td>
</tr>
</tbody>
</table>
ATTACHMENT C-SAMPLE CONTRACT

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than $ shall be approved in advance by the CITY’s project manager.

ADDITIONAL SERVICES

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT’s proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.

Work required because the following conditions are not satisfied or are exceeded shall be considered as additional services:
ATTACHMENT C-SAMPLE CONTRACT

(Version 2 – hourly rate - not task based)

EXHIBIT “C”
COMPENSATION

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services, additional services, and reimbursable expenses shall not exceed the amount(s) stated in Section 4 of this Agreement. CONSULTANT agrees to complete all Services and Additional Services, including reimbursable expenses, within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the CITY.

REIMBURSABLE EXPENSES

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

A. Travel outside the San Francisco Bay area, including transportation and meals, will be reimbursed at actual cost subject to the City of Palo Alto’s policy for reimbursement of travel and meal expenses for City of Palo Alto employees.

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ADDITIONAL SERVICES

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[OPTIONAL] Work required because the following conditions are not satisfied or are exceeded shall be considered as Additional Services:
EXHIBIT “C-1”
SCHEDULE OF RATES
ATTACHMENT C-SAMPLE CONTRACT

EXHIBIT “D”

INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, AFFORDED BY COMPANIES WITH AM BEST’S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY’S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
<th>REQUIREMENT</th>
<th>MINIMUM LIMITS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td>YES</td>
<td>WORKER’S COMPENSATION</td>
<td>STATUTORY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>EMPLOYER’S LIABILITY</td>
<td>STATUTORY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BODILY INJURY &amp; PROPERTY DAMAGE COMBINED</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
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<td></td>
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<td>- EACH PERSON</td>
<td>$1,000,000</td>
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<tr>
<td></td>
<td></td>
<td>- EACH OCCURRENCE</td>
<td>$1,000,000</td>
</tr>
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<td></td>
<td></td>
<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BODILY INJURY AND PROPERTY DAMAGE, COMBINED</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE, (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE</td>
<td>ALL DAMAGES</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS’ COMPENSATION, EMPLOYER’S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.

I. INSURANCE COVERAGE MUST INCLUDE:

A. A PROVISION FOR A WRITTEN THIRTY (30) DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND

B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR’S AGREEMENT TO INDEMNIFY CITY.

C. DEDUCTIBLE AMOUNTS IN EXCESS OF $5,000 REQUIRE CITY’S PRIOR APPROVAL.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING URL: https://www.planetbids.com/portal/portal.cfm?CompanyID=25569.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO “ADDITIONAL INSUREDS”

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.

Professional Services
Rev. April 27, 2016
B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDs, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

VENDORS ARE REQUIRED TO FILE THEIR EVIDENCE OF INSURANCE AND ANY OTHER RELATED NOTICES WITH THE CITY OF PALO ALTO AT THE FOLLOWING URL:
HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569
OR
HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET_BIDS_HOW_TO.ASP
EXHIBIT “E”

DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS

This Exhibit shall apply only to a contract for public works construction, alteration, demolition, repair or maintenance work, CITY will not accept a bid proposal from or enter into this Agreement with CONSULTANT without proof that CONSULTANT and its listed subcontractors are registered with the California Department of Industrial Relations (“DIR”) to perform public work, subject to limited exceptions. City requires CONSULTANT and its listed subcontractors to comply with the requirements of SB 854.

CITY provides notice to CONSULTANT of the requirements of California Labor Code section 1771.1(a), which reads:

“A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.”

CITY gives notice to CONSULTANT and its listed subcontractors that CONSULTANT is required to post all job site notices prescribed by law or regulation and CONSULTANT is subject to SB 854-compliance monitoring and enforcement by DIR.

CITY requires CONSULTANT and its listed subcontractors to comply with the requirements of Labor Code section 1776, including:

Keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by, respectively, CONSULTANT and its listed subcontractors, in connection with the Project.

The payroll records shall be verified as true and correct and shall be certified and made available for inspection at all reasonable hours at the principal office of CONSULTANT and its listed subcontractors, respectively.

At the request of CITY, acting by its project manager, CONSULTANT and its listed subcontractors shall make the certified payroll records available for inspection or furnished upon request to the project manager within ten (10) days of receipt of CITY’s request.

☐ CITY requests CONSULTANT and its listed subcontractors to submit the certified payroll records to the project manager at the end of each week during the Project.

If the certified payroll records are not produced to the project manager within the 10-day period,
then CONSULTANT and its listed subcontractors shall be subject to a penalty of one hundred dollars ($100.00) per calendar day, or portion thereof, for each worker, and CITY shall withhold the sum total of penalties from the progress payment(s) then due and payable to CONSULTANT.

Inform the project manager of the location of CONSULTANT’s and its listed subcontractors’ payroll records (street address, city and county) at the commencement of the Project, and also provide notice to the project manager within five (5) business days of any change of location of those payroll records.
## SAMPLE TABLE FORMAT
### QUALIFICATIONS OF FIRM RELATIVE TO CITY’S NEEDS

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Client</th>
<th>Description of work performed</th>
<th>Total Project Cost</th>
<th>Percentage of work firm as responsible for</th>
<th>Period work was completed</th>
<th>Client contact information*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

Did your firm meet the project schedule (Circle one) : Yes  No

Give a brief statement of the firm’s adherence to the schedule and budget for the project:

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tbody>
</table>

Did your firm meet the project schedule (Circle one) : Yes  No

Give a brief statement of the firm’s adherence to the schedule and budget for the project:

<p>| | | | | | | |</p>
<table>
<thead>
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</table>

Did your firm meet the project schedule (Circle one) : Yes  No

Give a brief statement of the firm’s adherence to the schedule and budget for the project:

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</tr>
</tbody>
</table>

Did your firm meet the project schedule (Circle one) : Yes  No

Give a brief statement of the firm’s adherence to the schedule and budget for the project:

<p>| | | | | | | |</p>
<table>
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<td></td>
</tr>
</tbody>
</table>

*Include name, title and phone number.
## Attachment E
### SAMPLE COST PROPOSAL FORMAT – RFP

(The City is looking for a submittal in this format – content should match cost for scope of services required)

<table>
<thead>
<tr>
<th>Scope</th>
<th>Labor Categories (e.g., Consultant, Sr. Consultant, etc.)</th>
<th>Est. Hours</th>
<th>Hourly Rate</th>
<th>Extended Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL NOT TO EXCEED, TASK 1</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Task 2</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL NOT TO EXCEED, TASK 2</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Task 3</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL NOT TO EXCEED, TASK 3</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL NOT TO EXCEED (TASKS 1 – 3)</td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
**ATTACHMENT F**  
**INSURANCE REQUIREMENTS**

Contractors to the City of Palo Alto (City), at their sole expense, shall for the term of the contract obtain and maintain insurance in the amounts for the coverage specified below, afforded by companies with Am Best’s Key Rating of A-/VII, or higher, licensed or authorized to transact insurance business in the State of California.

