



City of Santa Clara

Joint Meeting Agenda of the City Council and Authorities Concurrent & Santa Clara Stadium Authority Board



Tuesday, July 9, 2024

5:30 PM

**Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050**

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

• Via Zoom:

o <https://santaclaraca.zoom.us/j/99706759306>

Meeting ID: 997-0675-9306

o Phone 1(669) 900-6833

How to Submit Written Public Comment Before City Council Meeting:

1. Use the eComment tab located on the City Council Agenda page <https://santaclaraca.legistar.com/Calendar.aspx>. eComments are directly sent to the iLegislate application used by City Council and staff, and become part of the public record. eComment closes 15 minutes before the start of a meeting.
2. By email to clerk@santaclaraca.gov by 12 p.m. the day of the meeting. Those emails will be forwarded to the Council and will be uploaded to the City Council Agenda as supplemental meeting material. Emails received after the 12 p.m. cutoff time up through the end of the meeting will form part of the meeting record. Please identify the Agenda Item Number in the subject line of your email.

NOTE: Please note eComments and Emails received as public comment **will not** be read aloud during the meeting.

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All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at Santa Clara City Hall, 1500 Warburton Avenue, Santa Clara, CA 95050 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. For the final document, you may contact the Office of the City Clerk at (408) 615-2220 or Clerk@santaclaraca.gov.

Signing Ceremony - 5:30 PM | Regular Meeting - 7:00 PM

5:30 PM SIGNING CEREMONY

Call to Order in the Council Chambers

Confirmation of Quorum

1. **24-594** [Ceremony for the Friendship City Renewal Between the City of Santa Clara and Icheon City](#)

7:00 PM JOINT CITY COUNCIL/STADIUM AUTHORITY BOARD MEETING

Call to Order in the Council Chambers

Pledge of Allegiance and Statement of Values

Roll Call

CONTINUANCES/EXCEPTIONS/RECONSIDERATIONS

SPECIAL ORDER OF BUSINESS

- 2.A **24-371** [Recognition of the Santa Clara Women's League Donation of \\$12,000 to Support the Senior Center Health & Wellness Case Management Program and the "Be Strong, Live Long 2024" Health & Wellness Fair](#)

- 2.B **24-486** [Recognition of the Recipients of the Silicon Valley Power Sustainable Futures Scholarship Program at Mission College](#)

CONSENT CALENDAR

[Items listed on the CONSENT CALENDAR are considered routine and will be adopted by one motion. There will be no separate discussion of the items on the CONSENT CALENDAR unless discussion is requested by a member of the Council, staff, or public. If so requested, that item will be removed from the CONSENT CALENDAR and considered under CONSENT ITEMS PULLED FOR DISCUSSION.]

3.A **24-12** [Board, Commissions and Committee Minutes](#)

Recommendation: Note and file the Minutes of:
City/Mission College Liaison Committee - November 2, 2023
Governance and Ethics Committee - March 4, 2024
Governance and Ethics Committee - June 3, 2024
Parks & Recreation Commission - May 21, 2024
Senior Advisory Commission - April 22, 2024

3.B **24-88** [Action on Award of Contract for the 2024 Americans with Disabilities Act \(ADA\) Curb Ramps Project to ASG Builders](#)

Recommendation:

1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations;
2. Determine that the proposed actions are exempt from NEPA pursuant to Section 58.35 (Categorical Exclusion) of Title 24 of the Code of Federal Regulations;
3. Award the Public Works Contract for the 2024 Americans with Disabilities Act Curb Ramps Project to ASG Builders, the lowest responsive and responsible bidder, in the amount of \$543,214, and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project, in final forms approved by the City Attorney; and
4. Authorize the City Manager to execute change orders up to approximately 15 percent of the original contract price, or \$81,482 for a total not to exceed amount of \$624,696 in final forms approved by the City Attorney.

3.C 24-658 [Action to Authorize the City Manager to Complete Negotiations and Execute a Third Phase Agreement with the Northern California Power Agency \(NCPA\) for the Purchase of Renewable Energy from Grace Orchard Energy Center](#)

- Recommendation:**
1. Authorize the City Manager, or designee, to complete negotiations, approve, and execute a Third Phase Agreement (Agreement) with the Northern California Power Agency for the purchase of renewable energy from the Grace Solar Facility in an annual approximate amount of \$1.2 to \$2 million, funded by the Electric Utility Fund, subject to the review and approval as to form by the City Attorney; and
 2. Authorize the City Manager to (a) take any and all actions as are necessary or advisable to implement and administer the Agreement; and (b) approve and execute future amendments to the Agreement so long as the contract price and term are not modified, subject to the review and approval as to form by the City Attorney.

3.D 24-631 [Action on Amendment No. 3 to Agreement with Questica, Inc. for the Budget and Financial Planning System](#)

Recommendation:

1. Authorize the City Manager to execute Amendment No. 3 to the Agreement with Questica, Inc. to extend the term of the agreement through August 25, 2029, and increase the maximum compensation by \$548,038.40 for a revised maximum compensation of \$1,425,076.52, subject to the appropriation of funds and in a final form approved by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement with Questica, Inc. and negotiate and execute amendments to (a) add or delete services consistent with the scope of services, (b) renew the term of the agreement for up to five years through August 25, 2034, and (c) increase the maximum compensation for an additional \$600,000 for a total aggregate maximum compensation not to exceed \$2,025,076.52 for the extended term, subject to the appropriation of funds and the review and approval as to form by the City Attorney.

- 3.E 24-387 [City Council and Authorities Action Delegating Authority: to the City Manager for the City; the Executive Director for the Santa Clara Stadium Authority; the Contract Administrator for the Sports and Open Space Authority; and the Executive Director for the Housing Authority during the City Council recess from July 17, 2024 through August 19, 2024](#)

Recommendation: That the City Council/Stadium Authority Board/Sports and Open Space Authority/Housing Authority:

Adopt a Joint Resolution delegating authority to the City Manager for City/Executive Officer for Santa Clara Stadium Authority/Contract Administrator for Sports and Open Space Authority/Executive Director for Housing Authority to approve project related documents during the period from July 17, 2024 through August 19, 2024, and requiring the City Manager/Executive Director/Contract Administrator to submit a report on actions taken during the Council recess at a City Council/Stadium Authority/Sports and Open Space Authority/Housing Authority meeting in September 2024.

- 3.F 24-442 [Action to Accept the FY 2024/25 and FY 2025/26 California Library Literacy Services \(CLLS\) English as a Second Language \(ESL\) Grant Awards for the Read Santa Clara Program and Approve the Related Budget Amendments](#)

Recommendation:

1. Accept the total English as a Second Language (ESL) grant award of \$126,327 (\$61,618 for FY 2024/25 and \$64,709 for FY 2025/26) for the Read Santa Clara program;
2. Approve the FY 2024/25 budget amendment in the Library Operating Grant Trust Fund to recognize \$61,618 in grant revenue and establish a grant appropriation in the same amount for ESL Services as part of the Read Santa Clara program **(five affirmative Council votes required to appropriate additional revenue)**.

3.G 24-617 [Action to Authorize the Use of City Electric Forces for New Dark Fiber Installations at 881 Martin Avenue to 1705 Martin Avenue, and at 2434 Calle Del Mundo](#)

Recommendation: 1. Determine the proposed action is exempt from CEQA pursuant to Section 15303 (Class 3 - New Construction or Conversion of Small Structures) of Title 14 of the California Code of Regulations; and
2. Declare and determine in accordance with Section 1310 of the City Charter that the public works located at 881 Martin Avenue to 1705 Martin Avenue, and at 2434 Calle Del Mundo are better performed by the City with its own employees based on the information set forth in this Report to Council and authorize the performance of these public works consistent with this authorization.

3.H 24-666 [Action on a Resolution Revising the Regular Meeting Date for the Senior Advisory Commission](#)

Recommendation: Adopt a Resolution revising the Senior Advisory Commission regular meeting date and time to the third Monday of each month at 5 p.m.

PUBLIC PRESENTATIONS

[This item is reserved for persons to address the Council or authorities on any matter not on the agenda that is within the subject matter jurisdiction of the City or Authorities. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting. Although not required, please submit to the City Clerk your name and subject matter on the speaker card available in the Council Chambers.]

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC HEARING/GENERAL BUSINESS

4. 24-679 Discussion, Consideration, and Direction to Staff Regarding Actions to be Taken in Response to the Santa Clara County Civil Grand Jury Report Entitled “Irreconcilable Differences: Santa Clara City Council”

Recommendation: Provide direction on the desired process to develop the City’s responses for the specified findings and recommendations outlined in the June 12, 2024 Santa Clara County Civil Grand Jury Report entitled “Irreconcilable Differences: Santa Clara City Council” in time to be submitted to the Civil Grand Jury by the required response date of September 10, 2024.

5. 24-180 A. Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure; Such Actions to Include the Following:

1. Adoption of a Resolution of Necessity
2. Introduction of an Ordinance Ordering the Submission of a Measure Incurring Bonded Indebtedness to the Voters at the November 2024 General Municipal Election
3. Direction on a Draft Expenditure Plan to be Included with the Measure

- B. Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City’s Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes

- Recommendation:**
1. Adopt the Resolution of Necessity determining necessity to issue bonds.
 2. Waive first reading and approve the introduction of an Ordinance ordering the submission of the measure incurring bonded indebtedness for the purpose of the acquisition, construction, and improvement of certain municipal improvement projects to City voters.
 3. Provide Direction on a potential Charter Amendment to update the Public Work Section 1310.

6. 24-475 Action (1) Authorizing the City Manager to Negotiate and Execute a 20MW Power Purchase Agreement with Bloom Energy to supply power to Amazon Web Services (AWS) and a separate Offtake Agreement with AWS; and (2) Authorizing the City Manager to Negotiate and Execute up to an additional 80 MW of Power Purchase Agreements with qualified vendors for in-City generation solutions and all needed agreements with Customers.

Recommendation:

1. Authorize the City Manager or designee to negotiate and Execute a 20MW Power Purchase Agreement with Bloom or a Bloom affiliate for Amazon Web Services (AWS) and a separate Offtake Agreement with AWS, subject to the review and approval as to form of the City Attorney;
2. Authorize the City Manager or designee to Negotiate and Execute up to an additional 80 MW of Power Purchase Agreements for in-City generation solutions with energy suppliers and separate Offtake Agreements with other SVP customers (each individual PPA and Offtake Agreement cannot exceed 20MW), subject to the review and approval as to form of the City Attorney;
3. Authorize the City Manager or designee to execute all documents, agreements, and certificates as may be required under the terms of the agreement, subject to the review and approval as to form of the City Attorney, including, but not limited to, collateral assignment agreements, estoppel certificates, and performance security documentation, and take any and all actions as are necessary or advisable to implement and administer the agreements; and
4. Authorize the City Manager or designee to execute any amendments to the agreements so long as there is no change to their price or term length.

7. 24-640 [Authorize the City Manager to Execute a Purchase and Sale Agreement with Feather River Land Trust for the Loyalton Property.](#)

Recommendation:

1. Determine the proposed action is exempt from CEQA pursuant to Sections 15312 (Class 12 - Sale of Surplus Land) of Title 14 of the California Code of Regulations; and
2. Authorize the City Manager or designee to execute a Purchase and Sale Agreement (Agreement) with Feather River Land Trust for the Loyalton Property in the amount of \$6 million and on the terms presented and take any necessary actions to implement and administer the Agreement, including, execution of a grant deed and an assignment agreement.

REPORTS OF MEMBERS, SPECIAL COMMITTEES AND COUNCILMEMBER 030 REQUEST

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

ADJOURNMENT

The next regular scheduled meeting is on Tuesday, July 16, 2024 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

STREAMING SERVICES: As always, the public may view the meetings on SantaClaraCA.gov, Santa Clara City Television (Comcast cable channel 15 or AT&T U-verse channel 99), or the livestream on the City's YouTube channel or Facebook page.

Note: The public cannot participate in the meeting through these livestreaming methods; livestreaming capabilities may be disrupted at times, viewers may always view and participate in meetings in-person and via Zoom as noted on the agenda.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA); Bayshore North Project Enhancement Authority (BNPEA); Public Facilities Financing Corporation (PFFC)

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.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



Agenda Report

24-594

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Ceremony for the Friendship City Renewal Between the City of Santa Clara and Icheon City

BACKGROUND

On April 23, 2019, the City Council approved a three-year Friendship City Memorandum of Understanding (MOU) and authorized the Mayor to sign the MOU on behalf of the City of Santa Clara. Since 2022, the representatives from Icheon City have indicated interest in continuing to build their Friendship City relationship with the City of Santa Clara.

The City of Santa Clara has established relationships with three Sister Cities around the world: Coimbra, Portugal, established on August 4, 1974; Izumo, Japan, established on October 11, 1986; and Limerick, Ireland, established on August 1, 2014. The City of Santa Clara did have a Friendship City relationship with Limerick, Ireland before establishing the more formal Sister Cities relationship.

Sister Cities International defines a Friendship City relationship as the first stage in a relationship between cities before they consider and act on a more formal "Sister City" relationship. A Friendship City relationship is not required prior to two cities establishing an official Sister Cities relationship, nor does it automatically lead to a Sister Cities relationship.

During the past few years, as part of the ongoing relationship, both cities have exchanged letters of greetings for various events and holidays and also to announce newly elected officials. Icheon City has extended invitations to the Mayor for the 2023 and 2024 Icheon Ceramic Festival. In addition, there have been planned visits from Icheon to visit Santa Clara which were postponed. In November 2023, the Municipal Council of Icheon City visited Santa Clara. In late 2023, then-Vice Mayor Kevin Park also visited with the members of the Icheon City Council in the Republic of Korea.

On June 25, 2024, the City Council voted to approve a three-year Friendship City Relationship Memorandum of Understanding (MOU) (Attachment 1) with Icheon City, Republic of Korea, and authorized Mayor Gillmor to sign the MOU on behalf of the City of Santa Clara.

DISCUSSION

Mayor Kim Kyung-hee of Icheon City is leading a Friendship City delegation to Santa Clara on July 8 and July 9, 2024. During the special ceremony on July 9, 2024 City Council meeting, the City will host a MOU signing ceremony for Mayor Kim and Mayor Gillmor to sign the MOU. The public and community are invited to join the ceremony.

This event will formalize the renewed Friendship City relationship between Icheon and Santa Clara for three-years. The City of Santa Clara will continue to work together with the Santa Clara Sister Cities Association and community partners to continue to foster the Friendship City relationship

among both cities.

ENVIRONMENTAL REVIEW

This is an information report only and no action is being taken by the City Council and no environmental review under the California Environmental Quality Act ("CEQA") is required.

FISCAL IMPACT

There is no fiscal impact to the City other than staff time.

PUBLIC CONTACT

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Reviewed by: Fiona Kirby, Management Analyst, City Manager's Office

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. 2024 Friendship City Memorandum of Understanding between Icheon City and City of Santa Clara (English version and Korean Version)

Memorandum of Understanding (MOU) for Friendship Exchange between
Icheon City, Gyeonggi-do Province, Republic of Korea and City of Santa Clara, California,
United States of America

Icheon City, Gyeonggi-do Province, Republic of Korea and City of Santa Clara, California, United States of America hereby enter this memorandum of understanding with the aim of promoting development of a relationship, boosting economic cooperation, and enhancing mutual development between the two cities by expanding exchanges in various areas based on the principles of equal and mutual benefits and friendly cooperation and sharing the goal of co-prosperity and world peace. The purpose of exchange between the two cities is to give residents of both cities the opportunity to experience the practical benefits of international exchange through cultural and economic exchanges and the expansion of opportunities for youth education.

WHEREAS, on November 7, 2018, Mayor Gillmor sent a letter expressing the City of Santa Clara's appreciation and interest in building a potential relationship with Icheon City; and, following multiple conversations and meetings with different government officials and community leaders, the Cities of Santa Clara and Icheon signed a Friendship City Memorandum of Understanding on April 24, 2019; and

WHEREAS, the Friendship City Memorandum of Understanding ended in April 2022, but due to the COVID-19 pandemic, representatives from the City of Santa Clara and Icheon City were not able to meet in person to renew the agreement; and

WHEREAS, both Cities have indicated interest in continuing to build a relationship with each other; and

WHEREAS, Sister Cities International defines "Friendship City" as often the first stage in the relationship before partner cities consider establishing an official "Sister City" relationship.

The two cities agree as follows:

1. The two cities shall actively promote exchanges in areas of common interest including science, technology, the arts, sports, education, environmental protection, and corporate activities.
2. The two cities shall strive to actively pursue exchanges in other areas that will contribute to the prosperity of residents and to further enhance the friendship.
3. Based on the agreement of mutual cooperation and direction specified herein, the two cities shall strive to mutually support each other, by organizing and developing experience in friendly urban relations as well as joint activities and future programs: exchanges between educational institutions, including middle and high school exchange programs, college internships, and support for students studying abroad; organizing events, supporting artist residencies, and facilitating exchanges of cultural groups and performers.
4. Additional activities may be pursued through the efforts of other community groups, including youth exchanges participated in by schools from both cities, with assistance from non-governmental Sister City organizations, such as the Santa Clara Sister Cities Association and its counterpart in Icheon City. Collaboration and partnerships are encouraged between non-governmental and governmental Sister City organizations in both Cities.
5. Both cities shall strive to exchange representatives and/or staff for visits every alternate year, subject to budget appropriations. Each exchange and/or visit shall be reviewed in advance between representatives of Icheon City and the City of Santa Clara.

The intent of the two cities is that this Agreement shall become operative on the Effective Date. The Effective Date is the date that the final signatory executes the Agreement. The term of this Agreement shall begin on the Effective Date and apply for a period of three (3) years with the option of renewal upon approval of both cities.

Icheon City, Gyeonggi-do Province, Republic of Korea and City of Santa Clara, California, United States of America hereby provide their signatures or seals below to establish a relationship as Friendship Cities, with the belief that the agreement will contribute to the development of friendly relations between the two cities.

Kim Kyung-hee
Mayor
Icheon City

Lisa M. Gillmor
Mayor
City of Santa Clara

대한민국 경기도 이천시와 미합중국 캘리포니아주 산타클라라시 우호 교류를 위한 MOU

대한민국 경기도 이천시와 미합중국 캘리포니아주 산타클라라시는 평등호혜·우호협력의 원칙에 입각하여 각 분야의 교류 확대를 통한 공동 번영 및 세계 평화의 목표를 공유하고, 관계 발전, 경제협력촉진, 양 도시의 상호 발전 도모를 위해 이 MOU를 체결한다.

양 도시 교류는 문화·경제 교류 및 청년 교육 기회의 확대를 통해 주민들이 국제교류의 실질적 효과를 체험할 기회를 제공함을 목적으로 한다.

2018년 11월 7일, 길모어 시장이 이천시와의 잠재적인 관계 구축에 대한 산타클라라시의 감사와 관심을 표출하는 서한을 발송하였고, 다양한 정부 관계자 및 단체장들과의 많은 대화 및 만남을 한 후,

산타클라라시와 이천시는 2019년 4월 24일 우호교류도시 협약 서명을 하였고, 2022년 4월 22일 우호교류도시 협약이 종결된 후, 코로나19 팬데믹으로 인해 산타클라라시와 이천시의 대표자는 협약을 갱신하기 위한 직접적인 만남을 갖지 못했으나, 양 도시는 서로 간의 관계를 구축하는 데 지속적으로 관심을 표명해 왔으며,

국제자매도시협회 (Sister Cities International)는 파트너 도시들이 공식적인 “자매교류도시” 관계를 확립하기에 앞서 “우호교류도시” 관계 수립을 그 첫 단계로 정의하는 바, 양 도시는 다음과 같이 동의한다.

1. 양 도시는 과학, 기술, 예술, 체육, 교육, 환경 보호 및 기업 활동 등 공통의 관심 분야에서 적극적으로 교류한다.
2. 양 도시는 시민의 번영과 우정 증진에 기여할 기타 분야의 교류를 적극적으로 추구한다.

3. 양 도시는 여기 명시된 상호협력 및 방향의 합의를 바탕으로 우호 도시 관계 속 공동활동 및 미래지향적 프로그램을 포함한 다양한 경험을 구성하고 개발함으로써 상호교류를 지원한다.
: 중·고등학교 교환학생 프로그램, 대학 인턴십, 학생 해외 유학 지원, 행사 계획, 예술가 레지던시, 문화단체 및 예술가 교류 촉진
4. 산타클라라 자매도시협회 및 이천시 자매도시 교류업무를 담당하는 기관의 지원을 받은 양 도시의 학교가 참여한 청소년 교류 등의 추가적인 활동들이 지역 단체들의 노력을 통해 이루어질 수 있도록 하며, 이를 위해 양 도시의 민간 및 행정기구 간 협력과 파트너십을 권장한다.
5. 양 도시는 세출 예산 상황에 따라 매년 번갈아 대표자 혹은 직원이 상호 방문하도록 한다. 각각의 교류와 방문은 이천시와 산타클라라시 대표자 간 미리 검토되어야 한다.

양 도시는 본 협약이 발효일로 효력을 발생하는 것을 의도한다.

발효일은 최종 서명자가 협약에 서명한 날짜이다.

이 협약의 기간은 발효일부터 시작하여 3년 동안이며, 두 도시의 승인을 받아 갱신할 수 있다.

대한민국 경기도 이천시와 미합중국 캘리포니아주 산타클라라시는 본 협약이 양 도시간의 우호적인 관계에 기여할 것이라는 믿음과 함께, 아래 서명 또는 직인 날인을 통해 우호 도시로서의 관계를 수립한다.

김 경 희
시 장
이천시

리사 엠 길모어
시 장
산타클라라시



Agenda Report

24-371

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Recognition of the Santa Clara Women's League Donation of \$12,000 to Support the Senior Center Health & Wellness Case Management Program and the "Be Strong, Live Long 2024" Health & Wellness Fair

COUNCIL PILLAR

Deliver and Enhance High-Quality Efficient Services and Infrastructure
Enhance Community Engagement and Transparency

BACKGROUND

In accordance with Council Policy 051 Donations to the City, the City Manager's Office reviewed and approved the receipt of a donation from the Santa Clara Women's League in the amount of \$12,000 to support the Senior Center's Health & Wellness Case Management Program and the "Be Strong, Live Long 2024" Health & Wellness Fair. The donation is consistent with the City's goals and objectives and is in the best interest of the City.

Per the Council Policy for a donation of \$1,000 or more, the donor shall be invited to a Council Meeting to be recognized under Special Order of Business and receive a letter of acceptance and appreciation signed by the Mayor and City Manager.

DISCUSSION

For 39 years, the Santa Clara Women's League has hosted an annual Showtime melodrama in support of the City's Senior Center Health & Wellness Case Management Program. This year's donation, in the amount of \$12,000, will help support public health education services including the "Be Strong, Live Long 2024" Health & Wellness Fair, navigation of healthcare and social service systems, care management services, social engagement, education and fitness classes, and public health screenings to older adults in the Santa Clara Community. The donation will benefit the City through increased community engagement, collaboration, and support of the City's own senior activities, encouraging others to financially support needed community services.

The Special Order of Business will recognize the Santa Clara Women's League for their donation and continued collaboration and support of City programs.

ENVIRONMENTAL REVIEW

The 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)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The acceptance of the donation of \$12,000 from the Santa Clara Women's League allows the Senior Center Health & Wellness Case Management Program to provide additional public health and social services, including supplies and materials for presentations and special events. Council approved the appropriation of the donation in the Parks & Recreation Operating Trust Fund as part of the March and April FY 2023/24 Monthly Financial Reports presented on June 25, 2024.

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.

Prepared by: Jennifer Herb, Recreation Supervisor

Reviewed by: Cynthia Bojorquez, Assistant City Manager and Acting Director - Parks & Recreation Department

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-486

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Recognition of the Recipients of the Silicon Valley Power Sustainable Futures Scholarship Program at Mission College

BACKGROUND

On June 7, 2022, the City of Santa Clara City Council unanimously approved the Silicon Valley Power Sustainable Futures Scholarship Fund (SVPSF) aimed at providing scholarships to future leaders in sustainability, clean energy, and related fields. The goal of the program is to develop a pipeline of strong, diverse future leaders in sustainability and clean energy sectors.

The innovative, five-year program with Mission College is funded by a \$125,000 grant from Silicon Valley Power (SVP) and is designed to expose students to skill sets that allow them to compete for emerging green jobs. The skill requirements in the green jobs sector are expanding rapidly, particularly in the Bay Area, where energy, sustainability and climate drivers are leading the way in accelerating this field. Selected students use the funds to attend and receive advanced opportunities at Mission College.

DISCUSSION

At the July 9, 2024 City Council meeting, the City Council will recognize recipients of the Silicon Valley Power Sustainable Futures Scholarship Fund from Mission College:

1. Dulce Anding: Second year student, Vocational Nursing
2. Leticia Santos De Souza: Second year student, Biology
3. Casey Chang: Fourth year student, Environmental Science
4. J Perez: Fourth year student, Justice Studies
5. Priscila G de Franca Moreira: Second year student, Political Science
6. Christina Walsh: Third year student, English
7. Chloe Richardson: Third year student, Vocational Nursing
8. Megan Badrak: Fifth year student, Biology
9. Hieu Pham: Second year student, Social Justice Studies
10. Amelia Nguyen: First year student, Psychology

ENVIRONMENTAL REVIEW

This is an information report only and no action is being taken by the City Council and no environmental review under the California Environmental Quality Act ("CEQA") is required. Accordingly, the 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)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect

changes in the environment.

FISCAL IMPACT

Funding for this project was authorized on June 7, 2022 under Council item 22-655 and funds are budgeted in SVP's Electric Utility Fund in the advertising and community promotion operating budget.

COORDINATION

This report was coordinated with the City Manager's Office and Silicon Valley Power.

PUBLIC CONTACT

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Reviewed by: Michelle Templeton, Acting Assistant City Manager, City Manager's Office

Approved by: Jovan D. Grogan, City Manager



City of Santa Clara

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

Agenda Report

24-12

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Board, Commissions and Committee Minutes

COUNCIL PILLAR

Enhance Community Engagement and Transparency

RECOMMENDATION

Note and file the Minutes of:

City / Mission College Liaison Committee - November 2, 2023

Governance and Ethics Committee - March 4, 2024

Governance and Ethics Committee - June 3, 2024

Parks & Recreation Commission - May 21, 2024

Senior Advisory Commission - April 22, 2024



**City of
Santa Clara**
The Center of What's Possible



City of Santa Clara | Mission College Liaison Committee

Mission College, Conference Room SEC 339
3000 Mission College Blvd. Santa Clara

MEETING AGENDA

November 2, 2023

2:30 p.m.

City Committee Members:

Mayor Lisa M. Gillmor, Member
Councilmember Karen Hardy, Chair
Councilmember Anthony Becker, Member

Mission College Members:

Bradley Davis, Chancellor
Seher Awan, Mission College President
Adrienne Grey, Board President
Anne Kepner, Board Vice President
Robert Owens, Board Member

City Staff:

Cynthia Bojorquez, Assistant City Manager
Maria Le, Assistant to the City Manager
Michael Liw, Assistant Director Public Works

Mission College Staff:

Rebecca Alvarez, Executive Assistant

CALL TO ORDER AND ROLL CALL

Chair Karen Hardy called the meeting to order at 2:32 pm.

PUBLIC PRESENTATIONS

There were no public comments.

GENERAL BUSINESS

1. Approval of Minutes

a. April 21, 2021

Motion made by Board Vice President Anne Kepner, seconded by Mayor Lisa Gillmor, to approve the minutes of April 21, 2021. Motion passed unanimously.

2. Report from West Valley-Mission Community College District

a. West Valley-Mission Community College District Updates

Mission College Chancellor Bradley Davis presented information on free tuition and childcare options for students. Chancellor Davis also discussed student housing and efforts to remove barriers to access. Chancellor Davis closed by encouraging all to enjoy the tour of Mission College following the meeting. Chancellor Davis answered questions from the Committee.

b. Mission College Updates

Mission College President Seher Awan provided updates on Mission College's rebranding efforts, discussed school innovation and future community needs. President Awan reviewed the school's role as a responsive community partner and provided an overview of workforce development, economic mobility, and equity at Mission College.

President Awan provided information on past and future community engagement events, reviewed enrollment numbers, program highlights, and new grant funding. Mission College has been recognized with multiple awards and accolades. President Awan discussed Mission College's holistic mindset regarding students and its commitment to making education accessible. President Awan answered questions from the Committee.

3. Discussion of Safe Routes on Campus

Committee Chair Karen Hardy discussed the lack of interconnected bicycle routes to campus, and asked about future plans to enhance interconnectivity both on-campus and leading into Mission College. Michael Liw, Assistant Director Public Works for the City of Santa Clara, spoke to current City initiatives focused on enhancing trail use. The Committee discussed bike lane options on campus and in the nearby neighborhood.

4. Feasibility of a Joint Internship Program

Mayor Gillmor discussed the need for joint internship opportunities and inquired about available state funding. President Awan identified several funding sources available for internships. Councilmember Anthony Becker noted paid internships should be a priority.

5. Collaboration between City and Mission College on Future Workforce Development

Chair Hardy discussed the need for a collaborative, multi-jurisdictional approach to security issues adjacent to the creeks running near Mission College and in Santa Clara.

Mayor Gillmor discussed enhancing collaboration possibilities between specific industries and Mission College. She noted the importance of creating programs and tailoring classes targeted specifically to the City of Santa Clara, as well as the associated benefits in partnering with specific industries.

6. Future Meeting Schedule

a. Discussion on Schedule Options: Twice a year or Quarterly (January, March, June, September)

The committee agreed to meet twice per year going forward.

b. Agenda building for next meeting

No discussion on this item.

ADJOURNMENT

The meeting adjourned at 3:30 P.M.



City of Santa Clara

Meeting Minutes

Governance and Ethics Committee

03/04/2024

1:00 PM

City Hall – Council Chambers / Hybrid
1500 Warburton Avenue
Santa Clara, CA 95050

CALL TO ORDER AND ROLL CALL

Chair Chahal called the meeting to order at 1:01 p.m.

Present 3 - Chair Raj Chahal, Member Suds Jain, and Member Kevin Park

CONSENT CALENDAR

1. [24-240](#) Approval of the December 4, 2023 Governance and Ethics Committee Meeting Minutes

Recommendation: Approve the minutes of the December 4, 2023 Governance and Ethics Committee meeting

Committee Member Jain motioned and seconded by Committee Member Park to approve the December 4, 2023 minutes.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

PUBLIC PRESENTATIONS

No public presentations were made.

GENERAL BUSINESS

2. [24-988](#) Review and Discussion on Email Retention Policy

Recommendation: Consider and Direct Staff to Develop Possible Modifications to the City's Email Retention Policy for City Council and Potentially other forms of City Council communications, for ultimate Consideration for Approval by the City Council

Staff presented information on the current email retention policy for City emails which is currently 90 days. The Committee discussed options to move from 90 days to two year retention policy for City Councilmembers. **Committee Member Jain** also brought up text messaging retention and storage. Staff shall return to a future Committee meeting with additional information in regards to text messaging.

The Committee directed staff to bring forth to the full Council the recommendation to change email retention for City Councilmembers from 90 days to two years.

3. [24-1267](#) Report and Request for Direction on Proposed Amendments to SCSC Chapter 2.155 ("Regulation of Lobbying Activities") and SCSC Chapter 2.160 ("Calendars of Certain City Officials") to Better Align the Requirements

Recommendation: Provide direction on the proposed amendments to SCSC Chapter 2.155 ("Regulation of Lobbying Activities") and SCSC Chapter 2.160 ("Calendars of Certain City Officials").

Staff presented information regarding proposed amendments to SCSC Chapter 2.155 and SCSC Chapter 2.160. The Committee had a discussion on the staffing needs for regulation and enforcement of the Lobbying Ordinance. Staff will return to a future Committee meeting with a staffing analysis and conduct benchmarking to review other jurisdiction's ordinances.

4. **24-24** Review and Discussion on Council Policy 020 (“Proclamations, Commendations and Certificates of Recognition”) and Council Policy 009 (“City Representation at Meetings, Ceremonies and Special Events”)

Recommendation: Make Recommendations, if any, to amend Council Policy 020 (“Proclamations, Commendations and Certificates of Recognition”) and amend Council Policy 009 (“City Representation at Meetings, Ceremonies and Special Events”), for further development by staff if necessary/appropriate, for the ultimate consideration by City Council

Staff presented information on the current procedures for Council Policy 020 (“Proclamations, Commendations and Certificates of Recognition”) and Council Policy 009 (“City Representation at Meetings, Ceremonies and Special Events”) which included benchmarking and procedures from nearby cities. The Committee discussed options to amending the policy to include Council District recognition from City Councilmembers and the addition of City Councilmembers' signatures on recognition items.

Staff presented the current procedures for Council Policy 009 (“City Representation at Meetings, Ceremonies and Special Events”). The Committee discussed options to allow City Councilmembers to address the public as a speaker, in addition to the Mayor for ceremonial events.

Based on the Committee feedback, staff will return to a future Committee meeting with options for further review and discussion on amending Council Policy 020 and Council Policy 009.

5. [24-233](#) Action on the 2024 Governance and Ethics Committee Workplan

Recommendation: Approve the 2024 Governance and Ethics Committee Workplan with any additional amendments.

Staff presented the tentative Governance and Ethics Committee workplan for 2024. Committee members brought forth additional items for consideration for the workplan. Member of the public **Tom Shanks** noted the workplan should include an item on Ethics. Staff will return to the next Committee meeting with a revised workplan based on the feedback.

Committee member Jain motioned and Chair Chahal seconded the motion to approve recommended Governance and Ethics Workplan.

Aye: 2 - Chair Chahal, and Member Jain

Excused: 1 - Member Park

6. [24-258](#) Discussion Regarding the Start Time of City Council/Stadium Authority, Special and Closed Session Meetings

Recommendation: Discuss current practices for scheduling closed sessions or special meetings, and provide feedback on potential changes, if any, to the process for consideration by the City Council.

Staff provided information on the process to determine start times for City Council meetings and Closed sessions, including procedures to poll the City Councilmembers for availability. The Committee made no action on this item.

STAFF REPORT

None.

COMMITTEE MEMBER REPORTS / FUTURE REFERRALS FOR CONSIDERATION

None.

ADJOURNMENT

Chair Chahal adjourned the meeting at 3:01 p.m.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



City of Santa Clara

Meeting Minutes

Parks & Recreation Commission

05/21/2024

7:00 PM

Hybrid Meeting
Cafeteria - City Hall East Wing
1500 Warburton Avenue
Santa Clara, CA 95050

Commissioner Brittany Ricketts will be participating from the following remote location:

Club Wyndham Resort, Club Wyndham Royal Sea Cliff
75-6040 Alii Drive, Kailua-Kona, HI 96740

The City of Santa Clara is conducting the Parks & Recreation Commission meeting in a hybrid manner (in-person and a method for the public to participate remotely).

Via Zoom:

<https://santaclaraca.zoom.us/j/91316665755>

Meeting ID: 913 1666 5755

Or join by phone: 669-900-6833

CALL TO ORDER AND ROLL CALL

Chair Caldwell called the meeting into order at 7:03 PM.

Present 6 - Chair Dana Caldwell, Commissioner Maureen Chu, Commissioner Eversley Forte, Commissioner Kelly Cox, Vice Chair Sajid Hai, and Commissioner Vikas Gupta

Absent 1 - Commissioner Brittany Ricketts
Commissioner Brittany Ricketts was absent from the Parks & Recreation Commission meeting, and was unable to participate from the remote location due to unforeseen changes to her scheduled travel arrangements.

Commissioner Hai made a motion, seconded by Commissioner Chu to excuse Commissioner Ricketts.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Absent: 1 - Commissioner Ricketts

CONSENT CALENDAR

1. [24-447](#) Action on the Parks & Recreation Commission Minutes of the April 16, 2024 Meeting

Recommendation: Approve the Parks & Recreation Commission Minutes of the April 16, 2024 Meeting.

Commissioner Chu made a motion, seconded by Commissioner Gupta to approve the minutes of the April 16, 2024 Parks & Recreation Commission Meeting.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Excused: 1 - Commissioner Ricketts

PUBLIC PRESENTATIONS

None.

GENERAL BUSINESS

2. [24-502](#) Action on Applications from Non-Profit Organizations Serving Youth or Seniors in Santa Clara to Provide Volunteer Support at the 2024 Art & Wine Festival

Recommendation: It is recommended that the Commission receive the presentations, consider the proposals, and provide a recommendation to staff on the eligibility of the applicants to provide the required services.

Commissioner Chu made a motion, seconded by Commissioner Hai that the four (4) applicants, Santa Clara Schools Foundation, Santa Clara Police Activities League, Santa Clara Parade of Champions, and the Santa Clara High School PTSA be selected as the non-profit organizations to support the 2024 Art & Wine Festival.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Excused: 1 - Commissioner Ricketts

3. [24-529](#) Review of the Proposed FY 2024/25 & FY 2025/26 Biennial Capital Improvement Program Budget

Recommendation: It is recommended that the Commission:

1. Provide feedback, as deemed appropriate, as it relates to projects under the purview of the Department of Parks & Recreation; and
2. Note and file the report.

The Commission received the report, noted that prioritized parks projects are moving forward with proposed funding of the design phase. The Commission is now aware of the level of capital needs for parks projects in the context of citywide unfunded capital needs.

Commissioner Chu made a motion, seconded by Commissioner Gupta to note and file the report.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Excused: 1 - Commissioner Ricketts

4. [24-469](#) Status Update on the Progress Made on the FY2023/24 Parks & Recreation Commission's Work Plan Goals

Recommendation:

1. Review the FY2023/24 Commission Workplan and identify any proposed edits that may be desired.
2. Note and file the updates from the Subcommittees.

Goal A: Review park site and facility condition assessments and recommend priorities given existing and anticipated service levels and available resources.

A: The Commission received the respective QR Codes to access the visitation forms electronically for special events, parks, and aquatic facilities. Commissioners were able to access the forms from their smart phones and are eager to evaluate park visits, special events and aquatic facilities.

Goal B: 1) Review and solicit community input on the existing City park rehabilitation projects based on the current Capital Improvement Program (CIP) budget and schedule; and 2) Review residential developer proposed schematic designs for new neighborhood parks that serve new residential development.

B1: No update.

B2: No update.

Goal C: 1) Host and develop recommendations for the annual Santa Clara Art & Wine Festival 2024; and 2) Participate in Citywide special events.

C1: No update.

C2: No update.

Goal D: Partner with one other City commission to build/expand on at least one existing Parks & Recreation event by adding an extra element for patrons to interact with during the event.

D: No update.

Goal E: Participate in the Parks & Recreation Master Plan process.

E: The Parks & Recreation Department will be initiating the

community outreach for the Parks & Recreation Master Plan at the June 18, 2024 regular meeting with the design consultant, WRT Design.

Goal F: Consider the annual budget of the Parks & Recreation Department during the budget preparation process and make recommendations with respect thereto to the City Manager and City Council.

F: The Commission received and reviewed the City's Capital Improvement Program (CIP) Budget that was published on May 1, 2024. Staff presented the CIP Budget with special focus on parks and recreation related projects, and in the context of citywide unfunded capital needs. The Commission voted to note and file the report.

Commissioner Cox made a motion, seconded by Commissioner Hai to update the Measurable Objectives for FY 2023/24 Work Plan Goals to indicate wherever a percentage of the Commission is stated, it should reflect 100% Commission participation, and commissioner site visits should reflect at least one (1) visit per month.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Excused: 1 - Commissioner Ricketts

STAFF REPORT**Assistant City Manager Bojorquez:**

The 4th of July event is a partnership with Mission College, Great America, and Silicon Valley Power. She acknowledged staff has done an amazing job in preparing for the event on a short timeline.

The City is continuing to meet with aquatic user groups, while working on options for the aquatic facilities since the ISC was closed. The City is looking at various cost options. When those options are brought forward, staff encourages all commissioners to attend the meeting(s) to become familiar with the options, and to help communicate the needs and priorities of the community.

The ballot measure item will be going to Council on July 9th and July 16th. Those will be key dates when Council will decide on the actual language that will go on the ballot measure.

The Montague Park Ribbon-Cutting Event will be on Wednesday, May 22, 2024 at 2:00 PM. The ribbon cutting for Westwood Oaks Park is expected in July, and the Magical Bridge All-Inclusive Playground ribbon cutting is expected in August.

Next month, the Commission will receive a presentation about the Parks Master Plan, which will provide another opportunity for the Commission to engage with the community and advocate for parks.

Youth Sports Field User Group meeting will be scheduled soon and continue dialogue about field use interests.

July is Parks & Recreation Month.

Deputy Parks Director Seale:

Last month, the City had a community meeting at Lawrence Station Area parks. Seven of the eight parks in the area have been transferred and accepted by the City. There were a lot of questions about the dog park and park rules. Over 60 residents attended. The community expressed concerns about noise impacts on neighbors who live immediately adjacent to the dog park. The dog park opened the week of May 13. The hours of operation start at 7:00 AM, with closure at 1/2 hour after sunset. There is signage at both areas of the dog park stating the hours of operation, and to be considerate of neighbors regarding noise levels. The community is also providing feedback through the My Santa Clara app. All park patrons and Commissioners are encouraged to use the My Santa Clara app to report maintenance items in the City. The City is monitoring feedback from the community regarding the usage of the park, and will keep the Commission informed over the next few months.

Safety remediation work is ongoing at the International Swim Center. The current focus is on removing potential falling debris from the canopy above the grandstands. Contractors are expected to complete mitigation work at the end of the month as planned.

Recreation Manager Castro

The 4th of July Celebration at Mission College will have 12 food trucks, and lawn games for the community. Activities and entertainment include: Mustache Harbor, and Yacht Rock headliner David Martin's House Party Band. The Santa Clara Vanguard and the Santa Clara Dance Team will be performing, and there will be a welcome/flag ceremony. The Parks & Recreation Commission will be invited on stage at 5:15 PM. Mission College has offered free parking on campus for the community.

The Health & Wellness Fair was held on Friday, May 17 at the Senior Center. Approximately 300-400 people attended. Seniors received valuable information about resources, staying fit, and aging in place.

Dance Recital: About 400 dancers performed in over six different shows, and an audience of 200+ attended each show.

Recreation Swim and summer programs will start soon.

Fun Facts: (1)The Youth Pass is available for the academic school year for \$35/year, which allows for access to the Skate Park, and access to free activities at the Teen Center, and Recreation Swim; and (2) The Senior Premium Pass includes access to the fitness center at the Senior Center, Lap Swim and Recreation Swim at any City pool.

COMMISSIONERS REPORT**Chair Caldwell**

He plans to be at the Montague Park Ribbon Cutting on Wednesday, May 22. He attended the Community Meeting at the Lawrence Station Area community building on April 18. The meeting covered a lot of park operations information and community input on multiple topics, which included safety and crime concerns that are impacting residents in the area. Assistant City Manager Bojorquez followed up with Santa Clara PD regarding the community's concerns.

Commissioner Chu

Parks & Recreation Department staff did an amazing job with the recital. She plans to attend the Montague Park Ribbon Cutting on May 22 and expressed that it's fantastic to have so many new parks and renovated parks on the north side of Santa Clara, including Agnew Park, Fuller Street Park, Fairway Glen Park and now Montague Park. "It's great work!"

Commissioner Cox

She is excited to attend the Montague Park Ribbon-Cutting on Wednesday, May 22. The water in the creeks and near the trails is getting low so the garbage in the creeks is now more obvious. However, it's still been nice to get outside again.

Commissioner Forte

He spent time training over at Reed & Grant Sports Park and attended the Cinco de Mayo Festival in San Jose.

Commissioner Gupta

He plans to attend the Montague Park Ribbon-Cutting, and is excited to see what the park looks like after the rehabilitation project. He attended the CCS Swimming Championships at Independence High School. He feels sad that the ISC was not able to host the meet.

Commissioner Hai

He visited Jenny Strand Park. He was especially pleased with how incredible Westwood Oaks Park looks now, and that it looks very different from the old park.

ADJOURNMENT

Commissioner Chu made a motion, seconded by Commissioner Hai to adjourn the meeting at 9:07 PM until the next regular meeting of the Parks & Recreation Commission on Tuesday, June 18th at 7:00 PM.

Aye: 6 - Chair Caldwell, Commissioner Chu, Commissioner Forte, Commissioner Cox, Vice Chair Hai, and Commissioner Gupta

Excused: 1 - Commissioner Ricketts

MEETING DISCLOSURES

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City of Santa Clara

Meeting Minutes

Senior Advisory Commission

04/22/2024

10:00 AM

Hybrid Meeting
Santa Clara Senior Center
Room 205
1303 Fremont Street
Santa Clara, CA 95050050

The City of Santa Clara is conducting the Senior Advisory Commission meeting in a hybrid manner (in-person and a method for the public to participate remotely).

Via Zoom:

<https://santaclaraca.zoom.us/j/97590069803>

Meeting ID: 975 9006 9803

Or join by phone: 669-900-6833

CALL TO ORDER AND ROLL CALL

A regular meeting was called to order by Chair Hubbard at 10:04 a.m.

Present 6 - Vice Chair Edmund Drozek, Commissioner Tom Freitas, Commissioner Veena Sterling, Commissioner Rick Andrews, Commissioner Maria Vaz (arrived at 10:23 a.m.), and Commissioner Srinivasan Manivannan

Absent 1 - Chair Judy Hubbard

A motion was made by Commissioner Sterling, seconded by Commissioner Andrews, to excuse Commissioner Hubbard. The motion carried with the following vote.

Aye: 5 - Vice Chair Drozek, Commissioner Freitas, Commissioner Sterling, Commissioner Andrews, and Commissioner Manivannan

Absent: 2 - Chair Hubbard, Commissioner Vaz

CONSENT CALENDAR[24-358](#)

Review and Approve the Senior Advisory Commission Minutes of March 25, 2024

Recommendation: Approve the Senior Advisory Commission Minutes of March 25, 2024

A motion was made by Commissioner Andrews, seconded by Commissioner Freitas, to approve the Minutes of March 25, 2024. The motion carried with the following vote.

Aye: 5 - Vice Chair Drozek, Commissioner Freitas, Commissioner Sterling, Commissioner Andrews, and Commissioner Manivannan

Absent: 1 - Commissioner Vaz

Excused: 1 - Chair Hubbard

PUBLIC PRESENTATIONS

None

GENERAL BUSINESS[24-359](#)

Discussion and Review of Subcommittee Updates on the Status of FY2023/24 Senior Advisory Commission Work Plan & Goals

Recommendation: Staff recommends that the Commission note and file the subcommittees verbal status progress reports.

Goal 1.a. Provide an update on low-income vs. affordable housing educational presentation at Senior Advisory Commission meetings.

- **Commissioners Hubbard and Manivannan** reached out to the Housing and Community Services Division to request a presentation at an upcoming Senior Advisory Commission meeting and were informed that staff schedules are booked until the Fall.

Goal 2.a. Report out on last meeting with City Staff regarding pickleball updates.

- **Commissioner Freitas** attended the April Parks & Recreation Commission meeting to advocate for dedicated pickleball courts at Central Park.

Goal 3.a. Provide update on transportation resources presentation at the Senior Center

- No Update

Goal 3.b. Report out on the last Bicycle & Pedestrian Advisory Committee meeting.

- **Commissioners Drozek and Freitas** attended the April BPAC meeting which included discussion on the Monroe Bike Lane Project.

Goal 4.a. Provide an update on the review process of the 2017 Senior Needs Assessment

- This item was deferred to the June meeting.

Goal 5.a. Report out on the ADA Committee meeting.

- No Update

Goal 5.b. Provide update on the latest promotional opportunities.

- No Update

Goal 5.c. Provide update on the Senior Advisory Commissioner Exhibitor booth.

- **Recreation Supervisor Herb** sent an informational handout to the sub-committee for review. A magnifier card was ordered for the booth to hand out to the public.

24-360

Review the 2017 Senior Needs Assessment, Provide Input on Survey Content and Develop an Outreach Plan to Conduct a New Community Survey in 2024

Recommendation: It is recommended that the Commission review the Senior Needs Assessment and provide feedback on content and outreach efforts to be incorporated into the development of a 2024 survey.

The Commission continued to review the survey questions and to consider recommended changes. The Commission will continue it's review at the June meeting and begin discussing the survey format.

24-361

Discussion and Action to Recommend Council Adoption of a Resolution to Change the Meeting Schedule of the Senior Advisory Commission for FY 2024/25 and Calendar Year 2025

Recommendation: It is recommended that the Senior Advisory Commission review the proposed resolution, together with the proposed calendar of meetings, and provide direction to staff on whether to forward a recommendation to the City Council for final consideration.

The Commission reviewed the resolution change prepared by staff and determined that the recommended date change would not work for all current Senior Advisory Commissioners.

The Commission brainstormed alternative days and times for future Senior Advisory Commission meetings. The Commission suggested a meeting on the 3rd Monday of the month from 5 - 7 p.m. would be more conducive for Commissioners to attend.

The Commission directed staff to prepare a resolution to change the meeting schedule and bring that to the June meeting for review.

STAFF REPORT

Recreation Supervisor Herb shared the following:

- The Senior Center is holding two Community Input meetings for individuals 50+ that are interested in a Senior Travel Program. The meetings are Tuesday, April 30 from 10 - 11 a.m, and Wednesday, May 1 from 5:30 - 6:30 p.m.
- The Senior Center is hosting the 8th Annual "Be Strong, Live Long Health & Wellness Fair on Friday, May 17 from 10 a.m - 1 p.m.

Recreation Manager Castro shared the following:

- There are flyers for SV Hopper and current housing lists in the Senior Center resource areas on both levels of the building.
- Summer Activity Guide posted on Friday, April 19. Registration for residents begins April 23.
- Summer Concert Series kicks off in June with 5 concerts. Concerts will be held at Live Oak Park, 641 Moreland Way or Central Park Pavilion, 909 Kiely Blvd. from 6:30-8 p.m.
- Some park sites have been equipped with outdoor activities such a table tennis, Corn Hole, and activity tables. Information can be found in the Activity Guide.

COMMISSIONERS REPORT

Commissioner Manivannan attended Citizenship Day on April 20 at San Jose City College.

Commissioner Freitas shared that he attended the Patrick Henry Drive Community meeting to advocate for seniors. He encouraged the Commission to attend future meetings to voice their interest in senior activities. **Commissioner Drozek** added that there are 90 spaces for bicycles and space for cargo bikes at the Patrick Henry Drive development which is near the Calabazas Trail.

Commissioner Sterling left at 11:52 a.m.

Commissioners Drozek, Freitas and Manivannan shared that they attended the Council Priority Setting Session.

Commissioner Vaz asked if she could bring a flyer for the Stanford Alzheimer Program at the Palo Alto VA Hospital.

ADJOURNMENT

A motion was made by Commissioner Andrews, seconded by Commissioner Freitas that the meeting be adjourned at 11:57 a.m.

Aye: 6 - Vice Chair Drozek, Commissioner Freitas, Commissioner Sterling, Commissioner Andrews, Commissioner Vaz, and Commissioner Manivannan

Excused: 1 - Chair Hubbard

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the City of Santa Clara will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The City of Santa Clara will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the City's programs, services, and activities. The City of Santa Clara will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.

Agendas and other written materials distributed during a public meeting that are public record will be made available by the City in an appropriate alternative format. Contact the City Clerk's Office at 1 408-615-2220 with your request for an alternative format copy of the agenda or other written materials.

Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the City of Santa Clara, should contact the City's ADA Coordinator at 408-615-3000 as soon as possible but no later than 48 hours before the scheduled event.



City of Santa Clara

Meeting Minutes

Governance and Ethics Committee

06/03/2024

1:00 PM

City Hall – Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting Governance and Ethics Committee meetings in-person and continues to have methods for the public to participate remotely or in-person.

- Via Zoom: <https://santaclaraca.zoom.us/j/98559951444>
- Webinar ID: 985 5995 1444
- By phone: 1 (669) 444 9171

To submit written public comment before meeting:

Send email to mayorandcouncil@santaclaraca.gov by 10 a.m. the day of the meeting.

Those emails will be forwarded to Committee members and will be uploaded as supplemental meeting material.

Note: Emails received as public comment will not be read aloud during the meeting.

Present 3 - Chair Raj Chahal, Member Suds Jain, and Member Kevin Park

CALL TO ORDER AND ROLL CALL

Chair Chahal called the meeting to order at 1:04 p.m.

Present 3 - Chair Raj Chahal, Member Suds Jain, and Member Kevin Park

CONSENT CALENDAR

- 1.A [24-582](#) Approval of the March 4, 2024 Governance and Ethics Committee Meeting Minutes

Recommendation: Approve the minutes of the March 4, 2024 Governance and Ethics Committee Meeting

A motion was made by Committee Member Jain, seconded by Committee Member Park to approve the staff recommendation to approve the meeting minutes.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

PUBLIC PRESENTATIONS

Member of the public **Wanda Buck** stated she had some issues logging into Zoom, staff was able to provide support to get her into the Zoom link soon thereafter.

GENERAL BUSINESS

2. [24-439](#) Review and Action on Council Policy 020 ("Proclamations, Commendations and Certificates of Recognition") and Council Policy 009 ("City Representation at Meetings, Ceremonies, and Events")

Recommendation: Approve amendments, if any, to Council Policy 020 ("Proclamations, Commendations and Certificates of Recognition") and Council Policy 009 ("City Representation at Meetings, Ceremonies & Special Events") and bring forth to City Council for consideration and approval.

Staff presented on recommendations for Council Policy 020 and included the current process for Proclamations, Commendations and Certificates of Recognition. Staff presented options to the Committee for discussion. The Committee discussed the options and requested additional signatures on the Mayoral Certificates of Recognition to include City Councilmembers.

A motion was made by Committee Member Park and seconded by Committee Member Jain to approve the staff recommendation for Council Policy 020 ("Proclamations, Commendations and Certificates of Recognition") and bring to the City Council for review and consideration.

The recommendation includes the (1) addition of Council District Certificates of Recognition signed by the Mayor and the City Councilmember, (2) Proclamations and Commendations to Bear the Signatures of all members of the City Council, (3) staff to present to City Council an annual list of Proclamations and Commendations and notification of new requests, and (4) all recognition items (Proclamations, Commendations, and Certificates of Recognition) are approved by the Mayor and if they Mayor does not approve, the City Councilmember may petition for Council approval though the Council Policy 030 process.

The Committee directed staff to return to a future Governance and Ethics Committee meeting to discuss further the process for issuance of Mayoral Certificates of Recognition.

A motion was made by Committee Member Park and seconded by Committee Member Jain, to bring forth the Committee Recommendation to the full Council for Council Policy 009 ("City Representation at Meetings, Ceremonies, and Events") to allow all City Councilmembers the opportunity to speak at City hosted events based on program times allotted.

Aye: 3 - Chair Chahal, Member Jain, and Member Park

3. [24-1082](#) Review Policy and Procedure 049 ("Community Grant Policy")

Recommendation: Approve amendments, if any, to Policy and Procedure 049 ("Community Grant Policy") and bring forth to City Council for consideration and approval.

The Committee deferred this item to a future special Governance and Ethics Committee meeting due to time constraints.

4. [24-25](#) Review Meeting Management Protocol Options and Rosenberg's Rules of Order and Provide Direction to Staff

Recommendation: Provide Direction on a Council Policy for Meeting Management Protocols Recommendations by the Governance and Ethics Committee and Forward for Consideration and Approval by the City Council

The Committee deferred this item to a future special Governance and Ethics Committee meeting due to time constraints.

5. [24-438](#) Update on Review of SCSC Chapter 2.155 ("Regulation of Lobbying Activities") and SCSC Chapter 2.160 ("Calendars of Certain City Officials")

The Committee deferred this item to a future special Governance and Ethics Committee meeting due to time constraints.

6. [24-444](#) Referral to Discuss Possible Revisions to the Placement of Public Presentations on the City Council Meeting Agenda

Committee Member Park updated Committee this item was brought forward as a Council Policy 030 regarding the placement of public presentations. The Committee members discussed options to consider such as moving public presentations on the agenda or limiting times of public presentations at the beginning and continuing public presentations at the end of agenda. **Member of the Public Wanda Buck** also stated by only allowing 30 minutes at the beginning, this creates disparity for those participating virtually by phone/Zoom.

Committee Member Jain motioned and seconded by **Committee Member Park** to include the public presentations placement topic as part of the meeting management protocols.

7. [24-583](#) Review and Action on Updated 2024 Governance and Ethics Workplan

Recommendation: Approve the 2024 Governance and Ethics Committee Workplan with any additional amendments

The Committee deferred this item to a future special Governance and Ethics Committee meeting due to time constraints.

STAFF REPORT

None.

COMMITTEE MEMBER REPORTS / FUTURE REFERRALS

None.

ADJOURNMENT

Committee Chair Chahal adjourned the meeting at 4:05 p.m.

MEETING DISCLOSURES

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Agenda Report

24-88

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action on Award of Contract for the 2024 Americans with Disabilities Act (ADA) Curb Ramps Project to ASG Builders

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The 2024 ADA Curb Ramps Project (Project) consists of constructing Americans with Disabilities Act (ADA) compliant curb ramps at 17 intersections (Attachment 1). The scope of work also includes demolishing existing concrete, making slight modifications to adjacent surfaces and storm drain facilities to accommodate the new curb ramps, updating traffic striping and pavement markings, and other necessary work to complete the Project. The installation of ADA curb ramps continues the City's efforts to enhance accessibility in the public right-of-way and locations include those requested by the public.

The Project is funded through a combination of federal Community Development Block Grants (CDBG) and the City's General Fund. On May 7, 2024, Council approved the 2024-2025 Annual Action Plan, as required by the United States Department of Housing and Urban Development (HUD), for use of CDBG funds towards construction of ADA curb ramps. The CDBG National Objective for this activity is to Benefit Low- and Moderate-Income Persons or Households. The removal of architectural barriers to the mobility of elderly persons and/or the severely disabled is an activity that benefits a presumed benefit population (i.e., the beneficiaries are presumed to be low-income).

DISCUSSION

On May 15, 2024, a competitive Request for Bids (RFB) for construction of the project was published on the City's bid notification system, Periscope S2G. The RFB was viewed by over 40 vendors, which included contractors, suppliers, plan rooms, builder exchanges, and more. Beyond the contractors and suppliers who viewed the RFB through Periscope S2G, additional vendors were also able to view the RFB as members of various plan rooms and builder exchanges. In addition, staff also reached out directly to distribute the RFB to contractors and vendors who have previously viewed similar projects in the past.

On June 6, 2024, the bid opening for the Project was held via video conference. Six bids were received ranging from \$543,214 to \$734,027. The Bid Summary is included as Attachment 2. The lowest bid, submitted by ASG Builders (ASG) in the amount of \$543,214, is 13.2% below the Engineer's Estimate.

ASG's bid was reviewed by the Department of Public Works (DPW) staff and the City Attorney's Office for compliance with the terms and conditions of the bid documents and was determined to be the lowest responsive and responsible bid. Staff recommends awarding the contract to ASG.

Award of the contract will allow construction to commence in order to complete the curb ramp work during the summer and fall of 2024. The contract includes prevailing wage requirements.

ENVIRONMENTAL REVIEW

This project being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301(c), "Existing Facilities," as the activity consists of the repair, maintenance or minor alteration of existing facilities involving no or negligible expansion of the use beyond that presently existing, and specifically includes the repair of existing highways and streets.

As a recipient of federal funding, the project also requires review under the National Environmental Policy Act ("NEPA"). An environmental review report was completed on May 30, 2024. This project is a categorically excluded activity which is exempt per 24 CFR 58.34 (a) (12) because it does not require any mitigation or compliance with any listed statutes or authorities. The activity consists of reconstruction or rehabilitation of public facilities and improvements, and specifically includes reconstruction of existing curbs and sidewalks involving no change in use.

FISCAL IMPACT

The approximate cost of the contract is \$543,214, plus a 15 percent contingency, or \$81,482, for any potential change orders for a total not-to-exceed contract amount of \$624,696. Staff recognizes the potential challenges of working with the existing infrastructure and therefore recommends a 15 percent construction contingency for this project.

Funding for this Project was approved by City Council as part of the adoption of the FY 2024/25 and FY 2025/26 Capital Improvement Program Budget and FY 2024/25 Amended Operating Budget on June 25, 2024. Up to \$600,000 of the Project costs is budgeted in the Annual Curb Cuts project, with CDBG funding in the Housing and Urban Development Fund, and the remaining Project costs are available from the ADA Transition Plan Implementation (Public Right of Way) project in the Streets and Highways Capital Fund.

COORDINATION

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

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

1. Determine that the proposed actions are exempt from CEQA pursuant to Section 15301 (Existing Facilities) of Title 14 of California Code of Regulations;

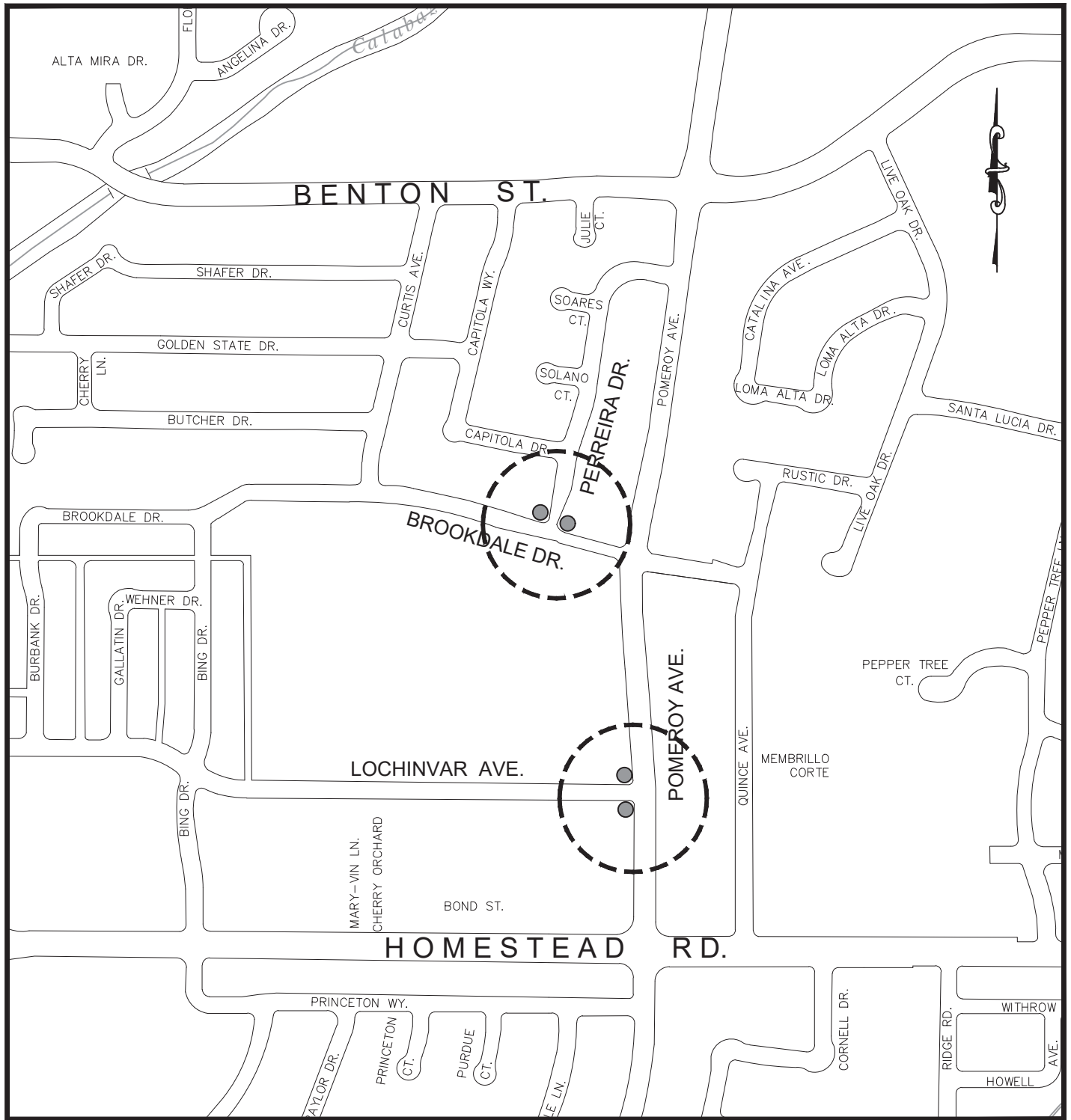
2. Determine that the proposed actions are exempt from NEPA pursuant to Section 58.35 (Categorical Exclusion) of Title 24 of the Code of Federal Regulations;
3. Award the Public Works Contract for the 2024 Americans with Disabilities Act Curb Ramps Project to ASG Builders, the lowest responsive and responsible bidder, in the amount of \$543,214, and authorize the City Manager to execute any and all documents associated with, and necessary for the award, completion, and acceptance of this Project, in final forms approved by the City Attorney; and
4. Authorize the City Manager to execute change orders up to approximately 15 percent of the original contract price, or \$81,482 for a total not to exceed amount of \$624,696 in final forms approved by the City Attorney.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Project Location Maps
2. Bid Summary



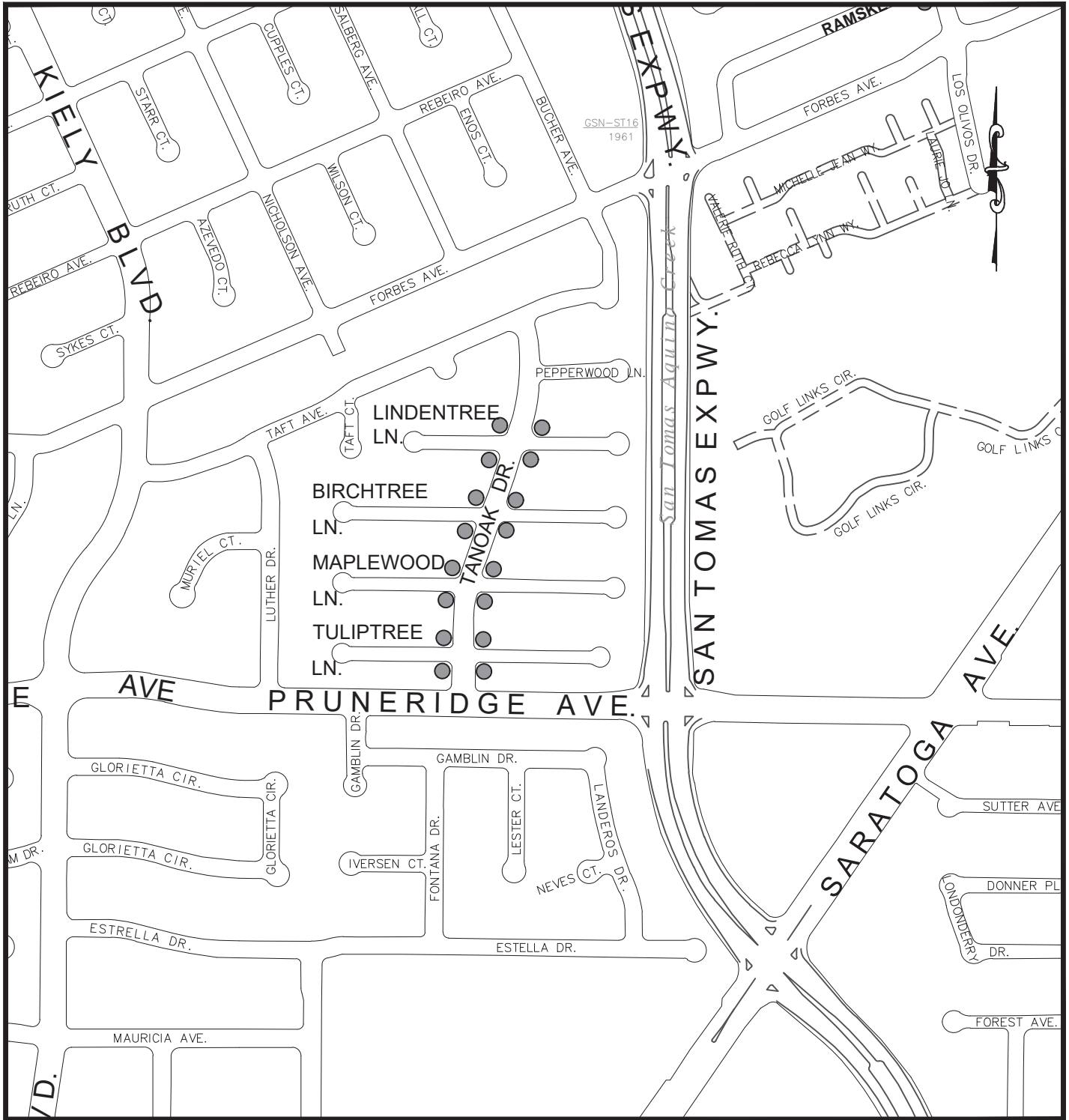
LOCATION MAP 1

LEGEND

- Proposed Curb Ramp Location

ATTACHMENT 1

2024 ADA CURB RAMPS PROJECT



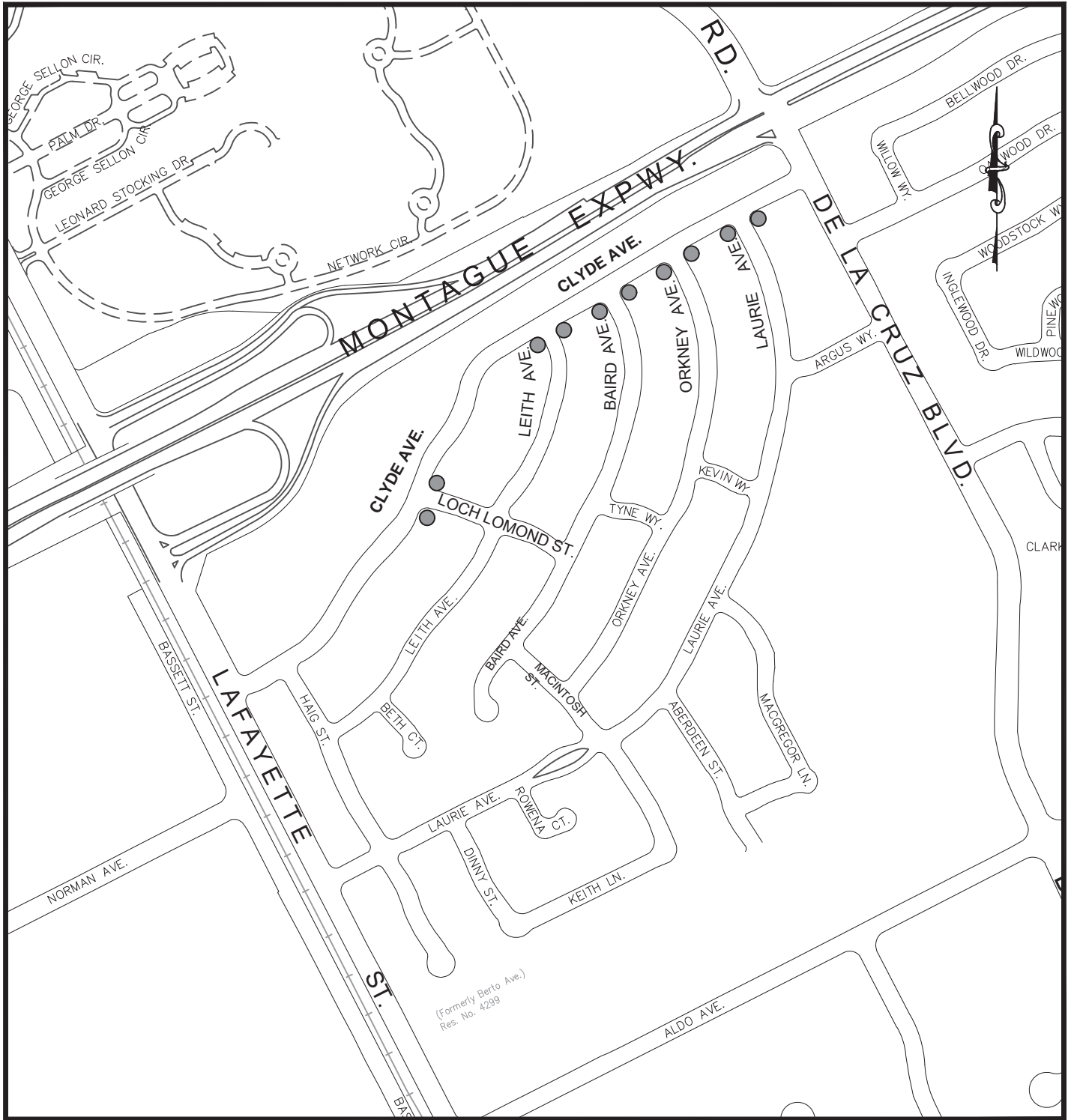
LOCATION MAP 2

LEGEND

- Proposed Curb Ramp Location

ATTACHMENT 1

2024 ADA CURB RAMPS PROJECT



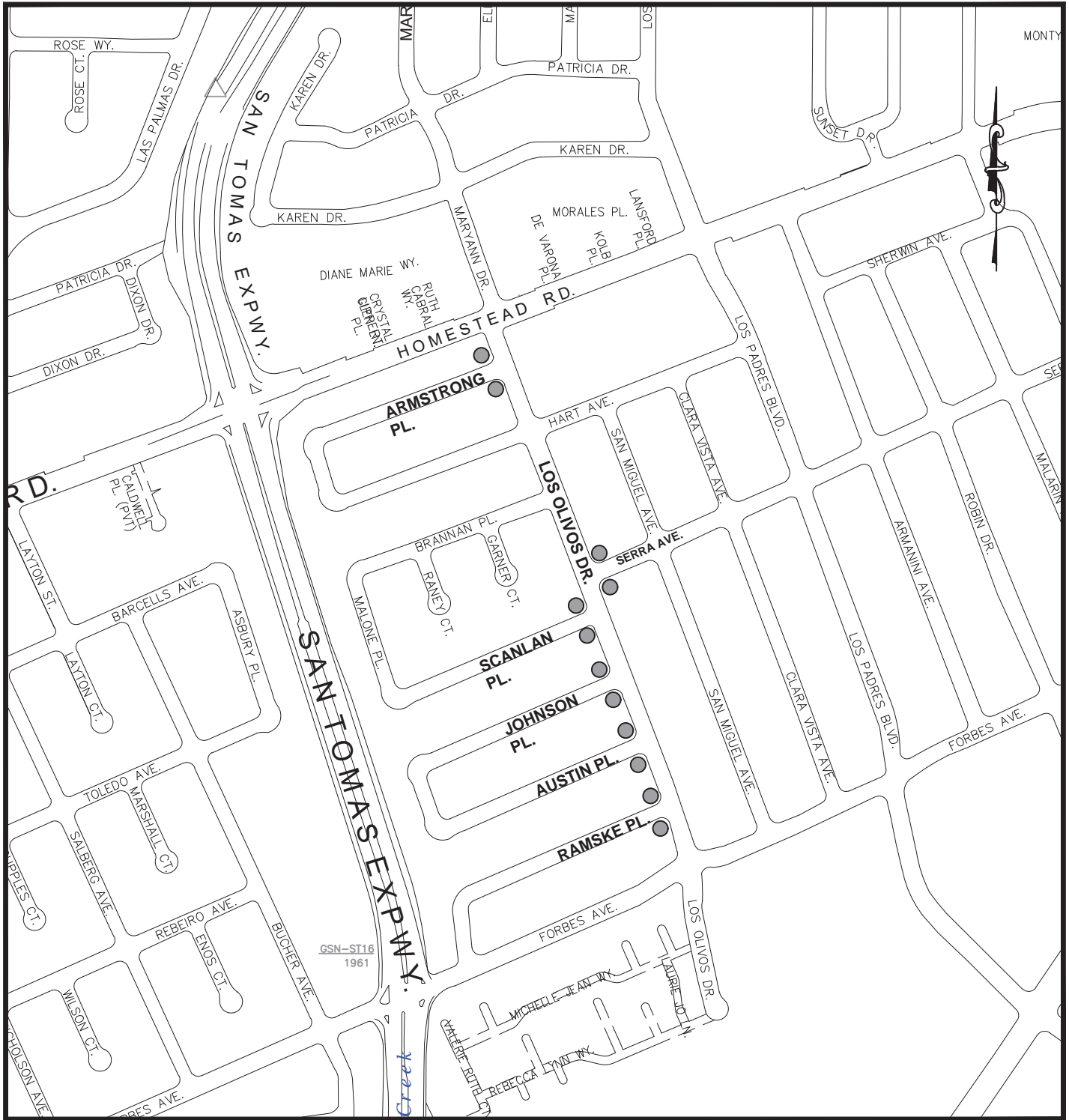
LOCATION MAP 3

LEGEND

- Proposed Curb Ramp Location

ATTACHMENT 1

2024 ADA CURB RAMPS PROJECT



LOCATION MAP 4

LEGEND

- Proposed Curb Ramp Location

ATTACHMENT 1

2024 ADA CURB RAMPS PROJECT



Attachment No. 2 Bid Summary

2024 ADA CURB RAMPS PROJECT (CE 23-24-08)

BID SUMMARY		Bid Opening Date: June 6, 2024	
ENGINEER'S ESTIMATE:		\$ 626,100.00	
Contractor	Total Bid (\$)	Percentage above/below Engineer's Estimate	
ASG Builders	\$ 543,214.00	13.2% below	
JJR Construction, Inc.	\$ 582,685.55	6.9% below	
Duran Construction Group	\$ 616,116.00*	1.6% below	
FBD Vanguard Construction, Inc.	\$ 690,169.00	10.2% above	
Golden Bay Construction, Inc.	\$ 703,797.75	12.4% above	
Sposeto Engineering, Inc.	\$ 734,027.20	17.2% above	

*Note: The amount shown reflects corrections by City pursuant to paragraph 18.C. of Document 00200, Instructions to Bidders, of the specifications due to mathematical discrepancies in the Bid.



Agenda Report

24-658

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action to Authorize the City Manager to Complete Negotiations and Execute a Third Phase Agreement with the Northern California Power Agency (NCPA) for the Purchase of Renewable Energy from Grace Orchard Energy Center

COUNCIL PILLAR

Deliver and Enhance High-Quality Efficient Services and Infrastructure
Promote Sustainability and Environmental Protection

BACKGROUND

The City of Santa Clara's Electric Department, Silicon Valley Power (SVP), purchases energy to supply residents and businesses within the City of Santa Clara. With the passage of Senate Bill 100 (SB 100), SVP must meet the State of California Renewable Portfolio Standards (RPS) where SVP must procure a specified percentage of its retail sales from renewable energy resources by a particular year.

SB 100 requires retail sellers and local publicly owned electric utilities to procure a minimum percentage of 44% of retail sales from renewable energy resources by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. The City of Santa Clara also adopted a Climate Action Plan setting a target to reduce greenhouse gas emissions by 80% by 2035.

SVP generally procures renewable electrical power in two ways. First, it may enter into Power Purchase Agreements (PPA) with project developers through their direct offerings and/or through a request for proposal (RFP) process. SVP may also participate in power purchase opportunities through the Northern California Power Agency (NCPA). Each potential PPA project may have unique characteristics that impact the value of the resource to SVP. Staff evaluates potential projects on locational value, shape of the generation output, environmental attributes, capacity attributes, viability, and operational flexibility.

NCPA is a not-for-profit Joint Powers Agency whose membership includes municipalities, a rural electric cooperative, and other publicly owned entities including the City of Santa Clara. The mission of NCPA is to provide its members cost effective wholesale power and energy-related services.

On March 25, 2020, NCPA issued an RFP to solicit competitive proposals for renewable energy resources, carbon-free energy resources, and energy storage solutions. In response to this RFP, NCPA received multiple proposals for the supply of renewable energy sourced from different technologies. Among them, NCPA received a proposal from Grace Orchard Energy Center LLC (Developer) to sell renewable energy produced from a 50 MW solar facility located in Riverside County, California (Grace Solar Facility). A number of NCPA members (Participants) expressed an

interest in purchasing renewable energy produced by the Grace Solar Facility. NCPA, in direct coordination with the Participants (including SVP), determined that Developer's offer was competitive for the current renewable energy market and met the needs and requirements of the Participants.

As a result of this determination, NCPA, acting on behalf of the Participants, engaged in active negotiations with the Developer to develop a PPA, pursuant to which NCPA, acting on behalf of the Participants, will purchase the facilities output. The Grace Solar Facility is expected to begin commercial operation on December 1, 2027. The solar project is expected to generate up to 147,000 MWh annually.

DISCUSSION

The PPA contains many terms which are standard for today's renewable energy market. For example, under the PPA, the Developer will have an obligation to reach commercial obligation no later than December 1, 2027, otherwise it will forfeit its development security. As is standard for power purchase agreements, this date may be extended for force majeure and other circumstances. Once the Developer reaches commercial operation, it must meet its guaranteed energy production commitments for the entire twenty-year term. In the event, the Developer fails to meet these commitments, it will pay damages in accordance with a formula set forth in the PPA. This commitment and other post-commercial operation obligations are secured through Developer's performance security which may be in the form of cash, a letter of credit, or guaranty.

To enable NCPA to enter into the PPA on behalf of the Participants, NCPA and the Participants must enter into a Third Phase Agreement. This will allow the Participants to take delivery of the output and to pay NCPA for all costs it incurs in connection with any PPA activities. The Third Phase Agreement sets the terms for participation in the project. In the City's case, it will be contractually obligated to purchase between 18% to 32.8% of the 50 MW output of the Grace Solar Facility. The City's final percentage will be known one hundred and eighty (180) days from the effective date of the agreement. By that deadline, all Participants must exercise their option for a portion of the project, otherwise they will have no further right to participate.

This project will increase and diversify SVP's renewable energy portfolio in accordance with the City Council's Adopted Policy on Environmental Stewardship and Renewable Portfolio Standards. SVP's share of the proposed solar output is equivalent to 0.5% - 1% of SVP's 2023 purchased power and generation.

If approved, the parties intend to execute the agreement at the end of August 2024. SVP would begin receiving energy from the Grace Solar Facility beginning December 1, 2027. SVP will provide the City Council with updates as needed through the SVP quarterly update or informational reports to the City Council.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to section 15378(b)(4) of Title 14 of the California Code of Regulations in that it solely facilitates SVP payment for the costs of the PPA and is therefore a fiscal activity that does not involve the commitment to a specific project which may result in a potentially significant physical impact on the environment. Under the PPA, the Developer is required to complete CEQA, otherwise the delivery term will not commence (i.e., no energy will be delivered by the Grace Solar Facility until completion of CEQA).

FISCAL IMPACT

SVP will receive approximately 26,000 - 48,000 MWh per year at an annual cost of approximately \$1.2 - \$2 million for 20 years. Funding for the purchase of renewable energy will be included in the Resource and Production budget in the Electric Utility Fund beginning in the FY 2027/28 Operating Budget.

COORDINATION

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

PUBLIC CONTACT

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RECOMMENDATION

1. Authorize the City Manager, or designee, to complete negotiations, approve, and execute a Third Phase Agreement (Agreement) with the Northern California Power Agency for the purchase of renewable energy from the Grace Solar Facility in an annual approximate amount of \$1.2 to \$2 million, funded by the Electric Utility Fund, subject to the review and approval as to form by the City Attorney; and
2. Authorize the City Manager to (a) take any and all actions as are necessary or advisable to implement and administer the Agreement; and (b) approve and execute future amendments to the Agreement so long as the contract price and term are not modified, subject to the review and approval as to form by the City Attorney.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-631

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 3 to Agreement with Questica, Inc. for the Budget and Financial Planning System

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

In August 2014, the City Council authorized the City Manager to execute a master agreement with Questica, Inc. (Questica) for new budgeting software with a five-year term through June 30, 2019, and a not to exceed cost of \$521,000. Questica was originally selected through a competitive process and currently provides the City with a hosted software service that allows for the development and monitoring of the City's budget. The agreement allows for a set number of software licenses for the capital, operating, and personnel modules.

In November 2016, the City executed Amendment No. 1 to the Agreement to migrate the budget software from on-premise to cloud-based hosting. In June 2019, the City Council approved Amendment No. 2 to increase the maximum compensation by \$356,038.12 (from \$521,000 to \$877,038.12), add an open data portal that allows the sharing of budget information on the City's website (Open Book), and extend the term to August 25, 2024.

DISCUSSION

The Questica budgeting software has been a crucial software tool for the Budget Division of the Finance Department. It is used to prepare the biennial operating and capital budgets for the City as well as the General Fund Ten-Year Forecast. The OpenBook data portal also provides the public with access to budget information on the City's website.

Staff is seeking City Council authorization to execute Amendment No. 3 to the agreement to extend the term through August 25, 2029. With this amendment, the City will receive additional licenses and an upgraded service to support the system, including the following:

1. Unlimited software licenses (currently, the City has 65 Operating Budget licenses, 45 Capital Budget licenses, and 40 Personnel module licenses). This will provide more flexibility on the use of the system and ensure the system is available to all potential users.
2. Care + Service Plan - this plan incorporates the following services:

- Customizations - Upgrades: updates budget system customizations implemented for the City of Santa Clara when regular system upgrades are performed (previously, the City paid to update its customizations with a system upgrade);
 - Customizations - Removal: removes existing customizations that may no longer be necessary with the latest version of the software; this would include cleaning up the production system (e.g., moving data, updating reports, and configuring a new feature);
 - Block of Service Hours: provides 20 hours of custom programming services annually that can be used for any service (e.g., custom reporting, consulting, customizations, and training);
 - Annual Refresher Training: provides training to City staff on each major module, delivered as a Q&A or tutorial; and
 - Read-only SQL Access: allows the IT team to gain direct-to-database access to a private read-only copy of the production database that is valuable in developing budget reports and providing a back-up.
3. Salary Integration/Synchronization - complete the integration of actual personnel data (employees, salary step, salary grades, benefits, payroll by position) into Questica by August 31, 2025. This will improve the efficiency of updating the personnel data each year and provide a management tool.

The current agreement with Questica has a maximum compensation of \$877,038.12. The cost for maintenance and support, continuation of the open data portal (OpenBook), and the Care+ package totals \$448,038.40 over the five-year period from August 26, 2024 to August 25, 2029. The amendment also includes a maximum amount of \$100,000 for as-needed services that may be necessary during the term of the agreement, for a total amendment amount of \$548,038.40. Under Amendment No. 3, the revised maximum compensation is \$1,425,076.52.

In addition, staff is requesting authorization to further extend the term of the agreement for up to five additional years through August 25, 2034. With the integration of personnel data, it is expected that the system will be used beyond 2029. It would take an extensive amount of staff time and potential cost to switch to a different budget system that would require customization to align with the City's accounting system and budget structure.

ENVIRONMENTAL REVIEW

The actions being considered do not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to section 15378 (b)(5) of Title 14 of the California Code of Regulations in that it is an amendment to an existing software license agreement; therefore, the proposed actions are administrative activities that will not result in direct or indirect physical changes in the environment.

FISCAL IMPACT

Amendment No. 3 increases the maximum compensation by \$548,038.40 (from \$877,038.12 to \$1,425,076.52 and extends the term of the agreement by five years through August 25, 2029. This agreement is funded by the General Fund and is budgeted in the Finance Department's Fiscal Year

2024/25 Operating Budget. The City's funding of this Agreement is subject to annual appropriations and will be considered as part of future years' budget development process beyond fiscal year 2024/25.

COORDINATION

This report has been coordinated with the City Attorney's Office.

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 or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute Amendment No. 3 to the Agreement with Questica, Inc. to extend the term of the agreement through August 25, 2029, and increase the maximum compensation by \$548,038.40 for a revised maximum compensation of \$1,425,076.52, subject to the appropriation of funds and in a final form approved by the City Attorney; and
2. Authorize the City Manager or designee to take any actions as necessary to implement and administer the Agreement with Questica, Inc. and negotiate and execute amendments to (a) add or delete services consistent with the scope of services, (b) renew the term of the agreement for up to five years through August 25, 2034, and (c) increase the maximum compensation for an additional \$600,000 for a total aggregate maximum compensation not to exceed \$2,025,076.52 for the extended term, subject to the appropriation of funds and the review and approval as to form by the City Attorney.

Reviewed by: Kenn Lee, Director of Finance

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Agreement with Questica, Inc.
2. Amendment No. 1 to the Agreement with Questica, Inc.
3. Amendment No. 2 to the Agreement with Questica, Inc.
4. Proposed Amendment No. 3 to the Agreement with Questica, Inc.

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

PREAMBLE

This agreement for the performance of services ("Agreement") is made and entered into on this 26th day of August, 2014, ("Effective Date") by and between Questica, Inc., a Canadian corporation, with its principal place of business located at 980 Fraser Drive, Suite 105, Burlington, Ontario L7L 5P5, Canada ("Contractor" or "Questica"), and the City of Santa Clara, California, a chartered California municipal corporation with its primary business address at 1500 Warburton Avenue, Santa Clara, California 95050 ("City" or "Licensee"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. City desires to secure professional services more fully described in this Master Agreement ("Agreement") and in the accompanying Exhibits A1 and A2 "Scope of Services"; and
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT PROVISIONS

1. SERVICES TO BE PROVIDED.

Except as specified in this Agreement, Contractor shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise (collectively referred to as "Services") to satisfactorily complete the work required by City at his/her own risk and expense. Services to be provided to City are more fully described in the accompanying Exhibits A1, A2 and A3 "Scope of Services." All of the exhibits referenced in this Agreement are attached and are incorporated by this reference. Contractor acknowledges that the execution of this Agreement by City is predicated upon representations made by Contractor in that certain document entitled "Request for Proposal for Professional Services Budget and Financial Planning System – Questica Inc. – RFP Response" dated July 16, 2014 (3pm), ("Proposal") set forth in Exhibits A1, A2 and A3 which constitutes the basis for this Agreement.

2. TERM OF AGREEMENT.

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on 6/30/2019.

3. RESERVED.

4. QUALIFICATIONS OF CONTRACTOR - STANDARD OF WORKMANSHIP.

Contractor represents and maintains that it has the necessary expertise in the professional calling necessary to perform services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

The plans, designs, specifications, estimates, calculations, reports and other documents furnished under Exhibits A1, A2, and A3 "Scope of Services" shall be of a quality acceptable to City. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well organized, that is technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by City for similar projects.

5. MONITORING OF SERVICES.

City may monitor the Services performed under this Agreement to determine whether Contractor's operation conforms to City policy and to the terms of this Agreement. City may also monitor the Services to be performed to determine whether financial operations are conducted in accord with applicable City, county, state, and federal requirements. If any action of Contractor constitutes a breach, City may terminate this Agreement pursuant to the provisions described herein.

6. WARRANTY.

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect, and shall conform to the specifications, requirements, and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate, or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

7. PERFORMANCE OF SERVICES.

Contractor shall perform all requested services in an efficient and expeditious manner and shall work closely with and be guided by City. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or

indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it. Contractor will perform all Services in a safe manner and in accordance with all federal, state and local operation and safety regulations.

8. RESPONSIBILITY OF CONTRACTOR.

Contractor shall be responsible for the professional quality, technical accuracy and coordination of the Services furnished by it under this Agreement. Neither City's review, acceptance, nor payments for any of the Services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement and Contractor shall be and remain liable to City in accordance with applicable law for all damages to City caused by Contractor's negligent performance of any of the Services furnished under this Agreement.

Any acceptance by City of plans, specifications, construction contract documents, reports, diagrams, maps and other material prepared by Contractor shall not in any respect absolve Contractor from the responsibility Contractor has in accordance with customary standards of good professional practice in compliance with applicable federal, state, county, and/or municipal laws, ordinances, regulations, rules and orders.

9. COMPENSATION AND PAYMENT.

In consideration for Contractor's complete performance of Services, City shall pay Contractor in accordance with the milestone payment schedule or the rate per hour for labor and cost per unit for materials for additional services as outlined in Exhibit B, entitled "FEE SCHEDULE." The payments made by City under this Agreement will be the amounts charged, less a twenty percent (20%) retention payment on each milestone for Services provided and billed by Contractor, subject to verification by City, pursuant to the payment schedule set forth in the Fee Schedule. City shall pay to Contractor the last milestone payment and the retention amounts within thirty (30) days of the "Acceptance" date as specified in the "FEE SCHEDULE", Questica Timeline of Milestones and Payment Schedule (Exhibit "B").

Contractor will bill City on a monthly basis for Services provided by Contractor during the preceding month, subject to verification by City. City will pay Contractor within thirty (30) days of City's receipt of invoice.

10. PROGRESS SCHEDULE.

The Progress Schedule will be as set forth in the attached Exhibit B, entitled "FEE SCHEDULE", Questica Timeline of Milestones and Payment Schedule.

11. TERMINATION OF AGREEMENT.

Either Party may terminate this Agreement without cause by giving the other Party written notice ("Notice of Termination") which clearly expresses that Party's intent to terminate the Agreement. Notice of Termination shall become effective no less than thirty (30) calendar days after a Party receives such notice. After either Party terminates the Agreement, Contractor shall discontinue further services as of the effective date of

termination, and City shall pay Contractor for all Services satisfactorily performed up to such date.

12. NO ASSIGNMENT OR SUBCONTRACTING OF AGREEMENT.

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

13. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

14. INDEPENDENT CONTRACTOR.

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights, however, to manage its employees in their performance of Services under this Agreement. Contractor is not authorized to bind City to any contracts or other obligations.

15. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall Contractor have the authority or power to pledge the credit of City or incur any obligation in the name of City. Contractor shall save and hold harmless the City, its City Council, its officers, employees, boards and commissions for expenses arising out of any unauthorized pledges of City's credit by Contractor under this Agreement.

16. CONFIDENTIALITY OF MATERIAL.

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services, nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

17. USE OF CITY NAME OR EMBLEM.

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

18. OWNERSHIP AND COPYRIGHT.

Questica is the owner of all intellectual property rights in the Work (as defined in the accompanying Exhibit A2, "Questica Budget License and Service Agreement"), related written materials, logos, names and other support materials provided pursuant to the terms of this Agreement. No title to the intellectual property in the Work or in any magnetic media or other physical media provided therewith is transferred to the Licensee by this Agreement.

Questica shall defend Licensee against any claim that the Work infringes a patent, copyright, trade-mark or other intellectual property right of any third party and Questica will pay resulting cost, damages and reasonable legal fees finally awarded, provided that i) Licensee promptly notifies Questica in writing of the claim; and ii) Questica has sole control of the defense and all related settlement negotiations.

If such claim has occurred or in Questica's opinion is likely to occur, Licensee agrees to permit Questica at its option and expense, either to procure for Licensee the right to continue using the Work or to replace or modify the same so that it becomes non-infringing without loss of functionality.

Questica shall have no obligation to defend Licensee or to pay costs, damages or legal fees for any claim based upon use of other than a current unaltered release of the Work, if such infringement would have been avoided by the use of a current unaltered release thereof.

The foregoing states the entire obligations of Questica with respect to infringement or proprietary or intellectual rights of third parties.

19. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR.

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for three (3) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

20. CORRECTION OF SERVICES.

Contractor agrees to correct any incomplete, inaccurate or defective Services at no further costs to City, when such defects are due to the negligence, errors or omissions of Contractor.

21. FAIR EMPLOYMENT.

Contractor shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, gender, sexual orientation, age, disability, religion, ethnic background, or marital status, in violation of state or federal law.

22. HOLD HARMLESS/INDEMNIFICATION.

To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and reasonable attorney's fees in providing a defense to any claim arising therefrom, for which City shall become liable arising from Contractor's negligent, reckless or wrongful acts, errors, or omissions with respect to or in any way connected with the Services performed by Contractor pursuant to this Agreement.

23. INSURANCE REQUIREMENTS.

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall purchase and maintain in full force and effect, at no cost to City insurance policies with respect to employees and vehicles assigned to the Performance of Services under this Agreement with coverage amounts, required endorsements, certificates of insurance, and coverage verifications as defined in Exhibit C.

24. AMENDMENTS.

This Agreement may be amended only with the written consent of both Parties.

25. INTEGRATED DOCUMENT.

This Agreement represents the entire agreement between City and Contractor. No other understanding, agreements, conversations, or otherwise, with any representative of City prior to execution of this Agreement shall affect or modify any of the terms or obligations of this Agreement. Any verbal agreement shall be considered unofficial information and is not binding upon City.

26. SEVERABILITY CLAUSE.

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

27. WAIVER.

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

28. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Finance Dept.
1500 Warburton Avenue
Santa Clara, California 95050
or by facsimile at (408) 243-8687

And to Contractor addressed as follows:

Name: Questica, Inc.
Address: 980 Fraser Drive, Suite 105
Burlington, Ontario L7L 5P5, Canada
or by facsimile at (866) 520-8514

If notice is sent via facsimile, a signed, hard copy of the material shall also be mailed. The workday the facsimile was sent shall control the date notice was deemed given if there is a facsimile machine generated document on the date of transmission. A facsimile transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

29. CAPTIONS.

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

30. LAW GOVERNING CONTRACT AND VENUE.

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

31. DISPUTE RESOLUTION.

- A. Unless otherwise mutually agreed to by the Parties, any controversies between Contractor and City regarding the construction or application of this Agreement, and claims arising out of this Agreement or its breach, shall be submitted to mediation within thirty (30) days of the written request of one Party after the service of that request on the other Party.
- B. The Parties may agree on one mediator. If they cannot agree on one mediator, the Party demanding mediation shall request the Superior Court of Santa Clara County to appoint a mediator. The mediation meeting shall not exceed one day (eight (8) hours). The Parties may agree to extend the time allowed for mediation under this Agreement.

- C. The costs of mediation shall be borne by the Parties equally.
- D. For any contract dispute, mediation under this section is a condition precedent to filing an action in any court. In the event of mediation which arises out of any dispute related to this Agreement, the Parties shall each pay their respective attorney's fees, expert witness costs and cost of suit, through mediation only. In the event of litigation, the prevailing party shall recover its reasonable costs of suit, expert's fees and attorney's fees.

32. COMPLIANCE WITH ETHICAL STANDARDS.

Contractor shall:

- A. Read Exhibit D, entitled "ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO AN AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA"; and,
- B. Execute Exhibit E, entitled "AFFIDAVIT OF COMPLIANCE WITH ETHICAL STANDARDS."

33. CONFLICT OF INTERESTS.

This Agreement does not prevent either Party from entering into similar agreements with other parties. To prevent a conflict of interest, Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code Section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

(Signatures follow on Page 9)

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

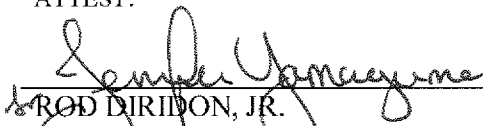


RICHARD E. NOSKY, JR.
City Attorney



JULIO J. FUENTES
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

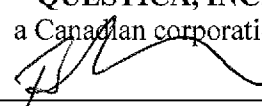
ATTEST:



ROD DIRIDON, JR.
City Clerk

"CITY"

QUESTICA, INC.
a Canadian corporation

By: 

(Signature of Person executing the Agreement on behalf of Contractor)
Name: T.J. Parass
Title: President
Local Address: 980 Fraser Drive, Suite 105
Burlington, Ontario L7L 5P5 Canada
Email Address: tjparass@questica.com
Telephone: (905) 634-0110 x 555
Fax: (866) 520-8514

"CONTRACTOR"

I:\FINANCE\14.1301 - Questica software contract\14.1301 - PROFESSIONAL SERVICE AGREEMENT FORM-
Questica (CAO 8-13-14).doc

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT A1

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal entitled, "Request for Proposal for Professional Services Budget and Financial Planning System – Questica Inc. RFP Response" dated July 16, 2014 (3pm), which is attached to this Exhibit A1.

City of Santa Clara
"REQUEST FOR PROPOSAL
FOR PROFESSIONAL SERVICES
BUDGET AND FINANCIAL PLANNING SYSTEM"



Questica

Questica Inc. - RFP Response

July 16, 2014 (3pm)

André Aberdeen- Account Manager (Primary RFP Contact)

Phone: (877) 707-7755 x 503

Fax: (866) 520-8514

Email: aaberdeen@questica.com

Questica Inc.

980 Fraser Drive.

Suite 105

Burlington, Ontario L7L 5P5

Canada

Microsoft®
GOLD CERTIFIED
Partner

ISV/Software Solutions

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Cover Page

Cover Page

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

RE: "Request For Proposal For Professional Services Budget And Financial Planning System"

Questica is pleased to present this information package in response to The City of Santa Clara's Request for Proposals (RFP). Our *Questica Budget* product represents a proven COTS (Commercial Off-the-Shelf) solution - not a software development platform. From Day 1, it was designed specifically for the unique needs of the public sector and local governments. At Questica, we own and implement our own product, we are not implementers of a 3rd party product, and as a result we have full control over all the resources from all areas within our organization. We are an agile organization with control over all aspects of software development, implementation, support and ultimate customer satisfaction. At Questica, we provide budgeting software to the public sector - *that's all we do*.

Questica Budget is well known in the Public Sector community for its ability to allow for a logical development of the budget, in an intuitive and secure environment. Questica Budget consists of three primary modules: Operating, Salaries/Position Planning and Capital which are all web based - ideal for collaborative budgeting.

Be assured that Questica has the knowledge and experience to address your budgeting challenges. Over 100 customers including, City of Boston, NASA, The Smithsonian, and The City of Edmonton, rely on Questica Budget. In addition, the following California municipalities also use Questica Budget: City of Palo Alto, City of Walnut Creek, City of Riverside, City of Oceanside, City of Stockton, City of Pleasanton, City of San Carlos, and the City of Seaside. Combined with proven experience working with dozens of financial and HR systems (including PeopleSoft), The City can be confident that Questica is the vendor with the expertise, tools and knowledge required to provide a complete budget software solution.

We hope you find this document informative. We appreciate the opportunity to respond, and encourage you to contact us with any questions or comments you may have. André Aberdeen will serve as the primary contact person for this RFP.



TJ Parass
President
905.634.0110 x555
tjparass@questica.com



André Aberdeen
Account Manager
905.634.0110 x503
aaberdeen@questica.com

980 Fraser Drive, Suite 105, Burlington, Ontario L7L 5P5, Canada

Chapter 1 – Proposal Summary

We appreciate the opportunity to provide the City of Santa Clara with our Proposal, and to demonstrate to you that we have the resources, knowledge and expertise to meet your needs and provide tremendous benefit to your organization.

With over a decade of experience, Questica is highly specialized in the development, implementation and support of budget management software and we are pleased to introduce you to Questica Budget for your consideration. Questica Budget represents a proven and comprehensive solution specifically designed to meet the requirements of the Public Sector. We trust you will find that we not only meet, but exceed the requirements stipulated within this RFP.

A great functional fit: In addition to meeting all minimum requirements, the Questica Budget COTS (Commercial off-the-shelf software) solution addresses most budgeting software requirements listed in the Functional and Non-Functional sections of the RFP document- out of the box or via configuration. The tremendous product fit, and the limited customizations that would be required, significantly reduces the implementation timeline and project Cost risk for the City.

The right company: At Questica, we provide budgeting software to the public sector – *that's all we do*. Questica is not only the leading budgeting software provider to the public sector, but also the largest independent budget software company. Questica represents the largest group of budget software experts in North America dedicated to serving the public sector. We have the resources and the right people to do the job and offer a 'one-stop shop' approach with Product Development, Professional Services, Sales and Customer Support provided from one central location. Unlike many other providers of Budgeting Solutions, we own the Questica Budget solution and perform 100% of the implementation and support responsibilities. This approach allows us to align our entire organization with the sole focus of delivering an on-time and on budget implementation to the City.

Financial Stability: Questica has enjoyed steady, managed growth (Net Revenue Growth) of 30% for each of the past three fiscal years. We carry no debt, have access to a generous line of credit (unused) and maintain a strong balance sheet with AR, cash and investments equivalent to 1 Year of operating expenses. Our average EBITA for the past 3 years has averaged in excess of 20% and we believe firmly in continuing to invest in our people and solutions. The company has been investing just under 25% of Net Revenues in R&D during this same 3 year period. We have been in business for 15 years and look forward to continued growth in the years to come. As a private company we do not typically share financial statements but would be happy to make our auditors available, should the City wish, to discuss in more detail.

Project Timeline and Cost: Questica has a tremendous track record of completing projects on time and on budget, and are extremely confident in our abilities to do the same for the City of Santa Clara. Based on the RFP requirements, we are proposing a fixed price of **\$235,000** (Installed) inclusive of anticipated travel costs, the implementation of the core solution (does not include optional Performance Measurements module).

PeopleSoft Integration: Integration with your PeopleSoft system is a key element of a successful solution. Questica is one of the few vendors with the proven integration experience to work with your existing technology. Questica will guarantee a successful integration between our Questica Budget solution and your PeopleSoft system. Not only do we guarantee the integration between the systems, we are offering the integration at a fixed price. To date we have completed over 350 successful integrations throughout our customer base, to various ERP and Payroll/HR solutions.

Questica Customer Satisfaction: Like many software companies, we use the *Net Promoter Score*, or 'NPS' to evaluate ourselves and gauge overall customer satisfaction. (See: http://en.wikipedia.org/wiki/Net_Promoter). "NPS" is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix. It is a management tool and customer loyalty metric that can be used to gauge the fidelity of a firm's customer relationships. An NPS that is positive (i.e., higher than zero) is felt to be good, and an NPS of 50 or higher is considered to be exceptional. **The Questica NPS Score for 2013 was 48.**

References (5 we want to bring to their attention to):

1. City of Riverside, California - \$915M Annual Budget, SunGard One Financials
2. City of Oceanside, California - \$365M Annual Budget, Oracle Financials
3. City of Palo Alto, California - \$800 Annual Budget, SAP Financials
4. City of Boston, Massachusetts - \$2.5B Annual Budget, PeopleSoft Financials
5. City of Edmonton, Alberta - \$3.4B Annual Budget, SAP Financials

Solution Differentiators

Reporting: Questica Budget includes over 90 reports out-of-the-box which are ready for use. The City is not limited to using just these standard reports, as Questica Budget provides a robust reporting solution built upon Microsoft SSRS. This Ad-Hoc report writing tool is designed for non-technical users who desire quick access to design and create their own reports. It includes an intuitive user interface. Users simply drag and drop the information they want to see into a report design window. No need to involve IT in report development.

Dashboards: The Questica Dashboard component, written in HTML5, delivers the ability to provide an "at-a-glance" summary of critical data and other relevant information in a visually rich and interactive interface. Dashboards can be developed for individual users, groups of users, departments, roles or specific functional areas within the Questica Budget solutions. The

only limit to the number and variety of dashboard views that can be created using this powerful tool is your imagination.

Change Requests/Decision Packages: The Change Request feature is a sub system to the base budgeting functionality within Questica Budget. Change Requests provide a structured framework to deal with Amendments / Transfers / Changes to the budget(s). With dedicated workflows and approval process, this sub system allows budget modifications to be treated apart from the general budget. Staff can request changes such as moving monies from one budget to another, proposing a new position or even proposing a merit pay increase for an employee - all using a simple intuitive user interface. Change Requests can be created individually or they can be bundled together, often referred to as a 'decision package'. Once the changes are approved via the workflow process, they can be applied to the budget(s) automatically.

Flexibility: Questica Budget was designed to be more than a budgeting tool. It was designed to be easily customized and modified to suit the specific needs of any organization. Using easily customizable screens and the ability to define custom business rules, Questica Budget can provide unique functionalities such as Key Performance Indicators/Service Level Measurements/Performance Measurements, and Strategic Budgeting.

Integrated Workflow: Questica Budget improves the efficiency of the budgeting process by automatically notifying users via e-mail when their participation is required. As the budget is promoted through the different stages, (department data entry, manager approved, Board approved, etc.) user permissions (security settings) are triggered, providing the re-assurance that only the appropriate people can modify or view the budget at each stage of its development.

Allocations: The Questica Budget Allocations module allows you to move dollars around the Operating budget, and even into the Capital budget, in a structured and balanced fashion. It supports complex arrangements of allocations between many budget elements and departments. The Allocations module is an exclusive feature to Questica Budget.

Microsoft Gold Certified: Questica has been a Microsoft Gold Certified Partner since 2005, a premium certification level with Microsoft. Additionally, Questica has had both Questica Budget and its SQL Server components tested by **VeriSign**, a well-known and respected third party testing agency.

We would like to thank the City of Santa Clara for considering Questica's proposal for the provision of your complete budgeting solution. With our knowledge and expertise in Public Sector Budgeting, developed over the last decade, we are confident in Questica's ability to fully satisfy and exceed the requirements of the City of Santa Clara.

We look forward to hearing from you and welcome the opportunity to further elaborate on the strength of our solution and our team as part of the demonstration process.

RFP Contact Information

Questions related to this RFP can be directed to:

Contact Person: André Aberdeen

Contact Title: Account Manager

Contact Phone: (905) 634-0110 x503

Contact Fax: (866) 520-8514

Contact Email: aaberdeen@questica.com

Company Website: www.questica.com

Company Name: Questica Inc.

Company Address: 980 Fraser Drive. Suite 105. Burlington, ON. Canada. L7L 5P5

Chapter 2 – Profile on the Proposing Firm(s)

Questica Profile

Questica Background

Questica has been developing software products from its Burlington, Ontario office since its incorporation in 1998. In 2001 Questica was awarded a contract with the City of Burlington, Ontario to provide a Capital Forecasting and Budgeting Application tool. The knowledge and experience gained with the City of Burlington together with feedback received from other municipalities formed the foundation of Questica Budget the product being proposed to the City in this RFP response.

Questica specializes in the consulting, research and development of integrated project management systems tailored to meet the particular needs of local governments. Since 1998, Questica has engaged a steadily increasing client base of municipal customers. Examples and experiences are detailed throughout this RFP response.

In 2005 Questica obtained Gold Certified Partner Status, a premium certification level with Microsoft that we have maintained to this day. To meet Microsoft Certification Status, the Questica Budget (then known as TeamBudget) software has been tested by VeriSign, a well-known and respected third party testing agency. Questica Budget Capital, Operating and SQL Server components have been tested and meet their certification requirements.

As a company, our focus is very well defined ... our business is helping public sector entities prepare and manage their budgets. That's all we do.



ISV/Software Solutions

Company Information

Year Founded: 1998

All aspects of business operations are performed at Questica's Burlington office, located at 980 Fraser Drive. Suite 105. Burlington, ON. Canada. L7L 5P5

Structure of Firm:

- Questica provides Capital, Operating and Salary/Position Planning budget preparation software to public sector agencies
- Questica is a private Corporation with approximately 30 employees
- Chief Officers include TJ Parass and Allan Booth
- Questica has been in business since 1998 and has not undergone any name changes
- Questica does business in Canada and the United States
- Questica has no pending litigation nor have we had any litigation arising out of our performance

RFP Contact Person

Questions related to this RFP can be directed to:

Contact Person: André Aberdeen

Contact Title: Account Manager

Contact Phone: (905) 634-0110 x503

Contact Fax: (866) 520-8514

Contact Email: aaberdeen@questica.com

Company Website: www.questica.com

Company Name: Questica Inc.

