City of Santa Clara

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
@SantaClaraCity

Agenda Report

19-1253   **Agenda Date: 11/19/2019**

REPORT TO CITY COUNCIL

SUBJECT
Action on Amendment No. 1 to the Master Product and Services Agreement with Hexagon Safety & Infrastructure

BACKGROUND
The City of Santa Clara's Public Safety 9-1-1 Dispatch Center relies on a Computer Aided Dispatch (CAD) system to initiate calls for service, dispatch Police and Fire personnel and maintain the status of responding public safety units. The Police Records Unit relies on a Records Management System (RMS) to file police reports, maintain accurate records of law enforcement documents and submit required data to the Department of Justice. Both critical systems were nearing end-of-life, would no longer be supported by their respective vendors, and, soon, would not meet pending State and Federal hardware, software, network and security requirements.

In June 2016, the City Council approved $3 million in funding for the CAD and RMS Upgrade project as part of the 2016/2017 CIP Budget. In October 2017, after an extensive and rigorous procurement process, Hexagon Safety & Infrastructure (Hexagon) was selected to deliver the software, related service and materials, maintenance agreement, customer service and warranty most appropriately meeting the project deliverables identified by the City of Santa Clara for an integrated CAD and RMS solution.

On November 5, 2018, the City of Santa Clara went live with the CAD portion of the project, which included all new Mobile Data Computers with stronger wireless infrastructure in police vehicles. The Police Department has been very pleased with the implementation of the new CAD system. To date, however, the RMS portion of this project has not been implemented.

This RMS issue was brought before Council in closed session on January 15, 2019, at which time Council directed staff to attempt to negotiate with Hexagon the severance of the RMS portion of the Master Agreement, within certain general parameters.

DISCUSSION
Hexagon has been unable to deliver RMS according to the production schedule. In order to satisfy impending state and federal data collection deadlines, the City must find an alternate RMS solution. City staff and Hexagon senior executives have met on several occasions and have mutually agreed to amend the original contract to a CAD only purchase. The terms of the amended Agreement include:

- Releasing each party from all obligations and liabilities pertaining to RMS and Field Based Reporting software
- Conclusion of the extended warranty for remaining CAD related subsystems on November 4,

2019

- Development, implementation and provision of software and services needed by the City for an interface between the remaining subsystems and the new RMS solution procured by the City, at no cost to the City
- Provide at no cost to the City 15 I/Net Viewer licenses for its production environment until such time the City's chosen replacement RMS solution is live and fully accepted by the City
- Hexagon shall be entitled to retain all previous payments in the amount of $1,050,621 for performance related with CAD, Mobile for Public Safety and Mobile Responder software delivered to date
- Relieve the City of paying Hexagon $632,154 for milestones related with RMS
- Remotely access the City's network within ten (10) days following execution of this Amendment to delete such software, documentation and related materials
- Hexagon shall provide the City with a credit in the amount of $273,102 towards Year 1 recurring costs (maintenance expenses related to the CAD system), such that Year 1 maintenance services are provided to the City at no cost

The terms of the proposed Amendment, outlined above, fall within the general parameters of Council direction to staff.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

The City Council approved $3 million in the FY 2016/17 Capital Improvement Program Budget for the CAD/RMS Upgrade project. Through the writing of this report, a balance of $1,393,944 remains in the CAD/RMS CIP project budget. Of this amount, $154,011 is committed to pay for the City's consultant's work on this project. The total amount expended for the new RMS shall not exceed the remaining project balance to fund the one-time costs.

Annual maintenance costs will be included in the Operating Budget subject to the appropriation of funds.

COORDINATION

This report has been coordinated with the Finance Department, City Attorney's Office and Police Department.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the City Manager to execute Amendment Number 1 to the Master Product and Services Agreement with Hexagon Safety & Infrastructure dated October 12, 2017.