Award is contingent on compliance with City’s insurance requirements, as specified, below:

<table>
<thead>
<tr>
<th>Required</th>
<th>Type of Coverage</th>
<th>Requirement</th>
<th>Minimum Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>Worker’s Compensation</td>
<td>Statutory</td>
<td></td>
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<tr>
<td>YES</td>
<td>Employer’s Liability</td>
<td>Statutory</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>General Liability, including Personal Injury, Broad Form Property Damage Blanket Contractual, and Fire Legal Liability</td>
<td>Bodily Injury</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Property Damage</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bodily Injury &amp; Property Damage Combined</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>Automobile Liability, including All Owned, Hired, Non-Owned</td>
<td>Bodily Injury</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Each Person</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Each Occurrence</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Property Damage</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bodily Injury and Property Damage Combined</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>YES</td>
<td>Professional Liability, including, Errors and Omissions, Malpractice (when applicable), and Negligent Performance</td>
<td>All Damages</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

The City of Palo Alto is to be named as an additional insured: Contractor, at its sole cost and expense, shall obtain and maintain, in full force and effect throughout the entire term of any resultant agreement, the insurance coverage herein described, insuring not only contractor and its subconsultants, if any, but also, with the exception of workers’ compensation, employer’s liability and professional insurance, naming as additional insureds City, its council members, officers, agents, and employees.

I. Insurance coverage must include:
   A. A provision for a written thirty (30) day advance notice to City of change in coverage or of coverage cancellation; and
   B. A contractual liability endorsement providing insurance coverage for contractor’s agreement to indemnify City.
   C. Deductible amounts in excess of $5,000 require City’s prior approval.

II. Contractor must submit certificates(s) of insurance evidencing required coverage at the following URL: https://www.planetbids.com/portal/portal.cfm?CompanyID=25569.

III. Endorsement provisions, with respect to the insurance afforded to “additional insureds”

   A. Primary coverage

With respect to claims arising out of the operations of the named insured, insurance as afforded by this policy is primary and is not additional to or contributing with any other insurance carried by or for the benefit of the additional insureds.
B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY
SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER,
BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL
LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON
OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE
CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE
OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-
payment of premium, the consultant shall provide city at least a ten
(10) day written notice before the effective date of cancellation.

VENDORS ARE REQUIRED TO FILE THEIR EVIDENCE OF INSURANCE
AND ANY OTHER RELATED NOTICES WITH THE CITY OF PALO ALTO
AT THE FOLLOWING URL:
HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569
OR
HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET_BIDS_How_TO.ASP
Information Privacy Policy

Release and Version: 1st Release, Version 2.2
Release Date: 31 January, 2013
Document Classification: Need to Know
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DOCUMENT CONTROLS

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<tr>
<td>Document Author</td>
<td>Raj Patel</td>
</tr>
<tr>
<td>Document Manager</td>
<td>Raj Patel</td>
</tr>
<tr>
<td>Contributors</td>
<td>Jonathan Reichental, Shiva Swaminathan, Tom Auzenne, Joe Blackwell, Grant Kolling</td>
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CHANGE RECORD

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<td>First draft released for review</td>
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<tr>
<td>19-Nov-12</td>
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<td>1.6</td>
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<td>1.7</td>
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APPROVAL

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<th>Role</th>
<th>Comments</th>
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<tbody>
<tr>
<td>06-Dec-12</td>
<td>Raj Patel</td>
<td>Information Security Manager; Information Technology Department</td>
<td>Approved</td>
</tr>
<tr>
<td>06-Dec-12</td>
<td>Jonathan Reichental</td>
<td>CIO; Information Technology Department</td>
<td>Approved</td>
</tr>
<tr>
<td>06-Dec-12</td>
<td>Tom Auzenne</td>
<td>Assistant Director, Utilities Department</td>
<td>Approved</td>
</tr>
<tr>
<td>14-Jan-13</td>
<td>Grant Kolling</td>
<td>Senior Assistant City Attorney; City Attorney’s Office</td>
<td>Approved</td>
</tr>
<tr>
<td>31-Jan-13</td>
<td>Information Security Steering Committee</td>
<td>Sponsor</td>
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</tbody>
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DISTRIBUTION

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
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<tbody>
<tr>
<td>City of Palo Alto Employees, Service Providers, Residents and Businesses</td>
<td>City of Palo Alto Website and SharePoint</td>
</tr>
</tbody>
</table>
1. Objective

The City of Palo Alto (the “City”) strives to promote and sustain a superior quality of life for persons in Palo Alto. In promoting the quality of life of these persons, it is the policy of the City, consistent with the provisions of the California Public Records Act, California Government Code §§ 6250 – 6270, to take appropriate measures to safeguard the security and privacy of the personal (including, without limitation, financial) information of persons, collected in the ordinary course and scope of conducting the City’s business as a local government agency. These measures are generally observed by federal, state and local authorities and reflected in federal and California laws, the City’s rules and regulations, and industry best practices, including, without limitation, the provisions of California Civil Code §§ 1798.3(a), 1798.24, 1798.79.8(b), 1798.80(e), 1798.81.5, 1798.82(e), 1798.83(e)(7), and 1798.92(c). Though some of these provisions do not apply to local government agencies like the City, the City will conduct business in a manner which promotes the privacy of personal information, as reflected in federal and California laws. The objective of this Policy is to describe the City’s data security goals and objectives, to ensure the ongoing protection of the Personal Information, Personally Identifiable Information, Protected Critical Infrastructure Information, and Personally Identifying Information of persons doing business with the City and receiving services from the City or a third party under contract to the City to provide services. The terms “Personal Information,” “Protected Critical Infrastructure Information”, “Personally Identifiable Information” and “Personally Identifying Information” (collectively, the “Information”) are defined in the California Civil Code sections, referred to above, and are incorporated in this Policy by reference.

A) INTENT

The City, acting in its governmental and proprietary capacities, collects the Information pertaining to persons who do business with or receive services from the City. The Information is collected by a variety of means, including, without limitation, from persons applying to receive services provided by the City, persons accessing the City’s website, and persons who access other information portals maintained by the City’s staff and/or authorized third-party contractors. The City is committed to protecting the privacy and security of the Information collected by the City. The City acknowledges federal and California laws, policies, rules, regulations and procedures, and industry best practices are dedicated to ensuring the Information is collected, stored and utilized in compliance with applicable laws.

The goals and objectives of the Policy are: (a) a safe, productive, and inoffensive work environment for all users having access to the City’s applications and databases; (b) the appropriate maintenance and security of database information assets owned by, or entrusted to, the City; (c) the controlled access and security of the Information provided to the City’s staff and third party contractors; and (d) faithful compliance with legal and regulatory requirements.

B) SCOPE

The Policy will guide the City’s staff and, indirectly, third party contractors, which are by contract required to protect the confidentiality and privacy of the Information of the persons whose personal information data are intended to be covered by the Policy and which will be advised by City staff to conform their performances to the Policy should they enjoy conditional access to that information.