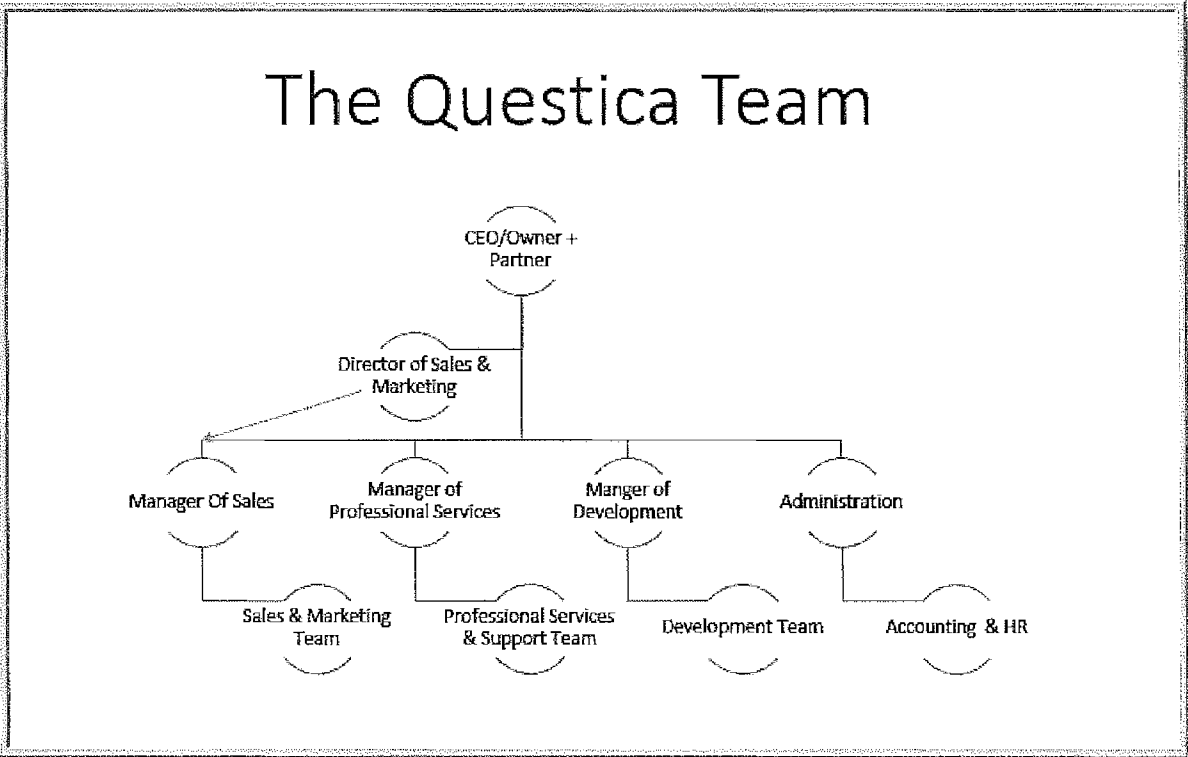
Company Address: 980 Fraser Drive. Suite 105. Burlington, ON. Canada. L7L 5P5

Questica Resources

- Product Development:** 11
- Project Managers:** 5
- Professional Services/ Report Writers:** 5
- Sales/Administration/President:** 9
- Total employees:** 30

Questica Organizational Chart (Org Chart)

Questica Organizational Chart – 2014



Financial Stability & Litigation

Statement regarding Financial Condition

Questica maintains an ongoing relationship with our growing customer base yielding continued year-over-year growth of both revenue and profit. As a private company, we do not normally disclose financial data in RFP responses. If the City of Santa Clara wishes, we will make arrangements for our financial records to be reviewed with our Accountant/Auditor in a controlled environment.

Statement of Financial Standing

If the answer to any of the questions is "Yes", Questica shall describe fully the circumstances, reasons therefore, the current status, and ultimate disposition of each matter that is the subject of this inquiry.

1. Has Questica been declared in default of any contract? Yes _____ No X
2. Has Questica forfeited any payment of performance bond issued by a surety company on any contract? Yes _____ No X
3. Has an uncompleted contract been assigned by Questica's surety company on any payment of performance bond issued to Questica arising from its failure to fully discharge all contractual obligations there under? Yes _____ No X
4. Within the past three (3) years, has Questica filed for reorganization, protection from creditors, or dissolution under the bankruptcy statutes? Yes _____ No X
5. Is Questica now the subject of any litigation in which an adverse decision might result in a material change in the firm's financial position or future viability? Yes _____ No X
6. Is Questica currently involved in any state of a fact-finding, negotiations, or resistance to a merger, friendly acquisition, or hostile take-over, either as a target or as a pursuer? Yes _____ No X
7. License Sanctions: List any regulatory or license agency sanctions. (Please keep in mind that the City of Santa Clara may perform a background check on Questica with all state and regulatory agencies.)

Questica Inc. has no regulatory or license agency sanctions.

Company Vision Statement

Questica Budget is successful because it is not a generic solution. It was designed specifically for the Public Sector and 90% of its users are local governments. Each year we add additional features and functionality to match advances in technology and the changing needs of our customers. Questica plans to maintain our Public Sector base and continue to add value to our existing customers.

Questica will continue to:

- Focus on Public Sector budgeting and complementary tools that facilitate that goal.
- Use the Microsoft .Net infrastructure for development and delivery (Microsoft IIS / SQL Server)
- Emphasize the need for Stability in our development. Our customers long ago have told us that they would prefer a very stable and well tested product rather than a frequent release schedule.
- Emphasise aesthetics and ease of use. An intuitive interface and ease of use is important to us. It minimizes the amount of training required and makes our end users happy.

Allow you full access to your Budget Data. It's your data; you should have full access to it and have the ability to access it any way. We will continue to publish database schemas and technical documents to support this non-proprietary philosophy.

Chapter 3 – Qualifications of the Firm

With over a decade of experience and 100 + clients, Questica has significant experiencing in implementing solutions in the Public Sector. The following are examples of selected Questica Budget Customer implementations throughout North America.

PeopleSoft Clients:

- Humboldt University, CA
- City of Boston, MA
- Oregon Metro, OR
- City of Chesapeake
- Washington County, MD
- Frederick County, MD
- The Smithsonian Institute, DC
- Municipality of Anchorage, AK
- City of Hamilton, ON
- City of Windsor, ON
- City of Brampton, ON

Oracle Clients

- City of Arvada, CO
- City of Oceanside, CA
- Madison Metropolitan Sewage District

California Clients

- City of Palo Alto
- City of Riverside
- City of Oceanside
- City of Stockton
- City of Walnut Creek
- City of San Carlos
- City of Seaside
- City of Pleasanton
- Castro Valley Sanitary District
- San Bernardino County Employees Retirement Association
- Humboldt State University

Examples of other Questica Budget users:

Organization / Customer	Population
Metro Regional Government (Portland) OR	1,500,000
Shelby County, Tennessee	909,000
DuPage County, IL	930,000
City of Edmonton, Alberta	800,000
City of Boston, MA	650,000
City of Hamilton, Ontario	650,000
Jackson County, Missouri	650,000
Town of Brookhaven, New York	472,000
City of Brampton, Ontario	433,000
Region of Niagara, Ontario	410,000
City of Riverside, California	300,000
Municipality of Anchorage, Alaska	260,000
City of Greensboro, North Carolina	258,000
City of Vaughan, Ontario	238,000
Osceola County, Florida	231,000
City of Chesapeake, Virginia	225,000
Fredrick County, Maryland	220,000
City of Windsor, Ontario	216,000
City of Saskatoon, Saskatchewan	202,000
City of Oceanside, California	168,602
Washington County, Maryland	144,000
City of Stockton, California	128,000
La Crosse County, Wisconsin	109,000
Strathcona County, Alberta	80,000
City of Lethbridge, Alberta	79,000
City of Victoria, British Columbia	74,000
City of Champaign, Illinois	73,000
City of Pleasanton, California	64,000
Town of Southampton, New York	54,000
City of North Bay, Ontario	53,966
City of Grand Prairie, Alberta	50,000
City of Brandon, Manitoba	42,000
City of Vernon, British Columbia	39,455

City of Langford, British Columbia	35,000
City of Lynnwood, Washington	35,000
Town of Whitchurch-Stouffville, Ontario	28,000
Twp. of Centre Wellington, Ontario	26,000
Town of Kingsville, Ontario	21,000
Town of Acton, Massachusetts	20,000
Town of East Hampton, New York	20,000
Town of Essex, Ontario	20,000
County of Grand Prairie, Alberta	18,000
City of Fort St. John, British Columbia	17,000
Town of Sudbury, Massachusetts	17,000
City of Leduc, Alberta	16,967
City of Camrose, Alberta	16,000
City of Kenora, Ontario	15,177
City of Durango, Colorado	15,000
Town of Okotoks, Alberta	12,000
Town of Canmore, Alberta	11,000
Town of Sidney, British Columbia	11,000
City of Dawson Creek, British Columbia	11,000
Town of Beaumont, Alberta	10,820
Municipality of South Huron, Ontario	10,000
County of Wetaskiwin, Alberta	10,000
Town of High Level, Alberta	10,000
Town of Sylvan Lake	10,000
Incline Village General Improvement District, NV	9,252
City of Waconia, Minnesota	9,000
City of Prince George, British Columbia	8,500
Town of Taber, Alberta	7,500
Brazeau County, Alberta	7,040
Town of Ponoka, Alberta	6,576
Town of Banff, Alberta	6,000
Town of Kentville, Nova Scotia	5,500
Town of High River, Alberta	5,000
McKenzie County, Alberta	5,000
Town of Bancroft, Ontario	4,000

Town of Pincher Creek, Alberta	3,600
Town of Turner Valley, Alberta	2,000
Housing Authority of the City of New Haven	-
Association of Municipalities of Ontario (AMO)	-
Holland Bloorview Kids Rehab, Ontario	-
RCMP - K Division, Alberta	-
Wetaskiwin School District, Alberta	-
NASA – Florida	-

Questica Experience

See Reference Section below for more information.

Examples of Other Previous Implementations

City of Boston, MA

One City Hall Square

Boston, MA 02201

Contact: Abi Vladeck- Special Assistant, Capital Planning

Phone: 617-635-2838

Email: Abi.Vladeck@cityofboston.gov

Website: <http://www.cityofboston.gov>

Population of Boston: 636,479

Financial Software: PeopleSoft

Project Overview: The City issued an RFP which was awarded to Questica. Questica Budget (as the product was known then) Capital module was integrated to the City's PeopleSoft system (financial system integration only).

During of Implementation: 2-3 months

City of Oceanside, CA

300 North Coast Highway. Oceanside, CA. 92054

Contact: Carol Bunt- Administrative Analyst

Phone: (760) 435-3832

Email: cbunt@ci.oceanside.ca.us

Website: <http://www.ci.oceanside.ca.us>

Population: 173,000

Financial Software: Oracle

Project Overview: Questica provided all software modules along with all professional services. All modules were purchased. Questica provided the integration between Questica Budget and their PeopleSoft/Oracle solution.

Project Dates: June 2009 to October 2009

Staff assigned to project: Marjorie Johnson, RJ Ahuja, and Rick Rogerson

City of Mississauga, ON

300 City Centre Drive

Mississauga, ON L5B 3C1

Contact: Donna Herridge- Manager, Corporate Budget

Phone: (905) 615-3200 X 5002

Email: Donna.herridge@mississauga.ca

Website: <http://www.mississauga.ca/portal/home>

Population: 706,000

Financial Software: SAP

Project Overview: The City requires a full implementation of all Questica Budget modules (Operating, Capital, Salaries) with integration to SAP – import actual costs. Several product customizations and custom reports delivered. The City makes extensive use of a feature set known as Change Requests (also known as Decision Packages, or Budget Packages). Change Requests provides a structured framework to deal with Amendments, Transfers, and other changes to the budget. City staff start with last years approved budget, and modify it via the change request process in Questica Budget exclusively. These requests (budget packages) each have their own approval process/workflow. Once approved the budget(s) are automatically updated.

During of Implementation: 2 years

City of Arvada, CO

8101 Ralston Road

Arvada, CO 80002

Contact: Lisa Yagi- Assistant Finance Director

Phone: (720) 898-7121

Email: lyagi@arvada.org

Website: <http://arvada.org/>

Population: 107,000

Financial Software: Oracle

Project Overview: The City purchased the Operating, Capital and Salary Planning modules. Special attention was given to the Salary module since the City has many benefits that are conditional upon various types of employees and positions. Questica places a number of attributes on employees and positions to make it easy for these benefits to be applied. The integration with the City's Oracle system was completed for all modules.

During of Implementation: 6-8 months

Multnomah County, OR

501 SE Hawthorne Blvd. Suite 531

Portland, OR 97214-3501

Contact: Ken Anderson- IT Project Manager

Phone: (503) 849-6182

Email: ken.anderson@multco.us

Website: <https://web.multco.us/>

Population: 726,000

Financial Software: SAP

Project Overview: The County requires a full Implementation of the Operating and Salaries modules of Questica Budget with Capital to be implemented in a follow-on phase. The implementation involved the integration of position planning related data and actual cost data in SAP. Several product customizations were delivered including the customization of Change Requests to model multi-level Program Offers. In the County, all annual budget activity is related to Program Offers that are budgets for Programs that have no independent existence in their SAP financial system, and that may affect multiple business units and cost elements. When approved, Program Offers are published to the destination business units and cost elements using standard Questica Budget Change Request functionality. The County contract was awarded in July 2012.

Duration of Implementation: Commenced in late July 2012 and the completed system was delivered for user testing on November 1, 2012.

Shelby County, TN

160 N. Main. Suite 1150

Memphis, TN. 38103

Contact: Wanda Richards- Budget Director

Phone: (901) 222-2228

Email: wanda.richards@shelbycountyttn.gov

Website: <http://www.shelbycountyttn.gov>

Population: 909,035

Financial Software: MS Govern

Project Overview: Questica provided all software modules along with all professional services. Shelby County is the largest County in Tennessee. They replaced a variety of tools including MS Access, Excel, Publisher and Word with Questica Budget Operating, Salary & Position Planning and Capital.

During of Implementation: 6-8 months

City of Windsor, ON

350 City Hall Square West

Windsor, ON. N9A 6S1

Contact: David Soave- Manager, Operating Budget Development & Financial Administration

Phone: (519) 255-6100 x 1911

Email: dsoave@city.windsor.on.ca

Website: <http://www.citywindsor.ca/>

Population: 218,473

Financial Software: PeopleSoft

Project Overview: Questica provided all software modules along with all professional services. Questica Budget Capital was purchased in 2006. The City purchased Questica Budget Operating and Salaries modules in 2010 and is fully integrated with their PeopleSoft systems.

During of Implementation: 3-6 months

City of Hamilton, ON

71 Main Street West

Hamilton, ON. L8P 4Y5

Contact: John Di Battista- Senior Financial Analyst

Phone: (905) 546-2424 x 4371

Email: jdibatti@hamilton.ca

Website: <http://www.city.hamilton.on.ca>

Population: 655,060

Financial Software: PeopleSoft

Project Overview: Questica provided all software modules along with all professional services. The City has been a Questica Budget Capital user since 2005 with PeopleSoft Financials. Questica hosted Questica Budget Capital for 6 months then deployed the solution to the City's servers within 3 hours. The City has a population of approximately 665,000 with an annual Operating budget of over \$1.3B and a 10-year Capital plan of almost \$1B.

During of Implementation: 3-6 months

City of Brampton, ON

2 Wellington Street West

Brampton, ON. L6Y 4R2

Contact: David Sutton- Senior Financial Planning Analyst

Phone: (905) 874-2257

Email: david.sutton@brampton.ca

Website: <http://www.city.brampton.on.ca/>

Population: 433,806

Financial Software: PeopleSoft

Project Overview: Questica provided all software modules along with all professional services. The City required a number of custom reports along with a number of customizations in order to capture specific information. Questica worked with the City's Budget Officer and his staff to scope the customizations and custom reports needed. In the end, over 10 customized reports and 8 major software customizations were desired.

During of Implementation: 3-6 months

Washington County, MD

100 West Washington Street

Hagerstown, MD. 21740-4748

Contact: Debra Murray- Director, Budget & Finance

Phone: (240) 313-2304

Email: Dmurray@washco-md.net

Website: <http://www.washco-md.net>

Population: 120,000

Financial Software: PeopleSoft

Project Overview: Questica provided the Questica Budget Capital modules along with all professional services. Implementation was done remotely with training being done onsite. A total of five custom reports were delivered.

During of Implementation: 6-8 months

City of Riverside, CA

3900 Main Street. Riverside, CA 92522

Contact: Scott Catlett- Assistant Finance Director

Phone: (951) 826-5609

Email: scatlett@riversideca.gov

Website: <http://www.riverside.gov>

Population: 300,000

Financial Software: SunGard IFAS

Project Overview: Questica provided all software modules along with all professional services. All modules were purchased. Questica provided the integration between Questica Budget and their IFAS solution.

During of Implementation: 8-12 months

Osceola County, FL

1 Courthouse Square. Suite 4700

Kissimmee FL. 34741

Contact: Rosa Quintanilla- Project Manager

Phone: (407) 742-5826

Email: rsto@OSCEOLA.ORG

Website: <http://www.osceola.org/>

Population: 231,500

Financial Software: SunGard IFAS

Project Overview: Questica provided all software modules along with all professional services. All modules purchased. Implementation was done remotely with training being done onsite.

During of Implementation: 5-7 months

City of Naperville, IL

400 South Eagle Street,
Naperville, IL 60540

Contact: Chris Smith- Financial Reporting Team Leader

Phone: (630) 420-6055

Email: SmithC@naperville.il.us

Website: <http://www.naperville.il.us>

Population: 128,358

Financial Software: SunGard HTE

Project Overview: Questica provided all software modules along with all professional services.

During of Implementation: 3-6 months

Town of Southampton, NY

116 Hampton Rd.
Southampton, NY 11968

Contact: Paula Pobat- Director of IT

Phone: (631) 702-1982

Email: ppobat@town.southampton.ny.us

Website: <http://www.town.southampton.ny.us/>

Population: 54,712

Financial Software: Dynamics GP

Project Overview: Questica provided all software modules along with all professional services. Implementation was done remotely while training was done remotely and onsite.

During of Implementation: 3-6 months

References

California Clients

City of Palo Alto, CA

250 Hamilton Ave, Palo Alto, CA 94301

Contact: Christine Paras- Principal Financial Analyst

Phone: (650) 329-2450

Email: Christine.Paras@CityofPaloAlto.org

Website: <http://www.cityofpaloalto.org/>

Population: 66,000

Financial Software: SAP

Project Overview: The implementation process has just begun.

Project Dates: Targeted from July 2014 to December 2014

Staff assigned to project: Michael Newsome, RJ Ahuja, James Orr, Greg Double and Mark Ilagan

Total Project Cost: \$250,000-\$300,000

Did Questica Adhere to Project Schedule and Budget? - TBD

City of Walnut Creek, CA

1666 North Main Street. Walnut Creek, CA, 94596

Contact: Cindy Mosser- Finance Manager

Phone: (925) 256-3590

Email: Mosser@walnut-creek.org

Website: <http://www.walnut-creek.org/>

Population: 66,000

Financial Software: Cayenta

Project Overview: Questica provided all software modules along with all professional services. Questica provided the integration between Questica Budget and their Cayenta solution.

Project Dates: October 2011 to June 2014

Staff assigned to project: Michael Newsome, RJ Ahuja, James Orr, Greg Double and Mark Ilagan

Total Project Cost: \$130,000-\$175,000

Did Questica Adhere to Project Schedule and Budget? - Yes

City of Riverside, CA

3900 Main Street. Riverside, CA 92522

Contact: Scott Catlett- Assistant Finance Director

Phone: (951) 826-5609

Email: scatlett@riversideca.gov

Website: <http://www.riverside.gov>

Population: 300,000

Financial Software: SunGard One

Project Overview: Questica provided all software modules along with all professional services. All modules were purchased. Questica provided the integration between Questica Budget and their IFAS solution.

Project Dates: April 2011 to October 2011

Staff assigned to project: Michael Newsome, James McCall, RJ Ahuja, James Orr, Greg Double, Ryan Hryczynski and Mark Ilagan

Total Project Cost: \$175,000-\$225,000

Did Questica Adhere to Project Schedule and Budget? - Yes

Oracle and PeopleSoft Clients

City of Oceanside, CA

300 North Coast Highway. Oceanside, CA. 92054

Contact: Carol Bunt- Administrative Analyst

Phone: (760) 435-3832

Email: cbunt@ci.oceanside.ca.us

Website: <http://www.ci.oceanside.ca.us>

Population: 173,000

Financial Software: Oracle

Project Overview: Questica provided all software modules along with all professional services. All modules were purchased. Questica provided the integration between Questica Budget and their PeopleSoft/Oracle solution.

Project Dates: June 2009 to October 2009

Staff assigned to project: Marjorie Johnson, RJ Ahuja, and Rick Rogerson

Total Project Cost: \$130,000-\$175,000

Did Questica Adhere to Project Schedule and Budget? - Yes

City of Boston, MA

One City Hall Square. Boston, MA 02201

Contact: Abi Vladeck- Special Assistant, Capital Planning

Phone: 617-635-2838

Email: Abi.Vladeck@cityofboston.gov

Website: <http://www.cityofboston.gov>

Population of Boston: 636,479

Financial Software: PeopleSoft

Project Overview: The City issued an RFP which was awarded to Questica. Questica Budget (as the product was known then) Capital module was integrated to the City's PeopleSoft system (financial system integration only).

Project Dates: January 2013 to February 2013

Staff assigned to project: Michael Newsome, RJ Ahuja, and Rick Rogerson

Total Project Cost: \$175,000-\$225,000

Did Questica Adhere to Project Schedule and Budget? - Yes

City of Arvada, CO

8101 Ralston Road. Arvada, CO 80002

Contact: Lisa Yagi- Assistant Finance Director

Phone: (720) 898-7121

Email: lyagi@arvada.org

Website: <http://arvada.org/>

Population: 107,000

Financial Software: Oracle

Project Overview: The City purchased the Operating, Capital and Salary Planning modules. Special attention was given to the Salary module since the City has many benefits that are conditional upon various types of employees and positions. Questica places a number of attributes on employees and positions to make it easy for these benefits to be applied. The integration with the City's Oracle system was completed for all modules.

Project Dates: January 2013 to May 2013

Staff assigned to project: James McCall, RJ Ahuja, Rick Rogerson, George Boucher, and Kyle Wheaton

Total Project Cost: \$120,000-\$150,000

Did Questica Adhere to Project Schedule and Budget? - Yes

Oregon Metro, OR

600 NE Grand Avenue. Portland, OR. 97232-2736

Contact: Brian Kennedy- Finance Manager

Phone: (503) 797-1908

Email: Brian.Kennedy@oregonmetro.gov

Website: <http://www.oregonmetro.gov/>

Population: 1,500,000

Financial Software: PeopleSoft

Project Overview: Questica provided all software modules along with all professional services and a number of customizations. Questica also integrated Questica Budget with Metro's PeopleSoft solution.

Total Project Cost: \$195,000-\$225,000

Did Questica Adhere to Project Schedule and Budget? - Yes

Madison Metropolitan Sewerage District, WI

1610 Moorland Rd. Madison, WI. 53713

Contact: Amy Bublitz- Business Analyst

Phone: (608) 222.1201 x216

Email: amyb@madsewer.org

Website: <http://www.madsewer.org/>

Population: -

Financial Software: Oracle

Project Overview: Implementation is on-going and will include the installation of the Operating, Capital, Salaries and Allocations modules.

Project Dates: January 2014 to May 2014

Staff assigned to project: Michael Newsome, George Boucher, Kyle Wheaton, John MacRae and Ryan Hryczynski

Total Project Cost: \$330,000-\$400,000

Did Questica Adhere to Project Schedule and Budget? - Yes

Other Clients

Multnomah County, OR

501 SE Hawthorne Blvd. Suite 531. Portland, OR. 97214-3501

Contact: Ken Anderson- IT Project Manager

Phone: (503) 849-6182

Email: ken.anderson@multco.us

Website: <https://web.multco.us/>

Population: 726,000

Financial Software: SAP

Project Overview: The County requires a full Implementation of the Operating and Salaries modules of Questica Budget with Capital to be implemented in a follow-on phase. The implementation involved the integration of position planning related data and actual cost data in SAP. Several product customizations were delivered including the customization of Change Requests to model multi-level Program Offers. In the County, all annual budget activity is related to Program Offers that are budgets for Programs that have no independent existence in their SAP financial system, and that may affect multiple business units and cost elements. When approved, Program Offers are published to the destination business units and cost elements using standard Questica Budget Change Request functionality. The County contract was awarded in July 2012. Implementation commenced in late July 2012 and the completed system was delivered for user testing on November 1, 2012.

Total Project Cost: \$325,000-\$350,000

Did Questica Adhere to Project Schedule and Budget? - Yes

Chapter 4 –Product Description, Work Plan or Proposal

Product Version and Roadmap

Proposed Version

Proposed Version: 5.1.251.1

Release Date: July, 2014

Previous Releases

Version 5.0.246.0. Release Date: June 5, 2014. Included Dashboards.

Version 4.5.241.8. Release Date: June 4, 2014

Version 4.5.241.7. Release Date: March 20, 2014. Included Google Authentication and Adding links as Documents.

Product History (past 5 years) and Roadmap

2012

- Allocations Module
- Spreadsheet Import/Export feature

2013

- Enhanced Report Authoring
- Capital Change Requests

2014

- Dashboards
- Performance Measurements

Future

- Asset Management
- Budget Book Builder
- FIR/CAFR Reporting
- Salaries Enhancement
- Strategic Planning

Product Description

A key element of the initial Questica Budget design was to help eliminate the difficulties caused by using spreadsheets in a multi-user environment. Although solutions such as spreadsheets are useful tools to analyze any single budget, it quickly becomes complicated if you want to consolidate many budgets, track "What-if's", control different versions, and produce a comprehensive budget document(s) based on different criteria.

Questica Budget was designed specifically for creating and maintaining public sector / local government budgets. It provides an easy to use web based interface that allows budget entry and development, forecasting and analysis, amendment tracking, and reporting (over 90 standard out-of-the-box reports, plus Ad-hoc and custom reports available).

Questica Budget consists of three primary modules: (1) Operating, (2) Salary/Position Planning and (3) Capital. These modules can be purchased individually, or bundled together as a complete solution set. Additional modules include Allocations and Performance Measurements.

Questica Budget Operating Module

The Operating module allows those in charge of the operating budget to manage the budget at a monthly, quarterly or annual basis. Actual cost and budget data can be imported into Questica Budget and budgets can be categorized on an organizational basis where Cost Centers roll-up into Departments and Divisions. Budgets can also be categorized on a Fund basis where Cost Centers roll-up into their respective funds. Cost Centers can easily be moved from one Department and Division to the next, as well as from one Fund to the next.

Users are able to break down their budgets by line item, identify expenses and funding sources, enter comments for each line item, and attach documents and notes. Users can also forecast for multiple future years using Questica Budget's *Regular Increase* feature to increase or decrease costs by a specific amount or percentage. Past years budget and actuals are also easy to see making for straightforward comparisons.

Questica Budget Capital Module

Questica Budget Capital simplifies and centralizes the process of Capital budget planning and execution through a unified web interface. Prior years' budget data (Actual Costs and Budget values) can be imported into Questica Budget and users are able to create multi-year Capital projects where they can identify their expenditures, funding sources and make adjustments as they prepare their budgets. Users can construct their capital projects on an annual, quarterly or monthly basis, enter narrations/explanations for their requests and categorize their projects based on different criteria such as Tangible Capital Assets, Fund(s), or Project Status. The requests would then be escalated through the workflow system integrated within Questica Budget. Project rank can also be administered according to predetermined criteria and multiple project scenarios can be created for each project.

Actual cost versus budgets analysis can also be done easily because Questica Budget imports financial information directly from the accounting system. Once departments begin entering their budgets, reports can be generated at any time. Since Questica Budget automatically updates the information, reports are generated in real-time.

Salary / Position Planning Module

The Salary/Position Planning supports the ability to accurately model and forecast all costs associated with positions and employees. Each Position is associated with a default GL Account and is then assigned a pay grade, step, contract, pay scales and benefits (start and end dates can be associated to each). Union affiliations, job titles, and job numbers can also be entered for each employee and each employee can be allocated to a position or multiple positions in different departments or funds. Throughout the year, adjustments such as cost of living adjustments, new benefits etc. can be made. Position costs can be generated for an unlimited number of years and can be broken down on an hourly, monthly or yearly basis. Each positions cost can be associated to any one (or multiple) costing centers. This association/allocation can range from 0-100% with each costing center belonging to a department or fund. Position data can be imported from HR systems into Questica Budget. Salary / Position Planning reports can also be generated for analysis purposes.

Position Control Management

The Salary/Position Planning module handles filled, vacant, employee name, ID, salary, benefit elections, position name and number, and funding source. For positions that have multiple funding sources, they can be allocate (based on percentages) to multiple budgets belonging to multiple funds.

Attributes can be placed on the Salary/Position Planning module to help distinguished between different types of positions, part vs. full time, permanent vs. time-limited, and

elected/appointed vs. CSA (Career Service Authority). These attributes can even be used to determine whether each type of position receives a benefit/modifier or not. These are referred to as conditional benefits/modifiers.

The Salary/Position Planning module allows users to copy any Profile (bargaining unit) and create as many different 'What if' scenarios of the project as they wish. These alternative budgets are maintained for easy reference. However, only one version can be designated as 'Active'. It is the active scenario that determines the costing of the positions within the Profile. Each scenario can be made "Active" at a time, in order to gauge its effect on the position costing.

An example is to have a scenario representing a proposed 2% increase to a benefit, and another scenario representing a 3% increase. Users can then flip between scenarios (making one active at a time) in order to gauge how each scenario would affect positions' costs along with the overall budget.

Questica Measures

The next major release of Questica Budget (schedule for July 2014) will feature a new Performance Measurements module.

Overview / Terminology

The vocabulary of Performance Measurement is not yet standardized in the public sector. Below is an overview and some definitions:

- **Program:** a.k.a. Service Area. One discrete program or service in the organization. Performance Measures generally measure aspects of programs, including their inputs, activities, effectiveness and outcomes.
- **Performance Measure:** one thing that will be measured. Number of Bus Passengers per Month. Number of Invoices Processed. Total Expenses by Department (many measures are financial.) Customer satisfaction. City crime rate. Population. Total Assessment.
- **KPI's, Indicators:** Similar to Performance Measures.
- **Scorecard:** A visualization tool for organizing measures into a hierarchy where lower level measurements are aggregated into higher level indicators.

Feature List

- Ability to define and track Measures.
 - Can be used to track any quantifiable data including (but not limited to) inputs, outputs, efficiency, and outcomes (four common terms from public sector PM.) with configurable Units of Measure (percentage, liters, foot-pounds, FTE's, stone, exabytes, etc.)
 - Measures can have Targets (similar to budgets in the budgeting modules.) Targets can be set Annually, Quarterly or Monthly. We have structured the architecture in such a way that it will be possible to add new periods of target calendarization in the future, such as weekly or daily.
 - Financial and staffing Targets can be automatically generated by defining an advanced search on budgets or FTE's in the Operating and Capital modules. Huge time saver for customers who own multiple modules! No integrations or manual data entry required.
 - Targets can have Thresholds which define how far off target the measure can be before it's considered in a "warning" (yellow) or "critical" (red) state.
 - Measures have Actuals (the "measurement" itself.) Actuals can be entered as frequently as desired (much like actual cost transactions on budgets) and are rolled up for comparison to targets.
 - Actuals can be human-entered on a schedule.

- The user responsible for a measure can be automatically emailed when their data is due or overdue.
 - A dashboard widget will provide “quick entry” for actuals and change colour when entries are overdue.
- “Combined” measures can aggregate, sum and divide other measures by each other to generate rates and per-item costs, which can be separately reported and tracked.
- By using the Programs feature, users can design a measurement plan from scratch following best practices.
 - Enter a list of all your organization’s programs.
 - Define a Logic Model and Outcomes for each program. Use these to derive your measures. Questica can work with you to implement these steps using our in-house Performance Measurement expertise.
 - Organize your measures under each program.
 - (Measures don’t *have* to belong to a program. If you have an existing measurement plan you can just dump in all the data too.)
- Use dashboard charts to visualize your measurement plan and its execution, and be notified of warning and critical situations as they arise.
- Build Scorecards to organize your measures into rolled up hierarchies. Use the Scorecard Widget to add your scorecard to a dashboard.
- Works with our security system for granular control of viewing and editing for all measurement data.
- Total integration with all of Questica’s core productivity features including advanced search, spreadsheet import and export, custom fields, customizable grids and self-serve reporting.

Reporting

The reporting capability of any budgeting software is critical. Questica Budget provides three (3) primary methods to create and view budget related reports.

1. Standard (pre-built) reports
2. Ad-hoc reports
3. Customized reports (customer and/or Questica created)

All Standard (pre-built) reports generated within the application leverage Microsoft's SQL Server Reporting Services (SSRS).

Questica Budget includes over 90 pre-built reports ready to use, or to be customized. The reports available in each module (Operating, Salaries, and Capital) are unique. New reports can be added easily. The 90 plus system reports are grouped into the following 14 categories:

1. Ad-hoc Reports
2. Actual vs. Budget
3. Custom Reports
4. Graphs
5. Operating
6. Salaries
7. Fund Reports
8. Baseline Reports
9. Departmental Reports
10. Capital
11. Change Request
12. Allocations
13. Stage Reports
14. Snapshot Reports

All out-of-the-box reports are exportable to: PDF, Excel, Word, XML, CSV, MHTML (web archive) and TIFF file formats.

Drill down - Drill through reports

Many of standard reports are drill-down, and/or drill-through, in that they allow the end user to quickly access underlying (more detailed) information. In the example below, in the – 'Budget vs. Actual Costs Year to Date by Department' report – on the left side of the screen, each of the expense categories has "+" sign beside the GL Category. The 'Benefits' category has been expanded to show the next level of detail. Note the actual costs in blue – the blue color denotes a 'drill-through' value – clicking on it shows the underlying values (the actual cost details) that make up that number.

Expand or Collapse each grouping

Actual vs Budget Year To Date by Department:

Department: CMP - Comptroller's Division
Reporting Period: January, 2014 To December, 2014 (12 Months)
Fund: <All>; Department: <All>; GL Account: <All>; Cost Center: <All>

Expense:	Budget	YTD Actual Cost	Variance Over/Under	Percentage Variance
Benefits	758,367	854,314	(115,947)	85.11 %
4132 - Benefits	159,114	0	(159,114)	0.00 %
4106 - Medical	405,272	471,115	65,842	116.25 %
4117 - Medicare	56,150	51,843	(28,647)	54.62 %
4119 - Dental	38,379	39,810	1,239	103.23 %
4119 - Vision Care	12,563	12,438	525	104.16 %
4110 - Workers Compensation	84,558	95,189	3,641	103.85 %
4100 - Travel & Supplies	1,283	1,528	235	118.27 %
4100 - Miscellaneous	678,925	415,723	(263,202)	61.41 %
Other Personnel Costs	5,048	3,540	(1,508)	70.18 %
Salaries	2,827,044	2,169,368	(657,676)	76.78 %
Total Expense	3,479,175	3,235,004	(243,671)	93.00 %
Net Total	(3,479,175)	(3,235,004)	243,671	93.00 %

Clicking on any value displayed in Blue will show the underlying values (actual costs details) that make up the number

The screen below shows the result of clicking on the \$471,115 value on this report

Clicking on blue values (\$471,115 in this case) will show the underlying actual cost values that make up that number, as shown below.

Actual Cost Details Year To Date

Department: CMP - Comptroller's Division
Reporting Period: January, 2014 To December, 2014 (12 Months)
Fund: <All>; Department: <All>; Cost Center: <All>

GL Account	Date	Cost Center	Item	Description	Supplier	Acct. Ref.	Type	Amount
Operating Expenses								
4106 - Medical	05/1/2014	Revenue			DEF Company		Actual	235,651
	06/30/2014	Accounting					Actual	153,004
	07/31/2014	Budgets and Financial Planning			DEF Company		Actual	42,260
Total								471,115

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Variance / Budget vs. Actual Costs

Several options exist for users to report on variances across multiple time periods. For brevity, we will consider just two options here, one more on the 'micro' side of budgeting, and one from a more 'macro' perspective:

Micro example: Each cost center/program has several screens and reports dedicated to variances. The sample screen below (Finance Administration) shows a standard screen called 'Annual Comparison' – which displays the budget vs. actual costs, the difference (the variance) and an area for staff to enter comments, notes or justifications. This data can also be viewed on a monthly or quarterly basis, as well as 'Details' individual transactions (assuming your financial system supports individual cost transactions).

Again, cost centers can be thought of as a piece of the budget – a collection of revenues and/or expenditures belonging to a department. For example, a finance division might be split up into various departments such as Comptroller Admin, Finance Admin, and Budget Admin – each of these departments can have one or more (sometimes many more) cost centers associated to them.

Cost Center	Budget	Actual	Variance	Comments
4010 - Salaries - Exempt	158,186	170,342.69	1,856.69	
4106 - Medical	12,381	11,562.77	(718.23)	
4107 - Medicare	2,791	2,410.11	(380.89)	
4109 - Dental	1,353	1,058.94	(294.06)	
4109 - Vision Care	361	392.24	31.24	
4110 - Workers Compensation	7,717	7,357.92	(359.08)	
4112 - Car Allowance / Parking	1,769	1,730.97	(38.03)	
4116 - Conferences/Travel	18,207	16,527.95	(1,679.05)	
4118 - Membership Fees	10,645	10,652.38	7.38	
4120 - Training and Development	29,418	28,036.58	(1,381.42)	
4126 - Photography	15,606	15,547.1	(58.9)	
4312 - Office Supplies	51,472	51,254.59	(217.41)	
4361 - Telephone/Fax	1,040	1,058.14	18.14	
4314 - Miscellaneous	287	304.25	17.25	

Several Variance reports are included (same screen as above):

Finance Administration - Windows Internet Explorer

Standard variance reports available at the Cost Center level

	BUDGET	ACTUAL	VARIANCE
Cost Centre			
General			
Documents			
Notes			
Variables			
Additional Information			
Key Performance Indicators			
Scenario			
General			
Position Allocations			
Budget			
Annual Summary			
Security			
Cost Centre Policy			
Actual Costs			
Details			
Annual Comparison			
Quarterly Comparison			
Monthly Comparison			
Actual vs Budget			
Actual vs Budget - Monthly			
Actual vs Budget - Monthly With Comments			
Actual vs Budget - Quarterly			
Actual vs Budget - Quarterly With Comments			
Actual vs Budget With Comments			
Budget Detailed by Stage	100,100	170,042.69	1,856.89
Budget Detailed with Notes	12,391	11,562.77	(718.23)
Cost Centre Stage History	2,391	2,410.11	19.11
Cost Centre Summary	1,163	1,038.04	(104.06)
Position Costing Details	391	392.24	1.24
Position Costing Summary	7,717	7,352.92	(359.08)
Position Cost by GL Object	1,769	1,730.97	(38.03)
Snapshot Details - 5 Year	10,207	10,527.95	(1,679.05)
Snapshot Details With Salaries - 5 Year	10,615	10,652.38	7.38
Snapshot Summary - 5 Year	29,410	29,036.53	(1,381.47)
Variable Usage	15,606	15,547.11	(58.89)
Miscellaneous	51,472	51,251.30	(217.41)
	1,040	1,055.14	15.14
	257	304.25	17.25

Macro example: Whereas the above example are variances from a specific part of the budget, just one department, below is a higher level perspective showing budget vs. actual costs viewed as an aggregate of all cost centers, all departments, all divisions, etc. The report below is called 'Budget vs. Actuals Year to Date' and allows for in-depth interrogation of budget vs. actuals across the entire enterprise and across multiple dimensions.

Auto-Fill:	Custom...
Budget Year:	2015
Report Month End:	June 2015
Group By:	Division
Fund Category or Fund:	<All>
Division or Department:	<All>
GL Category or GL Account (Object):	<All>
Cost Center:	<All>
Expand All:	No
Starting Page Number:	1
Hide Page Footer:	Yes
Hide Page Number:	Yes
Highlight Links	Yes

Print Report

Report Parameters

Actual vs Budget Year To Date by Division

Division: Corporate Administration

Reporting Period: January, 2015 To June, 2015 (6 Months)

Fund: <All>; Department: <All>; GL Account (Object): <All>; Cost Center: <All>

	Budget	YTD Actual Cost	Variance Over/Under	Percentage Variance
Revenue:				
Taxation	0	52,500,000	52,500,000	0.00 %
Total Revenue	0	52,500,000	52,500,000	0.00 %
Expense:				
Benefits	311,883	139,190	(172,673)	44.83 %
Contracted Services	658,428	18,088	(640,360)	2.45 %
4204 - Advertising	2,707	0	(2,707)	0.00 %
4210 - Catering	170,556	8,838	(161,720)	5.18 %
4215 - Contracted Services	478,665	2,377	(474,282)	0.50 %
4220 - Photocopy	6,486	4,856	(1,611)	74.74 %
Material & Supplies	474,755	238,221	(235,534)	50.38 %
Miscellaneous	5,984	(25,489)	(31,340)	-420.82 %
Other Personnel Costs	265,179	74,153	(211,026)	28.00 %
Salaries	1,741,628	1,803,583	61,957	103.58 %
Total Expense	3,475,755	2,246,759	(1,228,996)	64.64 %
Net Total	(3,475,755)	50,253,241	53,728,996	-1,445.82 %

This report can be viewed with the following options:

- Report Month End:
Monthly (i.e. Jan-Dec)

- Group by:
Fund Category/Fund/Division/Department/GL Category/GL Account/Cost Center

- Fund Category or Fund
All or individual funds

- Division or Department
All or individual divisions or departments

- GL Category or GL Account (Object)
All or individual GL Category or GL Account

- Cost Center
All or individual Cost Centers

Roll up and consolidation budget data

Many of the out-of-the-box reports will automatically roll up and consolidation budget data by cost category codes, object codes, cost centers, departments and/or divisions. In the example below, a standard report called 'Revenue and Expenditure by Department' displays a standard rollup.

localhost/questicademo5/report_viewer.aspx?ReportID=12

Revenues and Expenditures by Department

Budget Year: 2016 - From Stage: < All To Stage: > All

Division	Cost Center	2015 Budget
Revenues		351,958,426
Expenditures		361,958,426
Corporate Administration		3,146,524
Corporate Services		2,158,256
Council		874,885
Engineering		145,633,755
Public Works		37,800,236
Public Works-Civic Services		190,572
Support Services		2,485,422
Transportation & Parking Serv.		34,500,578
Underground Utilities & Fac.		70,537,491
Buildings Maintenance (Home)	440,528	
FAC- Community Centres	3,771	
FAC- Parks Facilities	253,897	
FAC- Corporate Offices	750,164	
FAC-Engineering/Public Works	50,818	
FAC-Facilities Administration	639,379	
FAC-Maintenance Administration	201,054	
FAC-Parkades	246,088	
FAC-Protection Services	359,733	
SD Catchment Area Management	114,462	
SD Engineering Administration	162,147	
Benefits	7,259	
Car Allowance / Parking	1,901	
Conferences/Travel	2,155	
Contracted Service	4,525	
Dental	1,326	
Equipment	4,717	
Equipment Rentals	6,464	
Medical	14,123	
Medicare	2,944	
Office Supplies	3,232	
Overtime	2,326	
Salaries - Exempt	54,104	
Salaries - Inside	48,424	
Training and Development	3,367	
Vision	450	
Workers Compensation	4,748	

Divisions

Departments

Cost Centers

GL Cost Categories

Ad-hoc Reporting

In addition to the 90 + out-of-the-box reports that users can immediately utilize Questica has integrated Microsoft's SQL Server **Ad-hoc Reporting** as the cornerstone technology for those who wish to quickly design their own reports.

This technology has many benefits:

- It is web based so users do not require special software loaded onto their computers.
- No query writing is required so there is no need to involve IT resources.
- It includes intuitive interface. Users can drag and drop the information they want to see into a report design window.
- All reports are exportable into PDF Excel XML etc.
-

The Ad-hoc report writing tool is designed for non-technical users who desire quick access to design and create their own reports. It includes an intuitive user interface. Users can drag and drop the information they want to see into a report design window. Ad-hoc reporting solves the most common problem in report design – how to create reports that display the relevant data that users require while having enough flexibility to allow the user to organize and view the data however they wish. Ad-hoc Reporting will provide the users the ability to view data immediately in whatever form they choose without having to request a new customized report. Once developed users can re-use the reports they designed or include them as a part of the Questica Budget application making them available to all users.

Ad-hoc Report users can also:

- Add their custom titles, graphics, logos
- Drag and drop fields on the grid based on the way they want to see the data on the report
- Make a report into a drill-down report by adding more fields to the grid
- Format the grid by applying fonts, borders, fills and changing the alignments
- Apply formulas as they would in Excel for custom analysis
- Apply filters
- Export reports
- Have saved reports become one of the regular reports available to other users (subject to security permission)

Report Schedule / Scheduling & Delivery of reports

Questica Budget allows users to regularly email the results of a report to a list of users using a "Report Schedule". Once created, the Report Schedule will automatically execute the selected Report and email the result to the selected users based on the scheduling options. The Report Schedule can be unique for each report, and can be setup on an hourly, daily, weekly, monthly, or monthly by week basis. The report results will be included as an attachment to the email, either as a PDF, Word or Excel spreadsheet.

Below is an example of a Report Schedule screen:

The screenshot shows a web browser window with the URL `localhost/questicademov5/cwReportScheduleEdit.aspx?ReportID=8`. The page title is "Report Schedule Details" with a subtitle "Create a new Report Schedule". On the left is a sidebar with a "Report Schedule" menu and sub-items: "General", "Months of the Year", and "Parameters". The main content area is titled "Scheduling Information" and contains three sections: "Report Schedule Type" (set to "Monthly (by Week)"), "Months of the Year" (a list of months from January to June with checkboxes, and "Select All" and "Deselect All" buttons), "Days of the Week" (a list of days from Monday to Sunday with checkboxes, and "Select All" and "Deselect All" buttons), and "Which Week" (set to "First Week"). At the bottom right are "OK" and "Cancel" buttons.

Advanced Search

A robust and powerful tool, the Advanced Search feature allows authorized users to perform sophisticated and highly dynamic data analytics/Ad-hoc queries based on specific criteria or descriptive words. Queries are created in a user friendly fashion (see below) where a complex query can be built –one line at a time.

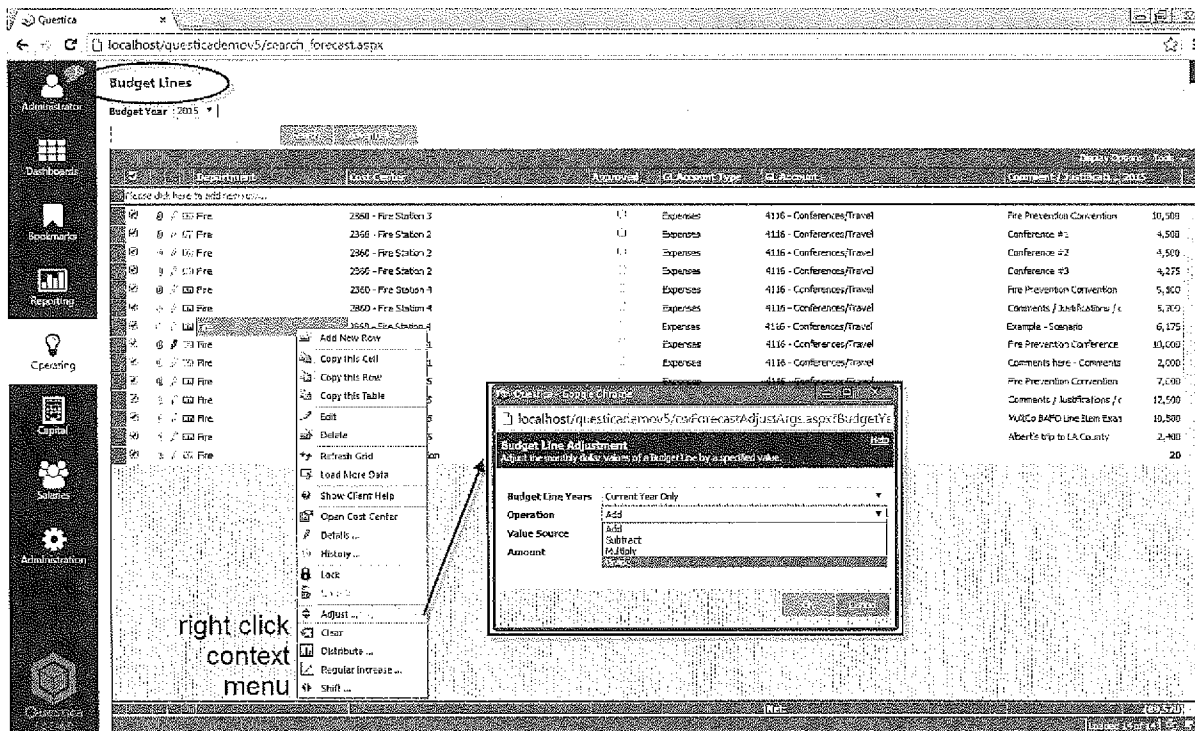
This allows staff to view and update large volumes of data quickly. When presented with the search results staff can analyze and make changes to many line items and accounts as a whole. They can also insert line items to any budget they wish, apply Regular Increases, Distributions, lock or delete specific lines on a large scale.

In the example below, using the advanced search feature, all budget entries associated with a single GL account (Conferences & Travel in this case) for one department are displayed (Fire Dept.).

The screenshot displays a web-based budgeting application. The main window is titled 'Budget Lines' and shows a table of budget entries for the year 2015. The table has columns for Department, Cost Center, Approved, GL Account Type, GL Account, and Amount. The data is filtered to show only entries for the Fire Department and GL Account 4116 - Conferences/Travel. An inset window titled 'Advanced Budget Line Search' is open, showing the search criteria: GL Account 4116 - Conferences/Travel, Department Fire, and Scenario Public Works. The search results show 16 items.

Department	Cost Center	Approved	GL Account Type	GL Account	Amount
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	10,500
Fire	2860 - Fire Station 2		Expenses	4116 - Conferences/Travel	4,500
Fire	2860 - Fire Station 2		Expenses	4116 - Conferences/Travel	4,500
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	4,225
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	9,500
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	5,200
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	4,125
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	10,000
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	2,000
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	1,000
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	7,000
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	12,500
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	19,500
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	1,400
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	20

Once the search results are displayed, users can now manipulate the data in many different ways. For example, if there was a directive to reduce travel expenses by 5% this can be easily accomplished via the 'adjust' feature available by right clicking anywhere on the screen.



In the above example, a 5% reduction would be automatically and immediately be applied to all budget line items associated with this GL Account (Conferences & Travel).

Advanced Budget Search allows power users the ability to view, update, and manipulate large volumes of budget data quickly. All Advanced Search grids are exportable to Excel.

The screenshots above show only one of the many Advanced Search capabilities in the application. Each of the following areas of Questica Budget has its own dedicated Advanced Search function:

- Change Requests (Decision Packages)
- Cost Centers
- Employees
- Forecasts (also called Budget Lines)
- GL Accounts (Objects) and GL Categories
- Operating Impacts
- Actual Costs
- Positions
- Projects
- Project Forecasts (Capital module line items)
- Scenarios (What-ifs)

Goals & Objectives Reporting

Departments/Cost Centers (or even individual budget line items) in Questica Budget can be mapped logically to reflect a relationship between that component of the budget and larger community wide services or goals. For example, if one of the community goals is "public safety", all the budget elements (police/sheriff/Fire etc.) associated with this goal can be flagged, or mapped to the 'public safety' goal or strategic initiative. By mapping the relationship between budget items and community goals, reports can be quickly generated showing all budget revenues and expenditures for each goal. This is sometimes referred to as 'Strategic Budgeting' – linking small budget items to larger strategic goals of the City.

Below is a screenshot of the budget entry screen within Questica Budget. As users enter their budget numbers, they can associate each line item to a goal or strategic initiative.

2015 2016 - Fire Station 1 - Main Scenario

Annual Budget

	Obj	Account (Object)	Comments / Justification	Strat. Initiative	2015	2016
Please click here to add new row...						
<input type="checkbox"/>	0	00 4107 - Medicare			11,044	11,247
<input type="checkbox"/>	0	00 4109 - Dental			10,158	10,155
<input type="checkbox"/>	0	00 4109 - Medical Care			3,450	3,450
<input type="checkbox"/>	0	00 4110 - Workers Compensation			35,808	36,321
<input type="checkbox"/>	0	00 4111 - Long Term Disability			148,250	151,235
<input type="checkbox"/>	0	00 4113 - Special Forensic Pay			15,750	15,750
<input type="checkbox"/>	0	00 4116 - Conferences/Travel	Conference 1	The Way we Finance	30,000	32,000
<input type="checkbox"/>	0	00 4116 - Conferences/Travel	Conference 2	The Way we Finance	5,000	5,000
<input type="checkbox"/>	0	00 4308 - General Supplies	general supplies fire house #1	The Way we Green	12,974	11,907
<input type="checkbox"/>	0	00 4308 - General Supplies	misc supplies	The Way we Green		
<input type="checkbox"/>	0	00 4312 - Office Supplies	office supplies	The Way we Green	3,366	3,703
<input type="checkbox"/>	0	00 4312 - Office Supplies	Miscellaneous Paper and Toner for the photocopier.	The Way we Green	(1,900)	2,250
<input type="checkbox"/>	0	00 4324 - Materials	Materials and supplies	The Way we Green	9,240	10,164
<input type="checkbox"/>	0	00 4354 - Cable	TV and Internet		1,224	
<input type="checkbox"/>	0	00 4364 - Telephone/Fax	telephone and fax charges		2,754	
<input type="checkbox"/>	0	00 4366 - Water	filtered drinking water		714	720
<input type="checkbox"/>	0	00 4622 - Repairs and Maintenance	Renovations to sleeping quarters		110,000	318,362
<input type="checkbox"/>	0	00 4622 - Repairs and Maintenance	maint of water pumping equipment		1,428	
<input type="checkbox"/>	0	00 4622 - Repairs and Maintenance	Composting Program	The Way we Green	4,600	
<input type="checkbox"/>	0	00 4622 - Repairs and Maintenance	Snow Removal - Mr Plow - HJ Simpson			
<input type="checkbox"/>	0	00 4649 - Fire & Burn Awareness	Door-to-Door Smoke Detector Checks			
<input type="checkbox"/>	0	00 6000 - Employee Retirement Benefit			156,348	163,564
<input type="checkbox"/>	0	00 9211 - WO Regular Time			312,120	312,120
					(6,266,154)	(6,271,050)
					(1,435,154)	(1,221,450)

Users can use the "Advanced Search" feature in order to find all line items that are associated with a goal or strategic initiative, regardless of department (subject to security permissions).

Description of Other Recommended Features

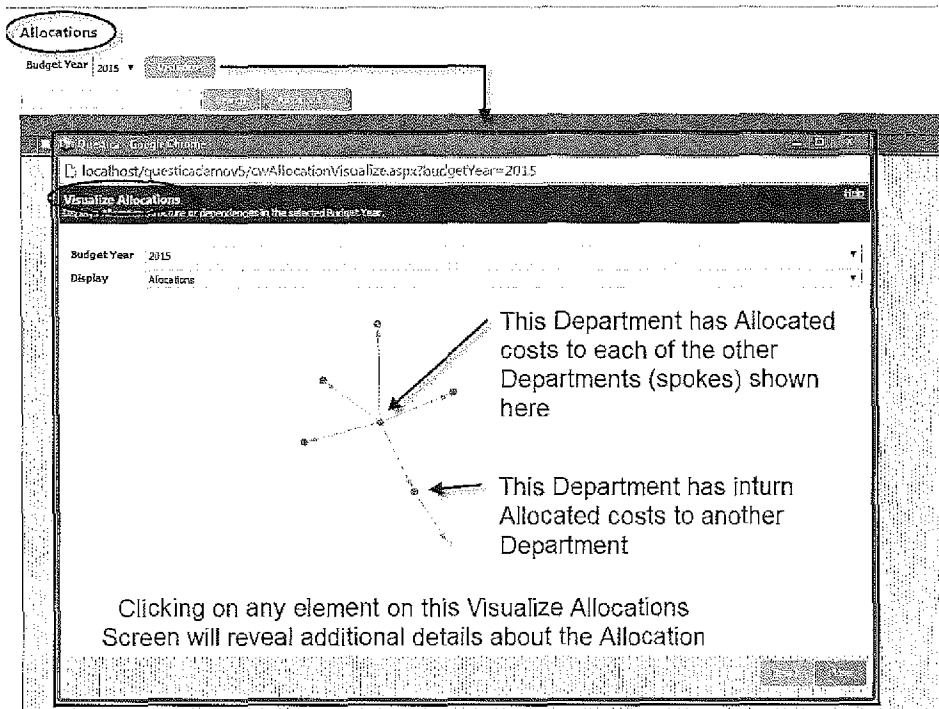
Allocations Module

The Questica Budget Allocations module allows you to move dollars around the Operating budget, and even into the Capital budget, in a structured and balanced fashion. It supports complex arrangements of allocations between many budget elements.

For example, some Departments (Cost Centers) allocate all of their expenses to other Departments or Cost Centers. These are often referred to as *Internal Service Providers* or ISPs. A common example of an ISP can be the Information Technology (IT) department. ISP budgets are developed in detail just like any other department, and then their expenses can be allocated out to other budget elements – other departments.

An ISP Allocation like this might use a Cost Driver such as "Number of Computers" to determine how much of the IT's department expenses will go to each recipient. Once the allocation has been run, each recipient Costing Center will have a Destination Budget Line representing a portion of IT expenses, and the IT department budget will have a Recovery Budget Line that effectively zeroes out their total budget.

The Questica Budget Allocation module provides the ability to 'visualize' all (or some) of the budget allocations. Below is a simple example of two (2) allocations.



Change Requests / Budget Requests BR's

Change Requests (also referred to as Budget Adjustments, Budget Modifications or Decision Packages) allow you to process pre and post approval budget changes using a controlled process and workflow –based approval.

Change Requests is yet another feature which distinguishes and sets apart Questica Budget from strictly a budget preparation tool and focuses on Budget Management. Change Requests provides a structured framework to deal with Amendments, Transfers, and other needed changes to the budget – both during budget prep and Post Approval. With dedicated workflows and approval process, staff can request changes such as moving monies from one budget to another, proposing changes to positions or even proposing a merit pay increase for an employee – all using a simple intuitive user interface and in the end, the complex math is done for you. Change Requests can be made individually or they can be bundled together (a decision package) and are treated apart from the general budget with their own approval process, until the changes are approved, then they can be applied to the budget(s) automatically. No other budget software vendor has the budget submission and change control functionality provided by Questica Budget.

Strategic Initiatives / Mapping / Provide ability to perform logic-mapping functionality defining the relationship between department level measures and community wide service areas.

Departments/Cost Centers (or even individual budget line items) in Questica Budget can be mapped logically to reflect a relationship between that component of the budget and larger community wide services or goals. For example, if one of the community goals is "public safety", all the budget elements (police/sheriff/Fire etc.) associated with this goal can be flagged, or mapped to the 'public safety' goal or strategic initiative. By mapping the relationship between budget items and community goals, reports can be quickly generated showing all budget revenues and expenditures for each goal. This is sometimes referred to as 'Strategic Budgeting' – linking small budget items to larger strategic goals of the City.

Below is a screenshot of the budget entry screen within Questica Budget. As users enter their budget numbers, they can associate each line item to a goal or strategic initiative.

2015 2860 - Fire Station 1 - Main Scenario						
Annual Budget						
	GL Account (Object)	Document / Justification	Strat. Initiative	2015	2016	
Please click here to add new rows...						
<input type="checkbox"/>	6 407 - 4107 - Telephone			11,044	11,247	
<input type="checkbox"/>	8 409 - 4109 - Dental			10,155	10,155	
<input type="checkbox"/>	6 409 - 4109 - Vision Care			3,450	3,450	
<input type="checkbox"/>	6 410 - 4110 - Workers Compensation			35,908	36,321	
<input type="checkbox"/>	6 411 - 4111 - Long Term Disability			148,020	151,295	
<input type="checkbox"/>	6 412 - 4112 - Special-Personnel Fee			15,750	15,750	
<input type="checkbox"/>	0 416 - 4116 - Conferences/Travel	Conference 1	The Way we Finance	30,000	32,000	
<input type="checkbox"/>	0 416 - 4116 - Conferences/Travel	Conference 2	The Way we Finance	6,000	5,000	
<input type="checkbox"/>	0 430 - 4308 - General Supplies	general supplies fire house #1	The Way we Green	12,974	11,907	
<input type="checkbox"/>	0 430 - 4308 - General Supplies	misc supplies	The Way we Green			
<input type="checkbox"/>	9 432 - 4312 - Office Supplies	office supplies	The Way we Green	3,366	3,703	
<input type="checkbox"/>	9 432 - 4312 - Office Supplies	Miscellaneous Paper and Toner for the photocopier.	The Way we Green	(1,500)	2,250	
<input type="checkbox"/>	6 434 - 4324 - Materials	Materials and supplies	The Way we Green	9,240	10,164	
<input type="checkbox"/>	6 434 - 4324 - Cable	Tv and Internet		1,224		
<input type="checkbox"/>	4 436 - 4364 - Telephone/Fax	Telephone and fax charges		2,754		
<input type="checkbox"/>	4 436 - 4366 - Water	filtered drinking water		714	720	
<input type="checkbox"/>	6 482 - 4822 - Repairs and Maintenance	Renovations to sleeping quarters		110,000	318,362	
<input type="checkbox"/>	6 482 - 4822 - Repairs and Maintenance	maint of water pumping equipment		1,428		
<input type="checkbox"/>	6 482 - 4822 - Repairs and Maintenance	Composting Program	The Way we Green	4,600		
<input type="checkbox"/>	6 482 - 4822 - Repairs and Maintenance	Snow Removal - Mr Plow - FD Simpson				
<input type="checkbox"/>	6 494 - 4940 - Fire & Burn Awareness	Door-to-Door Smoke Detector Checks				
<input type="checkbox"/>	0 600 - 6000 - Employee Retirement Benefit			160,349	160,564	
<input type="checkbox"/>	0 921 - 9211 - WO Regular Time			312,120	312,120	
				(4,706,166)	(4,571,155)	
				(4,531,916)	(4,221,850)	

Users can use the "Advanced Search" feature in order to find all line items that are associated with a goal or strategic initiative, regardless of department (subject to security permissions).

Budget Lines

Budget Year 2015

	Department	Cost Center	GL Account (Object)	Document / Justification	Strat. Initiative	2015	2016
Please click here to add new rows...							
<input type="checkbox"/>	Fire	2860 - Fire Station 4	4822 - Repairs and Maintenance	Composting Program	The Way we Green	4,600	
<input type="checkbox"/>	Fire	2873 - Sustainability Department	4120 - Training and Development		The Way we Live	4,775	4,872
<input type="checkbox"/>	Fire	2873 - Sustainability Department	4204 - Advertising		The Way we Green	3,184	3,259
<input type="checkbox"/>	Fire	2873 - Sustainability Department	4216 - Contracted Services	Contractor B	The Way we Green		
<input type="checkbox"/>	Fire	2860 - Fire Station 5	4822 - Repairs and Maintenance	Composting Program	The Way we Green	4,600	
<input type="checkbox"/>	Fire	2860 - Fire Station 3	4366 - Water	filtered drinking water	The Way we Live	714	
<input type="checkbox"/>	Fire	2860 - Fire Station 2	4308 - General Supplies	general supplies fire house #1	The Way we Green	11,674	11,907
<input type="checkbox"/>	Fire	2860 - Fire Station 2	4822 - Repairs and Maintenance	Major renovations to sleeping quarters	The Way we Green	318,362	318,362
<input type="checkbox"/>	Fire	2860 - Fire Station 2	4312 - Office Supplies	office supplies	The Way we Green	3,366	
<input type="checkbox"/>	Fire	2860 - Fire Station 2	4116 - Conferences/Travel	Fire Prevention Convention	The Way we Green	5,190	
<input type="checkbox"/>	Fire	2860 - Fire Station 3	4308 - General Supplies	general supplies fire house #1	The Way we Green	12,974	11,907
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4324 - Materials	Materials and supplies	The Way we Green	9,240	10,164
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4312 - Office Supplies	office supplies	The Way we Green	3,366	3,703
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4308 - General Supplies	misc supplies	The Way we Green		
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4822 - Repairs and Maintenance	Composting Program	The Way we Green	4,600	
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4116 - Conferences/Travel	Conference 1	The Way we Finance	30,000	32,000
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4312 - Office Supplies	Miscellaneous Paper and Toner for the photocopier	The Way we Green	(1,500)	2,250
<input type="checkbox"/>	Fire	2860 - Fire Station 1	4116 - Conferences/Travel	Conference 2	The Way we Finance	6,000	5,000
						(4,531,916)	(4,221,850)

Performance Measures / Key Performance Indicators / Service Level Measurement / Performance Management / Budgeting for Outcomes

For many clients wishing to capture information beyond the budget, such as Performance Measurements, and/or Service Level Measures (SLM), Questica offers a screen at the business unit level (cost center) where users are able to enter information such as the goals, objectives and outcomes/performance for their business unit. They can enter the outcomes/performance (actual and estimate) for the current year, enter estimates for the coming years, along with viewing 2 previous years' actual performances – all on the same screen. These SLM's now become part of the workflow process and can be adjusted, approved/denied at the different stages of the budgeting process. Customized reports can show budgetary information, performance measures alone with narratives and descriptions/justifications for each budget. Questica plans to improve upon these existing Performance Measurement features with the release of a comprehensive Performance Measurements Module later this year (2014).

Measure	Description	2012 Actual	2013 Actual	2014 Actual	2015 Estimate	2016 Estimate
1	Incidents: Response Time < 5 mins	424	425	410	420	399
2	Incidents: Response Time < 10 mins	901	920	912	923	899
3	Incidents: Response Time > 10 mins	0	0	1	3	0

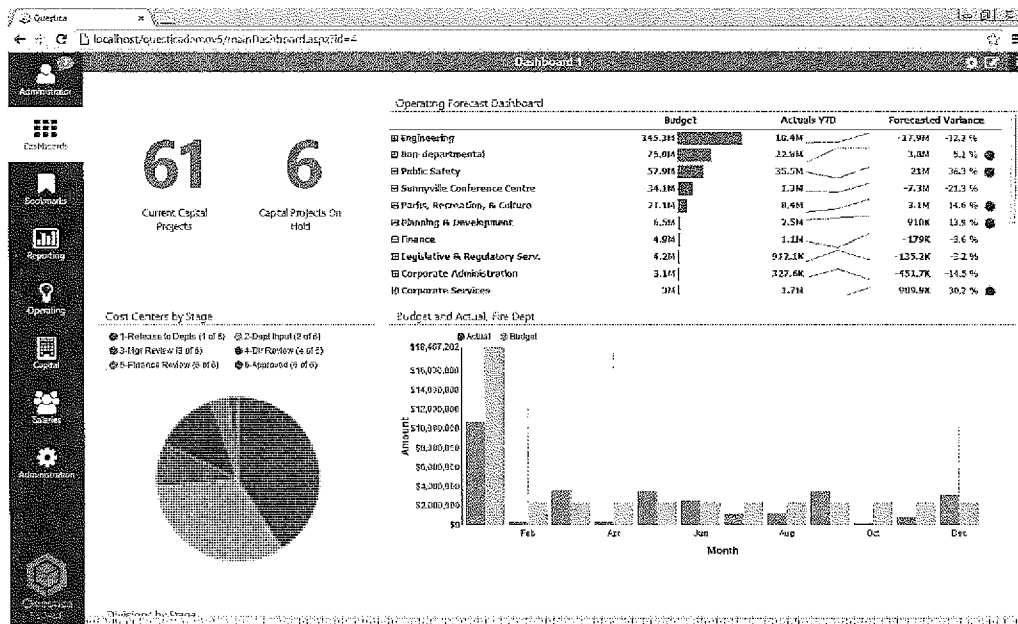
Dashboards / visualizations / informative at-a-glance

With Questica Dashboards users can build rich interactive visualizations of your budget data to create beautiful, informative at-a-glance displays. You can show charts to monitor budget development or track spending in a department or organization-wide. But, you're not limited to showing just budget data, users can also embed web content, including anything from Google Documents to city traffic cameras. Our dashboards are built using a simple drag-and-drop interface and can be private, shared between groups, or available to all users. Information can be presented in a variety of styles, including:

- Line
- Scatter/Bubble
- Stacked/Stream/Expanded Area
- Discrete Bar

- Grouped/Stacked Multi-Bar
- Horizontal Grouped Bar
- Line and Bar Combo
- Cumulative Line
- Pie/Donut
- Bullet

Below is an example of what one Dashboard screen may look like.



Drill down - Drill through reports

Many of standard reports are drill-down, and/or drill-through, in that they allow the end user to quickly access underlying (more detailed) information. In the example below, in the – ‘Budget vs. Actual Costs Year to Date by Department’ report – on the left side of the screen, each of the expense categories has “+” sign beside the GL Category. The ‘Benefits’ category has been expanded to show the next level of detail. Note the actual costs in blue – the blue color denotes a ‘drill-through’ value – clicking on it shows the underlying values (the actual cost details) that make up that number.

localhost/questicademov5/report_viewer.aspx?ReportID=57&ParameterSetID=4

Actual vs Budget Year To Date by Department:

Department: CMP - Comptroller's Division
Reporting Period: January, 2014 To December, 2014 (12 Months)
Fund: <All>; Department: <All>; GL Account: <All>; Cost Center: <All>

Expand or Collapse each grouping

	Budget	YTD Actual Cost	Variance Over/Under	Percentage Variance
Expense:				
Benefits	788,837	654,314	(134,523)	83.11 %
4102 - Benefits	159,139	0	(159,139)	0.00 %
4106 - Medical	495,273	471,115	(24,158)	95.25 %
4107 - Medicare	68,558	31,863	(36,695)	54.22 %
4109 - Dental	30,378	29,816	(562)	98.23 %
4139 - Vision Care	12,923	15,079	2,156	104.16 %
4110 - Workers Compensation	94,118	55,159	(38,959)	60.00 %
4100 - Travel & Supplies	1,292	1,839	547	142.27 %
4100 - Miscellaneous	676,155	415,723	(260,432)	61.41 %
4100 - Other Personnel Costs	5,146	3,540	(1,606)	70.16 %
Salaries	2,697,154	2,188,495	(508,659)	80.80 %
Total Expense	3,478,175	3,235,604	(242,571)	93.00 %
Net Total	(3,478,175)	(3,235,604)	242,571	93.00 %

Apr 22, 2014 11:34 AM Budget vs Actual Cost Year To Date Page 7

Clicking on any value displayed in Blue will show the underlying values (actual costs details) that make up the number

The screen below shows the result of clicking on the \$471,115 value on this report

Clicking on blue values (\$471,115 in this case) will show the underlying actual cost values that make up that number, as shown below.

localhost/questicademov5/report_viewer.aspx?ReportID=57&ParameterSetID=4

Actual Cost Details Year To Date

Department: CMP - Comptroller's Division
Reporting Period: January, 2014 To December, 2014 (12 Months)
Fund: <All>; Department: <All>; Cost Center: <All>

GL Account	Date	Cost Center	Item	Description	Supplier	Acct. Ref.	Type	Amount
Operating Expenses								
4106 - Medical								
	05/31/2014	Revenue			DEF Company		Actual	235,851
	08/20/2014	Accounting					Actual	193,004
	07/21/2014	Budgets and Financial Planning			DEF Company		Actual	42,260
Total								471,115

Apr 22, 2014 11:52 AM Actual Cost Details Year To Date Page 1

Roll up and consolidation budget data

Many of the out-of-the-box reports will automatically roll up and consolidation budget data by cost category codes, object codes, cost centers, departments and/or divisions. In the example below, a standard report called 'Revenue and Expenditure by Department' displays a standard rollup.

localhost/questicademo/5/report_viewer.aspx?ReportID=12

Revenues and Expenditures by Department

Budget Year: 2016 From Stage: s40 To Stage: s40

Division	Cost Center	2015 Budget
<input checked="" type="checkbox"/> Revenues		351,958,426
<input checked="" type="checkbox"/> Expenditures		361,958,426
<input checked="" type="checkbox"/> Corporate Administration		3,148,524
<input checked="" type="checkbox"/> Corporate Services		3,158,256
<input checked="" type="checkbox"/> Council		874,685
<input checked="" type="checkbox"/> Engineering		145,603,759
<input checked="" type="checkbox"/> Public Works		37,909,236
<input checked="" type="checkbox"/> Public Works-Civic Services		190,572
<input checked="" type="checkbox"/> Support Services		2,465,482
<input checked="" type="checkbox"/> Transportation & Parking Serv.		34,500,575
<input checked="" type="checkbox"/> Underground Utilities & Fac.		70,537,491
<input checked="" type="checkbox"/> Buildings Maintenance (Home)	448,526	
<input checked="" type="checkbox"/> FAC- Community Centres	3,771	
<input checked="" type="checkbox"/> FAC- Parks Facilities	295,897	
<input checked="" type="checkbox"/> FAC-Corporate Offices	750,154	
<input checked="" type="checkbox"/> FAC-Engineering/Public Works	50,816	
<input checked="" type="checkbox"/> FAC-Facilities Administration	639,379	
<input checked="" type="checkbox"/> FAC-Maintenance Administration	201,054	
<input checked="" type="checkbox"/> FAC-Parlades	346,058	
<input checked="" type="checkbox"/> FAC-Protection Services	369,733	
<input checked="" type="checkbox"/> SD Catchment Area Management	114,482	
<input checked="" type="checkbox"/> SD Engineering Administration	162,147	
Benefits	7,259	
Cac Allowance / Parking	1,881	
Conferences/Travel	2,155	
Contracted Services	4,535	
Dental	1,238	
Equipment	4,717	
Equipment Rentals	6,464	
Medical	14,123	
Medicare	2,844	
Office Supplies	3,232	
Overtime	2,203	
Salaries - Exempt	54,104	
Salaries - Inside	48,424	
Training and Development	3,367	
Vision	458	
Workers Compensation	4,746	

Divisions

Departments

Cost Centers

GL Cost Categories

Ad-hoc Reporting

In addition to the 90 + out-of-the-box reports that users can immediately utilize Questica has integrated Microsoft's SQL Server **Ad-hoc Reporting** as the cornerstone technology for those who wish to quickly design their own reports.

This technology has many benefits:

- It is web based so users do not require special software loaded onto their computers.
- No query writing is required so there is no need to involve IT resources.
- It includes intuitive interface. Users can drag and drop the information they want to see into a report design window.
- All reports are exportable into PDF Excel XML etc.
-

The Ad-hoc report writing tool is designed for non-technical users who desire quick access to design and create their own reports. It includes an intuitive user interface. Users can drag and drop the information they want to see into a report design window. Ad-hoc reporting solves the most common problem in report design – how to create reports that display the relevant data that users require while having enough flexibility to allow the user to organize and view the data however they wish. Ad-hoc Reporting will provide the users the ability to view data immediately in whatever form they choose without having to request a new customized report. Once developed users can re-use the reports they designed or include them as a part of the Questica Budget application making them available to all users.

Ad-hoc Report users can also:

- Add their custom titles, graphics, logos
- Drag and drop fields on the grid based on the way they want to see the data on the report
- Make a report into a drill-down report by adding more fields to the grid
- Format the grid by applying fonts, borders, fills and changing the alignments
- Apply formulas as they would in Excel for custom analysis
- Apply filters
- Export reports
- Have saved reports become one of the regular reports available to other users (subject to security permission)

Report Schedule / Scheduling & Delivery of reports

Questica Budget allows users to regularly email the results of a report to a list of users using a "Report Schedule". Once created, the Report Schedule will automatically execute the selected Report and email the result to the selected users based on the scheduling options. The Report Schedule can be unique for each report, and can be setup on an hourly, daily, weekly, monthly, or monthly by week basis. The report results will be included as an attachment to the email, either as a PDF, Word or Excel spreadsheet.

Below is an example of a Report Schedule screen:

The screenshot shows a web browser window titled "Questica - Google Chrome" with the address bar displaying "localhost/questicademov5/cwReportScheduleEdit.aspx?ReportID=8". The page has a dark header with "Report Schedule Details" and a link to "Create a new Report Schedule". On the left, a sidebar contains a "Report Schedule" section with sub-links for "General", "Scheduling", and "Parameters". The main content area is titled "Scheduling Information" and contains three sections: "Report Schedule Type" set to "Monthly (by Week)", "Months of the Year" with a list of months from January to June (each with a checkbox), and "Days of the Week" with a list of days from Monday to Sunday (each with a checkbox). Below these is a "Which Week" dropdown set to "First Week". At the bottom right, there are "Save" and "Cancel" buttons.

Advanced Search

A robust and powerful tool, the Advanced Search feature allows authorized users to perform sophisticated and highly dynamic data analytics/Ad-hoc queries based on specific criteria or descriptive words. Queries are created in a user friendly fashion (see below) where a complex query can be built –one line at a time.

This allows staff to view and update large volumes of data quickly. When presented with the search results staff can analyze and make changes to many line items and accounts as a whole. They can also insert line items to any budget they wish, apply Regular Increases, Distributions, lock or delete specific lines on a large scale.

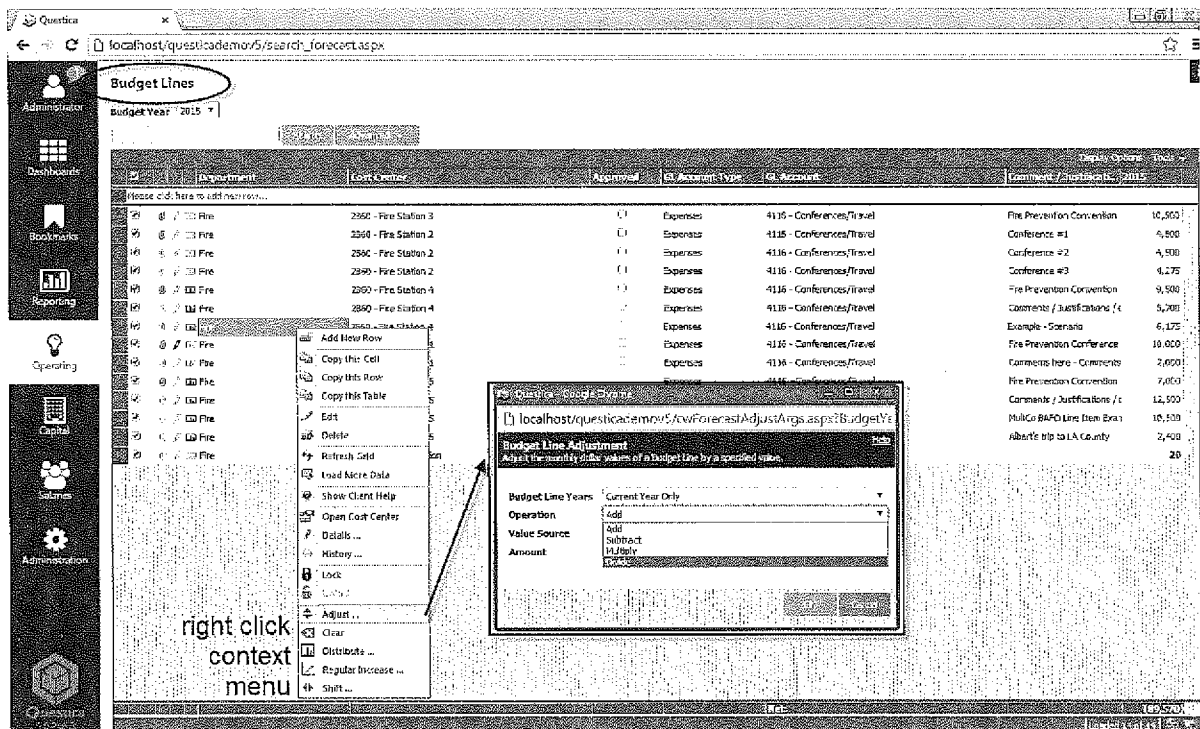
In the example below, using the advanced search feature, all budget entries associated with a single GL account (Conferences & Travel in this case) for one department are displayed (Fire Dept.).

The screenshot displays the Questia Advanced Search interface. The main window shows a table of budget lines for the Fire Department. The table has columns for Department, Cost Center, Approval, GL Account Type, GL Account, Comment / Description, and 2012. The data is filtered to show only entries for the Fire Department and the GL Account 4116 - Conferences/Travel.

Department	Cost Center	Approval	GL Account Type	GL Account	Comment / Description	2012
Fire	2860 - Fire Station 3		Expenses	4116 - Conferences/Travel	Fire Prevention Conference	10,500
Fire	2860 - Fire Station 2		Expenses	4116 - Conferences/Travel	Conference #1	4,500
Fire	2860 - Fire Station 1		Expenses	4116 - Conferences/Travel	Conference #2	4,500
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	Conference #3	4,275
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	Fire Prevention Conference	9,500
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	Comments / Justifications /	5,700
Fire	2860 - Fire Station 4		Expenses	4116 - Conferences/Travel	Example - Scenario	6,175
Fire	2860 - Fire Station 1		Expenses	4116 - Conferences/Travel	Fire Prevention Conference	10,000
Fire	2860 - Fire Station 1		Expenses	4116 - Conferences/Travel	Comments / Note - Comment	2,000
Fire						1,000
Fire						7,000
Fire						12,000
Fire						23,520
Fire						2,400
Fire						20

An 'Advanced Budget Line Search' dialog box is open, showing search criteria: GL Account: 4116 - Conferences/Travel, Department: Fire, and Public Words. The results show 12 items.

Once the search results are displayed, users can now manipulate the data in many different ways. For example, if there was a directive to reduce travel expenses by 5% this can be easily accomplished via the 'adjust' feature available by right clicking anywhere on the screen.



In the above example, a 5% reduction would be automatically and immediately be applied to all budget line items associated with this GL Account (Conferences & Travel).

Advanced Budget Search allows power users the ability to view, update, and manipulate large volumes of budget data quickly. All Advanced Search grids are exportable to Excel.

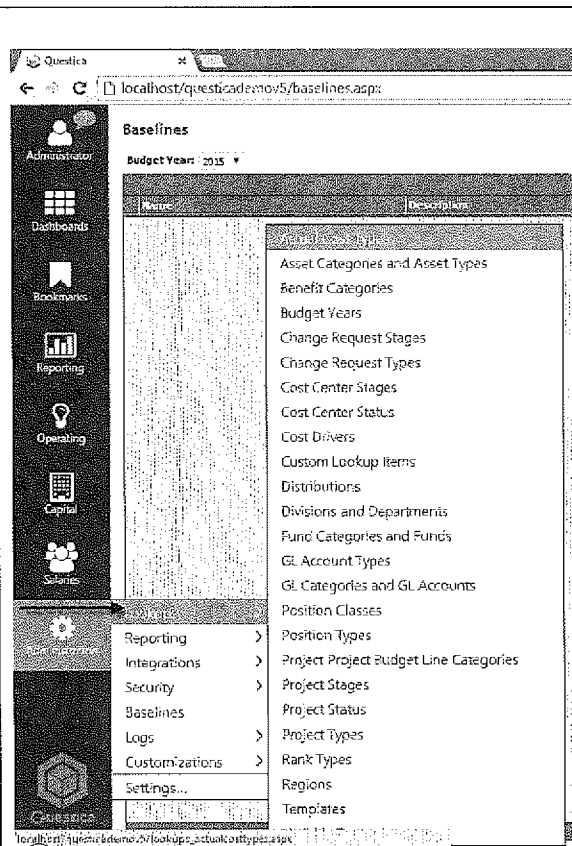
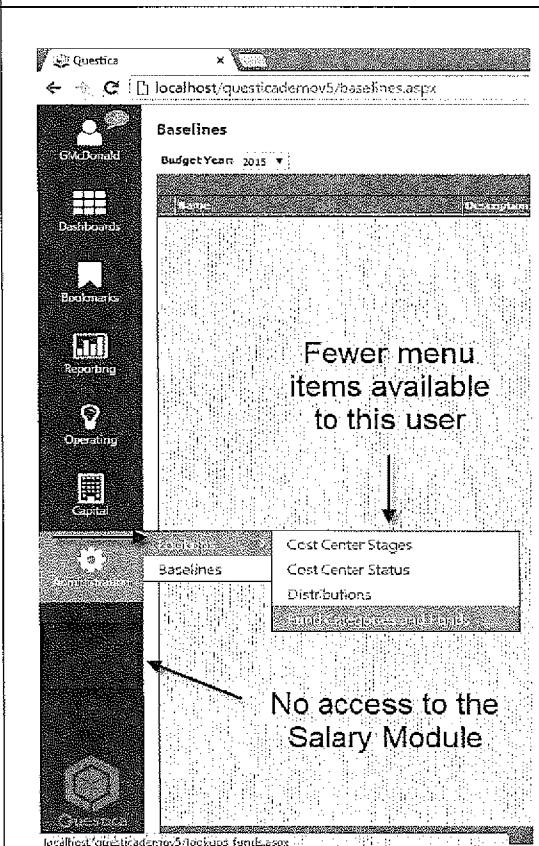
The screenshots above show only one of the many Advanced Search capabilities in the application. Each of the following areas of Questica Budget has its own dedicated Advanced Search function:

- Change Requests (Decision Packages)
- Cost Centers
- Employees
- Forecasts (also called Budget Lines)
- GL Accounts (Objects) and GL Categories
- Operating Impacts
- Actual Costs
- Positions
- Projects
- Project Forecasts (Capital module line items)
- Scenarios (What-ifs)

Security (User Security)

Security is role based and once established, your administrators would be able to determine who is able to view, edit, demote, promote (advance) and lock budgets – at each stage of the budget process. Restrictions to running reports and batch processes, creating scenarios, administrative look-ups, access to actual costs information etc. can easily be established. Administrators can also determine who has access to the budgets and also determine the types of analysis can be performed. Individuals without permission would not be able to view selected system reports and/or perform budget analysis.

Your permissions determine what you can see and access: A user's interface is dependent on the permissions granted them by the System Administrator. For example, in the screenshots below, the menu listing on the left is that of the Administrator whereas the menu listing on the right is that of another user where the Administrator has granted fewer permissions.

Administrator	Lower Level User
	

Note the System Administrator has access (permissions) to view each of the primary modules which make up Questica Budget - Operating, Salaries, and Capital (on the left side of the screen) whereas the other user only has access to the Operating and Capital modules. The user on the right has no access to anything related to the Salaries module.

Configurable Screens & Grids (User added columns)

Many screens, as one would expect in any financial application are grids. A grid, similar to an excel spreadsheet is made up of rows and columns. As shown below, a right mouse click on a column header in a grid displays a menu with many timesaving tips and tools, including; sorting, grouping (by field and by box), best fit, remove a column, filter, and add columns (select columns). Adding a column allows users to easily enter an unlimited number of user-defined columns to track additional information. Data types can be defined for each new column (numbers, text, dates, drop-down menus, etc.) In the screen below, 'Strat. Initiative' and 'One-time' are examples of user defined configurable columns. This ability to configure user input screens and add columns allows you to enter and track virtually any budget related data.

The screenshot displays the Questica Budget application interface. On the left is a navigation pane with categories like 'Cost Center', 'Dashboards', 'General', 'Documents', 'Filter', 'Variable', 'Allocations', 'Additional Information', 'Key Performance Indicator', 'Occurrence', 'General', 'Position Allocation', 'Annual Summary', 'Security', 'Cost Center Rules', 'Actual Costs', 'Details', 'Annual Comparison', 'Quarterly Comparison', and 'Monthly Comparison'. The main area shows a grid titled 'Annual Budget' with a right-click context menu open. The menu options include: 'Sort A to Z', 'Sort Z to A', 'Group By This Field', 'Group By Box', 'Remove This Column', 'Best Fit', 'Filter Bar', and 'Select Columns'. A list of user-defined columns is shown on the right, including 'Strat. Initiative' and 'One-time'. The grid data includes columns for 'GL Account', 'Consent / Justification', 'Strat. Initiative', and 'One-time'. The 'Currently Displayed' section shows a table with columns for 'GL Account', 'Consent / Justification', 'Strat. Initiative', and 'One-time'. The 'Optionally Displayed' section shows a table with columns for 'GL Account', 'Consent / Justification', 'Strat. Initiative', and 'One-time'.

GL Account	Consent / Justification	Strat. Initiative	One-time
204,300	125,000	250,000	
312,400	306,000	300,000	
112,200	311,000	310,000	
757,240	633,100	813,100	
22,000	20,400		
5,825	5,842	5,842	
49,709	59,286	59,700	
112,000	113,000	113,000	
23,760	23,760	23,760	
16,700	16,700	16,700	
3,600	3,600	3,600	
27,574	34,204	34,204	
156,000	156,000	156,000	
16,650	16,650	16,650	
10,000	22,000	29,000	
2,000	2,300	2,400	
1,200			
2,450	357		
3,800	3,500	3,700	
1,000	(1,500)	2,200	
8,400	9,240	10,164	
2,354	1,224		
2,452	2,754		

Screen Layouts / Color / themes / User controlled display and content

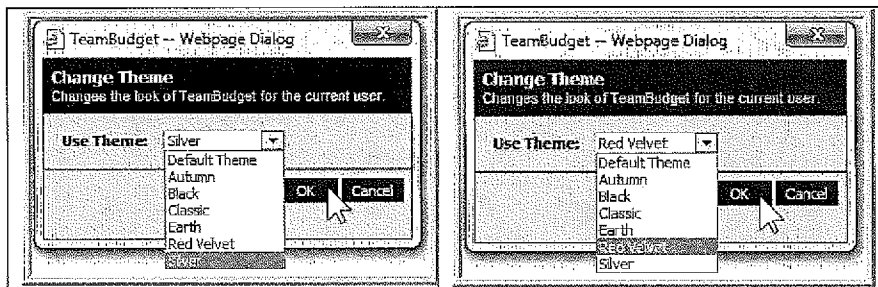
Select Layout - Once a screen / grid has been configured to the users liking, the screen layout can be saved. This can include the number and type of columns (data) the user is interested in, as well as the order of the columns. Screen layouts (see below) can be unique for each individual user or, the same for everyone – as determined by your system administrator.

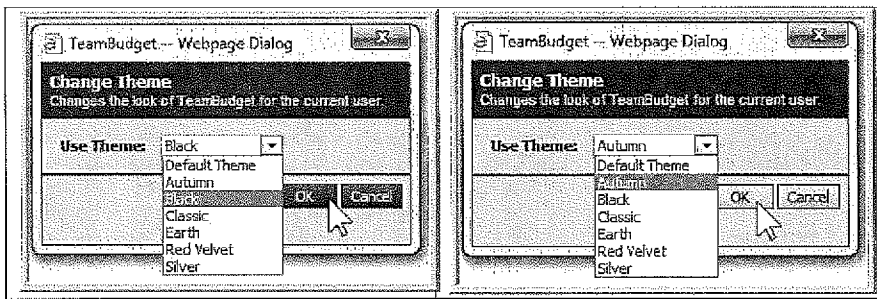
Stage: Z-Dept Input (2 of 6)

Screen Layout Menu ↓

Grid	Soda Machine revenues	unplanned overtime
Standard Grid	125,000	250,000
Moncton Grid_1	306,000	390,000
MMSD Grid	231,000	250,000
Gerry's Grid (Default)	813,188	813,188
Customized Grid	20,400	
Andre's Grid	5,949	5,949
Allan's Grid		
Save...	49,759	50,786
Delete	113,619	113,619
Grid Customization Help	23,284	23,760
	10,738	10,738
	3,635	3,635
	37,574	38,338

Each user can select the color for the application. Selected examples are shown here:





Consistent and logical screen layout (Navigation Bars)

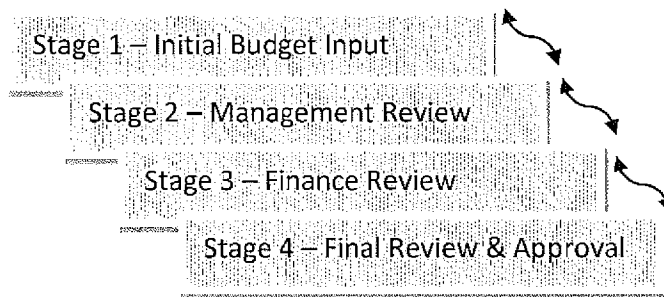
All screens in Questica Budget are all set up in a similar manner, with the details on the larger right pane, and the navigation elements on the smaller left pane. The left pane is referred to as the Navigation Bar, or simply 'Nav Bar.' The Nav Bar help users navigate without extraneous information displayed which is not applicable to that area. Below are 4 examples of selected Navigation Bars:

Cost Center (Operating)	Capital Project	Profile	Position
<div> Cost Center Dashboards General Documents Notes Variables Allocations Additional Information Key Performance Indicators </div> <div> Scenario General Position Allocations Budget Annual Summary </div> <div> Security Cost Center Roles </div> <div> Actual Costs Details Annual Comparison Quarterly Comparison Monthly Comparison </div>	<div> Project Dashboards General Regions Documents (3) Notes (2) Related Projects Additional Information </div> <div> Scenario General Variables Documents (1) Notes Ranks Budget Annual Summary Operating Impacts </div> <div> Security Project Roles </div> <div> Project Actual Costs Details Annual Summary Annual Comparison Quarterly Comparison Monthly Comparison </div>	<div> Profile Group General Documents (3) Notes Positions Grades </div> <div> Profile Scenario Profile Scenario Info </div> <div> Contracts Contract 2013 Benefits Scale Jan 2014 Scale Jan 2015 Scale Jan 2016 </div> <div> Security Profile Roles </div>	<div> Position General Employee Allocations Cost Center Allocations Benefits Documents Notes </div> <div> Effective Costing Annual Monthly </div> <div> Position-Only Costing Annual Monthly </div>

Stages and Workflow

Questica Budget uses the term 'Budget Stage', or simply Stage to facilitate the budget development process and also indicate where a given department is in the annual budgeting process. Each Stage is configurable, and coupled with a workflow (users can enter and approve budgets and escalate them through a series of predefined stages). This workflow controls the access individuals have to the budgets and supports a method to ensure budgets are properly reviewed and approved by all those who are participating in the development process. After staff have entered their budget(s), they are responsible for promoting them (advancing) to the next workflow stage (reports are available to show which departments are at which stage). The system records the budget at each submission stage, so that the changes and modifications to the budget are clearly visible and transparent if requiring review at a later date.

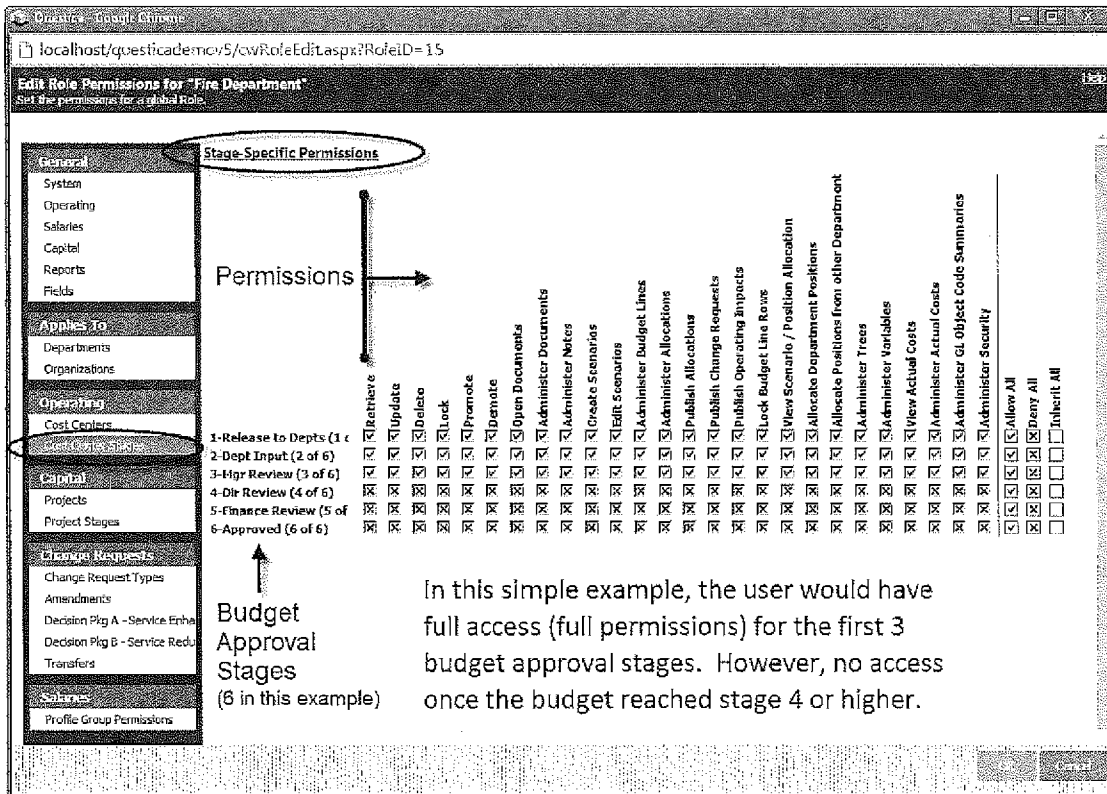
A typical budget might evolve through several approval stages:



Above is an example only – the City can define and configure as many budget stages you wish.

Since this entire process uses the same database in a controlled environment there is no re-entry of data. Reports are generated from the same data that the users entered at their first and subsequent submissions. The budget process is efficient because Questica Budget automatically notifies users via e-mail when their participation is required. As the budget is promoted through the different stages, user permissions (security settings) are triggered, providing the re-assurance that only the appropriate people can modify or view the budget at each stage.

Sample Screen – Budget Approval Stages and related permissions:



Export / Import to Excel / Excel Import Tool

Questica Budget allows authorized users to export the contents of most grids to an Excel spreadsheet. Then users can edit the data on these spreadsheets and import them back into the system to change large amounts of data at once. The spreadsheets generated by the tool must be viewed and edited in Microsoft Excel 2007 or later.

Field Level Security

With Field Level Security you can finely tune the level of access your users have to important budget data. For example, you may want a budget entry user to be able to access and update Costing Centers. However, this user now has access to important fields on the Costing Center, such as which department the costing center belongs to. Changing the department field would cause significant complications. Field Level Security allows general access, while giving you the ability to individually restrict and control specific fields. Field Level Security allows you to lock down important fields to administrators only.

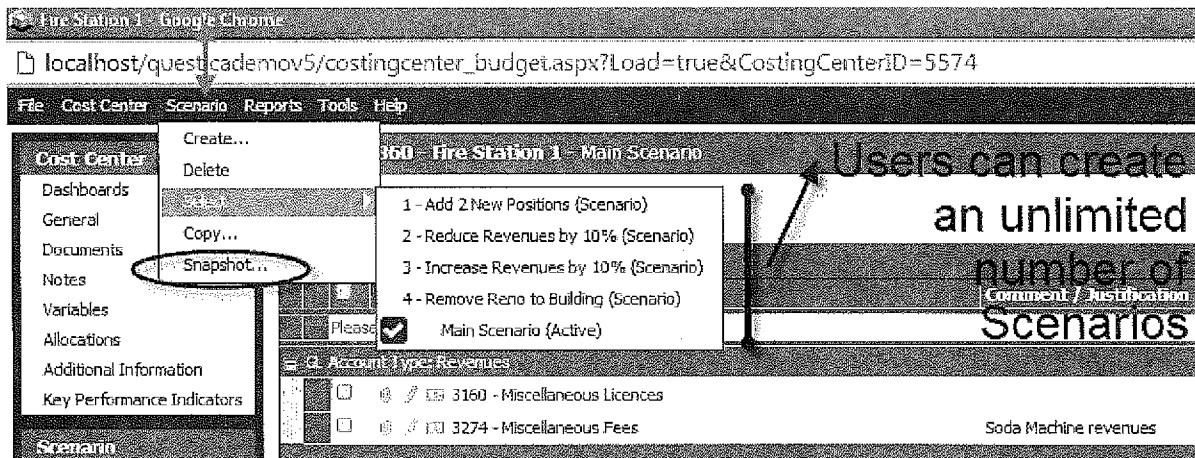
Distributions - spread out amounts

Questica Budget's Distribution feature allows for an annual amount to be *spread* over certain months (or all months) based on a predetermined calculation. Example, if a user needs to account for snow removal, they may want to distribute the cost of snow removal

only over the winter months and not over the entire year. Distributions can be applied to revenues, expenses and position costs. When applied to position costs, seasonal staff wages for example, can be budgeted to only the months in which they work.

What-ifs Scenarios

All Questica Budget modules have the ability to copy any budget/project/profile/change request/etc. and create as many different 'What-if' scenarios of that budget data as desired. What-if Scenarios can be activated (turned on or turned off) one by one. The Salary module also accommodates different 'What-if' scenarios for salary and benefit data such as, wage increases, COLA increases, collective agreement negotiations, and all related calculations. These alternative budget scenarios are maintained for easy reference however only one budget version (one scenario) can be designated as 'Active'. It is the active budget/scenario that is submitted when the user promotes (advances) the budget to the next approval stage – the next workflow stage.



Reserve Forecasts

The *Reserve Forecasts* feature was specifically designed for tracking reserve balances. This helps Finance to be up-to-date with funds and reserve balances, in real-time.

Each reserve can be associated with a GL account. As users identify their funding sources (i.e. Reserves accounts) for their Capital projects, Finance is able to view their Reserves Balance and Forecasts – the opening balance, the amount being withdrawn from each reserves, any contributions and the closing balance. Out-of-the-box, Questica Budget allows staff to view this information for up to 25 years. This can be extended, should The City wish to display additional years.

Questica Budget also comes with an out-of-the-box report which shows the above information along with the name of each project that is requiring monies from each reserve.

For the tracking of Funds, Questica Budget has a similar feature called “Fund Forecasts,” which serves a similar forecast but specifically for Funds.

Fund Balance Forecast

As users create their Capital projects, they are able to copy existing projects, rename them and have multiple scenarios representing a different state of affairs. An example would be to have alternative scenarios, some representing funded projects and other representing non-funded projects.

Finance can then switch between the different scenarios in order to gauge their effects on the Reserve and Fund balances, and the overall budget.

The Reserve Forecast and Fund Balance Forecast features also allow Finance to copy existing Reserve/Fund Forecasts and to create alternative scenarios. For example, one Forecast scenario that has an opening balance of \$1,000,000 with \$500,000 in contributions, and another scenario has an opening balance of \$1,300,000 but with a \$200,000 in contributions. The running balances would be different between the scenarios.

Only one scenario can be active at a time, but Finance would be able to switch between scenarios in order to gauge their long-term effects. This can be viewed onscreen and/or via reports.

Explorer / Multiple funds, departments, and divisions

Questica Budget can accommodate an unlimited number of funds, departments and divisions.

Budgets are categorized on an organizational basis where Cost Centers roll-up into Departments and Divisions (or vice versa). Budgets can also be categorized on a Fund basis where Cost Centers roll-up into their respective funds.

The screenshot shows the SAP Operating Explorer interface. On the left, the 'Division' node is expanded, and the 'Departments' sub-node is selected. The main area on the right displays a list of cost centers. The list includes the following entries:

- First - First Responder Program**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First - First Aid**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Hazard Operations**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Maintenance**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Electrical**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Station 1**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Station 2**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Station 3**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Station 4**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire
- First Aid - Station 5**
Department: FRS
Manager: Scott Pugh (144)
Account Reference: 1230
Fund: Fire - Fire

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Operating Explorer

Budget Year: 2015 | Tree: Fund Categories and Funds

Fund Categories and Funds

- All General Funds
 - Emergency Communications Fund
 - Fire - General
 - General Capital
 - General Fund
 - Road Fund
 - Sewer Capital
 - Sewer Operating
 - Water Capital
 - Water Operating
- State Funds
 - State Fund A
 - State Fund B
- Unassigned

Cost Centers

- Accounting**
Department: Controller's Office
Stages: 1-Release to Dept (1 of 6)
Acct Reference: 2230
Funds: General Operating
- Arboriculture**
Department: Parks
Stages: 2-Dept Input (2 of 5)
Acct Reference: 5240
Funds: General Operating
- Arboriculture (Home)**
Department: Parks
Stages: 4-Dir Review (4 of 5)
Acct Reference: 5050
Funds: General Operating
- Archives**
Department: Protocol & Administration
Stages: 1-Release to Dept (1 of 5)
Acct Reference: 2050
Funds: General Operating
- Archives - Records Management Consultant**
Department: Protocol & Administration
Stages: 1-Release to Dept (1 of 6)
Acct Reference: 1000-501
Funds: General Operating
- Arts and Culture**
Department: Culture
Stages: 3-Dir Review (3 of 6)
Acct Reference: 5240
Funds: General Operating
- Asphalt Plant**
Department: Public Works-Civic Services
Stages: 4-Dir Review (4 of 6)
Acct Reference: 4650
Funds: General Operating
- Bastion Square Parkade**
Department: Transportation & Parking Serv.
Stages: 1-Release to Dept (1 of 5)
Acct Reference: 4000
Funds: General Operating

In addition to these two examples (divisions and departments / funds and fund categories) users can create their own trees to organize the budgets in virtually any manner needed using the 'Create New Tree' button, as shown below.

Operating Explorer

Budget Year: 2015 | Tree: Department/Division/Branch

Department/Division/Branch

- Corporate Administration
- Council
 - CDU - Council
- Engineering
 - PW - Public Works
 - SUP - Support Services
 - TPS - Transportation & Parking
 - UUP - Underground Utilities
- Finance

Create New Tree

Additional Trees

- Boston MA
- Department/Division/Section/SubSection
- Edinboro AB
- Fund/Department/Division
- Mississauga Ont
- Moncton NB
- Multnomah County, OR
- Portland Oregon
- System Trees
 - The Smithsonian
 - Division and Departments
 - Fund Categories and Funds

Operating Budget Impacts / OBI / OBIs / Link Operating and Capital

All Questica Budget modules share the same interface and a common database (Microsoft SQL Server), allowing all modules to work together. In the case of Operating and Capital, the most obvious synergies between these systems is the *Operating Budget Impacts (OBI's)*. In the Capital module, some capital projects will affect the operating budget in the future (the new community center will need to be staffed). Each Questica Budget Capital project provides for an area to track and record OBI's. Each Operating Budget Impact allows users to specify a Cost Center to which the costs correspond. Publishing the Operating Impact will add the costs directly to the Operating budget by creating Forecasts (budget lines) on the specified Cost Center(s).

Narrative / Comments / Descriptions / Text

Narrative content can be entered and associated with many different areas of the application; including Department, Program Offer, Cost Center, Project, Position, Union (Profile), Employee, to mention just a few. Users can break down individual budgets by line item, identify expenses and funding sources, enter comments for each line item, and attach documents and notes. The Questica Budget Forms Editor (screen editor) feature allows administrators control over the type and amount of content on each of the narrative screens / fields.

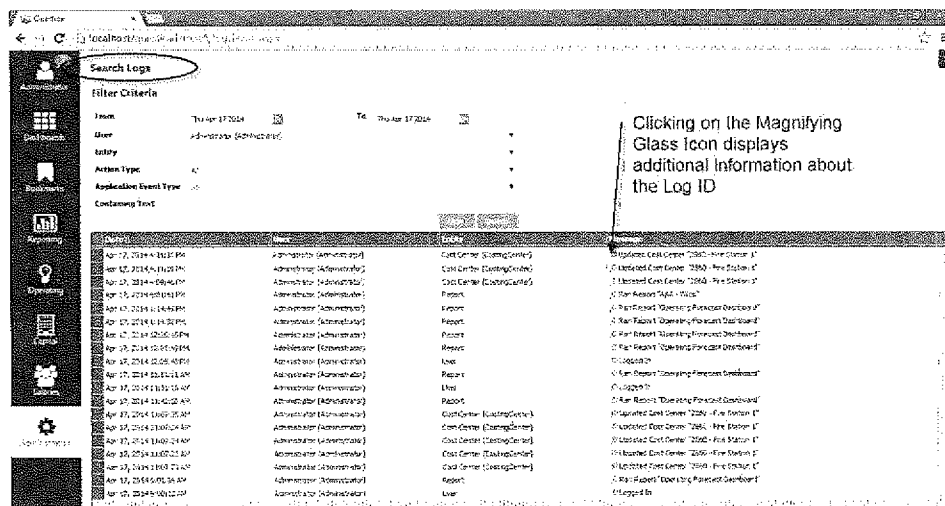
A typical narrative screen in Questica Budget might look something like the sample screen below:

The screenshot displays the Questica Budget Forms Editor interface. On the left is a navigation pane with a tree structure containing categories like Dashboards, Documents, Notes, Variables, Allocations, Additional Information, Key Performance Indicators, Substructure, General, Position Allocations, Budget, Annual Summary, Security, Core Center Roles, Actual Costs, Details, Annual Comparison, Quarterly Comparison, and Monthly Comparison. The main window is titled 'Cost Center Information' and shows details for 'Fire Station 1'. The 'Name' field is 'Fire Station 1' and the 'Description' is 'Fire Station 1 serves the westside of the City.' The 'Comments (max 50)' field contains a list of bullet points related to Corporate Strategic Plan Objectives and Succession Planning. The 'Justification' field contains a paragraph about the rapidly increasing high rise development within the City of Sunnyvale. The 'Actual Reference' field is '2860'. The 'Status' is 'Active' and the 'Department' is 'Fire'. The 'Strategic Initiative' field is empty. On the right side of the main window, there are dropdown menus for 'Manager' (Steve Sabo - RFP (Sabo)), 'Fund' (Fire - General), and 'Fund' (Fire - General).

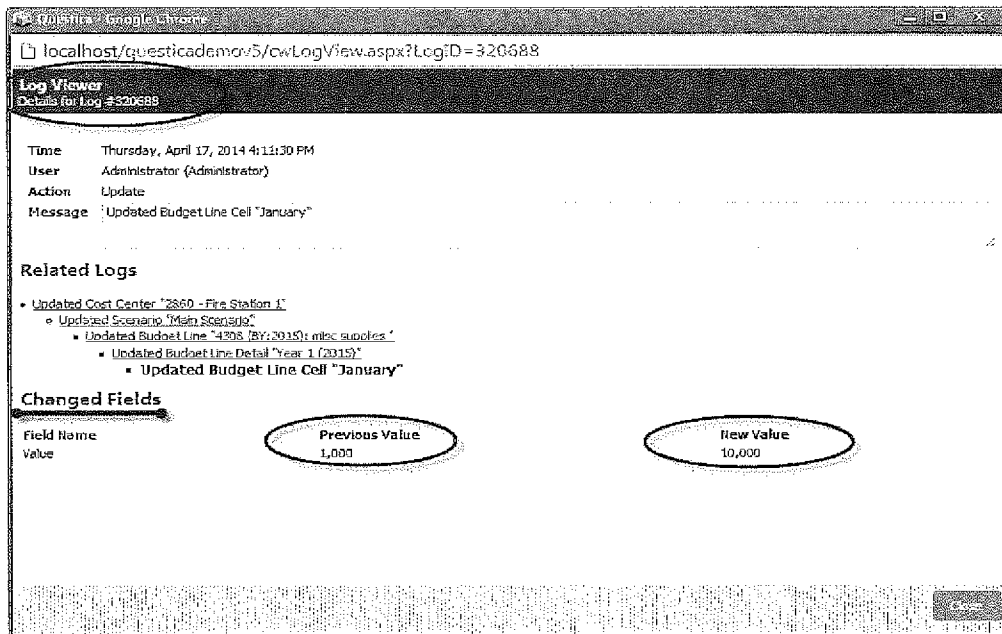
Field	Value
Name	Fire Station 1
Description	Fire Station 1 serves the westside of the City.
Comments (max 50)	<ul style="list-style-type: none">Corporate Strategic Plan Objective: Social and Cultural DevelopmentSuccession Planning Through executive development and education.Acquisition of equipment to provide cost effective "in house" cleaning and disinfectant using fire fighter protective gear.A continued examination of all divisions to identify opportunities to develop revenue producing initiatives.Increase school visits and e-Change community fire education and awareness programs.Implementation of a "Take alarm" system.Review of current dispatch personnel with a view to identifying opportunities to increase efficiencies.Continued development of Information Technologies, namely "CDM" in order to increase reliability and enhance costs retrieval capabilities.
Justification	<p>The rapidly increasing high rise development within the City of Sunnyvale has created the need for forward thinking in relation to future apparatus requirements and the development of new training and response strategies, add text.</p> <p>Succession Planning</p> <p>Dissemination of a Regional Dispatch initiative to address the continuing growth of the Region, costly duplication of services and communication technology challenges.</p> <p>Development of Succession Planning Initiatives to ensure executive development opportunities are available to upcoming officers of the Department.</p> <p>Lozen Ipsum is simply dummy text of the printing and typesetting industry. Lozen Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only five centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lozen Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lozen Ipsum.</p> <p>Contrary to popular belief, Lozen Ipsum is not simply random text. It has roots in a piece of classical Latin literature from 45 BC, making it over 2000 years old. Richard McConor, a Latin professor at Hampden-Sydney College in Virginia, looked up one of the more obscure Latin words, consectetur, from a Lozen Ipsum passage, and going through the cites of the word in classical literature, discovered the undoubtable source. Lozen Ipsum comes from sections 1.10.32 and 1.10.33 of "de Finibus Bonorum et Malorum" (The Extremes of Good and Evil) by Cicero, written in 45 BC. This book is a treatise on the theory of ethics, very popular during the Renaissance. The first line of Lozen Ipsum, "Lorem ipsum dolor sit amet," comes from a line in section 1.10.32.</p> <p>Lozen Ipsum is simply dummy text of the printing and typesetting industry. Lozen Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and</p>
Actual Reference	2860
Status	Active
Department	Fire
Strategic Initiative	
Manager	Steve Sabo - RFP (Sabo)
Fund	Fire - General
Fund	Fire - General

Audit Trails - Logs

The Questica Budget API (Application Programming Interface) was written from the ground up to support a full event model. Virtually all user actions and entries such as logging in, saving a budget, updating a budget, promoting a budget etc. are tracked and recorded in the Audit System. Virtually any event in the system can be logged for later retrieval if necessary. Standard search parameters in the log viewer include; date range, user, entity, action type, application event type, and containing text. Below is an example of a search result using the Search Logs feature.