Reviewed by: Daniel Winter, Assistant Chief of Police
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment #1 to Master Product and Services Agreement, dated October 12, 2017

This Amendment Number 1 ("Amendment") to Order 1 ("Order 1") and Order 2 ("Order 2" and collectively with Order 1, the "Orders") under that certain Master Agreement (the "Agreement") dated October 12, 2017 by and between Intergraph Corporation doing business as Hexagon Safety & Infrastructure, ("Hexagon") and the City of Santa Clara, California (the "City"), is effective as of the date this Amendment is executed by both parties (the "Effective Date") and modifies the Orders and Agreement as follows:

RECITALS

NOW WHEREAS, Hexagon and the City entered into to the Agreement and the Orders to implement, license, and maintain the following subsystems and their related interfaces: Computer Aided Dispatch ("CAD"), Mobile for Public Safety ("MPS"), Mobile Responder ("MR"), in PURSUIT WebRMS ("WebRMS"), inPURSUIT WebRMS FBR ("FBR")(collectively the "Solution");

WHEREAS, Hexagon and the City have each performed some, but not all, of their respective obligations under Order 1, and Order 2 has not yet commenced;

WHEREAS, the City has informed Hexagon it desires to discontinue the implementation of WebRMS and FBR;

WHEREAS, CAD, MPS, and MR ("Remaining Subsystems") have cutover to live production use and been accepted by the City, and Hexagon acknowledges and agrees that it has been paid in full by City for the work it has done to date on the Remaining Subsystems under Order 1;

WHEREAS, it is the express mutual intent of the Parties through this Amendment to the Agreement and Orders to separate to the fullest extent possible the Parties respective contractual rights and responsibilities pertaining to WebRMS and FBR from the Remaining Subsystems, such that the Parties discontinue implementation of WebRMS and FBR Hexagon acknowledges and agrees to discontinue implementation of WebRMS and FBR in consideration for the mutual promises contained herein;

WHEREAS, the parties desire to modify the Agreement and Orders pursuant to Section 2.3 of the Agreement, reflecting: the removal of the parties' remaining obligations to complete implementation of WebRMS and FBR; the updated project schedule for the removal of WebRMS and FBR from City hardware; and the remaining payment obligations and future maintenance pricing for the Remaining Subsystems; and

WHEREAS, the parties seek to amicably address and resolve all disputes pertaining to WebRMS and FBR.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the foregoing Recitals which are fully incorporated herein, and the mutual promises and agreements set forth below, the receipt and sufficiency of which consideration is hereby acknowledged, Hexagon and the City hereby agree as follows:

1. **WebRMS/FBR Discontinuance.** As part of this Amendment and in accordance with its terms, each party is released from any and all obligations and liabilities pertaining to WebRMS and FBR. Without limiting the foregoing and for purposes of clarity:

   a. Any and all references in the Agreement to inclusion of WebRMS and FBR in its terms shall be deleted;

   b. Any and all dependencies and conditions pertaining to WebRMS and FBR set forth in Order 1 and Exhibits and Attachments thereto are deleted;

   c. Any and all requirements related to delivery or implementation of WebRMS or FBR set forth in Order 1 are deleted;

   d. Any and all requirements to develop, implement, or maintain interfaces to or from WebRMS or FBR ("WebRMS Interfaces") are deleted;

   e. Any and all requirements under Order 2 to maintain and/or support WebRMS and components of the WebRMS Subsystem as listed in Table 3 of Exhibit B of Order 1 ("WebRMS Software"), FBR related software as listed in Table 4 of Exhibit B of Order 1 ("FBR Software"), and WebRMS Interfaces as listed in Table 5 of Exhibit B of Order 1 are deleted;

   f. Any and all requirements contained within the Agreement and Orders (including Exhibits and Attachments) applicable to the City or its staff related to WebRMS and FBR, including but not limited to customer responsibilities and payments, are deleted; and

   g. In addition to the specific deletions set forth above, all remaining terms of the Agreement and Orders (including Exhibits and Attachments) shall be read to effectuate the intent of the parties in this Amendment, as set forth in the Recitals above.