C) CONSEQUENCES

The City’s employees shall comply with the Policy in the execution of their official duties to the extent their work implicates access to the Information referred to in this Policy. A failure to comply may result in
employment and/or legal consequences.

D) EXCEPTIONS

In the event that a City employee cannot fully comply with one or more element(s) described in this Policy, the employee may request an exception from the application of the Policy. The request form will be developed, reviewed and administered by the City's Information Security Manager (the "ISM"). The employee, with the approval of his or her supervisor, will provide any additional information as may be requested by the ISM. The ISM will conduct a risk assessment of the requested exception in accordance with guidelines approved by the City's Chief Information Officer ("CIO") and approved as to form by the City Attorney. The Policy's guidelines will include at a minimum: purpose, source, collection, storage, access, retention, usage, and protection of the Information identified in the request. The ISM will consult with the CIO to approve or deny the exception request. After due consideration is given to the request, the exception request disposition will be communicated, in writing, to the City employee and his or her supervisor. The approval of any request may be subject to countermeasures established by the CIO, acting by the ISM.

E) MUNICIPAL ORDINANCE

This Policy will supersede any City policy, rule, regulation or procedure regarding information privacy.

2. RESPONSIBILITIES OF CITY STAFF

A) RESPONSIBILITY OF CIO AND ISM

The CIO, acting by the ISM, will establish an information security management framework to initiate and coordinate the implementation of information security measures by the City's government.

The City’s employees, in particular, software application users and database users, and, indirectly, third party contractors under contract to the City to provide services, shall by guided by this Policy in the performance of their job responsibilities.

The ISM will be responsible for: (a) developing and updating the Policy, (b) enforcing compliance with and the effectiveness of the Policy; (c) the development of privacy standards that will manifest the Policy in detailed, auditable technical requirements, which will be designed and maintained by the persons responsible for the City’s IT environments; (d) assisting the City’s staff in evaluating security and privacy incidents that arise in regard to potential violations of the Policy; (e) reviewing and approving department-specific policies and procedures which fall under the purview of this Policy; and (f) reviewing Non-Disclosure Agreements (NDAs) signed by third party contractors, which will provide services, including, without limitation, local or ‘cloud-based’ software services to the City.

B) RESPONSIBILITY OF INFORMATION SECURITY STEERING COMMITTEE

The Information Security Steering Committee (the "ISSC"), which is comprised of the City’s employees, drawn from the various City departments, will provide the primary direction, prioritization and approval for all information security efforts, including key information security and privacy risks, programs, initiatives and activities. The ISSC will provide input to the information security and privacy strategic planning processes to ensure that information security risks are adequately considered, assessed and addressed at the appropriate City department level.
C) RESPONSIBILITY OF USERS

All authorized users of the Information will be responsible for complying with information privacy processes and technologies within the scope of responsibility of each user.

D) RESPONSIBILITY OF INFORMATION TECHNOLOGY (IT) MANAGERS

The City’s IT Managers, who are responsible for internal, external, direct and indirect connections to the City’s networks, will be responsible for configuring, maintaining and securing the City’s IT networks in compliance with the City’s information security and privacy policies. They are also responsible for timely internal reporting of events that may have compromised network, system or data security.

E) RESPONSIBILITY OF AUTHORIZATION COORDINATION

The ISM will ensure that the City’s employees secure the execution of Non-Disclosure Agreements (NDA), whenever access to the Information will be granted to third party contractors, in conjunction with the Software as a Service (SaaS) Security and Privacy Terms and Conditions. An NDA must be executed prior to the sharing of the Information of persons covered by this Policy with third party contractors. The City’s approach to managing information security and its implementation (i.e. objectives, policies, processes, and procedures for information security) will be reviewed independently by the ISM at planned intervals, or whenever significant changes to security implementation have occurred.

The CIO, acting by the ISM, will review and recommend changes to the Policy annually, or as appropriate, commencing from the date of its adoption.

3. PRIVACY POLICY

A) OVERVIEW

The Policy applies to activities that involve the use of the City’s information assets, namely, the Information of persons doing business with the City or receiving services from the City, which are owned by, or entrusted to, the City and will be made available to the City’s employees and third party contractors under contract to the City to provide Software as a Service consulting services. These activities include, without limitation, accessing the Internet, using e-mail, accessing the City’s intranet or other networks, systems, or devices.

The term “information assets” also includes the personal information of the City’s employees and any other related organizations while those assets are under the City’s control. Security measures will be designed, implemented, and maintained to ensure that only authorized persons will enjoy access to the information assets. The City’s staff will act to protect its information assets from theft, damage, loss, compromise, and inappropriate disclosure or alteration. The City will plan, design, implement and maintain information management systems, networks and processes in order to assure the appropriate confidentiality, integrity, and availability of its information assets to the City’s employees and authorized third parties.

B) PERSONAL INFORMATION AND CHOICE

Except as permitted or provided by applicable laws, the City will not share the Information of any person doing business with the City, or receiving services from the City, in violation of this Policy, unless that person has consented to the City’s sharing of such information during the conduct of the City’s business as a local government agency with third parties under contract to the City to provide services.
C) METHODS OF COLLECTION OF PERSONAL INFORMATION

The City may gather the Information from a variety of sources and resources, provided that the collection of such information is both necessary and appropriate in order for the City to conduct business as a local government agency in its governmental and proprietary capacities. That information may be gathered at service windows and contact centers as well as at web sites, by mobile applications, and with other technologies, wherever the City may interact with persons who need to share such formation in order to secure the City’s services.

The City’s staff will inform the persons whose Information are covered by this Policy that the City’s web site may use “cookies” to customize the browsing experience with the City of Palo Alto web site. The City will note that a cookie contains unique information that a web site can use to track, among others, the Internet Protocol address of the computer used to access the City’s web sites, the identification of the browser software and operating systems used, the date and time a user accessed the site, and the Internet address of the website from which the user linked to the City’s web sites. Cookies created on the user’s computer by using the City’s web site do not contain the Information, and thus do not compromise the user’s privacy or security. Users can refuse the cookies or delete the cookie files from their computers by using any of the widely available methods. If the user chooses not to accept a cookie on his or her computer, it will not prevent or prohibit the user from gaining access to or using the City’s sites.

D) UTILITIES SERVICE

In the provision of utility services to persons located within Palo Alto, the City of Palo Alto Utilities Department (“CPAU”) will collect the Information in order to initiate and manage utility services to customers. To the extent the management of that information is not specifically addressed in the Utilities Rules and Regulations or other ordinances, rules, regulations or procedures, this Policy will apply; provided, however, any such Rules and Regulations must conform to this Policy, unless otherwise directed or approved by the Council. This includes the sharing of CPAU-collected Information with other City departments except as may be required by law.

Businesses and residents with standard utility meters and/or having non-metered monthly services will have secure access through a CPAU website to their Information, including, without limitation, their monthly utility usage and billing data. In addition to their regular monthly utilities billing, businesses and residents with non-standard or experimental electric, water or natural gas meters may have their usage and/or billing data provided to them through non-City electronic portals at different intervals than with the standard monthly billing.