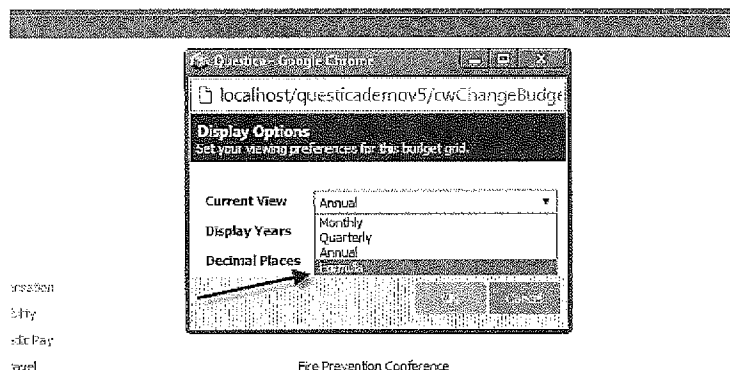


Clicking on the magnifying glass icon above opens a detailed results screen, showing what was changed – in this case a value was changed from **\$1,000** to **\$10,000**, as shown below.



Formulas / Excel-like budgeting

Questica Budget was designed (from the budget input perspective) to look somewhat like an Excel spreadsheet, as most of our new customers are acquainted with developing budgets in this manner. In addition to the look of a spreadsheet, Questica Budget also has spreadsheet-like capabilities, in that users can enter Excel-type formulas if they wish (not a requirement). Within a Cost Center Current View are several display options including; Monthly, Quarterly, Annual and *Formula* (in addition to number of years, and decimal places), as shown below.



Selecting Formula, users are presented with a modified monthly budget screen with the alphabet letters across the top, and numbers down the left side – as shown below. Any valid excel type formula can now be entered.

localhost/questicaadm/v5/costingcenter_budget.asp?CostingCenterID=5574&ScenarioID=5223&DisplayOptionsChange=true

File Cost Center Scenario Reports Tools Help

2015 2060 Fire Station 1 Main Scenario Step: 2 Next Step (2 of 6)

Annual Budget Formula View Enter Excel-type formulas

Account	Description	Start	End	2013 Actual	2013 Budget	2014 Actual	2014 Budget	2015 Actual	2015 Budget	2016 Actual	2016 Budget	2017 Actual	2017 Budget	2018 Actual	2018 Budget	2019 Actual	2019 Budget	2020 Actual	2020 Budget
5 7 20 4822 - Repairs and Maintenance	Removals to sleeping quarters				210,000														
6 7 20 4821 - WD Regular Time					312,120														
6 7 20 4824 - Miscellaneous Fees	Audio Machine returned				312,120														
6 7 20 4864 - Telephone/Fax	Telephone and fax charges				221	221	221	221	221	221	221	221	221	221	221	221	221	221	221
6 7 20 4854 - Cable	TV and Internet				2,554														
6 7 20 4866 - Water	Filtered drinking water				612														
6 7 20 4874 - Materials	Materials and supplies				6,400														
6 7 20 4812 - Office Supplies	Office supplies				255	255	255	255	255	255	255	255	255	255	255	255	255	255	255
6 7 20 4858 - General Supplies	misc supplies				1,507														
6 7 20 4838 - General Supplies	computer here				735	480	245									245	245	480	
6 7 20 4822 - Repairs and Maintenance	night of water pumping equipment				1,438														
6 7 20 4822 - Repairs and Maintenance	Composting Program				4,800														
6 7 20 4816 - Conferences/Travel	Fire Prevention Conference				10,000														
6 7 20 4822 - Repairs and Maintenance	Snow Removal - Mt Rose - HD Streets				3,690	2,400	1,290									1,290	1,290	2,400	
6 7 20 4828 - Salaries - Pts					55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444	55,444
6 7 20 4828 - Salaries - Pts					14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110	14,110
6 7 20 4811 - Long Term Disability					17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315	17,315
6 7 20 4812 - Special-Paramedic Pay					1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769	1,769
6 7 20 4870 - Overtime	unplanned overtime				22,000														
6 7 20 4860 - Miscellaneous Unuses					204,000														
6 7 20 4864 - Telephone/Fax					6,000														
6 7 20 4868 - Internet					9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481	9,481
6 7 20 4870 - Medicare					1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570	1,570
6 7 20 4868 - Dental					234	234	234	234	234	234	234	234	234	234	234	234	234	234	234
6 7 20 4868 - Vision Care					235	235	235	235	235	235	235	235	235	235	235	235	235	235	235
6 7 20 4810 - Workers Compensation					3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127	3,127
6 7 20 4870 - Overtime					457	457	457	457	457	457	457	457	457	457	457	457	457	457	457

Annual Budget (Summary View)

The Annual Budget (Summary View) screen as shown below reflects both past budget years (budget and actuals for two previous years), the current year (budget and YTD actuals) and any number of future budget years selected.

localhost/questicaadm/v5/costingcenter_annualsummary.asp?CostingCenterID=52620&ScenarioID=43868&DisplayOptionsChange=true

File Cost Center Scenario Reports Tools Help

2014 2060 Fire Station 1 Main Scenario Step: 3 of 6

Annual Budget (Summary View) PAST CURRENT YTD FUTURE >>>

Account	2013 Actual	2013 Budget	2014 Actual	2014 Budget	2015 Actual	2015 Budget	2016 Actual	2016 Budget	2017 Actual	2017 Budget	2018 Actual	2018 Budget	2019 Actual	2019 Budget	2020 Actual	2020 Budget
6 7 20 4860 - Miscellaneous Unuses	127,191	200,000	133,551	200,000	940,231	304,000	125,000	245,000								
6 7 20 4824 - Miscellaneous Fees	277,285	296,000	291,150	306,000	305,707	332,120	386,593	386,593								
6 7 20 4860 - Miscellaneous Unuses	277,430	296,000	291,150	306,000	305,707	332,120	386,593	386,593								
6 7 20 4860 - Miscellaneous Unuses	492,251	644,511	518,563	665,801	542,706	730,127	717,120	717,120								
6 7 20 4810 - Salaries - Exempt	61,769	65,272	65,272	65,272	65,272	65,272	65,272	65,272								
6 7 20 4870 - Overtime	15,803	75,188	14,582	27,611	15,132	77,774	54,230	54,230								
6 7 20 4812 - Benefits																
6 7 20 4816 - Medical	76,274	126,901	82,128	112,612	86,297	112,612	112,612	112,612								
6 7 20 4817 - Medicare	6,060	12,312	6,494	11,171	8,918	22,467	22,467	22,467								
6 7 20 4818 - Dental	6,977	7,326	7,326	10,714	7,693	10,714	10,714	10,714								
6 7 20 4819 - Vision Care	2,390	4,106	2,719	3,648	2,850	4,106	4,106	4,106								
6 7 20 4810 - Workers Compensation	35,938	39,754	27,257	36,569	28,619	39,754	39,754	39,754								
6 7 20 4811 - Long Term Disability	87,283	165,814	91,053	180,297	96,441	165,814	165,814	165,814								
6 7 20 4812 - Special-Paramedic Pay	11,304	18,000	11,671	16,650	12,463	18,000	18,000	18,000								
6 7 20 4816 - Conferences/Travel	11,841	10,000	12,493	5,000	11,053	6,470	76,000	76,000								
6 7 20 4838 - General Supplies	11,576	15,300	12,355	15,300	15,300	15,300	15,300	15,300								

Baselines

Questica Budget offers a feature called 'Baselines,' which are snapshots/reports of all budget data across the entire organization at a point in time, or at *any* point in time. There is no

limit to the number of Baselines you can generate. Questica Budget's Baseline reports allow users to compare one baseline versus another (or multiple baselines) in order to see what has increased decreased or not changed, at a very high level.

For example, if a user wished to take a snapshot of the preliminary budget prior to the next phase or review or council meeting, a baseline report can be easily generated.

Common examples include; Executive Proposed Budget, Approved Budget, Amended Budget, Adopted Budget, etc.

Baseline reports warrant a category onto themselves in the Questica Budget Report Center. Below is a sample of one baseline report – 'Baseline Comparison by Department' showing the dollar value and percent differences from 'Proposed Executive Budget' and 'Approved Budget.' Other baselines can be added for comparison purposes, up to a maximum of 5.

Baseline Comparison By Department

Budget Year: 2014, Expand To: Department, Only Changed: No
 Baseline 1: Proposed Executive Budget
 Baseline 2: Approved Budget
 Division Or Department: <All>
 GL Category Or GL Account: <All>

Description	Proposed Executive Budget	Approved Budget	Difference	Percentage Difference
Corporate Administration	2,877,622	2,877,622	0	0.00%
City Manager's Office	2,042,135	2,042,135	0	0.00%
Corporate Communications	733,462	733,462	0	0.00%
Mayor's Office	201,995	201,995	0	0.00%
Corporate Services	2,679,422	2,679,422	0	0.00%
Information Technology	2,679,422	2,679,422	0	0.00%
Council	919,115	919,115	0	0.00%
Council	919,115	919,115	0	0.00%
Engineering	47,078,514	45,103,929	1,974,585	104.38%
Public Works	39,173,395	39,117,180	56,175	100.17%
Public Works-Civic Services	17,686	14,208	3,458	124.54%
Support Services	2,627,704	2,627,412	292	100.91%
Transportation & Parking Serv.	11,372,336	10,862,462	509,890	104.65%
Underground Utilities & Fac.	(112,527)	(1,517,297)	1,404,770	7.42%
Finance	4,656,650	4,656,650	0	0.00%
Computer's Division	3,290,728	3,290,728	0	0.00%
Finance Administration	323,339	323,339	0	0.00%
Supply Mgmt Services	1,052,586	1,052,586	0	0.00%
Human Resources	1,779,329	1,779,329	0	0.00%
Health, Safety and Rehab Admin	368,738	368,738	0	0.00%
Human Resources Administration	1,410,591	1,410,591	0	0.00%
Legislative & Regulatory Serv.	2,981,204	2,960,006	21,198	100.72%
Bylaw & Licensing Services	1,126,729	1,123,828	2,909	100.25%
Legislative Services Dir.	1,076,513	1,079,213	0	0.00%
Planning & Policy	307,639	307,639	0	0.00%

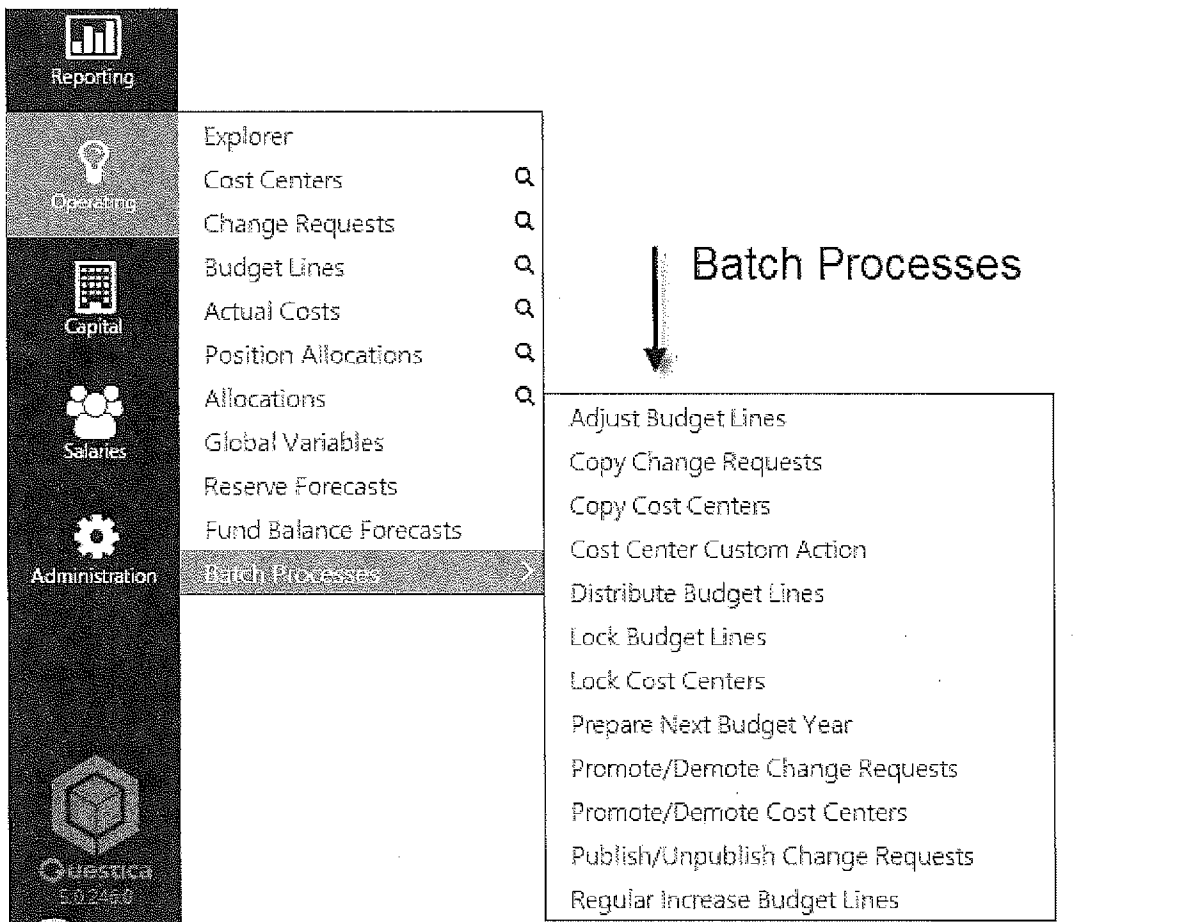
Batch Process / Mass Editing / Mass maintenance

Batch processes are functions intended to automate otherwise repetitive processes/tasks.

Batch Processes can also be thought of as a type of 'mass maintenance', allowing you to

modify large amounts of data easily. Some of these include locking cost centers on mass, promoting a large number of budgets to another stage (i.e. approved), coping cost centers/projects, all at the same time.

Batch Processes are available from the Administration Menu > Batch Processes, as shown below.



Forms (Screen Editor / Forms Editor)

As a mature and feature rich application, Questica Budget has hundreds of existing forms, and the ability to add/modify/edit these forms, or create net new forms.

Below is a partial listing of selected (existing) forms in Questica Budget:

<ul style="list-style-type: none">• Cost Center• Project (Capital Project)• Position• Profile (collection of positions)• Employee• Benefits• Report Center	<ul style="list-style-type: none">• Reserve Forecasts• Fund Balance Forecasts• Change Requests (Decision Packages)• Advanced Search (many forms are dedicated to search)• Operating Budget Impacts• Actual Costs
--	---

New Forms and new Fields can be added to the application – below is the ‘create new field’ dialog box. Data types for new fields can be: String, BinInt, Boolean, Date, Guid, Integer, Lookup and Number.

The screenshot shows a web browser window titled 'Questica - Google Chrome' with the address bar displaying 'localhost/questicademov5/cwFieldEdit.aspx?Mode=New&EntityID=146'. The main content area is titled 'Create New Field' and contains the following fields and options:

- Entity:** Action
- Caption:** Any Field can be given any name (Caption) you like
- Field Name:** Custom_AnyFieldcanbegivenanynameCaptionyoulike
- Data Type:** Number
- In Use:** ☒
- Required:** ☐
- Read Only:** ☐
- Securable:** ☐
- Minimum Value:**
- Maximum Value:**
- Format String:**
- Aggregation Type:** Sum
- Field Description:**
- ☐ Override Field Name

At the bottom right, there are 'OK' and 'Cancel' buttons.

C. Description of Required Services

Description of Required Services

Purpose: The requirements listed below outline the City's desired functionality. Selecting a vendor that meets the requirements help minimize the City's risk, increases efficiencies and ensure the new technologies align to the City's IT strategy. If for some reason all requirements cannot be met by any vendor, the City's project manager plans to work with the City's CIO on next steps.

Classification definition:

- **Mandatory** features must be included for the system to function.
- **Required** features should be included but the system can function without them.
- **Desired** features are nice to have but are not needed for the system to function.

Instructions: In the "vendor response" column, proposers are required to respond with 'yes' indicating that the requirement is met or 'no' that the requirement is not met. For comments, proposers are encouraged to submit a separate document identifying how requirements are met. Proposers need to ensure that the same order as below is kept and that the respective ID number is referenced.

Functional Requirements

The following functional requirements define specific behavior or functions required of the system.

Integrated Budget System – General

ID	Requirement	Classification	Vendor Response
1a	Integrated Operating and Capital Budget System with approximately 55 funds and thousands of expenditure and revenue appropriations	Mandatory	Questica Budget is a comprehensive solution that allows for Operating, Capital, Payroll budget, along with Allocations. Questica Budget will be configured to mirror The City's accounting and organizational structure. Questica will work with The City to define and import the organization structure(s) and Chart of Accounts found in the financial system.

			<p>The Questica Budget feature known as System Trees provides for multiple hierarchy structures for rolling up The City's organizational structure. One System Tree is based on Division/Department while the other allows for rollup by Fund(s). Many system reports display data according to the System Trees and the organizational structure therein.</p> <p>In addition to System Trees, staff can create user-defined Additional Trees allowing for many more hierarchical structures beyond Division/Department and funds. These Additional Trees have no effect on the System Trees nor the underlying organizational and account structures. There is no limit to the number of Additional Trees that can be created. Questica Budget offers a report that shows revenues and expenditures for each Additional Tree created.</p>
1b	Access to about 50 users citywide	Mandatory	All 50 users from across the City will have access to Questica Budget.
1c	Tracking of revenues, expenditures, and positions by Budget version (e.g.: Initial,	Mandatory	Yes. Questica Budget offers a feature called 'Baselines,' which are

	Requested, Proposed, Adopted, and Amended/Adjusted)		snapshots/reports of all budget data across the entire organization at a point in time, or at <i>any</i> point in time. There is no limit to the number of Baselines you can generate. Questica Budget's Baseline reports allow users to compare one baseline versus another (or multiple baselines) in order to see what has increased decreased or not changed, at a very high level.
1d	Transfer entries are correctly recorded in both funds affected by the transfer	Mandatory	Yes. Transfers can be done via the Change Requests feature will allows monies to be moved from one fund to another, among other functionality.
1e	Ability to re-label existing system field descriptions	Desired	Yes. All fields within Questica Budget can be relabelled according to City specification.
1f	Ability to "bookmark" certain areas of the budget system	Desired	Yes. Cost centers, projects, employees, positions, profiles, Change Requests and reports can be bookmarked.
1g	Ability to redesign the budget structure	Required	Yes. By default, Questica Budget provides two System Trees (organizations/budget structure). These trees can be reconfigured as required. Additional user-defined Trees can also be created allowing staff to drag and drop departments, divisions and budgets from one

			node on the Tree to another.
1h	Ability to copy "prior year" data (e.g.: forecast analysis, budget change requests) to the current budget year	Required	Yes. Users are able to copy any cost center/project from previous years, and use them as the basis of the current budget year.
1i	Ability to develop multi-year source and use fund statements	Required	Yes. This information can be viewed onscreen and via reports.

Interface with PeopleSoft

ID	Requirement	Classification	Vendor Response
2	Includes the ability to interface with PeopleSoft Financials and HCM Version 9.1 or higher to upload and download financial and position data – please explain details	Mandatory	<p>Yes. The integration between Questica Budget and PeopleSoft will be established during the implementation process. This will allow for actual costs to be brought into Questica Budget and for budget information to be brought into PeopleSoft.</p> <p>See "Chapter 4" under Interface/Integration Approach" for more information.</p>

Salary and Benefit Cost Budgeting and Modeling

ID	Requirement	Classification	Vendor Response
3a	Upload position cost information (e.g.: salary, special pays, pension, health costs, FTE, FTE program allocation) fully and for specific fields from PeopleSoft	Mandatory	<p>Yes. The process for loading (importing & exporting) HR/payroll data into the system is via the 'Salaries Synchronization Tool'. This provides a mechanism to review and commit the changes to the Questica Budget Salaries module. This application interface allows the user to determine precisely which changes should be brought over from the HR system.</p> <p>See <u>"Interface/Integration Approach" Under "Salaries / Synchronization"</u> for more information.</p>
3b	Calculate personnel expenditure by position, department, program, fund, detail (e.g.: salary, pension, retiree healthcare, special pays, health benefits) for 10 employee bargaining units with various benefit levels	Mandatory	<p>Yes. This would be done via the Salaries module, which supports the ability to accurately model and forecast all costs associated with positions and employees. Each Position is associated with a default GL Account and is then assigned a pay grade, step, contract, pay scales and benefits (start and end dates can be associated to each). Union/Bargaining Unit affiliations (Profiles), job titles, and job numbers can also be entered for each employee and</p>

			<p>each employee can be allocated to a position or multiple positions in different departments or funds. Throughout the year, adjustments such as cost of living adjustments, new benefits etc. can be made. Position costs can be generated for an unlimited number of years and can be broken down on an hourly, monthly or yearly basis. Each positions cost can be associated to any one (or multiple) costing centers belong different departments/fund. This association/allocation can range from 0-100% with each costing center belonging to a department or fund. Position data can be imported from HR systems into Questica Budget. Salary/Position Planning reports can also be generated for analysis purposes.</p>
3c	Ability to model total compensation (e.g.: salary, special pays, health plan costs, pension rates) changes by position and bargaining unit.	Required	Yes. This would be done via the Salaries module. See answer to questions above.
3d	Ability to assign multiple funding sources to a position	Required	Yes. This would be done via the Salaries module. See answer to 3b above.
3e	Ability to forecast current year salary and benefits.	Required	Yes. Forecasting can be done for as many years as the City wishes.

3f	Ability to add new positions created during the budget process including salary, special pays, health plan costs, pension rates and other associated costs i.e. Vehicle, computer, furniture, supplies etc.	Required	Yes. Adding, deleting, update positions and employees can be done at any time.
3g	Ability to track vacant, frozen and managed hiring freeze positions.	Required	Yes. This can be done via the Salaries module.
3h	Ability to report on position changes between budget versions.	Required	This may require a custom report.

Cost Allocation Plans

ID	Requirement	Classification	Vendor Response
4a	Development of cost allocation plans for internal support functions as well as Internal Service Funds	Required	Yes. This can be done via the Allocations module. See <u>“Chapter 4-Description of Other Recommended Features”</u> under <u>“Allocations Module”</u> for more information.

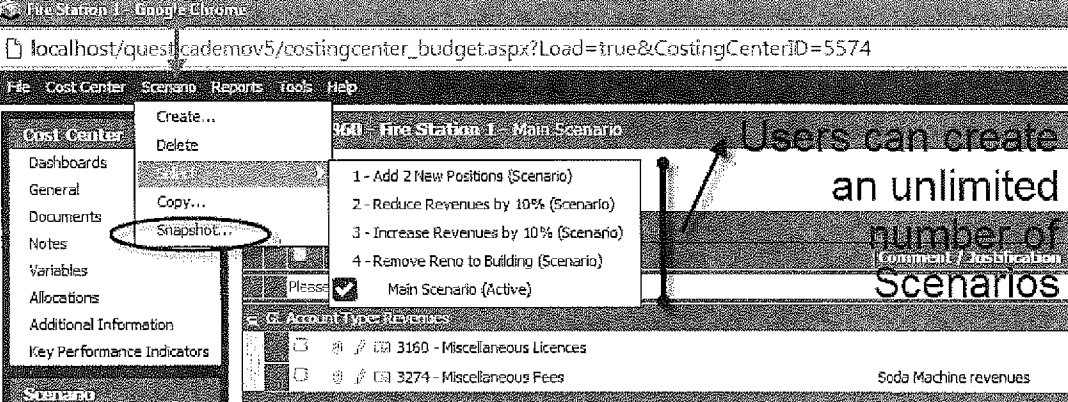
Estimated Resources

ID	Requirement	Classification	Vendor Response
5a	Ability to input revenue account estimates by Fund, department and program	Required	Yes. Revenues account estimates can done by fund, department and program.
5b	Ability to input other financing sources account estimates by Fund, department and program	Required	Yes. This can be done within Questica Budget.
5c	Ability to input transfer account estimates by fund, department and program	Required	Yes. This can be done within Questica Budget.

Forecast Development

ID	Requirement	Classification	Vendor Response
6a	After development of the requested Budget (first year of Forecast), ability to model five years of Forecast data with adjustments (e.g.: annual percentage compounded; different percentages for Forecast years; associated benefit percentages; manual inputted amounts) to revenues and expenditures	Required	<p>Yes. There is no limit to the number of years that can be budgeted and forecasted within Questica Budget.</p> <p>Questica Budget's "Regular Increase" feature allows users to apply increases/decreases at the line item, budget, department, and organization level. Once a change is made at any of those levels, they are automatically reflects at the other levels.</p>
6b	Parallel development of various Forecast Models	Required	<p>Yes. Forecast modeling can be done for the Operating budget (cost centers), capital projects and Salaries.</p> <p>For budgeting, forecasting and analysis purposes (whether for revenues or expenditures), Questica Budget provides users with the ability to copy a cost center(s), give it a name, and make changes as they see fit. They can also create scenarios from scratch. These alternative budgets are maintained for easy reference and may look entirely different from the first scenario. However, only one version can be designated as</p>

			<p>'Active'. It is the active scenario that determines the costing of the positions within the Profile. Each scenario can be made "Active" at a time, in order to gauge its effect on the position costing.</p>
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 <p>Users are also able to forecast for multiple years using Qestica Budget's "Regular Increase" feature to increase or decrease an entire cost center/project by a specific amount or percentage. Individual Line Items can also be adjusted by a specific amount or percentage. Alternatively, formulas can be used with Variables (cost drivers) to provide a more specific value that will self-maintain itself based on cost driver changes. There is no limit to the number of years that can be forecasted within Qestica Budget.</p>			
6c	<p>Ability to use past fiscal year actual data and current fiscal year projected data to forecast future expenditure levels</p>	<p>Required</p>	<p>Yes. Forecasting can be aided by using the <i>Annual Budget (Summary View)</i> screen within Qestica Budget, which shows 2 prior year's budget and actual costs, the current year's budget and actuals and the forecast years. Essentially, a user could scroll from left to right in order to see how their budgets have done in the past, how their currently doing and how they plan on doing in the future.</p>

The Annual Budget (Summary View) screen as shown below reflects both past budget years (budget and actuals for two previous years), the current year (budget and YTD actuals) and any number of future budget years selected.

localhost/questicaadminov5/costingcenter/annualsummary.aspx?CostingCenterID=5262&ScreenID=48960&DisplayOptionsChange=true

Cost Center: Annual Budget (Summary View) | PAST | CURRENT YTD | FUTURE >>>

Account	2012 Budget	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 Actual	2015 Budget	2016 Budget
100 - Miscellaneous Income	127,354	206,010	133,554	208,000	140,233	209,000	145,000	210,000
200 - Miscellaneous Expense	227,233	306,010	233,158	306,000	240,233	309,000	245,000	210,000
300 - Miscellaneous Expense	11,500	10,000	12,000	10,000	13,000	12,000	14,000	15,000
400 - Salaries - Fire	462,282	644,811	515,861	705,851	547,706	719,472	793,219	810,546
410 - Salaries - General	81,709	89,828	89,828	90,372	90,372	90,372	90,372	90,372
420 - Overtime	33,802	73,803	14,506	27,612	15,106	27,754	26,323	3,944
430 - Benefits	70,224	120,552	82,156	127,423	86,837	117,542	125,426	131,751
440 - Medical	8,056	12,522	8,194	11,171	8,319	11,171	10,722	11,171
450 - Dental	6,577	12,212	7,326	10,784	7,889	10,784	10,784	10,784
460 - Vision Care	2,900	4,106	2,710	3,648	2,855	3,648	3,648	3,648
470 - Workers Compensation	25,908	39,794	27,257	36,568	28,618	36,568	36,568	36,568
480 - Long Term Disability	67,292	165,814	91,638	190,797	96,241	190,797	176,418	189,756
490 - Speech/Physical Therapy	11,306	16,900	11,671	16,610	12,407	16,610	16,610	16,610
500 - Conference/Travel	11,641	10,000	11,633	5,000	12,000	5,000	12,000	12,000
510 - General Supplies	11,576	15,911	11,573	15,700	12,763	15,700	15,700	15,700

Workflow Capabilities

ID	Requirement	Classification	Vendor Response
7a	Flexible workflow system (including delegation of approval and/or parallel approvals) for budget change modifications for various budget versions (e.g.: initial, requested budget, proposed budget) and modifications to the adopted budget including internal department approval, multi-department approvals (e.g.: Information Technology Department for IT requests), and Budget Office approvals	Mandatory	<p>Yes. Questica Budget uses the term 'Budget Stage', or simply Stage to facilitate the budget development process and also indicate where a given department is in the annual budgeting process. Each Stage is configurable, and coupled with a workflow.</p> <p>Questica Budget uses a methodology that introduces a controlled environment with a workflow component – users can enter and approve budgets and escalate them through a series of predefined stages. This workflow controls the access individuals have to the budgets and supports a method to ensure budgets are properly reviewed and approved by all those who are participating in the</p>

		<p>development process. After staff have entered their budget(s), they are responsible for promoting it (advancing it) to the next workflow stage (reports are available to show which departments are at which stage). The system records the budget at each submission stage, so that the changes and modifications to the budget are clearly visible and transparent if requiring review at a later date.</p> <p>A typical budget might evolve through several approval stages:</p> <div data-bbox="987 779 1365 1157"> <pre> graph TD S1[Stage 1 - Initial Budget] --> S2[Stage 2 - Management Review] S2 --> S3[Stage 3 - Budget Office Review] S3 --> S4[Stage 4 - Final Review & Approval] </pre> </div> <p>Above is an example only - The City can define and configure as many budget stages you wish.</p> <p>Since this entire process is using the same database in a controlled environment there is no re-entry of data. Reports are generated from the same data that the users entered at their first and subsequent submissions. The budget process is efficient because Questica Budget automatically notifies users via e-mail when their participation is required. As the budget is promoted through the different stages, user permissions (security settings) are</p>
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		<p>triggered, providing the re-assurance that only the appropriate people can modify or view the budget at each stage.</p> <p>Sample Screen – Budget Approval Stages and related permissions:</p>
--	--	---

Permissions

Stage-Specific Permissions

Budget Approval Stages
(6 in this example)

In this simple example, the user would have full access (full permissions) for the first 3 budget approval stages. However, no access once the budget reached stage 4 or higher.

7b	Includes comment or notes function for recording actions such as for budget change requests	Mandatory	<p>Yes. Narrative content can be entered and associated with many different areas of the application; including line item, cost center, project, position, union (profile), employee, to mention just a few. Users can break down individual budgets by line item, identify expenses and funding sources, enter comments for each line item, and attach documents and notes. The Questica Budget Forms Editor (screen editor) feature allows administrators control over the type and amount of content on each of the narrative screens / fields.</p>
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			A typical narrative screen in Questica Budget might look something like the sample screen below:
--	--	--	--

Questica Budget

D:\localhost\questica\demo5\costingcenter_general.asp?CostingCenterID=55742&ScenarioID=5223

File Cost Center Reports Tools Help

Cost Center: 2540 Fire Station 1 - Fire Station 1

Cost Center Information

Name: Fire Station 1

Description: Fire Station 1 serves the west side of the City.

Comments (62814):

- Corporate Strategic Plan Objectives: Social and Cultural Development
- Acquisition Planning through executive development and education.
- Acquisition of equipment to provide cost effective "in house" clearing and decontamination fire-fighter protective gear.
- A continued maintenance of all items to identify opportunities to develop revenue producing initiatives.
- Increased speed and efficiency, primarily for execution and awareness programs.
- Implementation of a "fire down" program.
- Review of current dispatch services office work to determine opportunities to increase efficiency.
- Continued development of Information Technologies, namely GPS, in order to increase reliability and enhance data retrieval capabilities.

Justification:

Corporate Strategic Objectives: Service and Staff Excellence

The rapidly increasing high rise development within the City of Sunnyvale has created the need for forward thinking in relation to future response requirements and the development of new, training and response strategies, add text.

Succession Planning

Establishment of a Regional Dispatch Initiative to address the continuing growth of the Region, timely disposition of services and communication technology challenges.

Development of Succession Planning Initiatives to ensure executive development opportunities are available to upcoming officers of the Department.

Loren Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only the centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lorem Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lorem Ipsum.

Conary to simple text, Lorem Ipsum is not simply random text. It has roots in a piece of classical Latin literature from 45 BC, making it over 2000 years old. Richard M. Healey, a Latin professor at Hampden-Sydney College in Virginia, looked up one of the more obscure Latin words, conedatula, from a lesser known passage, and found the chief of the word in classical literature, connected the unsophisticated source. Lorem Ipsum comes from sections 1.10.32 and 1.10.33 of "de finibus bonorum et malorum" (The fineness of Good and evil) by Cicero, written in 45 BC. This book is a treatise on the theory of education, very popular during the Renaissance. The first line of Lorem Ipsum, "Lorem ipsum dolor sit amet," comes from a line in section 1.10.32.

Loren Ipsum is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only the centuries, but also the leap into electronic typesetting, remaining essentially unchanged. It was popularised in the 1960s with the release of Letraset sheets containing Lorem Ipsum passages, and more recently with desktop publishing software like Aldus PageMaker including versions of Lorem Ipsum.

Account Reference: 2540 Manager: Steve Iron - RPT (5223)

Status: Active Fund: Fire - General

Department: Fire

Strategic Initiative:

7c	Searchable comments or notes function	Desirable	Yes. This can be done via the Advanced Search feature which allows authorized users to perform sophisticated and highly dynamic data analytics/Ad-Hoc queries based on specific criteria or descriptive words. Queries are created in a user friendly fashion where a complex query can be built—one line at a time. See "Chapter 4" under "Description of Other Recommended Features" under "Advanced Search" for more information.
7d	Allows for the attachment of supporting documents	Required	Yes. Supporting documents can be attached at the line item, cost center, project, employee, Profile, and position. There is no limit to the types of documents and the number of documents that can be attached within Questica Budget.

7e	Allows for reviewers and approvers to comment on decision of budget change requests	Required	Yes. This can be done via the Notes and comments features within Questica Budget.
7f	Provides for email notification	Required	<p>Yes. This can be done via the Email Notifications feature which allows users to receive email notifications each time a predetermined event occurs. A perfect example of email notifications being used is via the Workflow feature, where staff at each level of the approval process received emails each time a budget is promoted or demoted.</p> <p>Notifications can also be set up in order to be alerted when someone deletes/changes a budget, or adds/deleted/changes a scenario.</p>

Budget Balancing

ID	Requirement	Classification	Vendor Response
8	Ability to balance budgets within the system for various funds	Required	<p>Yes. Several features are available to assist in this area, including the Fund Balance Forecast feature within Questica Budget, which allows the Finance/Budget Department to track the balance of each Fund. Also available is a feature called 'Force Balance' which when initiated will require that selected budget elements (Funds, etc.) be balanced (Revenues = expenditures) at specified budget stages. Generally speaking, this feature is typically used once the budget is getting close to the</p>

			approval stage. Also, there are a number of reports that can aid in ensuring that the budgets and Funds are balanced.
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Fee Development

ID	Requirement	Classification	Vendor Response
9a	Identification of fee cost components (e.g.: fully loaded personal services cost by position; percent of positions; related cost allocation percentages; non-salary costs)	Desired	This will require a customization. Below is a screenshot of such a customization that was done for another client.

Fee Information

Fee Name

Prepared By

GL Account

Overhead Rates

Unproductive Time Rate

Department Cost Allocation Rate

City-wide Cost Allocation Rate

Non-Salary Costs

Non-Salary Cost

Technology Enhancement Fee

Apply Technology Enhancement Fee ☐

[Update Fee](#)

Staffing Cost Calculations

Add, remove, or modify staffing cost calculations for this Fee

[Modify Staffing Costs](#)

Fee Costing Details

Salary Costs	\$31.49
Overhead Costs	\$7.27
Non-Salary Costs	\$0.00
Technology Enhancement Fees	\$0.00
Total Per Fee Cost	\$38.76

Cost Recovery Level and Revenue Estimate Calculations

Fee Charged		% Cost Recovery	
Current Fee	Proposed Fee	Current Fee	Proposed Fee
2.00	2.00	5.37%	5.16%

Fiscal Year	Activity Level	Fee Charged	Revenue
FY 2013 Actual	1.00	1.00	1.00
FY 2014 Actual	1.00	1.00	1.00
FY 2015 Est.	1.00	2.00	2.00
FY 2016 Prop	1.00	2.00	2.00

[Save Revenue Calculations](#)

[Launch Report](#)

[Close](#)

9b	Automatic updates of fee cost components	Desired	See response above.
9c	Calculation of revenue generated based on activity level	Desired	See response above.

9d	Calculation of cost-recovery level	Desired	See response above.
9e	Roll-over of fee cost components to the next fiscal year	Desired	See response above.

Publication of Budget Document

ID	Requirement	Classification	Vendor Response
<p>Please Note: A comprehensive budget book publishing tool is on the Questica Budget roadmap. At present, most customers generate approximately 70% of their City's budget book directly from Questica Budget via reports. Since the Questica Budget database is open to Administrators, other solutions such as publishing tools can access the database in order to gather the information needed to create the budget book. One such vendor that has experience working with the Questica Budget database is Finite Matters/PatternStream.</p>			
10a	Report writing tool	Mandatory	<p>Yes. As mentioned before, Questica Budget provides users with the ability to have access to out-of-the-box reports, to copy and edit out-of-the-box reports, and to create their own reports- all from within the software.</p> <p>The report writing tool is designed for non-technical users who desire quick access to design and create their own reports. It includes an intuitive user interface. Users can drag and drop the information they want to see into a report design window. Ad-Hoc reporting solves the most common problem in report design – how to create reports that display the relevant data that users require while having enough flexibility to allow the</p>

			<p>user to organize and view the data however they wish. Ad-Hoc Reporting will provide the City's users the ability to view data immediately in whatever form they choose without having to request a new customized report. Once developed users can re-use the reports they designed or include them as a part of the Questica Budget application making them available to all users.</p>
10b	Report template development	Mandatory	<p>Yes. City staff are able to use any of the out-of-the-box reports as the basis of creating new reports.</p>
10c	Compilation of budget data (numbers and texts) for pagination of budget documents	Required	<p>Yes. This can be done via the Ad-Hoc Report writer tool.</p>
10d	Allows multiple users to input and edit text, financial, or performance information (e.g.: paragraph, tables, graphs) and maintain version control of document components	Required	<p>Yes. This can be done via the Ad-Hoc Report writer tool.</p>
10e	Ability to check spelling and grammar	Required	<p>Yes. Spell Checking can be done on each page belonging to a cost center, project, Change Request, employee, position and profile. The narrative texts related to these different areas can be included in reports.</p>

10f	Ability to easily edit, integrate, and format custom Excel charts, graphs, and tables into document	Required	Yes. Questica Budget comes with 90+ reports out-of-the-box. These reports can easily be copied and changed as users see fit. Columns can be added/deleted/edited. Graphs, charts, tables can also be incorporated into reports. All reports (existing, edited or created) can be exported to formats such as PDF, Word, and Excel, just to name a few.
10g	Flexibility and ability to add or remove sections or pages	Required	Yes. This can be done via the Ad-Hoc Report writer tool.
10h	Insert, change, or edit photos	Required	Yes. This can be done via the Ad-Hoc Report writer tool.
10i	Automatically compile and paginate document and build the table of contents	Required	No. While most of the budget book can be produced by Questica Budget, it does not provide a tool to create items such as the table of contents, final pagination etc. This functionality would need to be provided by the publishing tool.
10j	Produce high-quality, bookmarked PDF for printing and viewing on the City's website	Required	Yes. All reports within Questica Budget can be exported to PDF to be used as the City sees fit.
10k	Ability to manage text, data, and publishing components for multiple documents (operating budget, capital budget, municipal	Required	Yes. Questica Budget comes with a number out-of-the-box reports

	fee schedule, 5 year financial plan, and others)		that provide this information. These reports can be copied and edited as users see fit, and new reports can be created at any time.
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Online Publication of Budget Data and Performance Measures

ID	Requirement	Classification	Vendor Response
11a	Ability to publish budget data online with drill-down reports and graphs	Desired	<p>Since the Questica Budget database is open, budget data can be accessed by other systems via ODBC etc. The City could accomplish this with ASP.NET and SQL Reporting Services. ASP.NET would have to be configured for the server that is running the City website. An ASP.NET web page would be hosted on the site that includes the Report Viewer Control from Microsoft. This could be configured in such a way that the City could choose exactly which reports are available for viewing, and the credentials and communication with the report server would all happen on the server side. This page would have all of the features of the report viewer that is used in Questica Budget, including drill-downs, report linking,</p>

			<p>and exporting to multiple formats.</p> <p>This solution does not actually involve Questica Budget (except that the reports will show data from the Questica Budget database). It is a benefit of building our product around SQL Reporting Services. Ultimately, the decision as to how site is build would be determined by the City's webmaster.</p>
11b	Ability to publish performance measure data online in graphical formats (e.g.: dashboards) and to regularly update the data (e.g.: monthly, quarterly, annually) and comparison of budget to actual data	Desired	Yes. See answer above.
11c	Ability to publish multi-year actual performance data online in graphical form	Desired	Yes. Questica Budget can be configured to capture performance data. This information can be placed in graphical form via the report writing tool.

Performance Measurement and Management (Optional Module)

ID	Requirement	Classification	Vendor Response
12a	Input and documentation of performance measures	Required	Yes. This can be done via the Questica Measures module. This is an optional module. See <u>"Chapter 4- Product Description"</u> under <u>"Questica Measures"</u> for more information.
12b	Upload capability from other systems such as public safety systems for response call data, auto services system for vehicle and fuel data	Desired	Yes. This information can be imported via Excel.
12c	Dashboard and other graphical display of performance data	Required	Yes. This can be viewed via the Dashboards feature within Questica Budget.

Monitoring of Budgeted Expenditures and Revenues

ID	Requirement	Classification	Vendor Response
13a	Periodic download of actual expenditures and revenues from PeopleSoft Financials.	Required	Yes. Once the integration between Questica Budget and PeopleSoft has been created, the actual cost data can be automatically imported into Questica Budget. This can be done on a nightly, weekly, monthly, or quarterly basis.
13b	Comparative Analysis of Budget to Actuals (e.g.: straightlining, historical trend analysis)	Required	Yes. Yes. Many screens display year to year

The two previous budget vs. actual (2012 & 2013) are also displayed.

100

File Cost Center Scenario Reports Tools Help				
2015 2060 Fire Station 1 - Main Scenario				
Budget vs. Actual Costs - 2015				
G. Account (Object)		2015 Budget	2015 Actual	2015 Variance
G. Account (Main) Types: Expenses				
4008 - Salaries - Fire		754,785	1,252,342	497,557
4010 - Salaries - Exempt			94,681	94,681
4070 - Overtime		28,233	29,745	3,512
4102 - Benefits		60	94,501	94,440
4105 - Health Care			34,125	34,125
4106 - Medical		107,480	162,537	55,057
4107 - Medicare		11,044	50,210	39,166
4109 - Dental		10,155	9,077	(2,078)
4109 - Vision Care		1,460	64,203	64,753
4110 - Workers Compensation		35,608	44,790	9,182
4111 - Long Term Disability		148,330	116,468	(31,862)
4113 - Special Paramedic Pay		15,750	13,088	(2,662)
4116 - Conferences/Travel		36,000	33,973	(2,027)
4118 - Membership Fees			52,500	52,500
4120 - Training and Development			159,705	159,705
4216 - Contracted Services			2,000	2,000
4308 - General Supplies		12,974	13,400	426
4312 - Office Supplies		1,866	3,770	1,904
4324 - Materials		9,240	18,775	9,535
4354 - Cable		1,224	38,395	37,171
4364 - Telephone/Fax		2,754	4,361	1,607
4365 - Water		714	824	110
4322 - Repairs and Maintenance		116,028	139,677	23,649
4849 - Fire & Burn Awareness				
6030 - Employee Retirement Benef		160,349	117,425	(42,924)
9211 - WO Regular Time		312,120	374,160	67,040
		1,769,165	2,092,970	3,165,545

Prior Year Data

ID	Requirement	Classification	Vendor Response
14	Access to prior year Budget and Actual data for reporting and analytical purposes	Required	<p>Yes. As mentioned above:</p> <p>Many screens display year to year comparisons showing actual and budget values. This is also available via reports.</p> <p>Below is an example of the <i>Annual Budget (Summary View)</i> screen.</p> <p>This screen shows the current budget year (in this case 2014) and the YTD actual costs.</p>

			The two previous budget vs. actual (2013 & 2013) are also displayed.
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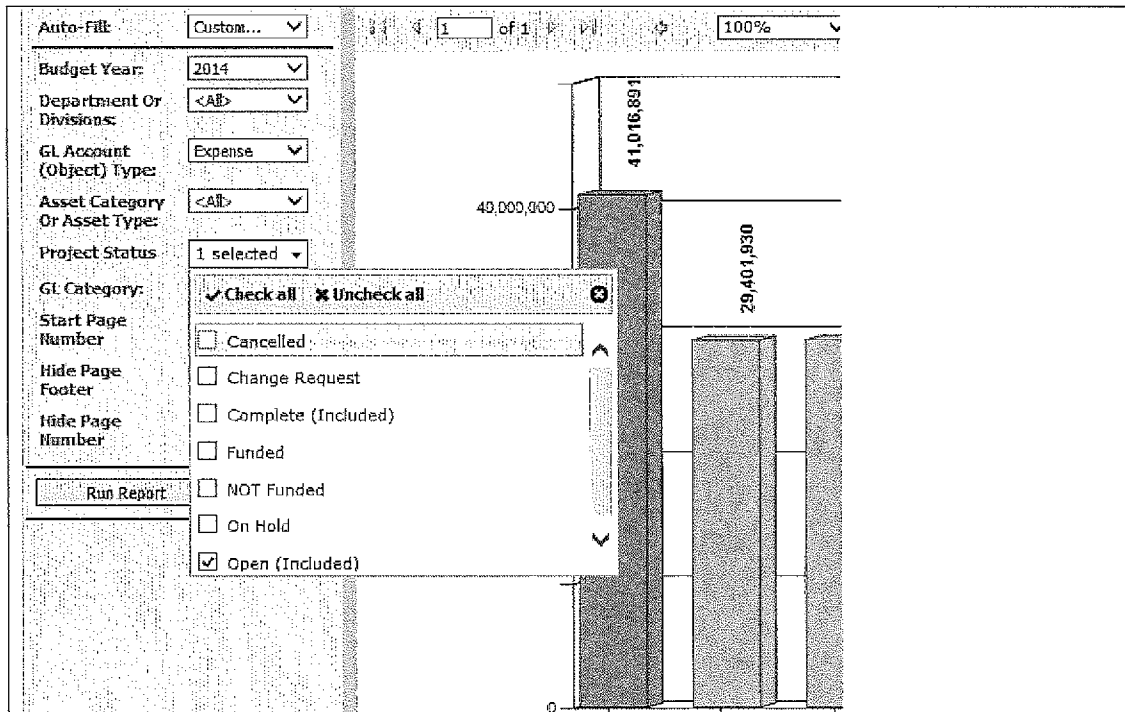
Capital Budget Model

ID	Requirement	Classification	Vendor Response
15a	Ability to enter and track multi-year operating budget impacts of capital projects and link the cost impacts to the development of the Forecast	Desired	Yes. All Questica Budget modules share the same interface and a common database (Microsoft SQL Server), allowing all modules to work together. In the case of Operating and Capital, the most obvious synergies between these systems is the <i>Operating Budget Impacts</i> (OBI's). In the Capital module, some capital projects will affect the operating budget in the future (the new community center will need to be staffed). Each Questica Budget Capital project provides for an area to track and record OBI's. Each Operating Budget Impact allows users to specify a cost center to which the costs correspond. Publishing the Operating Impact will add the costs directly to the Operating budget by creating Forecasts (budget lines) on the specified cost center(s).

15b	Ability to prioritize and rank projects based on user-defined criteria	Desired	Yes. Users are able to rank projects according to predetermined criteria. While entering their budgets, users can choose these ranks and assign a value to each rank along with a justification.
15c	Ability to create custom fields (e.g.: LEED certification, project start date, project end date)	Required	Yes. Fields such as project start and end dates are provided out-of-the-box. Additional fields can be added via the Forms Editor tool and can be done by City staff with the proper permissions.
15d	Project status identification (e.g.: future, current, close-out)	Required	Yes. Project Statuses can be attributed to each project.

The screenshot displays a web application interface for project management. The top navigation bar includes links for File, Project, Scenario, Reports, Tools, and Help. The main content area is titled '2015 CPL-2012-080 - New Community Center - Main Scenario'. On the left, a sidebar menu lists various sections: Project (Dashboards, Regions, Documents (2), Notes (3), Related Projects, Additional Information), Scenario (General, Variables, Documents (1), Notes, Ranks, Budget, Annual Summary, Operating Income), Security (Project Roles), and Project Actual Costs (Details, Annual Summary, Annual Comparison, Quarterly Comparison). The main content area is divided into two columns. The left column, titled 'General Information', contains fields for Title, Number, Description, Justification / Business Case, Consequence of Not Funding, Acct. Reference, Start Date, Department, Project Type, and Default Fund. The right column contains a 'Year Identified' field. A modal window titled 'Change Project Status' is open in the foreground, showing a dropdown menu for 'Current Project Status' (set to 'Open') and a dropdown menu for 'New Project Status' (with options: On Hold, Complete, Canceled, Funded, NOT Funded). The modal also includes a 'Change Project Status' button and a 'Cancel' button.

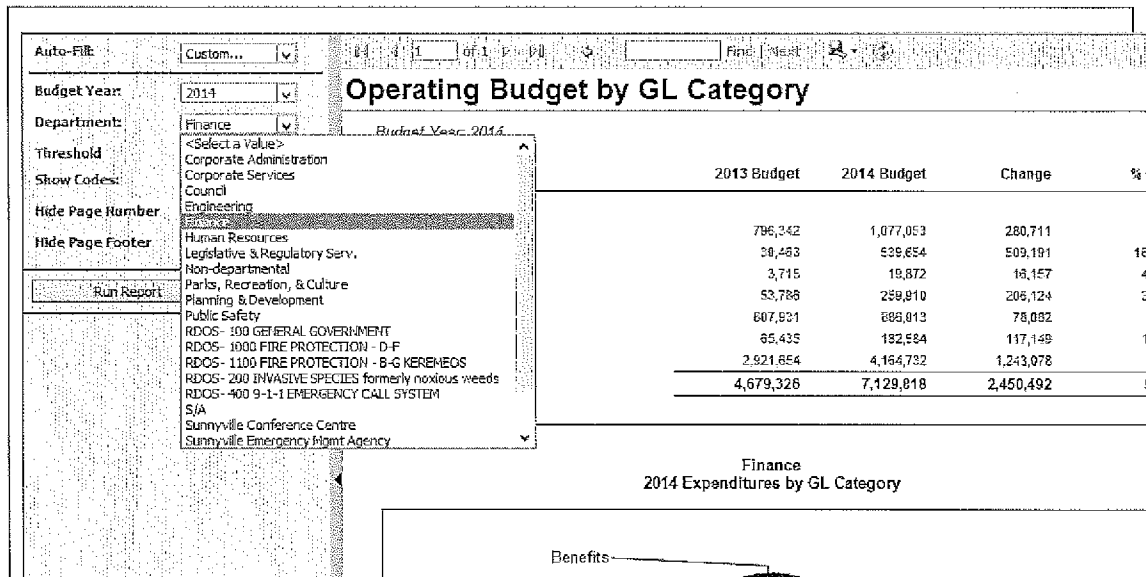
Many reports allow users to determine whether the reports show data from all statuses or specific statuses.



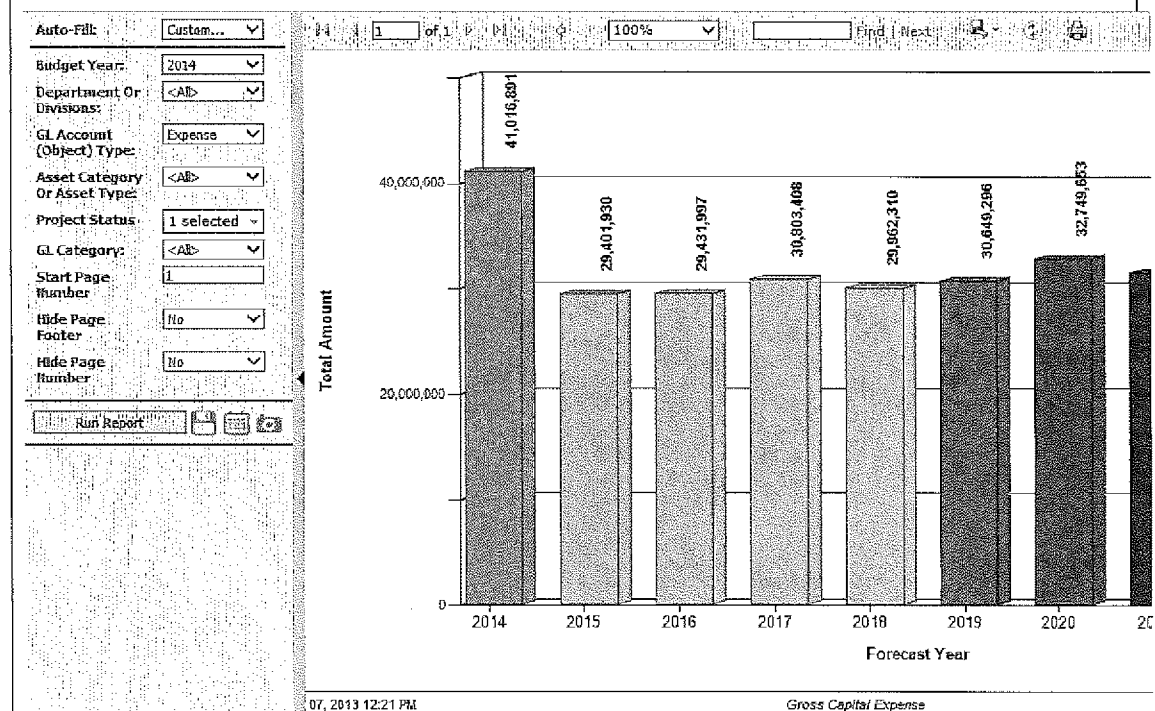
15e	Project Type identification (e.g. Work Order, Ongoing, Distinct)	Required	Yes. These attributes can be placed on the "General Page" of each project.
15f	Project theme identification (e.g. economic development, public facilities etc)	Required	Yes. These attributes can be placed on the "General Page" of each project.

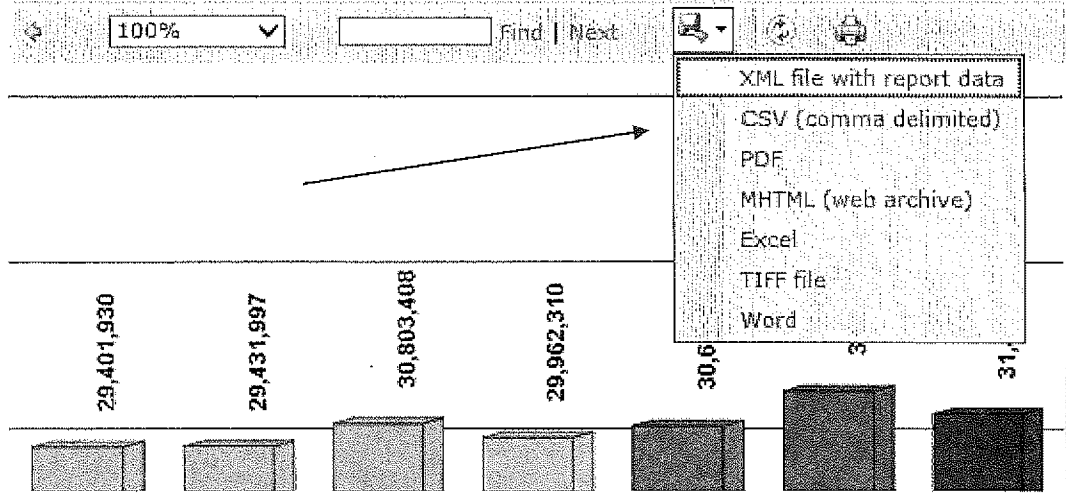
Reporting

ID	Requirement	Classification	Vendor Response
16a	System provides configurable self-service reporting on all system fields (e.g.: by budget version, fiscal years, fund, appropriations)	Required	Yes. Via drop-down menus (parameters), most reports allow users to determine the level of detail that show up on reports.



16b	Ability to display report data in graphical forms	Desired	Yes. Questica Budget comes with a number of reports that show graphs and charts. Additional reports can also be created to show these forms.
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16c	Ability to export report data to MS Excel and MS Word	Required	Yes. All reports can be exported to PDF, Excel, Word etc.
 <p>The screenshot displays a report interface. At the top, there is a navigation bar with a zoom dropdown set to 100%, a search box with 'Find Next' buttons, and icons for back, forward, and print. Below this is a bar chart with six bars. The values above the bars are: 29,401,930, 29,431,997, 30,803,408, 29,962,310, 30,6, and 31. An arrow points from the first bar to an export menu that is open. The menu lists the following options: XML file with report data, CSV (comma delimited), PDF, MHTML (web archive), Excel, TIFF file, and Word.</p>			
16d	Ability to set up forms/reports which alert the user of certain business rules are not followed (e.g.: for Source and Use Statements the Source Total has to match the Use Total)	Desired	Yes. Custom Business Rules and Actions -- Questica Budget is an API (Application Programming Interface) driven application. We've included a customizations interface that allows C# code to be written within the interface that can utilize the full Questica Budget API and enhance its functionality by creating custom rules and actions. These customizations are triggered either by listening for one of many application events, or by user driven activity, such as by selecting a custom right-click menu item that was created for a specific purpose on a budget grid.

Training

ID	Requirement	Classification	Vendor Response
17a	Vendor or partner/preferred vendor can provide system functional training to users and system administrators	Desired	Yes. During the implementation process, all training will be provided by Questica staff. This training will be provided to City users and Administrators. See <u>"Chapter 4" Under Training Approach</u> under for more information.
17b	Provide functional training documentation for end-users and administrators	Required	<p>Yes. Documentation will include:</p> <ul style="list-style-type: none"> • Customized hand-outs created for each group to be trained • Administrative Manuals- for administrators only • Questica Budget Operating User Manual • Questica Budget Database Documentation- for administrators only • Questica Budget Release Notes • Questica Budget Database Schema- for administrators only • Questica Budget Technical Requirements- for administrators only • Questica Budget User Manual <p>Some of these documents have also been 'baked' into Questica Budget.</p>

17c	Vendor or partner/preferred vendor provide training for project team	Required	Yes. This would be done during the implementation process.

Auditability

ID	Requirement	Classification	Vendor Response
18	System logs all user & system actions and events (who, what, when)	Desired	<p>The Questica Budget API (Application Programming Interface) was written from the ground up to support a full event model. Virtually all user actions and entries such as logging in, saving a budget, updating a budget, promoting a budget etc. are tracked and recorded in the Audit System. Virtually any event in the system can be logged for later retrieval if necessary. Standard search parameters in the log viewer include; date range, user, entity, action type, application event type, and containing text. Below is an example of a search result using the Search Logs feature.</p>

Clicking on the Magnifying Glass Icon displays additional information about the Log ID

Clicking on the magnifying glass icon above opens a detailed results screen, showing what was changed – in this case a value was changed from \$1,000 to \$10,000, as shown below.

Log Viewer
Details for Log #320688

Time: Thursday, April 17, 2014 4:11:30 PM
User: Administrator (Administrator)
Action: Update
Message: Updated Budget Line Cell "January"

Related Logs

- Updated Cost Center "2850 - Fire Station 1"
 - Updated Scenario "Main Scenario"
 - Updated Budget Line "4206 (FY 2015): misc supplies"
 - Updated Budget Line Detail "Year 1 (2015)"
 - Updated Budget Line Cell "January"

Changed Fields

Field Name	Previous Value	New Value
Value	1,000	10,000

Implementation Management

ID	Requirement	Classification	Vendor Response
19	Provide an implementation plan which includes task descriptions, level of involvement of City staff (number of staff, types of staff, and hours), and a standard timeline	Required	Yes. Questica will work with the City in order to finalize an implementation plan. See <u>"Chapter 4" under "Work Plan/</u>

			<u>Implementation Strategy</u> for more information.
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Non-functional Requirements

The following non-functional requirements specify criteria that can be used to judge the operation of a system, rather than specific behaviors of the system.

Note: Inability to meet any of the following requirements does not automatically exclude vendors from RFP (Request for Proposal) process

Cloud Computing

ID	Requirement	Classification	Vendor Response
20a	Application and data is available as a Cloud Service. Please describe.	Desired	<p>Yes. Questica Budget can be installed on the City's servers or it can be hosted. Questica uses a hosting provide named Aegisys.</p> <p><i>Technical Overview of Questica Budget</i> Questica Budget is comprised of three major components.</p> <ol style="list-style-type: none"> 1. Application. Questica Budget is a .Net 4.0 web-based solution that requires IIS. 2. Database. Questica Budget supports SQL Server 2008R2, 2012 and 2014. <p>Reporting Services. Questica Budget supports SQL Server Reporting Services (SSRS) versions 2008R2, 2012 and 2014. Other reporting technologies such as Crystal Reporting can also be used to develop reports against</p>

			<p>the Questica Budget database.</p> <p>There are three primary scenarios for installation:</p> <ol style="list-style-type: none"> 1. Single Server. Questica Budget, the database, and Reporting Services are on the same server. 2. Two Server- Questica Budget is on a server. The database and Reporting services are on the second server. 3. Three Server- The three components have their own server. <p><i>Cloud Solution</i> Should the City opt for a cloud-based (hosted) solution, Questica would provide all server, database, operating system, monthly management, and software maintenance.</p> <p><i>Browsers</i> Questica Budget is developed in the C# language using Microsoft .Net 4.0 technologies, and is a 100% web based application. As such, no software is installed on user workstations. Desktops and laptops</p>
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			<p>running any current version of the Windows Operating System (Vista, 7, 8). Internet Explorer (IE) version 9.0 or better is required, or the latest versions of Chrome, Firefox and Safari for Mac.</p> <p><i>Bandwidth required for the service to perform as designed</i></p> <p>Assuming a hosted/SaaS environment, we ask for a minimum of 5 MB bi directionally. Installed locally, Questica Budget is a relatively low-demand application when compared with the processing requirements of a full financial system such as PeopleSoft.</p> <p><i>Uptime</i></p> <p>Questica Budget is designed to achieve 99.9% uptime a year.</p> <p><i>Ownership of data</i></p> <p>All City data is owned by the City will only be accessed for maintenance and support services by Questica.</p> <p><i>Backup practices and disaster recovery</i></p> <p>In a hosted or SaaS environment, Questica takes on responsibility for all server, database, Windows OS, monthly management, Questica Budget licenses, software</p>
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		<p>maintenance. If installed on your server, then routine backup and disaster recovery practices would be the responsibly of the City.</p> <p>Recovery Time Objective (RTO) - A RTO of 1 hour requires that Questica Budget be part of a cluster (Virtual or physical) for failover.</p> <p>Recovery Point Objective (RPO) - A RPO of 15 minutes requires that the database and logs be sufficiently backed up within the specified 15 minute interval.</p> <p><i>Format of all City records that would be stored</i> All records are saved to the SQL database. Typically, retention of backup data is determined by our customers. Questica believes it is good practice to maintain four weeks of data retention.</p> <p><i>Integration with City local payroll and financial systems from the cloud based environment</i> The process of integration, whether onsite or via the cloud, remains fundamentally the same, except for the ports and firewall to the financial and payroll systems needing to be opened for transaction</p>
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			exchanges between the systems.
20b	Provide a sample Cloud Services agreement	Required	Please see Appendix for sample Agreement.

Application Architecture

ID	Requirement	Classification	Vendor Response
21a	<p>System should adhere to the City's IT Enterprise Architecture standards.</p> <ul style="list-style-type: none"> • VMWare 5.5 • Microsoft Windows Server / Active Directory 2012 • Microsoft SQL Server 2008R2 and above • Windows 7 	Mandatory	<p>Yes.</p> <p><i>VMWare</i></p> <p>Questica Budget is completely supported in the Microsoft Hyper-V and VMWare virtualized environments, and this is utilized by many of our customers as a mechanism to reduce physical hardware infrastructure costs.</p> <p><i>Support for Windows Authentication Pass-through / Active Directory integration</i></p> <p>Questica Budget supports Windows Domain Authentication Pass-through. If Questica Budget is configured for Pass-through authentication, users will not need to enter a user name and password when logging into Questica Budget. Questica Budget can be configured to use any of the following authentication methods:</p> <ul style="list-style-type: none"> • Windows Authentication

			<ul style="list-style-type: none"> • Mixed Mode Authentication • Google Authentication • CAS Authentication <p>These methods are available out of the box and will be configured according to The City's specifications.</p> <p><i>SQL Server</i> Questica Budget supports SQL 2008R2 and above.</p> <p><i>Windows</i> Questica Budget supports Windows 7 and above.</p>
21b	The system should be fully web-based with no plug-ins needed.	Required	<p>Yes.</p> <p>Questica Budget is developed in the C# language using Microsoft .Net 4.0 technologies, and is a 100% web based application. As such, no software is installed on user workstations.</p> <p>Desktops and laptops running any current version of the Windows Operating System (Vista, 7, 8). Internet Explorer (IE) version 9.0 or better is required, or the latest versions of Chrome, Firefox and Safari for Mac.</p>
21c	The system should be able to integrate with the City's Active Directory whether in Cloud or on Premise. Single Signon preferred.	Required	<p>Yes. Questica Budget supports "single sign-on" and can be set to authenticate against the active directory user.</p>

			<p>Questica Budget only uses active directory for authentication, not for management of permissions. Permissions need to be administered in Questica Budget. Internal users are immediately authenticated. External users will get a challenge screen and need to authenticate against their windows credentials.</p> <p>The login (user ID) is stored in a table in Questica Budget's database.</p>
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Maintainability

ID	Requirement	Classification	Vendor Response
22a	System upgrades are fully maintained and managed by vendor	Desired	Yes. In a cloud-based (hosted) solution, Questica would provide all server, database, operating system, monthly management, and software maintenance.
22b	System is "off the shelf" solution and does not require custom development/coding by the vendor or the City	Required	Yes. Questica Budget is one of the few truly COTS (Commercial Off the Shelf) budgeting software tools on the market.
22c	City should be able to configure the system with appropriate access privileges	Required	Yes. The Questica Budget database and API are open for further configuration by the

			City- subject to security permissions.
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System Compatibility

ID	Requirement	Classification	Vendor Response
23	Windows 7, Internet Explorer version 11, Google Chrome, iOS	Required	Yes. Desktops and laptops running any current version of the Windows Operating System (Vista, 7, 8). Internet Explorer (IE) version 9.0 or better is required, or the latest versions of Chrome, Firefox and Safari for Mac.

Portability

ID	Requirement	Classification	Vendor Response
24a	HTML5 (or has one of these features on product roadmap)	Desired	Yes. Questica Budget supports HTML5. HTML5 is a new standard for the World Wide Web. It introduces many cutting-edge features that enable developers to create apps and websites with the functionality, speed, performance, and experience of desktop applications. Our vision for Questica Budget is to embrace this new technology to improve the product in a wide range of areas.
24b	Responsive web design for flexible and fluid layouts that adapt to almost any screen	Desired	Yes. All screens in Questica Budget are all set up in a similar manner, with the

			<p>details on the larger right-hand pane, and the navigation elements on the smaller left-hand pane. The left-hand pane is referred to as the Navigation Bar, or simply 'Nav Bar'. The Nav Bar help users navigate without extraneous information displayed which is not applicable to that area. Below are 4 examples of some of the systems Navigation Bars:</p>
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Cost Center (Operating)	Capital Project	Profile	Position
<div> <div>Cost Center</div> <div> Dashboards General Documents Notes Variables Allocations Additional Information Key Performance Indicators </div> </div> <div> <div>Scenario</div> <div> General Position Allocations Original Annual Summary </div> </div> <div> <div>Security</div> <div>Cost Center Roles</div> </div> <div> <div>Actual Costs</div> <div> Details Annual Comparison Quarterly Comparison Monthly Comparison </div> </div>	<div> <div>Project</div> <div> Dashboards General Regions Documents (3) Notes (2) Related Projects Additional Information </div> </div> <div> <div>Scenario</div> <div> General Variables Documents (1) Notes Ranks Student Annual Summary Operating Impacts </div> </div> <div> <div>Security</div> <div>Project Roles</div> </div> <div> <div>Project Actual Costs</div> <div> Details Annual Summary Annual Comparison Quarterly Comparison Monthly Comparison </div> </div>	<div> <div>Profile Group</div> <div> General Documents (3) Notes Positions Grades </div> </div> <div> <div>Profile Scenario</div> <div>Profile Scenario Info</div> </div> <div> <div>Contracts</div> <div> Contract 2013 Benefits Scale Jan 2014 Scale Jan 2015 Scale Jan 2016 </div> </div> <div> <div>Security</div> <div>Profile Roles</div> </div>	<div> <div>Position</div> <div> General Employee Allocations Cost Center Allocations Benefits Documents Notes </div> </div> <div> <div>Effective Costing</div> <div> Annual Monthly </div> </div> <div> <div>Position-Only Costing</div> <div> Annual Monthly </div> </div>

<p>Form and Field Designer – This interface allows administrators to design and update screens and their data fields. There is no restriction on the number of variables or fields that are created, and our users have the ability to define data types and regex expressions to control the data input into these fields. The system allows updates to take place without the need to update these interfaces.</p> <p>Custom Business Rules and Actions – Questica Budget is an API (Application Programming Interface) driven application. We've included a customizations interface that allows C# code to be written within the interface that can utilize the full Questica Budget API and enhance its functionality by creating custom rules and actions. These customizations are triggered either by listening for one of many application events, or by user driven activity, such as by selecting a custom right-click menu item that was created for a specific purpose on a budget grid.</p>			
24c	System should be mobile friendly – ability to run on tablet (Apple iPad preferred) and smartphone (Apple iPhone preferred)	Required	Although there is no specific integration to devices such as iPhones, Blackberry's or tablet computers, all these devices can read web pages. Questica Budget is a web-based product supporting numerous browsers. Also, these devices also support reading PDF file formats, and Questica Budget reports can be exported to PDF, and other formats.

Support

ID	Requirement	Classification	Vendor Response
25	Technical ongoing or on-demand support is maintained by the vendor or partner vendor	Required	Yes. Technical Support will be provided by Questica. See " Chapter 4 " under " Support Approach " for more information.

Service Level Agreement

ID	Requirement	Classification	Vendor Response
26a	Submission of vendor's service standards regarding system support and escalation process	Required	<p><i>Support calls are classified into the following criteria:</i></p> <p>Support issues are classified as described above (Priority 1, 2, 3)</p> <p>Priority 1 – Urgent (example: system is unavailable to users) – Support staff immediately ceases any other activity and work towards a solution, and if possible, remains on the phone with the customer until resolved.</p> <p>Priority 2 – Important (example: software bug) – Support staff work to resolve the issue within the same business day.</p> <p>Priority 3 – Minor (example: minor nuisance or irregularity) – To be considered in the next development cycle – may require a hot fix.</p> <p>All support issues, customer-needs and suggestions are tracked through our CRM (Customer Relationship Management) tools. All support calls/emails are entered and assigned a tracking number. All support tickets and status updates are available via our customer portal.</p>

			<p>Service tickets are escalated automatically (to development, mgmt., etc.) via email to ensure all response commitments are met.</p> <p><i>Software issues have the following classifications:</i></p> <ul style="list-style-type: none"> • Low- To be considered in the next development cycle • Medium- To be considered in the next development cycle • High- Addressed in the next Build • Critical (Work Stoppage) - Addressed immediately <p>Service tickets are escalated automatically (to development) via email to ensure all response commitments are met.</p> <p><i>If needed, customers can escalate support issues in the following manner:</i></p> <ol style="list-style-type: none"> 1. Manager, Customer Service & Support 2. President 3. Chairman
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			Office and mobile phone number for these positions will be provided upon contract award.
26b	System availability; 99.9%	Required	Yes. Questica Budget was designed to provide 99.9% uptime.

Integration

ID	Requirement	Classification	Vendor Response
27a	System has web services Application Programming Interface (API) capabilities to integrate with other City applications	Required	<p>During the implementation process, Questica Budget will be integrated with the City's PeopleSoft solution.</p> <p>Questica Budget is an API (Application Programming Interface) driven application. Since the Questica Budget database is open, budget data can be accessed by other systems via ODBC etc.</p>
27b	System is able to download to and upload from Microsoft products (Excel, Access)	Required	<p>Yes. Questica Budget allows authorized users to export the contents of most grids to an Excel spreadsheet. Then users can edit the data on these spreadsheets and import them back into the system to change large amounts of data at once. The spreadsheets generated by the tool must be viewed and edited in</p>

			<p>Microsoft Excel 2007 or later.</p> <p>All out-of-the-box reports are exportable to: PDF, Excel, Word, XML, CSV, MHTML (web archive) and TIFF file formats.</p>
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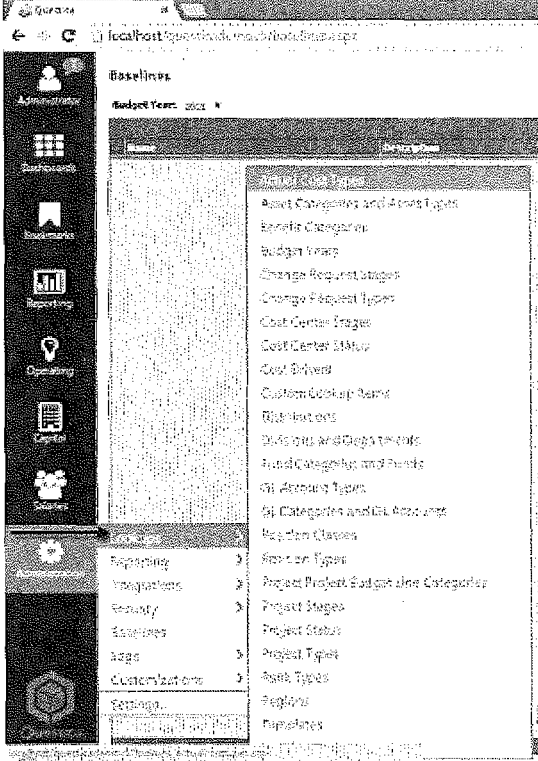
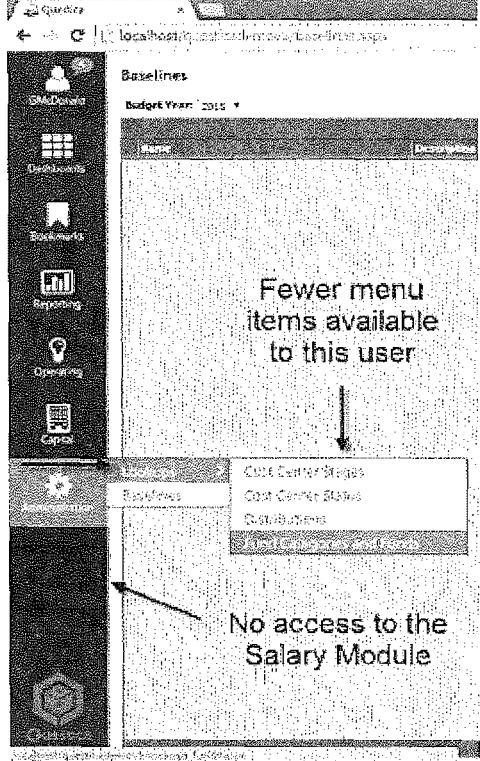
Open Data

ID	Requirement	Classification	Vendor Response
28a	All system data should be exportable and machine readable to support open data environment	Required	Yes. All reports and most grids within Questica Budget can be exported via Excel, Word, PDF, XML etc.
28b	Exportable data should include metadata (set of data that describes and gives information about other data)	Desired	<p>The format in which data is exported depends on the view options (columns and rows) a user chooses onscreen.</p> <p>Each release of Questica Budget comes with an updated database schema.</p>

Security

ID	Requirement	Classification	Vendor Response
29a	<p>System complies with either: ISO 27001 (Information Security Management Systems) or NIST 800-53 Standards (Security and Privacy Controls for Information Systems)</p> <p>Note: If chosen as a finalist, vendor will be required to complete the City's Vendor Information Security Assessment and acknowledge and</p>	Required	<p>Note: If chosen as a finalist, vendor will be required to complete the City's Vendor Information Security Assessment and acknowledge and agree to comply with the City's Security & Privacy Agreement</p> <p>Should Questica be chosen as a final, we will complete the</p>

	agree to comply with the City's Security & Privacy Agreement		City's IT assessment and agreement documentation.
29b	Ability to set appropriate security levels for users	Required	<p>Yes. Security is role based and once established, your administrators would be able to determine who is able to view, edit, demote, promote (advance) and lock budgets – at each stage of the budget process. Restrictions to running reports and batch processes, creating scenarios, administrative look-ups, access to actual costs information etc. can easily be established. Administrators can also determine who has access to the budgets and also determine the types of analysis can be performed. Individuals without permission would not be able to view selected system reports and/or perform budget analysis.</p> <p>Your permissions determine what you can see and access: A user's interface is dependent on the permissions granted them by the System Administrator. For example, in the screenshots below, the menu listing on the left is that of the Administrator whereas the menu listing on the right is that of another user where the Administrator has granted fewer permissions.</p>

Administrator	Lower Level User
	 <p>Fewer menu items available to this user</p> <p>No access to the Salary Module</p>

Note the System Administrator has access (permissions) to view each of the primary modules which make up Questica Budget - Operating, Salaries, and Capital (on the left side of the screen) whereas the other user only has access to the Operating and Capital modules. The user on the right has no access to anything related to the Salaries module.

29c	System is able to integrate with the City's Active directory (single signon, application level security)	Required	Yes. Questica Budget supports "single sign-on" and can be set to authenticate against the active directory user. Questica Budget only uses active directory for authentication, not for management of permissions. Permissions need to be administered in Questica Budget. Internal users are immediately authenticated. External users
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			<p>will get a challenge screen and need to authenticate against their windows credentials.</p> <p>The login (user ID) is stored in a table in Questica Budget's database.</p>
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Scalability

ID	Requirement	Classification	Vendor Response
30	Ability to easily utilize the technology across the organization for different purposes (for additional users and departments with varying processes and workflows and configuration requirements)	Required	Yes. Questica Budget can be used across all departments, whether for budget entry, report viewing etc. Should the City wish to roll out the software to more than the initial 80 users, it can do so by purchasing additional licenses.

Data Liberation

ID	Requirement	Classification	Vendor Response
31	Ability to quickly move all of the data out of the system in an open, interoperable, portable format at no additional cost and in one fell swoop in the event that the City wishes to discontinue the product	Required	<p>Yes. Taken from Section 10.5 of our License and Services Agreement:</p> <p>Return of Your Data. Upon request made by You within 30 days after termination of a Purchased Services subscription, We will make available to You for download a file of Your Data in comma separated value (.csv) format along with attachments in their native format. After such 30 day period, We shall have no obligation</p>

			to maintain or provide any of Your Data and shall thereafter, unless legally prohibited, delete all of Your Data in Our systems or otherwise in Our possession or under Our control.
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Business Continuity (Cloud Service)

ID	Requirement	Classification	Vendor Response
32a	Failover / redundancy / replication of system to another location	Required	<p>Aegisys (Questica's hosting provider) has multiple Fiber providers which provide our upstream connectivity. We do support multiple IKE gateways provided that the City has redundant carriers as well and the firewall used by the City supports multiple gateways.</p> <p>Disaster Recovery: Because all data and product configuration data is stored in a single MS-SQL database, Questica Budget can be restored from a disaster very quickly providing the database is backed up regularly. There are three core failure scenarios – the web server component (IIS, or its related server hardware,) the Questica Budget database (MS-SQL Server, or its related hardware,) or both.</p>

			<p>The process of recovery is the same in all cases:</p> <ol style="list-style-type: none"> 1. Ensure that the Questica Budget database is available from a MS-SQL database, being recovered from a backup on an alternate server if necessary. 2. Ensure that the Questica Budget product is installed on an IIS web server. 3. Configure Questica Budget to point to the appropriate Questica Budget database by configuring the web.config file on the hosted IIS server. <p>(There are other minor steps involved that are well documented, but these are the major steps.)</p> <p>Please note that Questica Budget is supported in failover clustered IIS and SQL server environments, such that the needs for a barebones re-installation from backups should not be necessary. However, if it is, the speed of recovery is based on the time required to have the IIS and SQL server installed and ready so that the above steps can be performed, together with the restored backup. If it is</p>
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			critical that Questica Budget be available as quickly as possible with little to no downtime, and alternate server can be configured for failover purposes.
32b	Frequency of backups: at minimum daily;	Required	In a SaaS or Hosted environments, backups are performed on a daily basis at a minimum. Should the City decide to install the application on your existing servers/network, then the frequency of backups would be the City's responsibility.
32c	Data Restoration: within 1 day except between November and February; 4 hours between March and June	Required	Yes. Questica can comply with this requirement.
32d	Minimum retention requirements: Seven years	Required	Yes. There is no limit to the number of budget years that can be retained in the Questica Budget database.

Work Plan / Implementation Strategy

Implementation Overview

Questica has over a decade of experience with project management and control methodologies to manage the project and implementation process – all dedicated specifically to budgeting software. We have identified what works, and what does not, when it comes to project control methodologies. A possible implementation methodology for the City might look something like this (in brief):

Phase 1

Blueprinting and effective Project Management is critical to the success of this project. We have broken down the Implementation Process of Questica Budget into a number of sections and unique tasks as follows:

Discovery – A series of onsite and/or online workshops (**one for each software component**), another to discuss the Testing & User acceptance methodology, and another to discuss the Strategic Vision and Goals of the City.

Workflow and GAP Analysis – Once the discovery process is complete, Questica's Project Manager will create a summary of bullet points that outlines the key findings of the Discovery process, a strategy to address any new needs identified through the process, and a workflow plan for the project. This working document will be presented to the City to ensure that there is general agreement on the strategy.

Plan Documentation – The Questica Budget Project Manager will generate a detailed Scope of Work that aligns with the strategy approved by the City Team. This will contain more detail than the Scope statements included in the RFP document, as the Project Manager and Core Team will have a better understanding of the specific needs of the City and the functionality of the Software. The City's Project Manager will be consulted to ensure it aligns with needs. Using this same methodology, a Project Plan and Timeline will be created, as will a Testing & User Acceptance document. The Questica Project Manager will create and assemble these documents into a final written Blueprint document.

Plan Presentation – The Blueprint, Scope of Work and Project and Testing Plans will be submitted to the Core Working Team for review and comment. The Working Team will have worked together closely to this point, so there should be no last minute surprises. The expectation is that minor changes and refinements may be required at this point.

Implementation Methodology – Phase 2

Phase two contains five Components that add successive functionality to Questica Budget. There is some uniqueness to how each of these components will be implemented but, we are proposing that a basic template be used to consider reviewing the basic methodology.

Component Kick-off – The components will be phased in. Each will start with a kick-off meeting where the Blueprint and plan are reviewed so that the focus on success and goals is maintained.

Overview Sessions – The Questica Budget functionality will be presented to the team so that they are familiar with the module and able to participate in its configuration and understand the needs of data imports.

Configuration – The components in Questica Budget will be configured to provide the desired functionality and accommodate the related data imports.

Data Import – Your historical data will be imported.

Customizations and Report Development – If required, customized functionality and reporting will be introduced and reviewed. This task benefits from the data import, as any screen or reports will reflect the actual and familiar data imported.

Security Setup – Establishing appropriate user security.

PeopleSoft Integration – Establishing the appropriate integration to the financial and HR systems, as applicable to the component.

Component User Testing – User Testing and Acceptance based on the methodology outlined in the Blueprint document. The Questica Project manager will assist and act as a facilitator through this process.

Component Kickoff – The Component will be moved into the production environment for use.

Stage	Description
Introduction Meeting	Kick off! Meet the team members and review objectives and timelines.
Discovery & Overview Presentations	An in-depth presentation of Questica Budget and its features. Each area is discussed and the experiences from other implementations are shared.
Discovery & Configuration	The System Administrator working with an implementer will enter the various settings into Questica Budget. Typically this configuration is performed while Questica host's the application at our datacenter. At this stage data is imported from excel sheets.
Installation	Questica Budget is installed with the assistance of Questica staff. (exact timing on this can vary)
Testing and acceptance	Before going live, a testing and acceptance period is undertaken. The City is able to test the application, customizations (if applicable) and reports. Any modifications are changed and retested during this phase
Training	Once the testing and acceptance has been completed, training can begin.
"Go Live"	The application is made available to end-users.
PeopleSoft Integration	Typically this is completed on a test server environment before being rolled into the production environment.
On-going support and maintenance	Post "Go-Live", your implementer will remain your primary contact for all Questica Budget related issues until the time it is mutually agreed that Support will take over primary contact. Normally this is 90 days, through which time City is supported with unlimited technical support. After this period, a hand-off is made from your implementer to our Professional Services staff that will be responsible for seeing to your longer term support needs.

Project Work Statement

This Project Work Statement provides the framework for the typical Scope of Work (SOW).

In each section of the detailed Scope of Work, the following will be determined:

- **Questica Responsibilities**
- **City Responsibilities**
- **Deliverables**
- **Acceptance Criteria**
- **Solution Testing**

1. Product Installation

1.1. Description

- 1.1.1. System Installation includes installation of the base software and associated databases for the Questica Budget product in each of the required environments. When completed, the product shall be in a fully functional state which is prepared for further configuration. It can be verified as functional with an example database provided by Questica. See section below for typical resource requirements.

2. Product Configuration

2.1. Description

- 2.1.1. Product configuration includes the administrative configuration of the products such that they will be suitable for user input in a production environment. Questica will take an active role in this configuration, but it will require The City participation.

3. Initial Budget Data Import

3.1. Description

- 3.1.1. Questica will import given years of historical data. This will provide a historical reference and a foundation for subsequent staff budget preparation. The City will assist with this export and provide the data in a format provided by Questica to facilitate import.

4. Staff Training

4.1. Description

- 4.1.1. Training City users that will be participating in the budgeting process. If The City has adopted a 'train the trainer' methodology, training will be provided to allow attendees to train other individuals. All training materials developed by Questica will be provided for that purpose.

5. Customization(as needed)

5.1. Description

- 5.1.1. Questica Budget is a Commercial off the shelf (COTS) product. Some customizations may be required in order to meet The City's requirements.

6. Custom Reports (as needed)

6.1. Description

- 6.1.1. The Questica Budget products allow for the modification of the 'out of the box' reports, or the inclusion of new custom reports. The detailed requirements will be determined in the detailed scope of work to be developed.

7. PeopleSoft Integration

7.1. Description

- 7.1.1. A data exchange will be provided between the financial and HR system and the Questica Budget modules - to be detailed in SOW.

8. Project Management

8.1. Description

- 8.1.1. An initial analysis of existing City process and budget strategy as outlined in this document.
- 8.1.2. A methodical management of the project resources and execution in close coordination with The City Project Management team. All implementation activities will support the methodology outlined in this RFP response.

Scope Management

Questica Budget represents a strong functional fit for The City. Although Questica Budget is a full-featured product, we realize that The City has a process in place and a budgeting methodology that is unique.

A successful software implementation requires good software, good people, and a good plan. We have the software, and we have the right people. The largest factor in the success of this project will be the Project Plan and the Project Management efforts made in its execution. For these reasons, the blueprinting and planning phase is critical. It will allow:

- A more detailed understanding of The City's needs and strategic long term budgeting goals
- City to better understand Questica Budget and its benefits
- An opportunity to collectively define how the success of Questica Budget will be measured
- The development and the adherence of a detailed Scope of Work
- A detailed project plan and resource assignment

Schedule Management

Questica achieves its deadlines by applying solid project management methodology: documenting scope, applying a work breakdown structure, defining risk and managing project execution. It is this practical experience in applying this structure that allows us to continually implement Questica Budget on time and on budget.

Risk Management

We recognize that the budgeting needs of every organization are different, as are their implementation requirements. The current budgeting process at The City was documented (to an extent) in the RFP package and includes the detailed methods and reporting requirements of many participants. The City is looking to Questica to provide a quick and efficient transition to a budgeting system that will respect the needs of the current process while providing for the long term strategic budgeting needs of The City. There are several challenges:

- **Problem - Resistance to Change** - The City has many budget participants who all have individual and different expectations of a new budgeting system. Some will welcome change while others may be uncomfortable with moving to a new system.
 - **Solution** - Communications. A project management strategy that provides stakeholders a voice and a clear understanding of the project goals and strategy for success. Most people are comfortable with change if it is well communicated and they are a part of the process – people don't like surprises.

- **Problem - “The Reporting Gap”** - The RFP makes reference to required reports, the makeup of which will be specific to the needs of The City and others may be identified during the implementation process. The exact number of reports that can be used ‘out of the box’ vs. being customized and individually tailored is not known exactly.
 - **Solution** - We have tried understanding The City’s report requirements as best as we can. Many reports are available in Questica Budget in a similar way, others we believe others will need to be created specifically for The City.
- **Problem - If An Aggressive Timeline is required** - No doubt the First Phase of the project is the most important – it typically includes the discovery sessions and the development of the plan that will provide for the success of the project.
 - **Solution - Careful Resource Scheduling** - Questica will work with The City to complete the discovery sessions as soon as possible, contract award. Careful attention will be given to the availability of staff and their commitments.
- **Problem - Scope Creep** - It’s important on any project to properly define what’s in scope and what is not.
 - **Solution** - Questica will work with The City in order to define a clear and detailed Scope of Work.

Quality Management

Questica maintains a ticket tracking system that it uses internally for all project tasks. For the data import, integration and custom reporting activities, each of our Professional Services and Development departments have internal testing protocols that they adhere to before providing deliverables to The City. All testing anomalies are ticketed using our tracking system (Connect-wise) so that they can be individually tracked, assigned and resolved. This happens in large part ‘behind the scenes’ in that this process is always in place for all Questica activities to ensure a constant quality standard.

Project Objectives

The core objectives of any Questica Budget implementation are:

- Ensure that the customer understands how Questica Budget works and how it relates to their current methods of managing budgets.
- Identify and address any areas that would require custom work.
- Ensure that data populated into Questica Budget accurately balances to current system values
- Develop a link between the financial and HR systems and Questica Budget to keep systems in sync
- Provide sufficient training to help the customer become self-sufficient in managing Questica Budget
- Make the transition from the current system to Questica Budget as smooth as possible

Quality Assurance Plan- Testing

Note: The final Acceptance Testing Plan will be mutually agreed upon.

The following is a description of a testing plan could look like:

Party (ies) conducting testing - City and Questica

Operating and Salaries Budget Functionality:

- Testing Duration - TBD

Capital Budget Functionality:

- Testing Duration - TBD

Acceptance Testing Procedures:

Questica proposes to take on the role of Guide and Facilitator, providing best practices and structure to ensure testing happens in an organized, effective and timely way. Working with the Project Management and Core Working Team, Questica will prepare guidelines that will document the following:

Objectives

It is anticipated that testing, with assistance from Questica, be conducted by each stakeholder class (Technical, Functional, Manager's Office, etc.). Any specific goals, assumptions, or constraints will be detailed.

Unit / Component Testing

The purpose of the unit/component testing is to ensure that each individual module in the system satisfies the quality standards and system requirements that apply. It describes the type of testing that is expected and explicitly how it should be conducted. It will include:

- Requirement(s) satisfied by the module/component
- Testing procedures - A definition of how the tests will be performed. What screens will be tested, what reports will be tested? A testing script may be included in this specification if required.
- Environment Definition - Will define the data environment to be used for the testing.
- Exit Criteria - Defining what an acceptable level of testing is and when it should be considered complete.

Integration/Regression Testing

The project introduces new Components on a phased and per-component basis. The purpose of the Integration/Regression test is to retest previously tested units and ensure that Questica Budget is working as intended after the introduction of each additional Module/Component.

The purpose for Regression testing is to ensure that 'what use to work, still works' after each new component is added.

Final User Acceptance Testing

The final stage of testing will be the Acceptance test. If the Unit and System tests were completed successfully, there should be no surprises here. The purpose of the User Acceptance test is to verify that the system meets the needs of the users. It is anticipated that the testing group for this test will be the Core Working Team and a series of Functional Users designated and asked to participate in this process.

For this process Questica will provide:

- Requirements - the Functional test that will be required. It will be specific about what will be tested, and will be based on the needs defined in the discovery phase of the Project. It will also include a review of any City specific documentation created for this project.
- Responsibility - a clear definition of who is expected to test what.
- Procedures - defining the sign-off procedure, a testing plan, and if necessary, scripts.

Exit Criteria - Defining the acceptable level of testing. This is similar to the unit testing discussed above, but with a broader scope.

Successful completion of the Acceptance testing will be determined as follows:

- Acceptance testing of Requirements completed, test results documented and deficiencies noted
- Noted deficiency list, if any, reviewed by the Contractor, response on plan to address deficiencies sent back to The City, plan to address to address deficiencies reviewed and approved by The City

Acceptance Testing Failure Procedures:

- Deliver deficiency list, if any, to Questica.
- Review of deficiency list by the Contractor and return response on plan to address deficiencies.

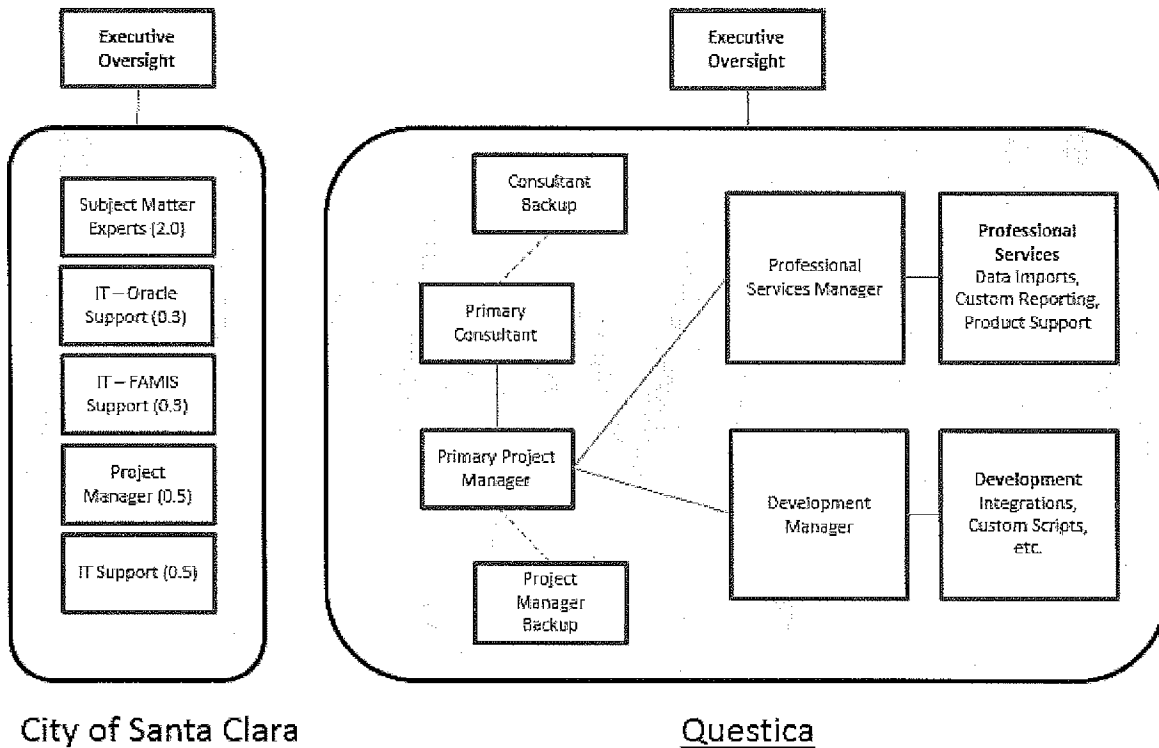
Remedies

- Noted deficiency list, if any, reviewed by Questica, response on plan to address deficiencies sent back to The City, plan to address to address deficiencies reviewed and approved by The City

Typical Implementation Resources - City

Please note that actual resources may vary based on each client's need.

Implementation Org Chart



Services and Responsibilities

The Questica Project Manager shall be responsible for:

1. Main point of contact through the implementation process
2. Coordinating the development of the Project Plan in consultation with The City's Project Manager and team members.
3. The timely delivery of items identified as "In scope" within the SOW.
4. Ensuring that City staff are sufficiently educated in the Questica Budget application to understand the implications of initial design decisions.
5. Providing The City with timely and detailed descriptions of the items identified as "Customer task" within the SOW.
6. Advising The City of expected completion dates for items identified as "In scope" within the SOW.
7. Advising The City of the impact on the expected delivery dates of "In scope" items when prerequisite the Customer tasks, such as the completion of data import templates or approval of report specifications, are advanced or delayed.
8. Monitoring the progress of the project and advising The City of risks to its on-time completion.
9. Coordinating the completion and approval of Change Orders.

The City's Project Manager shall be responsible for:

1. The timely delivery of items identified as "Customer task" within the SOW.
2. Advising Questica of the expected delivery dates of items designated as "Customer tasks".
3. Ensuring that Change Orders contain a full specification of the changes required.
4. Ensuring that Customizations are fully specified and documented.
5. Ensuring that all City team members have a clear understanding of their responsibilities to the project.
6. Filling out data import templates
7. Signing off on data imports, integration, and customizations (if required)
8. Scheduling of product testing
9. Assisting with the creation of training materials (as necessary)

Data to be provided:

- Chart of Accounts- list of GL Categories and GL Accounts
- List of Fund Categories and Funds
- List of Departments, Divisions, Cost Centers and their relationships
- Tree/Department/Fund Hierarchy
- Operating budget data
- Capital budget data
- Salary Data- employees, positions, grades, steps, scales/grids, benefits, position-employee relationships, positions-cost center relationships.

Interface/Integration Approach

Financial System Synchronization

We have extensive experience integrating Questica Budget with dozens of different financial systems and HR systems in numerous municipal governments.

Questica Budget has been successfully integrated/working on integrations (actual costs and budget) with the following systems:

- | | |
|------------------------------------|---------------------|
| • PeopleSoft | • MS Govern |
| • SunGard (HTE, Naviline and IFAS) | • Munis |
| • Oracle | • Bellamy Software |
| • Dynamics GP | • Accpac |
| • SAP | • Epicor |
| • JD Edwards | • Mitchell Humphrey |
| • Lawson | • Vadim Software |
| • Cayenta | • Vailtec |

HR Integrations include:

- | | |
|--------------|--------------------|
| • PeopleSoft | • Oracle |
| • SunGard | • Lawson |
| • SAP | • MS Govern |
| • JD Edwards | • Bellamy Software |

Please note: Some of these integrations have been done directly to the tables, where as some have been done via csv files, staging tables, and web services.

Partnerships include:

- Diamond Municipal Solutions
- Infor (Lawson)
- Microsoft Corp.
- Cedar Crestone
- Vadim Software
- Mitchell Humphrey
- Harris ERP (MS Govern)

Questica Budget is used by various public sector entities, all with different financial/HR systems. As we routinely integrate with these external systems to share budget related data, we have developed a specialized tool for this purpose – The **Questica Integration System** or **QIS**.

QIS is a sub system within Questica Budget and is designed to simplify the integration process and reduce the amount of time it takes to integrate Questica Budget with different customer systems, typically financial/HR/ERP, and other miscellaneous external systems. Because all customers use different tables and dimensions, it is important that the integration be configurable. The Questica Integration System was designed to provide a highly configurable framework for sharing budget-related data with existing (and future) external data sources.

The data flow can best be visualized using the following diagram:

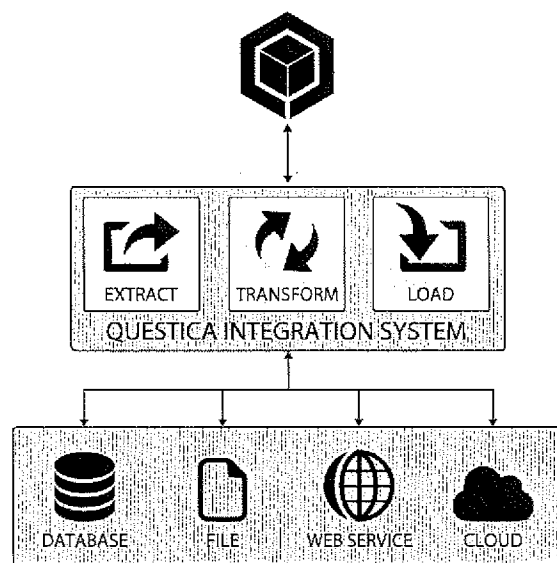


Figure 1: Integration Flow Diagram

The Questica Budget application is represented by the symbol at the top, with the QIS system in the middle, and various customer systems (Financial, HR, ERP, etc.) on the bottom level. In the case where data is to be extracted from Financial System and moved to Questica Budget, we would consider data to be moving from the bottom to the top in the diagram. If we were extracting from Questica Budget to insert into Financial System, data would move from the top to the bottom.

Extract, Transform, and Load

The QIS system consists of a series of interchangeable “connectors”. A connector is added depending on how the data is being to be extracted. We have pre-built connectors that will

Finally, another connector is used to load the data into the destination (either Questica Budget or the external system, depending on the direction). As before, different connectors can be utilized depending on whether Questica Budget is hosted on the same server and the Integration tool, or is hosted elsewhere. If on the same server (or a server on the same network) a SQL connector would typically be used. Once again the connector is configured with a configuration file.

The entire process is scheduled through the Windows task scheduler, or run on demand by an Administrator, as shown below. Monitoring of scheduled integration tasks can be performed in a number of ways, but the most popular method is the notification of exception or failure via an e-mail. Exception/failure e-mails can be configured to e-mail one or more people in the case of failure.

The system is normally configured by Questica's technical staff during the implementation phase. This consists of selecting the appropriate connectors and establishing the integration by changing the text in the configuration files. Questica Budget Customers would certainly be able to update or create new integrations using the framework provided. The key skill involved is an

understanding of XML and knowledge of T-SQL. All of the configuration files are available to all customers - there are no hidden tools or technology that would not be available to your staff.

Salaries / Salary Synchronization

The process for loading HR/payroll data into the system is via the 'Salaries Synchronization Tool'. This provides a mechanism to review and commit the changes to the Questica Budget Salaries module. The screen below – which can be customized – shows the settings used to configure the tool.

Questica - Google Chrome
localhost/questicademov5/cwSalaryReviewSettings.aspx

Salary Synchronization Settings
Configure the Salary Review Settings to meet your needs. [Help](#)

Entity	New Items	Deleted Items	Existing Items
Staging Position	Do Not Synchronize	Do Not Synchronize	Do Not Synchronize
Staging Employee	Do Not Synchronize	Do Not Synchronize	Do Not Synchronize
Field		Resolution	Default Value
Employee		Do Not Synchronize	
First Name		Do Not Synchronize	
Last Name		Do Not Synchronize	
Employee Number		Do Not Synchronize	
Comments		Do Not Synchronize	
Seniority Adjustment		Do Not Synchronize	
Wage Adjustment		Do Not Synchronize	
Staging Position Employee Allocation (StagingPositionEmployee)	Do Not Synchronize	Do Not Synchronize	Do Not Synchronize
Staging Position Allocation (StagingScenarioPosition)	Do Not Synchronize	Do Not Synchronize	Do Not Synchronize

Ready Loader 4 of 4

Additional Settings

Delete Vacant/Future Positions: ☐

Cost Center Unique Key:

Position Unique Key:

Employee Unique Key:

Department Unique Key:

This screen allows the user to determine precisely which changes should be brought over from the HR system. The terminology used in this screen is defined as follows:

- New Items: Items that exist in the HR System, but do not yet exist in Questica Budget.

- Deleted Items: Items that no longer exist in the HR System but do exist in Questica Budget.
- Existing Items: Items that exist in both Questica Budget and the HR System, but may be out of date in Questica Budget.

For each of the four supported integration types, (Positions, Employees, Position-Employee Allocations, Position-Costing Center/ DeptID Allocations) your system administrator can specify whether or not to synchronize new items, deleted items, and existing items. Your system administrator can also specify which fields they would like synchronized, and supply default values for fields on new items.

Once the Salaries Synchronization is configured, we run the tool in “Test Mode” to view the changes that are calculated by the Salaries Synchronization tool.

ID	Action	Description
Employee	Delete	Oswald C. Cobblepot (7367816)
Employee	Add	Bruce T. Wain (843228)

Field	Old Value	New Value
ID		11
Organization		2014
First Name		Bruce T.
Last Name		Wain
Employee Number		843228
Seniority Adjustment		5

Field	Old Value	New Value
Comments		Joe's performance has been exceptionally good this year. He's quite the Joker! ;)
Seniority Adjustment	6	0
Wage Adjustment	3.500000	12.500000

Once the process is complete, the above list of changes will be displayed. Each item will be listed, along with the type of item it represents, and the action that will be performed on it. Once the user has verified that the changes listed are correct, the tool will need to be run again with “Test Mode” turned off. This will re-run the tool and update the Salaries module with the latest information from your HR System.

The process of integrating Questica Budget with the HR System is now complete. The data has been retrieved by the integration, the changes verified by the user/system administrator, and the Questica Budget Salaries module is updated with the most current information.

Training Approach

This section outlines both the initial training program, and ongoing customer training (Questica eTutor Tuesdays).

Questica takes a hands-on approach to training by working closely with customers to establish the best training plan possible. It is the role of Questica's project managers to work with City staff to establish training objectives and desired outcomes.

Questica is prepared to perform all training services onsite. The City may also want to consider a "Train-the-Trainer" approach where Questica would train core users who would in turn train other users.

Your staff would choose a suitable date(s) and time(s) that is best available for all parties to be trained. If training is to be done remotely, it would be the City's responsibility to equip its staff with the necessary computer equipment and internet collaboration tools needed for the remote training. If training were to be onsite, it would be the City's responsibility to schedule a training room and supply the necessary computer equipment.

Questica would work with the City to supply training materials as well as handouts for end-user training. Often when asked to do the "Train the Trainer" approach, Questica will also sit in on the first few end user training sessions to ensure the trainers are covering the material properly. Questica also recommends training staff at a time that is close to beginning budget preparation cycle.

A typical end user training session would begin with a PowerPoint slide show that discusses the purpose of the software and the fundamental concepts. The next step is to invite users to work hands on within the Questica Budget training environment. The instructor and supporting staff walk around the room assisting with questions. A handout is usually prepared and given to the users.

The City would be encouraged to modify Questica's handouts to suit the needs of your users.

The number and configuration of environments for Questica Budget is flexible and largely dependent on Customer's existing IT department's policy and procedures. We normally recommend 4 environments: Production, Test, Training and development. These can reside on a single server, or more, using a single database instance, or more. Any combination of servers, databases and instances are supported. There are no additional costs for any number and configuration of environments for Questica Budget.

A typical training session would be laid out as follows:

User/ Administrative Training

- In depth overview of Questica Budget
- Administrative Training

Overview/ Training topics

- General Orientation
- Interface
- Consistent layout
- Try to reduce number of screens
- Contextual experience (menu rollovers, button pop-ups)
- Navigation
- Cost Center / Project Structure

Administrative Training

Administration:

- Batch Processes
- Lock Versions
- Copy Versions
- Promote/Demote Versions
- Balance Versions
- Security - users, licenses, roles and permissions
- Group Model
- Licensing
- Settings - budget year, budget stages, ranks, project types, trees, regions, templates, system properties

Reporting

- Report Types - PDF, Word, Excel
- Contextual Reports - they run within a cost center/project and do not require a user to enter any parameters
- Report Center - Requires Parameters
- Custom Reporting
- Ad-hoc Reporting
- Scheduled Reporting
- Future of Reporting

Post implementation and ongoing training:

Post Project implementation training will be available at your location, at our offices (Burlington) or via Web-ex type services. In addition, each month Questica hosts a free customer-only webinar to provide your staff on-going training and product knowledge. These monthly sessions are known as **Questica eTutor Tuesdays** – as they are held on the 2nd Tuesday of each month. Each Questica eTutor Tuesday session is recorded and the library of video training sessions is always available to your staff.

All Questica Budget customers have access to over 20 recorded Questica eTutor Tuesday webinars. Each of these training webinars is 20 – 40 minutes in length, and focuses on a single aspect of the application. These training videos are available at no charge to all Questica Budget customers and can be viewed as often as you wish. New sessions are added each month.

The current library of video training material includes the following topics:

- Advanced Search
- Grid fundamentals
- Reporting (standard reports)
- Change Requests
- Variables and Formulae
- Ad-hoc reporting
- Salary & Position Planning module
- Capital module
- Tips & Tricks (all modules)
- Form Editor (Screen Editor)
- Security
- Modifiers / Benefits
- Baselines & baseline reports
- Audits /Logging
- Distributions - annualizing budget numbers
- New User Navigation
- Scenarios & What-if budgeting
- Batch Processes
- Salary module review and new features
- Q&A only (customer questions on any topic)
- Excel Import / Export feature
- Change Requests - focus on Capital module
- The new Allocations Module
- Budget Stages & Workflows
- The New Report Center

Upgrade Approach

Questica releases 1-2 major product updates per year. Hot fixes are released as needed. All Support and product updates are provided to clients at no charge as part of their maintenance package. This allows a structured rollout of new versions for our customers introducing only features that have been rigorously tested prior to release. Our development schedule is driven primarily by customer feedback. All releases come with comprehensive documentation, features added, known issues, database schemas, installation documents etc. Typically an upgrade takes 1-2 hours to install and test prior to production implementation. Upgrades can be done during off-peak times when there are fewer users logged into the application and can be done by Questica staff or by your staff (with proper training).

Applying Upgrades

Upgrades are normally performed in the test environment prior to rollout to the production environment.

A request would be made to City staff to give Questica staff access to the application database. Normally done after hours, the database would then be “frozen,” and the upgrade applied via our automatic database upgrade tool - a simple drag & drop executable file. As there is no software installed on the workstations, they are not affected. After initial testing, the database would then be released back to City staff members. Once The City has tested and accepted/signed off on the upgrade, training would begin (if applicable).

For each upgrade Questica performs the following tasks:

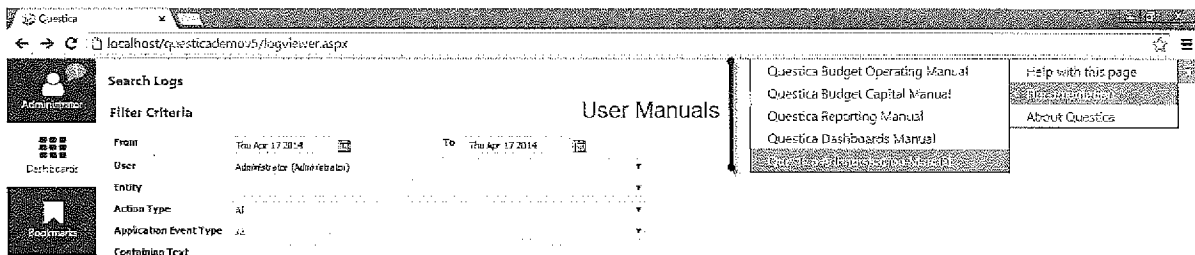
1. Update any documentation that is necessary.
2. Update installer document if necessary.
3. Update the new features document.
4. Update the table and table schema.
5. Update the list of changes to the database.
6. Upload the new version to Questica FTP site.
7. Notify existing customers of a new version.

Product Documentation

All necessary documentation is provided with each new release including:

1. Questica Administrators Manual
2. Questica Budget Capital User Manual
3. Questica Budget Operating User Manual
4. Questica Dashboards Manual
5. Questica Database Documentation
6. Questica Database Schema
7. Questica Release Notes
8. Questica Reporting Manual
9. Questica Technical Requirements
10. Questica Upgrade Documentation

End-user documentation (user manuals) is available from the Help menu on the main page in the application.



Support Approach

Questica has only one support model that it makes available to all of its customers. It is designed to provide the highest standard of quality support to clients in all North American time zones.

The support process: All support issues are tracked as support tickets at Questica. We use a dedicated incident and ticket tracking system (Connect-wise) to track every support issue from the time it is first reported until it is resolved and closed. When an incident is reported it is fully documented and its severity and impact on the customer is used to route the support ticket appropriately. All Questica staff are based in our Burlington, Ontario offices, so tickets can be immediately referred to the highest level of development or technical resources for additional attention.

In all cases a support incident is assigned to an individual who has the responsibility of working with our client contact until the incident is resolved. It is this individual's responsibility to work on our customers behalf to escalate incidents if appropriate, and to provide steady feedback to our customers.