2. **Remaining Tasks in Order 1**. With the removal of WebRMS and FBR from the Solution, the Parties acknowledge that Order 1 shall be fully performed and complete upon the completion of the following tasks and events:

   a. Conclusion of the Extended Warranty for Remaining Subsystems on November 4, 2019;

   b. Creation and execution of an Order for the development, implementation, and provision of software and services needed by the City for an interface between the Remaining Subsystems and the new records management system solution procured by the City, at no cost to City. The City would be responsible for paying for maintenance for the new interface from its eventual RMS vendor and contracting with its RMS vendor for any software and services the RMS vendor may need to provide for such integration on its side.

Subject to the formation of a reasonable non-disclosure agreement between Hexagon and the City's RMS vendor and the conditions above, Hexagon agrees to work cooperatively with the City and the third-party vendor's team to develop Hexagon's portion of an interface between I/CAD and the City's eventual records management system. Also subject to the non-disclosure agreement, Hexagon will provide to the new RMS vendor the information necessary for the new RMS vendor to complete its portion of the interface. This shall be at no cost to the City.

Hexagon agrees to continue providing at no cost to City fifteen (15) I/NetViewer licenses ("I/NetViewer Licenses") for its production environment to the City until such time as the City's chosen replacement RMS solution has cutover to live production use and is fully accepted by City. Those licenses are provided on a term basis and subject to the End User License Agreement set forth in Exhibit B of the Agreement. The City acknowledges the I/NetViewer Licenses are presently set to expire on December 31, 2019. To the extent the City's new RMS system has not cutover by November 30, 2019, the City shall request from Hexagon in writing for Hexagon to extend the term of the I/NetViewer Licenses by one (1) additional year. Hexagon shall extend the term of the I/NetViewer Licenses upon receipt of the request for an additional one (1) year. On an annual basis in the same manner as described above, the City may request Hexagon extend the term for successive years (on an annual basis) for the I/NetViewer Licenses. Hexagon shall extend the City license to the I/NetViewer Licenses upon receipt of such request.

3. **Past Payments.** Hexagon shall be entitled to retain all amounts previously paid by the City under Order 1 in consideration for performance related to CAD, MPS, and MR software delivered to date. The Parties agree that the City bears no further responsibility for any payments to Hexagon under Order 1, and Hexagon unequivocally waives all rights thereto.

4. **Updated Order 1 Payment Milestone Schedule.** Reflecting the removal of WebRMS and FBR, Exhibit C of Order 1 is modified such that payments due upon completion of the Tasks identified below are deleted in their entirety:

    a. Upon Completion of Factory Acceptance Testing (FAT) and Providing FAT Report for WebRMS ($104,616.73)
    b. Upon Completion of SAT 1 Testing and Providing SAT 1 Report for WebRMS ($104,616.73)
    c. Upon Cutover of WebRMS Subsystem ($104,616.73)
    d. Upon Completion of Reliability Period for WebRMS Subsystem ($313,850.18)
    e. Change Order #2 to Order #1: Upon Completion of SAT2 Task ($4,454.26)

For purposes of clarity, the City is relieved of its obligation to pay Hexagon $632,153.62 associated with the Order 1 Payment Milestones listed above. Updates to Order 2 are set forth in paragraph 6 below.

5. **Deletion of WebRMS and FBR Software.** As part of the removal of the

WebRMS and FBR from the Solution, the City shall permit Hexagon within ten (10) business days following execution of this Amendment to remotely enter the City's network and hardware and delete such software, documentation, and related materials. The City also relinquishes any and all rights, including, but not limited to license rights, it had in and to the WebRMS Software, the FBR Software, the WebRMS Interfaces, and documentation or other intellectual property created by Hexagon regarding WebRMS and FBR. Hexagon will work with the City to:

- Remove any WebRMS/FBR applications from City hardware
- Remove any WebRMS/FBR related configurations, software, integrations and services.
- Ensure iCAD is not affected by the removal of the above.
- Provide a list of Hexagon employees to be removed from the City's environment.