Businesses and residents with such non-standard or experimental metering will have their Information covered by the same privacy protections and personal information exchange rules applicable to Information under applicable federal and California laws.

E) PUBLIC DISCLOSURE

The Information that is collected by the City in the ordinary course and scope of conducting its business could be incorporated in a public record that may be subject to inspection and copying by the public, unless such information is exempt from disclosure to the public by California law.

F) ACCESS TO PERSONAL INFORMATION

The City will take reasonable steps to verify a person’s identity before the City will grant anyone online access to that person’s Information. Each City department that collects Information will afford access to affected persons who can review and update that information at reasonable times.
G) SECURITY, CONFIDENTIALITY AND NON-DISCLOSURE

Except as otherwise provided by applicable law or this Policy, the City will treat the Information of persons covered by this Policy as confidential and will not disclose it, or permit it to be disclosed, to third parties without the express written consent of the person affected. The City will develop and maintain reasonable controls that are designed to protect the confidentiality and security of the Information of persons covered by this Policy.

The City may authorize the City’s employee and or third party contractors to access and/or use the Information of persons who do business with the City or receive services from the City. In those instances, the City will require the City’s employee and/or the third party contractors to agree to use such Information only in furtherance of City-related business and in accordance with the Policy.

If the City becomes aware of a breach, or has reasonable grounds to believe that a security breach has occurred, with respect to the Information of a person, the City will notify the affected person of such breach in accordance with applicable laws. The notice of breach will include the date(s) or estimated date(s) of the known or suspected breach, the nature of the Information that is the subject of the breach, and the proposed action to be taken or the responsive action taken by the City.

H) DATA RETENTION / INFORMATION RETENTION

The City will store and secure all Information for a period of time as may be required by law, or if no period is established by law, for seven (7) years, and thereafter such information will be scheduled for destruction.

I) SOFTWARE AS A SERVICE (SaaS) OVERSIGHT

The City may engage third party contractors and vendors to provide software application and database services, commonly known as Software-as-a-Service (SaaS).

In order to assure the privacy and security of the Information of those who do business with the City and those who received services from the City, as a condition of selling goods and/or services to the City, the SaaS services provider and its subcontractors, if any, including any IT infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, while it performs such services and/or furnishes goods to the City, to the extent any scope of work or services implicates the confidentiality and privacy of the Information.

These requirements include information security directives pertaining to: (a) the IT infrastructure, by which the services are provided to the City, including connection to the City’s IT systems; (b) the SaaS services provider’s operations and maintenance processes needed to support the IT environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. The term “IT infrastructure” refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

Prior to entering into an agreement to provide services to the City, the City’s staff will require the SaaS services provider to complete and submit an Information Security and Privacy Questionnaire. In the event that the SaaS services provider reasonably determines that it cannot fulfill the information security requirements during the course of providing services, the City will require the SaaS services provider to promptly inform the ISM.

J) FAIR AND ACCURATE CREDIT TRANSACTION ACT OF 2003

CPAU will require utility customers to provide their Information in order for the City to initiate and manage utility services to them.
Federal regulations, implementing the Fair and Accurate Credit Transactions Act of 2003 (Public Law 108-159), including the Red Flag Rules, require that CPAU, as a “covered financial institution or creditor” which provides services in advance of payment and which can affect consumer credit, develop and implement procedures for an identity theft program for new and existing accounts to detect, prevent, respond and mitigate potential identity theft of its customers’ Information.

CPAU procedures for potential identity theft will be reviewed independently by the ISM annually or whenever significant changes to security implementation have occurred. The ISM will recommend changes to CPAU identity theft procedures, or as appropriate, so as to conform to this Policy.

There are California laws which are applicable to identity theft; they are set forth in California Civil Code § 1798.92.

4. **Contacts**

Information Security Manager: Patel, Raj <Raj.Patel@CityofPaloAlto.org>
Chief Information Officer: Reichental, Jonathan <Jonathan.Reichental@CityofPaloAlto.org>
Utilities Department: Auzenne, Tom <Tom.Auzenne@CityofPaloAlto.org>
City Attorney’s Office: Kolling, Grant <Grant.Kolling@CityofPaloAlto.org>
EXHIBIT ___

SOFTWARE AS A SERVICE SECURITY AND PRIVACY TERMS AND CONDITIONS

This Exhibit shall be made a part of the City of Palo Alto’s Professional Services Agreement or any other contract entered into by and between the City of Palo Alto (the “City”) and ______________________ (the “Consultant”) for the provision of Software as a Service to the City (the “Agreement”).

In order to assure the privacy and security of the personal information of the City’s customers and people who do business with the City, including, without limitation, vendors, utility customers, library patrons and other individuals and businesses, who are required to share such information with the City, as a condition of receiving services from the City or selling goods and services to the City, including, without limitation, the Software as a Service services provider (the “Consultant”) and its subcontractors, if any, including, without limitation, any Information Technology (“IT”) infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, described below, while it renders and performs the Services and furnishes goods, if any, described in the Statement of Work, Exhibit B, to the extent any scope of work implicates the confidentiality and privacy of the personal information of the City’s customers. The Consultant shall fulfill the data and information security requirements (the “Requirements”) set forth in Part A below.

A “secure IT environment” includes: (a) the IT infrastructure, by which the Services are provided to the City, including connection to the City’s IT systems; (b) the Consultant’s operations and maintenance processes needed to support the environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. “IT infrastructure“ refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

In the event that, after the Effective Date, the Consultant reasonably determines that it cannot fulfill the Requirements, the Consultant shall promptly inform the City of its determination and submit, in writing, one or more alternate countermeasure options to the Requirements (the “Alternate Requirements” as set forth in Part B), which may be accepted or rejected in the reasonable satisfaction of the Information Security Manager (the “ISM”).