A support issue can be raised with our support staff by e-mail or by calling our technical support line. This line is always staffed Monday through Friday from the hours of 8am to 8pm EST. At all times there is an individual who maintains the primary responsibility of ensuring the support line is monitored and answered promptly – if this individual is occupied, our phone system will automatically escalate the call to a larger pool of qualified individuals.

Each support incident is deemed closed when a remedy, reasonable workaround, or recommendation for the installation of a current maintenance release has been offered and accepted, and a commercially reasonable effort has been made to restore operation to the original intent and design of the Software.

Number of Support staff: Normally, 6 support staff are available on the technical support call queue.

Time Zones/Response Time: Core support staff is on hand and available from Monday-Friday from 8am through 8pm EST. This provides coverage through all core North American time zones. All calls and e-mails are guaranteed an initial response within at 15 minute period if received during core support times.

All our support staff is licensed to use the Citrix GoToMeeting product to share a screen with callers.

There are no formal limits put in place on the number of calls or incidents that a customer may log. Our expectation is that support calls will be made to Questica by staff or Administrators of Questica Budget.

Customer Responsibilities: Your responsibilities are different depending on how you license Questica Budget. With a traditional software license purchase where you host Questica Budget on your own server infrastructure, you have the responsibility for all hardware and server licenses (Windows Server & MS-SQL,) for maintaining the server, and for making appropriate timely backups of the Questica Budget database. In a hosted Software as a Service (SaaS) environment, Questica takes on these responsibilities. You also have the responsibility of ensuring that your staff is trained to use Questica Budget. Our unlimited support line should not be considered a substitute for proper user training.

Configuration Support: The implementation plan included in this RFP response includes the initial configuration of the Questica Budget system. After you are live and using Questica Budget in a production environment your support would be transitioned from your implementer to our Technical Support staff for ongoing support. At that point, if there are any questions related to configuration your staff are welcome to contact our Technical Support staff on the unlimited support basis as described above.

Integration Support: Questica Budget integrations that are purchased and are part of the initial implementation are fully supported by Questica.

System Support: All System Support related questions are fully covered by our support program and are answered on an unlimited basis.

We maintain a services agreement that details what we provide based on the license type. In all cases we commit to supporting Questica Budget so that it can be used on an ongoing basis in the same way that it was implemented. All product releases are included in our Maintenance and Support as well. There are several exclusions in the support agreement as well depending on the nature of the licensing (hosted vs. not hosted). However, in both cases our maintenance does not include the training of your staff.

Version Support: Questica releases at least one major and one minor product update per year. We understand that often our customers only want to update their product on a scheduled basis, or when new functionality is introduced that interests them. Although we do encourage our customers to keep Questica Budget updated, it is not a requirement. We have mirrored our support structure with that of Microsoft – we continue to support browser, server and database versions that are supported by Microsoft. (For example, the MS SQL 2005 database was no longer supported as at January 2013, matching Microsoft's support structure.) It should be noted that our support staff will provide assistance to the extent that they can with prior

releases – the resolution to a problem may be addressed in a future release, and in those cases these resolutions would be a recommendation of an upgrade to that future release.

Disaster Recovery: Since all data and product configuration data is stored in a single MS-SQL database, Questica Budget can be restored from a disaster very quickly providing the database is backed up regularly. There are three core failure scenarios – the web server component (IIS, or its related server hardware,) the Questica Budget database (MS-SQL Server, or its related hardware,) or both.

The process of recovery is the same in all cases: 1) Ensure that the Questica Budget database is available from a MS-SQL database, being recovered from a backup on an alternate server if necessary. 2) Ensure that the Questica Budget product is installed on an IIS web server. 3) Configure Questica Budget to point to the appropriate Questica Budget database by configuring the web.config file on the hosted IIS server. (There are other minor steps involved that are well documented, but these are the major steps.)

Please note that Questica Budget is supported in failover clustered IIS and SQL server environments, such that the needs for a barebones re-installation from backups should not be necessary. However, if it is, the speed of recovery is based on the time required to have the IIS and SQL server installed and ready so that the above steps can be performed, together with the restored backup. If it is critical that Questica Budget be available as quickly as possible with little to no downtime, an alternate server can be configured for failover purposes.

Process for monitoring, escalating, and resolving issues during the project

All technical support is provided toll free from the Questica office in Burlington, Ontario. Standard support hours are 8 am to 8pm (EST), Monday through Friday. For after-hours support requests, Questica's Project Managers can also be reached via cellular phone or email. **Response time is normally immediate, and is generally no longer than 1-2 hours.** Normally, 6 support staff are available on the technical support call queue. They will work with City staff to assist in troubleshooting all issues, including system issues. Often, screen sharing technologies such as Web-ex or GoToMeeting are used to facilitate such troubleshooting and support issues.

Support calls are classified into the following criteria:

Support issues are classified as described above (Priority 1, 2, 3)

Priority 1 – Urgent (example: system is unavailable to users) – Support staff immediately ceases any other activity and work towards a solution, and if possible, remains on the phone with the customer until resolved.

Priority 2 – Important (example: software bug) – Support staff work to resolve the issue within the same business day.

Priority 3 – Minor (example: minor nuisance or irregularity) – To be considered in the next development cycle – may require a hot fix.

All support issues, customer-needs and suggestions are tracked through our CRM (Customer Relationship Management) tools. All support calls/emails are entered and assigned a tracking number. All support tickets and status updates are available via our customer portal.

Service tickets are escalated automatically (to development, mgmt., etc.) via email to ensure all response commitments are met.

Software issues have the following classifications:

- Low- To be considered in the next development cycle
- Medium- To be considered in the next development cycle
- High- Addressed in the next Build
- Critical (Work Stoppage) - Addressed immediately

Service tickets are escalated automatically (to development) via email to ensure all response commitments are met.

If needed, customers can escalate support issues in the following manner:

4. Manager, Customer Service & Support
5. President
6. Chairman

Office and mobile phone number for these positions will be provided upon contract award.

Chapter 5 – Project Schedule

Sample Project Schedule						Jun '14	Jul '14	Aug '14	Sep '14	Oct '14	Nov '14	Dec '14	Jan '15	Feb '15	Mar '15	Apr '15	May '15
1	Questica Implementation Sample Schedule	Tue 8/19/14	Mon 12/8/14	80 days													
2	Project Initiation	Tue 8/19/14	Wed 8/27/14	6.5 days													
3	Contract Signed	Tue 8/19/14	Tue 8/19/14	0 days													
4	Kick-off	Tue 8/19/14	Wed 8/20/14	1 day													
5	Develop Implementation plan	Wed 8/20/14	Fri 8/22/14	2 days													
6	Complete Project Questionnaires	Fri 8/22/14	Mon 8/25/14	1 day													
7	Install Questica Budget (Prod and Test) on Questica servers	Mon 8/25/14	Tue 8/26/14	1 day													
8	Create FTP Site	Tue 8/26/14	Tue 8/26/14	0.5 days													
9	General Framework Implementation	Mon 8/25/14	Fri 9/5/14	9 days													
10	Complete Global Import Workbooks	Mon 8/25/14	Thu 8/28/14	3 days													
11	Analysis	Thu 8/28/14	Mon 9/1/14	2 days													
12	Import Global Data	Mon 9/1/14	Wed 9/3/14	2 days													
13	Sign-off Global Data Import	Wed 9/3/14	Fri 9/5/14	2 days													
14	Operating Module Implementation	Thu 8/28/14	Wed 10/8/14	29 days													
15	Identify Operating Structure	Fri 9/5/14	Tue 9/9/14	2 days													
16	Complete Operating Import Worksheets	Thu 8/28/14	Thu 9/4/14	5 days													
17	Analysis	Thu 9/4/14	Tue 9/9/14	3 days													
18	Import Operating Budget	Tue 9/9/14	Thu 9/11/14	2 days													
19	Test Operating Data Import	Thu 9/11/14	Tue 9/16/14	3 days													

Sample Project Schedule						Jun '1	Jul '1	Aug '1	Sep '1	Oct '1	Nov '1	Dec '1	Jan '1	Feb '1	Mar '1	Apr '1	May '1
ID	Task Name	Start	Finish	Duration													
20	Sign-off Operating Data Import	Tue 9/16/14	Wed 9/17/14	1 day						Santa Clara[50%],Questica[50%]							
21	Develop Operating Actuals Import Integration	Wed 9/17/14	Wed 10/1/14	10 days						Santa Clara[10%],Questica[90%]							
22	Develop Operating Actuals Export Integration	Wed 9/24/14	Wed 10/8/14	10 days						Santa Clara[10%],Questica[90%]							
23	Training	Wed 9/17/14	Thu 9/25/14	6 days													
24	Train-The-Trainer (T3) Training	Wed 9/17/14	Thu 9/18/14	1 day						Santa Clara[50%],Questica[50%]							
25	End User Training	Thu 9/18/14	Thu 9/25/14	5 days						Santa Clara							
26	Salaries Module Implementation	Wed 9/17/14	Tue 11/11/14	39 days													
27	Identify Salaries Structure	Wed 9/17/14	Tue 9/23/14	4 days						Santa Clara[50%],Questica[50%]							
28	Complete Salaries Import Worksheets	Tue 9/23/14	Tue 9/30/14	5 days						Santa Clara							
29	Analysis	Tue 9/30/14	Fri 10/3/14	3 days						Questica							
30	Import Salaries Data	Fri 10/3/14	Wed 10/8/14	3 days						Questica							
31	Test Salaries Data Import	Wed 10/8/14	Tue 10/14/14	4 days						Santa Clara[50%],Questica[50%]							
32	Sign-off Salaries Data Import	Tue 10/14/14	Wed 10/15/14	1 day						Santa Clara[50%],Questica[50%]							
33	Develop Salaries Import Integrations	Wed 10/15/14	Fri 10/31/14	12 days						Santa Clara[10%],Questica[90%]							
34	Develop Salaries Export Integration	Tue 10/21/14	Tue 11/11/14	15 days						Santa Clara[10%],Questica[90%]							
35	Training	Wed 10/15/14	Thu 10/23/14	6 days													
36	Train-The-Trainer (T3) Training	Wed 10/15/14	Thu 10/16/14	1 day						Santa Clara[50%],Questica[50%]							
37	End User Training	Thu 10/16/14	Thu 10/23/14	5 days						Santa Clara							
38	Capital Module Implementation	Wed 10/15/14	Wed 11/26/14	30 days													

Sample Project Schedule						Jun '1	Jul '1	Aug '1	Sep '1	Oct '1	Nov '1	Dec '1	Jan '1	Feb '1	Mar '1	Apr '1	May '1
ID	Task Name	Start	Finish	Duration													
39	Identify Capital Structure	Wed 10/15/14	Fri 10/17/14	2 days								Santa Clara[50%], Questica[50%]					
40	Complete Capital Import Worksheets	Fri 10/17/14	Fri 10/24/14	5 days								Santa Clara					
41	Analysis	Fri 10/24/14	Wed 10/29/14	3 days								Questica					
42	Import Capital Budget	Wed 10/29/14	Fri 10/31/14	2 days								Questica					
43	Test Capital Data Import	Fri 10/31/14	Wed 11/5/14	3 days								Santa Clara[50%], Questica[50%]					
44	Sign-off Capital Data Import	Wed 11/5/14	Thu 11/6/14	1 day								Santa Clara[50%], Questica[50%]					
45	Develop Capital Actuals Import Integration	Thu 11/6/14	Thu 11/20/14	10 days								Santa Clara[10%], Questica[90%]					
46	Develop Capital Actuals Export Integration	Wed 11/12/14	Wed 11/26/14	10 days								Santa Clara[10%], Questica[90%]					
47	Training	Thu 11/6/14	Fri 11/14/14	6 days													
48	Train-The-Trainer (T3) Training	Thu 11/6/14	Fri 11/7/14	1 day								Santa Clara[50%], Questica[50%]					
49	End User Training	Fri 11/7/14	Fri 11/14/14	5 days								Santa Clara					
50	Go-Live Deployment	Wed 8/27/14	Mon 12/1/14	67.5 day													
51	Client Prepares Host Server(s)	Wed 8/27/14	Tue 9/2/14	4 days								Santa Clara[75%], Questica[25%]					
52	Install Site On Client's Servers	Wed 11/26/14	Thu 11/27/14	1 day								Santa Clara[50%], Questica[50%]					
53	End User Setup & Security	Thu 11/27/14	Mon 12/1/14	2 days								Santa Clara[75%], Questica[25%]					
54	Project Closure	Mon 12/1/14	Mon 12/8/14	5 days													
55	Project Review	Mon 12/1/14	Wed 12/3/14	2 days								Santa Clara[50%], Questica[50%]					
56	Document Outstanding Tasks	Wed 12/3/14	Mon 12/8/14	3 days								Questica					
57	Handover to Professional Services Support	Mon 12/8/14	Mon 12/8/14	0 days								12/8					

Chapter 6 – Project Staffing

The availability of the resources identified in this RFP response and the timeline in the sample project plan are contingent upon the Customers adherence to the contract execution and project kick-off dates as provided in the RFP document and/or SOW. Any delay related to contract execution and/or the project kick-off may negatively impact the availability of the resources identified and the project timeline as outlined in our response. Questica will replace the identified resources with equally qualified individuals in the event the resources identified in this RFP response are not available. A final project plan will be jointly created by Questica and the City during the initial planning phase based upon detailed specifications and a better understanding of resource availability at that time.

James McCall - Project Manager (PMP)

Phone: (905) 634-0110 x 522

Toll Free: (877) 707-7755 x 522

Fax: (866) 520-8514

Email: jmccall@questica.com

Role in this Project: Project Manager, Implementer

EDUCATION & EXPERIENCE

Degree in Physics & Computer Science - Brunel University, London

Certified Project Management Professional (PMP)

20+ years in database application design and development

Co-founder and technical director at eyebase.com – digital asset management software systems

Recent Questica Budget Implementation experience

- City of Edmonton, AB
- City of Plymouth, MN
- City of Arvada, CO
- Sound Transit, Seattle WA
- Lane Community College, OR

Michael Newsome - Senior Consultant

Phone: (905) 634-0110 x 518

Toll Free: (877) 707-7755 x 518

Fax: (866) 520-8514

Email: mnewsome@questica.com

Potential role(s) in this Project: Senior Consultant

EDUCATION & EXPERIENCE

- Law Society Part I - Law Society of England & Wales
- Certified General Accounting (Partial)
- 1 year in legal practice
- 4 years in financial services audit
- 2 years with Ontario Government regulating financial institutions
- 6 years financial, tax, and economic planning with resource based companies, and related Provincial and Federal government departments.

Recent Questica Budget Implementation experience

City of Greensboro, NC

All modules purchased along with customizations and custom reports. Integration to Lawson.

City of Riverside, CA

Description of project - All modules purchased. Integration to SunGard.

Municipality of South Huron, ON

Description of project - Questica imported their Chart of Account and they manually keyed in their Salaries and Operating data as a cost saving measure. Integration to Dynamics GP.

City of Mississauga, ON

Description of project - implementation is on-going. All modules purchased along with customizations and custom reports. Custom benefit calculations are being created for different position groups. Integration to SAP.

Bob Vivash - Project Manager

Phone: (905) 634-0110 x 519

Toll Free: (877) 707-7755 x 519

Fax: (866) 520-8514

Email: bvivash@questica.com

Potential role(s) in implementation: Project Manager

EDUCATION & EXPERIENCE

Post Graduate Diploma in Business Information Technology – Manchester University

20+ years in IT Project Management including:

6 years implementing OLTP Pharmacy Claims processing

Recent Questica Budget Implementation experience

- City of Boston, MA
- City of Greeley, CO
- Langford, BC
- Town of Morrisville, NC
- Pinellas SunCoast Transit Authority, FL
- City of San Carlos, CA

Marjorie Johnson - Project Manager (back up only)

Phone: (905) 634-0110 x 510

Toll Free: (877) 707-7755

Fax: (866) 520-8514

Email: mjohnson@questica.com

Potential role(s) in this Project: Project Manager

EDUCATION & EXPERIENCE

- Certified General Accountant (CGA) Designation, 2004
- Life Management Institute, 2002
- Fellowship, Life Management Institute (FLMI) Insurance Designation
- Over 10 years of municipal experience

Other relevant qualifications

- Capital Manager at the **City of Vaughan**, Ontario - September 2003 - August 2007
- Systems Implementation, Development and Upgrade Experience including PeopleSoft, JD Edwards and Questica's Questica Budget Capital
- Over Six Years Combined Enterprise-wide Business Process Audit, Best Practices and Continuous Quality Improvement Experience
- Excellent Leadership, Project Management, Research and Communication Skills

Recent Questica Budget Implementation experience

City of Prince George, BC

The implementation of Questica Budget Capital was done in a matter of weeks. Integration to JD Edwards.

Town of Essex, ON

Description of project - Questica imported their Chart of Accounts while they manually keyed in their Operating and Salaries data as a cost saving measure. Integration to Dynamics GP.

Municipality of Centre Wellington, ON

Description of project - Implementation was done remotely with training being done onsite. A total of three custom reports were delivered. Integration to Dynamics GP.

City of Oceanside, CA

Description of project - all modules were purchased. Integration to Oracle systems.

Allan Booth - Project Manager (backup only)

Phone: (905) 634-0110 x 545

Mobile: (905) 559-0783

Toll Free: (877) 707-7755 x 545

Fax: (866) 520-8514

Email: abooth@questica.com

Potential role(s) in this Project: Project Manager, User Training

EDUCATION & EXPERIENCE

- 13 years in software design and implementations.
- Has successfully implemented over 30 ERP and Questica Budget projects across North America.
- Extensive history in web based design and managing of development groups
- Commercial Aviation and Flight Technology Diploma, Seneca College, 1993

Recent Questica Budget Implementation experience

- **Strathcona County, AB**
 - Description of project - All Questica Budget modules purchased. The County required a number of customizations, custom calculations and custom reports. Integration to JD Edwards.
- **Osceola County, FL**
 - Description of project - All modules purchased. Implementation was done remotely with training done onsite. Integration to SunGard.
- **Washington County, MD**
 - Description of project - Implementation was done remotely with training being done onsite. A total of five custom reports were delivered. Integration to PeopleSoft.
- **Municipality of Anchorage, AK**
 - Description of project - All implementation services were provided remotely except for onsite training. All modules purchased along with customizations and custom reports. Integration to PeopleSoft.

Steve Williamson - Project Manager

Phone: (905) 634-0110 x 501

Toll Free: (877) 707-7755 x 501

Fax: (866) 520-8514

Email: swilliamson@questica.com

Potential role(s) in this Project: Project Manager, User Training

EDUCATION & EXPERIENCE

- 5 years Intermediate Mechanical Designer at Nutech Engineering
- 5 years Senior Mechanical Designer at Rumble Automation
- 10+ years of IT Administration, from setting up Servers, Workstations, new application roll outs, and training (e.g. SolidWorks, Inventor, AutoCAD, SolidEdge, Office, etc.)

Recent Questica Budget Implementation experience

City of Windsor, ON

Description of project - Questica Budget Capital module was purchased in 2006. In 2010 The City purchased and installed the remaining modules – Questica Budget Operating and Questica Budget Salaries. As part of the implementation, Questica provided Ad-hoc reporting along with a several custom reports. Integration to PeopleSoft Financials and HR

Lac Ste. Anne County, AB

Description of project - all modules implemented. Integration to Dynamics GP

Frederick County, MD

All Questica Budget modules implemented. Integration to PeopleSoft Financials and HR

Sylvan Lake, AB

Description of project - Questica is importing their operating and capital data along with integrating Questica Budget with their financial solution. Integration to Dynamics GP

Oscar Asuncion - Project Manager

Phone: (905) 634-0110 x 525

Toll Free: (877) 707-7755 x 525

Fax: (866) 520-8514

Email: oasuncion@questica.com

Potential role(s) in implementation: Project Manager

EDUCATION & EXPERIENCE

A senior Project Manager with business analyst, technical support and escalation management experience. Customer-focused and goal-focused.

- Ryerson Polytechnic University, Toronto, ON- Certificate in Telecommunications Management, 1998
- University of Waterloo, Waterloo, ON — Bachelor of Mathematics, Applied Mathematics, 1992
- Services Program Manager
- Serviceability Engineer
- Critical Accounts Program Manager
- Senior CRM Technical Support Engineer

In addition, the following Questica personnel may be involved in the implementation process at varying points in time:

- TJ Parass - Project Manager (backup) /Owner
- James Orr - Developer / Manager
- RJ Ahuja - Developer / Manager
- Greg Double - Developer
- Kyle Wheaton - Developer
- Dave van Herten - Developer
- Steve Buchok - Developer
- John MacRae - Developer
- Marshall Bucek - Developer
- Ryan Hryczynski - Developer
- Malcolm Elsdon – Developer
- Jennifer Kozłowski - Developer
- Phil Long - Developer
- Ken Szreler - Product Specialist
- Rick Rogerson - Professional Services / Manager
- Morris Hall - Professional Services / Report Writer
- Tanya Chakhov - Professional Services / Report Writer
- Mark Ilagan - Professional Services / Report Writer
- George Boucher - Professional Services / Report Writer

Chapter 7 – Proposal Exceptions

The following related to “ATTACHMENT D Agreement for Services” of the RFP document.

Page 27 “CONTRACTOR’S SERVICES TO BE APPROVED BY A LICENSED PROFESSIONAL.”

This section should not apply to Questica since we are a software provider and do not supply services or solutions that have designated “Licensed Professionals”.

Page 30 “OWNERSHIP OF MATERIAL.”

The City maintains sole ownership of all data within the Questica database.

Questica Budget is a Commercial off the Shelf Solution (COTS) and as such, features and customizations are built into the core base of the software. Therefore, we cannot separate ownership of customizations from the core solution.

As per our License and Service Agreement, we would like to replace with:

2. OWNERSHIP AND COPYRIGHT. Questica is the owner of all intellectual property rights in the Work, related written materials, logos, names and other support materials provided pursuant to the terms of this Agreement. No title to the intellectual property in the Work or in any magnetic media or other physical media provided therewith is transferred to the Licensee by this Agreement.

Questica shall defend Licensee against any claim that the Work infringes a patent, copyright, trade-mark or other intellectual property right of any third party and Questica will pay resulting cost, damages and reasonable legal fees finally awarded, provided that i) Licensee promptly notifies Questica in writing of the claim; and ii) Questica has sole control of the defense and all related settlement negotiations.

If such claim has occurred or in Questica’s opinion is likely to occur, Licensee agrees to permit Questica at its option and expense, either to procure for Licensee the right to continue using the Work or to replace or modify the same so that it becomes non-infringing without loss of functionality.

Questica shall have no obligation to defend Licensee or to pay costs, damages or legal fees for any claim based upon use of other than a current unaltered release of the Work, if such infringement would have been avoided by the use of a current unaltered release thereof.

The foregoing states the entire obligations of Questica with respect to infringement or proprietary or intellectual rights of third parties.

Chapter 8 – Proposal Costs Sheet and Rates

ATTACHMENT E- Cost Proposal

Please Note that the below pricing does not include the optional Performance Measurements Module. Should the City wish the purchase this module, licenses would cost \$15,000 for up to 10 users + \$15,000 for Professional Services + \$3,450 for Maintenance and Support.

ATTACHMENT E Sample Cost Proposal Format

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, establishing a not-to-exceed amount. Additional services provided shall be calculated based on the hourly rate schedule provided.

The first year of the contract shall include the cost of all professional services required for installation, implementation, data conversion, application development, training, and the first year's warranty, maintenance, support and any applicable license costs.

***without
optional
module***

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit "A" ("Scope of Services") and reimbursable expenses shall not exceed \$ 235,000. CONSULTANT agrees to complete all Scope of Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation shall not exceed the hourly rate per the 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.

CONSULTANT shall perform the tasks and categories of work as outlined and budgeted below. The CITY's may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for the Scope of Services, including reimbursable expenses.

License Count

-Software Framework
-50 Operating Users
-50 Capital Users
-50 Salaries Users
-Unlimited Read Only Users
-Allocations Module

Services Provided:	Amount
1. License and Maintenance Fees	\$ 125,000
2. Professional Services	\$ 125,000
a. Task 1	\$
b. Task 2	\$
c. Task 3	\$
3. Licensing	\$
4. Annual Maintenance	\$ 28,750
Discount	(\$43,750)
Year 1 Total Cost	\$ 235,000
Annual Maintenance Cost	\$ 28,750
Hourly Rate for Additional Services By Position	
1. Position 1 Project Manager	\$/Hour \$200/Hr
2. Position 2 Professional Services	\$/Hour \$200/Hr
3. Position 3 Developer	\$/Hour \$200/Hr

Professional Services subject to Scope of Work

Attachments

ATTACHMENT B- Proposer's Information Form

ATTACHMENT B Proposer's Information Form

PROPOSER (please print): Questica Inc.

Name: Andre Aberdeen

Address: 880 Fraser Drive, Suite 105, Burlington, Ontario.

L7L 5B5, Canada

Telephone: (905) 634-0110/ (977) 707-7755

FAX: (866) 520-8514

Contact person, title, telephone number, email address and fax number: Andre Aberdeen
Account Manager, (905) 634-0110x503, aaberde@questica.com, (866) 520-8514

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

- ☐ Individual
☐ Joint Venture
☐ Partnership
☒ Corporation
☐ Governmental Entity

When incorporated? 1998

In what state? Ontario, Canada

When authorized to do business in California? 2011

☐ Other (explain): _____

ADDENDA

To assure that all Proposers have received each addendum, check the appropriate box(es) 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).

Request For Proposal (RFP) for Budget and Financial Planning System

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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.

(1) If Proposer is *INDIVIDUAL*, sign here:

Date: _____

Proposer's Signature

Proposer's typed name and title

(2) If Proposer is *PARTNERSHIP* or *JOINT VENTURE*, at least (2) Partners or each of the Joint Venturers shall sign here:

Partnership or Joint Venture Name
(type or print)

Date: _____

Member of the Partnership or Joint Venture
signature

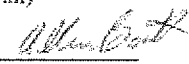
Date: _____

Member of the Partnership or Joint Venture
signature

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

The undersigned certify that they are respectively: Allan Booth- Treasurer (Title)
and _____ (Title)
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.

Questica Inc.
Corporation Name (type or print)

By: Allan Booth 
Title: Treasurer
Dated: 9 July 2019

By: _____
Title: _____
Dated: _____

(4) If Proposer is a **GOVERNMENTAL ENTITY**, the duly authorized officer(s) shall sign as follows:

The undersigned certify that they are respectively: _____ (Title)
and _____ (Title)
of the GOVERNMENTAL ENTITY named below; that they are designated to sign the Proposal Cost Form by resolution (attach an official copy, with Clerk's attestation) for and on behalf of the below named GOVERNMENTAL ENTITY, and that they are authorized to execute same for and on behalf of said GOVERNMENTAL ENTITY.

Governmental Entity (type or print)

By: _____
Title: _____
Dated: _____

By: _____
Title: _____
Dated: _____

ATTACHMENT C- Certification of Nondiscrimination

ATTACHMENT C Certification of Nondiscrimination

As suppliers of goods or services to the City of Santa Clara, the firm and individuals listed below certify that they do not discriminate in employment of any person because of race, color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, or familial status; and that they are in compliance with all Federal, State and local laws, directives and executive orders regarding nondiscrimination in employment.

(1) If Proposer is *INDIVIDUAL*, sign here:

Date: _____

Proposer's Signature

Proposer's typed name and title

(2) If Proposer is *PARTNERSHIP* or *JOINT VENTURE*, at least (2) Partners or each of the Joint Venturers 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**, the duly authorized officer(s) shall sign as follows:

The undersigned certify that they are respectively: Allan Booth- Treasurer (Title)
and _____ (Title)
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.

Questica Inc.

Corporation Name (type or print)

By: Allan Booth *Allan Booth*

Title: Treasurer

Dated: 9-11-2014

By: _____

Title: _____

Dated: _____

(4) If Proposer is a **GOVERNMENTAL ENTITY**, the duly authorized officer(s) shall sign as follows:

The undersigned certify that they are respectively: _____ (Title)
and _____ (Title)
of the GOVERNMENTAL ENTITY named below; that they are designated to sign the Proposal Cost Form by resolution (attach an official copy, with Clerk's attestation) for and on behalf of the below named GOVERNMENTAL ENTITY, and that they are authorized to execute same for and on behalf of said GOVERNMENTAL ENTITY.

Governmental Entity (type or print)

By: _____

Title: _____

Dated: _____

By: _____

Title: _____

Dated: _____

ATTACHMENT F- Insurance Requirements for Professional Services

Questica maintains General Liability, and Errors and Omissions insurance exceeds the requirements outlined in Attachment F. As a software developer, Questica is exempt from Workers compensation in Canada. Questica is subject to certificates being issued in the forms provided by its insurer. An insurance review can be completed at contract award or contract negotiations with the City's Risk Officer to ensure that the insurance verbiage and format is provided in a way that is acceptable to both the City and Questica's insurance providers.

Insurance Limits Overview:

- Per Occurrence bodily Injury and Property Damage- \$5,000,000
- Products and Completed Operations Aggregate \$5,000,000
- Personal and Advertising Liability- \$5,000,000
- Medical Payments- \$25,000
- General Aggregate- \$5,000,000
- Tenants Legal Liability- \$1,000,000
- Employer's Liability- \$1,000,000
- Non-Owned Automobile- \$2,000,000

ATTACHMENT H- Affidavit of Compliance with Ethical Standards

ATTACHMENT H Affidavit of Compliance with Ethical Standards

I, Allen Baith, being first duly sworn, state that I am Treasurer (title or capacity) of Questica, Inc. (entity name) and I hereby state that I have read and understand the language, entitled "Ethical Standards" set forth in Attachment G, and I have the authority to make these representations on my own behalf or on behalf of the legal entity identified herein. I have examined appropriate business records, and made appropriate inquiry of those individuals potentially included within the definition of "Contractor" contained in Ethical Standards, footnote 1.

Based on my review of the appropriate documents and my good-faith review of the necessary inquiry responses, I hereby state that neither the business entity nor any individual(s) belonging to said "Contractor" category [i.e., owner or co-owner of a sole proprietorship, general partner, person who controls or has power to control a business entity, etc.] has been convicted of any one or more of the crimes identified in the Ethical Standards within the past five (5) years.

The above assertions are true and correct and are made under penalty of perjury under the laws of the State of California.

[INSERT NAME OF COMPANY] Questica, Inc.
a [insert Corporation, Partnership, etc.] Corporation

Allen Baith
Signature of Authorized Person or Representative

Treasurer
Title

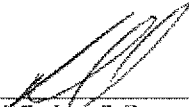
NOTARY'S ACKNOWLEDGMENT TO BE ATTACHED

Please execute the affidavit and attach a notary public's acknowledgment of execution of the affidavit by the signatory. If the affidavit is on behalf of a corporation, partnership, or other legal entity, the entity's complete legal name and the title of the person signing on behalf of the legal entity shall appear above. Written evidence of the authority of the person executing this affidavit on behalf of a corporation, partnership, joint venture, or any other legal entity, other than a sole proprietorship, shall be attached.

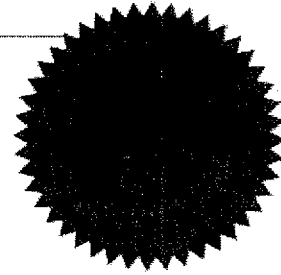
S:\Attorney\REQUEST FOR PROPOSAL\Request for Proposal Feb 2003.doc

I, Robert M. Forbes, Q.C. a notary public in and for the Province of Ontario, Canada do state that I have witnessed the signature of Allan Booth on the attached document whom I have identified through his Ontario Drivers Licence and who swore the same to be true.

Dated at Burlington this 9th day of July, 2014.


Robert M. Forbes, Q.C.
Notary Public

Notary Seal



Appendix

Sample License Agreement- On Premise



EXHIBIT A

QUESTICA BUDGET LICENSE AND SERVICE AGREEMENT

This SOFTWARE LICENSE AGREEMENT (the "Agreement") is made this *Sample* (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and *Sample*, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Licensee").

BACKGROUND

- A. Questica has made a substantial investment in the development of the QUESTICA BUDGET computer software products identified in the attached Quotation (the "Software"), and in the development of documentation related thereto (the "Documentation" and together with the Software, the "Work").
- B. Questica has the right to license the Work to third parties.
- C. The Licensee wishes to use the Work, and Questica has agreed to license such use, pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Licensee (collectively, the "Parties" and individually, a "Party") agree as follows:

1. PERMITTED USE. Subject to the terms of this Agreement, Questica hereby grants to Licensee a perpetual, Personal, non-transferable and non-exclusive license to use the Software, solely in executable code format, and the Documentation provided therewith, solely for Licensee's own internal business purposes exclusively within the facilities and sites within the jurisdiction of the Licensee.

If Licensee wishes to use the Software at or from an additional site or sites outside of its jurisdiction, Licensee agrees to obtain a separate license for such site(s). Licensee's right to use the Software and the Documentation is limited to those rights expressly set out herein. Licensee shall not use the Software, in whole or in part, on behalf of or for the benefit of any other Person, including an affiliate of the Licensee, except as expressly provided herein.

1.1 STAFF WORK-AT-HOME RIGHTS. Staff of the Licensee may use the Software from their home as an extension of the license granted to the Licensee, for business related purposes. Staff may not use the Software at home for personal purposes.

Licensee is responsible for ensuring that the Software is made inaccessible to its staff if a) any event causes the staff member to no longer be an employee for any reason, or b) the staff member would not normally require the use of the Software in the at-work environment.

1.2 PERMITTED CUSTOMIZATIONS. Questica also grants the Licensee a non-sublicensable, non-exclusive, non-transferable right to create, or to have created on its behalf, "Permitted Customizations" to the executable code components of the Software solely for internal use and only for use as part of and in conjunction with the related Software. "Permitted Customizations" is custom software or reports which are developed that access or interact with the Software or its associated database(s). The Licensee may only create Permitted Customizations that do not require access and changes to the source code. The Licensee may only create Permitted Customizations that do not require the source code of the Software to create the Permitted Customizations, and access the executable code version of the Software or its associated databases in a way that is reasonably practical without access to the source code of the Software at any time.

Permitted Customizations Do Not Inhibit Questica's Right to Innovate. Independently, Questica is continually innovating and improving the Software to meet the needs of its customers. The Licensee acknowledges that, while it has the ability to create its own Permitted Customizations, Questica must not be prevented from continuing to develop and enhance its software in any

respect, even if such modifications may be similar to the Permitted Customizations in functionality, appearance or otherwise. Therefore, if Questica develops any modifications which may be similar to the Permitted Customizations, Licensee agrees to not make any claim against Questica for infringement of any of its (or its subcontractors) rights in or to the Permitted Customizations. Questica shall not directly incorporate into its modifications any original source code independently developed by the Licensee.

1.3 RESTRICTIONS ON USE. Except as set forth herein, Licensee shall (a) not copy the Software except to copy it onto the site computers being used by Licensee and to make one copy of the Software solely for backup or testing purposes; (b) not copy any of the Documentation for any use outside the site; (c) not assign this Agreement or transfer, lease, export or grant a sub-Licensee of the Work or the license contained herein to any Person or organization except as and when authorized to do so by Questica in writing; (d) not reverse engineer, decompile or disassemble the Software; (e) not use the Work except as authorized herein; (f) take such precautions with respect to the Software, as it would take to protect its own proprietary software or hardware or information. For the purposes of this Agreement, "Person" includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other judicial entity recognized by law.

2. OWNERSHIP AND COPYRIGHT. Questica is the owner of all intellectual property rights in the Work, related written materials, logos, names and other support materials provided pursuant to the terms of this Agreement. No title to the intellectual property in the Work or in any magnetic media or other physical media provided therewith is transferred to the Licensee by this Agreement.

Questica shall defend Licensee against any claim that the Work infringes a patent, copyright, trade-mark or other intellectual property right of any third party and Questica will pay resulting cost, damages and reasonable legal fees finally awarded, provided that i) Licensee promptly notifies Questica in writing of the claim; and ii) Questica has sole control of the defense and all related settlement negotiations.

If such claim has occurred or in Questica's opinion is likely to occur, Licensee agrees to permit Questica at its option and expense, either to procure for Licensee the right to continue using the Work or to replace or modify the same so that it becomes non-infringing without loss of functionality.

Questica shall have no obligation to defend Licensee or to pay costs, damages or legal fees for any claim based upon use of other than a current unaltered release of the Work, if such infringement would have been avoided by the use of a current unaltered release thereof.

The foregoing states the entire obligations of Questica with respect to infringement or proprietary or intellectual rights of third parties.

3. LIMITED WARRANTY. Questica warrants that so long as Product Maintenance and Support services are provided by Questica, that the Software, when properly installed, will perform substantially in accordance with the accompanying written materials. If the Software does not so perform during such period, Questica will correct, at no cost to Licensee, programming errors in the Software to make the Software so perform provided that i) the Software has been properly used by the Licensee in accordance with the documentation furnished by Questica to Licensee in connection therewith; ii) Licensee notifies Questica of the programming errors and describes the nature of the suspected errors and of the circumstances in which they occur; iii) Questica, using reasonable efforts, is able to confirm the existence of the programming errors; and iv) Licensee or any third party has not changed or modified the Software.

Licensee agrees that Questica shall not be liable to the Licensee or any other person, regardless of the cause, for the effectiveness or accuracy of the Software, the Documentation or any other related materials, or for any other special, indirect, incidental or consequential damages arising from or occasioned by the use of the Software, the Documentation or the related materials, or the failure or omission on the part of Questica to comply with its obligations under this Agreement.

The Licensee hereby agrees that Questica's maximum liability for any claim arising in connection with the Software, the Documentation or any related materials (whether in contract, tort, including negligence, product liability or otherwise) shall not exceed the total License Fee paid by the Licensee.

THE ABOVE EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS (EXPRESS AND IMPLIED) AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO OTHER WARRANTIES OR CONDITIONS EXPRESS OR IMPLIED ARE GIVEN.

4. LIMITATIONS OF REMEDIES AND DAMAGES. Subject to Section 10 hereof, Questica's entire liability and the Licensee's exclusive remedy under this agreement shall be i) if Questica is in breach of the Limited Warranty, to require Questica to replace any defective media or to correct any defects and make any modifications which are necessary to cause the Software to conform in all material respects to the Documentation; or ii) the termination of this agreement.

In the event of any such termination, Questica shall not be liable in the aggregate for any damages which exceed the amount paid hereunder by the Licensee to Questica as Software License Fees. In no event shall Questica be liable for indirect, special, incidental, or consequential damages, even if advised of the possibility of such damages.

5. DISPUTE RESOLUTION / ARBITRATION. In the event of any dispute arising out of or relating to and/or in connection with this Agreement, the parties' project managers shall use every reasonable effort to resolve such dispute in good faith within ten (10) business days. If the project managers have failed to resolve the dispute within such time frame, then the dispute shall be escalated to the next escalation level. At each escalation level, the designated executives shall negotiate in good faith in an effort to resolve the dispute.

Escalation Level	Questica Management Level	Licensee Management Level	Period of Resolution Efforts
First Level	Project Manager	Project Manager	10 business days
Second Level	President	Finance Department Manager	10 business days
Third Level	Chairman	Director of Finance or Treasurer	10 business days

If the above escalation periods have elapsed and there continues to be a dispute as to any matter herein, the matter in dispute shall be referred to arbitration by a single arbitrator, if such parties agree upon one arbitrator, or otherwise by three arbitrators, of whom one shall be appointed by Licensee and one shall be appointed by Questica and the third shall be chosen by the first two named before the arbitration. The arbitration and the appointment of the arbitrator shall, unless expressly provided for herein, be conducted in accordance with the Arbitrations Act (Ontario). The award and determination of such arbitrator, arbitrators or any two of such three arbitrators **shall be binding** upon the parties and their respective successors and permitted assigns. Licensee and Questica shall co-operate in completing any arbitration as expeditiously as possible and the arbitrator or arbitrators may hear such experts as may appear to him or them appropriate. Any interested party shall bear its costs and expenses incurred in connection with the arbitration except for the cost of the arbitrator or arbitrators and experts engaged by him or them which shall be borne by Questica and Licensee equally. Notwithstanding the foregoing, arbitration shall not preclude the right of either party to seek injunctive relief.

6. IRREPARABLE HARM. Licensee acknowledges and agrees with Questica that the breach by it of any of the provisions of Sections 1- 4, 8 or 10 of this Agreement would cause serious harm to Questica which could not adequately be compensated for in damages and in the event of a breach by Licensee of any of such provisions, Licensee understands that an injunction may be issued against it restraining it from any further breach of such provisions, but such actions shall not be construed so as to be in derogation of any other remedy which Questica may have in the event of such breach.

7. PRODUCT MAINTENANCE AND SUPPORT. For the first year of this Agreement, upon paying the Licensee Fee and for each year thereafter, provided that Licensee continues to pay the Annual Product Maintenance and Support Fee in accordance with the attached quotation, Questica shall provide the following Maintenance and Technical Support services (the "Services") for the software if the Licensee is not otherwise in breach of the provisions of this Agreement:

(A) **Product Maintenance.** On an as-available basis, Questica will provide enhancements, modifications or upgrades to the Software as Questica may from time to time make available to its Licensees generally ("Updates") but excluding any New Product (a "New Product" being a solution which, in Questica's determination and subject to general industry standards, does not replace the Software licensed hereunder.) Updates do not include:

- I. Platform extensions including product extensions to (i) different hardware platforms; (ii) different windowing system platforms; (iii) different operating system platforms
- II. New applications
- III. Services associated with the application or installation of Updates

Installation of Updates is the responsibility of the Licensee. If requested, Questica will provide assistance in the installation of Updates on a time and materials basis at its then current rates.

(B) **Technical Support Services.** Comprehensive Phone and e-mail based Technical Support of a reasonable nature. A technical support incident or problem is a single user defined problem seeking resolution. It must be related to the

original intent and design of the software. Support Services include the support of Questica supplied integrations that have not been modified by the Licensee. Each support incident is deemed closed when a remedy, workaround, or recommendation for the installation of a current maintenance release has been offered, and a commercially reasonable effort has been made to restore operation to the original intent and design of the software. Technical Support does not include:

- I. Custom Programming Services.
- II. On-site support.
- III. Software Installation or re-installation.
- IV. Update Installation, or data and report updates required to support Updates.
- V. Licensee developed interfaces, API interactions, or customizations.
- VI. Licensee developed reports.
- VII. End-User Training or Re-Training.
- VIII. Licensee Hardware Issues.
- IX. Correction of data issues derived from user error or product misuse.
- X. Changes to Questica developed custom reports or product customizations (including Questica supplied custom business rules or customized user screens) that are outside the scope of the accepted specification, scope of work, or authorized change requests.
- XI. Changes to Questica developed custom reports beyond six months from the date of delivery.
- XII. Changes to product customizations beyond six months from the date of delivery (the warranty period). Beyond this period support will be provided only if annual product maintenance was sold with, and the licensee continues to maintain, annual maintenance on the customization provided.
- XIII. Changes to integration functionality made necessary due to licensee server modifications/replacement, or changes by upgrades or changes to the integrated financial system software or hardware.

Licensee is responsible for all hardware, operating systems, network setup, network maintenance and setup and use of any file access control systems required in the support of the Software. Licensee may be required to grant Questica certain limited access rights to Licensee's computer systems in order to render support.

Licensee is responsible for ensuring that its personnel have sufficient training to attain and maintain competence in the operation of the Software.

Technical Support is available through Questica's normal business hours, Monday through Friday, 9am through 4:30pm, Eastern Standard Time. Extended coverage is available for an additional fee. Questica will provide an initial response to all properly submitted support requests within two (2) hours of initial submission.

8. CONFIDENTIAL INFORMATION. Each of the Parties shall use reasonable efforts (and, in any event, efforts that are no less than those used to protect its own confidential information) to protect from disclosure the confidential information only to its employees or agents who require access to it for the purpose of this Agreement or as otherwise provided in this Agreement. This Section shall survive the termination of the Agreement. For the purposes of this Section, "confidential information" means all data information which when it is disclosed by a Party is designated as confidential and shall include the Work and any other proprietary and trade secrets of Questica to which access is obtained or granted hereunder to Licensee; provided, however that confidential information shall not include any data or information which (a) is or becomes publicly available through no fault of the other Party, (b) is already in the possession of the Party prior to its receipt from the other Party, (c) is independently developed by the other Party, (d) is rightfully obtained by the other Party from a third party, (e) is disclosed with the written consent of the Party whose information it is, or (f) is disclosed pursuant to court order, or other legal compulsion.

9. NONDISCLOSURE OF AGREEMENT. Neither Party shall disclose the terms of this Agreement except as required by law or governmental regulation, without the other party's prior written consent, except that either Party may disclose the terms of this Agreement on a confidential basis to accountants, attorneys, and financial advisors and lenders.

10. TERMINATION. This Agreement is effective as of the Effective Date and shall continue unless and until this Agreement is terminated. Licensee may terminate this Agreement if Questica is declared insolvent, has assigned this Agreement in violation of the terms and conditions herein, or has made an assignment for the benefit of creditors.

After a one year period from the Effective Date, the Licensee may terminate this Agreement at any time for any reason, or no reason, providing their financial obligations to Questica as detailed in the attached Quotation *Sample* have been satisfied and paid in full. If the Agreement is terminated in this manner, no refund will be provided for any maintenance or support services paid in advance.

In the event that Licensee shall be in breach of any provisions of the Dispute Resolution / Arbitration Section outlined in this Agreement, Questica may provide notice of such breach to Licensee, who shall have thirty (30) days from the date of such

notice to cure or rectify the said breach. Should Licensee fail to cure or rectify the said breach in the said thirty (30) days, Questica may terminate this Agreement. Such termination by Questica shall be in addition to and without prejudice to such rights and remedies as may be available to Questica including injunction and other equitable remedies.

The provisions of Sections 1-3, 8, 9, and 11 herein shall survive the termination of this Agreement.

11. DISENTAGLEMENT. In the event that Licensee has entered into or enters into agreements with other Contractors or government institutions for additional work related to the Capital or Operating Budgeting process, Questica agrees to cooperate with such other parties. Questica shall not commit any act which will unnecessarily interfere with the work performed by any such third parties.

In the event of termination of this Agreement, Questica agrees that it shall provide reasonable assistance to, and shall not hinder a complete transition of the software functionality being terminated from Questica and its subcontractors to the Licensee, or to any replacement provider designated by the Licensee, without any interruption of or adverse impact on the services provided hereunder or any other services provided by third parties. Any additional services requested by Licensee during the disentanglement period shall be provided by Questica at Questica's standard rates.

12. NOTICE. Any notice or other communication required or permitted to be given hereunder or for the purposes hereof to any party shall be in writing and shall be sufficiently given if delivered personally to such party, or if sent by prepaid registered mail or if transmitted by facsimile transmissions to such Parties as detailed in the attached Quotation or at such other address or facsimile number as the Party to whom such notice is to be given shall have last notified (in the manner provided herein) the Party giving such notice. Any notice delivered to the Party to whom it is addressed as provided herein shall be deemed to have been given and received on the day it is delivered at such address, provided that if such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed to a Party shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing provided that no postal strike is then in effect or comes into effect within four (4) Business Days after such mailing. Any notice transmitted by facsimile shall be deemed given and received on the day of its transmission if such day is a Business Day and if not, then on the next day that is a Business Day.

13. FORCE MAJEURE. Except as expressly provided otherwise in this agreement, dates and times by which any Party is required to render performance under this agreement or any schedule hereto shall be postponed automatically to the extent and for the period that such Party is prevented from meeting them by reason of any cause beyond its reasonable control (other than lack of funds), provided that the Party prevented from rendering performance notifies the other Party immediately and in detail of the commencement and nature of such cause and the probable consequences thereof, and provided further that such Party uses its reasonable efforts to render performance in a timely manner utilizing to such end all resources reasonably required in the circumstances, including obtaining supplies or services from other sources if same are reasonably available.

14. SOFTWARE ESCROW. Questica will deposit in escrow the Software source code for the most recent version of the Software. The Escrow Agent will be authorized to release the escrowed source code to the Licensee should Questica become insolvent or cease to carry on business and the business of Questica is not continued by a Receiver or Trustee or Assignee.

15. MEDIA RELEASES. Neither party shall use the name, trademark or logo of the other party without the prior written consent of the other party. Notwithstanding the foregoing, Questica may use the Licensee's name and identify the Licensee as a Questica client in advertising, marketing materials, press releases and similar materials.

16. USE OF SUBCONTRACTORS. Questica warrants that all persons assigned by it to the performance of this Agreement shall be employees or authorized subcontractors of Questica and shall be fully qualified to work under this Agreement. Questica shall ensure that an adequate number of appropriately qualified personnel are employed and available to satisfy its obligations as outlined in this Agreement.

17. EXPORT CONTROL. The Software is intended for distribution only in the United States and Canada. Licensee agrees that it will not directly or indirectly, export or re-export the Software (or portions thereof) to any country, person, entity or end user subject to U.S. or Canadian export restrictions.

18. MISCELLANEOUS. This Agreement, including all Schedules and Exhibits attached hereto, is the entire agreement between Licensee and Questica pertaining to Licensee's right to use the Work and supersedes all prior or collateral oral or written representations or agreement related thereto. This Agreement shall be governed by the law of the province of Ontario, Canada. Except as otherwise provided herein, no term or provisions hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

19. HEADINGS; SEVERABILITY. The headings and other captions in this Agreement are for convenience and reference only and are not to be construed in any way as additions or limitations of the covenants and agreements contained in this Agreement. In the event that any provision hereof is found invalid or enforceable pursuant to judicial decree or decision, any such provision

shall be deemed to apply only to the maximum extent permitted by law, and the remainder of this Agreement shall remain valid and enforceable according to its terms.

END OF LICENSE AND SERVICE AGREEMENT DOCUMENT

Sample License Agreement- SaaS



QUESTICA BUDGET SUBSCRIPTION AGREEMENT

This SOFTWARE SUBSCRIPTION AGREEMENT (the "Agreement") is made this DATE (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and Customer Name, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Subscriber").

1. DEFINITIONS

"Affiliate" means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control," for the purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.

"Malicious Code" means viruses, worms, time bombs, Trojan horses, and other harmful or malicious code, files, scripts, agents or programs.

"Order Form" means the documents for placing orders hereunder, including addenda thereto, that are entered into between You and Us from time to time, including addenda and supplements thereto. By entering into an Order Form hereunder, an Affiliate agrees to be bound by the terms of this agreement as if it were an original party hereto. Order Forms shall be deemed incorporated herein by reference.

"Purchased Services" means Services that You or Your Affiliates purchased under an Order Form

"Services" means the products and services that are ordered by You under an Order Form and made available by Us online

"User Guide" means the on-line users guide for the Services, made available on-line

"Users" means individuals who are authorized by You to use the Services, for whom subscriptions to a Service have been ordered, and who have been supplied user identifications and passwords by You, (or by Us at your request). Users may include but are not limited to Your employees, consultants, contractors and agents, and third parties with which You transact business.

"We," "Us," "Our," "Questica Inc." or "Questica" means the company or entity providing the Services in the Agreement

"You", "Your", "Subscriber" means the company or other legal entity for which you are accepting the Agreement and Affiliates of that company or entity.

"Your Data" means all electronic data or information submitted by You to the Purchased Services.

2. PURCHASED SERVICES

2.1 Provision of Purchased Services. We shall make the Purchased Services available to You pursuant to this Agreement and the relevant Order Forms during a subscription term. You agree that Your purchases hereunder are neither contingent on the delivery of any future functionality or features nor dependent on any oral or written public comments made by Us regarding future functionality or features.

2.2 User Subscriptions. Unless otherwise specified in the applicable Order Form, (i) Services are purchased as User subscriptions and may be accessed by no more than the specified number of Users, (ii) additional User subscriptions may be added during the applicable subscription term at the same price as that for the pre-existing subscriptions

thereunder, prorated for the remainder of the subscription term in effect at the time the additional User subscriptions are added and (iii) the added User subscriptions shall terminate on the same day as the pre-existing subscriptions. User subscriptions are for designated Users only and cannot be shared or used by more than one user but may be reassigned to new Users replacing former Users who no longer require ongoing use of the Services.

3. USE OF THE SERVICES

3.1 Our Responsibilities. We shall: (i) provide Our basic support for the Purchased Services to You at no additional charge, and/or upgraded support if purchased separately, (ii) use commercially reasonable efforts to make the Purchased Services available 24 hours a day, 7 days a week, except for: (a) planned downtime (of which We shall give at least 8 hours' notice via the Purchased Services and which We shall schedule to the extent practicable during the weekend hours from 6:00 pm Friday to 3:00 am Monday Pacific Time), or (b) any unavailability caused by circumstances beyond Our reasonable control, including without limitation, acts of God, acts of government, floods, fires, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Our employees), Internet services provider failure or delays, or denial of service attacks, and (iii) provide the Purchased Services only in accordance with applicable laws and government regulations.

3.2 Our Protection of Your Data. We shall maintain appropriate administrative, physical and technical safeguards for protection of the security, confidentiality and integrity of Your Data. We shall not (a) modify Your Data, (b) disclose Your Data except as compelled by law in accordance with Section 6.3 (Compelled Disclosure) or as expressly permitted in writing by You, or (c) access Your Data except to provide the Services and prevent or address service or technical problems, or at Your request in connection with customer support matters.

3.3 Your Responsibilities. You shall (i) be responsible for Users' compliance with this Agreement, (ii) be responsible for the accuracy, quality and legality of Your Data and of the means by which You acquired Your Data, (iii) use commercially reasonable efforts to prevent unauthorized access to or use of the Services, and notify Us promptly of any such unauthorized access or use, and (iv) use the Services only in accordance with the User Guide and applicable laws and government regulations. You shall not (a) make the Services available to anyone other than Users, (b) sell, resell, rent or lease the Services, (c) use the Services to store or transmit material in violation of third-party privacy rights, (d) use the Services to store or transmit Malicious Code, (e) interfere with or disrupt the integrity or performance of the Service or third-party data contained therein, or (f) attempt to gain unauthorized access to the Services or their related systems or networks.

4. FEES AND PAYMENTS FOR PURCHASED SERVICES

4.1 Fees. You shall pay all fees specified in all Order Forms hereunder. Except as otherwise specified herein or in an Order Form, (i) fees are based on services purchased and actual usage, (ii) payment obligations are non-cancelable and fees paid are non-refundable, and (iii) the number of User subscriptions purchased cannot be decreased during the relevant subscription term stated on the Order Form. User subscription fees are based on monthly periods that begin on the subscription start date and each monthly anniversary thereof; therefore, fees for User subscriptions added in the middle of a monthly period will be charged for the full monthly period and the monthly periods remaining in the subscription term.

4.2 Invoicing and Payment. You will provide Us with valid and updated credit card information, or with a valid purchase order or alternative document reasonably acceptable to Us. If you provide credit card information to Us, You authorize Us to charge such credit card for all Services listed in the Order Form for the initial subscription term and any renewal subscription term(s) as set forth in Section 10.2 (Term of Purchased User Subscriptions). Such charges shall be made in advance, either annually or in accordance with any different billing frequency stated in the applicable Order Form. If the Order Form specifies that payment will be by a method other than a credit card, We will invoice You in advance and otherwise in accordance with the relevant Order Form. Unless otherwise stated in the Order Form, invoiced charges are due net 30 days from the invoice date. You are responsible for providing complete and accurate billing and contact information to Us and notifying Us of any changes to such information.

- 4.3 Overdue Charges.** If any changes are not received from You by the due date, then at Our discretion, (a) such charges may accrue late interest at a rate of 1.5% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower, from the date such payment was due until the date paid, and/or (b) We may condition future subscription renewals and Order Forms on payment terms shorter than those specified in Section 4.2 (Invoicing and Payment)
- 4.4 Suspension of Service and Acceleration.** If any amount owing by You under this or any other agreement for Our services is 30 or more days overdue (or 10 or more days in cases where You authorized us to charge Your credit card), We may, without limiting Our other rights and remedies, accelerate Your unpaid fee obligations under such agreements so that all such obligations become immediately due and payable, and suspend Our services to You until such amounts are paid in full. We will give You at least 7 days prior notice that Your account is overdue, in accordance with Section 11.1 (Manner of Giving Notice), before suspending services to You.
- 4.5 Payments and Disputes.** We shall not exercise Our rights under Section 4.3 (Overdue Charges) or 4.4 (Suspension of Service and Acceleration) if You are disputing the applicable charges reasonably and in good faith and are cooperating diligently to resolve the dispute.
- 4.6 Taxes.** Unless otherwise stated, Our fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including but not limited to value-added, sales, use or withholding taxes, assessable by any local, state, provincial, federal, or foreign jurisdiction (collectively, "Taxes"). You are responsible for paying all Taxes associated with Your purchases hereunder. If We have the legal obligation to pay or collect Taxes for which You are responsible under this paragraph, the appropriate amount shall be invoiced to and paid by You, unless You provide Us with a valid tax exemption certificate authorized by the appropriate taxing authority. For clarity, We are solely responsible for taxes assessable against it based on Our income, property and employees.

5. PROPRIETARY RIGHTS

- 5.1 Reservation of Rights in Services.** Subject to the limited rights expressly granted hereunder, We reserve all rights, title and interest in and to the Services, including all related intellectual property rights. No rights are granted to You hereunder other than as expressly set forth herein.
- 5.2 Restrictions.** You shall not (i) permit any third-party to access the Services except as permitted herein or in an Order Form (ii) create derivative works based on the Services except as contained herein, (iii) copy, frame or mirror any part or content of the Services, other than copying or framing on Your own intranets or otherwise for Your own internal business purposes, (iv) reverse engineer the Services, or (v) access the Services in order to (a) build a competitive product or service, or (b) copy any features, functions or graphics of the Services.
- 5.3 Your Applications and Code.** If You, a third party acting on Your behalf, or a User creates applications or program code using the Services, You authorize Us to host, copy, transmit, display and adapt such applications and program code, solely as necessary for Us to provide the Services in accordance with this Agreement. Subject to the above, We acquire no right, title or interest from You or Your licensors under this Agreement in or to such applications or program code, including any intellectual property rights therein.
- 5.4 Your Data.** Subject to the limited rights granted to You hereunder, We acquire no right, title or interest from You or Your licensors under this Agreement in or to Your Data, including any intellectual property rights therein.
- 5.5 Suggestions.** We shall have a royalty-free, worldwide, irrevocable, perpetual license to use and incorporate into the Services any suggestions, enhancement requests, recommendations or other feedback provided by You, including Users, relating to the operation of the Services.

6. CONFIDENTIALITY

- 6.1 Definition of Confidential Information.** As used herein, “Confidential Information” means all confidential information disclosed by a party (“Disclosing Party”), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Your Confidential Information shall include Your Data; Our Confidential Information shall include the Services; and Confidential Information of each party shall include the terms and conditions of this Agreement and all Order Forms, as well as business and marketing plans, technology and technical information, product plans and designs, and business processes disclosed by such party. However, Confidential Information (other than Your Data) shall not include any information that (i) is or becomes generally known to the public without breach of any obligation owed to the Disclosing Party, (ii) was known to the Receiving Party prior to its disclosure by the Disclosing Party without breach of any obligation owed to the Disclosing Party (iii) is received from a third party without breach of any obligation owed to the Disclosing Party, or (iv) was independently developed by the Receiving Party.
- 6.2 Protection of Confidential Information.** The Receiving party shall use the same degree of care that uses to protect the confidentiality of its own confidential information of like kind (but in no event less than reasonable care) (i) not to use any Confidential Information of the Disclosing Party for any purpose outside the scope of this Agreement, and (ii) except as otherwise authorized by the Disclosing Party in writing, to limit access to Confidential Information of the Disclosing Party to those of its and its Affiliates’ employees, contractors and agents who need such access for purposes consistent with this Agreement and who have signed confidentiality agreements with the Receiving Party containing protections no less stringent than those herein. Neither party shall disclose the terms of this Agreement or any Order Form to any third party other than its Affiliates and their legal counsel and accountants without the other party’s prior written consent.
- 6.3 Compelled Disclosure.** The Receiving Party may disclose Confidential Information of the Disclosing Party if it is compelled by law to do so, provided the Receiving Party gives the Disclosing Party prior notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party’s cost, if the Disclosing Party wishes to contest such disclosure. If the Receiving Party is compelled by law to disclose the Disclosing Party’s Confidential Information as part of a civil proceeding to which the Disclosing Party is a party, and the Disclosing Party is not contesting the disclosure, the Disclosing Party will reimburse the Receiving Party for its reasonable costs of compiling and providing secure access to such Confidential Information.

7. WARRANTIES AND DISCLAIMERS

- 7.1 Our Warranties.** We warrant that (i) We have validly entered into this Agreement and have the legal power to do so, (ii) the Services shall perform materially in accordance with the User Guide, (iii) the functionality of the Services will not be materially decreased during a subscription term, and (iv) We will not transmit Malicious Code to You, provided it is not in breach of this subpart (iv) if You or a User uploads a file containing Malicious Code into the Services and later downloads that file containing Malicious Code. For any breach of a warranty above, Your exclusive remedy shall be as provided in Section 10.3 (Termination for Cause) and Section 10.4 (Refund or Payment upon Termination) below.
- 7.2 Your Warranties.** You warrant that You have validly entered into this Agreement and have the legal power to do so.
- 7.3 Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY WARRANTIES OF KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

8. MUTUAL INDEMNIFICATION

8.1 Indemnification by Us. We shall defend You against any claim, demand, suit, or proceeding made or brought against You by a third party alleging that the use of the Services as permitted hereunder infringes or misappropriates the intellectual property rights of a third party (a **"Claim Against You"**), and shall indemnify You for any damages, attorney fees and costs finally awarded against You as a result of , and for amounts paid by You under a court-approved settlement of, a Claim Against You; provided that You (a) promptly give Us written notice of the Claim Against You; (b) Give Us sole control of the defense and settlement of the Claim Against You (provided that We may not settle any Claim Against You unless the settlement unconditionally releases You of all liability); and (c) provide to Us all reasonable assistance, at Our expense. In the event of a Claim against You, or if we reasonably believe the Services may infringe or misappropriate. We may in Our discretion and at no cost to you (i) modify the Services so that they no longer infringe or misappropriate, without breaching Our warranties under "Our Warranties" above, (ii) obtain a license for Your continued use of the Services in accordance with this Agreement, or (iii) terminate Your User subscriptions for such services upon 30 days' written notice and refund to You any prepaid fees covering the remainder of the term of such User subscriptions after the effective date of termination.

8.2 Indemnification by You. You shall defend Us against any claim, demand, suit or proceeding made or brought against Us by a third party alleging that Your Data, or Your use of the Services in breach of this Agreement, infringes or misappropriates the intellectual property rights of a third party or violates applicable law (a **"Claim Against Us"**), and shall indemnify Us for any damages, attorney fees and costs finally awarded against us as a result of, or for any amounts paid by Us under a court-approved settlement of, a Claim Against Us; provided that We (a) promptly give You written notice of the Claim Against Us; (b) give You sole control of the defense and settlement of the Claim Against Us (provided that You not settle any Claim Against Us unless the settlement unconditionally releases Us of all liability); and (c) provide to You all reasonable assistance, at Your expense.

8.3 Exclusive Remedy. This Section 8 (Mutual indemnification) states the indemnifying party's sole liability to, and the indemnified party's exclusive remedy against, the other party for any type of claim described in this Section.

9. LIMITATION OF LIABILITY

9.1 Limitation of Liability. NEITHER PARTY'S LIABILITY WITH RESPECT TO ANY SINGLE INCIDENT ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) SHALL EXCEED THE AMOUNT PAID BY YOU HEREUNDER IN THE 12 MONTHS PRECEDING THE INCIDENT, PROVIDED THAT IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) EXCEED THE TOTAL AMOUNT PAID BY YOU HEREUNDER. THE FOREGOING SHALL NOT LIMIT YOUR PAYMENT OBLIGATIONS UNDER SECTION 4 (FEES AND PAYMENT FOR PURCHASED SERVICES)

9.2 Exclusion of Consequential and Related Damages. IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS OR REVENUES OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING DISCLAIMER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

10. TERM AND TERMINATION

10.1 Term of Agreement. This Agreement commences on the date You accept it and continues until all User subscriptions granted in accordance with this Agreement have expired or been terminated.

10.2 Term of Purchased User Subscriptions. User subscriptions purchased by You commence on the start date specified in the specific Order Form and continue for the subscription term specified therein. **Except as otherwise specified in the applicable Order Form, all user subscriptions shall automatically renew for additional periods equal to the expiring**

subscription term or one year (whichever is shorter), unless either party gives the other notice of non-renewal at least 30 days before the end of the relevant subscription term. The per-unit pricing during any such renewal term shall be the same as that during the prior term unless We have given You written notice of a pricing increase at least 60 days before the end of such prior term, in which case the pricing increase shall be effective upon renewal and thereafter. Any such pricing increase shall not exceed 7% of the pricing for the relevant Services in the immediately prior subscription term, unless the pricing in such prior term was designated in the relevant Order Form as promotional or one-time.

10.3 Termination for Cause. A party may terminate this Agreement for cause: (i) upon 30 days written notice to the other party of a material breach if such breach remains uncured at the expiration of such period, or (ii) if the other party becomes the subject of a petition in bankruptcy or any other proceedings relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

10.4 Refund or Payment upon Termination. Upon any termination for cause by You, We shall refund You any prepaid fees covering the remainder of the term of all subscriptions after the effective date of termination. Upon any termination for cause by Us, You shall pay any unpaid fees covering the remainder of the term of all Order Forms after the effective date of termination. In no event shall any termination relieve You of the obligation to pay any fees payable to Us for the period prior to the effective date of termination.

10.5 Return of Your Data. Upon request made by You within 30 days after termination of a Purchased Services subscription, We will make available to You for download a file of Your Data in comma separated value (.csv) format along with attachments in their native format. After such 30 day period, We shall have no obligation to maintain or provide any of Your Data and shall thereafter, unless legally prohibited, delete all of Your Data in Our systems or otherwise in Our possession or under Our control.

10.6 Surviving Provisions. Section 4 (Fees and Payment for Purchased Services), 5 (Proprietary Rights), 6 (Confidentiality), 7.3 (Disclaimer), 8 (Mutual Indemnification), 9 (Limitation of Liability), 10.4 (Refund or Payment upon Termination), 10.5 (Return of Your Data), 11 (Notices, Governing Law, Jurisdiction) and 12 (General Provisions) shall survive any termination or expiration of the Agreement.

11. NOTICES, GOVERNING LAW AND JURISDICTION

11.1 Manner of Giving Notice. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) the second business day after mailing, (iii) the second business day after sending by confirmed facsimile, (iv) the first business day after sending by email (provided that email shall not be sufficient for notices of termination or an indemnifiable claim) Billing- related notices to You shall be addressed to the relevant billing contact designated by You. All other notices to You shall be addressed to the relevant Services system administrator designated by You.

11.2 Agreement to Governing Law and Jurisdiction. Each party agrees that the governing law will be that of the Province of Ontario, Canada and to the exclusive jurisdiction of the City of Toronto, Ontario, Canada.

11.3 Waiver of Jury Trial. Each party hereby waives any right to jury trial in connection with any action or litigation in any way arising out of or related to this Agreement.

12. GENERAL PROVISIONS

12.1 Anti-Corruption. You have not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from any of Our employees or agents in connection with this Agreement. Reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction.

12.2 Relationship of the Parties. The parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the parties.

12.3 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

12.4 Export Compliance. The Services, other technology We make available, and derivatives thereof may be subject to export laws and regulations of the United States, Canada and other jurisdictions. Each party represents that it is not named on any US or Canadian government denied-party list. You shall not permit Users to access or use Services in a US or Canada embargoed country or in violation of any US or Canadian export law or regulation.

12.5 Waiver. No failure or delay by either party in exercising any right under this Agreement shall constitute a waiver of that right

14.6 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement shall remain in effect

14.7 Attorney Fees. You shall pay on demand all of Our reasonable attorney fees and other costs incurred by Us to collect any fees or charges due Us under this Agreement following Your breach of Section 4.2 (Invoicing and Payment).

14.8 Assignment. Neither party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other party (not to be unreasonably withheld). Notwithstanding the foregoing, either party may assign this Agreement in its entirety (including all Order Forms), without consent of the other party, to its Affiliate or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets not involving a direct competitor of the other party. A party's sole remedy for any purported assignment by the other party in breach of this paragraph shall be, at the non-assigning party's election, termination of this Agreement upon written notice to the assigning party. In the event of such a termination, We shall refund to You any prepaid fees covering the remainder of the term of all subscriptions after the effective date of termination. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

14.9 Entire Agreement. This Agreement, including all exhibits and addenda hereto and all Order Forms, constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and either signed or accepted electronically by the party against whom the modification, amendment or waiver is to be asserted. However, to the extent of any conflict or inconsistency between the provisions in the body of this Agreement and any exhibit or addendum hereto or any Order Form, the terms of such exhibit, addendum or Order Form shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in Your purchase order or other order documentation (excluding Order Forms) shall be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void.

14.10 Media Releases. Neither party shall use the name, trademark or logo of the other party without the prior written consent of the other party. Notwithstanding the foregoing, We may use the Your name and identify You as a Questica client in advertising, marketing materials, press releases and similar materials.

END OF SUBSCRIPTION AGREEMENT

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT A2

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal entitled, "Questica Budget License and Service Agreement," which is attached to this Exhibit A2. It is intended by the Parties that the Master Agreement terms shall control, except that the following Exhibit A2 terms may also be enforced as part of the Master Agreement: Sections 1, 1.1, 1.2, 1.3, 2, 3, 7, 11, 14, and 17. If a section of the Questica Budget License and Service Agreement is not listed herein as enforceable, then the Parties intend that those sections are not controlling and are not part of the Master Agreement.

Exhibit A2 also includes "Appendix A – Maintenance and Technical Support Services" and "Scope of Work Questica Budget Implementation for City of Santa Clara" without reservations or exceptions.



QUESTICA BUDGET LICENSE AND SERVICE AGREEMENT

This SOFTWARE LICENSE AGREEMENT (the "Agreement") is made this **Aug 26, 2014** (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and **City of Santa Clara, CA**, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Licensee").

BACKGROUND

- A. Questica has made a substantial investment in the development of the QUESTICA BUDGET computer software products identified in the attached Quotation (the "Software"), and in the development of documentation related thereto (the "Documentation" and together with the Software, the "Work").
- B. Questica has the right to license the Work to third parties.
- C. The Licensee wishes to use the Work, and Questica has agreed to license such use, pursuant to the terms of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Licensee (collectively, the "Parties" and individually, a "Party") agree as follows:

1. PERMITTED USE. Subject to the terms of this Agreement, Questica hereby grants to Licensee a perpetual, Personal, non-transferable and non-exclusive license to use the Software, solely in executable code format, and the Documentation provided therewith, solely for Licensee's own internal business purposes exclusively within the facilities and sites within the jurisdiction of the Licensee.

If Licensee wishes to use the Software at or from an additional site or sites outside of its jurisdiction, Licensee agrees to obtain a separate license for such site(s). Licensee's right to use the Software and the Documentation is limited to those rights expressly set out herein. Licensee shall not use the Software, in whole or in part, on behalf of or for the benefit of any other Person, including an affiliate of the Licensee, except as expressly provided herein.

1.1 STAFF WORK-AT-HOME RIGHTS. Staff of the Licensee may use the Software from their home as an extension of the license granted to the Licensee, for business related purposes. Staff may not use the Software at home for personal purposes.

Licensee is responsible for ensuring that the Software is made inaccessible to its staff if a) any event causes the staff member to no longer be an employee for any reason, or b) the staff member would not normally require the use of the Software in the at-work environment.

1.2 PERMITTED CUSTOMIZATIONS. Questica also grants the Licensee a non-sublicensable, non-exclusive, non-transferable right to create, or to have created on its behalf, "Permitted Customizations" to the executable code components of the Software solely for internal use and only for use as part of and in conjunction with the related Software. "Permitted Customizations" is custom software or reports which are developed that access or interact with the Software or its associated database(s). The Licensee may only create Permitted Customizations that do not require access and changes to the source code. The Licensee may only create Permitted Customizations that do not require the source code of the Software to create the Permitted Customizations, and access the executable code version of the Software or its associated databases in a way that is reasonably practical without access to the source code of the Software at any time.

Permitted Customizations Do Not Inhibit Questica's Right to Innovate. Independently, Questica is continually innovating and improving the Software to meet the needs of its customers. The Licensee acknowledges that, while it has the ability to create its own Permitted Customizations, Questica must not be prevented from continuing to develop and enhance its software in any respect, even if such modifications may be similar to the Permitted Customizations in functionality, appearance or otherwise. Therefore, if Questica develops any modifications which may be similar to the Permitted Customizations, Licensee agrees to not make any claim against Questica for infringement of any of its (or its subcontractors) rights in or to the Permitted Customizations. Questica shall not directly incorporate into its modifications any original source code independently developed by the Licensee.



1.3 RESTRICTIONS ON USE. Except as set forth herein, Licensee shall (a) not copy the Software except to copy it onto the site computers being used by Licensee and to make one copy of the Software solely for backup or testing purposes; (b) not copy any of the Documentation for any use outside the site; (c) not assign this Agreement or transfer, lease, export or grant a sub-Licensee of the Work or the license contained herein to any Person or organization except as and when authorized to do so by Questica in writing; (d) not reverse engineer, decompile or disassemble the Software; (e) not use the Work except as authorized herein; (f) take such precautions with respect to the Software, as it would take to protect its own proprietary software or hardware or information. For the purposes of this Agreement, "Person" includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other judicial entity recognized by law.

2. OWNERSHIP AND COPYRIGHT. Questica is the owner of all intellectual property rights in the Work, related written materials, logos, names and other support materials provided pursuant to the terms of this Agreement. No title to the intellectual property in the Work or in any magnetic media or other physical media provided therewith is transferred to the Licensee by this Agreement.

Questica shall defend Licensee against any claim that the Work infringes a patent, copyright, trade-mark or other intellectual property right of any third party and Questica will pay resulting cost, damages and reasonable legal fees finally awarded, provided that i) Licensee promptly notifies Questica in writing of the claim; and ii) Questica has sole control of the defense and all related settlement negotiations.

If such claim has occurred or in Questica's opinion is likely to occur, Licensee agrees to permit Questica at its option and expense, either to procure for Licensee the right to continue using the Work or to replace or modify the same so that it becomes non-infringing without loss of functionality.

Questica shall have no obligation to defend Licensee or to pay costs, damages or legal fees for any claim based upon use of other than a current unaltered release of the Work, if such infringement would have been avoided by the use of a current unaltered release thereof.

The foregoing states the entire obligations of Questica with respect to infringement or proprietary or intellectual rights of third parties.

3. LIMITED WARRANTY. Questica warrants that so long as Product Maintenance and Support services are provided by Questica that the Software, when properly installed, will perform substantially in accordance with the accompanying written materials. If the Software does not so perform during such period, Questica will correct, at no cost to Licensee, programming errors in the Software to make the Software so perform provided that i) the Software has been properly used by the Licensee in accordance with the documentation furnished by Questica to Licensee in connection therewith; ii) Licensee notifies Questica of the programming errors and describes the nature of the suspected errors and of the circumstances in which they occur; iii) Questica, using reasonable efforts, is able to confirm the existence of the programming errors; and iv) Licensee or any third party has not changed or modified the Software.

Licensee agrees that Questica shall not be liable to the Licensee or any other person, regardless of the cause, for the effectiveness or accuracy of the Software, the Documentation or any other related materials, or for any other special, indirect, incidental or consequential damages arising from or occasioned by the use of the Software, the Documentation or the related materials, or the failure or omission on the part of Questica to comply with its obligations under this Agreement.

The Licensee hereby agrees that Questica's maximum liability for any claim arising in connection with the Software, the Documentation or any related materials (whether in contract, tort, including negligence, product liability or otherwise) shall not exceed the total License Fee paid by the Licensee.

THE ABOVE EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES AND CONDITIONS (EXPRESS AND IMPLIED) AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO OTHER WARRANTIES OR CONDITIONS EXPRESS OR IMPLIED ARE GIVEN.

4. LIMITATIONS OF REMEDIES AND DAMAGES. Subject to Section 10 hereof, Questica's entire liability and the Licensee's exclusive remedy under this agreement shall be i) if Questica is in breach of the Limited Warranty, to require Questica to replace any defective media or to correct any defects and make any modifications which are necessary to cause the Software to conform in all material respects to the Documentation; or ii) the termination of this agreement.

In the event of any such termination, Questica shall not be liable in the aggregate for any damages which exceed the amount paid hereunder by the Licensee to Questica as Software License Fees. In no event shall Questica be liable for indirect, special, incidental, or consequential damages, even if advised of the possibility of such damages.

5. DISPUTE RESOLUTION / ARBITRATION. In the event of any dispute arising out of or relating to and/or in connection with this Agreement, the parties' project managers shall use every reasonable effort to resolve such dispute in good faith within ten (10) business days. If the project managers have failed to resolve the dispute within such time frame, then the dispute shall be escalated to the next escalation level. At each escalation level, the designated executives shall negotiate in good faith in an effort to resolve the dispute.



Escalation Level	Questica Management Level	Licensee Management Level	Period of Resolution Efforts
First Level	Project Manager	Project Manager	10 business days
Second Level	President	Finance Department Manager	10 business days
Third Level	Chairman	Director of Finance or Treasurer	10 business days

If the above escalation periods have elapsed and there continues to be a dispute as to any matter herein, the matter in dispute shall be referred to arbitration by a single arbitrator, if such parties agree upon one arbitrator, or otherwise by three arbitrators, of whom one shall be appointed by Licensee and one shall be appointed by Questica and the third shall be chosen by the first two named before the arbitration. The arbitration and the appointment of the arbitrator shall, unless expressly provided for herein, be conducted in accordance with the Arbitrations Act (Ontario). The award and determination of such arbitrator, arbitrators or any two of such three arbitrators **shall be binding** upon the parties and their respective successors and permitted assigns. Licensee and Questica shall co-operate in completing any arbitration as expeditiously as possible and the arbitrator or arbitrators may hear such experts as may appear to him or them appropriate. Any interested party shall bear its costs and expenses incurred in connection with the arbitration except for the cost of the arbitrator or arbitrators and experts engaged by him or them which shall be borne by Questica and Licensee equally. Notwithstanding the foregoing, arbitration shall not preclude the right of either party to seek injunctive relief.

6. IRREPARABLE HARM. Licensee acknowledges and agrees with Questica that the breach by it of any of the provisions of Sections 1- 4, 8 or 10 of this Agreement would cause serious harm to Questica which could not adequately be compensated for in damages and in the event of a breach by Licensee of any of such provisions, Licensee understands that an Injunction may be issued against it restraining it from any further breach of such provisions, but such actions shall not be construed so as to be in derogation of any other remedy which Questica may have in the event of such breach.

7. PRODUCT MAINTENANCE AND SUPPORT. For the first year of this Agreement, upon paying the Licensee Fee and for each year thereafter, provided that Licensee continues to pay the Annual Product Maintenance and Support Fee in accordance with the attached quotation, Questica shall provide the Maintenance and Technical Support services (the "Services") for the software as outlined in Appendix A, if the Licensee is not otherwise in breach of the provisions of this Agreement.

8. CONFIDENTIAL INFORMATION. Each of the Parties shall use reasonable efforts (and, in any event, efforts that are no less than those used to protect its own confidential information) to protect from disclosure the confidential information only to its employees or agents who require access to it for the purpose of this Agreement or as otherwise provided in this Agreement. This Section shall survive the termination of the Agreement. For the purposes of this Section, "confidential information" means all data information which when it is disclosed by a Party is designated as confidential and shall include the Work and any other proprietary and trade secrets of Questica to which access is obtained or granted hereunder to Licensee; provided, however that confidential information shall not include any data or information which (a) is or becomes publicly available through no fault of the other Party, (b) is already in the possession of the Party prior to its receipt from the other Party, (c) is independently developed by the other Party, (d) is rightfully obtained by the other Party from a third party, (e) is disclosed with the written consent of the Party whose information it is, or (f) is disclosed pursuant to court order, or other legal compulsion.

9. NONDISCLOSURE OF AGREEMENT. Neither Party shall disclose the terms of this Agreement except as required by law or governmental regulation, without the other party's prior written consent, except that either Party may disclose the terms of this Agreement on a confidential basis to accountants, attorneys, and financial advisors and lenders.

10. TERMINATION. This Agreement is effective as of the Effective Date and shall continue unless and until this Agreement is terminated. Licensee may terminate this Agreement if Questica is declared Insolvent, has assigned this Agreement in violation of the terms and conditions herein, or has made an assignment for the benefit of creditors.

After a one year period from the Effective Date, the Licensee may terminate this Agreement at any time for any reason, or no reason, providing their financial obligations to Questica as detailed in the attached Quotation **08-August-14r2** have been satisfied and paid in full. If the Agreement is terminated in this manner, no refund will be provided for any maintenance or support services paid in advance.

In the event that Licensee shall be in breach of any provisions of the Dispute Resolution / Arbitration Section outlined in this Agreement, Questica may provide notice of such breach to Licensee, who shall have thirty (30) days from the date of such notice to cure or rectify the said breach. Should Licensee fail to cure or rectify the said breach in the said thirty (30) days, Questica may terminate this Agreement. Such termination by Questica shall be in addition to and without prejudice to such rights and remedies as may be available to Questica including injunction and other equitable remedies.

The provisions of Sections 1-3, 8, 9, and 11 herein shall survive the termination of this Agreement.



11. DISENTANGLEMENT. In the event that Licensee has entered into or enters into agreements with other Contractors or government institutions for additional work related to the Capital or Operating Budgeting process, Questica agrees to cooperate with such other parties. Questica shall not commit any act which will unnecessarily interfere with the work performed by any such third parties.

In the event of termination of this Agreement, Questica agrees that it shall provide reasonable assistance to, and shall not hinder a complete transition of the software functionality being terminated from Questica and its subcontractors to the Licensee, or to any replacement provider designated by the Licensee, without any interruption of or adverse impact on the services provided hereunder or any other services provided by third parties. Any additional services requested by Licensee during the disentanglement period shall be provided by Questica at Questica's standard rates.

12. NOTICE. Any notice or other communication required or permitted to be given hereunder or for the purposes hereof to any party shall be in writing and shall be sufficiently given if delivered personally to such party, or if sent by prepaid registered mail or if transmitted by facsimile transmissions to such Parties as detailed in the attached Quotation or at such other address or facsimile number as the Party to whom such notice is to be given shall have last notified (in the manner provided herein) the Party giving such notice. Any notice delivered to the Party to whom it is addressed as provided herein shall be deemed to have been given and received on the day it is delivered at such address, provided that if such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed to a Party shall be deemed to have been given and received on the fifth Business Day next following the date of its mailing provided that no postal strike is then in effect or comes into effect within four (4) Business Days after such mailing. Any notice transmitted by facsimile shall be deemed given and received on the day of its transmission if such day is a Business Day and if not, then on the next day that is a Business Day.

13. FORCE MAJEURE. Except as expressly provided otherwise in this agreement, dates and times by which any Party is required to render performance under this agreement or any schedule hereto shall be postponed automatically to the extent and for the period that such Party is prevented from meeting them by reason of any cause beyond its reasonable control (other than lack of funds), provided that the Party prevented from rendering performance notifies the other Party immediately and in detail of the commencement and nature of such cause and the probable consequences thereof, and provided further that such Party uses its reasonable efforts to render performance in a timely manner utilizing to such end all resources reasonably required in the circumstances, including obtaining supplies or services from other sources if same are reasonably available.

14. SOFTWARE ESCROW. Questica will deposit in escrow the Software source code for the most recent version of the Software. The Escrow Agent will be authorized to release the escrowed source code to the Licensee should Questica become insolvent or cease to carry on business and the business of Questica is not continued by a Receiver or Trustee or Assignee.

15. MEDIA RELEASES. Neither party shall use the name, trademark or logo of the other party without the prior written consent of the other party. Notwithstanding the foregoing, Questica may use the Licensee's name and identify the Licensee as a Questica client in advertising, marketing materials, press releases and similar materials.

16. USE OF SUBCONTRACTORS. Questica warrants that all persons assigned by it to the performance of this Agreement shall be employees or authorized subcontractors of Questica and shall be fully qualified to work under this Agreement. Questica shall ensure that an adequate number of appropriately qualified personnel are employed and available to satisfy its obligations as outlined in this Agreement.

17. EXPORT CONTROL. The Software is intended for distribution only in the United States and Canada. Licensee agrees that it will not directly or indirectly, export or re-export the Software (or portions thereof) to any country, person, entity or end user subject to U.S. or Canadian export restrictions.

18. MISCELLANEOUS. This Agreement, including all Schedules and Exhibits attached hereto, is the entire agreement between Licensee and Questica pertaining to Licensee's right to use the Work and supersedes all prior or collateral oral or written representations or agreement related thereto. This Agreement shall be governed by the law of the province of Ontario, Canada. Except as otherwise provided herein, no term or provisions hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the Party to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

19. HEADINGS; SEVERABILITY. The headings and other captions in this Agreement are for convenience and reference only and are not to be construed in any way as additions or limitations of the covenants and agreements contained in this Agreement. In the event that any provision hereof is found invalid or enforceable pursuant to judicial decree or decision, any such provision shall be deemed to apply only to the maximum extent permitted by law, and the remainder of this Agreement shall remain valid and enforceable according to its terms.



APPENDIX A – Maintenance and Technical Support Services

- (A) **Product Maintenance.** On an as-available basis, Questica will provide enhancements, modifications or upgrades to the Software as Questica may from time to time make available to its Licensees generally ("Updates") but excluding any New Product (a "New Product" being a solution which, in Questica's determination and subject to general industry standards, does not replace the Software licensed hereunder.) Updates do not include:

- I. Platform extensions including product extensions to (i) different hardware platforms; (ii) different windowing system platforms; (iii) different operating system platforms
- II. New applications
- III. Services associated with the application or installation of Updates

Installation of Updates is the responsibility of the Licensee. If requested, Questica will provide assistance in the installation of Updates at its then current rates, including the testing of any site specific customizations. Questica will provide a quote for any required rework associated with customizations resulting from the upgrade.

- (B) **Technical Support Services.** Comprehensive Phone and e-mail based Technical Support of a reasonable nature. A technical support incident or problem is a single user defined problem seeking resolution. It must be related to the original intent and design of the software. Support Services include the support of Questica supplied integrations that have not been modified by the Licensee. Each support incident is deemed closed when a remedy, workaround, or recommendation for the installation of a current maintenance release has been offered, and a commercially reasonable effort has been made to restore operation to the original intent and design of the software. Technical Support does not include:

- I. Custom Programming Services.
- II. On-site support.
- III. Software Installation or re-installation.
- IV. Update Installation, or data and report updates required to support Updates.
- V. Licensee developed interfaces, API interactions, or customizations.
- VI. Licensee developed reports.
- VII. End-User Training or Re-Training.
- VIII. Licensee Hardware Issues.
- IX. Correction of data issues derived from user error or product misuse.
- X. Changes to Questica developed custom reports or product customizations (including Questica supplied custom business rules or customized user screens) that are outside the scope of the accepted specification, scope of work, or authorized change requests.
- XI. Corrections to Questica developed custom reports or customizations beyond six months from the date of delivery. (the warranty period)
- XII. Changes to integration functionality made necessary due to licensee server modifications/replacement, or changes by upgrades or changes to the integrated financial system software or hardware.

Questica may at its sole discretion, periodically make reasonable modifications or changes to the Technical Support Services and/or Product Maintenance Services provided.

Licensee is responsible for all hardware, operating systems, network setup, network maintenance and setup, SSRS maintenance, SQL-Server database maintenance, IIS maintenance and setup, backup strategy, disaster recovery strategy and the use of any file access control systems required in the support of the Software. Licensee may be required to grant Questica certain limited access rights to Licensee's computer systems in order to render support.

Licensee is responsible for ensuring that its personnel have sufficient training to attain and maintain competence in the operation of the Software.

Technical Support is available through Questica's normal business hours, Monday through Friday, 8:00am through 8:00pm, Eastern Standard Time. Extended coverage is available for an additional fee. Questica will provide an initial response to all properly submitted support requests within two (2) business hours of Initial submission.

END OF LICENSE AND SERVICE AGREEMENT DOCUMENT



Questica
BUDGET

08-August-14r23 10 of 24

Turning Objectives into Outcomes

Scope of Work

Questica Budget Implementation for City of Santa Clara

1. Revision History

Edition	Date	Authors	Notes/Changes
25	25-Jul-14	James McCall, Mike Newsome, Gerry McDonald	

** The edition signed-off by Questica & The Customer is included in the contract. The notes in the above table must indicate which edition that is and name the signatories for both parties.*

2. Scope of Work

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

Entry	Meaning
In scope	The task or function is within the scope of work to be undertaken by Questica professional services.
Customer task	The task or function is not within the scope of work to be undertaken by Questica professional services, but will be undertaken by The Customer.
Not in scope	The task or function is not within the scope of work to be undertaken by Questica professional services, nor will it be undertaken by The Customer.
n/a	Some functions such as reporting using the standard Questica Budget report library are available to, and utilized by, The Customer but their use is ancillary to the implementation of Questica Budget and not a required component of implementation.

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



"Integration" as used in this Scope of Work shall include the data population of pre-existing costing centers for the operating module and projects for the capital module. Data elements identified by a full GL account in the general ledger will be imported as a Questica Budget GL object if that element can be unambiguously matched to a pre-existing GL object or to a pre-existing costing center / project + fund combination. An exception report is provided for data elements which cannot be thus matched. Similarly, integrations will not create accounts in the general ledger where no such accounts exist. General ledger integrations do not include the integration of post approval budget amendments and transfers other than in the form of unannotated changed budget amounts. In the case of project budgets and actual data, this Scope of Work covers only those situations where the project identifier forms part of the GL account string or is available in the import file, query or web service. The customer agrees to provide Questica with assistance in understanding the nature and location of the data to be integrated and, where required, create or cause to be created all necessary sources of data including database queries, delimited files, and/or web services.

Focused training is available for certain aspects of the system (client authored reports, security configuration, allocations, change requests, etc). These subjects are all adequately covered in the standard training. Focused training is only required where pre-sales consultation determines a particular need.

2.1. Questica Budget Configuration & Shared Components

Functional Area	Description	Scope of Work
Implementation Hosting	Questica will configure production and test versions of Questica Budget during the implementation period. These will be hosted by Questica for a period not to exceed 6 months from the signing hereof.	In scope
Production Hosting	The Customer will provide a server operating environment as follows: <ul style="list-style-type: none"> • Microsoft® Windows Server®: supported versions - 2008, 2008R2, 2012, 2012R2 (Standard or Enterprise editions, 32 & 64 bit) • Microsoft Internet Information Server (IIS): component of installed Windows server. • Microsoft SQL Server® and SSRS (SQL Server Reporting Services): supported versions - 2008R2, 2012 or 2014 • Microsoft .NET Framework 4.0 installed The Customer will provide user workstation environments as follows: <ul style="list-style-type: none"> • A web browser: supported browsers - Internet Explorer 9 or newer, Safari latest release (on Mac only), Firefox latest release, Chrome latest release. • Microsoft Excel 2007 or newer (if spreadsheet export/import feature is required) • Microsoft .NET Framework 4.0 installed The Customer will provide a technical contact with full security access to the operating environment as well as the authority and proficiency to assist Questica in the configuration of Questica Budget and/or to provide Questica personnel with full VPN access and permissions for the operating environment.	Customer task



Questica Access To Production Server	Questica implementation & technical staff have full access to the production system for the purpose of system implementation and product maintenance.	In Scope
Budget Book Preparation	Provide Questica Budget expertise for Budget Book production and other pre-press activities.	Not in scope
Administrator Authored Reporting	Provision of database models for administrator authored report building using Report Builder 3.0. Note that creating administrator authored reports is a customer task.	In scope
Focused Training: Administrator Authored Reporting	Training in the use of report views using Report Builder 3.0. Training will be carried out using web conferencing tools. Each training session in the use of report center reporting is applicable to any and all installed modules.	In scope
Application Level Security	Determine how and when to use the various security levels available within Questica Budget, enter users and assign them to groups and roles. Questica will assist with this task until such time as administrators have received training in the security component of Questica Budget.	Customer task
Focused Training: Security	Additional training in the use of Questica Budget's security component over and above that provided in the administration training. For installations with large user base and complex security needs.	Not in scope
Focused Training: Administration	Training in Questica Budget administration.	Not in scope
Focused Training: Allocations	Additional training in Questica Budget's Allocations feature, over and above that provided in the Operating training.	Not in scope
Focused Training: Change Requests	Additional training in Questica Budget's Change Requests feature, over and above that provided in the Operating/Capital training.	Not in scope
Focused Training: Dashboards	Training in Questica Budget's Dashboards feature.	Not in scope
Single Sign-On	Configure Questica Budget to use The Customer's existing Windows Authentication for user login.	In Scope
Create Division/Department Structure	Division/Department hierarchy created by importing Excel workbooks. Questica will supply The Customer with blank workbooks which must be completed according to the defined format and structure.	In scope
Objects/GL Accounts & Categories	Import from data import workbooks.	In scope
Fund Categories & Funds	Import from data import workbooks.	In scope
Dashboard Widgets	If not in scope then The Customer will leverage Questica provided training to determine how to configure Dashboard Widgets within the system.	Not in scope

2.2. Operating Module



The Questica Budget Operating module is included in this installation.

Functional Area	Description	Scope of Work
Allocations Add-in	The Questica Budget Allocations add-on, to allocate specific forecasts to multiple costing centers.	In scope
Train-the-Trainer: Operating	"Train the trainer" training in the use of Questica Budget's Operating module. Training will be carried out onsite.	In scope
Train-the-User: Operating	"Train the user" training in the use of Questica Budget's Operating module.	Not in scope
Import Data ...	Initial data is imported into Questica Budget from Excel® files ("workbooks"). Questica will supply The Customer with blank workbook templates which must be completed according to the defined format and structure. Questica will import the operating data up to two times, subject to the supplied data being clean and free of inconsistencies. At a minimum, the files will contain the data necessary to: <ul style="list-style-type: none"> • Create costing centers • Add costing centers to departments consistent with, and shared by, the Capital budget module • Define funds and associate costing centers with funds • Create GL objects and associate them with object categories • Associate dollar amounts with GL objects at the costing center level. 	
Import Initial Budget	Import up to 5 years of data from data import workbooks.	In scope
Import Historic Amended Budgets	Import up to 2 years of data from data import workbooks.	In scope
Import Actuals Data	Import up to 2 years of data from data import workbooks.	In scope

For the purpose of the above, the definitions of costing centers, divisions, departments, GL objects, object categories and funds shall be those found in the Questica Budget Operating manual. The mathematical relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Operating Manual. The import of chart of account segments ("chart fields") other than those that relate to division, department, fund, cost center and GL object is not within scope unless expressly referenced in the "Customizations" section of this Scope of Work. The object/object category, division/department/costing center and fund category/fund structures must be consistent across all years and across the Operating module and capital module if both are used. The Customer will resolve any inconsistencies in the structures implicit in the actual and budget import data prior to providing them to Questica for import to Questica Budget. If import data is supplied in the Excel import templates provided by Questica and the data is consistent with the data integrity requirements of Questica Budget, Questica will populate the Questica Budget database within 15 business days of receiving the import workbooks. The inclusion of custom chart of account segments (chart field items) or data that violates Questica Budget's data integrity rules will extend this timeframe, unless otherwise detailed in the "Customization" section below.

Import Configuration ...		
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Costing Centers	Import from data import workbooks.	In scope
Configuration ...		
Operating Budget Stages	If not in scope then The Customer will leverage Questica provided training to determine how to configure Questica Budget's budget stages to assist in their budget process and establish those stages within the system.	Customer task
Scenarios	If not in scope then The Customer will leverage Questica provided training to determine how and when to use the concept of scenarios to assist in their budget process. Scenarios are versions of a costing center budget. A costing center may have multiple scenarios but only one scenario may be active and included in the consolidated budget.	Customer task
Integration ...		
Budget Export	<p>Automated facility to transfer Operating module budget data from Questica Budget to The Customer's general ledger at the approved budget object/costing center level on an annual or other basis when invoked by a user. Questica shall be responsible for providing the software interface into Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for ensuring that the standard Questica Budget to financial system import integration component is available. Budget data integration shall be at the division, department, cost center, fund and GL object level only. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, Questica will create no more than 1 custom export configuration. No custom user interface will be created for the selective export of sections of the budget, nor is the integration of additional chart of account segments ("chart fields") included in this Scope of Work unless expressly referenced in the "Customizations" section of this Scope of Work.</p> <p>For the purposes of clarity, the PeopleSoft integration export will include Fund, Dept, Account, Project, Item, Grant, and Scenario. This on demand export of approved budget data to PeopleSoft will allow the budget administrator to select from the available scenarios. The one that they chose will be exported.</p>	In scope



Actuals Import	<p>Automated facility to transfer actual data from The Customer's general ledger to the Questica Budget Operating module at a transaction level on a daily basis when automatically scheduled. Questica shall be responsible for providing the software interface from Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for making available the data to be exported from the financial system, either in CSV formatted files or by ensuring that the standard financial system to Questica Budget integration component is available. Actual data integration shall be at the cost center, fund and GL object level only. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, Questica will create no more than 1 custom actuals import configuration. No custom user interface will be created for the selective export of sections of the budget, nor is the integration of additional chart of account segments ("chart fields") included in this Scope of Work unless expressly referenced in the "Customizations" section of this Scope of Work.</p> <p>For the purposes of clarity, this PeopleSoft integration actuals import will include Fund, Dept, Account, Project, Item, Grant. (Normally actual cost data is applicable as an actual to all scenarios.)</p>	In scope
Reports ...		
Standard Reports	Provision of Questica Budget's standard Operating module reports.	In scope
Standard Views for Administrator Authored Reporting	Provision of Questica Budget's standard report views for the Operating module.	In scope
Custom Report Views	Adaptation of report views to include custom fields added to the Operating module.	Not in scope
Customizations ...		
Customizations include custom business rules, modifiers, user interface (grids, forms, etc), hand-crafted reports and ad-hoc reporting models. They are all detailed in section "2.6. Customizations" of this Scope of Work document.		

2.3. Capital Module

The Questica Budget Capital module is included in this installation.

Functional Area	Description	Scope of Work
Train-the-Trainer: Capital	"Train the trainer" training in the use of Questica Budget's Capital module. Training will be carried out onsite.	In scope
Train-the-User: Capital	"Train the user" training in the use of Questica Budget's Capital module.	Not in scope



Import Data ...	<i>Initial data is imported into Questica Budget from Excel® files ("workbooks"). Questica will supply The Customer with blank workbook templates which must be completed according to the defined format and structure. Questica will import the capital data up to two times, subject to the supplied data being clean and free of inconsistencies. At a minimum, the files will contain the data necessary to:</i> <ul style="list-style-type: none"> • Create projects • Create asset types & assets • Associate projects with asset types • Associate projects with divisions consistent with, and shared by, the Operating budget module • Define funds • Create GL objects and associate them with object categories • Populate projects with values. 	
Import Initial Budget	Import up to 5 years of data from data import workbooks.	In scope
Import Historic Amended Budgets	Import up to 2 years of data from data import workbooks.	In scope
Import Actuals Data	Import up to 2 years of data from data import workbooks.	In scope

For the purpose of the above, the definitions of projects, divisions, departments, assets, GL objects, object categories and funds shall be those found in the Questica Budget Capital manual. The mathematical relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Capital Manual.

The object/object category, division/department/project and fund category/fund structures must be consistent across all years and across the Capital module and capital module if both are used. The Customer will resolve any inconsistencies in the structures implicit in the actual and budget import data prior to providing them to Questica for import to Questica Budget.

If import data is supplied in the Excel import templates provided by Questica and the data is consistent with the data integrity requirements of Questica Budget, Questica will populate the Questica Budget database within 15 business days of receiving the import workbooks. The inclusion of custom chart of account segments (chart field items) or data that violates Questica Budget's data integrity rules will extend this timeframe, unless otherwise detailed in the "'&'Lookup-Localisation'!A10&'" section below.

Import Configuration ...		
Capital Projects	Import from data import workbooks.	In scope
Configuration ...		
Capital Budget Stages	If not in scope then The Customer will leverage Questica provided training to determine how to configure Questica Budget's budget stages to assist in their budget process and establish those stages within the system.	Customer task
Scenarios	If not in scope then The Customer will leverage Questica provided training to determine how and when to use the concept of scenarios to assist in their budget process. Scenarios are versions of a project budget. A project may have multiple scenarios but only one scenario may be active and included in the consolidated budget.	Customer task
Integration ...		



Budget Export	<p>Automated facility to transfer Capital module budget data from Questica Budget to The Customer's general ledger at the approved budget object/department level on an annual or other basis when invoked by a user. Questica shall be responsible for providing the software interface into Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for ensuring that the standard Questica Budget to financial system import integration component is available. Budget data integration shall be at the division, department, cost center, fund and GL object level only. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, Questica will create no more than 1 custom export configuration. No custom user interface will be created for the selective export of sections of the budget, nor is the integration of additional chart of account segments ("chart fields") included in this Scope of Work unless expressly referenced in the "Customizations" section of this Scope of Work.</p> <p>For the purposes of clarity, the PeopleSoft integration export will include Fund, Dept, Account, Project, Item, Grant, and Scenario. This on demand export of approved budget data to PeopleSoft will allow the budget administrator to select from the available scenarios. The one that they chose will be exported.</p>	In scope
Actuals Import	<p>Automated facility to transfer actual data from The Customer's general ledger system at the GL object/project level on a regularly scheduled basis and/or other basis when invoked by a user. Questica shall be responsible for providing the software interface from Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for making available the data to be exported from the financial system, either in CSV formatted files or by ensuring that the standard financial system to Questica Budget integration component is available. Actual data integration shall be at the cost center, fund and GL object level only. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, Questica will create no more than 1 custom actuals import configuration. No custom user interface will be created for the selective export of sections of the budget, nor is the integration of additional chart of account segments ("chart fields") included in this Scope of Work unless expressly referenced in the "Customizations" section of this Scope of Work.</p> <p>For the purposes of clarity, this PeopleSoft integration actuals import will include Fund, Dept, Account, Project, Item, Grant. (Normally actual cost data is applicable as an actual to all scenarios.)</p>	In scope
Reports ...		



Standard Reports	Provision of Questica Budget's standard Capital module reports.	In scope
Standard Views for Administrator Authored Reporting	Provision of Questica Budget's standard report views for the Capital module.	In scope
Custom Report Views	Adaptation of report views to include custom fields added to the Capital module.	Not in scope
Customizations ...	Customizations include custom business rules, modifiers, user interface (grids, forms, etc), hand-crafted reports and ad-hoc reporting models. They are all detailed in section "2.6. Customizations" of this Scope of Work document.	

2.4. Salaries Module

The Questica Budget Salaries module is included in this installation.

Functional Area	Description	Scope of Work
Train-the-Trainer: Salaries	"Train the trainer" training in the use of Questica Budget's Salaries module. Training will be carried out onsite.	In scope
Train-the-User: Salaries	"Train the user" training in the use of Questica Budget's Salaries module.	Not in scope
Import Data ...	<p><i>Initial data is imported into Questica Budget from Excel® files ("workbooks"). Questica will supply The Customer with blank workbooks which must be completed according to the defined format and structure. Questica will import the operating data up to two times, subject to the supplied data being clean and free of inconsistencies. At a minimum, the files will contain the data necessary to:</i></p> <ul style="list-style-type: none"> • Create profiles • Create contracts • Create positions • Create salary grades • Create salary grade steps • Create modifiers (benefits) • Create employees • Allocate employees to positions • Allocate positions to costing centers. 	
Import Profiles	Import from data import workbooks.	In scope
Import Positions	Import from data import workbooks.	In scope
Import Contracts	Import from data import workbooks.	In scope
Import Grades	Import from data import workbooks.	In scope
Import Grade Steps	Import from data import workbooks.	In scope



Import Benefits (Modifiers)	Import from data import workbooks (if sufficient modifiers exist to make this more efficient than entering manually). If not in scope then The Customer can enter modifiers manually. This is typically more efficient than entering data into a spreadsheet for automated import.	Customer task
Import Employee/Position Allocations	Import from data import workbooks.	In scope
Import Position/Costing Center Allocations	Import from data import workbooks.	In scope

For the purpose of the above, the definitions of profiles, contracts, positions, salary grades, salary grade steps, employees and modifiers shall be those found in the Questica Budget Salaries manual. The mathematical relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Salaries Manual.

Integration ...		
HR Data	Automated facility to synchronize salaries data between Questica Budget and The Customer's HR system. Questica shall be responsible for providing the software interface into Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for making available the data to be exported from the HR system, either in CSV formatted files or by ensuring that the standard HR system to Questica Budget integration component is available for extracting data from and updating data within that system. This will be through the export and import of structured files or by providing database interfaces (stored procedures and queries). This integration synchronizes: • New, deleted and updated employees; • New, deleted and updated positions; • Changes in employee-position relationships; • Changes in position-costing center relationships. The integration of profiles (bargaining units), grades, steps, pay scales and benefits shall not be included unless expressly referred to in the "Customizations" section of this Scope of Work. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, the integration of custom chart field items is not included unless expressly set out in the "Customizations" section of this Scope of Work.	In scope
Include ...		
Publish To Operating	Publication of calculated salaries to the Operating module's data.	In scope
Standard Reports	Provision of Questica Budget's standard Salaries module reports.	In scope
Standard Views for Administrator Authored Reporting	Provision of Questica Budget's standard report views for the Salaries module.	In scope



Custom Report Views	Adaptation of report views to include custom fields added to the Salaries module.	Not in scope
Customizations ...		
Customizations include custom business rules, modifiers, user interface (grids, forms, etc), hand-crafted reports and ad-hoc reporting models. They are all detailed in section "2.6. Customizations" of this Scope of Work document.		

2.5. Performance Measures Module (Not applicable unless option is executed)

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

Functional Area	Description	Scope of Work
Train-the-Trainer: Performance Measures	"Train the trainer" training in the use of Questica Budget's Performance Measures module. Training will be carried out onsite.	In scope
Train-the-User: Performance Measures	"Train the user" training in the use of Questica Budget's Performance Measures module.	Not in scope
Import Data ...	<i>Initial loading of Performance Measures from another data source (Excel® "workbooks") is not available for Performance Measures</i>	
Configuration ...		
Measure Categories and Units	If not in scope then The Customer will leverage Questica provided training to determine how to configure Performance Measures Categories and Units, establishing those stages within the system.	Customer task
Measures	If not in scope then The Customer will leverage Questica provided training to determine how to configure Performance Measures within the system.	Customer task
Scorecards	If not in scope then The Customer will leverage Questica provided training to determine how to configure Performance Measure Scorecards within the system.	Customer task
Integration ...	<i>Integration of Performance Measures with external systems is not available.</i>	
Reports ...		
Standard Reports	Provision of Questica Budget's standard Performance Measures reports.	In scope
Standard Views for Administrator Authored Reporting	Provision of Questica Budget's standard report views for the Performance Measures module.	In scope
Custom Report Views	Adaptation of report views to include custom fields added to the Performance Measures module.	Not in scope
Customizations ...		
Customizations include custom business rules, modifiers, user interface (grids, forms, etc), hand-crafted reports and ad-hoc reporting models. They are all detailed in section "2.6. Customizations" of this Scope of Work document.		



2.6. Customizations

2.6.1. Custom Business Rules (CBRs), Modifiers, User Interface

Customizations include:

- Integration export Scenario selection functionality. Up to 8 hours of development related towards the user selection of a Scenario for on demand budget exports.
- Creation of Santa Clara's Chartfields within Questica Budget
- The integration of Santa Clara's Trees/Hierarchy
- Setting up of 6 Combination Rules (Validations) as related to funds, GL accounts etc. guidelines
- Fee Schedule Calculator
- See detailed calculations in Exhibit A3

Customizations not listed here can be accommodated upon receipt and acceptance of a change order. This includes the FTE Allocation Delta and the export of position updates in order to update PeopleSoft HR.

2.6.2. Custom Reports, Custom Report Views and Custom Dashboards

This Scope of Work does not include the development of custom reports, views or dashboards.

This order includes up to 150 hours of custom reporting to be used for reports or standard report modification at the discretion of Santa Clara.

Custom reporting and dashboard requirements not listed here can be accommodated upon receipt and acceptance of a change order.

2.6.3. Specifications

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

2.6.4. Change Orders

Questica recommends that City of Santa Clara sets aside a contingency amount for Change Order items not specifically identified in this SOW.

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

2.6.6. Warranty

Once completed the custom work shall be warranted by Questica in accordance with the "Technical Support Services" section of the Questica Software License Agreement.

2.7. Project Management

2.7.1. Questica Project Management Responsibilities

1. Coordinating the development of the project plan in consultation with The Customer project manager and team members.
2. The timely delivery of items identified as "In scope" within this SoW.
3. Ensuring that members of The Customer staff are sufficiently educated in the Questica Budget application to understand the implications of initial design decisions.



5. Advising The Customer of expected completion dates for items identified as "Customer task" within this SoW.
6. Advising The Customer of the impact on the expected delivery dates of "Customer task" items when prerequisite customer tasks, such as the completion of data import templates or approval of report specifications, are advanced or delayed.
7. Monitoring the progress of the project and advising The Customer of risks to its on-time completion.
8. Coordinating the completion and approval of change orders.

2.7.2. The Customer Project Management Responsibilities

1. The timely delivery of items identified as "Customer task" within this SoW.
2. Advising The Customer of expected delivery dates for items identified as "Customer task" within this SoW.
3. Ensuring that change orders contain a full specification of the changes required.
4. Ensuring that customizations are fully specified and documented.
5. Ensuring that all Customer team members have a clear understanding of their responsibilities to the project.

2.7.3. Project Planning

1. The project plan will be prepared by the Questica project manager in consultation with The Customer's project manager and team members.
2. The project planning phase will determine whether Questica Budget modules are to be implemented serially or in parallel and, if serially, the order of module implementation.
3. The implementation of each Questica Budget module will involve the following stages:
 - a. An overview of, and training in, the module and the ways in which the module can be extended by configuration and customizations.
 - b. A determination of how best to configure and, if necessary, customize the module to meet the objectives of The Customer.
 - c. An overview of the advantages and, if present, disadvantages of the proposed configuration and customizations.
 - d. Documentation of the agreed configuration and customizations.
 - e. The preparation of data import templates consistent with the agreed configuration and customizations.
 - f. The completion by The Customer of the data import templates.
 - g. The import by Questica of the data import templates.
 - h. Customer approval of the imported Questica Budget structures and data.
 - i. The creation by The Customer of a technical environment in which Questica Budget can operate.
 - j. The deployment of the Questica Budget application and database on The Customer servers.
 - k. The creation of custom ad hoc models to support the reporting of custom fields.
 - l. Training in the use of ad hoc modeling for Report Builder 3.0.
 - m. Determination of custom reporting requirements that cannot be met by the standard reports and the use of Report Builder 3.0
 - n. The preparation of change orders and specification for any custom reports not detailed in this Scope of Work.



- o. The development by Questica of any required custom reports detailed in this Scope of Work.
- p. The testing and acceptances of custom reports and report views.
- q. The deployment of custom reports and report views.
- r. The development of an integration strategy for updating the Questica Budget database with actual result data from the financial system and the passing of budget data into the financial system.
- s. The development by The Customer of the integration components (queries, intermediate tables, file output/input etc.) which are required to access actual data from the financial system/HR System and update the financial system with budget data.
- t. The development by Questica of:
 - i. integration components which transform budget data prior to updating the financial system;
 - ii. integration components which transform actual result data prior to updating the Questica Budget database;
 - iii. integration components required to initiate the execution of integrations.
- u. The deployment of all integration components.
- v. The testing and acceptance by The Customer of the integration components.

2.8. Customer Resources

- 1. The requirement for Customer resources is variable with:
 - a. The duration of the project.
 - b. The degree of internal Customer consultation.
 - c. The level of internal Customer agreement.
 - d. The number of customizations.
 - e. The familiarity of Customer staff with the SQL Server environment.

End of Document.



Questica
BUDGET

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Turning Objectives into Outcomes

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT A3

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal entitled, "Detailed Calculations for Scope of Work 2.6 Customizations – Budget Salary and Benefit Calculations," which is attached to this Exhibit A3.