6. **Maintenance Payments and Credits to the City.** Reflecting the removal of WebRMS Software, FBR Software, and WebRMS Interfaces the pricing for Order 2 is revised as follows in the updated Form R set forth below. The price in Updated Form R reflects maintenance services for the Software listed in the updated tables from Form N attached hereto as Schedule 1.:

UPDATED FORM R

	Recurring Cost Year 1	Recurring Cost Year 2	Recurring Cost Year 3	Recurring Cost Year 4	Recurring Cost Year 5
Hardware Maintenance	N/A	N/A	N/A	N/A	N/A
System Software Maintenance	N/A	N/A	N/A	N/A	N/A
Application Software Maintenance (excluding taxes)	272577	282792	293389	304384	315791
Other Recurring Costs (Escrow) (excluding taxes)	525	551	579	608	638
Total Annual Recurring Costs (excluding taxes)	273102	283343	293968	304992	316429
Optional Recurring Costs (excluding taxes)	0	0	0	0	0
Subtotal Optional Recurring Costs (excluding taxes)	0	0	0	0	0
Amendment 1 Credit	-273102				
Total Annual Recurring Costs (Including Options)	0	283343	293968	304992	316429

As reflected above, Hexagon shall provide City with a credit in the amount of $273,102 towards Year 1 Recurring Costs (including Options) such that Year 1 maintenance services are provided at no cost to City. This credit is limited to the amount above and would not be increased in the event the City purchases additional software from Hexagon or which it desires maintenance during Year 1. Subject to the terms of the Agreement, as modified in this Amendment, Hexagon shall provide maintenance services to the City in accordance with Order 2.

7.   **Non-Disparagement.** As it relates to the Agreement, including Order 1 and Order 2, each party shall refrain from purposely issuing any press release, making any public statement, or making any statement directly, or through an intermediary, that is likely to become public, to the extent such press release or statement relates to the other party and is untrue or derogatory; provided however, the foregoing prohibition shall not prohibit the other party from defending itself against any public statements that would otherwise violate this clause. The parties also acknowledge and affirm that notwithstanding any previous communications to the contrary, WebRMS and FBR implementation and maintenance services are being removed for the mutual convenience of the parties. Nothing herein shall prevent the City from taking any action required by law (in particular, as requires by the California Public Records Act) or presenting this Amendment in a public meeting for approval, and providing the necessary information to the public and elected officials.

8.   **Entire Agreement.** This Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof. This Amendment shall not be amended or modified, except by a writing executed by Hexagon and the City. Notwithstanding the foregoing, the Updated Project Schedule may be updated from time to time by mutual consent of both parties in the manner prescribed in the Order.

9.   **Independent Review.** Hexagon and the City acknowledge and agree neither has relied upon a representation or statement made by the other party in determining to enter into this Amendment. Each party represents and warrants that the party has independently determined, in consultation with counsel, that the dispute resolution represented by this Amendment is in the best interest of the party.

10.   **Authority.**
      a. The individual executing this Amendment on behalf of a Hexagon individually represents and warrants that said individual is duly authorized to execute this Amendment on behalf of Hexagon.
      b. The individual executing this Amendment on behalf of the City represents and warrants that said individuals are duly authorized to execute this Amendment and bind the City.

11.   **Miscellaneous.**
      a. In the event of any inconsistency between the terms of this Amendment and the Orders, the terms of this Amendment shall govern and control.
      b. Hexagon and the City each ratify and confirm the terms, conditions, obligations and undertakings set forth in the Orders and Agreement, and except as modified hereby, all other terms and conditions of the Order and Agreement shall remain in full force and legal effect.
      c. This Amendment may be executed in counterparts, each of which when so executed shall be deemed an original and all of which when taken together, shall constitute one and the same instrument. This Amendment shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories hereto.

APPROVED AS TO FORM: Dated: _____

BRIAN DOYLE   DEANNA J. SANTANA
City Attorney   City Manager
                                                  1500 Warburton Avenue
                                                  Santa Clara, CA 95050
                                                  Telephone: (408) 615-2210
                                                  Fax: (408) 241-6771

"CITY"

INTERGRAPH CORPORATION d/b/a HEXAGON SAFETY & INFRASTRUCTURE

Dated: _10.02.19_
By: _Debra T Huser_
Name: _Debra T. Huser_
Title: _Finance Director_

Local Address: 305 Intergraph Way, Madison, Alabama 35758

"HEXAGON"