Part A. Requirements:

The Consultant shall at all times during the term of any contract between the City and the Consultant:

(a) Appoint or designate an employee, preferably an executive officer, as the security liaison to
the City with respect to the Services to be performed under this Agreement.
(b) Provide a full and complete response to the City’s Supplier Security and Privacy Assessment Questionnaire (the “Questionnaire”) to the ISM, and also report any major non-conformance to the Requirements, as and when requested. The response shall include a detailed implementation plan of required countermeasures, which the City requires the Consultant to adopt as countermeasures in the performance of the Services. In addition, as of the annual anniversary date of this Agreement the Consultant shall report to the City, in writing, any major changes to the IT infrastructure.
(c) Have adopted and implemented information security and privacy policies that are documented, are accessible to the City and conform to ISO 27001/2 – Information Security Management Systems (ISMS) Standards. See the following:
(d) Conduct routine data and information security compliance training of its personnel that is appropriate to their role.
(e) Develop and maintain detailed documentation of the IT infrastructure, including software versions and patch levels.
(f) Develop an independently verifiable process, consistent with industry standards, for performing professional and criminal background checks of its employees that (1) would permit verification of employees’ personal identity and employment status, and (2) would enable the immediate denial of access to the City's confidential data and information by any of its employees who no longer would require access to that information or who are terminated.
(g) Provide a list of IT infrastructure components in order to verify whether the Consultant has met or has failed to meet any objective terms and conditions.
(h) Implement access accountability (identification and authentication) architecture and support role-base access control (“RBAC”) and segregation of duties (“SoD”) mechanisms for all personnel, systems and software used to provide the Services. “RBAC” refers to a computer systems security approach to restricting access only to authorized users. “SoD” is an approach that would require more than one individual to complete a security task in order to promote the detection and prevention of fraud and errors.
(i) Assist the City in undertaking annually an assessment to assure that: (1) all elements of the Services’ environment design and deployment are known to the City, and (2) it has implemented measures in accordance with industry best practices applicable to secure coding and secure IT architecture.
(j) Provide and maintain secure intersystem communication paths that would ensure the confidentiality, integrity and availability of the City’s information.
(k) Deploy and maintain IT system upgrades, patches and configurations conforming to current patch and/or release levels by not later than one (1) week after its date of release. Emergency security patches must be installed within 24 hours after its date of release.
(l) Provide for the timely detection of, response to, and the reporting of security incidents, including on-going incident monitoring with logging.
(m) Notify the City within one (1) hour of detecting a security incident that results in the unauthorized access to or the misuse of the City's confidential data and information.
(n) Inform the City that any third party service provider(s) meet(s) all of the Requirements.
(o) Perform security self-audits on a regular basis and not less frequently than on a quarterly basis, and provide the required summary reports of those self-audits to the ISM on the annual anniversary date or any other date agreed to by the Parties.
(p) Accommodate, as practicable, and upon reasonable prior notice by the City, the City’s performance of random site security audits at the Consultant’s site(s), including the site(s) of a third party service provider(s), as applicable. The scope of these audits will extend to the Consultant’s and its third party service provider(s)’ awareness of security policies and practices, systems configurations, access authentication and authorization, and incident detection and response.
(q) Cooperate with the City to ensure that to the extent required by applicable laws, rules and regulations, the Confidential Information will be accessible only by the Consultant and any authorized third party service provider’s personnel.
(r) Perform regular, reliable secured backups of all data needed to maximize availability of the Services.
(s) Maintain records relating to the Services for a period of three (3) years after the expiration or earlier termination of this Agreement and in a mutually agreeable storage medium. Within thirty (30) days after the effective date of expiration or earlier termination of this Agreement, all of those records relating to the performance of the Services shall be provided to the ISM.
(t) Maintain the Confidential Information in accordance with applicable federal, state and local data and information privacy laws, rules and regulations.
(u) Encrypt the Confidential Information before delivering the same by electronic mail to the City and or any authorized recipient.
(v) Unless otherwise addressed in the Agreement, shall not hold the City liable for any direct, indirect or punitive damages whatsoever including, without limitation, damages for loss of use, data or profits, arising out of or in any way connected with the City’s IT environment, including, without limitation, IT infrastructure communications.

Part B. Alternate Requirements:
Vendor Information Security Assessment (VISA) Questionnaire

Purpose: This Vendor Information Security Assessment (VISA) Questionnaire requests information concerning a Cloud Service Provider (the Vendor), which intends to provide to the City of Palo Alto (the City) any or all of the following services: Software as a Service (SaaS); Platform as a Service (PaaS); and Infrastructure as a Service (IaaS).

Note/Instructions:
- SaaS, PaaS and IaaS are each a ‘cloud’ servicing model, in which software and database applications, computer network infrastructure and/or computer hardware/software platforms is/are hosted by the Vendor and made available to customers interconnected in a network, typically the Internet.
- This Questionnaire is for the sole use of the intended Vendor and may contain confidential information of individuals and businesses collected, stored, and used the City. Any unauthorized collection, storage, use, review or distribution may be prohibited by California and/or Federal laws. If you are not the intended recipient of this Questionnaire, please contact the sender by e-mail and destroy all copies of the Questionnaire.
- The Vendor shall provide answers to the questions or information to the requests provided below.
- In the event that the Vendor determines that it cannot meet the City’s security and or privacy requirements, the Vendor may submit a request for an exception to the City’s requirements and propose alternative countermeasures to address the risks addressed in this Questionnaire. The City’s Information Security Manager (ISM) may approve or reject the exception request, depending on the risks associated with the exception request.
- Security Exception Request shall be submitted if you cannot comply with this policy/requirements.
- Upon receipt of the Vendor’s response, the ISM will conduct a security risk assessment, using the following scoring methodology:
  A = Meets completely.
  B = Partially meets. The Vendor may be required to provide additional requested information.
  C = Doesn’t meet. The Vendor may be required to provide missing/additional detail.

Vendor Information:

<table>
<thead>
<tr>
<th>Vendor Organization Name</th>
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<tbody>
<tr>
<td>Address</td>
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<tr>
<td>Information Security Contact Person Name</td>
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<tr>
<td>Email</td>
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<tr>
<td>Phone</td>
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<tr>
<td>Date this Questionnaire Completed</td>
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City of Palo Alto
Information Security
Document Version: v2.3
Form: InfoSec 100
### 1.0 BUSINESS PROCESS AND DATA EXCHANGE REQUIREMENTS

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<tr>
<th>#</th>
<th>Question</th>
<th>Response from the Vendor</th>
<th>Score</th>
<th>Additional Information/Clarification Required from the Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Please provide a detailed description of the Vendor’s business process that will be offered to the City, as this relates to the proposed requirements of the City’s RFP or other business requirements</td>
<td></td>
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<tr>
<td>1.2</td>
<td>Has the Vendor adopted and implemented information security and privacy policies that are documented and conform to ISO 27001/2 – Information Security Management Systems (ISMS) Standards or NIST 800-53 (National Institute of Standards – NIST Special Publication (SP) 800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations)</td>
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<tr>
<td>1.3</td>
<td>What data exchange will occur between the City and the Vendor? What data will be stored at the Vendor’s or other third party’s data storage location? (Provide data attributes with examples of the data to be stored)</td>
<td></td>
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</table>
Example: Payment Card Information, Social Security Number, Driving License number Patrons Name, Address, Telephone etc.), which are examples of personal information, the privacy of which are protected by California constitutional and statutory law.