Exhibit A3

Detailed Calculations for Scope of Work 2.6. Customizations

Budget Salary and Benefit Calculations

	Calculation Name	Level	Calculation	Source
Benefits				
	Health Allocation	Position	Health allocation rate (by unit) * FTE * 12	Assumptions / Matrix
	Dental Insurance	Position	Dental Insurance rate (by unit) * FTE * 12	Assumptions / Matrix
	Life Insurance	Position	Life Insurance rate (by unit) * FTE * 12	Assumptions / Matrix
	Professional Development	Position	Professional Development rate (by unit) * FTE * 12	Assumptions / Matrix
	Uniform Allowance	Position	Uniform Allowance rate (by unit) * FTE * 12	Assumptions / Matrix
	EAP	Position	EAP rate (by unit) * FTE * 12	Assumptions / Matrix
	Retiree Health Benefits	Position	Retiree Health Benefit rate (by unit) * FTE * 12	Assumptions / Matrix
	Retiree Medical	Position	Retiree Medical Benefit rate (by unit) * FTE * 12	Assumptions / Matrix
	Car Allowance	Position	Car Allowance Rate * FTE * 26	PeopleSoft Payroll Additional Pay
	PDA Allowance	Position	PDA Allowance Rate (by unit) * FTE * 12	Assumptions / Matrix
	Discretionary Veba	Position	Discretionary Veba Rate (by unit) * FTE * 12	Assumptions / Matrix
	Fire BCN	Position	Fire BCN Rate (by unit) * FTE * 12	Assumptions / Matrix
Salary Calcs				
	Monthly Salary	Position	Monthly Salary * FTE	PeopleSoft Employee Job Record
	Annual Salary	Position	Monthly Salary * 12 * Salary Adjustment Rate(by unit)	Assumptions / Matrix
	Step Increase	Position	Annual Salary * Step Increase Rate * Factor based on Next Step Date (MM/YY)	PeopleSoft Employee Job Record
			Step Increase Rate = 5% for steps 1-4, 2.5% for steps 5-7	
			If next step date in July Factor =1, Aug Factor = .9166 etc	
	Stipend	Position	Salary (annual + step increase) * Stipend Rate (by unit)	Assumptions / Matrix
	Holiday Pay	Position	Salary (annual + step increase) * Holiday Pay Rate (by unit)	Assumptions / Matrix
	PERS Retirement	Position	(Salary (annual + step increase) + Holiday Pay + Uniform Allowance) * PERS Retirement Rate (by unit)	Assumptions / Matrix
	PERS Fire Alt Death	Position	(Salary (annual + step increase) + Holiday Pay + Uniform Allowance) * PERS Fire Alt Death Rate (by unit)	Assumptions / Matrix
	PERS Premium Pay	Position	Premium Pay * PERS Rate Premium Pay	Assumptions / Matrix
	Medicare	Position	(Salary (annual + step increase) + Stipend + Uniform Allowance + Professional Development + Auto + PDA) * Medicare Rate (by FICA Status M or N)	Assumptions / Matrix

Exhibit A3
Detailed Calculations for Scope of Work 2.6. Customizations
Budget Salary and Benefit Calculations

	Calculation Name	Level	Calculation	Source
	Social Security	Position	(Salary (annual + step increase) + Stipend + Uniform Allowance + Professional Development + Auto + PDA) Or Soc Security Cap " FTE * FICA Rate	Assumptions / Matrix
Prior Calcs				
	Salary Savings Furlough	Position	Hrly rate * FTE * Furlough Hrs * -1	Assumptions / Matrix
	Salary Savings PERS	Position	Salary Savings Furlough * PERS Rate (by Unit)	Assumptions / Matrix
	Salary Savings Social Security	Position	Salary Savings Furlough * FICA Rate	Assumptions / Matrix
	Salary Savings Medicare	Position	Salary Savings Furlough * Medicare Rate (by FICA Status M or N)	Assumptions / Matrix

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
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EXHIBIT B

FEE SCHEDULE

Consultant's schedule of rates and fees are attached herein as "Questica Timeline of Milestones and Payment Schedule."

The contract cost for five years is four hundred ninety one thousand dollars (\$491,000.00). A contingency totaling \$30,000, in the event additional services need to be added over the contract term, would be available only with Council and City Manager approval. In no event shall the amount billed to City by Contractor for services under this Agreement exceed five hundred twenty one thousand dollars (\$521,000.00), subject to budget appropriations.

EXHIBIT B
Questica Timeline of Milestones and Payment Schedule

Duration	Date	Event	Resource Name / Location	Fee Schedule			
					License	Services	Maintenance
1 Day	8/26	Notice to proceed (Contract Signing)		50% License Costs	55,000.00		
Week 1 4 Days	9/2 - 9/5	Project Kickoff Installation at Questica	Questica PM + CSC team. OnSite - Visit 1				
Week 2 4 days	9/9 - 9/12	Requirements. Integration design and Global data imported	Questica PM + CSC team. Remote				
Week 3 5 Days	9/15 - 9/19	Global and Operating Customizations documented. Operating Data to Questica Customizations begin	Questica PM + CSC team. Remote				
Week 4 5 Days	9/22 - 9/26	Salaries & Benefits Project Team Training	Questica PM + CSC team. Onsite - Visit 2				
Week 5 5 Days	9/29 - 10/3	Global and Operating Customizations Complete Operating Data Import signed off. Begin Operating integrations/customizations	Questica PM + CSC team. Remote				
Week 6 5 Days	10/6 - 10/10	Week 5 Continued	Questica PM + CSC team. Remote				
Week 7 4 Days	10/13 - 10/17	Salaries & Custom Entities Complete Salaries Data Import Complete Salaries Integration & customizations start	Questica PM + CSC team. Remote				
Week 8 5 Days	10/20 - 10/24	Week 7 continued	Questica PM + CSC team. Remote				
Milestone 1 – Salaries Data Import Complete				25% Services Retention		31,250.00 (6,250.00)	
						25,000.00	
Week 9 5 Days	10/27 - 10/31	Operating Integration and Customization Complete. Operating Reports start	Questica PM + CSC team. Remote				
Week 10 5 Days	11/3 - 11/7	Salaries Integration, Reporting	Questica PM + CSC team. Remote				
Week 11 4 Days	11/17 - 11/21	Salaries Integration, Reporting	Questica PM + CSC team. Remote				
Week 12 3 Days	11/24 - 11/28	Salaries Integration, Reporting	Questica PM + CSC team. Remote				
Week 13 5 Days	12/1 - 12/5	Salaries Integration & Customization Complete Start Salaries Reports	Questica PM + CSC team. Remote				
				Management 50% License Costs	55,000.00		7,200
Week 14 5 Days	12/8 - 12/12	Custom Salaries Integrations Complete. End User Training Deploy to Santa Clara	Questica PM + CSC team. Onsite - Visit 3				
Week 15 5 Days	12/15 - 12/19	Global, Operating & Salaries UAT End User Training	Questica PM + CSC team. Remote				
Milestone 2 –				30% Services Retention		37,500.00 (7,500.00)	
						30,000.00	
Week 16 4 Days	12/22 - 12/26	Global, Operating & Salaries UAT Reports Complete.	Questica PM + CSC team. Remote				
Week 17 4 Days	1/2/2014	Global, Operating & Salaries UAT Complete	Questica PM + CSC team. Remote				
Week 18 5 Days	1/5 - 1/9	Go-Live	Questica PM + CSC team. OnSite - Visit 4				
Milestone 3 – Go Live, Operating & Salaries				30% Services Retention		37,500.00 (7,500.00)	
						30,000.00	
120 Days	1/12 -	Post Production Support	Questica PM + CSC team. Remote				
		Remaining Development - - Reports - PeopleSoft Export - CIP - Revenue					
Milestone 4 – Go Live Capital & Revenue				15% Services Retention		18,750.00 (3,750.00)	
						22,500.00	
60 Days		Post Production Support, Project Wrapup					
Milestone 5 – Final Acceptance				Retention		17,500.00	
Totals					110,000.00	125,000.00	7,200.00
							242,200.00
Reporting NTE							27,750.00
Customizations NTE							30,000.00
Optional Items							33,450.00
Total Year 1							333,400.00

Questica Budget Price Estimate

Quotation ID#: 08-August-14r2

Sl. No	Services Provided	Questica On-Prem Maintained	Comments
1	License Cost - Software Framework - 50 Operating Users - 50 Capital Users - 50 Salaries Users - Allocations Module - Unlimited Read-only	125,000	
2	Professional Services	125,000	
3	Annual Maintenance	28,750	
4	Discount	-43,750	
5	Year 1 - Server Management	7,200	
6	License Costs - 10 Performance Measurements Module users	15,000	Optional
7	Professional Services - Performance Measurements	15,000	Optional
8	Annual Maintenance - Performance Measurements	3,450	Optional
9	Customizations - Tree, Chartfields, Validation	30,000	Not to Exceed
10	Custom Reporting	27,750	Not to Exceed
	1st Year Cost	333,400	
11	Year 2 onwards Annual Server Management	7,200	
12	Annual Product Maintenance Year 2 onwards	32,200	
	Total Year 2 onwards	39,400	
	Total 5 Year Cost	491,000	

Professional Services hourly rates guaranteed for 24 months after contract signing.

Onsite hourly rate- \$200

Remote hourly rate \$185



Pricing Notes

Quotation ID#: 08-August-14r2

Pricing valid through: September 30, 2014

Payment Terms (Net 30, US Funds, Exclusive of Applicable Taxes)

License:	50% Contract Signing 50% Earlier of 90 Days from Contract Signing or Install at Customer Site
Maintenance:	YR2 due 365 days from Contract Signing
Management:	100% Earlier of 90 Days from Contract Signing or Install at Customer Site YR2 due 365 days from Contract Signing
Services:	25% Earlier of 60 Days from Contract Signing or Delivery of Data Import 30% Earlier of 90 Days from Contract Signing or Start of Acceptance Testing 30% Earlier of 150 Days from Contract Signing or Go-Live 15% 30 Days after Go-Live Retainage Due on Customer Acceptance
Reports:	Monthly as incurred subject to executed Change Order(s)
Discount:	\$32,200 applied to YR1 Maintenance \$11,550 applied to License

Go-Live is the date the software is first used in a production environment.

Annual Maintenance and Management Fee to increase no more than 5% annual after Year 5, with a minimum of 60 day notice prior to renewal date. Maintenance fee is subject to the US average CPI increase and not more than 5%.

Customer Acceptance happens no later than 60 days after Go-live for Capital

Special Note:

- All customizations and unique calculations are detailed in the attached Scope of Work document.
- Microsoft OS and SQL Licenses are not included
- This quotation includes travel for up to four on site visits, with each visit being 2-3 days in duration, but no more than 10 days in total.

See the attached Scope of Work for detailed Professional Services and customization information.



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**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
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EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

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

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

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

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.
3. Cancellation.
 - a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given

to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

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

- 4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

- 1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
- 2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
- 3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, purchase and maintain not less than the minimum insurance coverage with the endorsements and

deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.	
City of Santa Clara Finance Dept.	
P.O. 12010-S2	or 151 North Lyon Avenue
Hemet, CA 92546-8010	Hemet, CA 92543

Telephone number:	951-766-2280
Fax number:	770-325-0409
Email address:	ctsantaclara@ebix.com

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT D

**ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO AN
AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA**

Termination of Agreement for Certain Acts.

- A. The City may, at its sole discretion, terminate this Agreement in the event any one or more of the following occurs:
1. If a Contractor¹ does any of the following:
 - a. Is convicted of operating a business in violation of any Federal, State or local law or regulation;
 - b. Is convicted² of a crime punishable as a felony involving dishonesty³;
 - c. Is convicted of an offense involving dishonesty or is convicted of fraud or a criminal offense in connection with: (1) obtaining; (2) attempting to obtain; or, (3) performing a public contract or subcontract;
 - d. Is convicted of any offense which indicates a lack of business integrity or business honesty which seriously and directly affects the present responsibility of a City contractor or subcontractor; and/or,
 - e. Made (or makes) any false statement(s) or representation(s) with respect to this Agreement.

¹ For purposes of this Agreement, the word "Consultant" (whether a person or a legal entity) also refers to "Contractor" and means any of the following: an owner or co-owner of a sole proprietorship; a person who controls or who has the power to control a business entity; a general partner of a partnership; a principal in a joint venture; or a primary corporate stockholder [i.e., a person who owns more than ten percent (10%) of the outstanding stock of a corporation] and who is active in the day to day operations of that corporation.

² For purposes of this Agreement, the words "convicted" or "conviction" mean a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere within the past five (5) years.

³ As used herein, "dishonesty" includes, but is not limited to, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, failure to pay tax obligations, receiving stolen property, collusion or conspiracy.

2. If fraudulent, criminal or other seriously improper conduct of any officer, director, shareholder, partner, employee or other individual associated with the Contractor can be imputed to the Contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the Contractor, with the Contractor's knowledge, approval or acquiescence, the Contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval or acquiescence.
- B. The City may also terminate this Agreement in the event any one or more of the following occurs:
1. The City determines that Contractor no longer has the financial capability⁴ or business experience⁵ to perform the terms of, or operate under, this Agreement; or,
 2. If City determines that the Contractor fails to submit information, or submits false information, which is required to perform or be awarded a contract with City, including, but not limited to, Contractor's failure to maintain a required State issued license, failure to obtain a City business license (if applicable) or failure to purchase and maintain bonds and/or insurance policies required under this Agreement.
- C. In the event a prospective Contractor (or bidder) is ruled ineligible (debarred) to participate in a contract award process or a contract is terminated pursuant to these provisions, Contractor may appeal the City's action to the City Council by filing a written request with the City Clerk within ten (10) days of the notice given by City to have the matter heard. The matter will be heard within thirty (30) days of the filing of the appeal request with the City Clerk. The Contractor will have the burden of proof on the appeal. The Contractor shall have the opportunity to present evidence, both oral and documentary, and argument.

⁴ Contractor becomes insolvent, transfers assets in fraud of creditors, makes an assignment for the benefit of creditors, files a petition under any section or chapter of the federal Bankruptcy Code (11 U.S.C.), as amended, or under any similar law or statute of the United States or any state thereof, is adjudged bankrupt or insolvent in proceedings under such laws, or a receiver or trustee is appointed for all or substantially all of the assets of Contractor.

⁵ Loss of personnel deemed essential by the City for the successful performance of the obligations of the Contractor to the City.

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT E

AFFIDAVIT OF COMPLIANCE WITH ETHICAL STANDARDS

I hereby state that I have read and understand the language, entitled "Ethical Standards" set forth in Exhibit D. I have the authority to make these representations on my own behalf or on behalf of the legal entity identified herein. I have examined appropriate business records, and I have made appropriate inquiry of those individuals potentially included within the definition of "Contractor" contained in Ethical Standards at footnote 1.

Based on my review of the appropriate documents and my good-faith review of the necessary inquiry responses, I hereby state that neither the business entity nor any individual(s) belonging to said "Contractor" category [i.e., owner or co-owner of a sole proprietorship, general partner, person who controls or has power to control a business entity, etc.] has been convicted of any one or more of the crimes identified in the Ethical Standards within the past five (5) years.

The above assertions are true and correct and are made under penalty of perjury under the laws of the State of California.

QUESTICA, INC.

a corporation

By: 

Signature of Authorized Person or Representative

Name: T.J. Parass

Title: President

NOTARY'S ACKNOWLEDGMENT TO BE ATTACHED

Please execute the affidavit and attach a notary public's acknowledgment of execution of the affidavit by the signatory. If the affidavit is on behalf of a corporation, partnership, or other legal entity, the entity's complete legal name and the title of the person signing on behalf of the legal entity shall appear above. Written evidence of the authority of the person executing this affidavit on behalf of a corporation, partnership, joint venture, or any other legal entity, other than a sole proprietorship, shall be attached.

ACKNOWLEDGEMENT OF EXECUTION OF DOCUMENT

I, SHANNON MURPHY

of the City of Burlington, in the Regional Municipality of Halton, and Province of Ontario,
make oath and say/affirm:

On this 21st day of August 2014, I was present and saw the Affidavit of Compliance
with Ethical Standards executed by T.J. Parass, who is known to me personally.



SHANNON L. MURPHY
NOTARY PUBLIC

**AMENDMENT NO. 1
TO THE AGREEMENT BETWEEN
THE CITY OF SANTA CLARA, CALIFORNIA
AND**

QUESTICA, INC.

PREAMBLE

This agreement ("Amendment No. 1") is by and between Questica, Inc., a Canadian corporation, with its principal place of business located at 980 Fraser Drive, Suite 105, Burlington, Ontario L7L 5P5, Canada ("Contractor"), and the City of Santa Clara, California, a chartered California municipal corporation with its primary business address at 1500 Warburton Avenue, Santa Clara, California 95050 ("City"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Amendment No. 1."

RECITALS

- A. The Parties previously entered into an agreement entitled "Master Agreement for Professional Services By and Between the City of Santa Clara, California and Questica, Inc." dated August 26, 2014 (the "Original Agreement"); and
- B. The Parties entered into the Original Agreement for the purpose of having Contractor provide Budget and Financial Planning System, and the Parties now wish to amend the Original Agreement to add the additional service of Contractor hosting the software environment.

The Parties agree as follows:

AGREEMENT PROVISIONS

1. AMENDMENT PROVISIONS

That paragraph number 1 of Section Agreement Provisions of the Original Agreement, entitled "Services to be Provided" is hereby amended to read as follows:

Except as specified in this Agreement, Contractor shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise (collectively referred to as "Services") to satisfactorily complete the work required by City at his/her own risk and expense. Services to be provided to City are more fully described in the accompanying Exhibits A1, A2, A3 and A4 "Scope of Services." All of the exhibits referenced in this Agreement are attached and are incorporated by this reference. Contractor acknowledges that the execution of this Agreement by City is predicated upon representations made by Contractor in that certain document entitled "Request for Proposal for Professional Services Budget and Financial Planning SystemQuestica Inc.- RFP Response" dated July 16, 2014 (3pm),

("Proposal") set forth in Exhibits A1, A2 and A3 which constitutes the basis for this Agreement and adding Exhibit A4 entitled "Questica Budget Hosting Agreement" dated October 28, 2016.

AND

That paragraph number 2 of Section Agreement Provisions of the Original Agreement, entitled "Qualifications of Contractor – Standard of Workmanship" is hereby amended to read as follows:

The plans, designs, specifications, estimates, calculations, reports and other documents furnished under Exhibits A1, A2, A3 and A4 "Scope of Services" shall be of a quality acceptable to City. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well organized, that is technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by City for similar projects.

AND

That Exhibit A Scope of Services including A1, A2 and A3 is hereby modified by adding A4 entitled "Questica Budget Hosting Agreement" dated October 28, 2016 which is attached to this document.

2. TERMS

All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 1 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.


3. COUNTERPART/FACSIMILE SIGNATURE

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives. The Effective Date is the date that the final signatory executes the Agreement. It is the intent of the Parties that this Amendment No. 1 shall become operative on the Effective Date.

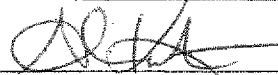
CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

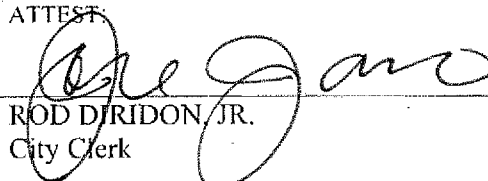


RICHARD E. NOSKY, JR.
City Attorney

Dated: 11-8-16



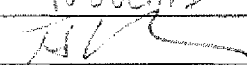
RAJEEV BATRA
Acting City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

ATTEST:


ROD DIRIDON, JR.
City Clerk

"CITY"

QUESTICA, INC.
A Canadian corporation

Dated: November 7, 2016
By: 

(Signature of Person executing the Agreement on behalf of Contractor)
Name: T.J. Parass
Title: President
Local Address: 980 Fraser Drive, Suite 105
Burlington, Ontario L7L 5P5 Canada
Email Address: tjparass@questica.com
Telephone: (905) 634-0110 x 555
Fax: (866) 520-8514

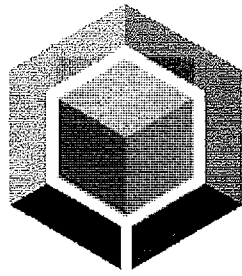
"CONTRACTOR"

**MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
QUESTICA, INC.**

EXHIBIT A4

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal entitled, "Questica Budget Hosting Agreement" dated October 28, 2016, which is attached to this Exhibit A4.



Questica **BUDGET**

AMENDMENT to Existing Services **Questica Budget** **Hosting Agreement**

Prepared for

Gill Norris
City of Santa Clara

by

Craig Ross
Questica Inc.

(Hosting to be provided in Canada)

28-October-16



Questica

Questica Budget Hosting Price

Quotation ID#: 28-October-16

Questica Hosting Service Model

Description	Annual
Hosting Service (Canada)	
Annual Subscription (Questica provides server, database, operating system, performance monitoring, software maintenance, disaster recovery, system monitoring)	\$15,000
Total YR1 Hosting Subscription (Annual Fee)	\$15,000
Professional Services (Per Statement of Work)	
Migration from City Environment to Hosting Environment inclusive of ADFS (Estimated at 40 hours' Time and Materials)	Included
Total Professional Services (Estimate Only):	\$7,800
Total Hosting Fees and Estimated Services:	\$22,800
Grand Total- Year 1	\$22,800

Special Notes: The Annual Hosting Fee is inclusive of the \$9,000/yr currently being paid by the City of Santa Clara for Questica "Managed Services". The migration services are an estimate based on similar work completed for other organizations. The City of Santa Clara will only be invoiced for the actual hours incurred which could be more or less than the 40 hours estimated. ADFS will be implemented in conjunction with the provision of the hosted services.

The Hosting Agreement will co-terminate with the Master Agreement dated August 26, 2014.

Pricing valid through: November 15, 2016

- Above pricing in US dollars
- Terms of Payment:
 - Hosting Subscription-
 - Year 1- 100% Due Upon Contract Effective Date (Net 30)
 - Year 2 and Beyond- Due Annually in Advance for Future Years
 - Services:
 - Time and Materials invoiced monthly at a rate of \$185/hr.
- Taxes- Not Applicable to US Clients



Turning Objectives into Outcomes



Agreement General Terms and Conditions

Quotation ID: 28-October-16

General Terms and Information:

Terms of Service: The services and any related software are provided under the Hosting and Service Agreement which is hereby deemed to be fully incorporated into this quotation, whether or not attached hereto. By executing this quotation below, Customer acknowledges a) having been provided a copy of the Hosting and Service Agreement as Exhibit A to this quotation, and b) having read the Hosting and Service Agreement and Agrees to all its terms. Terms, provisions, or conditions on any purchase order, acknowledgement, or other business form or writing that Customer may use in connection with the provision of Services (or software) by Questica will have no effect on the rights, duties, or obligations of the parties hereunder, regardless of any failure of Questica to object to such terms, provisions, or conditions. However, to the extent of any conflict or inconsistency between the provisions in the body of this Agreement and any exhibit or addendum hereto or any Order Form, the terms of such exhibit, addendum or Order Form shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in Your purchase order or other order documentation (excluding Order Forms) shall be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void.

Taxes: The pricing on this quotation is exclusive of all sales, use or other taxes, customs duties and similar levies, if any, payable in or to any jurisdiction or authority whatsoever. Such taxes (other than the taxes on the net income of Questica) shall be the responsibility of the Customer.

Payment: Payment is required in the currency quoted. Unless detailed otherwise in this quotation, Terms are Net-30 days from the later of a) the date of receipt of invoice, or b) the invoice date.

Subscription Fees: This quotation includes Annual Hosting Subscription Services. This service (as detailed in the attached Hosting and Service Agreement) is purchased on an annual basis from the date the Agreement is executed. If payment of the annual fee is not received by Questica before the first business day of the next additional year, Questica's obligation to provide the Subscription services shall be terminated.

Consulting, Training or Implementation Time Invoicing: Only activities approved in an approved Scope of Work shall be invoiced. A mutually determined change control mechanism will be used to accommodate modifications to the Scope of Work.

Travel Costs: Unless noted otherwise, this quotation does not include any travel, lodging, or on-site expenses. If such travel is required and subsequently authorized, Questica's standard travel and per diem rates shall apply. Air Travel, Rental Car (with associated fuel and parking costs), and Lodging costs shall be reimbursed at cost. Questica is not responsible for unpredictable (including Commercial Airline Travel) delays which may increase travel cost.



Acceptance

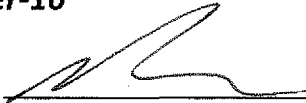
Quote ID#: 28-October-16

Authorized Signature: _____

Authorized Name: _____

Organization Name: _____

Date: _____


for Gary Ameling
City of Santa Clara
11/2/16

Upon accepting this offer, please fax back (or scan and email to your Questica representative) all pages of the signed agreement and include an authorized purchase order.

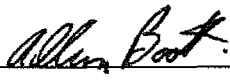
QUESTICA, INC.

Authorized Signature: _____

Authorized Name: _____

Organization Name: _____

Date: _____


Allan Booth
Questica, Inc.
1-Nov-2016



Questica
BUDGET

Turning Objectives into Outcomes



QUESTICA BUDGET HOSTING AGREEMENT

This SUBSCRIPTION HOSTING AGREEMENT (the "Agreement") is made this **October 28, 2016** (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and the City of Santa Clara, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Subscriber").

DEFINITIONS Whenever used herein, any schedules, exhibits, or addenda to this Agreement, the following terms shall have the meanings assigned below. Other capitalized terms used in this Agreement are defined in the context in which they are used.

"Affiliate" means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control," for the purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.

"Agreement" means this Cloud Computing Service Agreement between City and Contractor, inclusive of all schedules, exhibits, attachments, addenda and other documents incorporated by reference between City and Contractor.

"Confidential Information" means any information that a disclosing party treats in a confidential manner and that is marked "Confidential Information" prior to disclosure to the other party. Confidential Information does not include information which: (a) is public or becomes public through no breach of the confidentiality obligations herein; (b) is disclosed by the party that has received Confidential Information (the "Receiving Party") with the prior written approval of the other party; (c) was known by the Receiving Party at the time of disclosure; (d) was developed independently by the Receiving Party without use of the Confidential Information; (e) becomes known to the Receiving Party from a source other than the disclosing party through lawful means; (f) is disclosed by the disclosing party to others without confidentiality obligations; or (g) is required by law to be disclosed

"City" means City of Santa Clara, State of California.

"City Data" includes credentials issued to the City by the Contractor and all records relating to the City's use of Contractor Services and administration of End User accounts, including any Protected Information of City personnel that does not otherwise constitute Protected Information of an End User.

"Data" means all information, whether in oral or written (including electronic) form, created by or in any way originating with City and End Users, and all information that is the output of any computer processing, or other electronic manipulation, of any information that was created by or in any way originating with City and End Users, in the course of using and configuring the Services provided under this Agreement, and includes City Data, End User Data, and Protected Information.

"Data Compromise" means any actual or reasonably suspected unauthorized access to or acquisition of computerized Data that compromises the security, confidentiality, or integrity of the Data, or the ability of City to access the Data.

"Documentation" means, collectively: (a) all materials published or otherwise made available to City by Contractor that relate to the functional, operational and/or performance capabilities of the Services; (b) all user, operator, system administration, technical, support and other manuals and all other materials published or otherwise made available by Contractor that describe the functional, operational and/or performance capabilities of the Services; (c) any Requests for Information and/or Requests for Proposals (or documents of similar effect) issued by City, and the responses thereto from Contractor, and any document which purports to update or revise any of the foregoing; and (d) the results of any



Contractor "Use Cases Presentation", "Proof of Concept" or similar type presentations or tests provided by Contractor to City.

"Downtime" means any period of time of any duration that the Services are not made available by Contractor to City for any reason, including scheduled maintenance or Enhancements.

"End User" means the individuals (including, but not limited to employees, authorized agents, students and volunteers of City; Third Party consultants, auditors and other independent contractors performing services for City; any governmental, accrediting or regulatory bodies lawfully requesting or requiring access to any Services; customers of City provided services; and any external users collaborating with City) authorized by City to access and use the Services provided by Contractor under this Agreement.

"End User Data" includes End User account credentials and information, and all records sent, received, or created by or for End Users, including email content, headers, and attachments, and any Protected Information of any End User or Third Party contained therein or in any logs or other records of Contractor reflecting End User's use of Contractor Services.

"Enhancements" means any improvements, modifications, upgrades, updates, fixes, revisions and/or expansions to the Services that Contractor may develop or acquire and incorporate into its standard version of the Services or which the Contractor has elected to make generally available to its customers.

"Intellectual Property Rights" includes without limitation all right, title, and interest in and to all (a) Patent and all filed, pending, or potential applications for Patent, including any reissue, reexamination, division, continuation, or continuation-in-part applications throughout the world now or hereafter filed; (b) trade secret rights and equivalent rights arising under the common law, state law, and federal law; (c) copyrights, other literary property or authors rights, whether or not protected by copyright or as a mask work, under common law, state law, and federal law; and (d) proprietary indicia, trademarks, trade names, symbols, logos, and/or brand names under common law, state law, and federal law.

"Malicious Code" means viruses, worms, time bombs, Trojan horses, and other harmful or malicious code, files, scripts, agents or programs.

"Order Form" means the documents for placing orders hereunder, including addenda thereto, that are entered into between You and Us from time to time, including addenda and supplements thereto. By entering into an Order Form hereunder, an Affiliate agrees to be bound by the terms of this agreement as if it were an original party hereto. Order Forms shall be deemed incorporated herein by reference.

"Protected Information" includes but is not limited to personally identifiable information, student records, protected health information, or individual financial information that is subject to state or federal laws restricted the use and disclosure of such information, including but not limited to the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C and E or Part 164).

"Project Manager" means the individual who shall serve as each party's point of contact with the other party's personnel as provided in this Agreement. The Initial Project Managers and their contact information are set forth in the Notices section below and may be changed by a party at any time upon written notice to the other party.

"Purchased Services" means Services that You or Your Affiliates purchased under an Order Form

"Services" means the Contractor's computing solutions, provided over the Internet to the City pursuant to this Agreement, that provide the functionality and/or produce the results described in the Documentation, including without limitation all Enhancements thereto and all interfaces.

"Third Party" means persons, corporations and entities other than the Contractor, the City or any of their employees, contractors or agents.



"Users" means individuals who are authorized by You to use the Services, for whom subscriptions to a Service have been ordered, and who have been supplied user identifications and passwords by You, (or by Us at your request). Users may include but are not limited to Your employees, consultants, contractors and agents, and third parties with which You transact business.

"We," "Us", "Our", "Contractor", "Questica Inc." or "Questica" means the company or entity providing the Services in the Agreement

"You", "Your", "City", "Subscriber" means the company or other legal entity for which you are accepting the Agreement and Affiliates of that company or entity.

"Your Data" means all electronic data or information submitted by You to the Purchased Services.

PURCHASED SERVICES

We shall make the Purchased Services available to You pursuant to this Agreement and the relevant Order Forms during a subscription term. You agree that Your purchases hereunder are neither contingent on the delivery of any future functionality or features nor dependent on any oral or written public comments made by Us regarding future functionality or features.

RIGHTS AND LICENSE IN AND TO CITY AND END USER DATA

The parties agree that as between them, all rights, including all Intellectual Property Rights, in and to City and End User Data shall remain the exclusive property of City, and Contractor has a limited, nonexclusive license to access and use these Data as provided in this Agreement solely for the purpose of performing its obligations hereunder.

All End User Data and City Data created and/or processed by the Services is and shall remain the property of City and shall in no way become attached to the Services, nor shall Contractor have any rights in or to the Data of City.

This Agreement does not give a party any rights, implied or otherwise, to the other's Data, content, or Intellectual property, except as expressly stated in the Agreement the City retains the right to use the Services to access and retrieve City and End User Data stored on Contractor's Services infrastructure at any time at its sole discretion.

DATA PRIVACY

Contractor will use City Data and End User Data only for the purpose of fulfilling its duties under this Agreement and for City's and its End User's sole benefit, and will not share such Data with or disclose it to any Third Party without the prior written consent of City or as otherwise required by law. By way of illustration and not of limitation, Contractor will not use such Data for Contractor's own benefit and, in particular, will not engage in "data mining" of City or End User Data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by City.

Contractor will provide access to City and End User Data only to those Contractor employees, contractors and subcontractors ("Contractor Staff") who need to access the Data to fulfill Contractor's obligations under this Agreement. Contractor will ensure that, prior to being granted access to the Data, to the best of the Contractor's knowledge, staff assigned to this project shall not have a criminal record. Staff who perform work under this Agreement have successfully completed annual instruction of a nature sufficient to enable them to effectively



comply with all Data protection provisions of this Agreement; and possess all qualifications appropriate to the nature of the employees' duties and the sensitivity of the Data they will be handling.

DATA SECURITY AND INTEGRITY

All facilities used to store and process City and End User Data will implement and maintain administrative, physical, technical, and procedural safeguards and best practices at a level sufficient to secure such Data from unauthorized access, destruction, use, modification, or disclosure. Such measures will be no less protective than those used to secure Contractor's own Data of a similar type, and in no event less than reasonable in view of the type and nature of the Data involved.

Contractor warrants that all City Data and End User Data will be encrypted in transmission (including via web interface) and in storage at a level equivalent to or stronger than 128-bit level encryption.

Contractor shall at all times use industry-standard and up-to-date security tools, technologies and procedures including, but not limited to anti-virus and anti-malware protections and intrusion detection and reporting in providing Services under this Agreement.

Prior to the Effective Date of this Agreement, Contractor will at its expense conduct or have conducted the following, and thereafter, Contractor will at its expense conduct or have conducted the following at least once per year, and immediately after any actual or reasonably suspected Data Compromise:

- An audit of Contractor's security policies, procedures and controls;
- A vulnerability scan, performed by a Third Party scanner, of Contractor's systems and facilities that are used in any way to deliver Services under this Agreement; and,
- A formal penetration test, performed by a process and qualified personnel, of Contractor's systems and facilities that are used in any way to deliver Services under this Agreement.
- The same will be evidenced by providing the City a copy of the Successful Audit Letter and a Scope of Audit Document (outlining what is included in the audit). Audit Report will not include "private" information, defined as proprietary environment/infrastructure detail not specific to systems that process or transmit City data.
- Additionally, Contractor will make the City environment available at any time for a full audit by the City at the City's expense.

Contractor will provide City the reports or other documentation resulting from the above audits, certifications, scans and tests within seven (7) business days of Contractor's receipt of such results.

Based on the results of the above audits, certifications, scans and tests, Contractor will, within thirty (30) calendar days of receipt of such results, promptly modify its security measures in order to meet its obligations under this Agreement, and provide City with written evidence of remediation.

City may, at its expense, require the Contractor to perform additional audits and tests, the results of which will be provided to City within seven (7) business days of Contractor's receipt of such results.



Contractor shall protect City and End User Data against deterioration or degradation of Data quality and authenticity, including, but not limited to annual Third Party Data integrity audits. Contractor will provide City the results of the above audits, along with Contractor's

RESPONSE TO LEGAL ORDERS, DEMANDS OR REQUESTS FOR DATA

Except as otherwise expressly prohibited by law, Contractor will:

If required by a court of competent jurisdiction or an administrative body to disclose City and/or End User Data, Contractor will notify City in writing immediately upon receiving notice of such requirement and prior to any such disclosure;

Consult with City regarding its response;

Cooperate with City's reasonable requests in connection with efforts by City to intervene and quash or modify the legal order, demand or request; and

Upon City's request, provide City with a copy of its response.

If City receives a subpoena, warrant, or other legal order, demand or request seeking City or End User Data maintained by Contractor, City will promptly provide a copy to Contractor. Contractor will supply City with copies of Data required for City to respond within forty-eight (48) hours after receipt of copy from City, and will cooperate with City's reasonable requests in connection with its response.

DATA COMPROMISE RESPONSE

Contractor shall report, either orally or in writing, to City any Data Compromise involving City or End User Data, or circumstances that could have resulted in unauthorized access to or disclosure or use of City or End User Data, not authorized by this Agreement or in writing by City, including any reasonable belief that an unauthorized individual has accessed City or End User Data. Contractor shall make the report to City immediately upon discovery of the unauthorized disclosure, but in no event more than forty-eight (48) hours after Contractor reasonably believes there has been such unauthorized use or disclosure. Oral reports by Contractor regarding Data Compromises will be reduced to writing and supplied to City as soon as reasonably practicable, but in no event more than forty-eight (48) hours after oral report.

Immediately upon becoming aware of any such Data Compromise, Contractor shall fully investigate the circumstances, extent and causes of the Data Compromise, and report the results to City and continue to keep City informed on a daily basis of the progress of its investigation until the issue has been effectively resolved.

Contractor's report discussed herein shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the City or End User Data used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure (if known), (iv) what Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.



Within five (5) calendar days of the date Contractor becomes aware of any such Data Compromise, Contractor shall have completed implementation of corrective actions to remedy the Data Compromise, restore City access to the Services as directed by City, and prevent further similar unauthorized use or disclosure.

Contractor, at its expense, shall cooperate fully with City's investigation of and response to any such Data Compromise incident.

Except as otherwise required by law, Contractor will not provide notice of the incident directly to the persons whose Data were involved, regulatory agencies, or other entities, without prior written permission from City.

Notwithstanding any other provision of this agreement, and in addition to any other remedies available to City under law or equity, Contractor will promptly reimburse City in full for all costs incurred by City in any investigation, remediation or litigation resulting from any such Data Compromise, including but not limited to providing notification to Third Parties whose Data were compromised and to regulatory bodies, law-enforcement agencies or other entities as required by law or contract; establishing and monitoring call center(s), and credit monitoring and/or identity restoration services to assist each person impacted by a Data Compromise in such a fashion that, in City's sole discretion, could lead to identity theft; and the payment of legal fees and expenses, audit costs, fines and penalties, and other fees imposed by regulatory agencies, courts of law, or contracting partners as a result of the Data Compromise.

DATA RETENTION AND DISPOSAL

Contractor will retain Data in an End User's account, including attachments, until the End User deletes them or for the time period mutually agreed to by the parties in this Agreement.

Using appropriate and reliable storage media, Contractor will regularly backup City and End User Data and retain such backup copies for a minimum of twelve (12) months.

At the City's election, Contractor will either securely destroy or transmit to City repository any backup copies of City and/or End User Data. Contractor will supply City a certificate indicating the records disposed of, the date disposed of, and the method of disposition used.

Contractor will retain logs associated with End User activity for a minimum of twelve (12) months.

Contractor will immediately place a "hold" on Data destruction or disposal under its usual records retention policies of records that include City and End User Data, in response to an oral or written request from City indicating that those records may be relevant to litigation that City reasonably anticipates. Oral requests by City for a hold on record destruction will be reduced to writing and supplied to Contractor for its records as soon as reasonably practicable under the circumstances. City will promptly coordinate with Contractor regarding the preservation and disposition of these records. Contractor shall continue to preserve the records until further notice by City.

DATA TRANSFER UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, Contractor will ensure that all City and End User Data are securely transferred to City, or a Third Party designated by City, within thirty (30) calendar days. Contractor will ensure that such migration uses facilities and methods that are compatible with the relevant systems of City,



and that City will have access to City and End User Data during the transition. In the event that it is not possible to transfer the aforementioned data to City in a format that does not require proprietary software to access the data, Contractor shall provide City with an unlimited use, perpetual license to any proprietary software necessary in order to gain access to the data.

Contractor will provide City with no less than ninety (90) calendar days notice of impending cessation of its business or that of any Contractor subcontractor and any contingency plans in the event of notice of such cessation. This includes Immediate transfer of any previously escrowed assets and Data and providing City access to Contractor's facilities to remove and destroy City-owned assets and Data.

Contractor will provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with supporting documentation, indicating which if any of these are owned by or dedicated to City.

Contractor shall implement its contingency and/or exit plans and take all necessary actions to provide for an effective and efficient transition of service with minimal disruption to City. Contractor will work closely with its successor to ensure a successful transition to the new service and/or equipment, with minimal Downtime and effect on City, all such work to be coordinated and performed no less than ninety (90) calendar days in advance of the formal, final transition date.

SERVICE LEVELS. See Appendix A.

INTERRUPTIONS IN SERVICE; SUSPENSION AND TERMINATION OF SERVICE; CHANGES TO SERVICE. See Appendix A

INSTITUTIONAL BRANDING. Contractor Services will provide reasonable and appropriate opportunities for City branding of Contractor Services. Each party shall have the right to use the other party's Brand Features only in connection with performing the functions provided in this Agreement and as specified in the attached Plan. Any use of a party's Brand Features will inure to the benefit of the party holding Intellectual Property Rights in and to those features. Contractor may not advertise that City is a client, list City as a reference or otherwise use City's name, logos, trademarks, or service marks without prior written permission obtained from City personnel authorized to permit City brand use.

COMPLIANCE WITH APPLICABLE LAWS AND CITY POLICIES. Contractor will comply with all applicable laws in performing Services under this Agreement. Any Contractor personnel visiting City's facilities will comply with all applicable City policies regarding access to, use of, and conduct within such facilities. City will provide copies of such policies to Contractor upon request.

WARRANTIES, REPRESENTATIONS AND COVENANTS

Services Warranty. Contractor represents and warrants that the Services provided to City under this Agreement shall conform to, be performed, function, and produce results substantially in accordance with the Documentation. Contractor shall offer City warranty coverage equal to or greater than the Contractor's standard warranty policy.

Contractor's obligations for breach of the Services Warranty shall be limited to using its best efforts, at its own expense, to correct or replace that portion of the Services which fails to conform to such warranty, and, if Contractor is unable to correct any breach in the Services Warranty by the date which is sixty (60) calendar days after City provides notice of such breach, City may, in its sole discretion, either extend the time for Contractor to cure the breach or terminate this Agreement.

Disabling Code Warranty. Contractor represents, warrants and agrees that the Services do not contain and City will not receive from Contractor any virus, worm, trap door, back door, timer, clock, counter or other limiting routine, instruction or design, or other malicious, illicit or similar unrequested code, including



surveillance software or routines which may, or is designed to, permit access by any person, or on its own, to erase, or otherwise harm or modify any City system or Data (a "Disabling Code").

In the event a Disabling Code is identified, Contractor shall take all steps necessary, at no additional cost to City, to: (a) restore and/or reconstruct any and all Data lost by City as a result of Disabling Code; (b) furnish to City a corrected version of the Services without the presence of Disabling Codes; and, (c) as needed, re-implement the Services at no additional cost to City. This warranty shall remain in full force and effect as long as this Agreement remains in effect.

Intellectual Property Warranty. Contractor represents, warrants and agrees that: Contractor has all Intellectual Property Rights necessary to provide the Services to City in accordance with the terms of this Agreement; Contractor is the sole owner or is a valid licensee of all software, text, pictures, audio, video, logos and copy that provides the foundation for provision of the Services, and has secured all necessary licenses, consents, and authorizations with respect to the use of these underlying elements; the Services do not and shall not infringe upon any patent, copyright, trademark or other proprietary right or violate any trade secret or other contractual right of any Third Party; and there is currently no actual or threatened suit against Contractor by any Third Party based on an alleged violation of such right. This warranty shall survive the expiration or termination of this Agreement.

Warranty of Authority. Each party represents and warrants that it has the right to enter into this Agreement. Contractor represents and warrants that it has the unrestricted right to provide the Services, and that it has the financial viability to fulfill its obligations under this Agreement. Contractor represents, warrants and agrees that the Services shall be free and clear of all liens, claims, encumbrances or demands of Third Parties. Contractor represents and warrants that it has no knowledge of any pending or threatened litigation, dispute or controversy arising from or related to the Services. This warranty shall survive the expiration or termination of this Agreement.

Third Party Warranties and Indemnities. Contractor will assign to City All Third Party warranties and indemnities that Contractor receives in connection with any products provided to City. To the extent that Contractor is not permitted to assign any warranties or indemnities through to City, Contractor agrees to specifically identify and enforce those warranties and indemnities on behalf of City to the extent Contractor is permitted to do so under the terms of the applicable Third Party agreements.

Date/Time Change Warranty. Contractor represents and warrants to City that the Services provided will accurately process date and time-based calculations under circumstances of change including, but not limited to: century changes and daylight saving time changes. Contractor must repair any date/time change defects at Contractor's own expense.

Compliance With Laws Warranty. Contractor represents and warrants to City that it will comply with all applicable laws, including its tax responsibilities, pertaining to the Agreement and its provision of the Services to City.

THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SERVICES PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

CONFIDENTIALITY

Each party acknowledges that certain information that it shall acquire from the other is of a special and unique character and constitutes Confidential Information.



The Receiving Party agrees to exercise the same degree of care and protection with respect to the Confidential Information that it exercises with respect to its own similar Confidential Information and not to directly or indirectly provide, disclose, copy, distribute, republish or otherwise allow any Third Party to have access to any Confidential Information without prior written permission from the disclosing party. However: (a) either party may disclose Confidential Information to its employees and authorized agents who have a need to know; (b) either party may disclose Confidential Information if so required to perform any obligations under this Agreement; and (c) either party may disclose Confidential Information if so required by law (including court order or subpoena). Nothing in this Agreement shall in any way limit the ability of City to comply with any laws or legal process concerning disclosures by public entities. Contractor acknowledges that any responses, materials, correspondence, documents or other Information provided to City are subject to applicable state and federal law, including the Washington State Public Records Act, and that the release of Confidential Information in compliance with those acts or any other law will not constitute a breach or threatened breach of this Agreement.

Nothing in this Agreement shall in any way limit the ability of City to comply with any laws or legal process concerning disclosures by public entities. Contractor acknowledges that any responses, materials, correspondence, documents or other information provided to City are subject to applicable state and federal law, including the Washington Public Records Act, and that the release of Confidential Information in compliance with those acts or any other law will not constitute a breach or threatened breach of this Agreement.

PROTECTED INFORMATION. During the course of this Agreement, should Contractor come into possession of any Protected Information, Contractor may not disclose this information to any Third Party under any circumstances.

HOSTING AND SUPPORT SERVICES TO BE PERFORMED:

The Contractor is ready, willing, and able to provide the services required by this Agreement.

The Contractor shall faithfully perform the services in accordance with the standards of care, skill, training, diligence, and judgment provided by highly competent individuals performing services of a similar nature to those described in the Agreement and in accordance with the terms of the Agreement.

User ID Credentials. Internal corporate or customer (tenant) user account credentials shall be restricted as per the following, ensuring appropriate identity, entitlement, and access management and in accordance with established policies and procedures:

- Identity trust verification and service-to-service application (API) and information processing interoperability (e.g., SSO and Federation)
- Account credential lifecycle management from instantiation through revocation
- Account credential and/or identity store minimization or re-use when feasible
- Adherence to industry acceptable and/or regulatory compliant authentication, authorization, and accounting (AAA) rules (e.g., strong/multi-factor, expireable, non-shared authentication secrets)

Vendor Supported Releases. The provider shall maintain the currency all third-party software used in the development and execution or use of the software including, but not limited to: all code libraries, frameworks, components, and other products (e.g., Java JRE, code signing certificates, .NET, jquery plugins,



etc.), whether commercial, free, open-source, or closed-source; with third-party vendor approved and supported releases.

GRANT OF LICENSE; RESTRICTIONS:

Contractor hereby grants to City a right and license to: (a) display, perform, and use the Software Hosting; and (b) use all intellectual property rights necessary to use the Software Hosting as authorized in subparagraph (a).

Title to and ownership of the Software will remain with Contractor. City will not reverse engineer or reverse compile any part of the Software. City will not remove, obscure or deface any proprietary notice or legend contained in the Software or documentation without Contractor's prior written consent.

DELIVERY AND ACCEPTANCE:

Upon set up of the Software Hosting, the City will test and evaluate same to ensure that it conforms, in the City's reasonable judgment, to the specifications outlined in Appendix A. If the Software does not conform, the City will so notify Contractor in writing within sixty (60) days. Contractor will, at its expense, repair or replace the nonconforming product within fifteen (15) days after receipt of the City's notice of deficiency. The foregoing procedure will be repeated until the City accepts or finally rejects the product, in whole or part, in its sole discretion. In the event that the Software Hosting does not perform to the City's satisfaction, the City reserves the right to repudiate acceptance. In the event that the City finally rejects the Software Hosting, or repudiates acceptance of it, Contractor will refund to the City all fees paid, if any, by the City with respect to the rejected product.

If the City is not satisfied with the Contractor's performance of the services described in Appendix A, the City will so notify Contractor within thirty (30) days after Contractor's performance thereof. Contractor will, at its own expense, re-perform the service within fifteen (15) days after receipt of City's notice of deficiency. The foregoing procedure will be repeated until City accepts or finally rejects the service in its sole discretion. In the event that City finally rejects any service, Contractor will refund to City all fees paid by City with respect to such service.

TERM: The term of the Agreement is from October 4, 2016 through August 25, 2018 but may be terminated early in conjunction with the termination of the Master Agreement that was executed on August 26th, 2014.

COMPENSATION AND PAYMENT:

Fee: The fee for the hosting services described in the Questica Budget Hosting Quote is \$15,000. In addition to the cost for the hosting service, the cost to migrate from the current City infrastructure to the hosting environment is estimated at \$7,800. (40 hours @185/hr.) The migration services will be invoiced monthly on a time and materials basis. These costs shall be paid pursuant to the City's financial policies and in accordance with the Price Quote.

Reimbursement Expenses: The costs specified above include all expenses, and no other expenses shall be separately reimbursed hereunder unless by agreed-upon amendment to this contract.

Invoicing: Contractor must submit an invoice which shall include the City contract number, clear identification of the deliverable that has been completed, and other information reasonably requested by the City. Payment on all uncontested amounts shall be made in accordance with the City's financial policy.

Annual Increases: The maximum allowable annual increase to the hosting fees paid in the prior year is 5%.



STATUS OF CONTRACTOR: The Contractor is an independent contractor retained to perform professional or technical services for limited periods of time. Neither the Contractor nor any of its employees are employees or officers of the City for any purpose whatsoever.

TERMINATION:

The City has the right to terminate the Agreement with cause upon written notice and the expiration of a 10-day Contractor cure period, and without cause upon twenty (20) days prior written notice to the Contractor. However, nothing gives the Contractor the right to perform services under the Agreement beyond the time when its services become unsatisfactory to the Manager.

Upon termination of the Agreement, with or without cause, the Contractor shall have no claim against the City by reason of, or arising out of, incidental or relating to termination, except for compensation for work duly requested and satisfactorily performed as described in the Agreement.

There will be no refund for any prepaid fees in the event of termination without cause. This specifically means that prepaid annual hosting fees will not be refunded if the agreement is terminated without cause prior to the end date of the then current hosting subscription year.

WHEN RIGHTS AND REMEDIES NOT WAIVED: In no event shall any action by either Party hereunder constitute or be construed to be a waiver by the other Party of any breach of covenant or default which may then exist on the part of the Party alleged to be in breach, and the non-breaching Party's action or inaction when any such breach or default shall exist shall not impair or prejudice any right or remedy available to that Party with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more covenants, provisions or conditions of the Agreement shall be deemed or taken to be a waiver of any other breach.

REPRESENTATION AND WARRANTY: Contractor represents and warrants that:

- All services will be performed by qualified personnel in a professional and workmanlike manner, consistent with industry standards;
- all services will conform to applicable specifications and the Appendices attached hereto;
- it has the requisite ownership, rights and licenses to perform its obligations under this Agreement fully as contemplated hereby and to grant to the City all rights with respect to the software and services free and clear from any and all liens, adverse claims, encumbrances and interests of any third party;
- there are no pending or threatened lawsuits, claims, disputes or actions: (i) alleging that any software or service infringes, violates or misappropriates any third party rights; or (ii) adversely affecting any software, service or supplier's ability to perform its obligations hereunder;
- the Software will not violate, infringe, or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party;
- the Software will contain no malicious or disabling code that is intended to damage, destroy or destructively alter software, hardware, systems or data; and the media on which all Software is furnished are and will be, under normal use, free from defects in materials and workmanship.



DEFENSE AND INDEMNIFICATION:

Contractor hereby agrees to defend, indemnify, reimburse and hold harmless City, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Contractor or its subcontractors either passive or active, irrespective of fault, including City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

Contractor's duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Contractor's duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/or claimant alleges that City's negligence or willful misconduct was the sole cause of claimant's damages.

Contractor will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City's exclusive remedy.

Contractor will, at Contractor's expense, indemnify, defend and hold harmless the City, its officers, agents and employees from and against any loss, cost, expense or liability (including but not limited to attorney's fees and awarded damages) arising out of a claim that the Software, services, or their use by the City, infringe, violate or misappropriate a patent, copyright, trademark, trade secret or other intellectual property or proprietary right of any third party. The City will promptly notify Contractor in writing of any claim and cooperate with Contractor and its legal counsel in the defense thereof. Contractor may in its discretion (i) contest, (ii) settle, (iii) procure for the City the right to continue using the Software, or (iv) modify or replace the infringing Software so that it no longer infringes (as long as the functionality and performance are not degraded as reasonably determined by the City).

TAXES, CHARGES AND PENALTIES: The City shall not be liable for the payment of taxes, late charges or penalties of any nature other than the compensation stated herein, except for any additional amounts which the City may be required to pay under Washington State laws.

ASSIGNMENT; SUBCONTRACTING: The Contractor shall not voluntarily or involuntarily assign any of its rights or obligations, or subcontract performance obligations, under this Agreement without obtaining the Manager's prior written consent. Any assignment or subcontracting without such consent will be ineffective and void, and shall be cause for termination of this Agreement by the City. The Manager has sole and absolute discretion whether to consent to any assignment or subcontracting, or to terminate the Agreement because of unauthorized assignment or subcontracting. In the event of any subcontracting or unauthorized assignment: (i) the Contractor shall remain responsible to the City; and (ii) no contractual relationship shall be created between the City and any sub-consultant, subcontractor or assign.

NO THIRD PARTY BENEFICIARY: Enforcement of the terms of the Agreement and all rights of action relating to enforcement are strictly reserved to the parties. Nothing contained in the Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the City or the Contractor receiving services or benefits pursuant to the Agreement is an incidental beneficiary only.



NO AUTHORITY TO BIND CITY TO CONTRACTS: The Contractor lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with City Ordinances and Codes.

AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS: The Agreement is the complete integration of all understandings between the parties as to the subject matter of the Agreement. No prior, contemporaneous or subsequent addition, deletion, or other modification has any force or effect, unless embodied in the Agreement in writing. No oral representation by any officer or employee of the City at variance with the terms of the Agreement or any written amendment to the Agreement will have any force or effect or bind the City.

SEVERABILITY: Except for the provisions of the Agreement requiring appropriation of funds and limiting the total amount payable by the City, if a court of competent jurisdiction finds any provision of the Agreement or any portion of it to be invalid, illegal, or unenforceable, the validity of the remaining portions or provisions will not be affected, if the intent of the parties can be fulfilled.

CONFLICT OF INTEREST:

No employee of the City shall have any personal or beneficial interest in the services or property described in the Agreement. The Contractor shall not hire, or contract for services with, any employee or officer of the City that would be in violation of the City of Santa Clara Personnel Policies.

The Contractor shall not engage in any transaction, activity or conduct that would result in a conflict of interest under the Agreement. The Contractor represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interests of any party with whom the Contractor has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, will determine the existence of a conflict of interest and may terminate the Agreement in the event it determines a conflict exists, after it has given the Contractor written notice describing the conflict.

NOTICES: All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid.

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

DISPUTES: Differences between the Contractor and the City, arising under and by virtue of this contract, shall be resolved at the lowest possible level in order that such matters may be settled or other appropriate action promptly taken. Any dispute shall first be addressed by the City and Contractor Project Manager; then escalated if necessary to Senior Managers before finally going to the Contractor CEO and City Manager. If unable to resolve, either party may seek injunctive relief. Project work shall continue during the period of dispute. The City retains the right to accept work products as stated in the Statement of Work.

GOVERNING LAW; VENUE: The Agreement will be construed and enforced in accordance with applicable federal law, the laws of the Province of Ontario. Unless otherwise specified, any reference to statutes, laws, regulations, charter or code provisions, ordinances, executive orders, or related memoranda, includes amendments or supplements to same. Venue for any legal action relating to the Agreement will be in the court of competent jurisdiction in the County of Halton, Province of Ontario, Canada.



NO DISCRIMINATION IN EMPLOYMENT: In connection with the performance of work under the Agreement, the Contractor may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender variance, marital status, or physical or mental disability. The Contractor shall insert the foregoing provision in all subcontracts.

CONFIDENTIAL INFORMATION; OPEN RECORDS:

City Information: Contractor acknowledges and accepts that, in performance of all work under the terms of this Agreement, Contractor may have access to Proprietary Data or confidential information that may be owned or controlled by the City, and that the disclosure of such Proprietary Data or Information may be damaging to the City or third parties. Contractor agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the City to Contractor shall be held in confidence and used only in the performance of its obligations under this Agreement. Contractor shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent Contractor would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Washington Public Records Act or City ordinance, and provided or made available to Contractor by the City. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

Use and protection of Proprietary Data or Confidential Information:

Except as expressly provided by the terms of this Agreement, Contractor agrees that it shall not disseminate, transmit, license, sublicense, assign, lease, release, publish, post on the Internet, transfer, sell, permit access to, distribute, allow interactive rights to, or otherwise make available any data, including Proprietary Data or confidential information or any part thereof to any other person, party or entity in any form of media for any purpose other than performing its obligations under this Agreement. Contractor further acknowledges that by providing data, Proprietary Data or confidential information, the City is not granting to Contractor any right or license to use such data except as provided in this Agreement. Contractor further agrees not to disclose or distribute to any other party, in whole or in part, the data, Proprietary Data or confidential information without written authorization from the Manager and will immediately notify the City if any information of the City is requested from the Contractor from a third party.

Contractor agrees, with respect to the Proprietary Data and confidential information, that: (1) Contractor shall not copy, recreate, reverse engineer or decompile such data, in whole or in part, unless authorized in writing by the Manager; (2) Contractor shall retain no copies, recreations, compilations, or decompilations, in whole or in part, of such data; and (3) Contractor shall, upon the expiration or earlier termination of the Agreement, destroy (and, in writing, certify destruction) or return all such data or work products incorporating such data or information to the City.

Employees and Sub-Contractor: Contractor will inform its employees and officers of the obligations under this Agreement, and all requirements and obligations of Contractor under this Agreement shall survive the expiration or earlier termination of this Agreement. Contractor shall not disclose Proprietary Data or confidential information to subcontractors unless such subcontractors are bound by non-disclosure and confidentiality provisions at least as strict as those contained in this Agreement.

Disclaimer: Notwithstanding any other provision of this Agreement, the City is furnishing Proprietary Data and confidential information on an "as is" basis, without any support whatsoever, and without representation,



warranty or guarantee, including but not in any manner limited to, fitness, merchantability or the accuracy and completeness of the Proprietary Data or confidential information. Contractor is hereby advised to verify its work. The City assumes no liability for any errors or omissions herein. Specifically, the City is not responsible for any costs including, but not limited to, those incurred as a result of lost revenues, loss of use of data, the costs of recovering such programs or data, the cost of any substitute program, claims by third parties, or for similar costs. If discrepancies are found, Contractor agrees to contact the City immediately.

LEGAL AUTHORITY: Contractor represents and warrants that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into the Agreement. Each person signing and executing the Agreement on behalf of Contractor represents and warrants that he has been fully authorized by Contractor to execute the Agreement on behalf of Contractor and to validly and legally bind Contractor to all the terms, performances and provisions of the Agreement. The City shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate the Agreement if there is a dispute as to the legal authority of either Contractor or the person signing the Agreement to enter into the Agreement.

NO CONSTRUCTION AGAINST DRAFTING PARTY: The parties and their respective counsel have had the opportunity to review the Agreement, and the Agreement will not be construed against any party merely because any provisions of the Agreement were prepared by a particular party.

ORDER OF PRECEDENCE: In the event of any conflicts between the language of the Agreement and the Appendices, the language of the Agreement controls.

SURVIVAL OF CERTAIN PROVISIONS: The terms of the Agreement and any Appendices and attachments that by reasonable implication contemplate continued performance, rights, or compliance beyond expiration or termination of the Agreement survive the Agreement and will continue to be enforceable. Without limiting the generality of this provision, the Contractor's obligations to provide insurance and to indemnify the City will survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

INUREMENT: The rights and obligations of the parties herein set forth shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns permitted under this Agreement.

TIME IS OF THE ESSENCE: The parties agree that in the performance of the terms, conditions, and requirements of this Agreement, time is of the essence.

FORCE MAJEURE: Neither party shall be responsible for failure to fulfill its obligations hereunder or liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, unreasonable delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unreasonable unavailability of equipment or software from suppliers, default of a subcontractor or vendor (if such default arises out of causes beyond their reasonable control), the actions or omissions of the other party or its officers, directors, employees, agents, Contractors or elected officials and/or other substantially similar occurrences beyond the party's reasonable control ("Excusable Delay") herein. In the event of any such Excusable Delay, time for performance shall be extended for a period of time as may be reasonably necessary to compensate for such delay.

PARAGRAPH HEADINGS: The captions and headings set forth herein are for convenience of reference only, and shall not be construed so as to define or limit the terms and provisions hereof.

CITY EXECUTION OF AGREEMENT: This Agreement is expressly subject to and shall not be or become effective or binding on the City until it has been fully executed by all signatories of the City of Santa Clara.



COUNTERPARTS OF THIS AGREEMENT: This Agreement may be executed in counterparts, each of which shall be deemed to be an original of this Agreement.

ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS: Contractor consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

LIMITATION OF LIABILITY: CONTRACTOR'S LIABILITY WITH RESPECT TO ANY SINGLE INCIDENT ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) SHALL NOT EXCEED THE AMOUNT PAID BY THE CITY IN THE FIRST TWELVE MONTHS OF THE AGREEMENT

EXCLUSION OF CONSEQUENTIAL AND RELATED DAMAGES: IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS OR REVENUES OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING DISCLAIMER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

END OF SUBSCRIPTION HOSTING AGREEMENT DOCUMENT



APPENDIX A

Service Levels

The City's expectation is that if City personnel experience a system problem, they will call the City's internal help desk to log an incident. The help desk will notify the on call support analyst who will attempt to determine if the problem is caused by the internal infrastructure (e.g. server down, network down, pc problem) and forward to the application service provider if the problem resides with the application.

If the issue is identified to be an issue with the software, the City's system support will contact the Contractor. The Contractor will respond to Support Calls according to the following Service Levels:

Service Level	Service Response Time	Resolution Status Update Frequency	Service Resolution Time Goal
Emergency	Less than 30 min	Every 30 minutes	Less than 30 min
High	1 hour	Every 2 hours	Within 2 hours
Medium	2 hours	Every 48 hours	Within 5 Business days
Low	8 hours	Every 10 Business Days	Within 30 Business Days

Service Response time refers to the maximum elapsed time after problem logged for investigation and action by the Contractor. The Contractor will communicate with the City's internal software support, providing an action plan.

Resolution Status Update Frequency refers to the maximum time elapsed after problem has been initially logged before a status update is provided to the City. The Contractor will continue to provide status updates to the City within this frequency interval until such time as the problem is resolved.

Service Resolution time goal refers to the objective for the maximum elapsed time after problem is logged for some sort of problem resolution to be provided.

Service Levels will be determined in accordance with the following:

Emergency

- System down during critical support times for Budgeting

High

- System down (Software Application)
- Inability to do budgeting
- Program errors without workarounds
- Incorrect calculation errors impacting records
- Performance issues of severe nature impacting critical processes
- Reports calculation issues
- Security breaches and other security issues

Medium



- System errors that have workarounds
- Performance issues not impacting critical processes
- Usability issues

Low

- Report formatting
- Aesthetic issues
- Recommendations for enhancements on system changes

Questica will make every effort to provide a problem resolution within the stated Service Resolution time goal.

Help Desk Services/ Customer Service and Technical Support

The City has a central help desk for all employee user applications. The central help desk acts as the first point of contact and brokers support requests that are not readily resolved with a scripted solution.

Recovery Point Objective

The solution RPO (Recovery Point Objective) data loss threshold as follows:

Month	Length in Hours	
	7am to 8pm PT	8pm to 7am PT
January	0.1	0.15
February	0.1	0.15
March	0.1	0.15
April	0.1	0.15
May	0.1	0.15
June	0.1	0.15
July	0.25	0.5
August	0.25	0.5
September	0.25	0.5
October	0.25	0.5
November	0.25	0.5
December	0.25	0.5

Recovery Time Objective

The solution should have an RTO (Recovery Time Objective – tolerance to service interruptions) as follows:

Month	Length in Hours	
	7am to 8pm PT	8pm to 7am PT
January	0.25	1
February	0.25	1
March	0.25	1
April	0.25	1
May	0.25	1



Questica
BUDGET

Turning Objectives into Outcomes

June	0.25	1
July	0.5	2
August	0.5	2
September	0.5	2
October	0.5	2
November	0.5	2
December	0.5	2

Service Guarantee

Questica, via AEGISYS, will provide a 99.9% IP connectivity to the Internet within AEGISYS's network.

AEGISYS will also provide 99.9% web server availability and 99.8% database availability within AEGISYS's network on a 24/7 basis outside of scheduled maintenance windows.

Availability will be calculated per calendar quarter, as follows:

$$\left[\left(\frac{\text{total} - \text{nonexcluded} - \text{excluded}}{\text{total} - \text{excluded}} \right) * 100 \right] \geq 99\%$$

Where:

- 1) Total means the total number of minutes in the calendar quarter;
- 2) Non excluded means downtime that is not excluded; and
- 3) Excluded means:
 - a) Any planned downtime of which Questica gives 24 or more hours notice in accordance with the Agreement or via a conspicuous on-screen message in Questica Budget. Questica will use commercially reasonable efforts to schedule all planned downtime during the hours from 6:00 p.m. Friday to 3:00 a.m. Monday, U.S. Pacific Time.
 - b) Any period of unavailability lasting less than 15 minutes.
 - c) Any unavailability caused by circumstances beyond Questica's reasonable control, including, without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems (other than those involving Questica employees), denial- of-service attacks, or third-party Internet service provider failures or delays. For any partial calendar quarter during which the City subscribes to Questica Budget, availability will be calculated based on the portion for which the City subscribed.

Remedies



Should Questica fail to make Questica Budget available as set forth above in a calendar quarter, the City may continue to use Questica Budget but receive a refund for one full day of subscription fees for each active subscription on the Production Questica Budget instance in that quarter, for each full or partial hour of Questica Budget unavailability below the percentage specified above. In no case shall the total refund for any quarter exceed 25% of the subscription fees paid by the City for such quarter. Should Questica fail to make Questica Budget available as set forth above in two consecutive calendar quarters, the City may, in lieu of receiving the above-described refund for the second quarter, terminate the Agreement by providing notice of termination, in which case Questica will refund to Customer any prepaid fees for the remainder of Questica Budget subscription term(s) following the date of termination.

Monitoring

Questica, via AEGISYS, uses a variety of tools to monitor (i) the availability and performance of the Customer's production services environment and (ii) the operation of the infrastructure and network components.

Monitored Components

Questica, via AEGISYS, monitors all levels of the service infrastructure, and currently generates alerts for CPU, memory, storage, database, network components, and transactions. Questica's Operations staff attends to any automated warnings and alerts associated with deviations of the environment from Questica defined monitoring thresholds, and follows standard operating procedures to investigate and resolve underlying issues.



**AMENDMENT NO. 2
TO THE MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
QUESTICA, INC.**

PREAMBLE

This agreement ("Amendment No. 2") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Questica, Inc., a Canadian corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Master Agreement for Professional Services by and between the City of Santa Clara, California and Questica, Inc." dated August 26, 2014 (the "Original Agreement");
- B. The Original Agreement was previously amended by Amendment No. 1, dated November 8, 2016, and is again amended by this Amendment No. 2. The Original Agreement and all previous amendments are collectively referred to herein as the "Original Agreement as Amended"; and
- C. The Parties entered into the Original Agreement as Amended for the purpose of having Contractor provide Budget and Financial Planning System, and the Parties now wish to amend the Original Agreement as Amended to incorporate a Municipal Fee Schedule into the system; to extend the term of the agreement through August 25, 2024; and to increase compensation by \$356,038.12 for a revised not-to-exceed maximum compensation amount of \$877,038.12 as shown in First Revised Exhibit B.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

That Section 2 of the Original Agreement as Amended, entitled "Term of Agreement", is hereby amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by written amendment to this Agreement, the term of this Agreement is from August 26, 2014 to

August 25, 2024, inclusive, subject to the provisions of Section 11
"Termination of Agreement."

2. AMENDMENT TERMS AND CONDITIONS

That Section 11 of the Original Agreement as Amended, entitled "Termination of Agreement", is hereby amended to read as follows:

11. TERMINATION OF AGREEMENT

- A. Termination for Default. If a Party fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, either Party may terminate this Agreement immediately upon written notice to Contractor.
- B. Annual Appropriation of Funds. City's funding of this Agreement shall be on a fiscal year basis (July 1 to June 30) and is subject to annual appropriations. Contractor acknowledges that City, a municipal corporation, is precluded by the California State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of this Agreement. This Agreement will terminate immediately if funds necessary to continue the Agreement are not appropriated. Despite the foregoing, the City shall pay Contractor for any services performed in accordance with this Agreement up to the date of termination.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

3. AMENDMENT TERMS AND CONDITIONS

That Exhibit B of the Original Agreement, entitled "Fee Schedule", is hereby amended to read as shown in First Revised Exhibit B, attached and incorporated into this Amendment No. 2.

4. TERMS

All other terms of the Original Agreement as Amended which are not in conflict with the provisions of this Amendment No. 2 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement as

Amended and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

5. COUNTERPARTS


This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:


Dated: 7-17-2019


BRIAN DOYLE
City Attorney


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

"CITY"

QUESTICA, INC.
A Canadian corporation

Dated: 22-May-2019
By (Signature): 
Name: T.J. Parass
Title: President
Principal Place of Business Address: 980 Fraser Drive, Suite 105
Burlington, Ontario L7L 5P5 Canada
Email Address: tjparass@questica.com
Telephone: (905) 634-0110 x 555
Fax: (866) 520-8514

"CONTRACTOR"

FIRST REVISED EXHIBIT B FEE SCHEDULE

1. MAXIMUM COMPENSATION

The maximum amount payable for all services provided under this Agreement from August 26, 2014 through August 25, 2024 shall not exceed Eight Hundred Seventy-Seven Thousand Thirty-Eight and Twelve Cents (\$877,038.12), subject to budget appropriations. The City shall not be responsible for paying for services that would result in total payment for services rendered exceeding the maximum amount of compensation set forth herein.

Description	Year 1 (8/26/14 to 8/25/15)	Year 2 (8/26/15 to 8/25/16)	Year 3 (8/26/16 to 8/25/17)	Year 4 (8/26/17 to 8/25/18)	Year 5 (8/26/18 to 8/25/19)
A. System Implementation ^(a)	\$333,400.00				
B1. Questica Software Maintenance & Support Services		\$28,700.00	\$35,900.00	\$35,900.00	\$35,900.00
B2. Hosting (on premise)		\$7,200.00			
B3. Hosting (cloud)			\$6,500.00	\$7,800.00	\$7,800.00
B4. Statistical Ledger			\$1,460.00	\$460.00	\$460.00
Subtotal (B)		\$35,900.00	\$43,860.00	\$44,160.00	\$44,160.00
C. OpenBook Subscription ^(b)				\$1,250.00	\$3,125.00
Subtotal (A - C)	\$333,400.00	\$35,900.00	\$43,860.00	\$45,410.00	\$47,285.00
D. Additional Services & Products					
Migration from City Environment to Hosting Environment inclusive of ADFS			\$7,800.00		
Development of a municipal fee calculator (one-time fee; no ongoing fees) ^(c)					\$42,000.00
Additional as-needed services					\$10,000.00
Subtotal (D)	\$0.00	\$0.00	\$7,800.00	\$0.00	\$52,000.00
Annual Total (Years 1-5)	\$333,400.00	\$35,900.00	\$51,660.00	\$45,410.00	\$99,285.00
Total (Years 1-5)	\$565,655.00				

Description	Year 6 (8/26/19 to 8/25/20)	Year 7 (8/26/20 to 8/25/21)	Year 8 (8/26/21 to 8/25/22)	Year 9 (8/26/22 to 8/25/23)	Year 10 (8/26/23 to 8/25/24)
A1. Questica Software Maintenance & Support Services ^(d)	\$36,750.00	\$37,485.00	\$38,234.70	\$38,999.39	\$39,779.38
A2. Hosting (cloud) ^(d)	\$8,190.00	\$8,353.80	\$8,520.88	\$8,691.30	\$8,865.13
A3. Statistical Ledger ^(d)	\$483.00	\$492.66	\$502.51	\$512.56	\$522.81
Subtotal (A)	\$45,423.00	\$46,331.46	\$47,258.09	\$48,203.25	\$49,167.32
B. OpenBook Subscription	\$3,125.00	\$3,125.00	\$3,125.00	\$3,125.00	\$12,500.00
Annual Total (Years 6-10)	\$48,548.00	\$49,456.46	\$50,383.09	\$51,328.25	\$61,667.32
Additional Products & Services	\$50,000.00				
Total (Years 6-10)	\$311,383.12				

NOT TO EXCEED MAXIMUM COMPENSATION (YEARS 1- 10)	\$877,038.12
---	---------------------

- (a) See original Exhibit B for Year 1 price breakdown.
- (b) Pursuant to Questica OpenBook Subscription Agreement, attached and incorporated into this Amendment No. 2.
- (c) Pursuant to Questica Estimate ID#: Santa Clara-MuniFee-05032019, attached and incorporated into this Amendment No. 2.
- (d) Pursuant to Questica Budget Maintenance and Support Agreement, attached and incorporated into this Amendment No. 2.

2. ADDITIONAL SERVICES AND SOFTWARE CUSTOMIZATIONS

Upon written request of the City, Contractor shall provide services and resources required to implement upgrades, improvements, and enhancements to the system as required by the City, at a price as mutually agreed upon. Additional products and services shall be separately negotiated to be paid on a lump sum or time and material basis as authorized by the City and agreed to by Contractor. No additional products or services will be provided unless both Parties execute an Amendment to this Agreement.

3. INVOICING

Contractor shall invoice the City annually for all applicable support and maintenance costs.



QUESTICA BUDGET SOFTWARE SUBSCRIPTION AGREEMENT

This **SOFTWARE SUBSCRIPTION AGREEMENT** (the "**Agreement**") is made this August 26, 2019 (the "**Effective Date**") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("**Questica**") and City of Santa Clara, CA, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "**Subscriber**").

BACKGROUND


- A. Questica and Subscriber entered into a Software Subscription Agreement on March 21st, 2017
- B. The Subscriber wishes to extend the term of this Agreement through August 25, 2024.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Subscriber agree as follows:


- 1. **ORDER OF PRECEDENCE.** All terms from the original Software Subscription Agreement and any subsequent changes or amendments remain in full force unless specifically addressed within this Agreement.
- 2. **SOFTWARE SUBSCRIPTION.** For the term of this Agreement, upon paying the Subscription Fee as defined in Appendix A, Questica shall provide the Services for the software as outlined in the Software Subscription Agreement, if the Subscriber is not otherwise in breach of the provisions of the Agreement.
- 3. **TERM.** This Agreement is effective as of August 26, 2019 and shall continue through August 25, 2024 unless and until this Agreement is otherwise terminated.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

QUESTICA INC.

Authorized Signature: 
Authorized Name: TJ Parass
Title: President
Date: 22-May-2019

CITY OF SANTA CLARA

Authorized Signature: 
Authorized Name: Gregory J Bych
Title: RISK MANAGER FOR CFI
Date: 7-17-2019

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE



APPENDIX A – Annual Fees

\$ 3,125.00	Software Subscription from August 26, 2019 to August 25, 2020
\$ 3,125.00	Software Subscription from August 26, 2020 to August 25, 2021
\$ 3,125.00	Software Subscription from August 26, 2021 to August 25, 2022
\$ 3,125.00	Software Subscription from August 26, 2022 to August 25, 2023
\$ 12,500.00	Software Subscription from August 26, 2023 to August 25, 2024

Payment Terms

Software Subscription fees are due in full in advance of the renewal period. Questica will issue a corresponding invoice a minimum 30 days prior to the renewal date.

Additional Services

Additional professional services can be purchased at Questica's then current rate, which at the execution date of this Agreement is \$200/hr.

END OF SOFTWARE SUBSCRIPTION AGREEMENT



Budget

Price Estimate

Prepared for

Kenn Lee

at

City of Santa Clara, CA

by

Sean Szaloczi
Questica Inc.

05/03/2019



Questica
Where brilliant begins.

Questica Budget Price Estimate

Estimate ID#: Santa Clara-MuniFee-05032019

Description	Total
<p>Summary Description: The development of a municipal fee calculator similar in function to that described in Appendix A with changes that allow for:</p> <ul style="list-style-type: none">• The impact of forecasts (whether entered directly or existing by virtue of position allocations) present in unpublished Change Requests to be included in the computation of direct and indirect costs.• The use of computed municipal fee amounts in either or both present and future forecasts. <p>A Questica developer will work in conjunction with the appropriate project resource from the City of Santa Clara to further scope these modifications in greater detail.</p>	
<p>Professional Services: (Per Appendix A)</p> <p>70 hours - Refine MuniFee tool based on the City of Santa Clara requirements 40 hours - Update MuniFee tool to new version 20 hours - Project Management time for preparing specs and testing 80 hours - Adjust Salary Costing to pull published modifier costs</p>	
Total Professional Services: (210 hours at \$200/hour)	\$42,000

Note
<ul style="list-style-type: none">• Estimates are based on a high-level overview of your Questica software setup. This overview includes a review of custom reports and/or other customizations. Final costs will be based on time and materials and will be billable at a rate of \$200/hour.

Pricing Notes

Estimate ID#: Santa Clara-MuniFee-05032019

- Pricing valid through: August 31, 2019
- Above pricing in US dollars
- Terms of Payment: All work will be invoiced monthly on a Time and Materials basis



Estimate General Terms and Conditions

Estimate ID: Santa Clara-MuniFee-05032019

General Terms and Information:

Terms of Service: The services and any related software are provided under the original License and Service Agreement which is hereby deemed to be fully incorporated into this quotation.

Taxes: The pricing on this quotation is exclusive of all sales, use or other taxes, customs duties and similar levies, if any, payable in or to any jurisdiction or authority whatsoever. Such taxes (other than the taxes on the net income of Questica) shall be the responsibility of the Customer.

Payment: Payment is required in the currency estimated. Unless detailed otherwise in this quotation, Terms are Net-30 days from the later of a) the date of receipt of invoice, or b) the invoice date.

Acceptance of Custom Work: This quotation may include the development of Product Customization, Custom Reporting or Data import services as detailed in an attached Scope of Work. Within fifteen (15) business days from the delivery of each individual Custom Work, the Customer/Licensee shall, in its sole discretion, review the Product Customization and notify Questica whether it finds the Customizations satisfactory or unsatisfactory. If it is determined that the Customizations are unsatisfactory, then it shall state in writing the reasons for its determination, including identifying any nonconformance with the Licensee's specifications or expectations. Questica will promptly correct the deficiencies and reinstall the Customizations, and the approval procedure shall be reapplied until Licensee finally declares the Customizations satisfactory. In the absence of a written response within 15 Business Days after the delivery of the Customizations or once the Licensee has declared the Customizations satisfactory, the Customizations shall be considered 'Accepted'.

Consulting, Training or Implementation Time Invoicing: Only activities approved in an approved Scope of Work shall be invoiced. A mutually determined change control mechanism will be used to accommodate modifications to the Scope of Work.

Travel Costs: Unless noted otherwise, this quotation does not include any travel, lodging, or on-site expenses. If such travel is required and subsequently authorized, Questica's standard travel and per diem rates shall apply. Air Travel, Rental Car (with associated fuel and parking costs), and Lodging costs shall be reimbursed at cost. Questica is not responsible for unpredictable (including Commercial Airline Travel) delays which may increase travel cost.

Acceptance

Estimate ID#: Santa Clara-MuniFee-05032019

CITY OF SANTA CLARA, CA

Authorized Signature: _____



Authorized Name: _____

Gregory J Bych

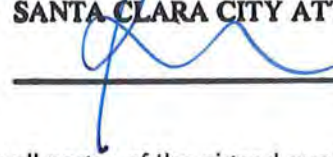
Title: _____

Risk Manager for City Manager

Date: _____

7-17-2019

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE



Upon accepting this offer, please scan and email back all pages of the signed quotation and include an authorized purchase order, if applicable.

QUESTICA INC.

Authorized Signature: _____



Authorized Name: _____

TJ Parass

Title: _____

President

Date: _____

22-May-2019

Appendix A – Scope of Work

Business Need:

The State of California collects fee revenue from municipalities and dedicates it to support numerous services and programs. Over time the State noticed shortfalls in funding due to lack of proper fee recovery. To better ensure funding for those services and programs, municipalities were instructed to do a better job of tracking the proposed cost of the fee compared to the cost of tasks associated with executing the Fee. Tracking the proposed Fee cost paid by the consumer against the cost of tasks associated with handling the Fee provides a Fee recovery rate. Making sure the Fee Costs to the consumer fully considers the cost of Fee tasks will ensure that the municipality is properly recovering the revenue it needs. This should reduce unexpected revenue shortfalls for funds that pool municipal Fee dollars.

The State of California requires municipalities to determine what the estimated cost of their fees versus the recovery rates of the cost of those fees. This requires the municipalities to determine various staff-related, non-staff related, and overhead related costs being budgeted for a Fee in some year. That value is then compared to the current proposed Fee cost to determine how the Fee needs to be adjusted to consider a 100% cost recovery rate.

This process is essentially an Activity Based Costing for Fees. These fees are costed for 1 year with no forecasting. Since there is salary data involved, that means the Questica salary module needs to be published to determine associated job-based costs for a fee.

<http://www.californiacityfinance.com/MuniRev2014Ch1plus.pdf>

History

This Municipal Fee (MuniFee) Calculator customization was initially developed by Marshall Bucek, Questica developer, and was delivered to the City of Palo Alto, CA. It was designed in part by Michael Newsome of Questica and Walter Rossmann, currently at the City of Santa Clara, CA.

Purpose

A Fee is created for a Service Activity that needs to be performed. For each Fee, the Fee calculator tool determines various costs associated with Salary, (Non-Staff) Operating, and Overhead. The Total Fee Cost is then compared with a user-defined proposed fee to determine a final Revenue Estimate and Cost Recovery Percentage for that Fee. This analysis helps to determine if the City needs to increase the Fee cost to get to 100% cost recovery.



QUESTICA BUDGET MAINTENANCE AND SUPPORT AGREEMENT

This MAINTENANCE AND SUPPORT AGREEMENT (the "Agreement") is made this August 26, 2019 (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and City of Santa Clara, CA, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Licensee").

BACKGROUND

- A. Questica and Licensee entered into a License and Services Agreement on August 26, 2014.
- B. Questica is the exclusive provider of Maintenance and Support Services for the Questica Budget product solution.
- C. The Licensee wishes to receive Maintenance and Support Services for the licensed products, pursuant to the terms of this Agreement for a period of five (5) years.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Licensee agree as follows:

- 1. **ORDER OF PRECEDENCE.** All terms from the original License and Services Agreement and any subsequent changes or amendments remain in full force unless specifically addressed within this Maintenance and Support Agreement.
- 2. **PRODUCT MAINTENANCE, SUPPORT AND HOSTING.** For the term of this Agreement, upon paying the Maintenance, Support and Hosting Fee as defined in Appendix A, Questica shall provide the Maintenance, Technical Support and Hosting services (the "Services") for the software as outlined in the License and Services Agreement, if the Licensee is not otherwise in breach of the provisions of the Agreement.
- 3. **TERM.** This Agreement is effective as of August 26, 2019 and shall continue through August 25, 2024 unless and until this Agreement is otherwise terminated.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

QUESTICA INC.

Authorized Signature: _____

Authorized Name: _____

T.J. Parass

Title: _____

President

Date: _____

22-May-2019

CITY OF SANTA CLARA

Authorized Signature: _____

Authorized Name: _____

Gregory J. Byck

Title: _____

Risk Manager for CM

Date: _____

7-17-2019

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE

APPENDIX A – Annual Fees

Year 1	\$ 45,423.00	Maintenance, Support, and Hosting from August 26, 2019 to August 25, 2020
Year 2	\$ 46,331.46	Maintenance, Support, and Hosting from August 26, 2020 to August 25, 2021
Year 3	\$ 47,258.09	Maintenance, Support, and Hosting from August 26, 2021 to August 25, 2022
Year 4	\$ 48,203.25	Maintenance, Support, and Hosting from August 26, 2022 to August 25, 2023
Year 5	\$ 49,167.32	Maintenance, Support, and Hosting from August 26, 2023 to August 25, 2024

Note: Software licenses currently owned by Licensee include: Questica Budget Framework; Operating license seats (65); Capital license seats (45); Salary license seats (40); Performance Measures license seats (unlimited); and Statistical Ledger add-on. The annual amounts reflected herein Appendix A assume there are no additional modules or seats purchased. The annual maintenance associated with any future incremental seat purchases and/or new modules will be added to these amounts.

Payment Terms

Maintenance and Support fees are due in full in advance of the renewal period. Questica will issue a corresponding invoice a minimum 30 days prior to the renewal date.

Additional Services

Additional professional services can be purchased at Questica's then current rate, which at the execution date of this Agreement is \$200/hr.

END OF MAINTENANCE AND SUPPORT AGREEMENT

**AMENDMENT NO. 3
TO THE MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
QUESTICA, INC.**

PREAMBLE

This amendment ("Amendment No. 3") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Questica, Inc., a Canadian corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. The Parties previously entered into an agreement entitled "Master Agreement for Professional Services by and between the City of Santa Clara, California and Questica, Inc." dated August 26, 2014 ("Agreement") for the purpose of having Contractor provide a Budget and Financial Planning System;
- B. The Agreement was previously amended by Amendment No. 1, dated November 8, 2016, Amendment No. 2, dated July 17, 2019, and is again amended by this Amendment No. 3. The Agreement and all previous amendments are collectively referred to herein as the "Agreement as Amended"; and
- C. The Parties now wish to amend the Agreement as Amended to extend the term of the Agreement as Amended to continue using the Budget and Financial Planning System.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

- 1. Section 2 of the Agreement as Amended, entitled "Term of Agreement," is hereby amended in its entirety to read as follows:

"Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by written amendment to this Agreement, the term of this Agreement is from August 26, 2014 to August 25, 2029, inclusive, subject to the provisions of Section 11 "Termination of Agreement.""

2. Exhibit B (First Revised) of the Agreement as Amended, entitled "Fee Schedule," is hereby amended in its entirety by replacing it with the attached Exhibit B (Second Revised), which is hereby incorporated in the Agreement as Amended.
3. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No. 3, the provisions of this Amendment No. 3 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 3 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

GLEN R. GOOGINS
City Attorney

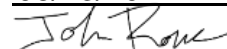
JOVAN D. GROGAN
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

QUESTICA, INC.
A Canadian corporation

Dated: 06/13/2024

By (Signature):



Name: John Rowe

Title: Senior Director, Sales & Customer Expansion

Principal Place of Business Address: 603 Michigan Dr, Unit 1
Oakville ON L6L 0G2, Canada

Email Address: john.rowe@eunasolutions.com

Telephone: 877-232-4847x5302

Fax: _____

"CONTRACTOR"

EXHIBIT B (SECOND REVISED) FEE SCHEDULE

1. MAXIMUM COMPENSATION

The maximum amount payable for all services provided under this Agreement from August 26, 2014 through August 25, 2029 shall not exceed **One Million Four Hundred Twenty-Five Thousand Seventy-Six Dollars and Fifty-Two Cents (\$1,425,076.52)**, subject to budget appropriations. The City shall not be responsible for paying for services that would result in total payment for services rendered exceeding the maximum amount of compensation set forth herein.

Description	Year 1 (8/26/14 to 8/25/15)	Year 2 (8/26/15 to 8/25/16)	Year 3 (8/26/16 to 8/25/17)	Year 4 (8/26/17 to 8/25/18)	Year 5 (8/26/18 to 8/25/19)
A. System Implementation ^(a)	\$333,400.00				
B1. Questica Software Maintenance & Support Services		\$28,700.00	\$35,900.00	\$35,900.00	\$35,900.00
B2. Hosting (on premise)		\$7,200.00			
B3. Hosting (cloud)			\$6,500.00	\$7,800.00	\$7,800.00
B4. Statistical Ledger			\$1,460.00	\$460.00	\$460.00
Subtotal (B)		\$35,900.00	\$43,860.00	\$44,160.00	\$44,160.00
C. OpenBook Subscription ^(b)				\$1,250.00	\$3,125.00
Subtotal (A - C)	\$333,400.00	\$35,900.00	\$43,860.00	\$45,410.00	\$47,285.00
D. Additional Services & Products					
Migration from City Environment to Hosting Environment inclusive of ADFS			\$7,800.00		
Development of a municipal fee calculator (one-time fee; no ongoing fees) ^(c)					\$42,000.00
Additional as-needed services					\$10,000.00
Subtotal (D)	\$0.00	\$0.00	\$7,800.00	\$0.00	\$52,000.00
Annual Total (Years 1-5)	\$333,400.00	\$35,900.00	\$51,660.00	\$45,410.00	\$99,285.00
Total (Years 1-5)	\$565,655.00				

Description	Year 6 (8/26/19 to 8/25/20)	Year 7 (8/26/20 to 8/25/21)	Year 8 (8/26/21 to 8/25/22)	Year 9 (8/26/22 to 8/25/23)	Year 10 (8/26/23 to 8/25/24)
A1. Questica Software Maintenance & Support Services ^(d)	\$36,750.00	\$37,485.00	\$38,234.70	\$38,999.39	\$39,779.38
A2. Hosting (cloud) ^(d)	\$8,190.00	\$8,353.80	\$8,520.88	\$8,691.30	\$8,865.13
A3. Statistical Ledger ^(d)	\$483.00	\$492.66	\$502.51	\$512.56	\$522.81
Subtotal (A)	\$45,423.00	\$46,331.46	\$47,258.09	\$48,203.25	\$49,167.32
B. OpenBook Subscription	\$3,125.00	\$3,125.00	\$3,125.00	\$3,125.00	\$12,500.00
Annual Total (Years 6-10)	\$48,548.00	\$49,456.46	\$50,383.09	\$51,328.25	\$61,667.32
Additional Products & Services	\$50,000.00				
Total (Years 6-10)	\$311,383.12				

Description	Year 11 (8/26/24 to 8/25/25)	Year 12 (8/26/25 to 8/25/26)	Year 13 (8/26/26 to 8/25/27)	Year 14 (8/26/27 to 8/25/28)	Year 15 (8/26/28 to 8/25/29)
A1. Maintenance and Support, OpenBook and Care+ Premium ^(e)	\$92,607.68	\$88,857.68	\$88,857.68	\$88,857.68	\$88,857.68
A2. Hosting (cloud)	Included	Included	Included	Included	Included
A3. Statistical Ledger	Included	Included	Included	Included	Included
Subtotal (A)	\$92,607.68	\$88,857.68	\$88,857.68	\$88,857.68	\$88,857.68
B. OpenBook Subscription	Included	Included	Included	Included	Included
Annual Total (Years 11-15)	\$92,607.68	\$88,857.68	\$88,857.68	\$88,857.68	\$88,857.68
Additional Products & Services	\$100,000.00				
Total (Years 11-15)	\$548,038.40				

NOT TO EXCEED MAXIMUM COMPENSATION (YEARS 1-15)	\$1,425,076.52
--	-----------------------

(a) See original Exhibit B for Year 1 price breakdown.

(b) Pursuant to Questica OpenBook Subscription Agreement, attached to Amendment No. 2 and incorporated into the Agreement as Amended.

(c) Pursuant to Questica Estimate ID#: Santa Clara-MuniFee-05032019, attached to Amendment No. 2 and incorporated into the Agreement as Amended t.

(d) Pursuant to Questica Budget Maintenance and Support Agreement, attached to Amendment No. 2 and incorporated into the Agreement as Amended.

(e) Pursuant to Questica Budget Maintenance and Support Agreement, attached and incorporated into this Amendment No. 3.

2. ADDITIONAL SERVICES AND SOFTWARE CUSTOMIZATIONS

Upon written request of the City, Contractor shall provide services and resources required to implement upgrades, improvements, and enhancements to the system as required by the City, at a price as mutually agreed upon. Additional products and services shall be separately negotiated to be paid on a lump sum or time and material basis as authorized by the City and agreed to by Contractor. No additional products or services will be provided unless both Parties execute an Amendment to this Agreement.

3. INVOICING

Contractor shall invoice the City annually for all applicable support and maintenance costs.



QUESTICA BUDGET MAINTENANCE AND SUPPORT AGREEMENT

This MAINTENANCE AND SUPPORT AGREEMENT (the "Agreement") is made this August 26th 2024 (the "Effective Date") by and between QUESTICA SOFTWARE LTD., a corporation incorporated under the laws of the State of Delaware ("**Questica**") and CITY OF SANTA CLARA including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "**Licensee**").

BACKGROUND

- A. Questica and Licensee entered into a License and Services Agreement on August 26th 2019.
- B. Questica is the exclusive provider of Maintenance and Support Services for the Questica Budget product solution.
- C. The Licensee wishes to receive Maintenance and Support Services for the licensed products, pursuant to the terms of this Agreement for a period of FIVE (5) years.
- D. Questica and the Licensee wish to add Questica Care+ Premium to the Maintenance, Support and Hosting Services. Care+ Premium services defined in Appendix B.
- E. Questica and the Licensee agree to include unlimited licenses in the Operating, Capital and Personnel module (current license counts are Operating – 65, Capital – 45, Personnel – 40)
- F. Questica and the Licensee agree to complete the salary integration/synchronization as defined in Appendix C. Appendix C replaces all other references in the agreement related to the scope of services for salary integration/synchronization. This integration/synchronization will be completed by August 31, 2025 at no additional cost to the City.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Licensee agree as follows:

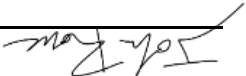
1. **ORDER OF PRECEDENCE.** All terms from the original License and Services Agreement and any subsequent changes or amendments remain in full force unless specifically addressed within this Maintenance and Support Agreement.
2. **PRODUCT MAINTENANCE, SUPPORT AND HOSTING.** For the term of this Agreement, upon paying the Maintenance, Support and Hosting Fee as defined in Appendix A, Questica shall provide the Maintenance, Technical Support and Hosting services (the "Services") for the software as outlined in the License and Services Agreement, if the Licensee is not otherwise in breach of the provisions of the Agreement.
3. **TERM.** This Agreement is effective as of August 26th 2024 and shall continue through August 25th 2029 unless and until this Agreement is otherwise terminated.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

QUESTICA SOFTWARE LTD.

Authorized

Signature:



Authorized

Name: Title:

John Rowe, Senior Director of Sales and Expansion

Date:

06/13/2024

LICENSEE

Authorized

Signature:

Authorized Name:

Title:

Date:

APPENDIX A – ANNUAL FEES

Year 1 \$92,607.68 Maintenance and Support, OpenBook and Care+ Premium from August 26th, 2024 to August 25th, 2025

Year 2 \$88,857.68 Maintenance and Support, OpenBook and Care+ Premium from August 26th, 2025 to August 25th, 2026

Year 3 \$88,857.68 Maintenance and Support, OpenBook and Care+ Premium from August 26th, 2026 to August 25th, 2027

Year 4 \$88,857.68 Maintenance and Support, OpenBook and Care+ Premium from August 26th, 2027 to August 25th, 2028

Year 5. \$88,857.68 Maintenance and Support, OpenBook and Care+ Premium from August 26th, 2028 to August 25th, 2029

Payment Terms

Maintenance and Support fees are due in full in advance of the renewal period. Questica will issue a corresponding invoice a minimum 30 days prior to the renewal date.

Additional Services

Additional professional services can be purchased at Questica's then current rate, which at the execution date of this Agreement is \$250.00/hr.

APPENDIX B – CARE+



Budget.

CARE+

Supercharge Your Budgeting with Unparalleled Expertise.

In addition to the technical support offered through your Euna Budget solution, you'll get easy, consistent access to the expertise and resources you need without stressing your budget — even if those needs change. Find out how you can eliminate uncertainty and boost your team's agility with Euna Budget's service plan – CARE+.



SEE HOW THE PLANS STACK UP	BASIC	STANDARD	PREMIUM**
ADMIN CHANGE PROTECTION	✓	✓	✓
SYSTEM REVIEW	✓	✓	✓
COHORT TRAINING	✓	✓	✓
ANNUAL REFRESHER TRAINING		✓	✓
PERFORMANCE MEASURES CONSULT		✓	✓
CUSTOM JOB-AIDES		✓	✓
CUSTOMIZATION-UPGRADES			✓
CUSTOMIZATION-REMOVALS			✓
READ-ONLY SQL ACCESS (ROSA)			✓
BLOCK OF SERVICE HOURS	5	15	20

CARE+

A robust set of services to meet every need.

ADMIN CHANGE PROTECTION *

In the event of unexpected staff churn, we will ensure your new team members understand the nuances of your Euna Budget implementation, including confirming that the Application Administration dashboard notes are complete and correct. Scope of work and quote can be provided for a protracted engagement as an additional fee. This may include, for example, running the system on your behalf during a staff transition process.

SYSTEM REVIEW

Our consultant will review your Euna Budget system with your team and recommend where you can "grease the wheels." Recommended reviews could include system configuration, additional (ad hoc) reports, documentation, training, and/or enhanced procedures. A system review also includes quick fixes, discussions, and estimations of concerted endeavors/programs.

COHORT TRAINING

Join other subscribed customers for a monthly training session run by our Euna Budget insiders.

ANNUAL REFRESHER TRAINING

A seasoned trainer will use your own Euna Budget system to deliver a refresher session focused on the areas of the application you specifically use. You will have one session in each major module per year, delivered as a Q&A or tutorial.

PERFORMANCE MEASURES CONSULT

If you have the Performance Measures Module, but you aren't sure how to use it, we'll show you what it can do for your team and demonstrate how to use it across your organization.

CUSTOM JOB AIDS

Get printable (PDF) job aids for end-users using your own vernacular. These can be refreshed every two years or when an upgrade results in significant UI change.

CUSTOMIZATIONS - UPGRADES

Close the source of unexpected costs triggered by custom work not covered by the standard maintenance contract in your SaaS fee. Speak to your customer success manager about our General Terms and Information regarding customizations.

CUSTOMIZATIONS - REMOVAL

New out-of-the-box features can often replace customizations, but there is always some level of work involved to transition smoothly. We'll work with you to clean up your production system, including moving data, updating reports, and configuring the new feature.

READ-ONLY SQL ACCESS

Your IT team or accredited 3rd party vendor gains direct-to-database access to a private read-only copy of your production database synchronized in "near real-time." Leverage this service to solve your complex reporting issues, get connectivity for 3rd party tools which do not have a RESTful API, and feel secure in having your own backup.

BLOCK OF SERVICE HOURS

A block of service hours can be used for any of our services, depending on the plan chosen. Note that the hours must be used within the year before they expire.

- * Custom reporting
- * Consulting
- * Customizations
- * Training
- * eLearning courseware

Ready to explore how you can take advantage of frictionless access to all the expert services you need to drive success without unexpected costs?

Speak with your customer success manager to get started today!

* You will have the option to use your pool of service hours for this consultation.

** All CARE+ services reset each calendar year. For those entering the subscription at a delayed calendar date, the agreement will be pro-rated in the first year of the subscription.

** Minimum 3-year subscription that can be aligned with the existing renewal.

** The Premium level features are required for clients who manage a \$250,000,000 or more annual budget. Contact your Customer Success Rep for details.

** CARE+ is not available for on-premises customers.

EUNA
solutions

APPENDIX C – SALARY INTEGRATION/SYNCHRONIZATION

Initial Data Load ...	<p><i>Configuration and data import of standard Questica Personnel data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to:</i></p> <ul style="list-style-type: none"> • <i>Create/Update positions;</i> • <i>Create/Update salary grades and scales;</i> • <i>Create/Update step groups;</i> • <i>Create/Update job codes;</i> • <i>Create/Update location codes;</i> • <i>Create/Update salary grade steps;</i> • <i>Create/Update employees;</i> • <i>Allocate employees to positions;</i> • <i>Allocate positions to costing centers.</i> <p><i>For the purpose of the above, the definitions of positions, grades, grade steps, and employees shall be those found in the Questica Budget Personnel manual. The relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Operating Manual.</i></p>	
Import Positions & Employees	Import from data import workbooks.	In scope
Import Grades & Scales	Import from data import workbooks.	In scope
Create Benefits (Modifiers)	Create “modifiers” to generate supplementary personnel costs such as benefits, allowances, and insurance. Note that modifiers are not simple 2-dimensional data that can be represented in a spreadsheet. It is not possible to load modifiers in bulk from Excel® workbooks.	Customer task: Questica will assist with this task until administrators have received training in modifier configuration.
Import Position/Costing Center Allocations	Import from data import workbooks.	In scope
Integration ...		
Payroll Actuals Import	Automated facility to transfer actual payroll transactions at the employee/position detail level from The Customer’s HR or payroll system to the Questica Budget Operating module; automatically scheduled, and/or on demand. This data may be used to replace existing GL Actuals with payroll detail or may be stored in a separate	In scope: Questica will create no more than 1 point of integration for the payroll actuals.

	<p>table. Notwithstanding other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points:</p> <ul style="list-style-type: none"> • Data in each integration point will either replace all GL actuals in the personnel GL account category or be written to a custom entity created to store the payroll actuals, but not both. 	
HR Data Sync.	<p>Automated facility to synchronize Personnel data between Questica Budget and The Customer's HR or payroll system. This integration synchronizes:</p> <ul style="list-style-type: none"> • New, deleted, and updated employees; • New, deleted, and updated positions; • Changes in employee-position relationships; • Changes in position-costing centre relationships. 	<p>In scope: Questica will create no more than one integration for Employees, one for Positions, and one for Position Allocations.</p>



Agenda Report

24-387

Agenda Date: 7/9/2024

REPORT TO COUNCIL AND STADIUM AUTHORITY BOARD

SUBJECT

City Council and Authorities Action Delegating Authority: to the City Manager for the City; the Executive Director for the Santa Clara Stadium Authority; the Contract Administrator for the Sports and Open Space Authority; and the Executive Director for the Housing Authority during the City Council recess from July 17, 2024 through August 19, 2024

BACKGROUND

The City Council is scheduled for an official recess from July 22, 2024 through August 16, 2024, during which time, no City Council/Santa Clara Stadium Authority/Sports and Open Spaces Authority/Housing Authority meetings will take place. The City Council is scheduled to meet on July 16, 2024 for their last meeting before the scheduled recess and will reconvene on August 20, 2024 for the Council and Authorities Concurrent meeting following the recess.

For prior years, the City Council has delegated authority to the City Manager/Executive Director/Contract Administrator or their designee through resolution (Attachment 1) to approve contracts and take other administrative actions as necessary during the Council recess on items vital to the function of the City.

The Delegation of Authority to the City Manager/Executive Director for Santa Clara Stadium Authority/Contract Administrator for Sports and Open Space Authority/Executive Director for Housing Authority will be from July 17, 2024 through August 19, 2024 which covers the City Council recess (7/22/24-8/16/24) until the City Council meets again following the recess. A report summarizing any actions taken by the City Manager/Executive Director/Contract Administrator will be presented to the City Council in September 2024.

DISCUSSION

The City's Municipal Code Section 2.105.300 provides cases for emergency procurement by the City Manager where an emergency is defined as, "a situation where immediate action is required to preserve the public peace, health and safety and/or to avoid severe degradation of City property or a facility." If contracts arise during the recess that were not previously anticipated, the City Manager will only act should they meet the above criteria.

The City Manager and City departments have reviewed items that will be crucial to execute during the recess, including but not limited to the following:

- a. Accepting grants and donations on behalf of the City and approving associated budget amendments.
- b. Approving grant applications.

- c. Approving purchase agreements within existing budgetary appropriations.
- d. Approving amendments to agreements to ensure projects are not delayed and service is not interrupted.

Anticipated Agreements Approval During Recess

- a. Approving to enter into an Aerial Easement Agreement with the Santa Clara Valley Water District (Valley Water) to allow Silicon Valley Power to install aerial transmission lines over San Tomas Aquino Creek which is Valley Water owned real property. The easement area is approximately 9,118 square feet on APN parcel numbers 104-39-022 and 104-40-008.
- b. Approving to enter into Fiber Entry agreements.
- c. Approving to enter into an agreement with Northern California Power Agency (NCPA) for a Satellite Office.

Beyond those listed above, there may be other items that require action by the City Manager or his designee during the Council recess. If such is the case, the City Manager will use the authority delegated to them by the City Council to take the necessary steps. This authority will be used only in cases where inaction would result in project delays, interruption of services and operations, adverse fiscal impact or in the event of an emergency. The goal of this delegation of authority is to ensure that the City of Santa Clara and public continues to receive uninterrupted services.

FISCAL IMPACT

The approval of Agreements, Amendments, Change Orders, and Award of Contracts is anticipated to be within the Council approved budget amounts for the projects.

COORDINATION

This report has been coordinated with all other departments as necessary.

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

That the City Council/Stadium Authority Board/Sports and Open Space Authority/Housing Authority:

Adopt a Joint Resolution delegating authority to the City Manager for City/Executive Officer for Santa Clara Stadium Authority/Contract Administrator for Sports and Open Space Authority/Executive Director for Housing Authority to approve project related documents during the period from July 17, 2024 through August 19, 2024, and requiring the City Manager/Executive Director/Contract Administrator to submit a report on actions taken during the Council recess at a City Council/Stadium Authority/Sports and Open Space Authority/Housing Authority meeting in September 2024.

Reviewed by: Maria Le, Assistant to the City Manager, City Manager's Office
Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Resolution

RESOLUTION NO. _____

**A JOINT RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, SANTA CLARA STADIUM AUTHORITY, SPORTS
AND OPEN SPACE AUTHORITY, AND HOUSING AUTHORITY
("COUNCIL AND AUTHORITIES") DELEGATING AUTHORITY TO
THE CITY MANAGER, EXECUTIVE DIRECTOR, AND CONTRACT
ADMINISTRATOR OR DESIGNEE TO EXECUTE CONTRACTS
ON BEHALF OF THE COUNCIL AND AUTHORITIES DURING
THE RECESS BETWEEN JULY 22, 2024 THROUGH AUGUST 16,
2024**

WHEREAS, the City of Santa Clara's City Council, Santa Clara Stadium Authority, Sports and Open Space Authority, and Housing Authority ("Council and Authorities") have specific purchasing policies or ordinances, and all other agreements and actions not specifically delegated by the City Code or other formal action must be considered and approved by Council or Boards of the Authorities;

WHEREAS, the Council and Authorities do not have any meetings scheduled between July 22, 2024, and August 16, 2024;

WHEREAS, specific actions will be needed in order to ensure projects will stay on schedule and services will not interrupted.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Manager, Executive Director, and Contract Administrator or designee is hereby authorized to consider, approve, and execute contracts and other administrative matters needed for the on-going operation of the City within existing budgetary appropriations during the scheduled recess between July 22, 2024, and August 16, 2024.
2. That the City Manager, Executive Director, and Contract Administrator shall provide a report to the City Council regarding the actions taken under this Resolution at a City Council Meeting in September 2024.
3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED

AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE 9th DAY OF JULY, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA



Agenda Report

24-442

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action to Accept the FY 2024/25 and FY 2025/26 California Library Literacy Services (CLLS) English as a Second Language (ESL) Grant Awards for the Read Santa Clara Program and Approve the Related Budget Amendments

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

The California State Library, California Library Literacy Services (CLLS) received one-time state budget funding in FY 2021/22 for English as a Second Language (ESL) services, to be allocated over a five-year period to qualifying libraries in the State of California. The Santa Clara City Library Department's Read Santa Clara program applied for this grant and was awarded a total of \$55,500 in CLLS ESL Grant Award funds in FY 2022/23.

This funding allowed Read Santa Clara to hire an ESL Program Specialist and an ESL Program Assistant as temporary employees to provide ESL services for adults with the most critical needs. Read Santa Clara's ESL instruction focuses on adult learners at beginning English language levels who are unable to benefit from large group ESL classes due to limited or no English language skills. The program offers tutoring at the library for community members referred by Santa Clara Adult Education, and to diverse immigrants and refugees at beginning ESL levels. Small group ESL tutoring is also offered at two school sites, Scott Lane Elementary and Montague Elementary, for parents who often lack childcare or transportation to get to other ESL classes. With this funding, the Library Department was able to achieve the following:

- Served 71 adult learners since the inception of the program
- Provided learners with 580 hours of instruction in English, with three small groups and 18 one-to-one pairs
- Worked with learners to set goals and track achievements. After making use of Library ESL services:
 - 62% of learners were able to communicate with a doctor
 - 66% of learners could communicate better with their child's teachers
 - 75% of learners were able to communicate better at work
 - 82% of learners were better able to navigate community systems and services
 - 83% of learners could communicate essential personal information in English

DISCUSSION

The California State Library awarded Santa Clara City Library additional grant funding of \$61,618 for

FY 2024/25 and \$64,709 for FY 2025/26, for a total ESL grant award amount of \$126,327 for the Read Santa Clara ESL program. The grants were awarded for the last two years of the ESL grant and are not anticipated to continue after FY 2025/26 due to funding reductions to CLLS. The grant funds will be used to fully offset costs for the salaries of two temporary employees, an ESL Program Specialist and an ESL Program Assistant, as well as instructional resources and other supplies for the ESL program.

The ESL grant requires that the grant awards be deposited in the City's accounting system. The FY 2024/25 grant funds are required to be fully expended at the time of the submission of the CLLS Final Grant Report, anticipated to be due on September 30, 2025. The FY 2025/26 grant funds are required to be expended by June 30, 2026. Staff will monitor and evaluate any unexpended funds against budget and expenses to ensure requirements are met.

ENVIRONMENTAL REVIEW

The 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)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Following the Board of Library Trustees' consideration of this item on May 6, 2024, the total ESL grant awards of \$126,327 is being brought forward to the City Council for final approval. The grant awards will offset operational costs for Read Santa Clara's ESL Services including two as-needed positions and ESL instructional resources. Budget actions are recommended in the Library Operating Grant Trust Fund to appropriate the FY 2024/25 funding, including an increase to the Other Agencies Revenue estimate and the establishment of a grant appropriation for the acceptance of the \$61,618 grant award. Staff will propose the FY 2025/26 grant appropriation of \$64,709 in the next FY 2025/26 and FY 2026/27 Operating Budget Cycle.

Budget Amendment FY 2024/25

Library Operating Grant Trust Fund	Current	Increase/ (Decrease)	Revised
<u>Revenue</u> Other Agencies Revenue	\$0	\$61,618	\$61,618
<u>Expenditures</u> ESL Tutoring Services 2024- 25	\$0	\$61,618	\$61,618

COORDINATION

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

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

1. Accept the total English as a Second Language (ESL) grant award of \$126,327 (\$61,618 for FY 2024/25 and \$64,709 for FY 2025/26) for the Read Santa Clara program;
2. Approve the FY 2024/25 budget amendment in the Library Operating Grant Trust Fund to recognize \$61,618 in grant revenue and establish a grant appropriation in the same amount for ESL Services as part of the Read Santa Clara program (five affirmative Council votes required to appropriate additional revenue).

Reviewed by: Michelle Templeton, Assistant to the City Manager

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. California State Library CLLS ESL Grant Award Letter FY 2024-25 and FY 2025-26



26 January 2024

Patty Wong
Santa Clara City Library
2635 Homestead Road
Santa Clara, CA 95051

Dear Ms. Wong,

We're pleased to provide funds to support your English as a Second Language program and the important work you, your staff, and your volunteers do for your community through the California Library Literacy Services program.

In 2021-2022, the state budget included \$15 million in one-time California Library Literacy Services funding for English as Second Language Services. These funds were to be allocated over a five-year period. This award letter provides a combined award covering Year Four and Year Five. Your total award is **\$126,327**.

Your award for the 2024-2025 fiscal year beginning July 1, 2024, is: **\$61,618**.

Your award for the 2025-2026 fiscal year beginning July 1, 2025, is: **\$64,709**.

Year Four award funds must be spent between July 1, 2024, and June 30, 2025, and must be fully expended by June 30, 2025.

Year Five award funds must be spent between July 1, 2025, and June 30, 2026, and must be fully expended by June 30, 2026.

All funds must be spent in accordance with your approved budgets included in this award packet. Additionally, all California Library Literacy Services English as a Second Language funds must be *fully* expended by June 30, 2026, in accordance with the timeframe dictated by the California State Legislature.

Please review the [California Library Literacy Services Allowable and Unallowable Expenses](#) guidelines to ensure that program expenditures are consistent with the California Library Literacy Services allowable expenses. If you have any questions about expenses or expending your award funds, please contact Allyson Jeffredo at 916-603-6709 or Allyson.Jeffredo@library.ca.gov.

To strengthen your program, we strongly encourage your program staff to develop and maintain community partners, attend regular regional library literacy network meetings, participate in your local Adult Education Consortium, and participate in library literacy

Library – Courts Building
P.O. Box 942837
Sacramento, CA 94237-0001

916-323-9759
csl-adm@library.ca.gov
www.library.ca.gov



training opportunities offered by the regional networks and the State Library to meet the CLLS Mission, Values, and Program Essentials. Additional California Library Literacy Services resources can also be found on the California Library Literacy Services webpage.

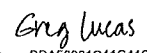
Year Four and Year Five funding will be distributed in separate claim processes:

- The payment process for your Year Four funding begins when we receive your completed and signed budget modification form (if needed), claim form, certification form, and State Funded Grants Award Agreement and Certificate of Compliance (attached). All forms should be completed and signed through DocuSign to be processed for payment.
- The claim process for Year Five funding will begin after the successful completion of the 2024-2025 CLLS Mid-Year Report. Once the report is complete, the payment process for your Year Five funding will begin when we receive your completed and signed budget modification form (if needed), claim form, and certification form. All forms should be completed and signed through DocuSign to be processed for payment.

Our library literacy staff is available to assist you throughout the year. Please contact your Advisor Beverly Schwartzberg, Beverly.Schwartzberg@library.ca.gov, and your Grant Monitor Allyson Jeffredo, Allyson.Jeffredo@library.ca.gov, with any questions.

Thank you for your willingness to do so much for those in your community. Best wishes for a successful year.

Respectfully yours,

DocuSigned by:

BDA50981C41C416...

Greg Lucas
California State Librarian

Cc: Beverly Schwartzberg, beverly.schwartzberg@library.ca.gov
Allyson Jeffredo, allyson.jeffredo@library.ca.gov
State Fiscal Office, stategrants.fiscal@library.ca.gov
Shanti Bhaskaran, sbhaskaran@santaclaraca.gov
Mila Rianto, mrianto@santaclaraca.gov

Enc: Re: ESL21-4-51: Claim form, certification form, and State Funded Grants Award Agreement and Certificate of Compliance

Library – Courts Building
P.O. Box 942837
Sacramento, CA 94237-0001

916-323-9759
csf-adm@library.ca.gov
www.library.ca.gov

*Santa Clara City Library***THE BASICS – YOUR GRANT AWARD**

The following provides basic information about your grant and managing your grant.

Award #:	ESL21-4-51
Library:	Santa Clara City Library
Total Award Amount:	\$126,327

APPROVED 2024-2025 ESL BUDGET

Salary and Benefits	\$61,039
Consultant Fees	\$ 0
Travel	\$ 0
Supplies & Materials	\$ 579
Equipment	\$ 0
Services	\$ 0
Subtotal	\$61,618
Indirect	\$ 0
Grant Total	\$61,618

APPROVED 2025-2026 ESL BUDGET

Salary and Benefits	\$64,081
Consultant Fees	\$ 0
Travel	\$ 0
Supplies & Materials	\$ 628
Equipment	\$ 0
Services	\$ 0
Subtotal	\$64,709
Indirect	\$ 0
Grant Total	\$64,709

Start Date:	Upon execution
End Date:	June 30, 2026
Please understand that it can take between eight to ten weeks following the receipt of an error free claim form before grant funds are delivered. If you have not received your payment after eight weeks, please contact your grant monitor.	

CONTACT

We want your project to be successful. Please work with the program staff listed below to implement your project:

Literacy & Grant Analyst:	Allyson Jeffredo
Phone Number:	(916) 603-6709
Email Address:	allyson.jeffredo@library.ca.gov
Library Programs Consultant:	Beverly Schwartzberg
Phone Number:	(916) 701-6880
Email Address:	beverly.schwartzberg@library.ca.gov

Santa Clara City Library

CERTIFICATION

I hereby certify under penalty of perjury: that I am the duly authorized representative of the claimant herein; that the claim is in all respects true, correct and in accordance with law and the terms of the agreement; and that payment has not previously been received for the amount claimed herein.

The claims the indicated allowance for the purposes of carrying out the functions stated in its CLLS application and in Sections 18880-18883 of the California Education Code.

2635 Homestead Road, Santa Clara, CA 95051

SIGNED

DATE



Signature - Authorized representative

3/14/24

Jovan Grogan, City Manager

Typed/Printed Name and Title of Authorized Representative

jgrogan@santaclaraca.gov

Email address of authorized representative

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE



Santa Clara City Library

PROJECT INFORMATION:

Invoice #: ESL21-4-51

Project Title: English as a Second Language Services

Grantee: Santa Clara City Library

Funding Start Date: July 1, 2024

Term Completion: June 30, 2026

Santa Clara City Library

Total Award: \$126,327

PAYMENT SCHEDULE:

Libraries may claim their 2024-2025 English as a Second Language Services award upon receipt of the award letter. The 2025-2026 English as a Second Language Services award will be claimed after the successful completion of the 2024-2025 CLLS Mid-Year Report.

Note: Libraries have until the submission date of the 2024-2025 CLLS Final Report to fully spend their 2024-2025 English as a Second Language Services award funds beginning July 1, 2024, in which funds are awarded.

Libraries have until June 30, 2026, to fully expend all 2025-2026 English as a Second Language Services award funds beginning July 1, 2025, in which the funds are awarded.

	English as a Second Language Services Award
Initial Payment	\$61,618
Final Payment	\$64,709
Total:	\$126,327

REPORTING:

Libraries will be required to submit a mid-year financial and narrative report and a final report for their 2024-2025 English as a Second Language Services award funds and 2025-2026 English as a Second Language Services award funds. Reminder emails will be sent out beginning six weeks before the required report is due.

All required reporting materials will be located on the California State Library's website. The reporting schedule is detailed below.

Report	Due Date
2024-2025 CLLS Mid-Year Report	Due January 31, 2025
2024-2025 CLLS Final Report	Due September 30, 2025
2025-2026 CLLS Mid-Year Report	Due January 31, 2026
2025-2026 CLLS Final Report	Due September 30, 2026

Note: A budget modification form will be required for all budget changes regardless of amount. Modification forms may be submitted throughout the year but no later than May 31st.



STATE FUNDED GRANTS
**AWARD AGREEMENT AND
CERTIFICATE OF COMPLIANCE**



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PROJECT SUMMARY

AWARD AGREEMENT BETWEEN THE STATE LIBRARY and Santa Clara City Library for the English as a Second Language Services project.

AWARD AGREEMENT NUMBER ESL21-4-51

This Award Agreement ("Agreement") is entered into on July 1, 2024, by and between the California State Library ("State Library") and Santa Clara City Library, ("Grantee").

This Award Agreement pertains to Grantee's State-funded English as a Second Language Services project.

The Library Development Services Bureau ("LDS") of the State Library administers state and federal funds in the form of awards.

The Grantee was selected by the State Library to receive state grant funds in the amount of \$126,327 through the process adopted by the State Library in administering such grants.

The State Library and the Grantee, for the consideration and under the conditions hereinafter set forth in the Grant Agreement, agree as follows:



PROCEDURES and REQUIREMENTS

A. Term of the Agreement

The Grant term begins on the date of execution of the Agreement by both parties, until June 30, 2026. If completion of the project occurs prior to the end of the grant period, this will be the end date of the term of this agreement. Grant eligible program expenditures may begin no earlier than the start date. The project period ends on June 30, 2026, and all eligible program costs must be incurred by this date.

B. Scope of Work

1. Grantee agrees to perform all activities specifically identified in the Grantee's application and submitted to the State Library in response to the English as a Second Language Services project.
2. The following activities and deliverables to be performed by the Grantee include, but are not limited to the following:
 - Maintain and keep records of expenditures related to the grant that are consistent with Generally Acceptable Accounting Practices (GAAP).
 - Make financial records available to the State Library upon request.
 - Work with the State Library staff to assure that funds are disbursed in compliance with the purpose of the grant.
 - Prepare and submit required narrative and financial reports.
 - Procure equipment, and other supplies as needed for the project.
 - Issue contracts for services, personnel, and consultants as needed for the project.
 - If applicable, make payments for services, including for hours worked and travel reimbursements, to consultants and contractors.
 - Oversee the implementation of project activities.

C. Budget Detail

The State Library shall provide the Grantee funding for the expenses incurred in performing the Scope of Work and activities specified in the Grantee's application. The Grantee shall request the distribution of grant funding consistent with its proposal and

the budget worksheet that was included with the application. Under no circumstances shall payments exceed the total grant amount identified in this Agreement.

D. Narrative and Financial Reports

1. The Grantee shall be responsible for submission of interim and final **narrative and financial** reports on the progress and activities of the project, to the California State Library, using the sample report documents provided by the California State Library.
2. All the reports must be current, include all required sections and documents, and must be approved by the Grant Monitor before any payment request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and result in the termination of the Agreement or rejection of the payment request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Monitor. The financial reports shall reflect the expenditures made by the Grantee under the Agreement and may be incorporated into the same reporting structure as the narrative reports.
3. The reports shall be submitted by the following dates:

Reporting Period	Report	Due Date
July – December 2024	2024-2025 CLLS Mid-Year Report Due	January 31, 2025
January – June 2025	2024-2025 CLLS Final Report Due	September 30, 2025
July – December 2025	2025-2026 CLLS Mid-Year Report Due	January 31, 2026
January – June 2026	2025-2026 CLLS Final Report Due	September 30, 2026

4. Failure to submit timely reports with the appropriate documentation by the due date may result in rejection of the payment request and/or forfeiture by the Grantee of claims for costs incurred that might otherwise have been eligible for grant funding.
5. The Grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant, subject to possible audit for a minimum of five (5) years after final payment date or grant term end date, whichever is later. Please refer to Exhibit A, Terms and Conditions for more information.
6. In addition to the foregoing, the Grantee shall submit to the State Library such periodic reports, updates, documents and any information as deem necessary by the State Library to monitor compliance and/or perform program

evaluation. Any requested data or information shall be submitted in electronic format on a form specified by the State Library.

E. Claim Form and Payment

1. The California State Library shall provide the Grantee payment as outlined in the payment schedule only if all requirements for claiming the funds as outline in this document have been met, and only for those activities and costs specified in the approved award application.
2. The Grantee shall complete, sign, and submit Certification of Compliance form (Exhibit B) and the Financial Claim form (included in your award packet), to the California State Library within 14 days of receiving this award packet. These forms will be issued, signed, and submitted using the online signature and agreement platform, DocuSign, unless DocuSign is unallowable or inconsistent with practices and policies of the local jurisdiction. If the use of DocuSign is not acceptable to your organization, please contact your grant monitor regarding alternate options.
3. Any of the sums appearing under the categories in the approved budget may be adjusted with prior authorization from the California State Library Grant Monitor. This would be to increase the allotment with the understanding that there will be corresponding decreases in the other allotments so that the total amount paid by the California State Library to the Grantee under this Agreement shall not exceed the awarded amount, which shall be expended/encumbered during the grant period.
4. If the payment amount made by the California State Library exceeds the actual expenses incurred during the term of this Agreement, as reflected in the financial reports to be filed by the Grantee, the Grantee shall immediately refund the excess payment amount to the California State Library.
5. The Award payments will only be made to the Grantee. It is the Grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
6. The Final Payment of 10% (if applicable) will be withheld and retained by the California State Library until all conditions agreed upon in this Agreement, including submission and grant monitor approval of the interim and final narrative and financial reports, have been satisfied.
7. **Prompt Payment Clause**
The California State Library will make payments to the Grantee in accordance with the Prompt Payment Clause under Government Code, section 927, *et. seq.* The Grantee may typically expect payment within 45 days from the date a grant payment request is properly submitted and approved by the Grant Monitor.

8. Budget Contingency Clause

- a. It is mutually agreed that if the Budget Act of the current fiscal year or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the California State Library shall have no liability to pay any funds whatsoever to the Grantee or to furnish any other considerations under this Agreement and the Grantee shall not be obligated to perform any provisions of this Agreement.
- b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this Program, the California State Library shall have the option to either cancel this Agreement with no liability occurring to itself or offer an Agreement amendment to the Grantee to reflect the reduced amount.



EXHIBIT A: TERMS and CONDITIONS

1. Accessibility: The State is responsible for ensuring that public websites are accessible to both the general public and state employees, including persons with disabilities. Grantee shall assist the State in meeting its responsibility. Therefore, all project materials generated by state funded programs must meet the California Accessibility Standards. Additionally all project materials designed, developed, and maintained shall be in compliance with the California Government Code, sections 7405 and 11135, and the Web Content Accessibility Guidelines 2.0, or a subsequent version, as published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criteria.

However, if for some reason project material is not generated to be in compliance to meet these standards, please still submit it to the State Library. When submitting the material make sure to note that the material is not accessible by including "NOT ACCESSIBLE" in the file name.

The California State Library reserves the right to post project materials to its website that are in compliance with these standards.

2. Acknowledgment: The State of California and the California State Library shall be acknowledged in all promotional materials and publications related to the English as a Second Language Services project.
 - a. Grant award recipients must ensure that the State of California receives full credit as the source of funds and that the California State Library, likewise, is acknowledged as the administrator.
 - b. Publications and information releases about the project must credit the State of California. An appropriate statement for a publication or project press release is:

"This [publication/project] was supported in whole or in part by funding provided by the State of California, administered by the California State Library."

Grantees must include the above statement in any publications, vehicle wraps, and promotional materials, including websites. If space is limited the State Library logo and the following shortened acknowledgement statement is acceptable:

"Funding provided by the State of California."

- c. This credit line on products of a project, such as materials, is important to foster support from the public, and state funding sources.
 - d. California State Library Logo: Use of the California State Library logo, which can be downloaded on the California State Library website, is required on any publication, vehicle wrap, or promotional material along with the above statement(s).
 - e. Photo Documentation: Digital photos are a great way to document the happenings of your project. It is recommended that you use a photo release form when taking photos of the public. You may use your library's photo release form, or contact your grant monitor for the State Library's form.
3. Agency: In the performance of this Agreement the Grantee and its agents and employees shall act in an independent capacity and not as officers, employees or agents of the California State Library. The Grantee is solely responsible for all activities supported by the grant. Nothing in this Agreement creates a partnership, agency, joint venture, employment, or any other type of relationship between the parties. The Grantee shall not represent itself as an agent of the California State Library for any purpose and has no authority to bind the State Library in any manner whatsoever.
4. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated into this Agreement is binding on any of the parties. This Agreement may be amended, modified, or augmented by mutual consent of the parties, subject to the requirements and restrictions of this paragraph.
5. Applicable law: The laws of the State of California shall govern all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties hereunder. The parties hereby waive any right to any other venue. The place where the Agreement is entered into and place where the obligation is incurred is Sacramento County, California.
6. Assignment, Successors, and Assigns: The Grantee may not assign this Agreement or delegate its performance to any third-party person or entity, either in whole or in part, without the California State Library's prior written consent. The provisions of this Agreement shall be binding upon and inure to the benefit of the California State Library, the Grantee, and their respective successors and assigns.
7. Audit and Records Access: The Grantee agrees that the California State Library, the Department of General Services, the State Auditor, or their designated representatives shall have the right to review, audit, inspect and copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audit for a minimum of five (5) years after the final payment, or grant term end date, whichever is later, unless a longer period of records retention is stipulated, or until

completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

Examples of audit documentation may include, but not limited to, competitive bids, grant amendments, if any, relating to the budget or work plan, copies of any agreements with contractors or subcontractors if utilized, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks.

8. Authorized Representative: Grantee and the California State Library mutually represent that their authorized representatives have the requisite legal authority to sign on their organization's behalf.
9. Communication: All communications from either party, including an interim check-in at any time during the grant term, shall be directed to the respective grant manager or representative of the California State Library or Grantee. For this purpose, the following contact information is provided below:

Santa Clara City Library
Patty Wong
2635 Homestead Road
Santa Clara, CA 95051
pwong@santacalaraca.gov
(408) 615-2932

California State Library
Allyson Jeffredo
900 N Street
Sacramento, CA 95814
Allyson.jeffredo@library.ca.gov
916-603-6709

1. Confidentiality: Grantee will maintain as confidential any material it receives or produces that is marked **Confidential** or is inherently confidential or is protected by privilege. Grantee agrees to alert the State Library to this status in advance, and State Library agrees to maintain this status in conformity with the Public Records Act.
2. Contractor and Subcontractors: Nothing contained in this Grant Agreement or otherwise shall create any contractual relation between the State and any contractor or subcontractors, and no contract or subcontract shall relieve the Grantee of his or her responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for the acts and omissions of its

contractors, subcontractors, volunteers, student interns and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee. The Grantee's obligation to pay its contractors and subcontractors is an independent obligation from the State's obligation to make payments to the Grantee. As a result, the State shall have no obligation to pay or to enforce the payment of any monies to any contractor or subcontractor.

3. Copyright: Grantee owns and retains titles to any copyrights or copyrightable material from any original works that it creates within the scope of this Agreement in accordance with the federal Copyright Act. (17 U.S.C. 101, *et seq.*) Grantee is responsible for obtaining any necessary licenses, permissions, releases, or authorizations to use text, images, or other materials owned, copyrighted, or trademarked by third parties and for extending such licenses, permissions, releases, or authorizations to the California State Library pursuant to this section. Also, the California State Library may upload, post, or transmit copyrighted material produced or purchased with grant funds on a California State Library website for public access and viewing.
4. Discharge of Grant Obligations: The Grantee's obligations under this Agreement shall be deemed discharged only upon acceptance of the final report by California State Library. If the Grantee is a non-profit entity, the Grantee's Board of Directors shall accept and certify as accurate the final report prior to its submission to California State Library.
5. Dispute Resolution: In the event of a dispute, Grantee will discuss the problem informally with the Grant Monitor. If unresolved, the Grantee shall file a written "Notice of Dispute" with the State Library Grant Monitor within ten (10) days of discovery of the problem. Within ten (10) days of receipt, the Grant Monitor shall meet with the Grantee for purposes of resolving the dispute. Any dispute arising under the terms of this Agreement which is not disposed of within a reasonable period of time, the Grantee may bring it to the attention of the State Librarian or the designated representative. The decision of the State Librarian or designated representative shall be final. Unless otherwise instructed by the Grant Monitor, the Grantee shall continue with its responsibilities under this Agreement during any dispute.
6. Drug-free Workplace: The Grantee certifies under penalty of perjury under the laws of California, that the Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 *et seq.*) and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about all of the following:

- 1) The dangers of drug abuse in the workplace.
- 2) The Grantee's policy of maintaining a drug-free workplace;
- 3) Any available counseling, rehabilitation, and employee assistance programs.
- 4) Penalties that may be imposed upon employees for drug abuse violations.

c. Require that every employee who works on the Agreement will:

- 1) Receive a copy of the Grantee's drug-free workplace policy statement.
- 2) Agrees to abide by the terms of the Grantee's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and grantee may be ineligible for award of any future state agreements if the California State Library determines that the grantee has made a false certification or violated the certification by failing to carry out the requirements as noted above.

7. Effectiveness of Agreement: This Agreement is of no force or effect until signed by both parties.
8. Entire Agreement: This Agreement supersedes all prior agreements, oral or written, made with respect to the subject hereof and, together with all attachments hereto, contains the entire agreement of the parties.
9. Exclusive Agreement: This is the entire Agreement between the California State Library and Grantee.
10. Executive Order N-6-22-Russia Sanctions: The Grantee shall comply with Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate grant agreements with, and to refrain from entering any new grant agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Grantee advance written notice of such termination, allowing Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
11. Extension: The State Librarian or designee may extend the final deadline for good cause. The Grantee's request for an extension of the grant period must be

made in writing and received by the California State Library at least 30 days prior to the final deadline.

12. Failure to Perform: The grant being utilized by the Grantee is to benefit the English as a Second Language Services project. If the Grant Monitor determines the Grantee has not complied with this Agreement, the Grantee may forfeit the right to reimbursement of any grant funds not already paid by the California State Library, including, but not limited to, the ten percent (10%) withhold.

13. Federal and State Taxes: The State Library shall not:

- a. Withhold Federal Insurance Contributions Act (FICA) payments from Grantee's payments or make FICA payments on the Grantee's behalf; or
- b. Make Federal or State unemployment insurance contributions on Grantee's behalf; or
- c. Withhold Federal or State income taxes from Grantee's payments

Grantee shall pay all taxes required on payments made under this Agreement including applicable income taxes and FICA.

14. Force Majeure: Neither the California State Library nor the Grantee, its contractors, vendors, or subcontractors, if any, shall be responsible hereunder for any delay, default, or nonperformance of this Agreement, to the extent that such delay, default, or nonperformance is caused by an act of God, weather, accident, labor strike, fire, explosion, riot, war, rebellion, sabotage, flood, or other contingencies unforeseen by the California State Library or the Grantee, its contractors, vendors, or subcontractors, and beyond the reasonable control of such party.

15. Forfeit of Grant Funds and Repayment of Funds Improperly Expended: If grant funds are not expended, or have not been expended, in accordance with this Agreement, the State Librarian or designee, at his or her sole discretion, may take appropriate action under this Agreement, at law or in equity, including requiring the Grantee to forfeit the unexpended portion of the grant funds, including, but not limited to, the ten percent (10%) withhold, and/or to repay to the California State Library any funds improperly expended.

16. Fringe Benefit Ineligibility: Grantee agrees that neither the Grantee nor its employees and contract personnel are eligible to participate in any employee pension, health benefit, vacation pay, sick pay or other fringe benefit plan of the State of California or the State Library.

17. Generally Accepted Accounting Principles: The Grantee is required to use Generally Accepted Accounting Principles in documenting all grant expenditures.

18. Grant Monitor: The Grant Monitor's responsibilities include monitoring grant progress and reviewing and approving Grant Payment Requests and other documents delivered to the California State Library pursuant to this Agreement. The Grant Monitor may monitor Grantee performance to ensure Grantee expends grant funds appropriately and in a manner consistent with the terms and conditions contained herein. The Grant Monitor does not have the authority to approve any deviation from or revision to the Terms and Conditions (Exhibit A) or the Procedures and Requirements unless such authority is expressly stated in the Procedures and Requirements.
19. Grantee: the government or legal entity to which a grant is awarded and which is accountable to the California State Library for the use of the funds provided.
- a. The grantee will make reports to the State Librarian in such form and containing such information as may be required to ensure the proper use of funds consistent with the grantee's application and award agreement. The grantee will keep such records and afford such access as the California State Library may find necessary to assure the correctness and verification of such reports.
20. Grantee Accountability: The Grantee is ultimately responsible and accountable for the manner in which the grant funds are utilized and accounted for and the way the grant is administered, even if the Grantee has contracted with another organization, public or private, to administer or operate its grant program. In the event an audit should determine that grant funds are owed to the California State Library, the Grantee is responsible for repayment of the funds to the California State Library.
21. Grantee Funds: It is mutually agreed that the Grantee is responsible for furnishing funds beyond the grant award that may be necessary to complete the project.
22. Independent Action: Grantee reserves the right to fulfill its obligations under this Agreement in an independent manner, at any location and at any time within the agreed-upon timeline. Grantee's employees or contract personnel shall perform all services required by this Agreement, but their time need not be devoted solely to fulfilling obligations under this Agreement. Grantee shall furnish all equipment and materials used to meet its obligations and complete the Project. The State Library shall not provide any personnel or other resources beyond the grant award and is not required to provide training in connection with this Agreement.
23. Indemnification: Grantee agrees to indemnify, defend and save harmless the State of California, the California State Library and its officers, employees, and agents, from any and all claims, losses, and liabilities accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in

connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

24. License to Use: The California State Library reserves a fully paid-up, royalty-free, nonexclusive, sub-licensable and irrevocable license to reproduce, publish, prepare derivative works, distribute, or otherwise use, and to authorize third parties to use, any material received or maintained by Grantee in connection with this Agreement. This includes intellectual property, with or without third-party rights. All such usages will be for public library and State governmental purposes:

- a. The copyright in any work developed under this grant, sub-grant, or contract under this grant or sub-grant; and
- b. Any rights of copyright to which a Grantee, sub-grantee, or a contractor purchases ownership with grant support.

25. Limitation of Expenditure: Expenditure for all projects must conform to the grantee's approved budget and with applicable State laws and regulations. The total amount paid by the California State Library to the Grantee under this agreement shall not exceed \$126,327 and shall be expended/encumbered in the designated award period.

During the award period, the grantee may find that the awarded budget may need to be modified. Budget changes, requests for additional funds, or requests for reductions in award funding must be discussed with the assigned State Library Grant Monitor and a Grant Award Modification may be required to be submitted according to the instructions. Approval is by the State Librarian or their designee. Adjustments should be reported on the next financial report. Any adjustments in approved budgets must be documented and documentation retained in project accounts.

26. Lobbying: Grantee confirms that the grant funds will not be used for the purposes of lobbying or otherwise attempting to influence legislation, as those purposes are defined by the U.S. Internal Revenue Code of 1986.

27. Non-Discrimination Clause: During this grant period, the Grantee and the Grantee's contractors, and subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, age, sexual orientation, or military and veteran status. Grantee shall insure that the evaluation and treatment of contractors, employees and applicants for employment are free from such discrimination and harassment.

Additionally, Grantee, contractors, and subcontractors, if applicable, shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 *et seq.*), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 *et seq.*), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.5), and the regulations or standards adopted by the California State Library to implement such article.

Grantee shall permit access by representatives of the Department of Civil Rights and the California State Library upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or the California State Library shall require ascertaining compliance with this clause. Grantee, and its contractors, and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, § 11105.) Grantee shall include the non-discrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Agreement.

28. Notices: All notices and other communications in connection with this Agreement shall be in writing, and shall be considered delivered as follows:
- a. **Electronic Mail (E-mail)**: When sent by e-mail to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
 - b. **DocuSign (e-signature platform)**: When sent via DocuSign a notification will be sent to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
 - c. **Grants Management System**: When sent via / uploaded to the California State Library's Grants Management System a notification will be sent to the last e-mail address of the recipient known to the party giving notice. Notice is effective upon transmission.
 - d. **Personally**: When delivered personally to the recipient's physical address as stated in this Agreement.
 - e. **U.S. Mail**: Five days after being deposited in the U.S. Mail, postage prepaid, and addressed to recipient's address as stated in this Agreement.
29. Order of Precedence: The performance of this Agreement shall be conducted in accordance with the Terms and Conditions, Procedures and Requirements, Certificate of Compliance, Project Summary, Activities Timeline, and Budget, of this Agreement, or other combination of exhibits specified on the Grant Agreement Coversheet attached hereto (collectively referred to as "Terms").

Grantee's California State Library-approved Application (Grantee's Application) is hereby incorporated herein by this reference. In the event of conflict or inconsistency between the articles, exhibits, attachments, specifications or provisions that constitute this Agreement, the following order of precedence shall apply:

- a. Grant Agreement Coversheet and any Amendments thereto
- b. Terms and Conditions
- c. Procedures and Requirements
- d. Certificate of Compliance
- e. Project Summary
- f. Grantee's Application (including Budget and Activities Timeline)
- g. All other attachments hereto, including any that are incorporated by reference.

30. Payment:

- a. The approved Budget, if applicable, is attached hereto and incorporated herein by this reference and states the maximum amount of allowable costs for each of the tasks identified in the Project Summary and Activity Timeline included in the project application. California State Library shall provide funding to the Grantee for only the work and tasks specified in the Grantee's Application at only those costs specified in the Budget and incurred in the term of the Agreement.
- b. The Grantee shall carry out the work described in the Work Plan or in the Grantee's Application in accordance with the approved Budget and shall obtain the Grant Monitor's written approval of any changes or modifications to the Work Plan, approved project as described in the Grantee's Application, or the approved Budget prior to performing the changed work or incurring the changed cost. If the Grantee fails to obtain such prior written approval, the State Librarian or designee, at his or her sole discretion, may refuse to provide funds to pay for such work or costs.
- c. The Grantee shall request funds in accordance with the funding schedule included in this agreement.
- d. Ten percent (10%) will be withheld from the Payment Request (if applicable) and paid at the end of the grant term, when all reports and conditions stipulated in this Agreement have been satisfactorily completed. Failure by the grantee to satisfactorily complete all reports and conditions stipulated in this Agreement may result in forfeiture of any such funds withheld.
- e. Lodgings, Meals and Incidentals: Grantee's eligible costs are limited to the amounts authorized in the California State Administrative Manual (see Exhibit C or contact the Grant Monitor for more information).

- f. Payment will be made only to the Grantee.
 - g. Reimbursable expenses shall not be incurred unless and until the grantee receives a Notice to Proceed as described in the Procedures and Requirements.
- 31. Personal Jurisdiction: The Grantee consents to personal jurisdiction in the State of California for all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties. Native American Tribal grantees expressly waive tribal sovereign immunity as a defense to any and all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties.
- 32. Personnel Costs: Any personnel expenditures to be paid for with grant funds must be computed based on actual time spent on grant-related activities and on the actual salary or equivalent hourly wage the employee is paid for their regular job duties, including a proportionate share of any benefits to which the employee is entitled.
- 33. Pledge: This Agreement shall not be interpreted to create any pledge or any commitment by the State Library to make any other or further grants or contributions to Grantee, or any other person or entity in connection with the Project. It is mutually agreed that Grantee is responsible for furnishing funds beyond the grant award that may be necessary to complete outcomes or deliverables.
- 34. Privacy Protection: Both parties agree to protect the confidentiality of any non-public, personal information that may be contained in materials received or produced in connection with this Agreement, as required by Civil Code, section 1798, *et. seq.*
- 35. Prohibited Use: The expenditure under this program shall not be used to supplant Grantee efforts in other grant programs provided by the California State Library.
- 36. Public Records Act: Material maintained or used by the California State Library is considered "public record" under the Public Records Act (PRA) at Government Code, sections 6250, *et. seq.* This includes the Interim and Final reports, and any other written communications between the parties. Grantee agrees to ensure that all content contained in its written reports are appropriate for publication. Said material, along with all other reports, documentation and data collected during the term of the Agreement, will be subject to disclosure unless it qualifies for exemption under the PRA in whole or in part. Grantee agrees to alert the State Library as to a basis for exemption, if any exists.
- 37. Publicity Obligations: Grantee will notify the State Library of any promotional materials or publications resulting from the grant no later than five (5) days in

advance of distribution, whether they are print, film, electronic, or in any other format or medium. Copies of all promotional materials will be provided to the State Library. Grantee will acknowledge the State Library's support as noted above. Grantee agrees that the State Library may include information about this grant and its outcomes in its own annual reports, with specific reference to Grantee, and may distribute such information to third parties.

38. Records: Communications, grant related documents, data, original receipts, and invoices must be maintained by Grantee and shall be made available to the State Library upon request. Grantee agrees to maintain adequate grant program records and adequate financial records consistent with generally accepted accounting practices, and to retain all records for at least five (5) years after the end-of-term. The State Library may monitor or conduct an onsite evaluation of Grantee's operation to ensure compliance with this Agreement, with reasonable advance notice.
39. Reduction of Waste: In the performance of this Agreement, Grantee shall take all reasonable steps to ensure that materials purchased or utilized in the course of the project are not wasted. Steps should include, but not be limited to: the use of used, reusable, or recyclable products; discretion in the amount of materials used; alternatives to disposal of materials consumed; and the practice of other waste reduction measures where feasible and appropriate.
40. Reimbursement Limitations: Under no circumstances shall the Grantee seek reimbursement pursuant to this Agreement for a cost or activity that has been or will be paid for through another funding source. The Grantee shall not seek reimbursement for any costs used to meet cost sharing or matching requirements of any other California State Library funded program.
41. Reports and Claims: It is the responsibility of the grantee make the required reports and claims to the California State Library.
 - a. The grantee shall be responsible for submitting to the State Library Narrative Reports detailing progress and activities. The reports are due on the dates specified in the reporting schedule detailed in the Procedures and Requirements section.
 - b. The grantee shall be responsible for submitting to the State Library Financial Reports reflecting grantee expenditure activity. The reports are due on the dates specified in the reporting schedule detailed in the Procedures and Requirements section.
 - c. To obtain payment hereunder the grantee shall submit authorized claims provided by the State Library for that purpose, on each of the following mentioned dates for payment, and the California State Library agrees to

reimburse the Library as soon thereafter as State fiscal procedures will permit.

- d. The final 10% of the grant award (if applicable) is payable only upon approval of all final reports and receipt of claim form. Failure to provide timely reports is a serious breach of an award recipient's administrative duty under the award.
- e. Payment will be provided to cover the expenditures incurred by the grantee for the project in the following manner:
 - o \$61,618 upon execution of the agreement and submission of claim by the grantee organization.
 - o Second payment will be made after the submission and approval of the first reports and receipt of claim form in the amount of \$64,709.

42. Self-Dealing and Arm's Length Transactions: All expenditures for which reimbursement pursuant to this Agreement is sought shall be the result of arm's-length transactions and not the result of, or motivated by, self-dealing on the part of the Grantee or any employee or agent of the Grantee. For purposes of this provision, "arm's-length transactions" are those in which both parties are on equal footing and fair market forces are at play, such as when multiple vendors are invited to compete for an entity's business and the entity chooses the lowest of the resulting bids. "Self-dealing" is involved where an individual or entity is obligated to act as a trustee or fiduciary, as when handling public funds, and chooses to act in a manner that will benefit the individual or entity, directly or indirectly, to the detriment of, and in conflict with, the public purpose for which all grant monies are to be expended.

43. Severability: If any part of this Agreement is found to be unlawful or unenforceable, such provisions will be voided and severed from this Agreement, but the remainder of the provisions in the Agreement will remain in full force and effect.

44. Site Visits: The Grantee shall allow the California State Library to access and conduct site visits, with reasonable notice, at which grant funds are expended and related work being performed at any time during the performance of the work and for up to ninety (90) days after completion of the work, or until all issues related to the grant project have been resolved. A site visit may include, but not be limited to, monitoring the use of grant funds, provide technical assistance when needed, and to visit the State funded project.

45. Termination: The Agreement shall be subject to termination by the State Librarian or designee upon notice to the Grantee at least thirty (30) days prior to the effective date of termination. In the event this agreement is terminated, the Grantee shall deliver to the State Librarian copies of all reports, accounting, data, and materials prepared up to the date of termination. The State Librarian

shall determine and pay the Grantee for necessary and appropriate expenditures and obligations up to the date of termination which have not been covered by prior installments previously paid to the Grantee. Upon such termination, the unused portion of the grant award must be returned to the California State Library within 45 days. If funding has been advanced to the Grantee, any unobligated balances, as determined by the State Librarian, shall be returned to the State Library within 45 days of the notice of termination.

46. Timeline: Time is of the essence to this Agreement. It is mutually agreed between the parties that the grant application and the timeline included therein are part of the Agreement.
47. Unused Funds: At the end-of-term Grantee agrees to return any unexpended or unaccounted for funds to the State Library, or to submit a written request for an extension of the grant period. Funds will be considered unexpended or unaccounted if they were: (1) not used for their intended purpose, or (2) used inconsistent with the terms of this Agreement.

Funds will also be considered unaccounted for, and must be returned, if the proposal outcomes or deliverables are materially incomplete by the end-of-term or earlier termination, as determined by the State Library in its sole discretion.

48. Waiver of Rights: California State Library shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by California State Library. No delay or omission on the part of California State Library in exercising any rights shall operate as a waiver of such right or any other right. A waiver by California State Library of a provision of this Agreement shall not prejudice or constitute a waiver of California State Library's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by California State Library, nor any course of dealing between California State Library and Grantee, shall constitute a waiver of any of California State Library's rights or of any of grantee's obligations as to any future transactions. Whenever the consent of California State Library is required under this Agreement, the granting of such consent by California State Library in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of California State Library.
49. Work Products: Grantee shall provide California State Library with copies of all final products identified in the Work Plan and Application. Grantee shall also provide the State Library with copies of all public education and advertising material produced pursuant to this Agreement.

50. Worker's Compensation: The State of California will not provide Workers' Compensation insurance for Grantee or Grantee's employees or contract personnel. If Grantee hires employees to perform services required by this Agreement, Grantee shall provide Workers' Compensation insurance for them. The Grantee is aware of Labor Code Section 3700, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the Labor Code, and the Grantee agrees to comply with such provisions before commencing the performance of the work of this Agreement.



EXHIBIT B: CERTIFICATION of COMPLIANCE FORM

1. **AUTHORIZED REPRESENTATIVE:** I certify that the authorized representative named below is the legally designated representative of the Grantee for this Grant Agreement and project and is authorized to receive and expend funds in order to administer this grant program.
2. I certify that all information provided to the California State Library for review in association with this award is correct and complete to the best of my knowledge, and as the authorized representative of the Grantee, I commit to the conditions of this award, and I have the legal authority to do so.
3. I certify that any or all other participants or contractors in the grant program have agreed to the terms of the application/grant award and have entered into an agreement(s) concerning the final disposition of equipment, facilities, and materials purchased for this program from the funds awarded for the activities and services described in the attached, as approved and/or as amended in the application by the California State Librarian.
4. The authorized representative, on behalf of the Grantee, certifies that the Grantee will comply with all applicable requirements of State and Federal laws, regulations, and policies governing this program, to include the requirements listed below in this Certification of Compliance Form.
5. The authorized representative, on behalf of the Grantee, hereby certifies to the California State Library, for an award of funds in the amount \$126,327. This award will provide library services as set forth in the Project Application as approved and/or as amended by the California State Librarian.
6. **STATEMENT OF COMPLIANCE:** Grantee has, unless exempted, complied with the non-discrimination program requirements. (Gov. Code § 12990 (a-f) and CCR, Title 2, Section 11102).
7. **DRUG-FREE WORKPLACE REQUIREMENTS:** Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation, and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Grantee has made false certification or violated the certification by failing to carry out the requirements as noted above. (Gov. Code § 8350 *et. seq.*)

8. **CONFLICT OF INTEREST:** Grantee needs to be aware of the following provisions regarding current or former state employees. If Grantee has any questions on the status of any person rendering services or involved with the Agreement, the California State Library must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code § 10410):

- a. No officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- b. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code § 10411):

- a. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- b. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Grantee violates any provisions of above paragraphs, such action by Grantee shall render this Agreement void. (Pub. Contract Code § 10420).

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code § 10430 (e)).

9. **LABOR CODE/WORKERS' COMPENSATION:** Grantee needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Grantee affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code § 3700).
10. **AMERICANS WITH DISABILITIES ACT:** Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 *et. seq.*)
11. **RESOLUTION:** For awards totaling \$350,000 or more, a county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.
12. **PAYEE DATA RECORD FORM STD. 204:** This form must be completed by all Grantees that are not another state agency or other governmental entity.
13. **DRUG FREE WORKPLACE:**
 - a. Continue to provide a drug-free workplace by complying with the requirements in 2 C.F.R. part 3186 (Requirements for Drug-Free Workplace (Financial Assistance)). In particular, the recipient must comply with drug-free workplace requirements in subpart B of 2 C.F.R. part 3186, which adopts the Government-wide implementation (2 C.F.R. part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (P. L. 100-690, Title V, Subtitle D; 41 U.S.C. §§ 701-707).
 - b. This includes but is not limited to: making a good faith effort, on a continuing basis, to maintain a drug-free workplace; publishing a drug-free workplace statement; establishing a drug-free awareness program for the employees; taking actions concerning employees who are convicted of violating drug statutes in the workplace.
14. **ACCESSIBILITY:** The organization receiving this award, as listed in the certification section below, and all program staff, will ensure all project materials will meet California accessibility standards.
15. **NON-DISCRIMINATION:** The organization receiving this award, as listed in the certification section below, and all program staff, agree to comply with all California non-discrimination laws.

- 16. ACKNOWLEDGEMENT:** The organization receiving this award, as listed in the certification section below, and all program staff, agree to comply with California State Library acknowledgement requirements.




EXHIBIT C: CALIFORNIA LIBRARY LITERACY SERVICES PROGRAM GUIDELINES

1. California Library Literacy Services programs shall comply with the requirements in Sections 18880-18883 of the California Education Code.
2. California Library Literacy Services programs shall train and recruit volunteers to serve as tutors. Volunteer tutors are the primary instructors for the program.
3. California Library Literacy Services programs shall seek local government and community resources and develop cooperative relations with other local literacy services providers.
4. California Library Literacy Services programs will provide a base level of local and private fiscal support to be established by the California State Library.
5. In response to an expressed and recognized need from the field for specific program requirements, the California State Library and related stakeholders created a framework and program essentials. The framework and essentials describe what constitutes an effective program:
 - a. California Library Literacy Services programs must use the Roles and Goals framework to implement and evaluate their literacy services.
 - b. California Library Literacy Services programs' staff must attend their regional Library Literacy Network Meetings.
 - c. Tutor training for volunteers should include, at a minimum, a program orientation, tutoring basics, and instruction on learner-driven services.
 - d. California Library Literacy Services programs must align with the following program essentials:
 - i. California Library Literacy Services are library based;
 - ii. California Library Literacy Services are a core library service;
 - iii. California Library Literacy Services are learner-driven;
 - iv. California Library Literacy Services are community-focused;
 - v. California Library Literacy Services are volunteer-supported;
 - vi. California Library Literacy Services staff are professionally engaged;
and
 - vii. California Library Literacy Services support families.
6. California Library Literacy Services Family Literacy programs (if applicable) shall provide services to prevent illiteracy through coordinated literacy and preliteracy services to families. Recruitment of parents not previously included in

public library literacy programs is a high priority. Family Literacy Programs are implemented and evaluated using the Family Literacy Evaluation Framework.

Certification

ORGANIZATION	
Name: Santa Clara City Library	Address (official and complete): 2635 Homestead Road, Santa Clara, CA 95051
PROJECT COORDINATOR	
Name: Shanti Bhaskaran	
Email: sbhaskaran@santaclaraca.gov	Phone: 408-615-2956
GRANTTEE AUTHORIZED REPRESENTATIVE	
Name: Jovan Grogan	Title: City Manager
Email: jgrogan@santaclaraca.gov	Phone: 408-615-2211
Signature: 	Date: 3/14/24

~~APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE~~



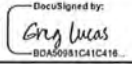
APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE





CALIFORNIA STATE LIBRARY

Authorized Representative Signature

ORGANIZATION	
Name: Santa Clara City Library	Address (official and complete): 2635 Homestead Road, Santa Clara, CA 95051
AUTHORIZED REPRESENTATIVE	
Signature: 	Date:  3/14/24
Printed Name of Person Signing: Jovan Grogan	Title: City Manager
STATE OF CALIFORNIA	
Agency Name: California State Library	Address: 900 N Street, Sacramento, CA 95814
Signature: 	Date: 2/2/2024
Printed Name of Person Signing: Greg Lucas	Title: California State Librarian

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE

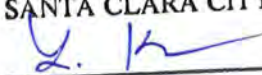




EXHIBIT D: STATE REIMBURSABLE TRAVEL EXPENSES

Rates are subject to change per State of California, Department of Human Resources
 Please Check State of California, Department of Human Resources Website for
 updated expenses:

<http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx>

Mileage: Rate subject to change	\$0.585 per mile – approved business/travel expense
Meals: Receipts are required	\$7.00 – Breakfast \$11.00 – Lunch \$23.00 – Dinner \$5.00 - Incidentals

Meals Note: Lunch can only be claimed if travel is more than 24 hours. Incidental charge may be claimed once for every 24-hour period and should cover incidental expenses, such as but not limited to, tip, baggage handling, etc.

Hotel: Receipts are required and MUST have a zero balance.	\$ 90.00 plus tax for all counties/cities not listed below \$ 95.00 plus tax for Napa, Riverside, and Sacramento Counties \$ 110.00 plus tax for Marin County \$ 120.00 plus tax for Los Angeles, Orange, and Ventura Counties, and Edwards AFB. Excluding the city of Santa Monica \$ 125.00 plus tax for Monterey and San Diego Counties \$ 140.00 plus tax for Alameda, San Mateo and Santa Clara Counties \$ 150.00 plus tax for the City of Santa Monica \$ 250.00 plus tax for San Francisco County Out of State: Prior authorization must be obtained, as well as three print-out hotel quotes. Actual receipt must be included with authorization and additional quotes.
--	---

Hotel Note: If the above approved reimbursable hotel rates cannot be secured, please contact your grant monitor to obtain an excess lodging form. This form must be approved prior to actual travel.

AIRLINE TICKETS: Itinerary and receipts are required	Actual reasonable fees pertaining to airline travel will be reimbursed. Business, First Class, or Early Bird Check-in fee is not an approved reimbursable expense.
--	--



26 January 2024

RE: Contractor and Grantee Compliance with Economic Sanctions Imposed in Response to Russia's Actions in Ukraine

Dear Grantee,

You are receiving this notification because you currently have an active grant through the California State Library.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (EO) regarding sanctions in response to Russian aggression in Ukraine. The EO is located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>.

The EO directs all agencies and departments that are subject to the Governor's authority to take certain immediate steps, including notifying all contractors and grantees of their obligations to comply with existing economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law.

This correspondence serves as a notice under the EO that as a contractor or grantee, compliance with the economic sanctions imposed in response to Russia's actions in Ukraine is required, including with respect to, but not limited to, the federal executive orders identified in the EO and the sanctions identified on the U.S. Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). Failure to comply may result in the termination of contracts or grants, as applicable.

Please note that for any agreements or grants valued at \$5 million or more, a separate notification will be sent outlining additional requirements specified under the EO.

Annly Roman
California State Library
900 N Street
Sacramento, CA 95814



California Library Literacy and English Acquisition Services
FINANCIAL CLAIM
1st PAYMENT

Grant Award #:	ESL21-4-51	Date:	
Invoice #:	ESL21-4-51-01	PO #:	7153
Payee Name:	Santa Clara Public Library (Legal name of authorized agency to receive, disburse and account for funds*)		
Complete Address:	Street Address, City, State, Zip Code (Warrant will be mailed to this address)		
Amount Claimed:	\$61,618	Type of Payment:	
	(Payable Upon Execution of Agreement)	<input checked="" type="checkbox"/>	PROGRESS
Grantee Name:	Santa Clara City Library	<input type="checkbox"/>	FINAL
	(Name on Award Letter and Agreement)	<input type="checkbox"/>	IN FULL
Project Title:	English as a Second Language	<input type="checkbox"/>	AUGMENT
For Period From: upon execution to end of grant period			

CERTIFICATION

I hereby certify under penalty of perjury: that I am the duly authorized representative of the claimant herein; that this claim is in all respects true, correct and in accordance with law and the terms of the agreement; and that payment has not previously been received for the amount claimed herein.

By



 (Signature of the Authorized Representative)
 Jovan Grogan

 (Print Name)

City Manager

 (Title)

*Legal payee name must match the payee's federal tax return. Warrant will be made payable to payee name. Payee discrepancies in name and/or address may cause delay in payment. If you need to change payee name and/or address, please contact Fiscal Services at stategrants.fiscal@library.ca.gov.

State of California, State Library Fiscal Office

ENY: 2021
 PURCHASING AUTHORITY NUMBER: CSL-6120
 COA: 5432000
 FAIN: LS or N/A

ITEM NO: 6120-2131-0001, Chapter 240, Statutes of 2021
 REPORTING STRUCTURE: 61202000
 PROGRAM #: 5312

By

Date

 (State Library Representative)

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE


PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)

Section 1 – Payee Information

NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)

BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (If different from above)

MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)

CITY, STATE, ZIP CODE

E-MAIL ADDRESS

Section 2 – Entity Type

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)

☐ **SOLE PROPRIETOR / INDIVIDUAL**

☐ **SINGLE MEMBER LLC** *Disregarded Entity owned by an individual*

☐ **PARTNERSHIP**

☐ **ESTATE OR TRUST**

☐ **CORPORATION** (see instructions on page 2)

☐ **MEDICAL** (e.g., dentistry, chiropractic, etc.)

☐ **LEGAL** (e.g., attorney services)

☐ **EXEMPT** (e.g., nonprofit)

☐ **ALL OTHERS**

Section 3 – Tax Identification Number

Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must match the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. **Note:** Payment will not be processed without a TIN.

- For **Individuals**, enter SSN.
- If you are a **Resident Alien**, and you do not have and are not eligible to get an SSN, enter your ITIN.
- Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN.
- For **Sole Proprietor or Single Member LLC (disregarded entity)**, in which the sole member is an individual, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN).
- For **Single Member LLC (disregarded entity)**, in which the sole member is a business entity, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN.
- For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN.

Social Security Number (SSN) or Individual Tax Identification Number (ITIN)

_____ - _____ - _____

OR

Federal Employer Identification Number (FEIN)

_____ - _____ - _____

Section 4 – Payee Residency Status (See instructions)

☐ **CALIFORNIA RESIDENT** – Qualified to do business in California or maintains a permanent place of business in California.

☐ **CALIFORNIA NONRESIDENT** – Payments to nonresidents for services may be subject to state income tax withholding.

☐ No services performed in California

☐ Copy of Franchise Tax Board waiver of state withholding is attached.

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE



Section 5 – Certification

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

NAME OF AUTHORIZED PAYEE REPRESENTATIVE
Jovan Grogan

TITLE
City Manager

E-MAIL ADDRESS
jgrogan@santaclaraca.gov

SIGNATURE



DATE
3/14/24

TELEPHONE (include area code)
408-615-2211

Section 6 – Paying State Agency

Please return completed form to:

STATE AGENCY/DEPARTMENT OFFICE

UNIT/SECTION

MAILING ADDRESS

FAX

TELEPHONE (include area code)

CITY

STATE

ZIP CODE

E-MAIL ADDRESS

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)
STD 204 (Rev. 03/2021)

GENERAL INSTRUCTIONS

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form 1099).

NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information

Name – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.

Mailing Address – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.

Section 2 – Entity Type

If the Payee in Section 1 is a(n)...	THEN Select the Box for...
Individual • Sole Proprietorship • Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships • Limited Liability Partnerships (LLP) • and, LLC treated as a Partnership	Partnerships
Estate • Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc.) • LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) • LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above • LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status

Are you a California resident or nonresident?

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
 - o For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section: 1-888-792-4900
For hearing impaired with TDD, call: 1-800-822-6268

E-mail address: wscs.gen@ftb.ca.gov
Website: www.ftb.ca.gov

Section 5 – Certification

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to \$20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.



Agenda Report

24-617

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action to Authorize the Use of City Electric Forces for New Dark Fiber Installations at 881 Martin Avenue to 1705 Martin Avenue, and at 2434 Calle Del Mundo

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Section 1310 of the Santa Clara City Charter (Contracts on Public Works) states “that every contract involving an expenditure of more than one thousand dollars (\$1,000) for the construction or improvement (excluding maintenance and repair) of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds shall be let to the lowest responsible bidder.” The section further states that “the City Council may declare and determine that, in its opinion, the work in question may be performed better or more economically by the City with its own employees, and after the adoption of a resolution to this effect by at least four affirmative votes, it may proceed to have said work done in the manner stated, without further observance of the provisions of this section.”

In 2014, Silicon Valley Power (SVP) developed a position called Fiber Splicing Technician as an in-house position to primarily perform maintenance and repairs to meet the performance standards of fiber customers, which includes City departments and commercial customers. Fiber Splicing Technician activities include basic splicing and distribution changes to fiber optic cables. The technician can also perform duties such as pulling, laying, aligning, and positioning fiber optic equipment for new connections to the fiber network. Fiber Splicing Technicians also perform fusion splicing at building entrances and in maintenance spaces. Currently, SVP employs two Fiber Splicing Technicians.

DISCUSSION

Currently, the SVP fiber optic network serves SVP, other City departments, and various commercial customers. The Fiber Splicer Technician performs a variety of specialized activities from maintenance and repair to new or re-spliced interconnections to the SVP Fiber Enterprise. Each interconnection can be unique involving different hours of labor depending on the number of fibers required to be spliced and the particular location within the network. Technician time is tracked hourly and not on a per fiber basis.

Large or extensive projects involving extending fiber cable being laid along new paths or significant distances or adding conduit or related infrastructure are performed by a construction contractor through a public works contract. SVP spends up to \$1 million per year on these public works contracts.

Staff believes that the work described below is better performed with City forces based upon the following factors: (1) the work is limited in size and scope; (2) City forces have knowledge and training in operating, maintaining and repairing the fiber optic system that can be leveraged to more economically perform this work; and (3) bidding out the work and contracting with a private entity would not likely result in a lower overall cost or time savings.

Therefore, staff recommends that the City Council declare and determine that City forces can better perform the following fiber optic projects and approve the use of City forces for such projects:

Estimate Number: FWM#1663
Location: 881 Martin Avenue to 1705 Martin Avenue
Type of Service: Fiber Installation
Description of Work: Splice, terminate and test fibers.
Estimated Cost: \$62,356
Appropriation: Electric Utility Capital Fund (591) Project 2004 - Fiber Development, Design & Expansion
Source of Revenue: Developer Contribution

Estimate Number: FWM#1646
Location: 2434 Calle Del Mundo
Type of Service: Fiber Installation
Description of Work: Air-blow, splice, terminate and test fibers.
Estimated Cost: \$1,990
Appropriation: Electric Utility Capital Fund (591) Project 2004 - Fiber Development, Design & Expansion
Source of Revenue: Developer Contribution

ENVIRONMENTAL REVIEW

Staff recommends that the City Council determine that the action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15303 (Class 3 - New Construction or Conversion of Small Structures) of Title 14 of the California Code of Regulations, as the proposed work involves the construction or installation of a limited number of small fiber utility facilities.

FISCAL IMPACT

The funds to support the staff time for work performed by SVP and related construction materials for the work detailed in this report, totaling \$64,346, are included in the Fiscal Year 2024/25 Budget, Fiber Development, Design, and Expansion project in the Electric Utility Capital Fund. All referenced work will be performed with City Electric Forces (SVP staff). Some work associated with encroachment permits may be performed by the Department of Public Works (DPW). DPW costs are recovered through payment of permit fees.

COORDINATION

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

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

1. Determine the proposed action is exempt from CEQA pursuant to Section 15303 (Class 3 - New Construction or Conversion of Small Structures) of Title 14 of the California Code of Regulations; and
2. Declare and determine in accordance with Section 1310 of the City Charter that the public works located at 881 Martin Avenue to 1705 Martin Avenue, and at 2434 Calle Del Mundo are better performed by the City with its own employees based on the information set forth in this Report to Council and authorize the performance of these public works consistent with this authorization.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-666

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action on a Resolution Revising the Regular Meeting Date for the Senior Advisory Commission

BACKGROUND

Santa Clara City Code Section 2.120.030 (Attachment 1) states that each board or commission shall hold regular meetings at the times and days indicated by a resolution of the City Council, as may be amended by further resolution. In 1987, City Council adopted Resolution No. 5195 (Attachment 2) to set the original dates and times of the Senior Advisory Commission. Subsequently, on November 15, 2022, Resolution No. 22-9159 (Attachment 3) was adopted by the City Council, setting the fourth Monday of each month at 10:00 a.m. as the regular meeting date and time for the Senior Advisory Commission.

DISCUSSION

At the June 24, 2024 Senior Advisory Commission meeting, the Commission recommended that Council approve a Resolution (Attachment 4) revising the regular Senior Advisory Commission meeting date and time to the third Monday of each month at 5:00 p.m., effective July 1, 2024.

The Commission identified the following rationale in support of changing the meeting day and time:

- Holding the Senior Advisory Commission meetings at 10:00 a.m. may be difficult for Senior Advisory Commissioners that are working professionals with traditional schedules.
- The proposed day and time may potentially allow more members of the public to attend the Senior Advisory Commission meeting.
- There does not appear to be another board, commission or committee that meets on the proposed day and time; therefore, there is no conflict for the Senior Advisory Commission should they choose to attend another advisory body's meeting.

The proposed Senior Advisory Commission Meeting Calendar (Attachment 5) provides for eleven (11) meetings for FY 2024/25.

The Resolution also establishes that meetings are subject to cancelation at the discretion of the City Manager for agenda management purposes. Lastly, the Resolution provides that should the third Monday fall on a City holiday, the meeting would be held on the next non-holiday Monday.

ENVIRONMENTAL REVIEW

The 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)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no cost to the City other than staff time and expense.

COORDINATION

This report has been coordinated with the City Attorney's Office and City Clerk's Office.

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

Adopt a Resolution revising the Senior Advisory Commission regular meeting date and time to the third Monday of each month at 5 p.m.

Prepared by: Jennifer Herb, Recreation Supervisor

Reviewed by: Kimberly Castro, Recreation Manager

Reviewed by: Cynthia Bojorquez, Assistant City Manager and Acting Director - Parks & Recreation

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Copy of Santa Clara City Code Section 2.120.030
2. Resolution No. 5195
3. Resolution No. 22-9159
4. Resolution to Revise the Senior Advisory Commission Regular Meeting Date and Time
5. Proposed Senior Advisory Commission Meeting Calendar for FY 2024/25

2.120.030 Meetings.

Each board or commission of the City with members thereon appointed by the City Council shall hold regular meetings at the times and on the days indicated by resolution of the City Council except when such day falls on a City holiday, and shall hold such special meetings as it may require. The times and days for holding regular meetings are subject to amendment from time to time by resolution of the City Council. A copy of the applicable resolution(s) is and will be available for public inspection in the office of the City Clerk. (Ord. 1298 § 2, 10-15-74; Ord. 1300 § 1, 11-12-74; Ord. 1569 § 1, 5-26-87. Formerly § 2-91.1).

RESOLUTION NO. 5195

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CLARA INDICATING TIMES AND DAYS FOR EACH BOARD OR COMMISSION OF THE CITY TO HOLD REGULAR MEETINGS ALL AS AUTHORIZED IN SECTION 2-91.1 OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA"

SECTION 1: Each board or commission shall hold regular meetings at the times and on the days indicated below except when such day falls on a City holiday.

Board of Library Trustees	First Monday of each month at 7:30 p.m.
Civil Service Commission	Second Monday of each month at 7:30 p.m.
Cultural Advisory Commission	First Monday of each month at 7:30 p.m.
Historical and Landmarks	First Thursday of each month at 7:00 p.m.
Parks and Recreation Commission	Third Tuesday of each month at 7:30 p.m.
Planning Commission	Second and Fourth Wednesday of each month at 7:00 p.m.
Senior Citizens Advisory Commission	Fourth Monday of each month at 10:00 a.m.

SECTION 2: The meeting times and days are set by resolution pursuant to Section 2-91.1 of "The Charter of the City of Santa Clara, California", and are subject to amendment from time to time by resolution of the City Council.

SECTION 3: This resolution shall take effect upon its

adoption.

* * * *

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A
RESOLUTION PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF
SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE
12th day of May, 1987, by the following votes:

AYES: COUNCILORS: Ash, Deto, Lasher, Mahan, Nadler, Tobkin
and Mayor Souza

NOES: COUNCILORS: None

ABSENT: COUNCILORS: None

ABSTAINED: COUNCILORS: None

ATTEST:

J. E. BOCCIGNONE
City Clerk
City of Santa Clara

RESOLUTION NO. 22-9159

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, APPROVING THE SENIOR ADVISORY
COMMISSION CALENDAR OF MEETINGS FOR 2023, SETTING
THE NUMBER AND START TIME OF REGULAR SENIOR
ADVISORY COMMISSION MEETINGS, AND DELEGATING TO
THE SENIOR ADVISORY COMMISSION THE AUTHORITY TO
ADOPT FUTURE ANNUAL MEETING CALENDARS**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, Section 2.120.030 of the Santa Clara City Code ("SCCC") requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, the City Council in 1987 adopted Resolution 5195 to set the original dates and times of the Senior Advisory Commission, and on December 7, 2021 the Council adopted Resolution No. 21-9030 setting the fourth Monday of the month at 10:00 a.m. as the regular meeting date and time; and

WHEREAS, on September 26, 2022, the Senior Advisory Commission recommended to the City Council its meeting schedule for 2023, which proposes eleven (11) meetings per year (January-November) and a start time of 10:00 a.m..

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. The City Council hereby approves the Senior Advisory Commission Schedule of Meetings, 2022 attached hereto.

//

//

//

3. Subject to the foregoing, the City Council hereby delegates to the Senior Advisory Commission the authority set forth in SCCC Section 2.120.030 to establish the days and time of regular meetings. In accordance with these parameters, the Senior Advisory Commission shall adopt a Calendar of Meetings annually.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 15TH DAY OF NOVEMBER, 2022, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Becker, Chahal, Hardy, Jain, Park, Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Senior Advisory Commission Meeting Schedule for 2023



Schedule of Meetings 2023

Regular meetings are typically held on the fourth Monday of the month, beginning at 10:00 a.m., in accordance with the following schedule.

Meeting Dates

January 23, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

February 27, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

March 27, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

April 24, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

May 22, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

June 26, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

July 24, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

August 28, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

September 25, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

October 23, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

November 27, 2023

(Senior Center - 1303 Fremont St., Santa Clara, CA 95050)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING THE SENIOR ADVISORY COMMISSION
CALENDAR OF MEETINGS FOR 2024-2025, SETTING THE
NUMBER AND START TIME OF REGULAR SENIOR ADVISORY
COMMISSION MEETINGS, AND DELEGATING TO THE SENIOR
ADVISORY COMMISSION THE AUTHORITY TO ADOPT
FUTURE ANNUAL MEETING CALENDARS**

WHEREAS, Section 2.120.030 of the Santa Clara City Code (“SCCC”) requires City boards and commissions to hold regular meetings at the times and on the days indicated by resolution of the Council;

WHEREAS, the City Council in 1987 adopted Resolution 5195 to set the original dates and times of the Senior Advisory Commission, and on November 15, 2022 the Council adopted Resolution No. 22-9159 setting the fourth Monday of the month at 10:00 a.m. as the regular meeting date and time; and

WHEREAS, on June 24, 2024, the Senior Advisory Commission recommended the City Council revise the Commission’s meeting date and time to the third Monday of each month at 5:00 p.m.

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. The City Council hereby approves the revised Senior Advisory Commission Schedule of Meetings, 2024-2025 attached hereto.
3. Subject to the foregoing, the City Council hereby delegates to the Senior Advisory Commission the authority set forth in SCCC Section 2.120.030 to establish the days and time of regular meetings. In accordance with these parameters, the Senior Advisory Commission shall adopt a Calendar of Meetings annually.
4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED
AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING
THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Proposed Senior Advisory Commission Meeting Schedule for FY 2024/25

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Schedule of Meetings
2024 - 25

Regular meetings are typically held on the third Monday of the month, beginning at 5:00 p.m., in accordance with the following schedule. Location Subject to Change

Meeting Dates

July 15, 2024

August 19, 2024

September 23, 2024

Special Meeting

October 21, 2024

November 18, 2024

January 13, 2025

Special Meeting

February 10, 2025

Special Meeting

March 17, 2025

April 21, 2025

May 19, 2025

June 16, 2025



Agenda Report

24-180

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

- A. Discussion and Potential Actions Related to Proposed November 2024 Ballot Measure Authorizing the Issuance of General Obligation Bond Debt to Fund Public Infrastructure; Such Actions to Include the Following:
1. Adoption of a Resolution of Necessity
 2. Introduction of an Ordinance Ordering the Submission of a Measure Incurring Bonded Indebtedness to the Voters at the November 2024 General Municipal Election
 3. Direction on a Draft Expenditure Plan to be Included with the Measure
- B. Discussion and Council Direction on a Proposed Charter Amendment Regarding Public Works Procurement [Charter Section 1310] to Update the City's Public Works Bidding and Contracting Authority, Allow for Design-Build Projects and Implement Other Technical Changes

BACKGROUND

Unfunded Capital Needs

Over the last several years, the need for capital infrastructure investment has been identified and discussed as part of the budget and the City Council's annual Priority Setting Processes. While the City's utility infrastructure is well funded, there are significant funding gaps in other areas. For capital infrastructure where the General Fund is the primary funding source, the City has relied on a pay-as-you-go approach using funds set aside in the Capital Projects Reserve. This reserve is funded by General Fund surplus funds at the end of a fiscal year and is insufficient to address the City's considerable infrastructure needs.

As part of the development of the FY 2024/25 and FY 2025/26 Biennial Capital Budget, over \$600 million in City infrastructure needs were identified where the General Fund would be the primary funding source. This amount included the most immediate needs over the next five years and did not fully account for all unfunded needs in the City. In 2024 alone, the City received over \$2700 million in infrastructure requests from the various departments with only \$24 million available in the Capital Projects Reserve. Aging roads, bridges, underground stormdrain pipes, and sidewalks all need repairs and maintenance to meet performance, safety, and accessibility needs for residents. The City Fire Department handles approximately 10,000 service calls each year, a 14 percent increase over the past decade. Several of the City's local fire stations are 50 to 55 years old and in need of seismic upgrades and other enhancements to ensure emergency and disaster preparedness and response. Additionally, funding is needed to ensure safe routes and intersections for kids to get to school; safer roads for drivers, pedestrians, and bicyclists; and safe, well-maintained parks, playground, community and recreation facilities, and libraries for our community.

Given the significant infrastructure needs, the City Council took action on July 18, 2023, to approve funding in the amount of \$358,000 for outreach, engagement, and policy analysis to support activities related to potential November 2024 ballot measures (RTC 23-913). A study session on the unfunded needs including a presentation of revenue options and workplan for a November 2024 ballot measure was subsequently held on October 24, 2023. In addition, during the two-day 2024 Council Priority Setting Session on March 25 and April 3, 2024, the City Manager presented on the City's unfunded capital needs and the potential for the City to explore a general obligation (GO) bond measure. Staff have been working with consultants to explore the feasibility of such a bond.

It is also important to note that this is not the first time the City of Santa Clara has recently considered a general obligation bond to address its mounting infrastructure needs. In 2018, the City considered asking voters to approve an infrastructure bond but elected to wait because the Santa Clara United School District was placing a bond on the same ballot. In November 2018, Santa Clara voters approved Measure BB, providing \$720 million for school facilities. Additionally, in 2020, the City was preparing to reactivate its efforts for an infrastructure bond, however, negative economic conditions brought on by COVID-19 caused the City to postpone once again.

Polling Results

During the April 23 and June 4, 2024 City Council meetings, consultants from Tulchin Research presented two rounds of scientific polling surveys. Both surveys were conducted among likely November 2024 general election voters, including newly registered voters and those who have voted in at least one of the past four elections. The initial benchmarking survey took place from April 1 through April 4, and the second survey from May 18 through May 22. Both surveys were offered in English, Chinese, Spanish, and Vietnamese and were conducted by phone to reach a total of 800 likely voters.

A majority of voters indicated they felt Santa Clara could benefit from additional investment in public infrastructure, and that they generally support measures that provide local funding to address infrastructure or service needs. The most popular areas for potential funding continue to include (not in ranked order):

- Public safety improvements (upgrades to 9-1-1 emergency, medical, fire, and disaster response);
- Street safety (fixing potholes and making roaders safer for drivers, pedestrians, and bicyclists); and
- Storm drain improvements (repairs to underground stormwater pipes to prevent erosion and sinkholes).

Community Outreach

In addition to the two likely-voter surveys, the consultant team released a Community Mailer Survey to gather additional thoughts from the community using a broad approach. This mailer went out to over 30,000 households and was made available at City facilities. Responses to this community mailer were submitted online via a QR code or as a tear-off survey to be mailed back to the City. This community feedback method received over 800 responses to date consisting of nearly 500 online responses and over 300 mailed back.

To ensure the community has information about the topic, the City has established a dedicated webpage to help voters learn about the potential bond measure and stay up to date with current

information being provided. To support voter education, a fact sheet will also be available at City Hall, the Senior Center, the Community Recreation Center, all City libraries, and other City facilities. In addition, the City has shared educational information about the proposed measure on social media.

DISCUSSION

Based on community feedback of voter priorities related to improvements throughout Santa Clara, and to meet the City's over \$600 million in infrastructure needs, staff is recommending that the City Council place a GO bond measure on the November 2024 ballot. Voter polling indicated that the community is equally supportive of either a \$598 million or a \$298 million bond measure. Because of this and due to the severity of the City's infrastructure needs, staff is recommending the proposed \$598 million bond measure option. As part of the Council presentation, staff will also provide the financial breakdown of a potential bond option for \$298 million and is seeking council direction.

If the voters were to approve a \$598 million GO bond measure, it would be funded by levying an estimated \$29 per \$100,000 of assessed property value annually. In this scenario, the property tax bill for each of the largest 20 commercial property owners in Santa Clara would increase by an average of \$290,000 per year while a typical homeowner would pay on average an additional \$195 per year.

If voters were to approve a \$298 million GO bond measure, it would be funded by levying an estimated \$16 per \$100,000 of assessed property value annually. In this scenario, the property tax bill for each of the largest 20 commercial property owners in Santa Clara would increase by an average of \$160,000 per year while a typical homeowner would pay on average an additional \$110 per year.

Voter Approval

Approval of the bond measure requires that 2/3rds of all qualified voters voting on the proposition at the November 2024 election vote in favor. If this threshold is met, the City would have the authority to issue and sell the bonds in one or more series, in the maximum amount determined at tonight's meeting, and for the objects and purposes set forth in the Ordinance described below.

If issued, the bonds would be general obligations of the City payable from, and secured by, ad valorem taxes levied and collected on taxable property in the City. The revenue generated from the ad valorem taxes would be used solely for the payment of debt service on the bonds and for no other purpose.

Additionally, a measure known as Assembly Constitutional Amendment 10 (ACA 10) was recently placed on the November ballot. ACA 10 formalizes Assembly Constitutional Amendment 1 (ACA1) and would treat cities like K-12 school districts and community colleges, allowing for bonds to pass at a 55% supermajority, subject to certain accountability provisions. The proposed GO bond measure the City is considering to help address infrastructure needs would be written in a manner that meets or exceeds all of the accountability requirements of ACA10, and would be valid under the new rules if ACA10 were to pass statewide in November.

Proposed Ballot Language

California Elections Code Section 9051 requires that a ballot question not exceed 75 words (with the word count determined pursuant to statute) California Elections Code Section 13119 (c) also requires

that the statement of the measure “shall be a true and impartial synopsis of the purpose of the proposed measure and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure.”

Based on voter polling, feedback from the City Council, input from the City’s legal counsel, and City infrastructure priorities, the following ballot question is presented below for the City Council’s consideration.

To improve 911 emergency rapid response; fix potholes, repair and improve streets throughout Santa Clara; fix underground stormdrains/pipes to prevent sinkholes; provide safer roads and routes to school for drivers, pedestrians; and repair/maintain safe public facilities; shall the City of Santa Clara’s measure authorizing \$598,000,000 in bonds, funded by levying an estimated \$29/\$100,000 of assessed value while bonds are outstanding, generating approximately \$35,000,000 annually, with annual audits and citizen oversight of spending, be adopted?	Yes
	No

After Council input at the July 9th meeting, the final ballot question language will be presented for approval in the Resolution Placing the Measure on the Ballot to be considered at the July 16 Council meeting.

Sources of Bond Repayment

If the bond measure were to be approved by voters, any bonds issued would be payable solely from revenues generated by a property tax levy on all taxable property within the City of Santa Clara, based on assessed property value. The bonds will not be an obligation of the general fund or any other City revenue source.

The “assessed” value of real property can be very different than its “market value.” “Assessed value” is determined by the County Assessor under Proposition 13 based on the most recent actual sale price of the property, plus up to 2% per year thereafter. “Market value” is what a property could be sold for on the open market at any given time. As a result, property that has been held by one owner for many years that may have a high “market value” is likely to have a significantly lower “assessed value” than a similar property that has recently sold.

Transparency and Accountability

The City’s proposed GO bond measure would incorporate stringent transparency and accountability provisions as outlined in the following Transparency and Accountability Plan (Attachment 4).

Transparency and Accountability Plan
1. Council approval of an Expenditure Plan, including project category areas and related spending amounts, concurrent with placing a bond on the ballot. [Ordinance Section 13(b)(i)]
2. Process for making changes to the Expenditure Plan would require: ○ Staff recommendation; ○ Community Oversight Committee review and input; and ○ Unanimous approval from the City Council. [Ordinance Section 13(b)(ii)]

3. A Community Oversight Committee will be formed to ensure compliance with bond measure requirements. The Committee will consist of nine members selected by a lottery process made up of:
 - Seven residents;
 - One small business representative;
 - and
 - One large business representative. Business representatives shall have experience in budgeting, accounting, finance, and/or audit. Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City of Santa Clara. Business representatives need not be residents but must be an owner or employee of a business headquartered within the City. Members appointed to the Committee shall receive educational training about bonds and fiscal oversight. The role of the Committee shall be to (a) ensure that project implementation is consistent with the bond requirements and the Expenditure Plan, (b) review and report on annual audits, and (c) review and provide recommendations to the City Council on any proposed amendment to the Expenditure Plan. [Ordinance Sections 13(a)(viii) and 13(b)(iv)]
4. Bond expenditures would be subject to independent annual audit with public auditor presentations to the Community Oversight Committee and Council Audit Committee, along with submittal to the State Auditor for review. [Ordinance Sections 13(a)(iv)-(vii) and 13(b)(v)]
5. Strict prohibition on the use of any bond proceeds for:
 - Levi's Stadium improvements;
 - Any projects for the sole benefit of Levi's Stadium; and
 - Any projects within the 0.5 miles of Levi's Stadium, except improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi's Stadium; and
 - For the direct or indirect benefit of any professional sports team [Ordinance Section 13(b)(iii)]
6. Funds could only be used for public infrastructure projects that serve the City of Santa Clara. [Ordinance Section 13(a)(ii)]
7. All bond proceeds are to be deposited into a separate account(s) and tracked on a project-by-project basis to facilitate project oversight and legal compliance audits. [Ordinance Section 13(a)(x)]
8. No money could be used for employee salaries or benefits, with the exception of normal and customary personnel charges for project management and delivery services. Project administrative costs shall not exceed 5% of the proceeds from sale of the bonds. [Ordinance Section 13(a)(i)]
9. Annual public presentation on the Expenditure Plan and Project Status Report to the Community Oversight Committee and the City Council presented by the City Manager, or their designee. [Ordinance Section 13(b)(v)]
10. For projects requiring mail notice, increase the requirement for mail notifications to all properties surrounding bond funded projects from 500 feet to 1,000 feet. [Ordinance Section 13(b)(v)]
11. Communications on bond funded projects:
 - City webpage conveying status of all bond funded projects; and
 - Public signage surrounding projects funded by bond proceeds. [Ordinance Section 13(b)(v)]

Proposed Expenditure Plan

City staff have drafted a proposed Expenditure Plan as part of the City Council presentation for consideration. This plan includes the following category areas:

1. Street Repairs and Transportation
2. Fire Stations and Public Safety
3. Parks and Community Facilities
4. Stormdrain and Flood Protection
5. Other Critical City Infrastructure

Proposed Expenditure Plans and Project Lists for both the \$598M and \$298M bond scenario amounts are detailed in the attachments (Attachments 5-8).

Community Oversight Committee Structure and Operations

As mentioned in the Transparency and Accountability Plan, staff recommend the Community Oversight Committee include representation from key stakeholders within the community including representation from the residential, small business, and large business sectors. All members of the Community Oversight Committee would be subject to conflict of interest and Brown Act provisions. Additionally, staff recommends staggered four-year term limits, requirements for background/experience in financial audits for applicants representing the business community, and that process for chair selection be determined with direction from Council. In addition to the provisions included in the bond measure regarding Community Oversight Committee requirements, the creation of the Committee and the details of its operation, would be implemented by ordinance approved by the City Council.

Actions Required to Place the Measure on the November 2024 ballot

Three actions are required by the Council to place the bond measure on the November 2024 ballot:

1. At this meeting, consider and approve the Resolution of Necessity and hold the first reading of the bond measure Ordinance. Approval of the Resolution requires a 2/3rds approval by the Council (that is, 5 yes votes).
2. At the July 16 Council meeting, consider and approve the Resolution Placing the Measure on the Ballot and hold a second reading and adoption of the Ordinance. Adoption of the Ordinance requires a 2/3rds approval by the Council (that is, 5 yes votes). These documents are further described below.
3. If this process is successfully completed by the Council, the final Ordinance and Resolution Placing the Measure on the Ballot would need to be submitted (along with other required documents) to the Santa Clara County Registrar of Voters by the August 9, 2024 deadline for the measure to appear on the November 2024 ballot. The Ordinance and Resolution Placing the Measure on the Ballot will appear in the ballot pamphlet sent to each voter before the election.

Each of these action items are described in more detail, below.

1. Resolution of Necessity

The Resolution of Necessity (Attachment 1), required by California Government Code §43607 to be passed by an affirmative vote of 2/3rd of the Council (this is, at least five Council members).

This Resolution determines that the public interest or necessity demands the acquisition, construction, or completion of the municipal improvements, and that the costs of the improvements will require an expenditure by the City greater than allowed for it by the City's annual tax levy. The resolution also appoints Public Financial Management, as municipal advisor to the City, and Jones Hall, A Professional Law Corporation as bond counsel for the City for the proposed bond issue. Such services would be provided under the terms of agreements still in effect with such consultants that were originally entered into back in 2020 and 2019 respectively, with updated fee schedules as required, to be approved by the City Manager and the City Attorney.

2. Ordinance

The Ordinance (Attachment 2) includes information required by California Government Code §43610, including the object and purpose of bonds, a description of the improvements to be financed with the proceeds of the bonds, the estimated costs of the improvements of \$598 million, and the manner of holding the election.

The improvements described in the Ordinance consist of public infrastructure improvements that include streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood protection improvements, and improvements to other City facilities.

The Ordinance establishes the maximum principal amount of the bonds, estimates the total costs of the improvements, establishes a maximum interest rate, and establishes the Transparency and Accountability Plan measures described above.

3. Resolution Placing the Measure on the Ballot

The Resolution Placing the Measure on the Ballot would be scheduled for the next regular meeting on July 16, and would be considered for adoption only if the Ordinance is adopted. This resolution sets forth the 75-word ballot question and other procedural details regarding the election, including actions related to authorship of direct and rebuttal arguments for the measure which would appear in the voter information guide.

Future Issuance of Bonds

If the bond measure is approved by voters, the bonds may be issued in one or more series as needed to pay authorized improvement costs. Timing and amount of each bond issuance will depend on market factors, funding needs to support the plan for construction the improvements, and other factors. The issuance of each series of bonds, and the specific projects to be financed, will subject to express approval by resolution of this Council.

The actual interest rate on each series of bonds will be determined at the time of issuance. As of June 20, 2024, interest rates on general obligation bonds issued by the City, if assigned credit ratings of "AA+" by Standard & Poor's and "Aa2" by Moody's Investors Service with level annual payments, would bear estimated interest rates of 4-5% for a 30-year term.

Potential Public Works Charter Amendment

In addition to the potential bond measure, staff is proposing a Charter amendment (Attachment 3) which updates the City's public works procurement process in a number of ways. The amendment proposes to increase the amount requiring the formal bidding of public works contracts from \$1,000 to \$250,000. The \$1,000 limit was originally set in the 1951 City Charter and has not been increased

in over 70 years. Another key change is to expressly authorize the use of the design-build procurement process to streamline construction and implementation of infrastructure improvement projects. Design-build is a project delivery method that combines design and construction services in one contract allowing for a more streamlined and cost-effective process for delivering projects. Additional proposed amendments differentiate between “major” (above \$500,000) and “minor” (at or below \$500,000) public works projects for City Council versus City Manager approval purposes and provides for implementation of terms for possible exceptions to formal bidding processes, and special rules for utility projects, if approved by the City Council by ordinance as part of an overall program determined to be in the best interests of the City. Other technical updates are also included. Voter polling shows a voter comfort with amending the City Charter to improve and streamline construction efforts. This will be particularly important if a bond were to pass as the City would be driving various infrastructure projects forward. Staff requests Council provide initial input on the draft Charter amendment. If Council is supportive, staff will finalize the proposed amendment language, develop a formal ballot question, and bring the package back for final Council consideration at the July 16th Council meeting.

Conclusion

Should the City Council decide to place the ballot question on the November 5, 2024 Special Municipal Election ballot, appropriate documentation supporting formal action by the City Council must be received by the Santa Clara County Registrar of Voters no later than August 9, 2024. In order to meet this timeline without having to schedule a meeting, action would need to be taken on the Resolution of Necessity and First Reading of the Ordinance at this meeting.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The proposed bonds, if the bond measure is approved by voters, would be payable solely from a property tax levy on all taxable property within the City, which will be based on assessed property value. The bonds will not be an obligation of the General Fund or any other City funds.

For the November 2024 election, the cost to place a measure on the ballot is estimated at \$118,000 each. Based on the FY 2024/25 elections budget of \$420,000 and the estimated cost for the regularly scheduled items to go forward, additional funding of \$82,000 would be needed for one measure and \$200,000 would be needed for two measures. If the City Council decides to place measure(s) on the ballot, a budget amendment will be brought forward to add funding from the General Fund Budget Stabilization Reserve.

COORDINATION

This report has been coordinated with the Finance Department, the City Attorney’s Office, the City Clerk’s Office, and the City Manager.

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

1. Adopt the Resolution of Necessity determining necessity to issue bonds.
2. Waive first reading and approve the introduction of an Ordinance ordering the submission of the measure incurring bonded indebtedness for the purpose of the acquisition, construction, and improvement of certain municipal improvement projects to City voters.
3. Provide Direction on a potential Charter Amendment to update the Public Work Section 1310.

Reviewed by: Michelle Templeton, Acting Assistant City Manager

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Proposed Resolution of Necessity
2. Proposed Ordinance
3. Proposed Amendment to Charter Section 1310 for Contracts on Public Works Projects
4. Proposed Transparency and Accountability Plan
5. Proposed Expenditure Plan for a \$598M Bond
6. Proposed Project List for a \$598M Bond
7. Proposed Expenditure Plan for a \$298M Bond
8. Proposed Project List for a \$298M Bond

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY OF SANTA CLARA,
CALIFORNIA, DETERMINING THAT THE PUBLIC INTEREST
AND NECESSITY DEMAND THE ACQUISITION,
CONSTRUCTION AND IMPROVEMENT OF MUNICIPAL
IMPROVEMENT PROJECTS CONSTITUTING PUBLIC
INFRASTRUCTURE OF THE CITY, AND THEIR FINANCING
THROUGH THE ISSUANCE OF GENERAL OBLIGATION
BONDS**

WHEREAS, the City of Santa Clara (the “City”) is a municipal corporation and charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City desires to undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities (collectively, the “Improvements”) more particularly described in the Ordinance proposed to be approved by the City Council entitled “AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COST OF THE ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY, SUBJECT TO ACCOUNTABILITY MEASURES AND COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN”; and

WHEREAS, in order to finance the Improvements, the City is authorized to call an election for the purpose of incurring a bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City pursuant to certain provisions of the California Constitution, including Article XIII A and any amendments thereto approved at the November

5, 2024 election, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements; and

WHEREAS, in order to initiate proceedings under the Bond Law to provide for the issuance of general obligation bonds, the City Council of the City (the “City Council”) must make certain findings and determinations; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Necessity. The public interest and necessity demand, and it is the intention of the City Council to require, the acquisition, construction and improvement of the Improvements, and to issue the Bonds to finance the cost thereof, subject to completion of the proceedings required by the Bond Law.
3. Findings. The City Council hereby finds and determines that the estimated costs of the Improvements will require an expenditure by the City greater than the amount allowed for it by the annual tax levy of the City. The principal amount of the Bonds will not exceed the estimated cost of the Improvements.
4. Authority. This Resolution is adopted, and the Bonds will be issued, if approved by the qualified voters voting on the issuance of the Bonds, pursuant to the Bond Law or any implementing legislation.
5. Reimbursement Declaration. The City Council hereby declares that the City may pay certain

costs of the projects authorized by the proposed bond measure prior to the date of issuance of the Bonds and, in such case, intends to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the projects that are paid before the date of issuance of the Bonds.

6. Engagement of Professional Services. The City hereby confirms the appointment of Jones Hall, A Professional Law Corporation, a nationally recognized bond counsel firm, to serve as bond counsel, and Public Financial Management to serve as municipal advisor, in connection with the bond election and, if successful, subsequent bond issuances.

7. Adoption; Effective Date. This Resolution must be adopted by two-thirds of all members of the City Council and, when adopted, shall take effect immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SANTA CLARA,
CALIFORNIA, ORDERING THE SUBMISSION OF A MEASURE
INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED
VOTERS OF THE CITY OF SANTA CLARA AT THE GENERAL
MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024,
FOR THE PURPOSE OF FINANCING THE COST OF THE
ACQUISITION, CONSTRUCTION AND IMPROVEMENT OF
CERTAIN MUNICIPAL IMPROVEMENT PROJECTS
CONSTITUTING PUBLIC INFRASTRUCTURE OF THE CITY,
SUBJECT TO ACCOUNTABILITY MEASURES AND
COMPLIANCE WITH AN ADOPTED EXPENDITURE PLAN**

WHEREAS, the City of Santa Clara (the “City”) is a municipal corporation and charter city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City desires to undertake certain public infrastructure improvements for the City consisting of streets and transportation improvements, improvements to public safety facilities, improvements to parks and community facilities, storm drain and flood collection improvements, and improvements to other City facilities, as more particularly described below (collectively, the “Improvements”); and

WHEREAS, the City is authorized to call an election for the purpose of incurring bonded indebtedness and to authorize the issuance of bonds to finance the Improvements, which constitute public infrastructure of the City, pursuant to certain provisions of the California Constitution, including Article XIII A, the California Government Code, including Article 1 of Chapter 4 of Division 4 of Title 4 (commencing with Section 43600) and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53506) (collectively, the “Bond Law”); and

WHEREAS, the City intends to issue its general obligation bonds (the “Bonds”) under and pursuant to the Bond Law to finance the cost of the acquisition and construction of the Improvements; and

WHEREAS, under existing law, approval of the Bonds requires 2/3rds of the voters in the City voting on the measure to vote in favor of the measure; and

WHEREAS, Assembly Constitutional Amendment No. 1 (“ACA1”) has qualified for the November 5, 2024 Statewide ballot and would, among other things, change existing law to authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure if the measure proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the measure includes specified accountability requirements; and

WHEREAS, the foregoing constitutional amendments effectuated by ACA1, if approved at the November 5, 2024 Statewide ballot, would apply to any measure authorizing general obligation bonds of a city that is submitted at the same election as the Voter Approval Ballot Measure; and

WHEREAS, the measure to approve the Bonds is intended to and will comply with all the provisions of ACA1, including all of its accountability requirements, so that, if ACA1 is approved on November 5, 2024, approval of the Bonds shall require that 55% (not 2/3rds) of the voters in the City voting on the measure vote in favor of the measure; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. Recitals Correct. The foregoing recitals are true and correct.
2. Purpose and Intent. Pursuant to the authority provided by the California Government Code and California Elections Code, the purpose and intent of this Ordinance is to authorize and direct the submittal to the qualified voters of the City at the general municipal election to be held on November 5, 2024, of a measure authorizing the City to issue general obligation bonds (the “Bonds”) for the purpose of financing the Improvements on the terms set forth below.
3. Findings. The City Council hereby makes the following findings with respect to the proposed Ordinance/Calling Bond Election

measure for the Bonds:

(i) On July 9, 2024, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A Resolution of the City Council of the City of Santa Clara, California, Determining that the Public Interest and Necessity Demand the Acquisition, Construction and Improvement of Municipal Improvement Projects Constituting Public Infrastructure of the City, and Their Financing Through the Issuance of General Obligation Bonds,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.

(ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, it is necessary for the City Council to adopt an ordinance ordering the submission of the measure of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.

(iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date, by a resolution adopted after the adoption of this Ordinance pursuant to California Elections Code Section 10403 (the “Resolution Calling Election”).

4. Call for Election. The City Council hereby orders that there be submitted to the qualified voters of the City, pursuant to the Resolution Calling Election, a measure on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the regular election to be held on November 5, 2024.

5. Ballot Measure. The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 5, 2024, a measure on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

6. Object and Purpose of Bonds. The object and purpose of the Bonds is to finance some or all of Ordinance/Calling Bond Election

the costs of the Improvements. The Improvements are more particularly described in that certain Expenditure Plan (“Expenditure Plan”) to be attached as Exhibit A to this Ordinance, which shall be approved by the City Council by separate Resolution and presented to the voters as part of the measure for the Bonds.

The authorized Improvements will include all work, facilities and expenditures necessary and incidental to the Improvements described in the Expenditure Plan. Examples of such work, facilities, and expenditures include, but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects, including reimbursement of City staff time; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

7. Estimated Cost of Improvements. The estimated cost of the Improvements is \$[598,000,000]. The estimated cost includes legal or other fees, the costs of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed Ordinance/Calling Bond Election

12 months after completion of construction.

8. Principal Amount of Bonds. The aggregate principal of the Bonds shall not exceed \$[598,000,000.00].

9. Maximum Interest Rate. The maximum rate of interest to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be made payable at the end of said year. The actual interest rates of each series of the Bonds will be determined at the time of each respective Bond sale.

10. Issuance and Sale of Bonds. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, or Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the measure vote in favor thereof. The Bonds will be general obligations of the City payable solely from and secured by ad valorem taxes levied and collected in the manner prescribed by the laws of the State of California, and not from the general fund or other funds of the City. The revenue generated from the ad valorem tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

11. Manner of Conducting Election. The election on the Bonds held on November 5, 2024 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the Resolution Calling Election and the provisions of California law regulating the election with which it is consolidated.

12. Procedure for Voting on Measure. Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the measure

Ordinance/Calling Bond Election

on the ballot, in accordance with procedures to be adopted by the authorized officers of the County of Santa Clara (the “County”) charged with conducting the election.

13. Transparency and Accountability Requirements.

(a) In order to comply with ACA1 and Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the Bonds (the “State Accountability Requirements”):

(i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries (other than for reimbursement of staff costs incurred in providing normal and customary project management and delivery services for the Improvements (“Project Related Administrative Costs”)), and other operating expenses. The administrative cost of the City for the Improvements, including any and all Project Related Administrative Costs, shall not exceed 5% of the proceeds from the sale of the Bonds.

(ii) The proceeds from the sale of the Bonds shall only be spent on projects and programs that serve the jurisdiction of the City.

(iii) This Ordinance shall be the ordinance through which projects will be funded and the City hereby certifies that it has evaluated alternative funding sources.

(iv) The City shall conduct an annual, independent performance audit to ensure that the Bond funds are expended pursuant to this Ordinance.

(v) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure authorized by this Ordinance.

(vi) The City shall post the audits required by clauses (iv) and (v) in a manner that is easily accessible to the public.

(vii) The City shall submit the audits required by clauses (iv) and (v) to the California State

Auditor for review.

(viii) The City shall appoint a citizens' oversight committee (the "Bond Compliance COC") to ensure that Bond proceeds are expended only for the purposes described in the measure approved by the voters. Members appointed to the Bond Compliance COC shall receive educational training about bonds and fiscal oversight.

(ix) Any entity owned or controlled by a member of the City Council shall be prohibited from bidding on any work funded by the measure.

(x) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the Improvements. Expenditures shall be tracked on a project by project basis to facilitate project oversight and compliance audits.

(xi) The City's Director of Finance shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

The provisions of ACA1 are hereby incorporated by reference in this Ordinance. The City Council hereby declares its intent that this Ordinance and the accountability measures contained herein shall comply with ACA1 and any and all other statutory or other requirements determined to be required for compliance with ACA1.

(b) In addition to the State Accountability Requirements, the City Council hereby adopts the following local accountability and transparency requirements relating to the Bonds and the use of Bond proceeds ("Local Accountability Requirements"):

(i) Expenditure Plan Requirements. Bond proceeds shall only be used on Improvements in strict accordance with the terms of the adopted Expenditure Plan, as it may be amended from time to time subject to the requirements of Section 13(b)(ii), below.

(ii) Required Process for Amending Expenditure Plan. City staff shall review, analyze and make a recommendation on any proposed substantive amendment to the Expenditure Plan

(“Amendment”). Prior to City Council consideration, any such proposed Amendment shall first be submitted to the Bond Compliance COC for their review and recommendation. Any proposed Amendment shall require the unanimous approval of the City Council..

(iii) Prohibited Uses. In no event shall Bond proceeds may be used for (I) improvements to Levi’s Stadium; (II) any Improvements projects for the sole benefit of Levi’s Stadium; (III) Improvements projects within .05 miles of Levi’s Stadium, except Improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi’s Stadium; or (IV) the direct or indirect benefit of any professional sports team.

(iv) Additional Terms for the Bond Compliance COC. The Bond Compliance COC shall consist of 9 members selected by a lottery process. The committee shall include seven residents, one large business representative, and one small business representative (neither of which must be residents, but both must be either an owner or employee of a business headquartered within the City). Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City. The role of the Bond Compliance Committee shall be to (I) ensure that project implementation is consistent with all Bond measure requirements, including the terms of the Expenditure Plan; (II) review and report on annual audits, and (III) review and provided recommendations to the City Council on any proposed amendment to the Expenditure Plan.

(v) Communications Program. There shall be a Bond measure communications program to enhance accountability and transparency including, at a minimum, the following elements: (I) requirement for an annual public presentation on the Expenditure Plan and the status of the implementation of Improvements projects to the Bond Compliance COC and the City Council presented by the City Manager; (II) requirements for an annual presentation of the independent annual audit(s) required in Section 13(b) above to the COC and the Council Audit Committee;

(III) status of all Bond funded projects to be communicated on the City's webpage; and (IV) notice of all proposed Improvements projects to residents within 1,000 feet of such project(s), with public signage providing further information at the project site(s).

14. Identification of Tax. The tax imposed by this measure is an ad valorem tax levied upon taxable property in the City, and will be used to pay the principal and interest on the Bonds.

15. Official Actions. The Mayor, the City Manager, the Director of Finance, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the Bond measure on the ballot.

16. Interpretation. The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the measure incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

17. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

18. Publication of Ordinance. The City Clerk shall cause the proposed ordinance to be posted at least three (3) days prior to its adoption in three (3) public places in the City and at least three (3) days prior to the ordinance adoption shall cause a single publication in an official newspaper. In accordance with Section 43611 of the California Government Code, this Ordinance shall also be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. No other notice need be given.

19. Adoption; Effective Date. This Ordinance must be adopted by two-thirds of all members of the Ordinance/Calling Bond Election

City Council. When adopted, in accordance with Section 36937(a) of the California Government Code, this Ordinance shall become effective immediately, as an ordinance relating to an election.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ____ DAY OF _____, 2024, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST:	_____
	NORA PIMENTEL, MMC
	ASSISTANT CITY CLERK
	CITY OF SANTA CLARA

Attachment: Exhibit A – Expenditure Plan

EXHIBIT A
EXPENDITURE PLAN

Exhibit A
Charter Amendment Measure
Proposed Additions Shown as Underline
Proposed Deletions Shown as ~~Strikethrough~~

DRAFT
July 5, 2024

Section 1. Section 1310 of the Charter of the City of Santa Clara, entitled “Contracts on public works”, is amended and restated to read in its entirety as follows:

Sec. 1310 Contracts on public works.

Every contract involving an expenditure of more than ~~one~~ two hundred fifty thousand dollars (\$~~1,000.00~~250,000) for the construction or improvement, (excluding maintenance and repair), of public buildings, works, streets, drains, sewers, utilities, parks and playgrounds (“Public Works Projects”) shall be let to the lowest responsive and responsible bidder after notice by publication in an official newspaper by one or more insertions, the first of which shall be at least ten days before the time for opening bids.

“Major Public Works Projects,” defined as projects estimated to cost greater than \$500,000, shall be subject to approval by the City Council. “Minor Public Works Projects” defined as projects estimated to cost \$500,000 or less shall be subject to approval by the City Manager.

The City Council or the City Manager, whichever is the approving authority, may reject any and all bids presented and may re-advertise in its discretion.

~~The City Council~~ Such approving authority, without advertising for bids, or after rejecting bids, or if no bids are received, may declare and determine that, in its opinion, the work in question may be performed better or more economically by the City with its own employees and, upon such determination, the City after the adoption of a resolution to this effect by at least four affirmative votes, it may proceed to have said work done in the manner stated, without further observance of the provisions of this section. Such contracts likewise may be let without advertising for bids, if such work shall be deemed by the ~~City Council~~ approving authority to be of urgent necessity for the preservation of life, health or property, ~~and shall be authorized by motion passed by at least four affirmative votes and containing a declaration of the facts constituting such urgency.~~

The City Council may adopt an ordinance to implement the terms of this Section. Such ordinance may include limited exceptions to the bid solicitation and award provisions set forth above, including special procurement rules for utility projects; provided, however, that any such exception(s) or special rule(s) shall be implemented as part of a City-wide policy or program determined to be in the best overall interests of the City.

Notwithstanding any provisions of this Charter to the contrary, the City may also employ a design-build process for the procurement of Public Works projects. A “design-build process” shall mean a process in which the design and construction of a Public Works Project are procured from a single entity. Prior to employing the design-build process, the City Council shall, by ordinance, establish solicitation and procurement procedures and standards to solicit, qualify, evaluate and select design-build proposals.

The provisions of this section of the Charter, and any and all provisions of City ordinances that are consistent and adopted in connection herewith, shall supersede any and all inconsistent state laws or regulations that may otherwise be applicable to the City's public works procurement processes.

City Transparency and Accountability Plan

Potential November 2024 City General Obligation Bond Measure

Based on community priorities from voter polling and community outreach, and to meet the City's \$624 M infrastructure needs, staff recommend that the City Council place a General Obligation (GO) bond measure on the November 2024 ballot. Voter polling indicates that the community is equally supportive of either a \$598 M bond measure or a \$298 M bond measure. Because of this voter willingness, and the significant infrastructure needs in Santa Clara, staff is recommending the proposed \$598 M bond measure option. The proposed bond would be up to \$598 M. In a \$598 M scenario, the bond would be funded by leveraging up to an estimated \$29 per \$100,000 of assessed (not market) property value.

As part of the Council presentation, staff will also present the financial breakdown of a potential bond option for \$298 M and is seeking council direction.

Transparency and Accountability

Both community and City Council feedback included guidance on developing a Transparency and Accountability Plan as part of the proposed bond measure. The City's proposed GO bond measure would incorporate stringent transparency and accountability provisions as outlined in the following Transparency and Accountability Plan. Additionally, all components of the City's Accountability and Transparency Plan will meet all requirements for ACA 10.

Transparency and Accountability Plan

1. Council approval of an Expenditure Plan, including project category areas and related spending amounts, concurrent with placing a bond on the ballot. [Ordinance Section 13(b)(i)]
2. Process for making changes to the Expenditure Plan would require:
 - Staff recommendation;
 - Community Oversight Committee review and input; and
 - Unanimous approval from the City Council. [Ordinance Section 13(b)(ii)]
3. A Community Oversight Committee will be formed to ensure compliance with bond measure requirements. The Committee will consist of nine members selected by a lottery process made up of:
 - Seven residents;
 - One small business representative; and
 - One large business representative.

Business representatives shall have experience in budgeting, accounting, finance, and/or audit. Additionally, no business representative shall work for, have previously worked for, or be employed by a firm that provides services to any professional sports teams within the City of Santa Clara. Business representatives need not be residents but must be an owner or employee of a business headquartered within the City. Members appointed to the Committee shall receive educational training about bonds and fiscal oversight.

The role of the Committee shall be to (a) ensure that project implementation is consistent with the bond requirements and the Expenditure Plan, (b) review and report on annual audits, and (c) review and provide recommendations to the City Council on any proposed amendment to the Expenditure Plan. [Ordinance Sections 13(a)(viii) and 13(b)(iv)]

Transparency and Accountability Plan

4. Bond expenditures would be subject to independent annual audit with public auditor presentations to the Community Oversight Committee and Council Audit Committee, along with submittal to the State Auditor for review. [Ordinance Sections 13(a)(iv)-(vii) and 13(b)(v)]
5. Strict prohibition on the use of any bond proceeds for:
 - Levi's Stadium improvements;
 - Any projects for the sole benefit of Levi's Stadium; and
 - Any projects within the 0.5 miles of Levi's Stadium, except improvements in existing residential neighborhoods or business districts designed to be of substantial direct benefit to those areas and not Levi's Stadium; and
 - For the direct or indirect benefit of any professional sports team [Ordinance Section 13(b)(iii)]
6. Funds could only be used for public infrastructure projects that serve the City of Santa Clara. [Ordinance Section 13(a)(ii)]
7. All bond proceeds are to be deposited into a separate account(s) and tracked on a project-by-project basis to facilitate project oversight and legal compliance audits. [Ordinance Section 13(a)(x)]
8. No money could be used for employee salaries or benefits, with the exception of normal and customary personnel charges for project management and delivery services. Project administrative costs shall not exceed 5% of the proceeds from sale of the bonds. [Ordinance Section 13(a)(i)]
9. Annual public presentation on the Expenditure Plan and Project Status Report to the Community Oversight Committee and the City Council presented by the City Manager, or their designee. [Ordinance Section 13(b)(v)]
10. For projects requiring mail notice, increase the requirement for mail notifications to all properties surrounding bond funded projects from 500 feet to 1,000 feet. [Ordinance Section 13(b)(v)]
11. Communications on bond funded projects:
 - City webpage conveying status of all bond funded projects; and
 - Public signage surrounding projects funded by bond proceeds. [Ordinance Section 13(b)(v)]

Proposed General Obligation Bond Expenditure Plan
\$598 Million Bond Measure

Category	Proposed Dollar Amount	Proposed Project Areas
Street Repairs and Transportation	125,000,000	<ul style="list-style-type: none"> - Pavement Maintenance and Rehabilitation - Safe Routes to School - Pedestrian, Bicycle, and Driver Safety Improvements - ADA Improvements - Sidewalk, Curb and Gutter Improvements - Median Island Improvements
Fire Stations and Public Safety	175,000,000	<ul style="list-style-type: none"> - Fire Station Replacements and Renovations - Police Training and Emergency Operations Center/ Disaster Response - Fire Training Tower Renovation - Stationary Emergency Generators
Parks and Community Facilities	150,000,000	<ul style="list-style-type: none"> - Playground Rehabilitations - Park Renovations - Senior Center/Community Center Renovations - Aquatic Facilities Renovations - Library Improvements
Stormdrain and Flood Protection	100,000,000	<ul style="list-style-type: none"> - Stormdrain System Improvements - Storm Water Retention Basin Remediation - Green Stormwater Infrastructure Design/Construction - Pump Stations Rehabilitations
Other Critical City Infrastructure	45,000,000	<ul style="list-style-type: none"> - ADA Transition Plan Implementation (Public Buildings) - Historic Building Renovations - City Hall Improvements - Public Parking Lot Improvements - Energy Efficiency Renovations
Bond Issuance Cost	3,000,000	
Total	\$598,000,000	

**Potential General Obligation Bond – Proposed Projects
(\$598 Million Measure)**

Proposed Projects	Proposed Amount
Street Repairs and Transportation	
1235 - Street Resurfacing and Rehabilitation Program	50,000,000
ADA Transition Plan Implementation (Public Right of Way)	25,000,000
Safe Routes to School/Bike/Ped/Driver Safety	15,000,000
1382 - Sidewalk, Curb and Gutter Improvements	3,000,000
1248 - Pruneridge Avenue Complete Streets Plan	2,950,000
1203 - Creek Trail Rehabilitation Program	2,500,000
1325 - Bridge Improvements Program	2,170,000
1270 - Public Alley Pavement Rehabilitation	2,060,000
Median Island Improvements	1,700,000
1269 - Bicycle Route Wayfinding - Phase I	300,000
Contingency/Escalation	20,320,000
Street Repairs and Transportation Total	\$125,000,000
Fire Stations and Public Safety	
Fire Station 1 and Fire Headquarters Building Renovation	50,000,000
Police Training and Emergency Operations Center/Disaster Response	50,000,000
6186 - Fire Station 5 Replacement	28,175,000
Fire Station Renovations (e.g., Fire Stations 7 and 9 over 50 years old)	10,000,000
6158 - Stationary Emergency Generators	5,000,000
Fire Station 1 and 8 Security Upgrades	1,910,000
4070 - Training Tower Renovation	783,000
Contingency/Escalation	29,132,000
Fire Stations and Public Safety Total	\$175,000,000
Parks and Community Facilities	
Aged Parks and Buildings Infrastructure in Critical/Poor Condition (2018 Facility Condition Assessment Report)	63,843,000
Aquatic Facilities Renovations	43,850,000
3195 - Henry Schmidt Park Playground Rehabilitation	4,325,000
3187 - Bowers Park Roof/Building Replacement	4,250,000
3137 - Warburton Park Playground Rehabilitation	3,000,000
3131 - Earl Carmichael Park Playground Rehabilitation	2,892,000
3190 - Mary Gomez Park Rehabilitation	2,530,000
Central Park Library Improvements	501,000
Mission Branch Library - HVAC Replacement	20,000
Contingency/Escalation	24,789,000
Parks and Community Facilities Total	\$150,000,000

**Potential General Obligation Bond – Proposed Projects
(\$598 Million Measure)**

Proposed Projects	Proposed Amount
Stormdrain and Flood Protection	
1834 - Stormdrain System Improvements	61,465,000
1837 - Storm Water Retention Basin Remediation	9,209,000
Green Stormwater Infrastructure Design & Construction	6,645,000
1843 - Lafayette St. Underpass at Subway Pump Station	4,946,000
Bowers Ave Underpass SDPS Rehabilitation	2,030,000
1838 - SDPS Motor and Control Replacement	347,000
1835 - Stormdrain Pump Station Outfall Reconstruction Program	250,000
1831 - Stormdrain Renovations	150,000
Contingency/Escalation	14,958,000
Stormdrain and Flood Protection Total	\$100,000,000
Other Critical City Infrastructure	
6138 - Modifications to City Buildings	12,000,000
6184 - ADA Transition Plan Implementation (Public Buildings)	8,250,000
6148 - City Hall HVAC Rehabilitation Project	6,282,000
6139 - Renovations to Historic Buildings	6,000,000
Energy Efficiency Improvements	3,200,000
6140 - Triton Museum Improvements and Roof Replacement	987,000
City Buildings Improvements	500,000
6123 - Public Building Parking Lot Improvements	400,000
Contingency/Escalation	7,381,000
Other Critical City Infrastructure Total	\$45,000,000
Bond Issuance Cost	\$3,000,000
Total	\$598,000,000

Proposed General Obligation Bond Expenditure Plan
\$298 Million Bond Measure

Category	Proposed Dollar Amount	Proposed Project Areas
Street Repairs and Transportation	75,000,000	<ul style="list-style-type: none"> - Pavement Maintenance and Rehabilitation - Safe Routes to School - Pedestrian, Bicycle, and Driver Safety Improvements - ADA Improvements - Sidewalk, Curb and Gutter Improvements - Median Island Improvements
Fire Stations and Public Safety	75,000,000	<ul style="list-style-type: none"> - Fire Station Replacements and Renovations - Police Training and Emergency Operations Center/ Disaster Response - Fire Training Tower Renovation - Stationary Emergency Generators
Parks and Community Facilities	75,000,000	<ul style="list-style-type: none"> - Playground Rehabilitations - Park Renovations - Senior Center/Community Center Renovations - Aquatic Facilities Renovations - Library Improvements
Stormdrain and Flood Protection	50,000,000	<ul style="list-style-type: none"> - Stormdrain System Improvements - Storm Water Retention Basin Remediation - Green Stormwater Infrastructure Design/Construction - Pump Stations Rehabilitations
Other Critical City Infrastructure	21,500,000	<ul style="list-style-type: none"> - ADA Transition Plan Implementation (Public Buildings) - Historic Building Renovations - Improvements to City Buildings / City Hall
Bond Issuance Cost	1,500,000	
Total	\$298,000,000	

Potential General Obligation Bond – Proposed Projects
(\$298 Million Measure)

Proposed Projects	Proposed Amount
Street Repairs and Transportation	
1235 - Street Resurfacing and Rehabilitation Program	32,000,000
ADA Transition Plan Implementation (Public Right of Way)	8,494,000
Safe Routes to School/Bike/Ped/Driver Safety	8,000,000
1248 - Pruneridge Avenue Complete Streets Plan	2,950,000
1382 - Sidewalk, Curb and Gutter Improvements	2,730,000
1325 - Bridge Improvements Program	2,170,000
1270 - Public Alley Pavement Rehabilitation	2,060,000
1203 - Creek Trail Rehabilitation Program	1,900,000
Median Island Improvements	1,700,000
1269 - Bicycle Route Wayfinding - Phase I	300,000
Contingency/Escalation	12,696,000
Street Repairs and Transportation Total	\$75,000,000
Fire Stations and Public Safety	
6186 - Fire Station 5 Replacement	28,175,000
Fire Station Renovations (e.g., Fire Stations 1, 7, 9 over 50 years old)	17,000,000
Police Training and Emergency Operations Center/Disaster Response	9,000,000
6158 - Stationary Emergency Generators	7,705,000
4070 - Training Tower Renovation	783,000
Contingency/Escalation	12,337,000
Fire Stations and Public Safety Total	\$75,000,000
Parks and Community Facilities	
Aged Parks, Buildings, and Aquatics Infrastructure in Critical/Poor Condition (2018 Facility Condition Assessment Report)	45,182,000
3195 - Henry Schmidt Park Playground Rehabilitation	4,325,000
3187 - Bowers Park Roof/Building Replacement	4,250,000
3137 - Warburton Park Playground Rehabilitation	3,000,000
3131 - Earl Carmichael Park Playground Rehabilitation	2,892,000
3190 - Mary Gomez Park Rehabilitation	2,530,000
Central Park Library Improvements	501,000
Mission Branch Library - HVAC Replacement	20,000
Contingency/Escalation	12,300,000
Parks and Community Facilities Total	\$75,000,000

Potential General Obligation Bond – Proposed Projects
(\$298 Million Measure)

Proposed Projects	Proposed Amount
Stormdrain and Flood Protection	
1834 - Stormdrain System Improvements	17,765,000
1837 - Storm Water Retention Basin Remediation	9,209,000
Green Stormwater Infrastructure Design & Construction	6,645,000
1843 - Lafayette St. Underpass at Subway Pump Station	4,946,000
Bowers Ave Underpass SDPS Rehabilitation	2,030,000
1838 - SDPS Motor and Control Replacement	347,000
1835 - Stormdrain Pump Station Outfall Reconstruction Program	250,000
1831 - Stormdrain Renovations	150,000
Contingency/Escalation	8,658,000
Stormdrain and Flood Protection Total	\$50,000,000
Other Critical City Infrastructure	
6184 - ADA Transition Plan Implementation (Public Buildings)	8,250,000
6138 - Modifications to City Buildings	6,500,000
6139 - Renovations to Historic Buildings	2,000,000
6140 - Triton Museum Improvements and Roof Replacement	986,800
Contingency/Escalation	3,763,200
Other Critical City Infrastructure Total	\$21,500,000
Bond Issuance Cost	\$1,500,000
Total	\$298,000,000



Agenda Report

24-475

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Action (1) Authorizing the City Manager to Negotiate and Execute a 20MW Power Purchase Agreement with Bloom Energy to supply power to Amazon Web Services (AWS) and a separate Offtake Agreement with AWS; and (2) Authorizing the City Manager to Negotiate and Execute up to an additional 80 MW of Power Purchase Agreements with qualified vendors for in-City generation solutions and all needed agreements with Customers.

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

In November 2019, Silicon Valley Power (SVP) management met to discuss the strategic priorities for SVP and identified that the City would experience significant electric load growth requiring SVP to develop a capital improvement strategy to meet the City of Santa Clara's potential load growth. Staff developed both near-term and long-term strategies to accommodate approved growth and develop the necessary infrastructure plan options.

On October 13, 2020, the City Council authorized the City Manager to execute master service agreements with several engineering consultant firms to support SVP in system expansion (RTC # 20-854).

On April 6, 2021, staff presented a comprehensive review of upcoming load growth and capital projects to the City Council as part of the SVP Quarterly Report. The presentation concluded with the next steps, including the preparation of a system growth strategy to be presented at a future City Council meeting.

On September 28, 2021, the City Council accepted SVP's Three-Year System Growth Plan Strategy (RTC # 21-871). This plan identified \$300 million in proposed projects for both near-term and long-term capital improvement projects needed to support anticipated system growth and to replace end-of life equipment for system reliability.

On April 5, 2022, the City Council adopted Resolution # 22-9069 adding new and updated connection and load development fees for SVP (RTC # 22-449). Additionally, on April 23, 2024, the City Council adopted Resolution 24-9316 adopting the City of Santa Clara 2024/25 Municipal Fee Schedule, which included new and updated connection fees and load development fees, effective July 1, 2024 (RTC # 24-101). Such fees and their corresponding increases are intended to maintain fees at cost recovery levels necessary to support electric load growth.

On November 15, 2022 (RTC # 22-1172), the City Council accepted SVP's System Expansion Plan

for the California Independent System Operator's Transmission Planning Process FY 2023/24 (SVP System Expansion Plan CAISO TPP FY 2023/24). The purpose of this process is to project SVP's load growth over the next ten years and apply it to an electric system model to simulate load growth impacts on SVP's electric system.