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<tr>
<th>Example: Payment Card Information, Social Security Number, Driving License number Patrons Name, Address, Telephone etc.), which are examples of personal information, the privacy of which are protected by California constitutional and statutory law.</th>
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</thead>
</table>

1.4 In the event that the Vendor is required to store Private Information (PI), Personally Identifiable Information (PII), and Sensitive Information (SI) about individuals/organizations with the service provider’s business systems, how does the Vendor maintain the confidentiality of the information in accordance with applicable federal, state and local data and information privacy laws, rules and regulations? [(The City of Palo Alto (the “City”) strives to promote and sustain a superior quality of life for persons in Palo Alto. In promoting the quality of life of these persons, it is the policy of the City, consistent with the provisions of the California Public Records Act, California Government Code §§ 6250 – 6270, to take appropriate measures to safeguard the security and privacy of the personal (including, without limitation, financial) information of persons, collected in the ordinary course and scope of conducting the City’s business as a local government agency. These]
measures are generally observed by federal, state and local authorities and reflected in federal and California laws, the City’s rules and regulations, and industry best practices, including, without limitation, the provisions of California Civil Code §§ 1798.3(a), 1798.24, 1798.79.8(b), 1798.80(e), 1798.81.5, 1798.82(e), 1798.83(e)(7), and 1798.92(c)).

<table>
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<tr>
<th>1.5</th>
<th>What mechanism and/or what types of tool(s) will be used to exchange data between the City and The Vendor? <em>Example: (VPN, Data Link, Frame Relay, HTTP, HTTPS, FTP, FTPS, etc.)</em></th>
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<tr>
<td>1.6</td>
<td>What types of data storage (work in progress storage and backup storage) are present or will be required at the Vendor’s site? <em>Example: (PCI Credit Card Info, SSN, DLN, Patrons Name, Address, telephone etc.)</em></td>
</tr>
<tr>
<td>1.7</td>
<td>Is e-mail integration required between the City and the Vendor? <em>Example: The provision of services may require the City to provide the Vendor with an e-mail account on the City’s e-mail server.</em></td>
</tr>
<tr>
<td>1.8</td>
<td>Has the Vendor ever been subjected to either an electronic or physical security breach? Please describe the event(s) and the steps</td>
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</table>
taken to mitigate the breach(es). What damages or exposure resulted? Are records of breaches and issues maintained and will these records be available for inspection by the City?

<table>
<thead>
<tr>
<th>Question</th>
<th>Response from The Vendor</th>
<th>Score</th>
<th>Additional Information/Clarification Required from The Vendor</th>
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<tbody>
<tr>
<td>1.9</td>
<td>Does the Vendor maintain formal security policies and procedures to comply with applicable statutory or industry practice requirements/standards? Are records maintained to demonstrate compliance or certification? Does the Vendor allow client audit of these records? Note: Please submit supporting documentation.</td>
<td></td>
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<tr>
<td>2.0</td>
<td>What are the internet and the browser security configurations for the cloud application? What security standards and requirements does the Vendor maintain to ensure application security at the user interface? (A set of detailed documentation should be provided to support the compliance).</td>
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2.0 APPLICATION/SOLUTION CONFIGURATION
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<tr>
<th>2.1</th>
<th>What is the name of the application(s) that the Vendor will be hosting in order to provide services to the City? (List all)</th>
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<tbody>
<tr>
<td>2.2</td>
<td>What functionality will be provided to the City’s employees or the City’s customers or other recipient of City services through the application?</td>
</tr>
<tr>
<td>2.3</td>
<td>Will the Vendor use a subcontractor and/or a third party service provider? (List all). If yes, then what data privacy and information security agreements are in place between the Vendor and any subcontractor/third party to ensure appropriate and accountable treatment of information? Note the City requires that the Vendor and each subcontractor and/or third party formally acknowledge that will comply with the City’s Information Privacy Policy and SaaS Security and Privacy Terms and Conditions.</td>
</tr>
<tr>
<td>2.4</td>
<td>What is the Vendor's application(s) hosting hardware and software platform? Provide a detailed description, including security patches or security applications in use. Example: Windows or Unix Operating System (OS) and other detail.</td>
</tr>
</tbody>
</table>
### 2.5 How does the Vendor’s application and database architecture to manage or promote segregation of the City's data (related to its function as a local government agency) from the data of individuals providing services to or receiving services from the City?

### 2.6 Describe the Vendor’s server and network infrastructure. Please provide server and network infrastructure deployment topology, including data flow architecture, including but not limited to security management applications, firewalls, etc.

### 2.7 Please provide a detail proposed solution that will be developed as a part of the Vendor’s implementation to support this project. (For example detailed solution architecture, secured data flow to support business processes, etc.).

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<th>3.0 DATA PROTECTION</th>
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VISA Questionnaire
Version 2.0
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<th>Question</th>
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<tr>
<td>3.1</td>
<td>What will be the medium of data exchange between the City and Vendor?</td>
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<tr>
<td>3.2</td>
<td>How will the data be kept secure during the data exchange process? Example: (VPN, Data Link, Frame Relay, HTTP, HTTPS, FTP, FTPS, etc.)</td>
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<tr>
<td>3.3</td>
<td>How will the City’s data be kept physically and logically secure at the Vendor’s preferred storage location? Example: Locked storage, Digitally, Encrypted etc.</td>
</tr>
<tr>
<td>3.4</td>
<td>What application level protections are in place to prevent the Vendor’s or a subcontractor/third party’s staff member from viewing unauthorized confidential information? For example, encryption, masking, etc.</td>
</tr>
<tr>
<td>3.5</td>
<td>What controls does the Vendor exercise over the qualification and performance of its team? Of their subcontractor/third party’s team(s)? (For example, criminal background verification prior to employment, providing security training after employment and managing Role Based Access Control (RBAC) during employment and network and application access termination upon employment termination.</td>
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</table>
### 4.0 DATA BACK-UP

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<th>#</th>
<th>Question</th>
<th>Response</th>
<th>Score</th>
<th>COPA’s Security Assessment</th>
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<tbody>
<tr>
<td>4.1</td>
<td>What are the Vendor’s method(s) used to keep data secured during the data backup process?</td>
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<tr>
<td>4.2</td>
<td>Is the Vendor’s encryption technology used to encrypt whole or selective data?</td>
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<td>4.3</td>
<td>What types of storage media will the Vendor use for data backup purposes? For example, Tape, Hard Disk Drive or any other devices.</td>
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<td>4.4</td>
<td>Are the Vendor’s backup storage devices encrypted? If ‘yes,’ please provide encryption specification, with type of encryption algorithm and detail process of encryption handling. If ‘no,’ provide a detailed description (with processes, tools and technology) to keep data secured during the back-up process.</td>
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### 5.0 DATA RETENTION
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<th>#</th>
<th>Question</th>
<th>Response from the Vendor</th>
<th>Score</th>
<th>Additional Information/Clarification Required from the Vendor</th>
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<tbody>
<tr>
<td>5.1</td>
<td>What is the Vendor's standard data retention period of the backed up data? The data retention process shall comply with the City's data 7 (seven) years data retention policy. Note: In the event that the Vendor cannot comply with this requirement then the City's Project Manager shall approval from the City's data retention schedule/policy owner.</td>
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<td>5.2</td>
<td>Are the data backup storage media at the Vendor's location or other third party location?</td>
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<td>5.3</td>
<td>If the Vendor's backup storage devices are stored with another company, please provide:</td>
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<tr>
<td></td>
<td>a. Company Name:</td>
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<td></td>
<td>b. Address:</td>
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<td>c. Contact person detail (Phone and Email):</td>
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<td>d. What contractual commitments are in place to</td>
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<td>#</td>
<td>Question</td>
<td>Response from the Vendor</td>
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<td>Additional Information/Clarification Required from the Vendor</td>
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<tr>
<td>6.1</td>
<td>What is the account provisioning/removal process? Example: how are users accounts created and</td>
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<td></td>
</tr>
</tbody>
</table>
6.2 What is the account deprovisioning/removal process? Example: how are users accounts created and managed?)

6.3 How will the City’s employees gain access to required application(s)?

6.4 Does the application(s) have the capability to restrict access only from the City’s WAN (Wide Area Network)?

### 7.0 PASSWORD MANAGEMENT

<table>
<thead>
<tr>
<th>#</th>
<th>Question</th>
<th>Response from the Vendor</th>
<th>Score</th>
<th>Additional Information/Clarification Required from the Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>What will be the policy and/or procedures for the logging, authentication, authorization and password management scheme? (Please provide a soft copy of the process)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 7.2 Where will the login and password credentials be stored?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where will the login and password credentials be stored?</td>
<td></td>
</tr>
</tbody>
</table>

### 7.3 Are the password credentials stored with encryption? If 'yes,' please provide encryption scheme detail.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the password credentials stored with encryption? If 'yes,' please provide encryption scheme detail.</td>
<td></td>
</tr>
</tbody>
</table>

### 7.4 The Vendor’s application must comply with the following password requirements. Does the Vendor’s application meet these requirements?

1. First time password must be unique to an individual and require the user to change it upon initial login.
2. If the password is sent via plain text email to the City employee to mitigate security exposure.
3. The City requires first time password to have a time-out capability of no more than 7 days.
4. The e-mail notification must not be copied to anyone except the user.
5. The permanent/long term password must
6. E-mail notification must be sent to the user whenever the password has been updated.

7. User should not be able to view data or conduct business unless an initial password has been updated with a different password.

8. The Vendor shall inform the City’s users that, when a new password is created, the user shall not use the City’s LDAP (Lightweight Directory Access Control Protocol) password.

9. The password must have 8 or more alphanumeric (/) characters and it must contain at least one character from each of the bullets noted below (i.e. Each line shall contribute at least one character):
   • abcdefghijklmnopqrstuvwxyz
vwxyz
  • ABCDEFGHIJKLMNOPQRSTUVWXYZ
  • 0123456789
  • !@#$%^&*()-+=\"\<\>\?::{[}]
ATTACHMENT H
OBLIGATIONS REGARDING NON-DISCLOSURE
OF CONFIDENTIAL INFORMATION

1. PURPOSE

1.1 In its performance of Services under this Agreement, CONSULTANT and its
directors, officers, partners, managers, members, employees, advisors, agents,
sub-contractors and other representatives of CONSULTANT and their
subsidiaries and affiliates, including, without limitation, attorneys, accountants,
consultants, and financial advisors (collectively, the “Representatives”) may
acquire and otherwise gain access to Confidential Information, as defined in
Section 1 of this Exhibit “E”, which is exempt from public disclosure under the

1.2 In accordance with the terms and conditions of this Agreement, CONSULTANT
agrees to take reasonable precautions to ensure that Confidential Information of
CITY, as defined in this Exhibit, is safeguarded against disclosure to unauthorized
employees or third parties.

1.3 CITY would not share or disclose any Confidential Information to
CONSULTANT but for the legal protections against unauthorized disclosures
intended to be afforded by California law and this Agreement, and is relying on
this Agreement in disclosing such Confidential Information to CONSULTANT.

2. CONFIDENTIAL INFORMATION, DEFINED

2.1 “Confidential Information” means any and all information which is of a non-
public, proprietary or confidential nature, in any form or medium, written or oral,
(whether prepared by the CITY, its employees, or agents, and irrespective of the
form or means of communication and whether it is labeled or otherwise identified
as confidential) that is furnished to CONSULTANT by the CITY.

2.2 Exceptions. “Confidential Information” shall exclude (and the CONSULTANT
shall not be under any obligation to maintain in confidence) any information (or
any portion thereof) disclosed to CONSULTANT by CITY to the extent that such
information:

(a) is in the public domain at the time of disclosure; or

(b) at the time of or following disclosure, becomes generally known or
available through no act or omission on the part of CITY; or

(c) is known, or becomes known, to CONSULTANT from a source other than
CITY or its Representatives (as defined herein), provided that disclosure
by such source is not in breach of a confidentiality agreement CITY; or

(d) is independently developed by CONSULTANT without violating any of its obligations under this Agreement or any other agreement between the Parties; or

(e) is legally required to be disclosed by judicial or other governmental action; provided, however, that prompt notice of such judicial or other governmental action shall have been first given to CITY, which shall be afforded the opportunity to exhaust all reasonable legal remedies to maintain the Confidential Information in confidence; or

(f) is permitted to be disclosed by a formal written agreement executed by and between the Parties.

Specific information shall not fall within the exceptions of Sections (a) through (f) above merely because it is embraced by more general information falling within such exceptions.

3. CALIFORNIA PUBLIC RECORDS ACT

3.1 CONSULTANT acknowledges that CITY is a public agency subject to the requirements of the California Constitution, Article 1, Section 3 and California Public Records Act Cal. Gov. Code section 6250 et seq. CONSULTANT acknowledges that CITY may submit to or otherwise provide access to CONSULTANT Confidential Information that CITY or any utility customer of CITY considers to be protected from disclosure pursuant to exemptions granted by applicable California law.

3.2 Whether or not there is a request or demand of any third party not a Party to this Agreement (the “Requestor”) for the production, inspection and/or copying of information designated by CITY as Confidential Information, CONSULTANT shall be solely responsible for taking whatever legal steps CITY deems necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor (including the release of such information by CONSULTANT).

3.3 Under no circumstances will CONSULTANT be permitted to comply with the Requestor’s demand for disclosure of such Confidential Information that CITY deems confidential and not intended for disclosure to the general public, or otherwise publicly disclose the Confidential Information to any person not authorized by law to receive such information.

4. CONFIDENTIAL INFORMATION DESIGNATION
4.1 As practicable, the Confidential Information shall be marked with the words “Confidential” or “Confidential Material” or with words of similar import. CITY shall instruct CONSULTANT that information of a financial, personal, or proprietary nature being conveyed orally and intended by CITY to be covered by the terms of this Agreement, is deemed Confidential Information. To the extent possible, CITY shall endeavor to mark any electronic document intended to be covered by the terms of this Agreement with the words “Confidential” or similar words, or, if that is not possible or would be exceedingly difficult, CITY shall notify CONSULTANT (for example, by covering e-mail transmitting the electronic document) that the electronic document is Confidential Information.