On May 9, 2023, the City Council adopted Resolution # 23-9223 regarding the City's intent to issue tax-exempt electric system bonds for reimbursement of expenditures for certain capital improvement projects for SVP (RTC # 23-104) including load growth projects and associated equipment and material purchases.

On July 18, 2023, staff updated the City Council regarding these key near-term projects as part of the SVP Quarterly Update (RTC # 23-757). At the same meeting, the City Council approved amendments to several master service agreements, including increases to cumulative maximum compensation (RTC # 23-737).

A critical element of the projected load growth noted in these City Council actions is the need to purchase long lead items to support the system expansion projects.

- On October 10, 2023, the City Council authorized the purchase of up to 12 high voltage transformers from HD Hyundai Electric America Corporation with a total not-to-exceed amount of \$81,392,908 (RTC # 23-122).
- On May 7, 2024, the City Council authorized the negotiation and purchase of high voltage circuit breakers with a total not-to-exceed amount of \$38,000,000 and an additional 15% contingency (RTC # 24-35).
- On May 28, 2024, the City Council authorized the negotiation and purchase of high voltage disconnect switches, station service voltage transformers, voltage transformers and capacitive voltage transformers, and combination revenue metering transformers with a total not-to-exceed amount of \$17,400,000 plus an additional 15% contingency (RTC # 24-453).

System Capacity Limitations

SVP staff continues to work on the System Expansion Plan and anticipates completion of SVP's major projects and the new LS Power CAISO transmission line on or before 2028. At that time, SVP will almost double in size to approximately 1250+/- MW peak capacity. In addition, there are other projects, such as the Battery Energy Storage System, which will increase the System Capacity prior to 2028.

However, in the interim there are limitations for load ramps (how much power a Data Center can use each year) for major data center customers, and this is expected to continue in the near-term and mid-term timeframes. Staff has discussed this item with the City Council as part of the SVP quarterly reports and directly with data center customers. Some customers have expressed an interest in adding more capacity beyond what SVP can currently serve to their facility.

In addition to the System Expansion Plan, staff has been reviewing possible creative options for in City generation (not limited by Transmission constraints) and has encouraged customers and power vendors to bring options/ideas for consideration.

DISCUSSION

Over the last two years, SVP staff has encouraged customers and power vendors to propose options for in-City generation (not limited by transmission capacity to the City). The team has had many meetings on a variety of different items including peaker power plants (both natural gas and renewable gas), base load power plants, batteries, and fuel cells. While SVP had lengthy and detailed discussions on some items, none reached a formal proposal, except for the proposed Bloom Power Purchase Agreement (PPA) using fuel cells.

The proposed PPA with Bloom to serve Amazon Web Services (AWS) is not typical for SVP for the following reasons: (1) it will have a shorter term, (2) it will be more expensive than our typical PPA contracts, and (3) it will use natural gas but will be required to meet the State Renewables Portfolio Standard (RPS) Program requirements. In addition to a PPA with Bloom, SVP would separately contract with AWS under an Offtake Agreement, whereby AWS will take all energy SVP produced by the Bloom fuel cells and pay SVP's costs (including other costs mentioned below), even if they don't utilize all 20MW.

Below is description of the proposed PPA and the Offtake Agreement.

AWS Power Requirements

AWS has a development project which will located at 2305 and 2315 Mission College Boulevard. These properties were originally owned by Oppidan Investment Company (Oppidan). On June 22, 2021, the City and Oppidan entered into a substation agreement for a substation known as the Freedom Circle Junction substation. The Freedom Circle Junction substation has an operational capacity of 99 MVA. On March 1, 2022, the City approved a consent to assignment whereby AWS assumed the rights and obligations of Oppidan under the substation agreement. Below is a summary of the substation agreement load ramp:

- Under the substation agreement, AWS has an initial 9 MVA for its use at 2315 Mission College Boulevard.
- The substation agreement has a ten-year load ramp which will get AWS to 32 MVA in 2034 at 2315 Mission College Boulevard.
- The substation agreement did not allocate any electric capacity to AWS for its use at 2305 Mission College Boulevard.

In order to more quickly ramp up the capacity at 2315 Mission College Boulevard and provide capacity to the other Mission College Boulevard lot, AWS wants to have additional capacity of 20 MVA for its use through the proposed in-City generation option. AWS prefers to enter into a separate agreement with the City to receive that energy instead of directly with Bloom, because AWS prefers to partner with utilities as it is consistent with its sustainability policy. Per AWS these type of projects "both support our utility partners, support AWS renewable energy goals, and build capacity that will support utility/AWS growth in our regions. Via this structure we will be better positioned to supply renewable energy RECs to support those corporate renewable energy goals through SVP, and support SVP meeting their RPS requirements."

In summary, the City proposes to enter into a PPA with Bloom for power and the City will also enter into an Offtake Agreement with AWS to purchase all the power from the Bloom PPA.

Fifteen Year Term

The term of agreements will be for a period of 15 years. Under the Offtake Agreement, AWS will be required to pay the full cost of the 20MW acquired by the City under the PPA with Bloom (whether they use the full amount or not).

Security

In addition, AWS will need to provide the City financial assurances to address City contractual risk for the full 15-year term. The City has not determined the appropriate form of such assurances or amount that will be required, but it must be sufficient to protect the City in the event of an AWS event of default, including a failure to pay. One preferred security mechanism under consideration would be an irrevocable Letter of Credit issued by a major banking institution.

Cost of the PPA to be borne solely by AWS

The cost of the Bloom PPA will be up to 50% higher than the current rate for SVP industrial customers. Because this PPA will be solely for the benefit of AWS, AWS will be fully responsible for the total PPA cost under the Offtake Agreement and, as such the PPA will not be included as part of the rate analysis for other SVP customers. SVP will not enter into the Bloom PPA and the Offtake Agreement if AWS does not agree to pay the full cost associated with it. Under the Offtake Agreement, AWS will pay SVP the following:

- All costs associated with providing the power including infrastructure, maintenance and operations, gas, and state and federal compliance requirements (e.g., RPS compliance).
- SVP costs for PPA management
- The 5% general fund transfer per the City Charter

Renewable Portfolio Standard (RPS) and Other Regulatory Requirements

Under the Offtake Agreement, AWS will be responsible for compliance cost obligations, including, (1) mitigation of any and all impacts associated with compliance with the RPS, (2) submittal of Power Source Disclosure (isolating AWS emissions from the City's Power Content Label), (3) compliance with regulations and requirements of the California Energy Commission (CEC), California Air Resources Board (CARB), and any other federal or state agency, and (4) mitigation of any increased resource adequacy obligation. In connection with these responsibilities, AWS will also be financially responsible for procurement costs of Power Content Category (PCC) 1 bundled energy. Per Bloom, fuel cells are hydrogen capable which could meet RPS and could mitigate AWS's cost obligations.

AWS is not required to meet the Climate Action Plan requirement for full carbon neutrality for the electric load of its data center at the Mission College Boulevard site. However, the current AWS sustainability policy could meet the same goals. Per AWS their energy supply from utilities, combined with its renewable energy procurement across the United States, has enabled several AWS Regions including the AWS West (Northern California) Region to be carbon neutral.

Offtake Agreement Other Terms

A separate agreement with AWS will be needed to ensure the following:

- AWS will be required to pay for the full 20 MW and all associated costs whether they use it or not
- As detailed above, AWS will agree to pay a rate that will be up to 50% more than the typical SVP rate
- SVP will not provide AWS standby availability for the additional 20 MVA provided by Bloom, meaning if that the fuel cells go out SVP will not have this 20MW available to them

Construction Site/Timetable

Assuming the execution of the PPA and the Offtake Agreement, the Bloom fuel cell project will be constructed within AWS property at 2305 and 2315 Mission College Boulevard. It is expected the project will take approximately 2-3 years to reach operations. This time frame includes design, construction, and required coordination and review with PG&E and the CAISO.

Additional PPAs with Bloom and Other Vendors

In addition to the AWS agreement, SVP has coordinated with additional large customers to determine if they would be interested in power under similar terms, specifically the additional cost, offtake, and meeting the RPS. To date, staff has received interest from four large customers.

Staff is requesting authority to negotiate both with Bloom, other similar vendors, and SVP customers for additional PPAs and separate offtake agreements. In addition to Bloom, any vendor can approach SVP at any point for a PPA proposal for consideration; provided that, it is in-City generation.

ENVIRONMENTAL REVIEW

Generally, environmental review under the California Environmental Quality Act ("CEQA") should take place as early as feasible in the planning process to enable environmental considerations to influence project program and design; however, Section 15004 of Title 14 of the California Code of Regulations provides that CEQA review should not be so early as to preclude the availability of meaningful information for environmental assessment. The proposed actions simply authorize the City to negotiate and enter into PPAs and offtake agreements. Currently, the proposed size of the system, location, and other factors to complete a thorough CEQA environmental review are yet to be determined or not fully developed; therefore, it is too early to perform a complete CEQA review. Each PPA will require that the generating facility, which will be used to supply the counterparty, undergo CEQA review. The PPA shall be terminable in the event it is determined that the supplying generating facility will cause significant adverse environmental effects that are not adequately mitigated or for which there are no overriding considerations. The offtake agreements will likewise be terminable in the event of such a CEQA determination.

FISCAL IMPACT

Once the project is constructed and operational, which is projected to take two to three years, the revenues and expenditures associated with these agreements will be incorporated into the Electric Utility Fund budget. Assuming 20MW at 50% higher than the typical rate, the first-year cost of the agreements will be approximately \$35 million, including SVP administration costs and the 5% General Fund Transfer (General Fund transfer estimated at \$1.7 million a year).

COORDINATION

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

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

1. Authorize the City Manager or designee to negotiate and Execute a 20MW Power Purchase Agreement with Bloom or a Bloom affiliate for Amazon Web Services (AWS) and a separate Offtake Agreement with AWS, subject to the review and approval as to form of the City Attorney;
2. Authorize the City Manager or designee to Negotiate and Execute up to an additional 80 MW of Power Purchase Agreements for in-City generation solutions with energy suppliers and separate Offtake Agreements with other SVP customers (each individual PPA and Offtake Agreement cannot exceed 20MW), subject to the review and approval as to form of the City Attorney;
3. Authorize the City Manager or designee to execute all documents, agreements, and certificates as may be required under the terms of the agreement, subject to the review and approval as to form of the City Attorney, including, but not limited to, collateral assignment agreements, estoppel certificates, and performance security documentation, and take any and all actions as are necessary or advisable to implement and administer the agreements; and
4. Authorize the City Manager or designee to execute any amendments to the agreements so long as there is no change to their price or term length.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager



Agenda Report

24-640

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Execute a Purchase and Sale Agreement with Feather River Land Trust for the Loyalton Property.

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara (City) owns and maintains approximately 10,270 rural acres of undeveloped land (Property or Loyalton Property) in Lassen and Sierra Counties near the California-Nevada border. More specifically, the Property is located in northeastern California, about 30 miles north of Truckee, CA, 110 miles northeast of Sacramento, CA, and about 20 miles northwest of Reno, NV. The Property is referred to locally as the Trosi Ranch, and within the City as the Loyalton Ranch Property. The City purchased the Property with electric utility funds in 1977 for \$1,613,850 or \$157/acre. The City's Electrical Department, Silicon Valley Power (SVP), is responsible for the maintenance of the Property. The following Council reports provide additional background and detail on the Loyalton Property:

- August 17, 2021- RTC 21-715
- December 14, 2021 - RTC 21-1577
- March 8, 2022 - RTC 22-316

The property has historically been used as seasonal grazing land and continues to be used as grazing land since the City's purchase in 1977. Since the property was purchased, grazing leases have been issued to various ranchers to graze cattle. Currently SVP leases the property for cattle grazing

According to City records, the property was acquired with the intent to develop a geothermal power plant. After studies were performed in the early 1980's, it was discovered that the geothermal potential for the land was much lower than anticipated. The anticipated geothermal plant was never developed. Though the geothermal plant was not deemed feasible, many other uses for the land were investigated, such as quarrying, wind, and solar power. None of the proposed projects considered were productive enough to be economically viable to develop. Some non-traditional ventures that were reviewed included a ski resort and a pheasant farm. These were also rejected as being outside the City's scope of operations.

The City declared the Loyalton Property as surplus land on June 7, 2022 (RTC 22-768) in accordance with the Surplus Land Act (Government Code sections 54220-54234). On December 8, 2022, the City submitted all appropriate documents to the State of California and completed the Surplus Land Act process on January 9, 2023. On July 2023, the City executed a contract with

CBRE, Inc. for brokerage services in connection with the sale of the Loyalton Property.

DISCUSSION

The City placed the Loyalton Property on the market on September 12, 2023 (Attachment 1). The City conducted extensive outreach and marketing in an effort to obtain as many bids as possible. Ultimately one offer was received from the Washoe Tribe working with the Feather River Land Trust as the Buyer.

Property Use by the Washoe Tribe

The Washoe Tribe has informed the City that the property sale has many benefits for the Washoe Tribe and the area. Per their communications, the sale will protect the multiple cultural and historical sites and artifacts on the Property. It will also protect species and wildlife on the land, in particular the Loyalton deer herd, which is of high importance to the California Department of Fish and Wildlife (CDFW) and within their conceptual area protection plan (CAPP). This sale would also go towards the Governors 30 by 2030 initiative with the goal of protecting 30 percent of California by 2030. The Washoe Tribe and Feather River Land Trust have also started to work on a visioning plan which will provide guidance on the land use and land activities on this property for the future.

Some of the key themes include:

- Return/promotion of health of keystone species, wildlife corridors, native plants important for traditional foods, tools, and medicines.
- Gathering place(s) on the land, trails, interpretation, return of ceremony.
- Education and training for the Tribe (including younger generation, language, traditional lifeways/culture camps, history, certifications, and climate adaptation)
- Economic development, including restoration contracts (fire recovery, erosion, meadows), classes, and career development
- Sacred site protection
- Washoe Tribe food sovereignty

Purchase and Sale Agreement Key Terms

After the completion of negotiations between City staff and the Feather River Land Trust (Buyer), the parties agreed to enter into a Purchase and Sale Agreement (PSA - Attachment 2), subject to City Council approval. Some of the key elements of the PSA include:

- Purchase Price - \$6.0 million subject to Buyer's appraisal
 - Loyalton Property must appraise for \$6 million otherwise Buyer has an option to terminate the Agreement.
 - NOTE - If the appraisal amount is at least \$5 million, it is likely, though not guaranteed, that the Buyer will still want to move forward with the purchase and seek an amendment to the Agreement.
 - Buyer informed the City that they are subject to a limitation whereby they cannot exceed 20% above appraised value. If the appraised value is at least \$5.0 million the Buyer could still offer \$6.0 million under their policy.
 - Any sale price below \$6.0 million would require an amendment to the Agreement and such amendment will require City Council approval.
- Appraisal - Within ten days after the Execution Date, the Buyer will select a private state-licensed appraiser who is acceptable to the Seller and Buyer's public funding partner(s) (e.g., state agency)

- Buyer will have thirty (30) Business Days to review the Appraisal
- Buyer may elect to terminate this Agreement if the Appraisal is not approved by the public funding partner(s)
- Closing - On or before 10 months after the execution date except that Closing may be extended if (1) Buyer's public funding partner(s) has not assured payment; or (2) Such time period necessary for Seller to remove title exceptions and other encumbrances
- Deposit - \$100,000 to be deposited no later than 5 business days after execution of the agreement; refundable if (1) Buyer's public funding partner(s) fails to fund purchase; (2) Appraisal is less than \$6 million; (3) City refuses to remove Buyer's exceptions to title; or (4) At or prior to the end of Due Diligence Buyer fails to approve the condition of property. The deposit applies to the purchase price.
- Diligence Period - The period commencing the Execution Date and ending ninety (90) days after the Execution Date or as extended by Buyer and Seller through mutual agreement in writing, or if a Phase II environmental report is required.
- As-is - Buyer acquires property as-is and releases City from any other obligations upon completion of sale.
- Environmental Release - Buyer will indemnify and hold harmless the City from any and all hazardous materials liability, whether hazardous material contamination occurred prior to or after Buyer's purchase.

ENVIRONMENTAL REVIEW

Staff recommends that the City Council determine that the proposed purchase and sale of the Loyaltan Property is exempt from the California Environmental Quality Act ("CEQA") pursuant to section 15312 (Class 12 - Sale of Surplus Land) of Title 14 of the California Code of Regulations. This exemption is applicable because (1) the Loyaltan Property is surplus land, and (2) the purchase and sale agreement does not contain any development obligations or commitments requiring additional environmental review.

FISCAL IMPACT

The sale price is \$6.0 million. The closing costs and commission are expected to be approximately \$450,000. Funding is available in the Electric Utility Fund for costs related to the sale. Revenue from the sale will be incorporated in the SVP budget upon finalization of sale.

COORDINATION

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

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>](mailto:clerk@santaclaraca.gov).

RECOMMENDATION

1. Determine the proposed action is exempt from CEQA pursuant to Sections 15312 (Class 12 - Sale of Surplus Land) of Title 14 of the California Code of Regulations; and
2. Authorize the City Manager or designee to execute a Purchase and Sale Agreement

(Agreement) with Feather River Land Trust for the Loyalton Property in the amount of \$6 million and on the terms presented and take any necessary actions to implement and administer the Agreement, including, execution of a grant deed and an assignment agreement.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Jovan D. Grogan, City Manager

ATTACHMENTS

1. Listing Advertisement
2. Purchase and Sale Agreement

LOYALTON RANCH

407 DUTCHMAN ROAD
CHILCOOT, CALIFORNIA



±10,310 ACRE PROPERTY LOCATED JUST WEST OF THE TOWN OF LOYALTON

CBRE



CONTENTS

- 01 OFFERING SUMMARY
- 02 PROPERTY DETAILS
- 03 AREA OVERVIEW



01

OFFERING
SUMMARY



LOYALTON RANCH - 407 DUTCHMAN ROAD CHILCOOT, CALIFORNIA

CBRE, Inc. is pleased to offer Loyalton Ranch in Sierra and Lassen Counties , a ±10,310 acre property to qualified investors. The property is located just west of the Town of Loyalton and about 45 minutes north of Truckee and Tahoe. This is a very rare opportunity to acquire a tract of land of this size in California.



The property does not have any existing buildings or structures. Utilities are to the property, including well and septic. The mineral rights have not been separated and will be transferred with the sale.



02

PROPERTY
DETAILS





LOYALTON RANCH - 407 DUTCHMAN ROAD CHILCOOT, CALIFORNIA

PROPERTY DETAILS

ADDRESS	407 Dutchman Road, Chilcoot CA 96105
COUNTY / STATE	Sierra and Lassen / California
APN	147-040-02-11,147-050-02-11,147-050-03-11,147-050- 19-11,147-050-20-11,147-070-04-11,147-070-05-11,147-080-01-11,147-080-03-11,147-080-11- 11,147-080-14-11,147-080-15-11,021-010-003,021-020-001,016-100-004, 016-090-059, 021-010- 006, 021-010-012, 016-100-005, 016-080-008, 016-070-012, 016-090-011, 021-010-013, 016-100-001, 016-100-006 and 016-080-007
ZONING	Various
ACRES	10,310
POWER	Liberty Utilities on Site
WATER	On-site well
GRAZING LEASE	In place until August 2024 at \$24,479 per year, tenant has the right to extend for five years with 3% increases per year. Extension is by agreement of both the owner and tenant.



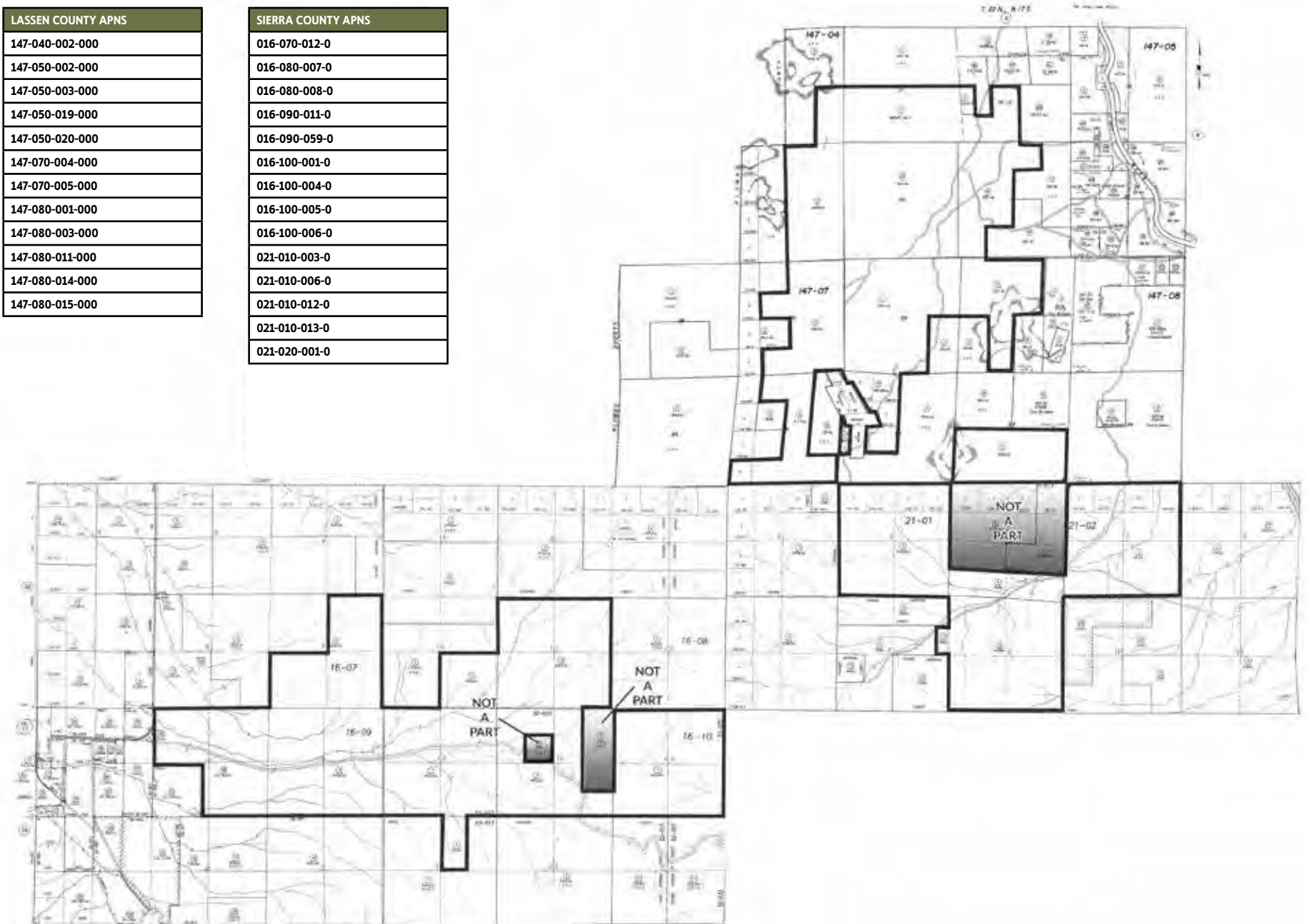
PARCEL MAP

LASSEN COUNTY APNS

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SIERRA COUNTY APNS

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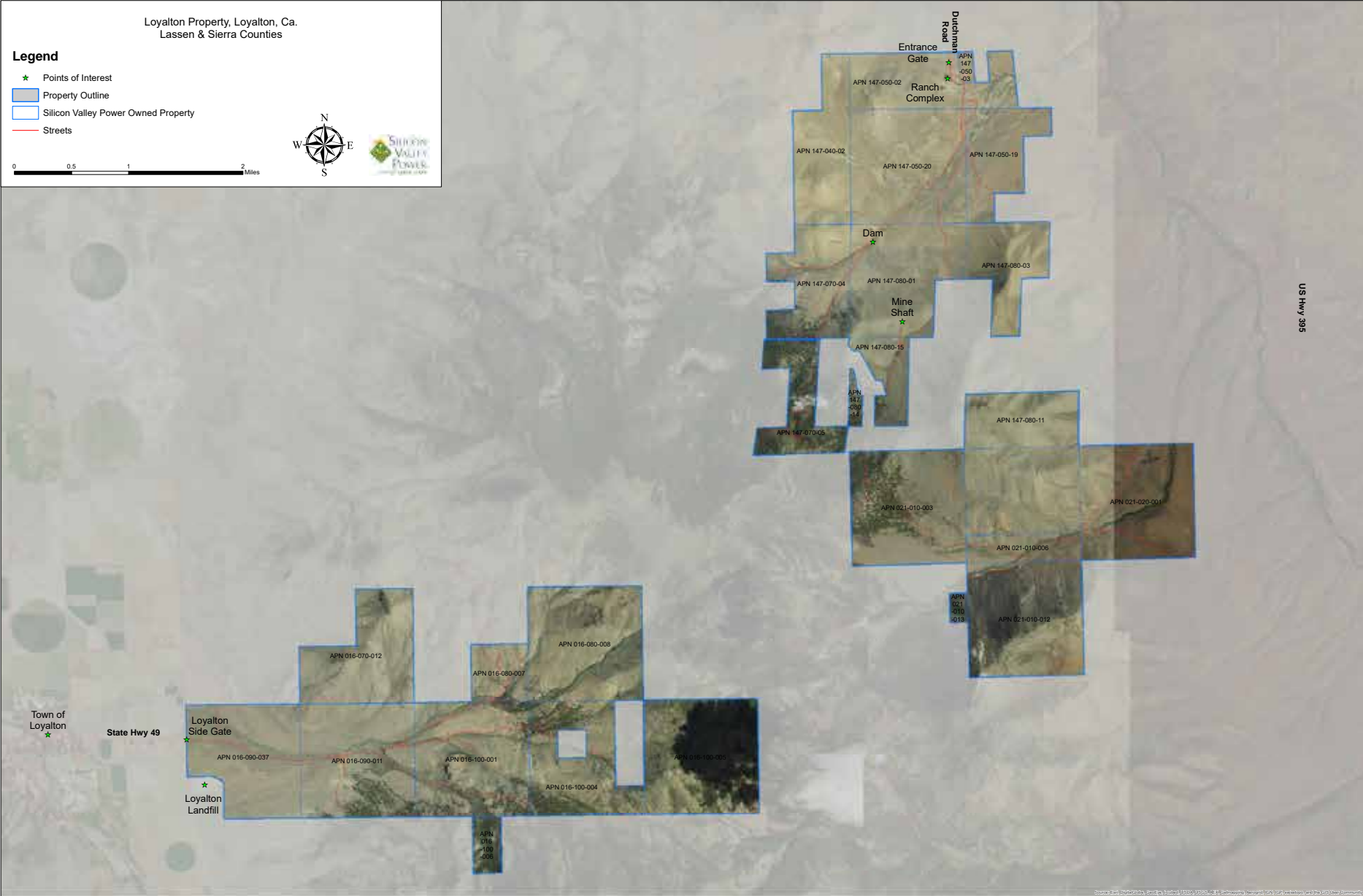
WESTERN PORTION



EASTERN PORTION



PROPERTY MAP



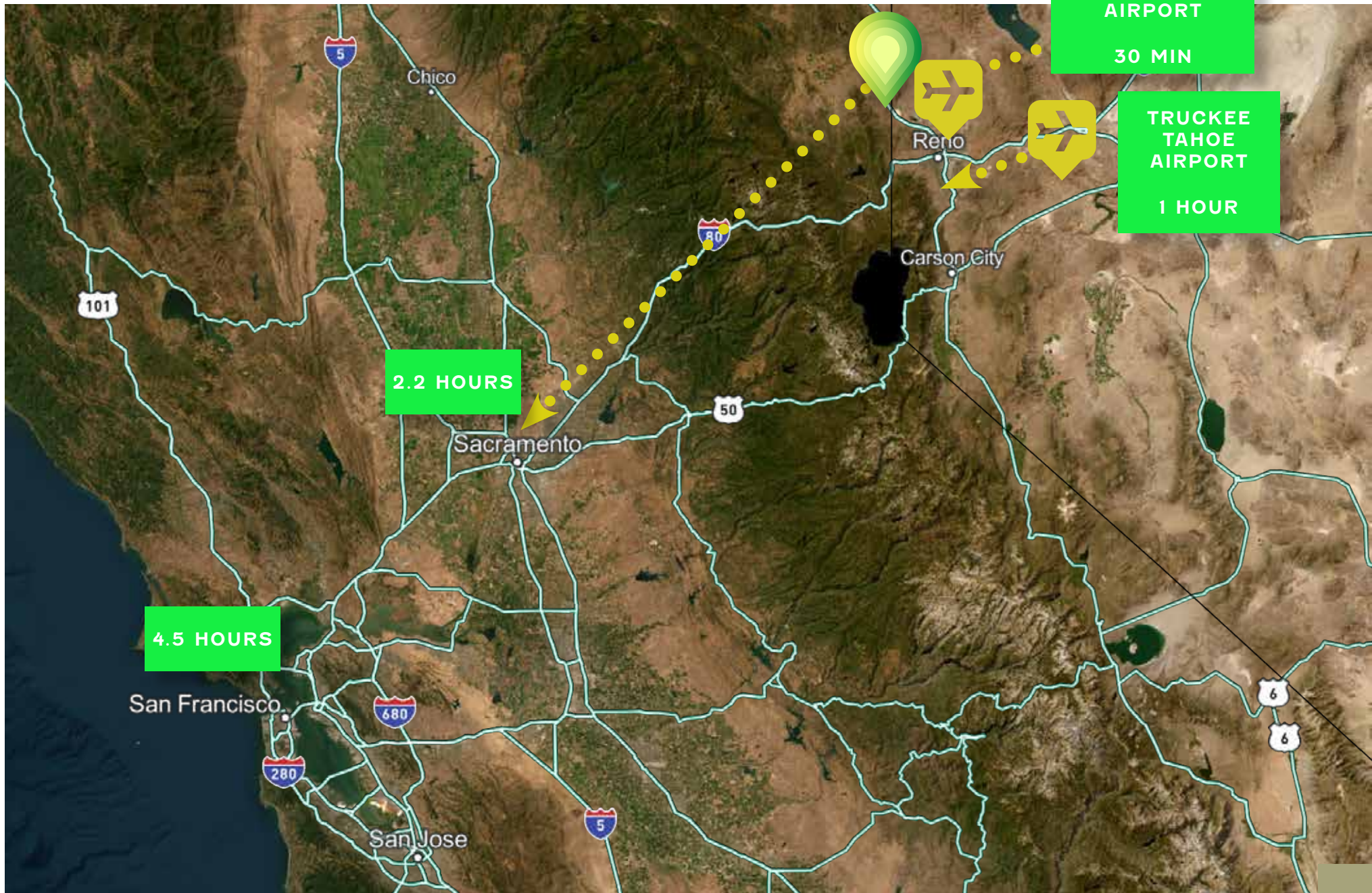


03

AREA
OVERVIEW



AREA MAP - DRIVE TIMES



About Plumas County



The Makings of Plumas County

Plumas County is located near the northeast corner of California, up where the Sierra and the Cascade mountains meet. The Feather River, with its several forks, flows through the county. Quincy, the unincorporated county seat, is about 80 miles northeast of Oroville, California, and about 85 miles from Lake Tahoe and Reno, Nevada. State highways 70 and 89 traverse the county.

Area Population & Geography

The population of Plumas County is just under 22,000, and the Quincy area population is about 7,000. The county boasts more than 100 lakes and 1,000 miles of rivers and streams with over a million acres of national forest. With only nine people per square mile, this rural, four seasons mountain retreat offers beauty, solitude, and clean air, making it the ideal spot for a quiet vacation.



Quality of Life

The county offers a quality of life unmatched by other areas in the United States and is widely considered one of the most progressive counties in the state. The population of the county has grown quite slowly, and with U.S. National Forests covering over 70% of its area, the county has been able to maintain the lifestyle which is so attractive to its residents.



Recreational Opportunities



Family recreational opportunities abound in Plumas County or within driving distance and include several tournament golf courses. Numerous lakes and mountain streams create a playground for those who love the water. Framed by mountain ranges, the area is also a mecca for hiking and skiing.

AFFILIATED BUSINESS DISCLOSURE

© 2023 CBRE, Inc. (CBRE) operates within a global family of companies with many subsidiaries and related entities (each an Affiliate) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the Property) and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgment of that possibility and your agreement that neither CBRE nor any Affiliate has an obligation to disclose to you such Affiliates' interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE and its Affiliates will act in the best interest of their respective client(s), at arms' length, not in concert, or in a manner detrimental to any third party. CBRE and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

CONFIDENTIALITY AGREEMENT

Your receipt of this Memorandum constitutes your acknowledgment that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (Owner) or CBRE, Inc. (CBRE), and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE.

DISCLAIMER

This Memorandum contains select information pertaining to the Property and the Owner and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented as is without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property's suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner. CMPM Loyaltan OM Santa Clara 8-7-23 09/11/23



LOYALTON RANCH

407 DUTCHMAN ROAD
CHILCOOT, CALIFORNIA



INVESTMENT CONTACTS

BRIAN HUTCHERSON

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AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

SELLER:

CITY OF SANTA CLARA

and

BUYER:

FEATHER RIVER LAND TRUST

PROPERTY: Loyalton Ranch

ADDRESS: 407 Dutchman Road, Chilcoat, CA

EXECUTION DATE: _____, 2024

AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

This Agreement for Purchase and Sale of Property (this "**Agreement**") is executed by and between Seller, as identified in the Key Terms (as set forth below), and Buyer, as identified in the Key Terms as of the Execution Date (as defined in the Defined Terms Below). Buyer and Seller hereby agree that Seller shall sell to Buyer and Buyer shall purchase from Seller, upon the following terms and conditions and for the Purchase Price set forth in the Key Terms, the Property, as defined in the Defined Terms.

ARTICLE I.

KEY TERMS

The following "**Key Terms**" shall apply to this Agreement:

- 1.1 **"Seller":** City of Santa Clara, a chartered California municipal corporation

"Seller's Contact Person": MANUEL PINEDA, P.E., Chief Electric Utility Officer

"Seller's Notice Address":

City Manager's Office
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: City Manager
manager@santaclaraca.gov

With copies to:

City Attorney's Office
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Attn: Glen R. Googins
CityAttorney@santaclaraca.gov

- ## 1.2 "Buyer": Feather River Land Trust

"Specify Buyer Entity Type": California Nonprofit Public Benefit Corporation

"Buyer's Contact Person": Shelton Douthit

"Buyer's Notice Address":

75 Court Street, Quincy, CA 95971
sdouthit@frlt.org

With copy by email only to:

Conservation Partners LLP
5111 Telegraph Ave. #311
Oakland, CA 94609
echauvet@conservationpartners.com

- 1.3 **"Purchase Price": SIX MILLION DOLLARS (\$6,000,000.00)**
- 1.4 **"Deposit":** A deposit in an amount equal to **One Hundred Thousand Dollars (\$100,000.00)** shall be required to be delivered to Escrow Agent by wire transfer no later than five (5) Business Days after the Execution Date. The Deposit will be non-refundable, except upon a default by Seller or as set forth in Section 3.2, Section 3.3, Article IV, and Article VI of this Agreement.
- 1.5 **"Closing Date": Ten (10) Months after the Execution Date**, or such earlier date as Buyer may elect in its sole discretion by delivering written notice to Seller, provided that the Closing Date shall not be earlier than five (5) Business Days after expiration of the Diligence Period, or such later date as provided under Articles VI and VII below.
- 1.6 **"County":** Collectively, Sierra County and Lassen County located in the State.
- 1.7 **"State":** California.

ARTICLE II.

DEFINED TERMS

- 2.1 **Definitions.** The following **"Defined Terms"** shall have the following meanings when used in this Agreement:
 - (a) **"Agreement":** This Agreement for Purchase and Sale of Property executed by both Seller and Buyer.
 - (b) **"Bid Package":** All documentation and information provided to or otherwise made available to Buyer at least two (2) Business Days prior to execution of this Agreement, by Seller, by Seller's agent or on the Seller's website related to the Property.

- (c) **"Business Day"**: Any day, other than a Saturday, Sunday or legal holiday, on which business is conducted by national banking institutions in San Francisco, California.
- (d) **"Claims"**: Any and all claims, demands, causes of action, whether administrative or judicial, losses, costs (including any and all reasonable attorneys' fees, court costs, and reasonable costs of investigation, litigation, and settlement), expenses, sanctions, orders, curtailments, interest, liabilities, penalties, fines, expenses, liens, judgments, compensation, fees, loss of profits, injuries, death, response costs and/or damages, of any kind whatsoever, whether direct or indirect, known or unknown, fixed or contingent, joint or several, criminal or civil, or in law or in equity.
- (e) **"Closing"**: The closing of the transaction contemplated by this Agreement.
- (f) **"Deed"**: The grant deed conveying fee title to the Real Property to Buyer, duly executed by Seller and acknowledged and in proper form for recordation in the County.
- (g) **"Diligence Period"**: The period commencing the Execution Date and ending ninety (90) days after the Execution Date or as extended under Section 3.2 below or as extended by Buyer and Seller through mutual agreement in writing.
- (h) **"Escrow Agent"**: First American Title Company. 333 W Santa Clara Street, Suite 220, San Jose, CA 95113 – Escrow number 1210030.
- (i) **"Event"**: Any fire or other casualty affecting the Property or any actual or threatened (to the extent that Seller has current actual knowledge thereof) taking or condemnation of all or any portion of the Property.
- (j) **"Execution Date"**: The date set forth on the cover page of this Agreement, which date shall be the later of the date Buyer and Seller have each executed this Agreement.
- (k) **"Hazardous Materials"**: Any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics. The term **"Hazardous Materials"** includes, without limitation, any substance regulated under any and all federal, state and local statutes, laws (including case law), regulations, ordinances, rules, judgments, orders, decrees, codes, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions, whether now or hereafter in effect, relating to human health, the environment or to emissions, discharges or releases of pollutants, contaminants, toxic substances, hazardous

substances or wastes into the environment including, without limitation, ambient air, surface water, ground water, or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous materials or wastes or the clean-up or other remediation thereof.

- (l) **"Hazardous Materials Laws"**: all federal, state and local laws, ordinances, rules and regulations now or hereafter in force, as amended from time to time, and all federal and state court decisions, consent decrees and orders interpreting or enforcing any of the foregoing, in any way relating to or regulating human health or safety, or industrial hygiene or environmental conditions, or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 United States Code section 9601, et seq.), the Resource Conservation and Recovery Act, (42 United States Code section 6901, et seq.), and the Clean Water Act, (33 United States Code section 1251, et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the California Hazardous Waste Control Act, (California Health & Safety Code §§25100 et seq.), California Hazardous Substance Account Act California Health & Safety Code §§25300 et seq.), the California Safe Drinking Water and Toxic Enforcement Act (California Health & Safety Code §§25249 et seq.); the California Hazardous Waste Management Act (California Health & Safety Code ; the Porter-Cologne Water Quality Control Act (California Health and Safety Code §§ 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act (California Health and Safety Code §§ 25249.5 et seq.,. and Title 22 of the California Code of Regulations, all as amended to the date hereof.
- (m) **"Hazardous Materials Reports"**: Any and all studies, reports, analyses, information, or other written records regarding the presence or absence of Hazardous Materials at, on, in, under or relating to the Land.
- (n) **"Intangible Property"**: The Permits and any other personal property of worth that is not physical in nature that is owned by Seller and that relates to or involves the Real Property, including, without limitation intellectual property or goodwill.
- (o) **"Land"**: Fee title to the parcel of real property, as more particularly described on the attached **Exhibit A**. If the legal description is not complete or is inaccurate, this Agreement shall not be invalid provided the identity of the Property can otherwise be determined from this Agreement, in which event the legal description shall be completed or

corrected after the Execution Date to meet legal requirements as mutually agreed by the parties, such agreement not to be unreasonably withheld.

- (p) **"Permits"**: Any and all licenses, permits, authorizations, certificates of occupancy and other approvals that are in effect for the current use and operation of the Property.
- (q) **"Personal Property"**: All tangible personal property and fixtures owned by Seller and located on or attached to the Real Property. The term **"Personal Property"** does not include insurance policies, utility deposits or bank accounts.
- (r) **"Pre-Existing Insurance Claims"**: Any insurance claims made or to be made by Seller for any Event occurring prior to the Execution Date relating to the Property.
- (s) **"Proceeds"**: Any insurance proceeds or condemnation awards payable to Seller on account of any Event.
- (t) **"Proceeds from Pre-Existing Insurance Claims"**: Any proceeds resulting from any Pre-Existing Insurance Claims, regardless of whether such proceeds are received prior to or after Closing.
- (u) **"Property"**: Collectively, the Real Property, the Personal Property and the Intangible Property.
- (v) **"Property Information"**: All documents and other information set forth in **Exhibit E**, incorporated by this reference.
- (w) **"Prorations Date"**: The day prior to the Closing Date.
- (x) **"Real Property"**: The Land, together with Seller's interest in the buildings and other improvements and fixtures located thereon or attached thereto, together with Seller's interest in all rights of ways, streets, alleys, air rights, developments, water rights, riparian rights and to water stock, ingress and egress, easements, rights, privileges, hereditaments and appurtenances thereto or in any way appertaining thereto.
- (y) **"Title Commitment"**: The commitment for issuance of an owner's title insurance policy issued by the Title Company in favor of Buyer in the full amount of the Purchase Price.
- (z) **"Title Company"**: First American Title Company at the office selected by the Escrow Agent.
- (aa) **"Title Policy"**: A CLTA (2022 Form) or an ALTA extended (2016 or 2021 form) Owner's Title Insurance Policy, insuring Buyer in the amount of the Purchase Price, subject only to the Acceptable Encumbrances.

(bb) **“Title Report”**: A preliminary title report for the Property prepared by the Title Company.

2.2 **Other Defined Terms.** Other capitalized terms contained in this Agreement shall have the meanings assigned to them herein.

ARTICLE III.

CONDITION

3.1 **Information Regarding Property.** Prior to the execution of this Agreement, Seller provided the Bid Package to Buyer. Within ten (10) Business Days after the Execution Date, Seller will provide the Property Information to Buyer. All information pertaining to the Property that has been or may be provided by Seller to Buyer, including without limitation, the Bid Package and the Property Information is provided simply as an accommodation to Buyer, and except as otherwise provided in this Agreement or in any documents delivered by Seller pursuant to Section 7.3, Seller makes no representations as to their accuracy or completeness. Buyer understands that some of the foregoing documents and information were provided by others to Seller and were not prepared by or verified by Seller. In no event shall Seller be obligated to deliver or make available to Buyer any of Seller's internal memoranda, attorney-client privileged materials or appraisals of the Property, if any.

3.2 **Diligence Period.** Buyer's obligation to purchase the Property is conditioned upon Buyer's review and approval, prior to the expiration of the Diligence Period and in Buyer's sole discretion, of all matters pertaining to the physical, structural, electrical, mechanical, soil, drainage, environmental, economic, tenancy, zoning, land use and other governmental compliance matters and conditions respecting the Property, including without limitation the items include in the Bid Package and Property Information. If the Title Company fails to deliver a complete Title Report with all Underlying Documents (defined below) within ten (10) days after the Execution Date as required under Section 6.1, or Seller fails to provide the Property Information within ten (10) Business Days as provided in Section 3.1, then the Diligence Period will be extended for each day of applicable delay. In addition, if the Buyer's phase I environmental site assessment recommends a phase II environmental site assessment, then, as to Buyer's environmental review of the Property only, the Diligence Period will be extended until the date that is five (5) Business Days after (i) the phase II environmental site assessment is complete or (ii) Seller refuses invasive testing, as set forth in Section 3.3.

If, prior to the expiration of the Diligence Period (as it may be extended in whole or in part), based upon Buyer's review, examination and/or inspection of the Property, Buyer determines in its sole and absolute discretion that it no longer intends to acquire the Property, then Buyer shall promptly notify Seller of such determination in writing, whereupon this Agreement, and the obligations of the parties to purchase and sell the Property hereunder, shall terminate. If, however, on

or before the expiration of the Diligence Period, Buyer determines that the foregoing matters are acceptable to Buyer and that it intends to proceed with the acquisition of the Property, then Buyer shall promptly notify Seller of such determination in writing ("**Approval Notice**"). If Buyer fails to deliver the Approval Notice to Seller on or before the expiration of the Diligence Period, Buyer shall be deemed to have disapproved of all of the foregoing matters, this Agreement and the obligations of the parties hereunder shall terminate, and Escrow Agent shall promptly release the Deposit and interest accrued thereon to Buyer.

3.3 Access. Until the Closing Date, provided this Agreement is not earlier terminated as permitted herein, Buyer and Buyer's agents and contractors shall be entitled to enter upon the Property at all reasonable times, but only for the purpose of conducting tests and making site inspections and investigations pursuant to a separate License Agreement ("**License Agreement**") Granting Right of Entry To and Allowing Access On Certain Real Property between Seller and Buyer. In any entry, Buyer agrees (a) that no invasive testing may be conducted without Seller's prior consent, which may be withheld by Seller in its sole discretion, (b) not to cause any damage or make any physical changes to the Property, and (c) not to interfere with the rights of tenants or others who may have a legal right to use or occupy the Property; provided, however, if Buyer determines that invasive testing is necessary and Seller does not consent to such testing, then, even if the Diligence Period has ended without Buyer's termination of this Agreement, the Buyer will have the right to terminate this Agreement, in which case the Deposit will be returned to Buyer, and thereupon neither party will have any further obligations under this Agreement except those expressly stated to survive. Under no circumstances shall the right of entry granted herein be interpreted as delivery of possession of the Property prior to Closing. Buyer and Buyer's agents and contractors shall maintain (or cause to be maintained) at all times during their entry upon the Property, commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) combined single limit, bodily injury, death and property damage insurance per occurrence with proper endorsements naming Seller as an additional insured. At Seller's request, Buyer, Buyer's agents and contractors shall each deliver a certificate issued by the insurance carrier of each such policy to Seller evidencing the endorsements naming Seller as an additional insured prior to entry upon the Property. If this Section 3.3 conflicts with the terms of the License Agreement, the terms of this Section 3.3 will control.

3.4 Indemnification. Buyer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Seller) Seller, its governing body, its officers, and its employees from and against any and all Claims to the extent resulting from, arising from, or occasioned in whole or in part by any act or omission by Buyer, its agents, contractors, employees, representatives or invitees resulting from Buyer's inspection, examination and inquiry of or on the Property (but not including any claims resulting from the discovery or disclosure of pre-existing physical or environmental conditions or the non-negligent aggravation of pre-existing physical or environmental conditions on, in, under or about the Property), except to the extent resulting from, arising from, or occasioned in whole

or in part by any negligence or willful misconduct of Seller, its board members, officers and/or employees. If this Section 3.4 conflicts with the terms of the License Agreement, the terms of this Section 3.4 will control. The provisions of this Section shall survive Closing or termination of this Agreement.

3.5 Buyer's Obligations with Respect to Inspections. If following Seller's prior written approval, Buyer or its agents, employees or contractors take any sample from the Property in connection with any testing, Buyer shall, upon the request of Seller, provide to Seller a portion of such sample being tested to allow Seller, if it so chooses, to perform its own testing. Promptly after Buyer's physical examinations of the Property, but in no event later than ten (10) Business Days after the damage occurs, Buyer shall repair the damage, if any, caused by such physical examinations. Buyer shall promptly pay for all inspections and shall not suffer or permit the filing of any liens arising from such inspections against the Property. If any such liens are filed, Buyer shall promptly cause them to be released or otherwise eliminated from being a lien upon the Property. In the event the transaction contemplated by this Agreement is not closed for any reason whatsoever, Buyer shall remain obligated with respect to the indemnities contained in Section 3.4 and the repair obligations set forth in this Section 3.5. If this Section 3.5 conflicts with the terms of the License Agreement, the terms of this Section 35 will control. The provisions of this Section shall survive termination of this Agreement.

3.6 Condition of the Property. Buyer hereby acknowledges that prior to the expiration of the Diligence Period Seller is obligated to have provided Buyer sufficient opportunity make such independent factual, physical and legal examinations and inquiries as Buyer deems necessary and desirable with respect to the Property and the transaction contemplated by this Agreement. Any inspections conducted by Buyer after the expiration of the Diligence Period do not and shall not in any way relieve Buyer of any of its obligations under this Agreement, and the following provisions shall survive Closing:

- (a) Based upon Buyer's familiarity with, and due diligence relating to the Property and pertinent knowledge as to the market in which the Property is situated and in direct consideration of Seller's decision to sell the Property to Buyer for the Purchase Price, Buyer does hereby acknowledge, represent, warrant and agree to and with Seller that, except as otherwise expressly provided in this Agreement and the Deed and the other documents to be delivered pursuant to Section 7.3: (i) Buyer is expressly purchasing the Property in its existing condition "**AS IS, WHERE IS, AND WITH ALL FAULTS**" whether known or unknown with respect to all facts, circumstances, conditions and defects, both patent and latent; (ii) Seller has no obligation to inspect for, repair or correct any such facts, circumstances, conditions or defects or to compensate Buyer for same, except as expressly provided in this Agreement; (iii) by electing to proceed to Closing, Buyer undertook all such inspections and investigations of the Property as Buyer deems necessary or appropriate

with respect to the Property and the suitability of the Property for Buyer's intended use, and based upon same, Buyer is relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers and Buyer is and will be fully satisfied that the Purchase Price is fair and adequate consideration for the Property; (iv) Seller is not making and has not made any warranty or representation with respect to any materials, any marketing information, or offering memoranda, or pamphlets listing or describing the property, or other data provided by Seller or others on behalf of Seller to Buyer (whether prepared by or for the Seller or others) or the education, skills, competence or diligence of the preparers thereof or the physical condition or quality or any other aspect of all or any part of the Property as an inducement to Buyer to enter into this Agreement and thereafter to purchase the Property or for any other purpose; (v) prior to the Execution Date, Buyer had full access to the Bid Package and thoroughly reviewed or had a reasonable opportunity to review this Agreement and the contents of the Bid Package and freely consulted with persons of Buyer's own choosing regarding the terms and conditions of this Agreement and the Bid Package, including but not limited to consultation with legal counsel of its own choosing; and (vi) by reason of all the foregoing, Buyer is assuming the full risk of any loss or damage occasioned by any fact, circumstance, condition or defect pertaining to the Property.

- (b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, THE DEED, AND THE OTHER DOCUMENTS TO BE DELIVERED PURSUANT TO SECTION 7.3, SELLER HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WARRANTIES OF HABITABILITY AND FITNESS FOR PARTICULAR PURPOSES), WHETHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO WARRANTIES WITH RESPECT TO THE PROPERTY, TAX LIABILITIES, ZONING, LAND VALUE, AVAILABILITY OF ACCESS OR UTILITIES, INGRESS OR EGRESS, GOVERNMENTAL APPROVALS, OR THE SOIL CONDITIONS OF THE LAND. BUYER FURTHER ACKNOWLEDGES THAT BUYER IS BUYING THE PROPERTY "**AS IS**" AND IN ITS PRESENT CONDITION AND THAT EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, THE DEED AND THE OTHER DOCUMENTS TO BE DELIVERED PURSUANT TO SECTION 7.3, BUYER IS NOT RELYING UPON ANY REPRESENTATION OF ANY KIND OR NATURE MADE BY SELLER, OR ANY OF ITS EMPLOYEES OR AGENTS WITH RESPECT TO THE LAND OR THE PROPERTY, AND THAT, IN FACT, NO SUCH REPRESENTATIONS WERE MADE EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE DEED AND THE OTHER DOCUMENTS TO BE DELIVERED PURSUANT TO SECTION 7.3.

- (c) WITHOUT IN ANY WAY LIMITING ANY OTHER PROVISION OF THIS AGREEMENT, SELLER MAKES NO WARRANTY WITH RESPECT TO THE PRESENCE ON OR BENEATH THE LAND (OR ANY PARCEL IN PROXIMITY THERETO) OF HAZARDOUS MATERIALS. BY ACCEPTANCE OF THE DEED, BUYER WILL HAVE ACKNOWLEDGED THAT BUYER'S OPPORTUNITY FOR INSPECTION AND INVESTIGATION OF SUCH LAND HAS BEEN ADEQUATE TO ENABLE BUYER TO MAKE BUYER'S OWN DETERMINATION WITH RESPECT TO THE PRESENCE ON OR BENEATH THE LAND OF SUCH HAZARDOUS MATERIALS.
- (d) EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT THE SELLER SHALL NOT BE RESPONSIBLE FOR ANY CLAIMS ARISING OUT OF OR RELATING TO MOLD AND/OR OTHER MICROSCOPIC ORGANISMS AT THE PROPERTY INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGES, PERSONAL INJURY, ADVERSE HEALTH EFFECTS, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE OR LOSS OF VALUE AND BUYER HEREBY IRREVOCABLY RELEASES SELLER GOVERNING BOARD MEMBERS, ITS OFFICERS, AND ITS EMPLOYEES FROM THE SAME.
- (e) Other than as expressly set forth in this Agreement, in the Deed and in the other documents to be delivered by Seller pursuant to Section 7.3, neither Seller nor any agents, representatives, or employees of Seller have made any representations or warranties, direct or indirect, oral or written, express or implied, to Buyer or any agents, representatives, or employees of Buyer with respect to the Property, including, without limitation, (a) the physical condition of the Property (including the presence or absence of Hazardous Materials), zoning, set-back and other ordinances, codes, regulations, rules, requirements and orders affecting occupancy or operation of the Property, plans, specifications, any affordable housing restrictions or requirements, costs or other estimates, projections, including income and expense projections concerning the same, and (b) the Property's compliance with Hazardous Materials Laws. Buyer specifically waives and releases Seller and its respective successors, assigns, governing board members, representatives, employees, agents, adjustors, accountants, officers, officials, and attorneys from (1) all warranties, express, implied, statutory or otherwise (including warranties of merchantability and warranties of fitness for use or acceptability for the purpose intended by Buyer) with respect to the Property or its condition or the prospects, operations or results of operations of the Property except with respect to the express representations and warranties contained in the Agreement, the Deed and the other documents to be delivered pursuant to Section 7.3, and (2) except with respect to Claims arising out of Seller's breach of any representation, warranty, covenant or agreement in this

Agreement, the Deed, any other documents delivered by Seller pursuant to Section 7.3 and any other Agreement provisions that expressly survive the Closing, all Claims that Buyer would have against Seller.

- 3.7 In connection with this Section 3.7, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR. OR RELEASED PARTY."

Thus, notwithstanding the provisions of Section 1542 or of any similar statute, and for the purpose of implementing a full and complete release, Buyer expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which are known and all Claims which Buyer does not know or suspect to exist in Buyer's favor at the time of execution of this Agreement and that this Agreement contemplates the extinguishment of all such Claims provided, however, that the foregoing release does not apply to, and Buyer does not waive or release Claims arising out of Seller's breach of any representation, warranty, covenant or agreement in this Agreement, the Deed, any other documents delivered by Seller pursuant to Section 7.3 and any other Agreement provisions that expressly survive the Closing or Seller's fraud or willful misconduct (as provided in Section 13.16(e) below).

Initials of Buyer: _____

ARTICLE IV.

CONDITIONS FOR CLOSING

- 4.1 [INTENTIONALLY OMITTED].

- 4.2 Buyer's Conditions. The obligation of Buyer to purchase the Property from Seller, and to perform the obligations required to be performed by Buyer at the Closing, are subject to each of the following conditions precedent ("**Buyer's Conditions**"):

- (a) Closing Documents. Seller shall have tendered at Closing all closing documents to which Seller is a party.
- (b) Compliance with Agreement. Seller shall have performed and complied in all material respects with its obligations under this Agreement.
- (c) Representations and Warranties. All of Seller's representations and warranties under Sections 9.2 are true and correct in all material respects as of Closing.

(d) Title Policy. The Title Company shall have irrevocably committed to issue, but for payment of premium (other than premium or other cost to be paid by the Seller pursuant to this Agreement), the Title Policy.

(e) Appraisal.

(1) Within ten (10) days after the Execution Date, Buyer will select a private state-licensed appraiser who is acceptable to Seller and Buyer's public funding partner(s) ("**Funder**"). Buyer shall hire, instruct, and pay the appraiser to prepare a full narrative report appraisal ("**Appraisal**") setting forth the appraiser's conclusions with respect to the Property's market value naming Seller, Buyer, and each Funder as intended users. Buyer shall promptly provide Seller with a copy of the Appraisal.

(2) Buyer will have thirty (30) Business Days to review the Appraisal. If the Appraisal determines the fair market value of the Property is less than the Purchase Price, Buyer shall have the right to terminate this Agreement by providing written notice to Seller and Escrow Agent before the end the 30-Business-Day period, in which case Escrow Agent will return the Deposit, less any escrow cancellation fees, and neither party will have any obligation to the other except those provisions expressly stated to survive termination. If Buyer fails to notify Seller of its election to terminate within that period, then Buyer will be deemed to have approved the Appraisal and the valuation of the Property therein.

(3) In addition, Buyer may elect to terminate this Agreement if the Appraisal (and any updates thereto) are not approved by the Funder. In this situation, the Deposit shall be returned to Buyer less any escrow cancellation fees, and the Parties shall have no further obligation to each other under this Agreement, except those expressly stated to survive.

(4) If, after the Appraisal is prepared, the Funder require a new or updated appraisal of the Property, the procedures and provisions in this subsection (e) shall be repeated.

(f) Funding. On or before the Closing, Funder shall have deposited with Escrow Agent funds for Buyer's use in amount sufficient for Buyer to acquire the Property under the terms of this Agreement.

4.3 Effect of Non-Satisfaction of a Condition. If any condition set forth in Section 4.2 is not satisfied or waived by Buyer on or before the Closing Date, Buyer may, in its sole and absolute discretion, terminate this Agreement by notice to the Seller. If this Agreement is terminated pursuant to this Article IV, notwithstanding any other provision of this Agreement, all Buyer documents and funds, including the Deposit

and any interest thereon, shall be returned to Buyer, and neither party shall have any further rights or obligations hereunder, except for any obligations which expressly survive the termination of this Agreement and the payment of any escrow and title cancellation fees which shall be borne equally by Buyer and Seller.

ARTICLE V.

TERMS OF PAYMENT; CLOSING ADJUSTMENTS

5.1 Payment of Purchase Price. The Purchase Price shall be paid as follows:

- (a) Credit for Deposit. If Buyer fails to deliver the Deposit as and when required by this Agreement, Seller, at Seller's sole discretion, may terminate this Agreement by providing notice to Buyer of such termination and, thereafter, this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder. The Deposit is consideration for the rights granted to Buyer to purchase the Property and shall be non-refundable except as otherwise provided herein. If and only to the extent Buyer in its sole discretion and dealing entirely with the Escrow Agent (it being acknowledged by Buyer that Seller shall have no responsibility or liability in connection therewith) supplies Buyer's Taxpayer Identification Number to the Escrow Agent and executes all necessary forms required by the Escrow Agent, the Deposit shall be held in an interest bearing account with a financial institution selected by the Escrow Agent. Any accrued interest shall become a part of the Deposit to be applied or disposed of in the same manner as the Deposit. At Closing Buyer shall receive a credit against the Purchase Price in the amount of the Deposit (less any accrued interest thereon) and the Deposit (less any accrued interest thereon) shall be delivered to Seller. Any accrued interest on the Deposit shall be delivered upon Closing by the Escrow Agent to Buyer as Buyer may reasonably direct. Upon execution of this Agreement and payment of the Deposit, the Deposit shall become immediately non-refundable to Buyer unless this Agreement is terminated (A) due to a default by Seller; or (B) as a result of the failure of a condition to Closing benefiting Buyer including under Section 3.2, Section 3.3, Article IV, and Article VI.
- (b) Payment at Closing. The balance of the Purchase Price, subject to the prorations and adjustments for which provision is herein made, shall be paid by Buyer to the Escrow Agent by wire transfer to Escrow Agent's account at the time of Closing, and the Escrow Agent shall immediately upon Closing disburse such funds pursuant to the final Closing Statement. Wired funds must be received in the Escrow Agent's account prior to 12:00 p.m. Pacific Standard Time on the Closing Date for Seller to receive the benefit of such funds. Accordingly, if funds are received after 12:00 p.m. Pacific Standard Time on any day, they shall not be deemed received

until the following Business Day. Subject to the provisions of Section 7.2, if the Escrow Agent does not receive the funds within three (3) Business Days after the Closing Date, then either party may elect to terminate this Agreement, in which case, Buyer shall forfeit the Deposit to Seller and neither party will have any further obligations to the other party under this Agreement.

- 5.2 Prorations; Adjustments; Closing Costs. The following adjustments and prorations shall be computed as of the Prorations Date. All costs and expenses of the Property with respect to the period on and prior to the Prorations Date shall be charged to Seller. All costs and expenses of the Property with respect to the period after the Prorations Date shall be charged to Buyer. Seller shall be entitled to receive all revenues and shall be charged with all expenses relating to the ownership and operation of the Property through the Prorations Date.
- 5.3 Costs and Expenses. Except as expressly set forth in this Agreement, Closing and Escrow costs shall be allocated between Buyer and Seller in accordance with the custom of Sierra County; Seller will pay for Buyer's CLTA Title Policy; if Buyer elects ALTA extended coverage, then Buyer will pay for the incremental increased cost for the ALTA extended coverage Title Policy. Buyer shall be fully responsible for (1) any surveys; (2) any additional title reports and title policies beyond the Title Report and Title Policy, and (3) such other costs and expenses Buyer may incur to conduct its due diligence investigations. Attorneys' fees, consulting fees, and other due diligence expenses shall be borne by the party incurring such expense. The provisions of this Section shall survive Closing.

ARTICLE VI.

TITLE

- 6.1 Title Report. Within fifteen (15) days of the Execution Date or such additional time as reasonable required by Seller, Seller shall cause Title Company to deliver to Buyer the Title Report together with copies of all written instruments creating the exceptions specified therein, referenced in the legal description, and plat maps plotting all easements specified therein (collectively, the "**Underlying Documents**") and a copy thereof to Seller.
- 6.2 Buyer's Review. Buyer shall review the Title Report, and Buyer shall have sixty (60) days from the Buyer's receipt of the Title Report and all Underlying Documents to give written notice regarding Buyer's approval or disapproval of the Title Report, including without limitation any exceptions. If Buyer timely and properly delivers written objection(s) to any items in the Title Report, then Seller shall notify Buyer in writing within three (3) Business Days after receipt of Buyer's notice of Buyer's title objections (but, in any event, prior to the Closing Date) whether Seller elects to remove, discharge or correct the same (and Seller's failure to respond in writing within such period shall be deemed an election by Seller not

to remove, discharge or correct Buyer's title objections), and Seller shall have the right but not the obligation to use reasonable diligence to remove, discharge or correct such liens, encumbrances or objections and shall have a period of thirty (30) days after receipt of notice thereof in which to do so (and if necessary the Closing Date shall be extended on a day for day basis). Seller shall not in any event be obligated to pay any sums of money or to litigate any matter in order to remove, discharge or correct any lien, encumbrance or objection. Any attempt by Seller to remove other title exceptions (i.e., exceptions that Seller is not obligated to remove pursuant to the preceding sentence or otherwise in this Article VI) shall not impose an obligation upon Seller to remove such exceptions. If Seller shall be unwilling or unable to remove or discharge such other liens, encumbrances or objections within such period, then Buyer may, at its option, no later than five (5) Business Days after Seller notifies Buyer of Seller's unwillingness or inability, either terminate this Agreement or accept title in its then existing condition without reduction of the Purchase Price. If Buyer shall elect to terminate this Agreement, the Deposit, shall be returned to Buyer, this Agreement shall terminate, and thereafter neither Seller nor Buyer shall have any further rights or obligations hereunder except such obligations of this Agreement which specifically survive termination. If Buyer fails to give written notice of objection(s) to Seller prior to completion of Closing, all matters reflected on the Title Commitment shall, except with respect to matters that are deemed objections of Buyer, be deemed acceptable encumbrances, this Agreement shall remain in full force and effect and Buyer shall, subject to satisfaction of the conditions set forth in Section 4.2 and further subject to Section 13.1, be obligated to complete the transaction as required by this Agreement. For the avoidance of doubt, Seller shall cause all mortgages, security agreements and deeds of trust encumbering the Property to be released of record not later than Closing.

ARTICLE VII.

ESCROW AND CLOSING

- 7.1 Escrow Instructions. Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Escrow Agent, and this Agreement shall serve as the instructions to the Escrow Agent as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Escrow Agent to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.
- 7.2 Time and Place. Closing shall take place on the Closing Date or such earlier date as may be mutually acceptable to the parties with all deliveries to be made in escrow to the Escrow Agent prior to the Closing Date; provided, however, that pursuant to Section 6.2 Seller may extend the Closing Date for purposes of curing objections to the status of title that were timely and properly raised by Buyer. Seller

acknowledges that Buyer is seeking funding for the acquisition of the Property from the Funders. If before the Closing Date Buyer has received reasonable assurance of such funding, but additional time for is required to accommodate the Funder's final approval process and delivery of funds to the Escrow Agent, then by written notice to Seller not less than five (5) Business Days before the Closing Date, and Buyer may extend the Closing Date for a period not to exceed one hundred twenty (120) days to accommodate the Funder; provided however, Buyer shall increase the Deposit by an additional fifty thousand dollars (\$50,000). If Buyer has not obtained or otherwise secured funding by the extended Closing Date, Buyer or Seller may elect to terminate this Agreement, in which case Buyer shall forfeit the Deposit to Seller, and neither party will have any further obligations to the other party under this Agreement.

7.3 Seller's Deposit of Documents. At or before Closing, Seller shall deposit or cause to be deposited into escrow with the Escrow Agent the following items:

- (a) two (2) duplicate originals of the Deed duly executed and acknowledged in recordable form with respect to the Real Property, in the form of **Exhibit B** hereto, together with any State, County and local transfer tax declarations and forms required to be executed by Seller;
- (b) an executed Certificate of Non-Foreign Status;
- (c) an executed combined Buyer-Seller Closing Statement prepared by the Escrow Agent reflecting all financial aspects of the transaction ("**Closing Statement**");
- (d) a completed State of California Form 593-C;
- (e) Appropriate evidence of existence, good standing, qualification in California (if applicable), and authorization reasonably satisfactory to Buyer and satisfactory to the Title Company regarding the consummation of the transaction contemplated by this Agreement;
- (f) An executed and acknowledged Owners Affidavit, to the extent and in such form as the Title Company shall reasonably require in order for the Title Policy to be issued at Closing;
- (g) A GAP indemnity to the extent and in such form as the Title Company shall reasonably require in order to close on the Closing Date; and
- (h) An executed Seller Closing Certificate that all of Seller's warranties and representations remain true and correct in all material respects as of Closing in the form of **Exhibit D**.

- 7.4 Buyer's Deposit of Documents. At or before Closing, Buyer shall deposit or cause to be deposited into escrow with the Escrow Agent the following items:
- (a) cash to close in the amount required by Section 5.1 hereof;
 - (b) any State, County and local transfer tax declarations and forms required to be executed by Buyer;
 - (c) an executed Closing Statement;
 - (d) an executed Certificate of Buyer that all of Buyer's warranties and representations remain true in all material respects as of Closing in the form of **Exhibit C** hereto;
 - (e) evidence reasonably satisfactory to Seller and the Escrow Agent reflecting that all documents executed by Buyer at Closing were duly authorized and executed;
 - (f) if required by Escrow Agent, a Certificate of Good Standing from the Secretary of State in which Buyer is organized (if Buyer is a corporation, limited partnership or limited liability company);
 - (g) a completed Preliminary Change of Ownership form for each County; and
- 7.5 Other Documents. Buyer and Seller shall each deliver such other documents as are otherwise required by this Agreement to consummate the purchase and sale of the Property in accordance with the terms hereof. Unless the parties otherwise agree in writing, the Escrow Agent is hereby designated as the "**Reporting Person**" for the transaction pursuant to Section 6045(e) of the United States Code and the regulations promulgated thereunder. If requested in writing by either party, the Escrow Agent shall confirm its status as the "**Reporting Person**" in writing, which such writing shall comply with the requirements of Section 6045(e) of the United States Code and the regulations promulgated thereunder.
- 7.6 Possession. Possession of the Property shall be surrendered to Buyer at Closing.

ARTICLE VIII.

ENVIRONMENTAL MATTERS

- 8.1 Release. Without limiting Section 3.6, Buyer acknowledges that Seller is not in any manner responsible to Buyer for the presence of any Hazardous Materials at, on, in, under or relating to the Property, if any. Buyer hereby specifically and irrevocably releases the Seller, its governing board members, its officers, and its employees from any and all Claims relating to the presence on or under, or the

escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials on the Property, if any, including without limitation, any residual contamination, in, on, under or about the Property or affecting natural resources, whether prior to or following Closing, and also including, without limitation, any liability due to asbestos-containing materials at the Property. BUYER'S CLOSING HEREUNDER SHALL BE DEEMED TO CONSTITUTE AN EXPRESS WAIVER OF BUYER'S AND ITS SUCCESSORS' AND ASSIGNS' RIGHTS TO SUE SELLER AND OF BUYER'S RIGHT TO CAUSE ANY OF SELLER'S GOVERNING BOARD MEMBERS, OFFICERS, OR EMPLOYEES TO BE JOINED IN AN ACTION BROUGHT UNDER ANY FEDERAL, STATE OR LOCAL LAW, RULE, ACT, OR REGULATION NOW EXISTING OR HEREFTER ENACTED OR AMENDED WHICH PROHIBITS OR REGULATES THE USE, HANDLING, STORAGE, TRANSPORTATION OR DISPOSAL OF HAZARDOUS MATERIALS OR WHICH REQUIRES REMOVAL OR REMEDIAL ACTION WITH RESPECT TO SUCH HAZARDOUS MATERIALS, SPECIFICALLY INCLUDING BUT NOT LIMITED TO FEDERAL "**CERCLA**", "**RCRA**", AND "**SARA**" ACTS. The acknowledgments of Buyer and the release contained in this Section of this Agreement shall survive Closing or termination of this Agreement.

8.2 Indemnification. Without limiting the provisions of Section 3.4 and Section 3.7, effective as of the Closing, Buyer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Seller) Seller, its governing board members, its officers, and its employees from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses actually and reasonably incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials on the Property, if any, including without limitation, any residual contamination, in, on, under or about the Property or affecting natural resources, whether prior to or following Closing, and also including, without limitation, any liability due to asbestos-containing materials at the Property. . The foregoing indemnity shall further apply to any residual contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this Section 8.2 shall survive the termination of this Agreement.

8.3 Confidentiality of Hazardous Materials Reports. Unless and until the Closing actually occurs, Buyer, its agents, consultants and employees shall keep confidential all Hazardous Materials Reports and other information, received or completed by Buyer in Buyer's independent factual, physical and legal examinations and inquiries of the Property, except that: (a) Buyer shall if requested

by Seller in writing promptly after receipt provide copies thereof to Seller; and (b) Buyer may disclose same to (i) its consultants if Buyer first obtains the agreement in writing of such consultants to keep such Hazardous Materials Reports and related documentation confidential, (ii) as required by applicable law, (iii) in connection with litigation or other judicial proceedings; (iv) its attorneys, accountants and advisors; and (v) to any Funder and to Permitted Assignees (as defined in Article X below). Except as provided in the preceding sentence, unless and until the Closing actually occurs, neither the contents nor the results of any test, report, analysis, opinion or other information shall otherwise be disclosed by Buyer, its agents, consultants and employees without Seller's prior written approval not to be unreasonably withheld, delayed or conditioned. Buyer may disclose to anyone after the Closing. The provisions of this Section 8.3 shall survive the termination of this Agreement.

ARTICLE IX.

WARRANTIES AND REPRESENTATIONS AND COVENANTS

- 9.1 Buyer's Representations and Warranties. Buyer warrants and represents that: (a) Buyer has the full right, power, and authority to purchase the Property from Seller as provided in this Agreement and to carry out Buyer's obligations hereunder; (b) Buyer is duly formed and in good standing under the laws of California and duly authorized to conduct business in the State, provided however, in the event that Buyer assigns this Agreement to an entity pursuant to the terms of Article X of this Agreement, any such entity shall be duly formed and in good standing under the laws of the state of its formation and qualified to transact business in the State; (c) all requisite action necessary to authorize Buyer to enter into this Agreement and to carry out Buyer's obligations has been obtained; (d) this Agreement has been duly authorized, executed and delivered by Buyer; and (e) the execution of this Agreement and the Closing to occur hereunder do not and will not violate any contract, covenant or other agreement to which Buyer may be a party or by which Buyer may be bound. The provisions of this Section shall survive Closing.
- 9.2 Seller's Representations and Warranties. Seller represents and warrants to Buyer:
- (a) Authorization. Seller is a duly organized chartered municipal corporation formed within and in good standing under the laws of the State of California. Seller has full right, power and lawful authority to undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Seller has been fully authorized by all requisite actions on the part of the Seller.
 - (b) No Conflict. Seller is not prohibited from consummating the transactions contemplated in this Agreement by any law, regulation, agreement, instrument, restriction, order or judgment.

- (c) No Bankruptcy Proceedings. There are no assignments for the benefit of creditors, receiverships, conservatorships, or voluntary or involuntary proceedings in bankruptcy filed by Seller or pending against Seller.
 - (d) No Condemnation. Seller has not received any notice that any condemnation or eminent domain proceedings are pending or threatened against the Property.
- 9.3 Seller's Knowledge; Survival. For purposes of this Agreement, Seller's "knowledge" or words of similar import means the actual knowledge of MANUEL PINEDA, P.E. after reasonable and diligent inquiry and investigation. Seller represents and warrants that MANUEL PINEDA, P.E. is the person most knowledgeable about the Property and has access to information about the Property.
- 9.4 Limitations. Notwithstanding anything in this Agreement to the contrary, Seller's liability for breaches of covenants under this Agreement or of the representations and warranties set forth in Section 9.2 discovered by Buyer after Closing is subject to the following limitations:
 - (a) Filing of Claim. Any claim by Buyer against Seller for a breach of a covenant, representation or warranty must be asserted during the period of six months following the Closing and, any litigation related to such claim must be brought within twelve (12) months following the Closing.
 - (b) Actual Knowledge. If Buyer proceeds with Closing despite having the right to terminate this Agreement on account of any breach of a representation or warranty by Seller as to which Buyer has actual knowledge of before Closing, Buyer shall have no claim for any such breach of a representation or warranty, and, by proceeding with Closing as aforesaid, Buyer shall be deemed to have waived all claims based on or resulting from the breach of any such representations, warranties or covenants. For purposes of this Agreement, Buyer's "knowledge" or words of similar import means the actual knowledge of Shelton Douthit without any independent investigation and does not include any imputed or constructive knowledge that may be attributed to such individual(s).
- 9.5 Aggregate Liability. Seller's aggregate liability to Buyer under this Agreement after Closing shall in no event exceed One Hundred Thousand Dollars (\$100,000).
- 9.6 INTENTIONALLY OMITTED.
- 9.7 Seller's Covenants. Seller covenants and agrees as follows until the Closing:
 - (a) Insurance. Seller shall cause to be maintained in force Seller's existing Property coverage insurance and commercial general liability insurance upon the Property in the amounts not less than such amounts as are, on the Execution Date, carried by Seller.

- (b) Title. Seller shall not
- (1) further encumber the Property in any consensual manner without the prior written consent of Buyer.
 - (2) cause or permit any mortgage, deed of trust, or other lien to be foreclosed upon due to Seller's actions or omissions, including failure to make a required payment or failure to obtain any required consent;
 - (3) sell, convey, assign, transfer, encumber, or otherwise dispose of the Property, or any part thereof or interest therein.
 - (4) or apply for any variance, change or modification with respect to any zoning of the Property or use of the Property without Buyer's prior written consent.

ARTICLE X.

ASSIGNMENT

Buyer may assign this Agreement, in whole or in part, to the Washoe Tribe of Nevada and California and/or the State of California or any agency or subdivision thereof (each, a "**Permitted Assignee**") pursuant to Seller's form of consent to assignment substantially in the form attached as Exhibit F. Buyer may not otherwise, prior to the Closing, assign this Agreement, nor may any of Buyer's rights hereunder be transferred in any manner, nor may any of Buyer's rights hereunder or any ownership interest in Buyer be transferred in any manner to any person or entity, without Seller's specific prior written consent, which consent may be withheld by Seller for any reason whatsoever. If Seller agrees to such an assignment, the assignment shall be made through the execution of Seller's form of consent to assignment substantially in the form attached as Exhibit F.

ARTICLE XI.

DEFAULT

- 11.1 Buyer's Default. If Buyer shall fail to close the transaction contemplated hereby as and when required, except as a result of any Seller default or failure of a condition, or if Seller fails to close the transaction contemplated hereby as a result of a material Buyer default, the Deposit shall be paid over to Seller as agreed as liquidated damages and not as a penalty, it being acknowledged by Buyer and Seller that in such event Seller will suffer substantial damages but such damages are incapable of exact ascertainment. After payment to Seller of the Deposit, neither Seller nor Buyer shall have any further rights or obligations hereunder except that Buyer shall remain obligated with respect to the obligations which specifically survive termination. If subsequent to Closing, Buyer shall fail to comply with its obligations contained herein which survive Closing, Seller, in addition to any rights and

remedies provided herein, shall be entitled to any and all remedies available at law or in equity.

SELLER AND BUYER ACKNOWLEDGE THAT SELLER'S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER'S DAMAGES RESULTING FROM A DEFAULT BY BUYER IN ITS OBLIGATION TO PURCHASE THE PROPERTY. SELLER AND BUYER FURTHER AGREE THAT THIS SECTION 11.1 IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE SELLER, AND SHALL BE SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, BOTH AT LAW AND IN EQUITY, ARISING FROM OR RELATED TO A BREACH BY BUYER OF ITS OBLIGATION TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OTHER THAN WITH RESPECT TO BUYER'S INDEMNITY AND CONFIDENTIALITY OBLIGATIONS HEREUNDER, AND SELLER'S RIGHT TO RECOVER ITS REASONABLE ATTORNEYS' FEES AND EXPENSES. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

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|---|---|
| 11.2 | <u>Seller's Default.</u> Seller is in default of this Agreement before or at the Closing, Buyer may elect either <ul style="list-style-type: none"><li style="margin-bottom: 10px;">(a) to terminate this Agreement, in which case the Deposit (including accrued interest) shall be returned to Buyer, and Seller shall pay all escrow cancellation fees, and thereafter neither Buyer nor Seller shall have any further liability hereunder; or(b) to seek specific performance of Seller's obligations hereunder. |
| 11.3 | <u>Waiver of Other Remedies.</u> Buyer expressly waives all other remedies, including suit for damages, provided that nothing herein precludes a claim against Seller after Closing for a breach of any representations and warranties, subject to the limitations of Section 9.4 hereof. |
| 11.4 | <u>No Obligation of Seller after Closing.</u> Buyer expressly acknowledges and agrees that Seller has no obligations with respect to the Property that survive Closing, except as specifically set forth in this Agreement. The provisions of this Section shall survive Closing. |

ARTICLE XII.

NO JOINT VENTURE

Buyer acknowledges and agrees that Seller is not a venturer, co-venturer, insurer, guarantor or partner of Buyer in Buyer's development of, construction upon and resale of the Property, and that Seller shall bear no liability whatsoever resulting from or arising out of Buyer's ownership and development of, and construction upon, the Property. The provisions of this Article shall survive Closing.

ARTICLE XIII.

MISCELLANEOUS

13.1 Risk of Loss.

- (a) Seller shall retain all rights with respect to any Pre-Existing Insurance Claims and any Proceeds from Pre-Existing Insurance Claims.
- (b) Seller agrees to give Buyer prompt notice of any Event occurring after the Execution Date and before the Closing Date.
- (c) If, on or after the Execution Date and prior to Closing, any Event shall occur, Buyer may not terminate this Agreement, Seller shall not be obligated to repair the Property, and Closing shall take place as provided herein.
- (d) Seller and Buyer each expressly waive the provisions of California Civil Code Section 1662 and hereby agree that the provisions of this Agreement shall govern the parties' obligations in the event of any damage or destruction to the Real Property or the taking of all or any part of the Real Property, as applicable.
- (e) The provisions of this Section shall survive Closing.

13.2 Independent Consideration. As additional consideration to Seller if this Agreement is terminated before the Closing, then Seller will receive \$100 from Buyer, which amount has been bargained for and agreed to as "Independent Consideration" for having entered into this Agreement and for having granted Buyer the exclusive right to purchase the Property as provided in this Agreement.

13.3 Construction. The terms "**Seller**" and "**Buyer**" whenever used in this Agreement shall include the heirs, personal representatives, successors and assigns of the respective parties hereto; provided, however, that Buyer's right of assignment is restricted by the provisions hereof. Whenever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders. The term "**including**" as used herein shall in all instances mean

"including, but not limited to." The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation of this Agreement. This Agreement and any related instruments shall not be construed more strictly against one party than against the other by virtue of the fact that initial drafts may have been prepared by counsel for one of the parties, it being recognized that this Agreement and any related instruments are the product of extensive negotiations between the parties hereto.

- 13.4 Counterparts and Electronic Signatures. This Agreement may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original Agreement all of which shall constitute one agreement to be valid as of the date of this Agreement. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. Seller and Buyer agree that this Agreement or any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("**E-Sign Act**"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("**UETA**") and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on both Seller and Buyer the same as if it were physically executed and Buyer hereby consents to the use of any third party electronic signature capture service providers as may be chosen by Seller.
- 13.5 Severability and Waiver. Invalidation of any one Section or provision of this Agreement by judgment or court order shall in no way affect any other Section or provision, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement. Failure of any party to this Agreement to insist on the full performance of any of its provisions by the other party (or parties) shall not constitute a waiver of such performance unless the party failing to insist on full performance of the provision declares in writing signed by it that it is waiving such performance. A waiver of any breach under this Agreement by any party, unless otherwise expressly declared in writing, shall not be a continuing waiver or waiver of any subsequent breach of the same or other provision of this Agreement. The provisions of this Section shall survive Closing.
- 13.6 Governing Law. The laws of the State of California (without regard to conflicts of law) shall govern the validity, construction, enforcement and interpretation of this Agreement.

- 13.7 Further Acts. In addition to the acts and deeds recited in this Agreement and contemplated to be performed, executed, and/or delivered under this Agreement, Seller and Buyer agree to perform, execute and/or deliver or cause to be delivered, executed and/or delivered at Closing or after Closing all further acts, fees, and assurances reasonably necessary to consummate the transactions contemplated hereby.
- 13.8 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing. Any notice given by a party's attorney shall be deemed notice given by such party. All such notices, demands, requests and other communications (and copies thereof) shall be deemed to be delivered: (a) if sent by messenger, upon personal delivery to the party to whom the notice is directed; (b) if sent by email and the sender receives no indication of failed delivery, on (i) the Business Day sent so long as such email notice is sent within business hours (i.e., 8 A.M. Pacific Time – 5 P.M. Pacific Time) on that Business Day (unless a different time period is provided here) or (ii) the next Business Day if sent after business hours (i.e., 8 A.M. Pacific Time – 5 P.M. Pacific Time) on the Business Day sent or sent on a day other than a Business Day, and in either case such email notice is followed by notice pursuant to provisions (a) or (c) of this Section or the party to whom such email notice is given acknowledges receipt; or (c) if sent by overnight courier, with request for next Business Day delivery, on the next Business Day after sending; addressed as follows (or to such other address as the parties may specify by notice given pursuant to this Section):

TO SELLER: To the attention of the Seller's Contact Person in the Key Terms to the Seller's Notice Address in the Key Terms

TO BUYER: To the Buyer's Notice Address set forth in the Key Terms

- 13.9 Entire Agreement and Amendment. This Agreement contains the entire understanding between Buyer and Seller with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be modified, amended, changed, waived, discharged or terminated orally. Any such action may occur only by an instrument in writing signed by the party against whom enforcement of the modification, change, waiver, discharge or termination is sought.
- 13.10 Recording. This Agreement shall not be recorded and Buyer agrees that recording shall constitutes a default by Buyer.
- 13.11 Exhibits. The Exhibits that are referenced in and attached to this Agreement are incorporated in, and made a part of, this Agreement for all purposes.
- 13.12 Time of the Essence. Seller and Buyer expressly agree that time is of the essence with respect to this Agreement. If the final day of any period or any date of performance under this Agreement falls on a date which is not a Business Day, then the final day of the period or the date of performance, as applicable, shall be extended to the next day which is a Business Day.

- 13.13 No Third Party Beneficiary. This Agreement is solely between Seller and Buyer and no other party shall be entitled to rely upon any provision hereof for any purpose whatsoever.
- 13.14 INTENTIONALLY OMITTED.
- 13.15 Legal Counsel and Joint Authorship. Each of Buyer and Seller has received independent legal advice from attorneys of its choice with respect to the advisability of making and executing this Agreement and the documents which, under the terms of this Agreement, are to be executed and delivered by Seller or Buyer or both at Closing (the "**Closing Documents**") or waived its right to do so. Buyer hereby acknowledges that Seller's counsel is not representing the Buyer or any interests of Buyer in connection with this Agreement or any other matter and that, unless Buyer is represented by counsel, Buyer has made the informed decision to not consult with an attorney of Buyer's choice prior to the execution of this Agreement. In the event of any dispute or controversy regarding authorship of this Agreement or the Closing Documents, Buyer and Seller shall be conclusively deemed to be the joint authors of this Agreement and the Closing Documents and no provision of this Agreement or the Closing Documents shall be interpreted against Buyer or Seller by reason of authorship.
- 13.16 Limitation of Liability and Waiver.
- (a) BUYER AND SELLER EXPRESSLY AGREES THAT THE OBLIGATIONS AND LIABILITIES OF THE OTHER PARTY UNDER THIS AGREEMENT AND ANY DOCUMENTS REFERENCED HEREIN SHALL NOT CONSTITUTE PERSONAL OBLIGATIONS OF THE OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, REPRESENTATIVES, TRUSTEES, PARTNERS, MEMBERS, CERTIFICATE HOLDERS, OR OTHER PRINCIPALS OF THE PARTY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, (I) SELLER'S LIABILITY, IF ANY, ARISING IN CONNECTION WITH THIS AGREEMENT OR WITH THE PROPERTY SHALL BE LIMITED TO THE AMOUNT SET FORTH IN SECTION 9.5 ABOVE FOR THE RECOVERY OF ANY JUDGMENT AGAINST SELLER, AND SELLER SHALL NOT BE PERSONALLY LIABLE FOR ANY SUCH JUDGMENT OR DEFICIENCY AFTER EXECUTION THEREON; AND (ii) BUYER'S LIABILITY IS EXPRESSLY LIMITED AS SET FORTH IN SECTION 11.1 ABOVE.. THE LIMITATIONS OF LIABILITY CONTAINED IN THIS PARAGRAPH SHALL APPLY EQUALLY AND INURE TO THE BENEFIT OF ALL OF EACH OF SELLER'S AND BUYER'S GOVERNING BOARD, MEMBERS, OFFICERS, AND EMPLOYEES. THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION AND CLOSING.

- (b) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY IN THIS AGREEMENT, SELLER'S LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY IN ALL CIRCUMSTANCES AND FOR ALL CLAIMS (AS THAT TERM IS DEFINED IN THE DEFINED TERMS, AND ALL REFERENCES IN THIS AGREEMENT TO "CLAIMS," "CLAIM," "Claims," or "Claim" SHALL HAVE SUCH MEANING) ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE SALE OF THE PROPERTY TO BUYER INCLUDING, BUT NOT LIMITED TO, SELLER'S BREACH OR TERMINATION OF THIS AGREEMENT, THE CONDITION OR QUALITY OF THE PROPERTY, SELLER'S TITLE TO THE PROPERTY, THE OCCUPANCY STATUS OF THE PROPERTY, THE SIZE, SQUARE FOOTAGE, BOUNDARIES, OR LOCATION OF THE PROPERTY, ANY COST OR EXPENSE INCURRED BY BUYER IN CONDUCTING ITS INVESTIGATION AND/OR DUE DILIGENCE IN PREPARATION FOR THE PURCHASE OF THE PROPERTY, OR ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN CONNECTION WITH THIS AGREEMENT SHALL BE LIMITED AS PROVIDED IN SECTIONS 9.5 AND 11.2 OF THIS AGREEMENT AND THIS SECTION.
- (c) UPON EXECUTION OF THIS AGREEMENT AND PAYMENT OF THE DEPOSIT, THEN BUYER SHALL NOT BE ENTITLED TO A RETURN OF THE DEPOSIT (AS DEFINED IN THE KEY TERMS) IN THE EVENT THAT THIS AGREEMENT IS TERMINATED BY SELLER AS RESULT OF BUYER'S BREACH OF THE TERMS OF THIS AGREEMENT, EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT.
- (d) ANY REFERENCE TO A RETURN OF THE DEPOSIT CONTAINED IN THIS AGREEMENT SHALL MEAN A RETURN OF THE DEPOSIT, LESS ANY ESCROW CANCELLATION FEES APPLICABLE TO BUYER UNDER THIS AGREEMENT AND LESS FEES AND COSTS PAYABLE FOR SERVICES AND PRODUCTS PROVIDED DURING ESCROW AT BUYER'S REQUEST. TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER WAIVES ANY CLAIMS THAT THE PROPERTY IS UNIQUE AND BUYER ACKNOWLEDGES THAT A RETURN OF ITS DEPOSIT CAN ADEQUATELY AND FAIRLY COMPENSATE BUYER FOR ALL CLAIMS. UPON RETURN OF THE DEPOSIT TO BUYER, THIS AGREEMENT SHALL BE TERMINATED, AND BUYER AND SELLER SHALL HAVE NO FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THIS AGREEMENT, EXCEPT FOR THE OBLIGATIONS EXPRESSLY STATED TO SURVIVE, WHICH SURVIVE TERMINATION OF THIS AGREEMENT. IF THE SALE TO BUYER CLOSES, THEN BUYER AND SELLER SHALL HAVE NO

FURTHER LIABILITY, OBLIGATION, OR RESPONSIBILITY TO EACH OTHER IN CONNECTION WITH THIS AGREEMENT EXCEPT AS TO ANY PROVISIONS OF THIS AGREEMENT WHICH EXPRESSLY SURVIVE CLOSING.

- (e) EACH PARTY AGREES THAT THE PARTIES SHALL NOT BE LIABLE TO EACH OTHER UNDER ANY CIRCUMSTANCES FOR ANY SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES WHATSOEVER, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, THEORY, OR CAUSE OF ACTION ARISING OUT OF OR RELATED IN ANY WAY TO ANY CLAIM, INCLUDING, BUT NOT LIMITED TO, THE AFOREMENTIONED CLAIMS, EXCEPT WHERE SUCH PARTY'S OR OMISSIONS CONSTITUTE FRAUD OR WILLFUL MISCONDUCT, PROVIDED THAT IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE AMOUNT SET FORTH IN SECTION 9.5 ABOVE.
- (f) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER WAIVES THE FOLLOWING, TO THE FULLEST EXTENT PERMITTED BY LAW:
 - (1) ANY CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS THAT ARE OR MAY BE DISCOVERED AFTER CLOSING, WHICH CLAIMS SHALL BE RESOLVED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 5.2 OF THIS AGREEMENT;
 - (2) ANY REMEDY OF ANY KIND THAT BUYER MIGHT OTHERWISE BE ENTITLED TO AT LAW OR EQUITY (INCLUDING, BUT NOT LIMITED TO, RESCISSION OF THIS AGREEMENT), EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT;
 - (3) ANY RIGHT TO AVOID THE SALE OF THE PROPERTY OR REDUCE THE PRICE OR HOLD SELLER LIABLE FOR ANY CLAIMS ARISING OUT OF OR RELATED IN ANY WAY TO THE CONDITION, CONSTRUCTION, REPAIR, OR TREATMENT OF THE PROPERTY, OR ANY DEFECTS, APPARENT OR LATENT, THAT MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO ANY CLAIMS RELATING TO

ANY ORDINANCES AND ANY REPAIR COSTS REQUIRED THEREUNDER;

- (4) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO ENCROACHMENTS, EASEMENTS, BOUNDARIES, SHORTAGES IN AREA OR ANY OTHER MATTER THAT WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLIC RECORDS;
- (5) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO THE SQUARE FOOTAGE, SIZE, OR LOCATION OF THE PROPERTY, OR ANY INFORMATION PROVIDED ON THE MULTIPLE LISTING SERVICE, OR BROCHURES OR WEB SITES OF SELLER OR SELLER'S AGENT OR LISTING BROKER OR ANY STATEMENTS, ACTIONS OR CONDUCT OF SELLER'S AGENT OR LISTING BROKER; AND
- (6) ANY CLAIMS ARISING OUT OF OR RELATING IN ANY WAY TO TENANTS OR OCCUPANTS OF THE PROPERTY OR INCOME, IF ANY, TO BE DERIVED FROM THE PROPERTY OR HAZARDOUS MATERIALS (AS DEFINED IN THIS AGREEMENT).

SELLER'S LIMITATION OF LIABILITY AND BUYER'S WAIVERS PROVIDED IN THIS AGREEMENT ARE A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY SELLER UNDER THIS AGREEMENT AS AGREED TO BY BUYER AND SELLER.

THE PROVISIONS OF THIS SECTION 13.16 SHALL SUPERSEDE ANY CONTRARY PROVISIONS IN OTHER SECTIONS OF THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED HEREBY, OR THE EARLIER TERMINATION OF THE AGREEMENT, IF PERMITTED.

SELLER'S INITIALS _____/___ BUYER'S INITIALS _____/___

- 13.17 **Broker.** Seller represents and warrants to Buyer that Seller has not incurred, and shall not have incurred as of the Closing, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement, other than to CBRE, INC. (“CBRE”). Seller shall pay a commission to CBRE at Closing pursuant to the terms of a separate written

agreement. Buyer represents and warrants to Seller that Buyer has not incurred, and shall not have incurred as of the Closing, any liability for the payment of any brokerage fee or commission in connection with the transaction contemplated in this Agreement. Seller and Buyer hereby agree to defend, indemnify and hold harmless the other from and against any and all claims of any other person claiming a brokerage fee or commission through the indemnifying party. The provisions of this Section 13.16 shall survive Closing or termination of this Agreement.

ARTICLE XIV.

ESCROW TERMS

The Escrow Agent shall hold the Deposit in escrow on the following terms and conditions:

- (a) The Escrow Agent shall deliver the Deposit to Seller or Buyer, as the case may be, in accordance with and subject to the terms and conditions of this Agreement.
- (b) Any notice to or demand upon the Escrow Agent shall be in writing and shall be sufficient only if received by the Escrow Agent within the applicable time periods set forth herein, if any. Notices to or demands upon the Escrow Agent shall be sent in accordance with Section 13.8 hereof, to the Contact Person and address set forth in the Defined Terms. Notices from the Escrow Agent to Seller or Buyer shall be delivered to them in accordance with Section 13.8 of this Agreement.
- (c) If the Escrow Agent shall have received notice signed by either party advising that litigation between the parties over entitlement to the Deposit has been commenced, the Escrow Agent shall, on demand of either party, deposit the Deposit with the clerk of the court in which such litigation is pending. If at any time the Escrow Agent is uncertain of its duties hereunder or if Escrow Agent for any other reason is no longer willing to serve as escrow agent, the Escrow Agent may, on notice to the parties, take such affirmative steps as it may, at its option, elect in order to terminate its duties as the Escrow Agent, including, but not limited to, the deposit of the Deposit with a court of competent jurisdiction and the commencement of an action for interpleader, the reasonable costs of which shall be borne by whichever of the parties is the losing party. Upon the taking by the Escrow Agent of such action described, the Escrow Agent shall be released of and from all liability hereunder as escrow agent, except for the gross negligence or willful misconduct of Escrow Agent.
- (d) The Escrow Agent shall not incur any liability in acting upon any signature, notice, demand, request, waiver, consent, receipt or other paper or document believed by the Escrow Agent to be genuine. The Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly

authorized to do so, or is otherwise acting or failing to act under this Section except in the case of the Escrow Agent's gross negligence or willful misconduct.

- (e) The terms and provisions of this Article shall create no right in any person or entity other than the parties and their respective successors and permitted assigns and no third party shall have the right to enforce or benefit from the terms hereof.
- (f) The Escrow Agent has executed this Agreement for the sole purpose of agreeing to act as such in accordance with the terms of this Agreement.

ARTICLE XV.

OTHER DISCLOSURES

- 15.1 Radon. Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines may have been found in buildings in the state where the Property is located. Additional information regarding radon and radon testing may be obtained from your county or state health unit. Buyer represents and warrants that he/she/it has not relied on the accuracy or completeness of any representations that have been made by the Seller as to the presence of radon and that the Buyer has not relied on the Seller's failure to provide information regarding the presence or effects of any radon found on the Property. Real estate brokers and agents are not generally qualified to advise buyers on radon treatment or its health and safety risks.

ARTICLE XVI.

LITIGATION

- 16.1 Attorneys' Fees; Jurisdiction; Venue. In the event of any litigation arising out of or under this Agreement and/or out of Buyer's ownership, development or construction upon the Property, the prevailing party shall be entitled to collect from the non-prevailing party reasonable attorneys' fees and costs. Buyer and Seller hereby submit to the jurisdiction of the Civil Courts of the State and the United States District Courts located in the State in respect of any suit or other proceeding brought in connection with or arising out of this Agreement and venue shall be in the County of Santa Clara. The provisions of this Section shall survive Closing.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Buyer and Seller have executed this Agreement as of the Execution Date.

SELLER:

**CITY OF SANTA CLARA, a chartered
California municipal corporation**

APPROVED AS TO FORM

GLEN R. GOOGINS
City Attorney

ATTEST:

NORA PIMENTEL
City Clerk

JÖVAN GROGAN
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

Date: _____

BUYER:

**FEATHER RIVER LAND TRUST,
A California Nonprofit Public Benefit Corporation**

By: _____

Its: _____

EXECUTION BY ESCROW AGENT

The Escrow Agent executes this Agreement for the purposes of acknowledging its Agreement to serve as escrow agent in accordance with the terms of the Agreement and to acknowledge receipt of the Deposit of ONE HUNDRED THOUSAND DOLLARS (if in the form of a check, subject to clearance) from Buyer as the Deposit due thereunder.

First American Title Company

By: _____

Date: _____, 2024

EXHIBIT A

LEGAL DESCRIPTION

Real property in the Unincorporated Area in County of Sierra and Lassen, State of California, described as follows:

PARCEL 1:

IN TOWNSHIP 22 NORTH, RANGE 17 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

SECTION 16: THE EAST 1/2 OF THE SOUTHWEST 1/4; THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4.

SECTION 17: THE SOUTH 1/2.

EXCEPTING FROM THE SOUTHWEST 1/4 OF SECTION 17, ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO JUANITA BEISEL, FORMERLY JUANITA MARCH, RECORDED APRIL 21, 1944, IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 201, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 18: THE EAST 1/2 OF THE SOUTHEAST 1/4.

EXCEPTING THEREFROM ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO EVELYN MILLER, RECORDED APRIL 21, 1944 IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 199, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 19: THE EAST 1/2.

EXCEPTING FROM THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THE SOUTH 1/2 OF THE NORTHEAST 1/4; AND THE SOUTHEAST 1/4 OF SECTION 19, ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO EVELYN MILLER, RECORDED APRIL 21, 1944, IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 199, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 20: ALL.

EXCEPTING FROM THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 20, ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO EVELYN MILLER, RECORDED APRIL 21, 1944, IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 199, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 21: THE WEST 1/2 OF THE WEST 1/2; THE EAST 1/2 OF THE NORTHWEST 1/4; THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4; AND THE NORTHWEST 1/4 OF THE NORTHEAST 1/4.

IN TOWNSHIP 22 NORTH, RANGE 17 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

SECTION 28: THE NORTHWEST 1/4; THE WEST 1/2 OF THE NORTHEAST 1/4; AND THE EAST 1/2 OF THE SOUTHWEST 1/4.

EXCEPTING THEREFROM ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO JUANITA BEISEL, FORMERLY JUANITA MARCH, RECORDED APRIL 21, 1944, IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 201, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 29: THE WEST 1/2; THE SOUTHWEST 1/4; AND THE WEST 1/2 OF THE SOUTHEAST 1/4.

EXCEPTING FROM THE SOUTHWEST 1/4; AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 29, ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO THOMAS P. WORDEN, RECORDED OCTOBER 21, 1935, IN BOOK 11 OF OFFICIAL RECORDS, AT PAGE 242, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 30: THE EAST 1/2; THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4.

EXCEPTING FROM THE SOUTHEAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION , ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO THOMAS P. WORDEN, RECORDED OCTOBER 21, 1935, IN BOOK 11 OF OFFICIAL RECORDS, AT PAGE 242, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

ALSO EXCEPTING FROM THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 30, ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO EVELYN MILLER, RECORDED APRIL 21, 1944, IN BOOK 30 OF OFFICIAL RECORDS, AT PAGE 199, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 31: THE NORTHEAST 1/4 OF THE NORTHWEST 1/4; THE WEST 1/2 OF THE EAST 1/2; THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4; LOT 4; AND THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4.

IN TOWNSHIP 22 NORTH, RANGE 17 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

SECTION 32: LOTS 1, 2, 3, 4, 5, 6 AND 7; AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4.

EXCEPTING FROM LOTS 1, 2, 3, 4, 5, 6 AND 7 OF SECTION 32 ALL THE COAL AND OTHER MINERALS AS RESERVED IN THE PATENT FROM THE UNITED STATES OF AMERICA TO THOMAS P. WORDEN, RECORDED OCTOBER 21, 1935, IN BOOK 11 OF OFFICIAL RECORDS, AT PAGE 242, WHICH PATENT PROVIDES AS FOLLOWS: "TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE, AND REMOVE THE SAME PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT. 862)."

SECTION 33: THE SOUTH 1/2.

PARCEL 2:

IN TOWNSHIP 22 NORTH, RANGE 17 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF.

SECTION 16: THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4.

EXCEPTING THEREFROM ALL OIL, GAS, OIL SHALE, COAL, PHOSPHATE, SODIUM, GOLD, SILVER AND ALL OTHER MINERAL DEPOSITS AS RESERVED IN THE PATENT FROM THE STATE OF CALIFORNIA TO MARK J. RYAN AND CAMILLE RYAN, RECORDED MAY 09, 1960, IN BOOK 157 OF OFFICIAL RECORDS, AT PAGE 184, WHICH PATENT PROVIDES AS FOLLOWS: "THE RIGHT TO DRILL FOR AND EXTRACT SUCH DEPOSITS OF OIL AND GAS, OR GAS, AND TO PROSPECT FOR, MINE AND REMOVE SUCH DEPOSITS OF OTHER MINERALS FROM SAID LANDS AND TO OCCUPY AND USE SO MUCH OF THE SURFACE OF SAID LANDS AS MAY BE REQUIRED THEREFORE, UPON COMPLIANCE WITH THE CONDITIONS AND SUBJECT TO THE PROVISIONS AND LIMITATIONS OF CHAPTER 5, PART I, DIVISION 6 OF THE PUBLIC RESOURCES CODE AND FURTHER RESERVING IN THE PEOPLE THE ABSOLUTE RIGHT TO FISH THEREUPON AS PROVIDED BY SECTION 25 OF ARTICLE I OF THE CONSTITUTION OF THE STATE OF CALIFORNIA."

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR ACCESS AND UTILITY PURPOSES, 60 FEET IN WIDTH, AS RESERVED IN THE DEED FROM FRANK C.

TROSI AND CAMILLE T. RYAN TO EDWARD L. HOOD, RECORDED MAY 19, 1977, IN BOOK 316 OF OFFICIAL RECORDS, AT PAGE 513.

PARCEL 4:

A NON-EXCLUSIVE EASEMENT FOR ROAD WAY AND UTILITY PURPOSES, 40 FEET IN WIDTH, AS CONTAIN IN THE DEED FROM BARRETT WILSON, ET AL, TO CAMILLE T. RYAN AND FRANK C. TROSI, RECORDED NOVEMBER 15, 1976, IN BOOK 308 OF OFFICIAL RECORDS, AT PAGE 657, AND IN THE DEED FROM ALFRED C. BERTOLINO, ET UX, TO CAMILLE T. RYAN AND FRANK C. TROSI, RECORDED NOVEMBER 15, 1976, IN BOOK 308 OF OFFICIAL RECORDS, AT PAGE 659.

PARCEL 5:

A NON-EXCLUSIVE EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER AND ACROSS A STRIP OF LAND 60 FEET IN WIDTH, FROM THE NORTH LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 9, TOWNSHIP 22 NORTH, RANGE 17 EAST, MOUNT DIABLO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, SOUTHERLY THROUGH THE EAST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 9 TO THE SOUTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 9.

PARCEL 6:

A NON-EXCLUSIVE EASEMENT FOR ROAD AND UTILITY PURPOSES OVER, UNDER AND ACROSS A STRIP OF LAND 60 FEET IN WIDTH, FROM THE WESTERLY TERMINUS OF THE EASEMENT RESERVED IN THE DEED RECORDED MAY 19, 1977, IN BOOK 316 OF OFFICIAL RECORDS, AT PAGE 513, WESTERLY TO THE EASEMENT DESCRIBED AS PARCEL 5 HEREIN.

APN/PARCEL ID(S): 147-040-002, 147-050-002, 147-050-003, 147-050-019, 147-050-020, 147-070-004, 147-070-005, 147-080-001, 147-080-003, 147-080-011, 147-080-014 and 147-080-015

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attention:

MAIL TAX STATEMENT TO:

Attention:

(Space Above Line for Recorder's Use Only)

The undersigned grantor(s) declare(s):

Documentary transfer tax is: \$ _____

() Computed on full value of property conveyed, or

() Computed on full value less value of liens and encumbrances remaining at time of sale.

() Unincorporated area: () City of _____, and

GRANT DEED

FOR VALUE RECEIVED, the receipt and sufficiency of which are hereby acknowledged, **CITY OF SANTA CLARA ("Grantor")**, a chartered California municipal corporation, hereby grants to **[INSERT GRANTEE]**, all of that certain real property more particularly described in Schedule 1 attached hereto and incorporated herein by this reference, together with any and all tenements, hereditaments, easements, rights-of-way, appurtenances, development rights or intangible property anywise appertaining to the same.

Grantor disclaims any and all express or implied warranties regarding the Property other than the implied warranties stated in Section 1113 of the California Civil Code.

**CITY OF SANTA CLARA, a chartered
California municipal corporation**

APPROVED AS TO FORM

GLEN R. GOOGINS
City Attorney

ATTEST:

JÖVAN GROGAN
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

NORA PIMENTEL
City Clerk

Date: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2024 before me,
(here insert name and title of the officer), personally appeared

who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

EXHIBIT C

FORM OF CERTIFICATE OF BUYER

[INSERT GRANTEE], the Buyer under that certain Agreement for Purchase and Sale of Property dated _____, 2024, by and between Buyer and Seller (the "**Agreement**") does hereby certify that all representations and warranties of Buyer set forth in the Agreement remain true in all material respects as of _____, 2024.

[INSERT GRANTEE]

By: _____

Name: _____

Title: _____

EXHIBIT D
FORM OF CERTIFICATE OF SELLER

CITY OF SANTA CLARA, a chartered California municipal corporation, the Seller under that certain Agreement for Purchase and Sale of Property dated _____, 2024, by and between Buyer and Seller (the "**Agreement**"), does hereby certify that all representations and warranties of Seller in Section 9.2 of the Agreement remain true in all material respects as of _____, 202__.

**CITY OF SANTA CLARA, a chartered
California municipal corporation**

APPROVED AS TO FORM

GLEN R. GOOGINS
City Attorney

ATTEST:

JÖVAN GROGAN
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

EXHIBIT E
PROPERTY INFORMATION

<u>407 Dutchman Rd Hazmat Report Following Fire Loss</u>
<u>APN Change</u>
<u>Assessors Maps 1</u>
<u>Assessors Maps 2</u>
<u>Assessors Maps 3.pdf</u>
<u>CMUA Notice of Delta Water Rights Proceeding 1995</u>
<u>Darwin Ceresola Agreement Executed</u>
<u>Darwin Ceresola Amendment No. 1</u>
<u>Easement - Not Executed</u>
<u>Easement 1976 Executed</u>
<u>Easement 1979</u>
<u>Easement 1992 Executed</u>
<u>Gold Fields Mining Soils Samples</u>
<u>Grant Deed 1977 2</u>
<u>Loyalton Boundary Exhibit</u>
<u>Loyalton Property Assessor Blocks</u>
<u>Loyalton Property Buildings pre and post fire</u>
<u>Loyalton Property Map</u>
<u>LOYALTON RANCH HOUSE & SURROUNDING PROPERTY</u>
<u>Plat Map - Loyalton</u>
<u>Record of Survey - Loyalton</u>
<u>SAMPLE LOCATION SEC 4 TOPO</u>
<u>SOIL SAMPLE GRID SEC 4 TOPO</u>
<u>Water Diversion Backup 1993</u>
<u>Water Diversion Fish and Game Letter 1993</u>
<u>Water Diversion letter 1991 With Calcs</u>
<u>Water Diversion letter 1991</u>
<u>Water Diversion Report January 1997</u>

EXHIBIT F

Form of Consent to Assignment

**CONSENT TO ASSIGNMENT AGREEMENT
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
[INSERT NAME OF ASSIGNOR]
AND
[INSERT NAME OF ASSIGNEE]**

PREAMBLE

This consent to assignment agreement (“Consent Agreement”) is by and between the City of Santa Clara, California, a chartered California municipal corporation, with its principal place of business located at 1500 Warburton Avenue, Santa Clara, California 95050 (“City”), _____, a _____ Corporation, with its principal place of business located at _____ (“Assignor”) and _____, a _____ Corporation, with its principal place of business located at _____ (“Assignee”), the intended successor in interest to _____. City, Assignor, and Assignee may be individually referred to in this Consent Agreement as a “Party” or collectively as the “Parties.”

RECITALS

- A. City and Assignor entered into an agreement entitled, “Agreement by and Between the City of Santa Clara, California and [INSERT ASSIGNOR NAME],” dated _____ 200__ (the “Original Agreement”) in which Assignor agreed to [INSERT TRANSACTION];
- B. Assignor desires to have the City consent to the assignment of all rights, obligations and interest in the Original Agreement from Assignor to Assignee, and Assignee desires to accept the assignment and assume the rights, obligations, and liabilities of Assignor under the Agreement on the Effective Date; and
- C. Subject to the terms and conditions of this Consent Agreement, City hereby consents to the assignment by Assignor of all its rights, obligations and interest in the Original Agreement to Assignee.

In consideration of the above referenced recitals and the following mutual covenants, commitments and obligations, the Parties agree, as follows:

CONSENT AGREEMENT PROVISIONS

1. Based on a written request received by the City from the Assignee, City hereby consents to the assignment of the Original Agreement and all of the rights, duties, obligations, and interest set forth therein from Assignor to Assignee.
2. City acknowledges and relies on this acceptance by Assignee of all of the rights, obligations and interest in the Original Agreement and the relinquishment of all such the rights, obligations and interest in the Original Agreement by Assignor. Assignee hereby accepts such assignment from Assignor, as of the Effective Date, and assumes and agrees to be bound by the Original Agreement, and agrees to perform all the duties and obligations and assume all liabilities and responsibilities of Assignor, except as set forth herein.
3. Upon the Effective Date, any pending debts or obligations due to City and those which subsequently arise or accrue from the terms and conditions of the Original Agreement shall become payable by Assignee to the City or its agents, or assigns.
4. This Consent Agreement embodies the entire agreement between City, Assignee and Assignor and all of its terms and conditions with respect to the assignment of the Original Agreement. No verbal agreements or conversation with any officer, agent or employee of City prior to execution of this Consent Agreement shall affect or modify any of the terms or obligations contained in this Consent Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon City.
5. This Consent Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Consent Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties hereby acknowledge and accept the terms and conditions stated herein by the following signatures of their duly authorized representatives. The signature of the duly authorized representative of Assignee confirms its acceptance of the terms and conditions of the Original Agreement and the assignment of the Original Agreement from Assignor. The Effective Date is the date that the final signatory executes the Consent Agreement. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Dated: _____

Office of the City Attorney
City of Santa Clara

City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“CITY”

Corporation,
a _____ Corporation

Dated: _____

By: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email Address: _____

“Assignor”

Corporation
a _____ Corporation

By: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

Email _____

Address: _____

“Assignee”



Agenda Report

24-679

Agenda Date: 7/9/2024

REPORT TO COUNCIL

SUBJECT

Discussion, Consideration, and Direction to Staff Regarding Actions to be Taken in Response to the Santa Clara County Civil Grand Jury Report Entitled "Irreconcilable Differences: Santa Clara City Council"

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

On June 12, 2024, the Santa Clara County Civil Grand Jury published a report entitled "Irreconcilable Differences: Santa Clara City Council" (Civil Grand Jury report) (Attachment 1). The Civil Grand Jury report includes various findings and recommendations. California Penal Code section 933(c) requires that a governing body of the particular public agency or department that has been the subject of a Civil Grand Jury final report to respond within 90 days on the specified findings and recommendations pertaining to matters under the control of the governing body.