4.2 CITY’s failure, for whatever reason, to mark any material at the time it is produced to CONSULTANT, or to notify it that oral or electronic material is Confidential Information at the time it is provided, shall not take the material out of the coverage of this Agreement for all time, and CONSULTANT shall treat the material as Confidential Information once CITY has notified it that the material is to be covered by this Agreement.

5. DUTY TO KEEP CONFIDENTIAL

5.1 CONSULTANT agrees to maintain as confidential, to the extent permitted or required by applicable law, all Confidential Information furnished or otherwise made available to the CONSULTANT, or its Representatives by CITY. CONSULTANT acknowledges that the Confidential Information is proprietary and a valuable asset of CITY and agrees that CONSULTANT shall take reasonable precautions to ensure that such Confidential Information is safeguarded against disclosure to unauthorized employees, Representatives or third parties.

(a) CONSULTANT shall use the Confidential Information solely as permitted by the Contract and shall not sell Confidential Information or otherwise disclose such Confidential Information under any circumstances and without the prior written consent of CITY. CONSULTANT shall not disclose the Confidential Information, or portions thereof, to any of its Representatives, except to those who need to know such information for the purpose of advising CITY and who agree to the terms of this Agreement.

(b) CONSULTANT agrees that any of the Representatives to whom the Confidential Information is disclosed will be informed of the confidential or proprietary nature of such information and of CONSULTANT’s obligations under this Agreement. CONSULTANT is responsible for any use of Confidential Information by any of its Representatives.

(c) CONSULTANT shall ensure that:
(i) any Representatives with whom CONSULTANT shares such Confidential Information or who acquire knowledge of such Confidential Information from or through CONSULTANT regard and treat such Confidential Information of CITY as strictly confidential and wholly owned by CITY, and

(ii) CONSULTANT shall not (and CONSULTANT shall ensure that any Representatives with whom CONSULTANT shares such Confidential Information or who acquire knowledge of such Confidential Information from or through CONSULTANT do not) for any reason, in any fashion, either directly or indirectly, sell, lend, lease, distribute, license, give, transfer, assign, show, disclose, disseminate, or otherwise communicate any such Confidential Information to any third party, or misappropriate, reproduce, copy or use any such Confidential Information, in either case, for any purpose other than in accordance with this Agreement.

(d) If CONSULTANT or any of its Representatives are requested or required to disclose any Confidential Information by law, regulation, the applicable rules of any national securities exchange or other market or reporting system, oral questions, interrogatories, requests for information or other documents in legal proceedings, subpoena, civil investigative demand or any other similar process, CONSULTANT shall provide CITY with prompt written notice of any such request or requirement so that CITY has an opportunity to seek a protective order via writ of mandate or other appropriate remedy, or waive compliance with the provisions of this Agreement.

(e) If CITY waives compliance with the provisions of this Agreement with respect to a specific request or requirement, CONSULTANT and its Representatives shall disclose only that portion of the Confidential Information that is expressly covered by such waiver and which is necessary to disclose in order to comply with such request or requirement. CONSULTANT and its Representatives shall cooperate in a reasonable manner with CITY in attempting to preserve the confidentiality of the Confidential Information.

(f) If (in the absence of a waiver by CITY) CONSULTANT has not secured a protective order or other appropriate remedy despite attempting to do so, and CONSULTANT or one of its Representatives is nonetheless then legally compelled to disclose any Confidential Information, CONSULTANT or such Representative may, without liability hereunder, disclose only that portion of the Confidential Information that is necessary to be disclosed. In the event that disclosure is made in accordance with this subsection, CONSULTANT shall exercise, and cause its
Representatives to exercise, reasonable efforts to preserve the confidentiality of the Confidential Information, including obtaining reliable assurance at the sole expense of CONSULTANT that confidential treatment shall be accorded any Confidential Information so furnished.

6. **NO LIABILITY, RELEASE, OR OBLIGATION**

Except as set forth in any formal written agreement executed by and between the parties, neither CONSULTANT nor any of its Representatives shall be entitled to rely on any statement, promise, agreement or understanding, whether written or oral, or any custom, usage of trade, course of dealing or conduct. In addition, each Party understands and acknowledges that neither CITY nor any of its representatives, employees or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of any Confidential Information, and that neither CITY nor any of its representatives, employees or agents shall have any liability whatsoever to CONSULTANT or to any of its Representatives relating to or resulting from the Confidential Information or any errors therein or omissions therefrom.

7. **REMEDIES**

In recognition that an irreparable injury may result to CITY, if any provision of this Exhibit E is violated, CONSULTANT agrees that upon any breach or threatened breach of any provision of this Exhibit E by CONSULTANT or any of its Representatives, that CITY shall be entitled to seek an injunction or specific performance prohibiting such conduct or any other relief as may be permitted by law.

8. **RETURN OF CONFIDENTIAL INFORMATION**

8.1 CONSULTANT shall have access to the Confidential Information provided by CITY only during the term of this Agreement, and shall return all Confidential Information provided under this Agreement upon its termination, or at any time upon request of CITY, as described in Section 8.2 of this Exhibit E.

8.2 CITY may at any time request that CONSULTANT promptly return to CITY or destroy any or all documents or other materials containing Confidential Information of CITY, and CONSULTANT shall immediately comply with any such request. Notwithstanding the return or destruction of the Confidential Information as contemplated by this section 8 of this Exhibit E, the CONSULTANT and its Representatives will continue to be bound by the terms of this Agreement with respect thereto, including all obligations of confidentiality.

9. **SURVIVAL**

CONSULTANT’s obligations of confidentiality and non-circumvention under this Exhibit E shall survive the termination of this Agreement.

10. **OWNERSHIP RIGHTS NOT CREATED**
The transfer of Confidential Information hereunder shall not be construed as granting a license of any kind or any right of ownership in the Confidential Information to CONSULTANT.

11. NO OBLIGATION TO DISCLOSE

Nothing in this Section shall obligate CITY to disclose specific Confidential Information to CONSULTANT. Such disclosures shall be at the CITY’s sole discretion.
Appendix A

Potential Business Uses of a Fiber-to-the-Node Network

The potential business uses of a Fiber-to-the-Node Network (FTTN) may include but are not limited to the following:

- Wireless communication connectivity for Public Safety, Public Works, Utilities and other City staff working in the field;
- Implementation of Smart Grid applications (e.g. AMI and smart meters for the City’s electric, gas and water utilities);
- Implementation of Smart City applications (e.g. smart parking, traffic sensors and smart street lighting);
- Integration of the City’s existing 49-mile dark fiber optic backbone network into an expanded network extended to residential neighborhoods and commercial zones currently at a distance from the existing backbone;
- New commercial dark fiber licensing opportunities with an expanded network footprint (e.g. providing fiber backhaul services to wireless carriers currently densifying their networks with small cell antennas, distributed antenna systems and macro-cellular towers);
- Other alternative uses, services and applications that can be supported over a FTTN network, with a focus on the delivery of municipal services and consumer applications requiring access to high-speed broadband connectivity (e.g. telemedicine, telepresence, smart building, autonomous vehicles).