On June 18, 2024, the City Clerk's Office received a Council Written Petition (Council Policy 030) from Mayor Gillmor and Councilmember Watanabe requesting an item be placed on a future Council agenda regarding the Santa Clara County Civil Grand Jury Report Titled "Irreconcilable Differences: Santa Clara City Council" for a public discussion on the Civil Grand Jury report, the findings, and possible Council actions (Attachment 2). That item was agendized to be heard at the June 25, 2024 Council meeting. At that meeting, the Council unanimously approved the matter to be agendized for the July 9, 2024 City Council meeting.

This report presents the Civil Grand Jury's findings and recommendations and solicits Council input on the desired process for providing the City's response. The City's responses on the Civil Grand Jury report findings and recommendations are due to the office of the Honorable Beth McGowan, Presiding Judge, Superior Court of California, County of Santa Clara by September 10, 2024. Individual Councilmembers also received the Civil Grand Jury report with request for their response to certain findings and recommendations by August 12, 2024.

DISCUSSION

The Civil Grand Jury report made various findings and recommendations; however, only specific findings and recommendations require the City's response. The report included a total of nine (9) findings and twenty-two (22) recommendations. Of these, the City, as an agency, has been directed to respond to eight (8) of the findings and nine (9) of the recommendations. Staff is currently seeking clarification from the Civil Grand Jury on whether Findings 1c and 2 and Recommendations 1b, 2a, 2b, and 2c are intended to be matters requiring City response as an agency, or if such findings and recommendations are more appropriate for individual responses by the individuals named therein.

A complete list of all findings and recommendations in the Civil Grand Jury's "Irreconcilable Differences: Santa Clara City Council" report can be found on pages 35-39 of the document, which is attached to this staff report (Attachment 1) and can also be found on the Civil Grand Jury's website: <https://santaclara.courts.ca.gov/system/files/civil/irreconcilable-differences-santa-clara-city-council-final.pdf>.

Civil Grand Jury Findings

The Civil Grand Jury report findings requiring a City response are as follows:

Finding 1a

The working relationships among Councilmembers and the Mayor are broken.

Finding 1b

Some Councilmembers do not adhere to the City's adopted ethical and behavioral standards while conducting City business on the dais.

Finding 1c

Councilmembers Becker and Park air petty grievances and engage in squabbles with other elected officials and constituents from the dais. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmembers that are referenced.)

Finding 2

Councilmembers Becker, Park, and Chahal do not understand and/or do not follow established parliamentary and meeting procedures. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmembers that are referenced.)

Finding 3

Some Councilmembers do not uphold their responsibility to conduct the City's business professionally and efficiently.

Finding 4

Some Councilmembers have become preoccupied by personal and political vendettas resulting in verbal attacks, mocking, and disparaging members of the public and community volunteers from the dais without consequence. Councilmembers have ignored the public's request to address their behaviors.

Finding 6

There has not been an employee satisfaction survey since 2019.

Finding 7

City staff is exceptionally professional, well prepared, and consistently maintains their composure regardless of behaviors exhibited by the Council. Staff's behavior is a model for the Council.

Response Standard for Findings

Penal Code Section 933.05(a) requires the responding entity to report one of the following actions for

each Civil Grand Jury finding:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

Civil Grand Jury Recommendations

The Civil Grand Jury recommendations requiring a City response are as follows:

Recommendation 1a

The City should hire a conflict resolution professional and adopt robust conflict resolution training strategies. This recommendation should be implemented by October 1, 2024.

Recommendation 1b

Councilmember Park should attend one-on-one conflict resolution training so he can learn to behave in a manner reflective of an elected official. This recommendation should be implemented by October 1, 2024. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmember that is referenced.)

Recommendation 2a

Councilmember Becker should pledge to attend trainings in parliamentary procedures so that his behavior is more reflective of an elected who is dedicated to the electorate. This recommendation should be implemented by October 1, 2024. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmember that is referenced.)

Recommendation 2b

Councilmember Park should pledge to attend trainings in parliamentary procedures so that his behavior is more reflective of an elected who is dedicated to the electorate. This recommendation should be implemented by October 1, 2024. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmember that is referenced.)

Recommendation 2c

Councilmember Chahal should pledge to attend trainings in parliamentary procedures, so he can demonstrate a better working knowledge of the parliamentary process. This recommendation should be implemented by October 1, 2024. (As noted above, City staff has contacted the Civil Grand Jury to confirm if this item is intended for the City as an agency or the individual Councilmember that is referenced.)

Recommendation 3

The City should adopt the formal resolution for Meeting Management Procedures developed and presented by staff to the Governance and Ethics Committee meeting on December 4, 2023. This resolution would tie meeting procedures to the City Code of Ethics and Values, and Behavioral Standards for Public Meetings, codify rules regarding respectful and professional language on the dais, and initiate more productive meetings to keep the Council and public focused on City business. This recommendation should be implemented by October 1, 2024.

Recommendation 4a

The City should establish an Independent Ethics Commission to oversee the behavior of Councilmembers and to ensure they model positive engagement with the public and reclaim the public's trust. This recommendation should be implemented by October 1, 2024, and should be ongoing.

Recommendation 4b

The City should hire an Independent Ethics professional and adopt robust ethics training strategies supported by policy. This recommendation should be implemented by October 1, 2024.

Recommendation 4c

All Councilmembers should participate in regular training and counseling with an established outside entity that specializes in government ethics to implement training seminars and workshops for Councilmembers to learn how to maintain collegiality on the dais by using proven techniques and best practices to avoid tense exchanges, bad behavior, misconduct, and incivility, and how the rest of the Council can positively influence the behaviors effectively. This recommendation should be implemented by October 1, 2024, and should be ongoing.

Recommendation 6

The City should conduct an annual employee satisfaction survey, administered by a third party, which can be answered anonymously. This recommendation should be implemented by October 1, 2024, and should occur annually.

Recommendation 7

The City should commend City staff for their exemplary work ethic and professionalism. This recommendation should be implemented by August 1, 2024.

Response Standard for Recommendations

Penal Code Section 933.05(b) requires the responding entity to report one of the following actions for each Civil Grand Jury recommendation:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe cannot exceed six months from the date of publication of the grand jury report.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

Process for Response

In 2022, the City Council had a duty to respond to two Santa Clara County Civil Grand Jury Reports entitled "If You Only Read the Ballot, You're Being Duped," dated October 7, 2022 and

“Unsportsmanlike Conduct: Santa Clara City Council,” dated October 10, 2022. The City's transmittal and response process for the two 2022 Grand Jury reports is described below:

- The two reports were transmitted to the City Council as part of the October 18, 2022 agenda.
- On November 16, 2022, the Council considered the October 10, 2022 Santa Clara County Civil Grand Jury Report, “Unsportsmanlike Conduct: Santa Clara City Council”, provided comments on Council-related findings and recommendations, and directed staff to prepare draft comments and responses on operation-related findings all of which to be brought back, working with the City Attorney’s Office, for timely Council approval.
- On December 8, 2022, the Council considered the draft comment for the “Unsportsmanlike Conduct: Santa Clara City Council” Civil Grand Jury report, provided direction on certain recommendations, approved the final version of the draft response, authorized the Mayor/Board Chair to submit the Council/Board’s response, subject only to technical, conforming, non-substantive modifications prepared by the City Attorney’s Office, to the Presiding Judge no later than January 9, 2023, and directed the inclusion of a cover memo to the Civil Grand Jury report response stating the decision was not unanimous.
- Separately, on December 8, 2022, the Council approved a draft response prepared by staff regarding operational matters to the Civil Grand Jury report entitled “If You Only Read the Ballot, You’re Being Duped.”

Now, with respect to the “Irreconcilable Differences: Santa Clara City Council” Civil Grand Jury report, staff is requesting that the Council provide direction on the process it would like to follow to develop the City’s required responses by September 10, 2024. Consistent with prior Council direction and input for Civil Grand Jury Reports, staff is prepared to draft an initial response to the Civil Grand Jury report for each item that relates to the City as an entity. We are prepared to bring the draft responses to the City Council for your review and possible approval at the August 20, 2024 Council Meeting or at a special meeting, if necessary based on the City Council’s business calendar and the extent of Council input received at the July 9 Council meeting.

FISCAL IMPACT

There is no fiscal impact associated with this report except for administrative time.

COORDINATION

This report was coordinated between the City Attorney and City Manager’s Offices.

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

Provide direction on the desired process to develop the City’s responses for the specified findings and recommendations outlined in the June 12, 2024 Santa Clara County Civil Grand Jury Report entitled “Irreconcilable Differences: Santa Clara City Council” in time to be submitted to the Civil Grand Jury by the required response date of September 10, 2024.

Reviewed and approved by: Jovan D. Grogan, City Manager and Glen R. Googins, City Attorney

ATTACHMENTS

1. Civil Grand Jury Report: "Irreconcilable Differences: Santa Clara City Council"
2. Mayor Gillmor and Councilmember Watanabe's June 18, 2024 Council Written Request



June 12, 2024

City of Santa Clara
c/o Mr. Hosam Haggag, City Clerk
1500 Warburton Avenue
Santa Clara, California 95050

Sent via email: Clerk@santacclaraca.gov

Dear Mr. Haggag:

The 2023-24 Santa Clara County Civil Grand Jury is transmitting to you its Final Report, *Irreconcilable Differences: Santa Clara City Council*.

California Penal Code section 933(c) requires that a governing body of the particular public agency or department that has been the subject of a Grand Jury final report shall respond within 90 days to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the governing body. California Penal Code section 933.05 contains guidelines for responses to Grand Jury findings and recommendations and is attached to this transmission.


Please note:

1. As stated in Penal Code section 933.05(a), attached, you are required to "Agree" or "Disagree" with each applicable Finding: 1a, 1b, 1c, 2, 3, 4, 6, 7. If you disagree, in whole or part, you must include an explanation of the reasons you disagree.
2. As stated in Penal Code section 933.05(b), attached, you are required to respond with one of four possible actions to each applicable Recommendation: 1a, 1b, 2, 3, 4a, 4b, 4c, 6, and 7.

Your comments are due to the office of the Honorable Beth McGowen, 2023-24 Presiding Judge, Superior Court of California, County of Santa Clara, 191 North First Street, San José, CA 95113, no later than **September 10, 2024**. You may transmit these via email to CGJ@sccourt.org. Copies of all responses shall be placed on file with the Clerk of the Court.

If you have any questions, please contact Britney Huelbig, Deputy Manager for the Civil Grand Jury, at (408) 882-2721 or CGJ@sccourt.org.

Sincerely,


Karen Enzensperger
Foreperson
2023-24 Civil Grand Jury

Enclosures

cc: Nora Pimentel, Assistant City Clerk, City of Santa Clara

California Statutes Annotated - 2018

West's Annotated California Codes

Penal Code ([Refs & Annos](#))

Part 2. Of Criminal Procedure ([Refs & Annos](#))

Title 4. Grand Jury Proceedings ([Refs & Annos](#))

Chapter 3. Powers and Duties of Grand Jury ([Refs & Annos](#))

Article 2. Investigation of County, City, and District Affairs ([Refs & Annos](#))

West's Ann.Cal.Penal Code § 933.05

§ 933.05. Responses to findings

[Currentness](#)

(a) For purposes of [subdivision \(b\) of Section 933](#), as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of [subdivision \(b\) of Section 933](#), as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall

respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

Credits

(Added by [Stats.1996, c. 1170 \(S.B.1457\)](#), § 1. Amended by [Stats.1997, c. 443 \(A.B.829\)](#), § 5.)

HISTORICAL AND STATUTORY NOTES

2008 Main Volume

[Stats.1997, c. 443 \(A.B.829\)](#), in subds. (a) and (b), in the introductory paragraphs, substituted “(b)” for “(c)”; in subd. (b)(3), substituted “head” for “director”; in subd. (c), inserted “agency or” throughout; inserted subd. (e), relating to investigations and meetings with the grand jury; and, in subd. (f), substituted “presiding” for “supervising”.

CROSS REFERENCES

Grand jury defined, see [Penal Code § 888](#).

Words and phrases, “county”, see [Penal Code § 691](#).

RESEARCH REFERENCES

Encyclopedias

[Cal. Jur. 3d Criminal Law: Pretrial Proceedings § 716](#), Recommendations and Reporting.

[Cal. Jur. 3d Criminal Law: Pretrial Proceedings § 717](#), Responses to Findings.

Treatises and Practice Aids

[Witkin, California Criminal Law 4th Introduction to Criminal Procedure § 43](#), Reports.

West's Ann. Cal. Penal Code § 933.05, CA PENAL § 933.05

Current with all 2017 Reg.Sess. laws.

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IRRECONCILABLE DIFFERENCES: Santa Clara City Council



2023-2024 Santa Clara County
Civil Grand Jury

June 12, 2024

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CONFLICTS

Members of the Civil Grand Jury are conflicted from a Civil Grand Jury investigation if, as a result of prior or current employment or associations, investment in public or private enterprise, financial interest, bias, or personal relationship, they are subject to recusal from participating in a matter before the Civil Grand Jury. Two jurors recused themselves from this matter.

GLOSSARY AND ABBREVIATIONS

AB 1234	Enabling legislation enacting California Government Code section 53235 requiring that if a local agency gives any type of compensation, salary, or stipend to, or reimburses the expenses of a member of its “legislative body” (as defined in California Government Code section 54952), that local agency's officials must receive two hours of training in ethics every two years.
At-Large Election	A type of election where a public official is chosen from a larger election district (city) instead of a smaller subdistrict within that city.
Brown Act	The Ralph M. Brown Act (California Government Code section 54950, et seq.) governs meetings conducted by local legislative bodies, such as boards of supervisors, city councils, and school boards.
California Fair Political Practices Commission (FPPC)	The state commission responsible for the impartial administration and enforcement of the Political Reform Act, as well as informing and assisting public officials, employees, and candidates to comply with its provisions.
City Charter	In cities where the citizens have elected to have a charter (known as charter cities), including the City of Santa Clara, the legal document that establishes the government structure of the city and defines boundaries, specific powers, functions, essential procedures, and legal control.

IRRECONCILABLE DIFFERENCES

Commissions

Bodies made up of appointed members who are usually qualified electors in the City of Santa Clara, but do not hold any paid office or employment in City government, unless otherwise noted in the City Charter. They act in an advisory capacity to the City Council, providing a conduit for community input on a variety of issues and matters affecting City residents.

Committees

Bodies typically comprised of appointed Councilmembers, City staff, and partners that serve as an advisory body to the Santa Clara City Council.

Institute for Local Government (ILG)

A nonprofit organization that promotes cooperation among local cities and counties, and provides education and support for local government leaders.

Joint Powers Agreement

A contract between two or more public agencies, such as a city, county, school district, or special district (e.g., a municipal utility authority), which allows the agencies to cooperatively provide services or exercise shared powers outside each agency's normal jurisdiction. In the case of the Santa Clara Stadium Authority this agreement created a separate governmental entity.

League of California Cities (League of Cities)

An advocacy group for local government that offers education and training programs designed to provide California city officials with the information, training, and resources necessary to effectively run a municipality.

ManCo

Forty Niners Stadium Management Company LLC, an affiliate of the Forty Niners Santa Clara Stadium Company LLC; manages Stadium operations and books non-NFL events.

IRRECONCILABLE DIFFERENCES

Measure J

Santa Clara Stadium Taxpayer Protection and Economic Progress Act, passed by the voters of the City of Santa Clara in June 2010. The measure altered the City of Santa Clara charter and created the Santa Clara Stadium Authority.

Performance Rent

The City's portion of the revenue-share arrangement that is derived from non-NFL events held at the Stadium after expenses are accounted for.

Political Action Committee (PAC)

A body organized for the purpose of raising and spending money to elect or defeat candidates, or support or oppose ballot initiatives or measures. Most PACs represent business, labor, or ideological interests.

Political Reform Act

California Government Code section 81000, et seq. governs the disclosure of political campaign contributions, spending by candidates, and ballot measure committees. It also sets ethics rules for state and local government officials that impose strict limits on decisions or votes that affect the official's financial interests. The Political Reform Act of 1974 also regulates lobbyists' financial disclosure and lobbying practices.

SUMMARY

The 2023-24 Santa Clara County Civil Grand Jury (Civil Grand Jury) received multiple complaints concerning the unprofessional and antagonistic behavior of specific members of the Santa Clara City Council (Council) during public meetings.

The Civil Grand Jury found that councilmembers' behaviors reflect deep divisions, rivalry, and routine disrespect among the Mayor and Councilmembers and towards other City of Santa Clara (City) elected officials. In addition, several Councilmembers have turned public meetings into spectacles by displaying abusive and belittling behavior from the dais towards members of the public; by political grandstanding, pontificating, and digressing from City business; by exhibiting a serious misunderstanding of parliamentary procedures; and by performing outlandish antics, such as reading from a satirical cartoon book. All of these behaviors contribute to lengthy public meetings, waste staff time, hurt morale, and discourage volunteerism and public engagement.

The broken relationships among the members of the Council and the inability of Councilmembers to work together as a cohesive group have undermined the effective governance of the City. In this atmosphere, Councilmembers cannot effectively lead the community they were elected to serve. With \$600 million in unfunded infrastructure needs and fiscal year 2024-2025 projected deficits ranging from \$6 million to \$19.3 million annually, it is imperative that the Council collaborate to solve the City's problems (City of Santa Clara, April 29, 2024).

BACKGROUND

City of Santa Clara

The City is a diverse community of more than 129,000 residents and has its own municipal electric utility, a 70,000-seat-capacity National Football League (NFL) stadium, a world-famous swim center, a convention center, a university, a community college, and an array of high-tech and Fortune 500 companies. The City is relatively small and yet has the benefit, as well as the associated costs and responsibilities, of these amenities that many larger cities do not have. It is a charter city, meaning it abides by the laws of its City Charter, a document adopted by voters, which outlines how it is governed. Any changes to the City Charter also require voter approval. This form of government allows a city to tailor its organization and elective offices by taking into account the unique local conditions and needs of the community.

Council Manager Form of Governance

The City Charter provides for a “Council Manager” form of government, meaning that the operational responsibilities assigned to the City Manager are separated from the governance and oversight responsibilities assigned to the Mayor and Councilmembers (City Charter, Section 500). The government structure consists of an elected at-large Mayor, six elected Councilmembers who represent six distinct geographical districts, and an appointed City Manager (City Charter, Sections 600; 700.1; 800). The Mayor is recognized as the presiding officer of all council meetings and is the ceremonial head of the City (City Charter, Section 704.3). The vice mayorship rotates among the Councilmembers on an annual basis. In addition, the City has an elected City Clerk, and it is the last in California to have an elected Police Chief. Oversight of the Mayor, Councilmembers, City Clerk, and Police Chief comes from the voters. The Council Manager form of governance is depicted in Figure 1.

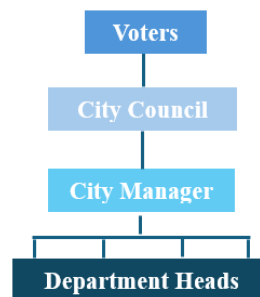


Figure 1: Council Manager Form of Governance

IRRECONCILABLE DIFFERENCES

A current list of City Councilmembers, their districts, and their terms, is depicted in Figure 2.

Councilmember	District	First Elected	Term Expires
Kathy Watanabe	1	November, 2016	2024
Raj Chahal	2	November, 2018	2026
Karen Hardy	3	November, 2018	2026
Kevin Park	4	November, 2020	2024
Sudhanshu “Suds” Jain	5	November, 2020	2024
Anthony Becker	6	November, 2020	2024
Lisa Gillmor	Mayor	November, 2018	2026

Figure 2: Current Councilmember Terms

The City Manager serves as “the chief administrative officer and the head of the administrative branch of the City government” (Santa Clara City Code § 2.15.020). The City Manager prepares and administers the annual budget, and prepares and submits an end-of-fiscal-year report on the finances and administrative activities of the City. The City Manager’s powers and duties include having executive direction over the heads of all departments and the power to appoint and remove department heads. Additionally, the City Manager has the power to initiate investigations into the affairs of the City. The City Manager does not have oversight over elected officeholders or Council appointees, although they may hire a third party to investigate alleged illegal behaviors (Santa Clara City Code § 2.15.020).

The City Attorney is appointed by the Council and their duties and powers are to “represent and advise the City Council and all City officers in all matters of law pertaining to their offices” (City Charter, Section 908). As appointees, both the City Manager and the City Attorney serve at the pleasure of the Council, meaning they may be dismissed by a majority vote without cause.

Santa Clara Stadium Authority and Measure J

The Santa Clara Stadium Authority (Stadium Authority) came into existence when the City created a Joint Powers Authority pursuant to voter approval of Measure J in 2010. According to its website, the Stadium Authority “exists as a public body, separate and distinct from the City, and was established to provide for the development and operation of Levi’s Stadium” and it “is structured so that the City is not liable for the debts or obligations of the Stadium Authority” (City of Santa Clara, January 29, 2024). The Mayor and Councilmembers serve as the governing board of the Stadium Authority, with the Mayor serving as chair. Officers of the Stadium Authority include the

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City Manager, who serves as its executive director; the City Attorney, who serves as general counsel; and the City's Finance Director, who serves as treasurer. The Stadium Authority owns Levi's Stadium (Stadium) and the Stadium Authority Board (Board) and officers oversee and are responsible for its management, operations, and fiscal administration.

The Stadium and the promise of Measure J were alluring to residents and City leaders, due to the perceived benefits the Stadium would bring. The measure passed with 58% of the vote, and the San Francisco 49ers Football Company LLC (the 49ers) spent close to \$4 million to support the measure. Measure J's stated intent was to "safeguard the City's general and enterprise funds and protect City taxpayers" (County of Santa Clara, 2010). In addition, City leaders anticipated that new revenue would be generated for the City's General Fund, new jobs would be created, and there would be dedicated community funding. Whether or not the promise has been fulfilled has come up repeatedly in heated debate at City Council meetings and many attribute the root cause of the dysfunction on the dais to these disagreements and the 49ers' involvement in local politics. According to Fair Political Practices Commission (FPPC) Campaign Disclosure Statements Forms, DeBartolo Corporation & Affiliated Entities, including the Forty Niners Football Company LLC, spent over \$4.5 million on the 2022 Santa Clara election. According to the City's Public Portal for Campaign Finance Disclosure and Lobbyist Filings, contributions to independent Political Action Committees (PAC) as of January 31, 2023, were as follows:

- For Councilmember Anthony Becker, mayoral campaign: Over \$1.5 million.
- For Councilmember Raj Chahal: Over \$620,000 and over \$375,000 against Chahal's opponent.
- For Councilmember Karen Hardy: Over \$610,000 and over \$420,000 against her opponent.
- Against Mayor Lisa Gillmor: Over \$1 million. (City of Santa Clara, 2024)

Three 49er-sponsored PACs which supported Anthony Becker, Raj Chahal, and Karen Hardy were established on September 1, 2022. Two days after a contentious August 30, 2022, closed session vote that approved a 49er-initiated settlement agreement with the Stadium Authority, over \$804,000 was deposited immediately into those accounts. Three more 49ers-sponsored PACs were established within the following two weeks of the settlement vote. The latter three PACs opposed the candidates running against Anthony Becker, Raj Chahal, and Karen Hardy. PAC information and figures can be found on the City of Santa Clara Public Portal for Campaign Finance Disclosure and Lobbyist Filings. The [website](#) is clickable and searchable.

Unsportsmanlike Conduct: Santa Clara City Council

In the 2022 Santa Clara County Civil Grand Jury (2022 Civil Grand Jury) Final Report "Unsportsmanlike Conduct: Santa Clara City Council" (see [2022 Final Report](#)), the 2022 Civil Grand Jury found the appearance of a lack of transparency, unethical behavior, and a lack of fiduciary responsibility regarding the Stadium by five Councilmembers (City Council Voting

Bloc). The Report found that Council meetings had “repeated instances of councilmembers behaving acrimoniously and disrespectfully toward each other, City staff, and the public.” Furthermore, it stated, “the actions and inaction of certain councilmembers are not consistent with the duties owed to the constituents they were elected to serve, causing severe dysfunction in the City governance” (Civil Grand Jury, 2022).

The 2022 Civil Grand Jury also found that even though the City had a Government and Ethics Committee made up of Councilmembers, the committee had not met for an entire year and no enforcement mechanism of the City’s ethics guidelines existed other than self-policing. Additionally, the Report stated that Councilmembers had voted in a closed session to end a third-party investigation into themselves. The Report recommended that the City create a procedure that would enable public participation in remediating ethics violations by the Council, and also recommended the creation of an independent Public Ethics Commission.

The Council’s official response to the Report, dated January 4, 2023, agreed “that it must confront its political turmoil, including mending strained relationships among Council/Board Members” (see [Response from the City of Santa Clara](#)). The response went on to state that the City did not need an independent ethics commission because a Council Governance and Ethics Committee already existed.

In April 2023, Councilmember Anthony Becker was indicted by a Santa Clara County Criminal Grand Jury for allegedly leaking the 2022 Civil Grand Jury Report to the 49ers before its official release and for allegedly lying about it to the 2022 Civil Grand Jury. Count 1 of the indictment alleges that Councilmember Becker committed perjury and willfully failed “to maintain the confidentiality of the draft grand jury report provided to him on or about October 5, 2022, by disclosing the contents of the confidential draft civil grand jury report ‘Unsportsmanlike Conduct: Santa Clara City Council’ to Rahul Chandhok and reporter(s) and/or editor(s) of the Silicon Valley Voice prior to the grand jury report’s scheduled public release on October 10, 2022” (People v. Becker, 2023). Criminal Grand Jury transcripts show that Councilmember Jain and a member of the 49ers organization testified that Councilmember Becker leaked the report. As of this writing, Councilmember Becker is still awaiting trial.

Ethics, Public Trust, and Good Governance

City of Santa Clara Ethics and Values Program

“Ethics laws are designed to preserve the public’s trust in its public institutions and those who serve in them by setting a framework to guide conduct and behavior” (Institute for Local Government, 2016).

Beginning in 2000, and after working closely with the Santa Clara University Markkula Center for Applied Ethics, the City created a City Ethics and Values Program which included an Ethics and

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Values code and a list of Behavioral Standards for City Councilmembers. This award-winning value-based code was used as a model for many agencies throughout the State of California. Its goals were twofold:

1. To make Santa Clara a better community, built on mutual respect and trust.
2. To promote and maintain the highest standards of personal and professional conduct among all involved in City government elected officials, City staff, volunteers, and members of the City's boards, commissions, and committees. (City of Santa Clara, March 22, 2019)

As part of the Ethics and Values Program, every Council meeting begins with a reading of its Statement of Behavioral Standards (see [Appendix 1](#)) by the Assistant City Clerk, which reads as follows:

The City of Santa Clara has adopted a Code of Ethics and Values, and Behavioral Standards for Public Meetings to promote and maintain the highest levels of conduct. This includes mutual respect, robust discussion, and allowing City business to be done in an efficient and consistent manner. Please note that, as the presiding officer, the Mayor's direction in matters of process and decorum should be followed, and that use of the gavel indicates all conversations must conclude and everyone in attendance should come to order and attention. Welcome, and thank you for your participation.

The City's use of values as guidelines for public service has, in the past, received national attention and become a model for other communities wanting to codify ethics into municipal government.

Good Governance

In addition to the detailed Ethics and Values code, Councilmembers have a Council Policy Manual (Policy Manual) and the Santa Clara City Code (City Code) to guide their behavior and define their roles and duties.

Other well-known guides for best practices and professional behavior include the League of California Cities (League of Cities) and the Institute for Local Government (ILG). The League of Cities and the ILG work with municipalities to train government leaders in effective and successful governance. Nearly every city in California, including Santa Clara, belongs to the League of Cities. Among the League of Cities' core beliefs is that "ethical and well-informed city officials are essential for responsive, visionary leadership and effective and efficient city operations, and that conducting the business of government must be done with transparency, openness, respect, and civility" (League of California Cities, n.d.). The ILG states that "[c]ollaboration among elected bodies and between individual members takes effort. Finding common ground and cultivating respectful relationships early on can make for a more civil and effective governing body" (Institute for Local Government, 2015).

Both the League of Cities and the ILG provide information, training, and resources for elected officials and their staff to ensure public trust through effective and ethical collaboration. The

resources from the League of Cities are even included in the orientation packets of incoming Santa Clara City Councilmembers.

Brown Act and Robert's Rules of Order

In addition to those described above, two other important resources direct behavior and governance, and specifically guide public meetings: The Ralph M. Brown Act and Robert's Rules of Order. The Ralph M. Brown Act (Cal. Gov. Code section 54950 et seq.) governs all public meetings and ensures the public's right to attend and participate in them. Robert's Rules of Order is a manual of parliamentary procedures used by jurisdictions throughout the United States as an agreed-upon guide for conducting public meetings. All Santa Clara City Council, commission, and committee meetings are conducted and facilitated by using Robert's Rules of Order, which uses an established set of codes and rules of ethics that help organized bodies hold orderly and efficient meetings (Santa Clara City Code § 2.10.020). It allows the majority to rule while giving the minority a voice. It is the standard for facilitating discussions and group decision-making. Every incoming City Councilmember receives information about Robert's Rules of Order as part of their onboarding.

California Public Records Act

The California Public Records Act (Cal. Gov. Code section 7920.000 et seq.) defines "public records" as "any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics." (Gov. Code § 7920.530(a).) It further defines "writing" as meaning "any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored." (Gov. Code § 7920.545.) The public can inspect or receive a copy of any of these records unless the record is exempt from disclosure. (Gov. Code § 7922.000.) Documents sought under the California Public Records Act are commonly referred to as PRA requests.

California Fair Political Practices Commission

The FPPC is an independent five-member body whose primary responsibility is for the administration of the Political Reform Act. The Act, passed in 1974 by California voters, "regulates campaign financing, conflicts of interest, lobbying, and governmental ethics" (California Fair Political Practices Commission, 2022). The FPPC website goes on to acknowledge that "enforcement matters now frequently take several years to come to resolution, oftentimes not until after a respondent has been reelected to the office they held at the time a complaint was filed or out of office entirely." Anyone who suspects a violation of the Political Reform Act can file a complaint with the FPPC.

METHODOLOGY

The Civil Grand Jury conducted more than 40 interviews and watched over 400 hours of Council, committee, and commission meetings from January 2020 to May 2024, via video and in person.

Additionally, the Civil Grand Jury read and reviewed:

- The City Charter and Ordinance Code.
- The City's Ethics and Values Program.
- The Council Policy Manual.
- Measure J.
- Testimony from the Criminal Grand Jury proceedings conducted in 2023.
- City Council meeting agenda packets.
- Audit reports.
- City and Stadium Authority budgets.
- Stadium contracts.
- Litigation documents.
- City emails.
- City staff reports.
- Various documents supplied by the City.

The Civil Grand Jury used these sources of information to analyze facts, and develop findings and recommendations for this report.

INVESTIGATION

In April 2024, the City commissioned a survey of 400 likely voters to determine residents' appetite for a future bond ballot measure. One of the questions asked was whether the City was moving in the right or wrong direction. Figure 3 shows the results of that survey and the results of a similar survey that asked the identical question in June 2018. Both surveys had the same methodology. In 2018, 63% of individuals surveyed believed the City was moving in the right direction. A few years later, in 2024, only 40% of those surveyed indicated satisfaction with the direction that the City has taken, representing a 23% drop.



Figure 3: June 2018 and April 2024 Survey Responses of Likely Voters in the City As Reported by the City of Santa Clara

Much has occurred between those years, including a worldwide pandemic and political upheaval on the national level. Civil discourse has deteriorated on all levels, and it is demoralizing. Therefore, it is more important than ever that local elected officials set a positive example and comport themselves with dignity, professionalism, and mutual respect. Since the first survey was conducted in June 2018, the makeup of the Council also changed with the addition of five new members. The investigation portion of this report details the behavior of Councilmembers as witnessed on the dais.

Behavior on the Dais

Meetings

Council meetings occur on Tuesdays at least two times per month. They are streamed live, video recorded, and available for viewing on multiple platforms (City of Santa Clara, April 27, 2023). Council meetings are called City Council and Stadium Authority meetings because both City business and Stadium Authority business are agendaized for these meetings. Managing a City, a City-owned utility and a City-owned stadium is similar to managing three large corporations, which means lengthy and highly complex meeting agendas. In order to complete all necessary business, Council meetings must proceed in an efficient, professional, and cordial manner. Among the Mayor's responsibilities as the chair is ensuring that Councilmembers have a chance to voice their opinions, facilitate pertinent discussion, maintain order, and, if necessary, restore order.

"This is my first time to a city council meeting. I don't see any communication amongst councilmembers here, I just see griping and bickering."

- City Council Meeting Public Comment, 6/6/23

As noted previously, specific parliamentary rules apply to every part of a public meeting, including how and when items are to be discussed, by whom, and in what order. Rules apply to how to deliberate, when to stop a discussion, and how to take a vote. Under the Brown Act, Councilmembers may discuss and deliberate only about items that are already on the meeting agenda. There are two different mechanisms for the public to speak at Council meetings. Members of the public may speak about any topic for an allotted time during public presentations and they may also speak for an allotted time about items that are specifically on the agenda. Councilmembers should not discuss or deliberate about topics that the public brings up during public presentations because they are not on the agenda. Councilmembers may acknowledge the comments briefly and direct staff to address or agendaize the topics for a later date. (Gov. Code §54954.2(a)(3).) The Brown Act and variants of parliamentary procedures, such as Robert's Rules of Order, are followed by every public body in California and are necessary to ensure fairness, equity, and order.

In watching more than three years of online and in-person meetings, the Civil Grand Jury witnessed various Councilmembers consistently displaying unprofessional behavior towards each other and the Mayor while on the dais. Councilmembers have used the dais for political grandstanding, long off-topic monologues, and personal insults, such as accusations of lying. Councilmembers violate rules of order at almost every Council meeting. Additionally, there are smaller inappropriate actions that also serve to undermine the seriousness of meetings, such as eye-rolling when the Mayor or members of the public speak, and Councilmembers laughing at the antics and rude behavior of some of their colleagues. The totality of these observed behaviors in addition to a

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general lack of collegiality visible on the dais inhibits good governance. (See Summary of Council Behaviors, [Appendix 2](#), Items 2, 10, 14.)

“Some of the councilmembers need to get over themselves and start focusing on what's really important. Letterhead is not important. This project is really important, as Santa Clara residents are really looking forward it.”

- City Council Meeting
Public Comment, 7/11/23

The Mayor serves as the ceremonial head of the City and the presiding officer of Council meetings. At the October 4, 2022, meeting, Councilmembers spent almost two hours deliberating the authority of the Mayor to send a letter on City letterhead without their prior knowledge and consent (see [Appendix 2](#), Item 4). The Charter makes clear that the Mayor has broad powers to communicate the City's position on various matters (City Charter, Section 704.3). The interim City Attorney, the acting City Manager, and the Assistant City Manager confirmed at the beginning of the discussion that the content of the letter was consistent with Council policy, that the City Attorney had no legal concerns, and that the Mayor was within her authority to issue the letter. Councilmembers continued complaining, ignoring the explanations of the City's professional staff, and continued going off-topic. The discussion finally ended after members of the public

started calling in to protest that Councilmembers were wasting time.

In addition to disrespecting the position of the Mayor, Councilmembers consistently challenge her authority as chair of City Council meetings (see [Appendix 2](#), Item 15). The Civil Grand Jury learned that, although Councilmembers understand the meaning and function of the gavel, Councilmember Becker and Councilmember Park repeatedly ignore the gavel when they have determined they want to speak more frequently or for a longer period. At one Council meeting, Councilmember Becker was gaveled multiple times and stopped speaking only after the Mayor stopped the proceedings and instructed the Assistant City Clerk to read aloud the City's adopted procedure regarding the use of the gavel (see [Appendix 2](#), Item 8).

Councilmembers also disregard rules on when it is appropriate to speak (see [Appendix 2](#), Item 7, Item 13). Specifically, Councilmember Park regularly insists on speaking at length after public presentations about items that are not on the agenda. Furthermore, he frequently tries to interrupt votes in progress by speaking after the discussion has been closed, a breach of established parliamentary procedure. Councilmember Becker consistently makes motions before agenda items have been discussed or deliberated. When this occurs, other Councilmembers are forced to discuss the specific motion or amendment, as opposed to having a thorough discussion and deliberation about the agenda item, and then crafting policy and voting on it. This gives control of the discussion to the motion maker.

Frequently, Councilmembers grandstand and talk about personal issues that have nothing to do with City or Stadium business. Sometimes the topics concern political grievances or events that

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happened years before. For example, when disagreements about the Stadium come up for discussion, Councilmembers frequently mention who supported or opposed the Stadium before it was built over 10 years ago, instead of concentrating on the Stadium item of business that is before them at the moment. This behavior on the dais diverts focus from real City business and unnecessarily prolongs meetings, which often end between 11 p.m. and 12:30 a.m. Needlessly long meetings greatly impact staff who must attend Council meetings and discourage public participation because the meetings go into the night when most people are asleep.

Personal Attacks

The Civil Grand Jury viewed many instances of personal attacks by Councilmembers against each other, against the two other elected City officials—the City Clerk and the Police Chief—and even

“If we can't work together, we can't make anything work.”

- City Council
Meeting Public
Comment,
12/12/23

against volunteers and members of the public (see [Appendix 2](#), Item 1).

One of the most egregious examples of a personal attack against a member of the public occurred at the February 7, 2023, Council meeting. The attack was directed towards a local City of Santa Clara business owner, who has worked with the Mayor on promoting worker cooperatives in the City. Additionally, the business owner frequently attends Council meetings and has been an outspoken critic of the behavior of Councilmembers Park and Becker. At the Council meeting, Councilmember Park, who was chairing the meeting due to the Mayor's absence, noted that the local business owner was in the audience and then proceeded to read aloud from the cartoon book *All My Friends Are Dead* (see [Appendix 2](#), Item 5). He had modified the title to *All My Friends Are Termed Out*, and he continued to repeat that phrase multiple times. The comments referenced the fact that the Mayor

will be terming out in 2026 and cannot seek re-election as mayor. The display was an attempt to ridicule and intimidate the business owner. Furthermore, during the reading, both Councilmember Becker and Councilmember Hardy can be seen snickering at Councilmember Park's behavior. This was not the first time that Councilmember Park had singled out and ridiculed this individual. It had even occurred earlier that evening after the business owner had spoken regarding an agendized business item. In fact, there are numerous instances at City Council meetings during which both Councilmembers Becker and Park participate in such behavior.

Another example occurred at the June 6, 2023, Council meeting. While commenting on whether the position of Chief of Police should be elected or appointed, Councilmember Park accused the Police Chief, his wife, and their children of profiting from their involvement in a nonprofit organization. He implied and alleged improprieties and illegal acts (see [Appendix 2](#), Item 11). As a result, the Chief's wife and the president of the non-profit organization attended a subsequent meeting to defend their reputations and to explain the transparency rules and requirements of the organization. The dais is not the appropriate venue for making allegations of illegal behavior. It is

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never appropriate, civil, or principled to make personal attacks against family members of any elected officials.

At numerous meetings throughout 2023, Councilmember Becker made angry and derogatory attacks from the dais against a City Commissioner who had criticized the Councilmember on a local news blog (see [Appendix 2](#), Item 9). Dozens of residents, including fellow Commissioners and colleagues, came to Council meetings to speak publicly to defend the Commissioner, who had been an active City volunteer for decades and who had positively impacted and mentored many children in the community. At the June 6, 2023, Council meeting, a fellow Commissioner summed up the problem with Councilmember Becker's actions as follows:

[the commissioner]...is now being persecuted in this manner. It makes me think that my volunteer work can be scrutinized at a level like this when you have better work to do. So, I would very much like to discourage the removal of a commission member because you don't like what they say. That's schoolyard play, Ok, and I want to be better than that and I want to believe Santa Clara is better than that honestly. It would make me rethink my position on the council [as a commissioner] if our words were used to take us out of volunteer positions.

The Mayor recognized the public speakers and spoke up to defend the Commissioner's reappointment, but Councilmember Becker and others blocked the reappointment multiple times; Councilmembers Becker, Hardy, and Park voted "no," and Councilmember Chahal abstained. Councilmember Chahal did not explain the abstention; it was used as a "no" vote. When asked by the Mayor to state the reason for rejecting the reappointment, none of the Councilmembers who voted against or abstained from the reappointment specified any criteria that the Commissioner had failed to meet in his position that would warrant his not being reappointed. Councilmember Becker, in a deliberate disregard for professional behavior, refused to look at the Mayor or respond in a civil manner, leaving the audience visibly frustrated and angry.

Councilmember Chahal's abstention appears to be a deliberately orchestrated pattern of using abstentions without giving a reason. Abstentions are different from recusals, which require a legal basis and are determined prior to discussion beginning on an agenda item in consultation with the City Attorney. An announcement is made before discussion begins and the recused councilmember must leave the chamber. For an abstention, a councilmember may participate in a discussion and then can choose to abstain only from the actual vote. When an official recuses, because the recusal has a legal basis, the official does not count toward quorum for the item. But when the official abstains, they still count toward quorum, and this disrupts the voting tally and record-keeping. Councilmember Chahal has stated publicly that abstaining without giving the public a reason is legal; the Civil Grand Jury recognizes that this is correct, but frequent abstentions are not an ethical or recommended best practice for elected officials. As stated by ILG:

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Responsibility is a key component of ethical behavior. Attending and being prepared for meetings is a major element of an elected official's responsibilities and, hence, ethical behavior. So is voting in general. It may be tempting to abstain because of concerns about making an unpopular decision or simply not knowing which decision is best. As hard as some decisions are, making decisions is what you were elected to do. It is manifestly unfair – and unethical – to abstain or otherwise put your colleagues in the position of taking the heat for a necessary but unpopular decision. (Institute for Local Government, 2002)

Training materials given to Councilmembers explicitly state that removal of Commissioners should be based on professional criteria and not due to personal grudges (see [Appendix 3](#)):

But City Commission members do not report to individual Council Members, nor should Council Members feel they have the power or right to threaten City Commission members with removal if they disagree about an issue. Appointment and re-appointment to a City Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A City Commission appointment should not be used as a political 'reward.' Concerns about an individual City Commission member should be discussed with the Mayor. (Hamilton, 2024)

The Civil Grand Jury recognizes that commissioners serve at will and that the City Charter allows the Council to remove commissioners without cause. However, Policy 032 of the Policy Manual, "Review of Concerns Complaints Regarding City Board/Commissions," outlines a process and guidelines that are consistent with the City's Code of Ethics and Values, which provide optional courses of action, and ensure fairness and respect (see [Appendix 4](#)). Although the incident in question was a refusal to reappoint and not a removal, best practices dictate that Council Policy Manual procedures and the Code of Ethics should have been followed.

Councilmembers are in a position of authority and the dais they sit on is literally raised above the rest of the chamber. They have the power to affect people's daily lives in impactful and consequential ways, including staff, residents, and business owners. Personal attacks from the dais by councilmembers contradict every ethics and government resource and training document

available to City officials (see [Appendix 2](#), Item 6). Such behavior goes against best practices for good governance. Furthermore, open and transparent government depends on volunteer and constituent engagement. The actions described above can have a chilling effect on a City's ability to attract volunteers, employees, and businesses.

"I wish you folks could get along."

- City Council Meeting Public
Comment, 7/11/23

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Lack of Preparedness

Councilmembers receive the agenda packet for upcoming Council meetings the Friday preceding the Tuesday Council meeting; similar to the timeline followed by other public agencies. The City Manager makes themselves available to meet with each Councilmember before each meeting to review the agenda and materials included in the agenda packet, and to answer questions so that Councilmembers can prepare and be ready to discuss, deliberate, and make decisions regarding the City's business. Additionally, Councilmembers may reach out to the City Manager via email or meet with the City Attorney.

As noted before, the City is complex and requires a good working knowledge of all of the intricacies of City operations and functions. Therefore, it is critical that Councilmembers read and thoroughly comprehend Council agendas in order to make logical and informed decisions that significantly impact residents and local businesses. The Civil Grand Jury learned that not all of the Councilmembers read their agenda packets, nor do they meet regularly with the City Manager. This lack of preparedness can be observed at meetings.

At the August 30, 2022, meeting, during which the Mayor was recused, and Councilmember Chahal was absent, Councilmembers, with the exception of Councilmember Watanabe, showed such confusion during their deliberations about what they were voting for, and about the process, that they were unable to decide on any of the four financial options presented by City staff and residents. The discussion was regarding the replacement of a collapsed concrete wall that had been damaged by City trees. Homeowners asked the Council to take partial financial responsibility for the project, but Councilmembers were reluctant to assist the residents (see [Appendix 2](#), Item 3). Public documents show that staff had worked with residents for over a year to develop and research options that could be presented to the Councilmembers. After hours of discussion and debate, the acting City Manager and interim City Attorney instructed the residents to file a claim with the City. The lack of preparation and inability of Councilmembers to collaborate and make a decision squandered staff time, wasted residents' time, and ultimately cost the City more money since the settlement sum was higher than some of the original options Councilmembers had to choose from.

At the August 22, 2023, meeting, the Council considered a General Plan amendment during a public hearing. After lengthy public comments, Council deliberation resulted in Councilmember Becker trying to negotiate from the dais with the applicant. He insisted the applicant change the scope of the project on the spot; giving the applicant only five minutes to decide. The applicant explained that they had worked on the development plans for over two years and that they could not decide on significant changes in such a short amount of time. Councilmember Park, who was chairing the meeting, displayed general confusion about the proposed motions and required detailed guidance from staff. The item was finally voted on at nearly 2:00 a.m. Once a development project is in front of the Council, significant time and money has been spent by both City staff and the applicant. Fundamental changes to the scope of a development project should have occurred earlier in the process and not during the public hearing. This behavior reflects a lack of

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preparedness and a serious lack of understanding of the Council's role in the legislative process (see [Appendix 2](#), Item 12).

Staff Morale

In addition to managing, overseeing, and implementing City and Stadium business, City staff at all levels spend hours, days, and months researching, evaluating, and preparing information to support the Council in making informed decisions. City staff members are knowledgeable, are experts in their fields, and have displayed the utmost professionalism at Council meetings. However, some Councilmembers behave as if they are more knowledgeable on certain topics than the highly experienced City staff.

Additionally, there are many instances of Councilmembers struggling to make decisions or to come to a consensus regarding motions about more complex items that staff bring before them. They show confusion and frequently go back and forth about how to move forward requiring staff to lead them step by step. They struggle to define what they want and give clear direction, especially when attempting to change the scope of items that come before them (see [Appendix 2](#), Item 16). This behavior undermines staff morale.

"If you want people to be treated equally, then you have to do the same thing."

- City Council Meeting Public Comment, 6/6/23

The Civil Grand Jury has learned that although staff members try to ignore the animosity and public displays of bad behavior, they find watching Council meetings to be demoralizing, shocking, and embarrassing. Some staff members have indicated they are surprised at the collegiality and decorum they witness when watching council meetings in other local municipalities. The most recent City employee satisfaction survey dates back to the summer of 2019, before the makeup of the current Council. At that time, 77% of respondents stated they were satisfied overall with the City as an employer (City of Santa Clara, October 7, 2019). Because employee morale is key to staff retention, it should be concerning to the City that it has no current measurable data about staff morale. The Civil Grand Jury has learned from several sources that the City has developed a far-reaching reputation for having a dysfunctional Council, and that recruiting has been an issue because candidates have watched the contentious City Council meetings. Effective city government depends upon a city's ability to retain institutional knowledge and recruit highly qualified staff. The climate created by some of the Councilmembers jeopardizes the quality of City staff recruitment and retention.

Council Training

All Councilmembers have been trained in ethics, governance and parliamentary procedures for Council meetings as part of their Councilmember orientations. In addition, the City Manager and City Attorney are available during and outside of meetings for questions and guidance, and Robert's Rules of Order is available online. But, other than state-mandated Assembly Bill 1234

(Salinas) ethics training that must occur every two years, councilmembers only received governance training during onboarding (AB 1234, Stats. 2005, ch. 700; see also [Appendix 5](#)). Although many resources are available to Councilmembers to do their professional development—including but not limited to registering and attending the numerous classes and webinars offered by the League of Cities and ILG—it is concerning that the City is not conducting formal, regular, and frequent training, especially given the unprofessional behavior that has become standard on the City of Santa Clara dais (see [Appendix 6](#)).

March 2024 Primary Election

On March 5, 2024, Measures A and B—ballot measures to change the City Police Chief and City Clerk from elected to appointed—were voted down by the City electorate. Placing the measures on the March 2024 Primary Election (Primary) ballot cost the City \$432,000, not including ancillary costs. The defeat of Measures A and B on the Primary ballot was the culmination of questionable behavior on the part of Councilmembers who forced the issue, without determining if the charter change was of interest to voters. The Civil Grand Jury does not take a position on the ballot measures, but rather that the Councilmembers have a duty to work on behalf of their constituents. The process is another example of personal animus controlling Council direction and wasting City resources.

“If this is how you guys function, I guess we take a really good look at the next election cycle...”

- City Council Meeting Public Comment, 12/12/23

Placing Measures A and B on the Primary ballot was injudicious and had its roots in existing contentious relationships that certain councilmembers have had with the elected Police Chief. There have been accusations on both sides. The Police Chief has called on the County of Santa Clara District Attorney to investigate Councilmembers and their relationships with 49ers lobbyists. Councilmembers have been vocal on the dais about their personal desires to change the Police Chief's position to an appointed position, which would mean that the Police Chief reports to the City Manager or the Council, as opposed to voters. Councilmembers' stated reasons have vacillated between personal animosity and political motives; concern that there is a limited pool of candidates to choose from due to a residency requirement and that the current qualifications are not stringent enough. Without question, however, an appointed Police Chief as opposed to an elected Police Chief would be less likely to publicly criticize a councilmember, for fear of losing their job.

In June 2023, the Council voted to create a Charter Review Committee (Committee) whose primary function was to:

- ... determine if the positions of Chief of Police and City Clerk should be appointed positions by either the City Council/City Manager or continue to be elected; look into the

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specifications and qualifications of each role comparable to other cities; and recommend additional qualifications as it relates to the positions. (see [Appendix 7](#))

The Committee member's nomination form stated that the "[t]he Council may accept, amend, or reject the Committee's recommendations and for those recommendations that are approved, determine the best method to structure the ballot measure(s)" (see [Appendix 8](#)). If a charter change were adopted, the Council would also decide whether to put it on the Primary ballot. The following direction was on the Committee application (see [Appendix 8](#)):

The Committee must be impartial, unbiased and free of any perceived political gain. The Committee must adhere to public meeting requirements and strive to include and educate the community about the process and purpose of a Charter Review, the importance of a City Charter and to solicit community input on proposed changes prior to making a recommendation to the City Council.

Each Councilmember appointed a member from their district, and the Mayor's appointee was at-large. The Committee conducted five evening public meetings from August to October 2023. City staff organized the meetings and provided dinners, support, resources, direction, speaker presentations, and opportunities for public engagement.

It was not until after the creation of the Committee that the City conducted an online survey to gauge residents' desire for a charter change. However, the survey was compromised, as there were almost 6,000 responses by suspected bots, overwhelmingly in favor of changing the Police Chief and City Clerk positions from elected to appointed. There were only 243 responses from registered users. The Civil Grand Jury learned that the survey results were not considered by the majority of the Committee members. Ultimately, the Committee voted 5 to 2 in favor of putting two measures, Measures A and B on the ballot. Measure A proposed a charter change for the City Clerk from elected to appointed and Measure B proposed a charter change for the Police Chief from elected to appointed. At the December 5, 2023, Council meeting, the City Council voted 5-2 to accept this recommendation; the Mayor and Councilmember Watanabe dissented. The Council also voted to allocate \$432,000 to put the two measures on the Primary ballot, a sum which was in addition to all of the ancillary costs that went towards the support of the Committee.

The process to put Measures A and B on the ballot raised serious issues, including:

- There was no public drive to make the change from elected to appointed.
- The City survey, which only occurred after the Committee had been formed, allowed unregistered users and was attacked by bots, causing most of the Committee members to disregard all of the survey results, including the ones that were completed by registered users. The survey results from registered users mirrored the results of the Primary election: 72% of registered survey respondents chose "no" to changing the Police Chief from elected

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to appointed and 72% voted against Measure B; in the survey for City Clerk, 66% of registered users responded “no” and 67% of voters rejected Measure A.

- The Chair of the Committee was aware that public sentiment was in favor of changing the residency qualifications for the Police Chief, as opposed to changing the position from elected to appointed, and consequently sought guidance from the City Attorney as to the scope of the Committee. Staff confirmed at the Committee meeting on September 21, 2023, that “the City is able to establish its own eligibility and qualification criteria for its local elected positions.” But instead of pursuing the question of changing residency requirements, the Committee continued to focus on placing Measure B on the ballot.
- At least two Committee members had made up their minds before the first Committee meeting. One expressed to Committee members that they were going to vote the way their Councilmember wanted, and another member had been campaigning to make this change for over 20 years. This contradicts members’ promises in their application to be impartial and unbiased on the issue.
- Councilmember Jain consulted frequently throughout the process with one of the Committee members and seemed to be strategizing with them. This conflicts with Committee member’s promise to be impartial and unbiased.

It is important to note that the Council can, by a majority vote, put an item on a ballot and send it to the voters, without engaging a committee. This is significant because the Civil Grand Jury learned that one Councilmember understood that based on the Committee’s composition, the recommendations would be predetermined, meaning Committee members would vote like the Councilmembers that nominated them. If this is accurate, there was no legitimate need for a committee.

An additional concern with the way the Council handled the entire process was with the wording of the question on the ballot. The Council adopted the following ballot language:

Shall an amendment to the City Charter providing that the Chief of Police position be appointed by the City Manager be adopted? (County of Santa Clara, 2010)

At the final Committee meeting on October 17, 2023, a Committee member voiced concern that the existing wording made it “harder for people to understand the statement.” During the December 5, 2023, City Council meeting, the Mayor and Councilmember Watanabe advocated for clarification; specifically, they wanted to add the following six words to the ballot question: “instead of elected by the voters.” They did not prevail. Subsequently, residents, including two Committee members, filed a lawsuit to force the City to change the language, but the lawsuit failed as the language was found to be legal (Satish Chandra et al vs Shannon Bushey et al, 2023).

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The 2022 Civil Grand Jury issued a report titled “If You Only Read the Ballot You’re Being Duped,” which cited the reasons that the standard of ballot language should rise above simply being legal:

Many voters cannot comprehend the complicated language or the implications of that “yes” or “no” vote. In a perfect world, voters would have the luxury of time to research these issues. In reality, however, voters almost always rely on the language of the ballot measure question itself. . . . Poorly worded ballot questions may not be illegal, but if they withhold information to shield what is really at issue, they are unethical.

Ultimately, the “no” vote on March 5, 2024, was remarkably lopsided. If this had been a close race, then one could argue that there was a substantial desire for a charter change by City residents. However, given the unusually uneven results, it is apparent that Councilmembers who promoted placing Measures A and B on the ballot were either out of touch with their constituents, or were uninterested in public sentiment.

Furthermore, the Councilmembers who supported Measures A and B failed to show a clear understanding that ballot measures require an aggressive campaign to mobilize and educate voters. Councilmembers voted to spend public funds on putting a charter change on the ballot without planning for and anticipating how to win voter approval. This demonstrates carelessness with the City’s general funds.

Fiduciary Responsibilities

The Council has a fiduciary responsibility to constituents. Councilmembers need to collaborate and have mature discussions to successfully advocate for the City’s financial interest and well-being. If Councilmembers do not cooperate and model professional behavior, constituents are less likely to trust the Council. Figure 4 shows survey results from an April 2024 voter survey and compares them with the same survey question from June 2018. Each survey asked likely voters to rate the job that the City is doing using tax dollars responsibly. The total positive response in 2018 was 49%; the total positive response in 2024 is 37% reflecting a 12% drop in voters’ perception that the City is acting in a fiscally responsible manner.

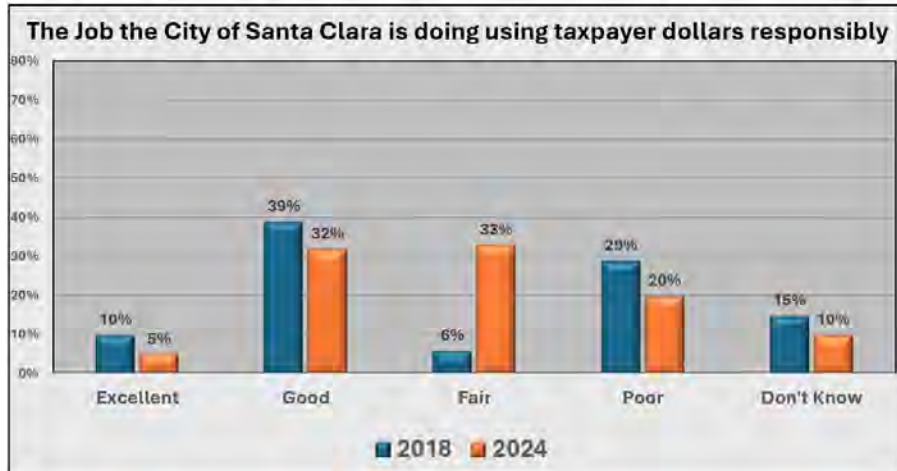


Figure 4: 2018 and 2024 City Survey of Likely Voters in the City

Two presentations to the Council in its capacity as the Board regarding the financial reporting for the Stadium clearly illustrate how several councilmembers prioritize their preoccupation with political grandstanding rather than focusing on their fiscal duties regarding Stadium business.

Stadium Authority Audit

Part of the promise of Measure J was that non-NFL events (concerts, sports, and non-ticketed events) would provide revenue to the City’s General Fund. This has not come to fruition. The purpose of an audit is to provide information so decision-makers can make responsible financial decisions. There are yearly audits that are limited to the Stadium Authority’s financial position and there have been more extensive, intermittent audits, that have included the Stadium’s management company (ManCo). Throughout the years, these more extensive audits have questioned the availability, accuracy, validity, and transparency of financial information coming from ManCo.

On September 26, 2023, during a special Stadium Authority meeting, the forensic accounting firm J.S. Held presented the results of an audit of non-NFL events for the fiscal years ending March 2018 to March 2020. J.S. Held had been engaged by the Stadium Authority to analyze annual financial statements for ticketed and special non-NFL events to ascertain if the statements were accurate, properly supported, and documented.

J.S. Held reported that the “documentation provided by ManCo for individual Ticketed and Special Events is inadequate for determining whether the financial results for each event were reported accurately” (City of Santa Clara, September 26, 2023). In that same meeting, J.S. Held stated that it “could not determine from the provided documents if the reported results are accurate or inaccurate, and additional documentation and information is needed to make that determination.”

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The reason ManCo gave for withholding the public Stadium’s financial documents from the auditor was that it had concerns about the continuing litigation between ManCo and the Stadium Authority. The Council questioned the audit and lack of documentation; however, the majority of Councilmembers were unwilling to direct staff to pursue the missing financial documents. The Mayor pointed out that the issue of transparency lies with ManCo, and since the Stadium is a publicly owned facility, ManCo should be cooperative in providing source documentation for a transparent audit. Councilmember Hardy said, “[the] report looks simple; I could have done it very quickly.” Councilmember Jain suggested that once ManCo hears that there is a concern regarding the documentation, ManCo will “hopefully” make changes. Councilmember Becker blamed the issues on previous councilmembers and stated that he was being “gaslit” again. Councilmember Park said that he knows that ManCo will not cooperate. It bears repeating that ManCo works for the Stadium Authority.

The Council could have voted to reject the incomplete report, but acceptance of the audit passed on a 4-3 vote, with Mayor Gillmor and Councilmembers Watanabe and Park refusing to accept an incomplete audit without documentation. A second vote was required to continue with future audits. The Mayor requested a stipulation that the scope of work for any new audits would require that ManCo provide source documents, which were missing for previous audits for the years 2015, 2016, 2017, 2018, 2019, and 2020. After much debate, the motion did not include her request that ManCo be required to give the auditors appropriate financial documents. The vote was 5-2, with Mayor Gillmor and Councilmember Watanabe voting no.

Stadium Authority Financial Status Report

On February 6, 2024, the Council received the Santa Clara Stadium Authority Financial Status Report for the quarter ending September 30, 2023. The presentation of the Status Report indicated an absence of performance rent flowing into the City coffers in 2023, a lackluster outcome for Measure J (see Figure 5).

City of Santa Clara		
Net General Fund Impact		
For Stadium Authority		
Period Ending September 30, 2023		
Ground Rent	\$	495,000
Performance Rent		-
Senior and Youth Fee		69,313
Sales Tax		306,234
Total Net General Fund Impact	\$	870,547

Figure 5: Net General Fund Impact, Santa Clara Stadium Authority Financial Status Report, Quarter Ending September 30, 2023 (City of Santa Clara, February 6, 2024)

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Mayor Gillmor questioned the accuracy of the revenue numbers and the way the revenues are documented. She asked how the financial information in the reports is verified. Three Councilmembers attacked Mayor Gillmor for questioning the financial information presented. From the dais, Councilmember Park attempted to controvert the Mayor's concerns by performing a real-time web search that literally said, "where does the [concert] money go," and using the search results as support for his contention that the Mayor's statements were baseless. Councilmember Park has a pattern of doing real-time web searches for information during discussion and deliberations as opposed to preparing in advance. At the same meeting, Councilmember Becker, then serving in his capacity as Vice Mayor, was highly critical of the Mayor, calling her a "gaslighter" and charging that because she had originally supported Measure J over a decade ago, her suspicions regarding the veracity of the revenue numbers are hypocrisy. Councilmember Hardy accused the Mayor of sounding like a "three-year-old throwing a tantrum." The City Attorney finally stepped in to calm things down and the vote to accept the financial status report was 4-2, with Mayor Gillmor and Councilmember Watanabe voting no. Councilmember Park was absent from the dais at the time of the vote.

"Differences of opinion don't diminish our communities, they strengthen them."

- City Council Meeting Public Comment, 6/6/23

Councilmembers have a responsibility to know how revenue is collected and distributed, and to ask critical questions about reports and audits. During meetings described above, some Councilmembers resorted to argumentative rhetoric instead of critically reviewing and analyzing the information and working together to advocate for better transparency and accountability.

Bond Measure for Ballots

The Council is currently exploring placing a bond measure on the November 2024 General Election ballot to address the City's \$600 million infrastructure needs. The City has not adequately maintained or planned for anticipated capital improvements for decades. "Many of its facilities – parks, community centers, fire stations and swimming pools - reached the end of their expected lifespan years ago" (Hase, 2024). The City's world-class George F. Haines International Swim Center has been closed due to safety concerns. Additionally, although it's been greatly reduced, the City has a small General Fund shortfall of \$900,000 projected for fiscal year 2024-25, followed by deficits ranging from \$6 million to \$19.3 million annually (City of Santa Clara, April 29, 2024). Traditionally, revenue enhancement measures to address significant deficits go to voters for approval. In California, bond measures require a two-thirds vote to pass. To meet such a high threshold requires political will, cooperation among the Council, and the public's trust.

Public Records Act Requests

A clear indicator of the lack of public trust in the Council and hostility between Councilmembers and the Mayor is the sheer number of PRA requests that the City receives. PRA requests help

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ensure the public’s right to a transparent, accountable government; cities cannot charge for the service. The City receives an inordinate number of requests in contrast to other local cities, as shown in Figure 6.

City	Population**	2022*	2023*	Cost Per Person (22/23)***
Sunnyvale	156,000	471	604	Unavailable
Milpitas	80,300	316	375	\$ 2.50
Santa Clara	128,000	1,392	1,321	\$ 16.41

* Counts are approximate based on data publicly available.

** Population according to the 2020 US Census.

*** As reported by City Administration.

Figure 6: PRA requests comparison for 2022-2023 for local agencies

“I am concerned that the council will block [the Independent Ethics Commission] again rather than do what is best for the city. I really wish you would work together.”

- City Council Meeting Public Comment, 7/11/23

The large volume of PRA requests is a direct result of the conflict between the opposing sides of the Council. Councilmembers and individuals (including a Councilmember’s spouse) who support them, frequently make PRA requests for the conversations of other Councilmembers and of the Mayor. The City has received as many as 90 requests in one day, only to have another similarly voluminous request issued as a response from the other “side.”

Under the California Public Records Act (Cal. Gov. Code section 7920.000 et seq.), elected officials of any local or state agency are “entitled to access to public records of that agency on the same basis as any other person.” The Civil Grand Jury learned that although it is legal, it is extremely unusual for councilmembers to make PRA requests involving fellow councilmembers for political reasons and that in other cities, it is not a recommended best practice.

This battle of PRA requests causes stress for City staff members, increases their workload, and takes time away from their regular duties. It is difficult to track the amount of staff time spent on fulfillment and the production costs because requests often have to be routed through multiple departments. In addition to Councilmembers, one PRA request can touch a dozen staff members and sometimes a City employee will have to go through hundreds of thousands of pages. Because of the complexity, tracking the yearly cost of PRA requests is a difficult task. The Civil Grand Jury learned the estimated costs for the City to fulfill PRA requests are as follows:

- Fiscal Year 2021/2022: Approximately \$2.2 million.
- Fiscal Year 2022/2023: Approximately \$1.8 million.

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- Fiscal Year 2023/2024 (through March 15, 2024): Approximately \$1.3 million.

In addition, the City uses external third-party firms for assistance with the processing and production of certain PRAs. Those figures are summarized as follows:

- Fiscal Year 2021/2022: \$86,172.
- Fiscal Year 2022/2023: \$308,689.
- Fiscal Year 2023/2024 (through March 6, 2024): \$58,185.

The City of Sunnyvale did not have available figures, but the City of Milpitas estimated an annual cost to fulfill PRA requests for 2022 and 2023 of approximately \$312,000 each year, significantly less than what Santa Clara has spent.

The PRA is a positive tool intended to increase transparency for the public, but in Santa Clara, it has been weaponized by Councilmembers and their supporters. The Civil Grand Jury has found that it is actually City staff and residents who are paying the price.

Ineffective Governance and Ethics Committee

As noted earlier, a 2022 Civil Grand Jury Report recommended that the Council establish a Public Ethics Commission to ensure public trust, and the Council rejected this recommendation on the basis that a Governance and Ethics Committee already existed. But the Governance and Ethics Committee members are Councilmembers, and therefore not an independent body nor a body that can self-regulate.

At the July 11, 2023, Council meeting, the Mayor proposed creating an Independent Ethics Commission, positing that the Council cannot police itself. Councilmembers Hardy and Becker strongly objected to creating such a commission, and a motion made by Councilmember Becker and seconded by Councilmember Hardy “to not to move forward with an ethics commission” and “direct staff to hire an independent consultant ... to review the current behavioral standards,” passed on a 5-2 vote with Mayor Gillmor and Councilmember Watanabe issuing dissenting votes. As of the release of this report, no independent consultant review has occurred.

The Civil Grand Jury found that the Government and Ethics Committee began regular quarterly meetings after the 2022 Civil Grand Jury Report was published, which is commendable. The meetings have produced constructive discussions. Most recently, at the December 4, 2023, meeting, staff presented a list of guidelines and a suggested work plan with new Governance standards, which would tie meeting procedures to the City’s Code of Ethics and Values, and Behavioral Standards (see [Appendix 9](#)).

The new work plan may be a step forward, but it is only one of numerous work plans suggested by the Governance and Ethics Committee since 2021. Few of the work plans have been agreed

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upon or adopted by the Council, including the most recent one. Behavior at Council meetings shows that the Governance and Ethics Committee has no influence and no oversight powers; the committee cannot even get agreement from fellow Councilmembers on a work plan.

Additionally, the Governance and Ethics Committee has no mechanism in place to hear the concerns of residents regarding the behavior of elected officials. The only immediate recourse the public has is to speak during public presentations at City Council meetings or to request to put a discussion item on a later agenda, also known as submitting a “030” and as outlined in the Policy Manual under “Adding an Item to the Agenda.” For an 030 to be accepted, a majority of the Council needs to vote in favor of it. The Policy Manual also has an “Admonition and Censure Policy” under Policy and Procedure 047 for improper conduct, which applies to the Mayor and Councilmembers. Again, a formal censure action requires a majority vote by Councilmembers to place it on the agenda. However, censuring colleagues risks further inflaming tensions. At the March 12, 2023, Council meeting, Councilmember Jain stated that after the councilmembers censured the Mayor and Councilmember Watanabe, nothing changed. He stated that “censure votes are a waste of time; there are no consequences,” and their relationships did not get better.

The Civil Grand Jury watched numerous Council meetings during which residents have called in, spoken in person, and emailed the Council to express their dismay and to request that the topic of Councilmember behavior be placed on the agenda for discussion and censure. Additionally, members of the public have appeared before the Council to speak in defense of targeted people. Other residents have stated that after viewing such behavior, they were apprehensive of being targeted and ridiculed for speaking up. Five Councilmembers have consistently refused to address the repeated requests made by the public. They have not allowed discussions about the lack of public trust, or the complaints from residents about their behavior on the dais. Under current rules, Councilmembers have the sole authority to examine and police their behavior, a task they have proven themselves unwilling to do.

Municipalities can employ various types of independent ethics entities to ensure good governance and adherence to ethical behavioral standards by elected officials. Local municipalities, including the City and County of San Francisco, the City of Oakland, and the City of San José have Ethics Commissions with varying responsibilities and degrees of oversight (see [Appendix 10](#)). Other nearby cities, including Los Gatos, have created successful models for fair and transparent ways to concretely address behavior by their elected officials. One argument the Civil Grand Jury heard against an independent ethics commission was that councilmembers would appoint people loyal to them and that such a committee would be weaponized. There have been, however, committees formed by the City whose appointees were vetted and selected by staff and then brought to Council for a vote and a process like that would mitigate these issues.

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Another argument the Civil Grand Jury has heard against an independent ethics commission is the existence of the FPPC. Although the FPPC is an independent oversight body, its primary focus is election law and laws surrounding lobbying and gift-giving. The FPPC has no jurisdiction to address compliance with the Brown Act or rules of parliamentary procedure. Following the law is the minimum standard by which electeds should conduct themselves. Additionally, as noted earlier, the FPPC, by its own admission, can take many years to conclude an investigation, and should not be the only entity that the City relies upon for transparent governance. As of the release of this report, there are two open FPPC investigations filed against Councilmember Park dating back to 2021. FPPC investigation information can be found on the FPPC Complaint and Case Information Portal. The [website](#) is clickable and searchable.

CONCLUSION

City residents expect that their elected leadership will exercise their responsibility to work together to achieve consensus when administering City business. The role of leaders is to create an environment that promotes collaboration, an essential component for building an effective Council. The inability of the City Council to communicate respectfully and work together has undermined the effective governance and morale of the City. Councilmembers have shown that they cannot get along, they will not get along, and that their differences are irreconcilable.

Responsive and visionary leadership requires an ethical and well-informed City Council that will conduct the City's business with transparency, openness, respect, and civility. The City Council has not achieved these standards. Instead, some Councilmembers have participated in personal attacks from the dais against fellow elected officials, residents, and volunteers.

Additionally, Councilmembers have failed to listen to and understand public sentiment, which has led to the loss of public trust. Such behavior is detrimental to the functioning of City government and divisive within the community, dampening public engagement with local government. Egregious breaches of decorum by elected officials have a chilling effect on the willingness of residents to express their opinions or serve as community volunteers. Councilmembers should understand that compliance with the law is a low bar and should be the minimum goal in their roles as stewards of the City.

Councilmembers must prioritize the public's interests and the City's financial stability ahead of their own petty squabbles and quarrels. Currently, the City is facing a General Fund deficit and an infrastructure shortfall. The Council is exploring a variety of revenue-enhancing measures for the November 2024 General Election to address the budget deficiency. Whatever action the Council chooses to implement in addressing the fiscal integrity of the City will take a concerted and united effort on the part of the entire Council. It is critical that Councilmembers change their behavior, move beyond unprofessional conduct, and commit to adhering to the principles defined in the City's Ethics and Values Code.

FINDINGS AND RECOMMENDATIONS

This report points to serious concerns about members of the City Council. The Civil Grand Jury recognizes that the “City” currently has a governing body that consists of a majority of the same Councilmembers that the Civil Grand Jury has criticized in this report. These Councilmembers will be asked to vote to determine if they agree or disagree with the Civil Grand Jury’s findings and whether they will accept or reject the recommendations. (Penal Code § 933.05.) It is the Civil Grand Jury’s charge to investigate government operations, and this report seeks to do that despite the obvious limitation.

Finding 1a

The working relationships among Councilmembers and the Mayor are broken.

Finding 1b

Some Councilmembers do not adhere to the City’s adopted ethical and behavioral standards while conducting City business on the dais.

Finding 1c

Councilmembers Becker and Park air petty grievances and engage in squabbles with other elected officials and constituents from the dais.

Recommendation 1a

The City should hire a conflict resolution professional and adopt robust conflict resolution training strategies. This recommendation should be implemented by October 1, 2024.

Recommendation 1b

Councilmember Park should attend one-on-one conflict resolution training so he can learn to behave in a manner reflective of an elected official. This recommendation should be implemented by October 1, 2024.

Recommendation 1c

Councilmember Becker should attend one-on-one conflict resolution training so he can learn to behave in a manner reflective of an elected official. This recommendation should be implemented by October 1, 2024.

Recommendation 1d

Councilmember Jain should attend one-on-one conflict resolution training to learn to work more effectively for the good of the City. This recommendation should be implemented by October 1, 2024.

Recommendation 1e

Councilmember Hardy should attend one-on-one conflict resolution training to learn to work more effectively for the good of the City. This recommendation should be implemented by October 1, 2024.

Recommendation 1f

Councilmember Chahal should attend one-on-one conflict resolution training to learn to work more effectively for the good of the City. This recommendation should be implemented by October 1, 2024.

Recommendation 1g

Even though Councilmember Watanabe has shown appropriate meeting decorum, the Councilmember should attend one-on-one conflict resolution training to learn how to work effectively in the current challenging Council meeting environment. This recommendation should be implemented by October 1, 2024.

Recommendation 1h

Even though Mayor Gillmor has shown appropriate meeting decorum, the Mayor should attend one-on-one conflict resolution training to learn how to work effectively in the current challenging Council meeting environment. Additionally, as the meeting chair, the Mayor should receive training to facilitate effective meeting flow. This recommendation should be implemented by October 1, 2024.

Finding 2

Councilmembers Becker, Park, and Chahal do not understand and/or do not follow established parliamentary and meeting procedures.

Recommendation 2a

Councilmember Becker should pledge to attend trainings in parliamentary procedures so that his behavior is more reflective of an elected who is dedicated to the electorate. This recommendation should be implemented by October 1, 2024.

Recommendation 2b

Councilmember Park should pledge to attend trainings in parliamentary procedures so that his behavior is more reflective of an elected who is dedicated to the electorate. This recommendation should be implemented by October 1, 2024.

Recommendation 2c

Councilmember Chahal should pledge to attend trainings in parliamentary procedures, so he can demonstrate a better working knowledge of the parliamentary process. This recommendation should be implemented by October 1, 2024.

Finding 3

Some Councilmembers do not uphold their responsibility to conduct the City's business professionally and efficiently.

Recommendation 3

The City should adopt the formal resolution for Meeting Management Procedures developed and presented by staff to the Governance and Ethics Committee meeting on December 4, 2023. This resolution would tie meeting procedures to the City Code of Ethics and Values, and Behavioral Standards for Public Meetings, codify rules regarding respectful and professional language on the dais, and initiate more productive meetings to keep the Council and public focused on City business. This recommendation should be implemented by October 1, 2024.

Finding 4

Some Councilmembers have become preoccupied by personal and political vendettas resulting in verbal attacks, mocking, and disparaging members of the public and community volunteers from the dais without consequence. Councilmembers have ignored the public's request to address their behaviors.

Recommendation 4a

The City should establish an Independent Ethics Commission to oversee the behavior of Councilmembers and to ensure they model positive engagement with the public and reclaim the public's trust. This recommendation should be implemented by October 1, 2024, and should be ongoing.

Recommendation 4b

The City should hire an Independent Ethics professional and adopt robust ethics training strategies supported by policy. This recommendation should be implemented by October 1, 2024.

Recommendation 4c

All Councilmembers should participate in regular training and counseling with an established outside entity that specializes in government ethics to implement training seminars and workshops for Councilmembers to learn how to maintain collegiality on the dais by using proven techniques

and best practices to avoid tense exchanges, bad behavior, misconduct, and incivility, and how the rest of the Council can positively influence the behaviors effectively. This recommendation should be implemented by October 1, 2024, and should be ongoing.

Finding 5

Councilmembers Becker and Park have engaged in unethical behavior on the dais by insulting, humiliating, and intimidating constituents and volunteers. Councilmembers Becker and Hardy explicitly encourage this behavior by laughing, snickering, or eye-rolling. Councilmembers Becker, Park, Hardy, Jain, and Chahal implicitly encourage these behaviors by failing to call out inappropriate conduct.

Recommendation 5a

Councilmember Park should pledge to train with an ethics expert from an established outside entity that specializes in government ethics. This recommendation should be implemented by October 1, 2024, and should occur annually.

Recommendation 5b

Councilmember Becker should pledge to train with an ethics expert from an established outside entity that specializes in government ethics. This recommendation should be implemented by October 1, 2024, and should occur annually.

Recommendation 5c

Councilmember Hardy should pledge to train with an ethics expert from an established outside entity that specializes in government ethics. This recommendation should be implemented by October 1, 2024, and should occur annually.

Recommendation 5d

Councilmember Chahal should pledge to train with an ethics expert from an established outside entity that specializes in government ethics. This recommendation should be implemented by October 1, 2024, and should occur annually.

Recommendation 5e

Councilmember Jain should pledge to train with an ethics expert from an established outside entity that specializes in government ethics. This recommendation should be implemented by October 1, 2024, and should occur annually.

Finding 6

There has not been an employee satisfaction survey since 2019.

Recommendation 6

The City should conduct an annual employee satisfaction survey, administered by a third party, which can be answered anonymously. This recommendation should be implemented by October 1, 2024, and should occur annually.

Finding 7

City staff is exceptionally professional, well prepared, and consistently maintains their composure regardless of behaviors exhibited by the Council. Staff's behavior is a model for the Council.

Recommendation 7

The City should commend City staff for their exemplary work ethic and professionalism. This recommendation should be implemented by August 1, 2024.

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REQUIRED RESPONSES

Pursuant to California Penal Code section 933(b) et seq. and California Penal Code section 933.05, the 2023-24 Santa Clara County Civil Grand Jury requests responses from the following governing body:

Responding Agency	Findings	Recommendations
The City of Santa Clara	1a, 1b, 1c, 2, 3, 4, 6, 7	1a, 1b, 2, 3, 4a, 4b, 4c, 6, 7

Pursuant to California Penal Code section 933(b) et seq. and California Penal Code section 933.05, the 2023-24 Santa Clara County Civil Grand Jury requests responses from the following individuals:

Responding Individual	Findings	Recommendations
Mayor Lisa Gillmor	1a, 1b, 1c	1h
Councilmember Anthony Becker	1a, 1b, 1c, 2, 5	1c, 2a, 5b
Councilmember Raj Chahal	1a, 1b, 1c, 2, 5	1f, 2c, 5d
Councilmember Karen Hardy	1a, 1b, 1c, 5	1e, 5c
Councilmember Sudhanshu Jain	1a, 1b, 1c, 5	1d, 5e
Councilmember Kevin Park	1a, 1b, 1c, 2, 5	1b, 2b, 5a
Councilmember Kathy Wantanabe	1a, 1b, 1c	1g

APPENDIX 1: Statement Of Behavioral Standards

AB23 ANNOUNCEMENT:

"Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting."

STATEMENT OF BEHAVIORAL STANDARDS

The City of Santa Clara has adopted a Code of Ethics and Values, and Behavioral Standards for Public Meetings to promote and maintain the highest levels of conduct. This includes mutual respect, robust discussion, and allowing City business to be done in an efficient and consistent manner. Please note that, as the presiding officer, the Mayor's direction in matters of process and decorum should be followed, and that use of the gavel indicates all conversations must conclude and everyone in attendance should come to order and attention. Welcome, and thank you for your participation.

IRRECONCILABLE DIFFERENCES

APPENDIX 2: Councilmembers' Inappropriate Behavior

Item #	Behavioral Observation	Meeting Date	City of Santa Clara Legislative Meeting Site Link	Timestamp
1	Councilmember Park is encouraged to apologize; he attempts to apologize for insulting the public at a July Council Meeting comparing homeowners to “Toddlers.”	8/24/2021	https://santaclara.granicus.com/player/clip/1580	2:30:49
2	Councilmember Park accuses Mayor Gillmor and Councilmember Watanabe of lying in support of a staff recommendation to provide additional funds for ManCo staffing changes.	8/24/2021	https://santaclara.granicus.com/player/clip/1580	4:34:36
3	The Council is unable to decide on any of the four financial options presented by staff and residents.	8/30/2022	https://santaclara.granicus.com/player/clip/1789view_157532	2:37:40
4	Councilmembers spend almost two hours deliberating the authority of Mayor Gillmor to send a letter on City letterhead.	10/4/2022	https://santaclara.granicus.com/player/clip/1804_id158946&	0:45:46
5	Councilmember Park, leading the meeting, reads aloud from a satirical cartoon book and dedicates it to the Special Advisor to the Mayor.	2/7/2023	https://santaclara.granicus.com/player/clip/1864?meta_id=165428	4:43:35
6	Public presentations receive ridicule from the dais.	2/21/2023	https://santaclara.granicus.com/player/clip/1873	33:27:00
7	Councilmember Park begins an extended discussion during public presentation and Mayor Gillmor stops the commentary.	3/7/2023	https://santaclara.granicus.com/player/clip/1879?meta_id=166542	4:48:10
8	Councilmember Becker verbally attacks Commissioner Field. Mayor Gillmor uses the gavel to stop the diatribe and is ignored.	3/7/2023	https://santaclara.granicus.com/player/clip/1879?meta_id=166542	4:50:33

IRRECONCILABLE DIFFERENCES

Item #	Behavioral Observation	Meeting Date	City of Santa Clara Legislative Meeting Site Link	Timestamp
9	Commissioner Field is not reappointed. Councilmember Becker refuses to explain why he wishes to single out the Commissioner. This includes public comment, three motions, two votes, and Councilmember Chahal's abstention.	5/23/2023	https://santaclara.granicus.com/player/clip/1917?meta_id=171445	1:33:16
10	Mayor Gillmor and Councilmember Park disagree about the Special Assistant to the Mayor, Worker-Owned Cooperative Initiatives.	5/23/2023	https://santaclara.granicus.com/player/clip/1917?meta_id=171445	4:20:26
11	Councilmember Park accuses Police Chief Nikolai and his family members of misappropriating funds and abusing their position on the Sister Cities Committee.	6/6/2023	https://santaclara.granicus.com/player/clip/1922?meta_id=172071	3:28:33
12	Inappropriate Council-developer negotiation from the dais.	8/22/2023	https://santaclara.granicus.com/player/clip/1965viewtru	7:01:16
13	Councilmember Park attacks the public; Mayor Gillmor asks him to stop, but he continues for over three minutes.	11/7/2023	https://santaclara.granicus.com/player/clip/2015?meta_id=179751	5:02:54
14	Multiple members of the public come to the podium imploring the Council to work together, act professional, and work together as a team.	12/12/2023	https://santaclara.granicus.com/playerf/clip/2048	4:31:21
15	Councilmember Chahal and Mayor Gillmor have a heated discussion. Councilmember Becker is seen mimicking the Mayor.	12/12/2023	https://santaclara.granicus.com/player/clip/2048	5:41:45

IRRECONCILABLE DIFFERENCES

Item #	Behavioral Observation	Meeting Date	City of Santa Clara Legislative Meeting Site Link	Timestamp
16	Councilmembers struggle to make motions and understand what they are voting on.	04/23/2024	https://santaclara.granicus.com/player/clip/2107?view_id=1&meta_id=187126&redirect=true	4:56:04

APPENDIX 3: League Of California Cities: Your Role As An Elected Official [excerpt from Randy Hamilton article]

Your Role As A Local Elected Official

Council Conduct with Boards, Commissions and Committees

"We rarely find that people have good sense unless they agree with us."

-Francois, Duc de La Rochefoucauld

The City has established several Boards, Commissions and Committees (collectively referred to as City Commissions) as a means of gathering more community input. Citizens who serve on City Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

If attending a City Commission meeting, express personal opinions only.

Council Members may attend any City Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation - especially if it is advocating a certain position - could be viewed as unfairly affecting the process. Any public comments by a Council Member at a City Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council, unless the Council has taken a position on the topic. Council Members should not appear before a commission on behalf of an individual, business or developer.

Remember that City Commissions serve the community, not individual Council Members.

The City Council appoints individuals to serve on City Commissions, and it is the responsibility of City Commissions to follow policy established by the Council. But City Commission members do not report to individual Council Members, nor should Council Members feel they have the power or right to threaten City Commission members with removal if they disagree about an issue. Appointment and re-appointment to a City Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A City Commission appointment should not be used as political "reward." Concerns about an individual City Commission member should be discussed with the Mayor.

Be respectful of diverse opinions.

A primary role of City Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Council Members may have a closer working relationship with some individuals serving on the City Commissions, but must be fair and respectful of all citizens serving on City Commissions.

Keep political support away from public forums.

City Commission members may offer political support to a Council Member, but not in a public forum while conducting official duties. Conversely, Council Members may support board and commission members who are running for office, but not in an official forum in their capacity as a Council Member.

APPENDIX 4: Review Of Concerns/Complaints Regarding City Board/Commissions

City of Santa Clara
Policy and Procedure Manual



REVIEW OF CONCERNS/COMPLAINTS REGARDING CITY BOARD/COMMISSIONS

POLICY

The City of Santa Clara believes that “decision-makers must be independent, impartial, and accountable to the people they serve.”¹ The City’s Code of Ethics and Values lists the ethics and values-based standards the City has agreed will guide the decisions and conduct of everyone who participates in the City’s government. Because we seek public confidence in the City’s services and public trust of its decision-makers, we hold ourselves accountable to “meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this code.”

Although the City Charter allows the Council to remove a Commissioner with no cause, the Council has created the following process, which provides guidelines the Council may choose to use to resolve a problem/complaint. The policy is based on a recommendation from the Ethics Ordinance Committee. It is consistent with the Code of Ethics and Values, in terms of fairness and respect towards the individual. It preserves the Council-granted Charter authority of removal, but also provides optional courses of action.

PROCEDURE

The Charter of the City of Santa Clara provides for the removal of a City Commissioner by a vote of four City Council members. No cause has to be given. The action to remove a Commissioner would be an agendaized City Council action item.

When a concern/complaint is received regarding a City Board Member/Commissioner, it is referred to the City Manager for review and follow-up. If possible, it is preferable to resolve a concern through open communication channels at the staff level. Complainants are encouraged to solve the problem informally prior to registering a formal complaint.

The City Manager has several options for handling a concern/complaint:

1. The first step is to verify the information. If not verified, the complainant is informed and no further action taken. If initially verified, the City Manager conducts an investigation/review of situation in consultation with the City Attorney, where appropriate. The individual who is the subject of the complaint will be notified unless criminal or legal nature precludes notification. Issues that relate to the jurisdiction of the Fair

¹ From the Preamble of *The Code of Ethics and Values*, City of Santa Clara, 2001



REVIEW OF CONCERNS/COMPLAINTS REGARDING CITY BOARD/COMMISSIONS (cont.)

- Political Practices Commission (FPPC) are not covered by this policy. City Attorney has existing procedures to handle FPPC and Election Code issues.
2. The following options are available for resolving complaints:
 - ♦ The City Manager can choose to handle concern/complaint directly, or consult with the Mayor.
 - ♦ The City Manager can choose to conduct further research; provide information and discussion of alternatives with Mayor.
 - ♦ Consult with Santa Clara University Markkula Center for Applied Ethics, or outside ethics experts.
 - ♦ Refer the issue/complaint to the Mayor and/or City Council.
 - ♦ Refer the concern/complaint to the Chairperson of the specific Board/Commission with the Chair reporting back to the City Manager.
 - ♦ Refer the issue/complaint to the City Council Commission Review Committee.
 - ♦ If legal issues are involved, the concern/complaint is referred to City Attorney.
 3. Depending on nature of concern/complaint, and factual information, range of actions/options are available including any one (or combination of) these actions:
 - ♦ No action based on unsubstantiated/Unfounded complaint;
 - ♦ Discussion between Mayor and Commissioner; City Manager and Commissioner or discussion between Commission Chair and Commissioner;
 - ♦ Verbal counseling by Mayor with Commissioner;
 - ♦ Letter to Commissioner from Mayor;
 - ♦ Refer issue to Commission Review Committee; Committee meets and reviews facts; may make advisory recommendation to Council, or refer to City Manager and City Attorney for follow-up; and



REVIEW OF CONCERNS/COMPLAINTS REGARDING CITY BOARD/COMMISSIONS (cont.)

- ♦ Refer to Mayor and/or City Council.
- ♦ City Council may take action ranging from note and file to removal from Commission. (See attached memorandum to the Commission Review Committee from the City Attorney dated December 15, 1999.)
- 4. Follow-up response to complainant indicating City has taken appropriate action.

Reference:

- 1) Memo dated December 15, 1999 from City Attorney, "Levels of Expressions of Disapproval of a Public Official's Actions" (attached)
- 2) Council-approved policy July 16, 2002

IRRECONCILABLE DIFFERENCES

APPENDIX 5: Councilmember Training List As Of June 29, 2023

List of Council Trainings Relating to the
Procedures of Orderly Conduct of Public Meetings and Ethical Behavior

Agency	Training	Attendee(s) and Date(s)
City of Santa Clara	Governance	<ul style="list-style-type: none"> • Lisa Gilmor: <ul style="list-style-type: none"> ◦ December 13, 2018 • Kathy Watanabe: <ul style="list-style-type: none"> ◦ December 13, 2018 • Raj Chahal: <ul style="list-style-type: none"> ◦ December 13, 2018 • Karen Hardy <ul style="list-style-type: none"> ◦ December 13, 2018
City of Santa Clara	New Councilmember Orientation	<ul style="list-style-type: none"> • Anthony Becker: <ul style="list-style-type: none"> ◦ December 11, 2020 • Suds Jain: <ul style="list-style-type: none"> ◦ December 11, 2020 • Kevin Park: <ul style="list-style-type: none"> ◦ December 11, 2020
Fair Political Practices Commission	AB 1234 Ethics Training	<ul style="list-style-type: none"> • Lisa Gilmor: <ul style="list-style-type: none"> ◦ September 11, 2014 as Councilmember ◦ September 27, 2016 ◦ August 24, 2018 ◦ March 22, 2021 • Kathy Watanabe: <ul style="list-style-type: none"> ◦ October 31, 2016 ◦ November 23, 2018 ◦ March 15, 2021 • Raj Chahal: <ul style="list-style-type: none"> ◦ January 23, 2017 as Planning Commissioner ◦ January 18, 2019 ◦ February 28, 2021 • Karen Hardy: <ul style="list-style-type: none"> ◦ November 9, 2019 ◦ January 5, 2022 • Kevin Park: <ul style="list-style-type: none"> ◦ January 3, 2021 • Suds Jain: <ul style="list-style-type: none"> ◦ January 6, 2021 • Anthony Becker: <ul style="list-style-type: none"> ◦ September 13, 2019 as Planning Commissioner ◦ September 7, 2021

List of Council Trainings Relating to the
Procedures of Orderly Conduct of Public Meetings and Ethical Behavior

Agency	Training	Attendee(s) and Date(s)
League of California Cities	New Mayors & Council Members Academy	<ul style="list-style-type: none"> • Karen Hardy: <ul style="list-style-type: none"> ◦ January 16-18, 2019 • Raj Chahal: <ul style="list-style-type: none"> ◦ January 16-18, 2019 • Kevin Park: <ul style="list-style-type: none"> ◦ January 22, 28, and 29, 2021

APPENDIX 6: Councilmembers' Orientation Packet – Section 2 (excerpt)

Procedures

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Council Vision, Priority, Strategic Plan and Objectives	2-3
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Roles and Responsibilities

"Leadership is an action, not a word."
-- Richard Cooley

Other resources that are helpful in defining the roles and responsibilities of elected officials can be found in the Santa Clara City Charter and in the Leadership Guide for Mayors and Council Members published by the League of California Cities. Newly-elected Council Members are encouraged to attend the League of California Cities "New Mayors and Council Members Academy Leadership Academy" held each year in January in Sacramento.

Mayor

The Mayor is directly elected by voters in the City of Santa Clara for a four-year term. Briefly, the responsibilities and roles of the Mayor include:

- Acts as the official head of the City for all ceremonial purposes
- Chairs City Council, Santa Clara Stadium Authority, Sports & Open Space Authority and Housing Authority meetings
- Calls for special meetings
- Recognized as spokesperson for the City
- Has the authority to preserve order at all City Council meetings
- Makes recommendations to the Council on matters of policy and programs which require Council decisions
- Leads the Council to be an effective, cohesive working team
- Serves as official delegate of the City at events and conferences

Vice Mayor

As specified in the City Charter, the Vice Mayor is selected by the City Council each year in December and serves at the pleasure of the Council. Per Council policy, first priority for Vice Mayor will be the City Council Member with the highest seniority in consecutive years on the Council who has not previously served as Vice Mayor. If two or more Council Members have an equal number of years, then the Vice Mayor is the individual with seniority who received the most votes in the most recent Council election. No Council Member may serve more than once as Vice Mayor unless all Council Members have served in that position. If a Council Member would like to exchange places in the rotation to allow another Council Member to serve as Vice Mayor in his or her place, a majority vote of the Council is required to make the change.

Briefly, the responsibilities and roles of the Vice Mayor include:

- Performs the duties of the Mayor if the Mayor is absent or unable to attend
- Chairs Council meetings at the request of the Mayor
- Represents the City at ceremonial functions in the absence of the Mayor

All Council Members

All members of the City Council, including those serving as Mayor and Vice Mayor, have equal votes. No one has more power than another, and all should be treated with equal respect.

- Fully participate in City Council meetings and other public forums while demonstrating respect, kindness, consideration, and courtesy to others
- Serve as a model of leadership and civility to the community
- Inspire public confidence in Santa Clara government
- Observe the City's Code of Ethics & Values and demonstrate ethics, honesty and integrity in every action and statement
- Be respectful of other people's time. Stay focused and act efficiently during public meetings
- Prepare in advance of Council meetings and be familiar with issues on the agenda
- Attend ceremonial functions
- Provide contact information to the City Manager or City Clerk in case an emergency or urgent situation arises while the Council Member is out of town.

Meeting Chair

The Mayor will chair official meetings of the City Council, the Santa Clara Stadium Authority, the Sports & Open Space Authority or the Housing Authority unless the Vice Mayor or another Council Member is designated as Chair of a specific meeting.

- Maintains order, decorum, and the fair and equitable treatment of all speakers
- Keeps discussion and questions focused on specific agenda item under consideration
- Makes parliamentary rulings with advice, if requested, from the City Attorney who acts as an advisory parliamentarian.

Chaplain

A Chaplain is selected in December of each year by a majority vote of the Council. By Council policy, the Chaplain is the most recent outgoing Vice Mayor. The role of the Chaplain is to read the established invocation prayer at the beginning of each Council meeting.

Council Vision, Priority, Strategic Plan and Objectives

Vision

Superb, affordable services in a caring community that values our rich history and nurtures technologies that build the future.

Strategic Plan and Objectives 2015-2017 (Adopted April 7, 2015)

Listed below are the City Council Goals for 2015-2017. Regular, timely monitoring of progress on the goals and objectives includes new objectives every six months.

When completed, monthly status reports on the accomplishment of these objectives may be reviewed at the City Clerk's Office. In addition to these 2015-2017 adopted goals, there are many other projects and programs that continue to be pursued by the City.

The City Council priority is to focus on successful completion of existing City projects, and operate within Council adopted budget principles and priorities, with the goal of placing the City strategically to take advantage of the improving economic climate.

TWO-YEAR GOALS 2015-2017
<ul style="list-style-type: none">• Balance the emerging economic opportunities with the needs of our community• Promote and enhance economic and housing development• Ensure fiscal responsibility• Enhance community sports and recreational assets• Deliver and enhance high quality efficient services and infrastructure

Meeting Agendas

The Council agenda packet is generally prepared on Friday in the City Clerk's Office for the meeting on the following Tuesday. The exception would be when a holiday falls on a Friday in which case the agenda packet is prepared on Thursday. Agenda packets are on iPads. If requested, agenda packets are available in hard copy form.

Agenda packets are available for public viewing in the City Clerk's Office and in all three libraries. The entire agenda packet is scanned and the Council reports are made available through the City's website. Agendas for regular meetings must be posted at least 72 hours prior to the meeting in order to comply with the Brown Act. [See legal section for more details.]

Public Submittal of Written and Audiovisual Materials for City Council Meetings (Policy and Procedure 041)

Items from Council Members and the public related to an agenda item must be submitted to the City Clerk's Office by 12 noon on the Wednesday prior to the City Council meeting for inclusion in the agenda packets. After Wednesday at 12 noon and until 5:00 p.m. on the day of the Council meeting, members of the public may still bring materials related to a specific Agenda item to the City Clerk's Office. Those materials will be copied and distributed to the City Council and City Staff for the Council meeting.

Public members who wish to utilize audiovisual materials as part of their public comment on an Agenda item, must present the material to the City Clerk's Office no later than 10:00 a.m. on the day of the meeting, along with a contact telephone number where they may be reached.

Written Petition to Address the City Council

Written petitions from the public are accepted by the City Clerk's Office and forwarded to the City Manager's Office for review and placement on the agenda, typically two weeks after submittal to allow time for staff to prepare a report responding to the petition. The staff report is included in the agenda packet.

IRRECONCILABLE DIFFERENCES

Agenda Items

Each agenda item is handled with a ten-step procedure.

1. Mayor introduces agenda item
2. Report by City Manager or staff. No questions, comments or editorials allowed by Council until staff report is complete.
3. Questions of staff report by Council Members are asked through the Mayor. No comments or editorials by Council Members allowed at this time.
4. Applicant/appellant presentation when Public Hearing (typically limited to 10 minutes). Not all agenda items will have applicant presentations. Council Members may ask questions of the applicant/appellant through the Mayor. No comments or editorials by Council Members at this time.
5. Public testimony (typically limited to 2 minutes for each person who wishes to speak). Council Members may ask questions at the end of the presentation. No comments or editorials by Council Members at this time.
6. Applicant/Appellant – Closing Statement in Public Hearing and Appeal Proceeding.
7. Motion to close the public hearing/public input.
8. Council motion for action.
9. Council deliberation.
10. Council action: A vote on the motion, following Robert's Rules of Order.

Gavel means stop and listen.

The use of the gavel means all conversations cease and everyone in attendance comes to order and attention. Only the Mayor or meeting Chair can use the gavel.

Minutes

Minutes of each meeting of the City Council are kept by the City Clerk. The minutes serve as a permanent record of the group's actions.

Corrections to minutes

It is important for Council Members to closely review minutes and make corrections if needed so that the approved minutes accurately reflect the work of the group. Corrections to minutes may be requested prior to the meeting but must be made prior to or at the meeting when they are brought forward for Council approval. Corrections require a motion, second and a majority vote, and, if approved, are noted and filed in the minutes of the current meeting.

Summary of Actions

A Summary of Actions is prepared by the City Clerk's Office following each Council meeting. This Summary is usually posted online by Friday, following the meeting. The Summary is also available in the City Clerk's Office and all three City libraries.

Other Policies and Protocol for Council Members

Ceremonial Events

Requests for a City representative at ceremonial events will be handled by City staff. The Mayor will serve as the designated City representative. If the Mayor is unavailable, then City staff will determine if event organizers would like another representative from the Council. If yes, then the Vice Mayor will be asked to serve as a substitute. If the Vice Mayor is not available, then Council Members by seniority are asked to represent the City. If Council is not available, the City Manager represents the City or designates an appropriate staff member. Invitations received at City Hall are presumed to be for official City representation. Invitations addressed to Council Members at their homes are presumed to be for personal consideration. The Executive Assistant to the Mayor and City Council is available to take care of RSVPs for official City representation.

Correspondence Signatures

Council Members do not need to acknowledge the receipt of correspondence, or copies of correspondence, during Council meetings. City staff will prepare official letters in response to public inquiries and concerns. These letters will carry the signature of the Mayor and City Manager.

Endorsement of Candidates

As individuals, Council Members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention endorsements during Council meetings, other official City meetings, or while conducting City business.

Non-agenda Items

Under Public Presentations on the agenda, citizens may bring forth issues or questions that are not on the meeting's agenda. Topics may be legislative items requiring action by the Council, study issues for future consideration, and requests for information assigned to the City Manager. Each speaker will be limited to three minutes.

Public Hearing Protocol

The Council has established a public hearing protocol and follows Robert's Rules of Order (Newly Revised 10th edition, 2000). The Mayor opens the public hearing and requests a staff report. The applicant or appellant shall have the right to speak first. Ten minutes is the length of time allowed for this presentation. Speakers representing either pro or con points of view will be allowed to follow. Three minutes is the standard time limit for each speaker. When there are more than 10 speakers on an item, the Mayor will ask the speakers to fill out a Speakers Card prior to the discussion of an agenda item. The time allowed for each speaker may be reduced at the discretion of the Mayor. The applicant or appellant will be allowed to make closing comments. The Chair has the responsibility to run an efficient public meeting and has the discretion to modify the public hearing process in order to make the meeting run smoothly.

Council Members will not speak during the public hearing portion of the meeting except to ask pertinent questions of the speaker or staff. "I think" and "I feel" comments by Council Members are not appropriate until after the close of the public hearing. Council Members should refrain from arguing or debating with the public during a public hearing and shall always show respect for different points of view.

IRRECONCILABLE DIFFERENCES

Main motions may be followed by amendments, followed by substitute motions. Any Council Member can call for a point of order or a motion to reconsider at any time, per Robert's Rules of Order.

Council Conduct with One Another

"In life, courtesy and self-possession, and in the arts, style, are the sensible impressions of the free mind, for both arise out of a deliberate shaping of all things and from never being swept away, whatever the emotion, into confusion or dullness."

William Butler Yeats

Councils are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even as Council may "agree to disagree" on contentious issues. The City's Code of Ethics & Values should be referred to for positive statements of ethical behavior.

In Public Meetings

Use formal titles

It is preferred that Council refer to one another formally during public meetings as Mayor, Vice Mayor or Council Member followed by the individual's last name.

Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. However, making personal, slanderous, threatening, abusive, or disparaging comments is not appropriate. No shouting or physical actions that could be construed as threatening will be permitted.

Honor the role of the Chair in maintaining order

It is the responsibility of the Chair to keep the comments of all participants on track during public meetings. Council Members should honor efforts by the Chair to focus discussion on current agenda items. If there is disagreement about the agenda or the Chair's actions, those objections should be voiced politely and with reason, following procedures outlined in Robert's Rules of Order.

Demonstrate effective problem-solving approaches

Council Members have a public stage to show how individuals with disparate points of view can find common ground and understanding, negotiating solutions that benefit the community as a whole.

In Private Encounters

Continue respectful behavior in private

The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

Be aware of the insecurity of written notes, voicemail messages, and e-mail

Technology allows words written or said without much forethought to be distributed wide and far. Would you feel comfortable to have this note faxed to others? How would you feel if this voicemail message was played on a speaker phone in a full office? What would happen if this e-mail message was forwarded to others? Written notes, voicemail messages and e-mail should be treated as potentially "public" communication.

Even private conversations can have a public presence

Elected officials are always on display – their actions, mannerisms, and language are monitored by people around them that they may or may not know. Lunch table conversations can be eavesdropped upon, parking lot debates may be watched, and casual comments between individuals before and after public meetings noted.

Council Conduct with City Staff

**"Wherever there is a human being, there is an opportunity for kindness."
Seneca**

Governance of a City relies on the cooperative efforts of elected officials, who set policy, and the City Manager and staff, who implement and administer the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

Direct staff issues and assignments to the City Manager

Assignments for City staff and/or requests for additional background information should be directed only to the City Manager.

Requests for follow-up or directions to staff should only be made through the City Manager or the City Attorney when appropriate. Materials supplied to a Council Member in response to a request will be made available to all members of the Council so that all have equal access to information.

Never publicly criticize an individual employee

Council should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's supervisor. Comments about staff performance should only be made to the City Manager through private correspondence or conversation. Comments about staff in the office of the City Attorney should be made directly to the City Attorney.

Allow staff to handle administrative functions

Council Members must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

Check with the City Manager on correspondence before taking action

Before sending correspondence, Council Members should check with the City Manager or Executive Assistant to the Mayor and City Council to see if an official City response has already been sent or is in progress.

Limit requests for staff support

Routine secretarial support will be provided to all Council Members. All mail for Council Members is opened by the Executive Assistant to the Mayor and City Council, unless other arrangements are requested by a Council Member. Mail marked personal or confidential is not opened.

IRRECONCILABLE DIFFERENCES

Requests for additional staff support – even in high priority or emergency situations – should be made to the City Manager who is responsible for allocating City resources in order to maintain a professional, well-run City government.

Do not solicit political support from staff

Council Members should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace. City employees are prohibited from using City resources, City time or appearing in uniform in relation to political activities.

Council Conduct with the Public

"If a man be gracious and courteous to strangers, it shows he is a citizen of the world, and that his heart is no island cut off from other lands, but a continent that joins to them."

Francis Bacon

In Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual Council Members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

Be welcoming to speakers and treat them with care and gentleness

Most residents do not speak before the City Council very often and they may be nervous, uncomfortable, and emotional. Putting speakers at ease will allow them to express their viewpoints more effectively, make Council meetings run more efficiently, and help the democratic process be fulfilled.

Be fair and equitable in allocating public hearing time to individual speakers

The Chair will determine and announce limits on speakers at the start of the public hearing process, per Council policy. Generally, each speaker will be allocated three minutes with applicants and appellants or their designated representatives allowed 10 minutes. If many speakers are anticipated, the Chair may ask for speaker cards to be filled out and may shorten the time limit and/or ask speakers to limit themselves to new information and points of view not already covered by previous speakers.

No speaker will be turned away unless he or she exhibits inappropriate behavior. Each speaker may only speak once during the public hearing unless the Council requests additional clarification later in the process. After the close of the public hearing, no more public testimony will be accepted unless the Chair reopens the public hearing for a limited and specific purpose.

Give the appearance of active listening

It is disconcerting to speakers to have Council Members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time, gazing around the room, or entering into prolonged dialogue with adjacent Council Members or staff gives the appearance of disinterest. Be aware of facial expressions, especially those that could be interpreted as "smirking," disbelief, anger or boredom.

Ask for clarification, but avoid debate and argument with the public

Only the Chair – not individual Council Members – can interrupt a speaker during a presentation. However, a Council Member can ask the Chair for a point of order if the speaker is off the topic or exhibiting behavior or language the Council Member finds disturbing.

If speakers become flustered or defensive by Council questions, it is the responsibility of the Chair to calm and focus the speaker and to maintain the order and decorum of the meeting. Questions by Council Members to members of the public testifying should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle the speaker. Council Members' personal opinions or inclinations about upcoming votes should not be revealed until after the public hearing is closed.

Undertake no personal attacks of any kind, under any circumstance

Council Members should be aware that their body language and tone of voice, as well as the words they use, can appear to be intimidating or aggressive.

Follow parliamentary procedure in conducting public meetings

The City Attorney serves as advisory parliamentarian for the City and is available to answer questions or interpret situations according to Roberts Rules of Order. Final rulings on parliamentary procedure are made by the Chair, subject to the appeal of the full Council.

In Unofficial Settings

Make no promises on behalf of the Council

Council Members will frequently be asked to explain a Council action or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of City policy and to refer to City staff for further information or appropriate action. It is inappropriate to overtly or implicitly promise Council action, or to promise City staff will do something specific (fix a pothole, remove a library book, plant new flowers in the median, etc.).

Make no personal comments about other Council Members

It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other Council Members, their opinions and actions.

Remember that Council Members are always on display

Council Members are constantly being observed by the community every day that they serve in office. Their behaviors and comments serve as models for proper deportment in the City of Santa Clara. Honesty and respect for the dignity of each individual should be reflected in every word and action taken by Council Members, 24 hours a day, seven days a week. It is a serious and continuous responsibility.

Council Conduct with Other Public Agencies

Be clear about representing the City or personal interests

If a Council Member appears before another governmental agency or organization to give a statement on an issue, the Council Member must clearly state if his or her statement reflects personal opinion or is the official stance of the City.

If the Council Member is representing the City, the Council Member must support and advocate the official City position on an issue, not a personal viewpoint.

If the Council Member is representing another organization whose position is different from the City, the Council Member should withdraw from voting on the issue if it significantly impacts or is detrimental to the City's interest. Council Members should be clear about which organizations they represent and inform the Mayor and Council of their involvement.

Correspondence should also be equally clear about representation

City letterhead may be used when the Council Member is representing the City and the City's official position. A copy of official correspondence should be given to the Executive Assistant to the Mayor and City Council to be filed in the Council Office as part of the public record.

Correspondence of Council Members representing a personal point of view on a City issue, or a dissenting point of view from an official Council position, should make it clear that the views expressed represent only the individual Council Member.

Council Conduct with Board, Commissions and Committee

**"We rarely find that people have good sense unless they agree with us."
Francois, Duc de La Rochefoucauld**

The City has established several Boards, Commissions and Committee (collectively referred to as City Commissions) as a means of gathering more community input. Citizens who serve on City Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

If attending a City Commission meeting, express personal opinions only

Council Members may attend any City Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation – especially if it is advocating a certain position – could be viewed as unfairly affecting the process. Any public comments by a Council Member at a City Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council, unless the Council has taken a position on the topic. If the City Council will later be considering an item that the Commission is discussing, the Council Member should not address the Commission on that item, and reserve his or her comments for the Council Meeting on the item. Council Members should not appear before a commission on behalf of an individual, business or developer.

Remember that City Commissions serve the community, not individual Council Members

The City Council appoints individuals to serve on City Commissions, and it is the responsibility of City Commissions to follow policy established by the Council. But City Commission members do not report to individual Council Members, nor should Council Members feel they have the power or right to threaten City Commission members with removal if they disagree about an issue. Appointment and re-appointment to a City Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A City Commission appointment should not be used as a political "reward." Concerns about an individual City Commission member should be discussed with the Mayor.

Be respectful of diverse opinions

A primary role of City Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Council Members may have a closer working relationship with some individuals serving on City Commissions, but must be fair and respectful of all citizens serving on City Commissions.

Keep political support away from public forums

City Commission members may offer political support to a Council Member, but not in a public forum while conducting official duties. Conversely, Council Members may support board and commission members who are running for office, but not in an official forum in their capacity as a Council Member.

Parliamentary Procedure

"The object of Rules of Order is to assist an assembly to accomplish the work for which it was designed, in the best possible manner. To do this it is necessary to restrain the individual somewhat, as the right of the individual in any community, to do what he pleases, is incompatible with the interests of the whole."

Henry Martin Robert

Public meetings in the City of Santa Clara – including the City Council, Council subcommittees, and all City boards, commissions and committees – follow Robert's Rules of Order in order to ensure that business is conducted in an orderly and democratic manner. Robert's Rules of Order are accepted throughout the U.S. as the standard authority on parliamentary law and procedure. Copies of the complete text of Robert's Rules of Order are available at the City Library and may be purchased at bookstores. Summaries can be found online.

The use of parliamentary procedure:

- promotes cooperation and harmony so that people can work together more effectively to accomplish their goals;
- guarantees each individual an equal right to propose motions, speak, ask questions and vote;
- protects the rights of minority points of view and gives the minority the same consideration and respect as those in the majority;
- encourages the full and free discussion of every motion presented;
- ensures that the meeting is fair and conducted in good faith.

Who was Robert and why is he making the rules?

Robert's Rules of Order are based on parliamentary procedure originally used in the British Parliament. Early colonists followed the British model in the first New England town meetings. When he was President, Thomas Jefferson published the first American book on parliamentary procedure in 1801 which served as the rules for Congress. In 1876, an engineer and general in the U.S. Army, Henry Martin Robert, modified these procedures to meet the needs of "ordinary society." His version, Robert's Rules of Order, has become the authoritative guide for governments, organizations, clubs and schools throughout the U.S.

IRRECONCILABLE DIFFERENCES

Quorum

A quorum is the minimum number of members that must be present for a group to conduct business. For the Santa Clara City Council, this means that a minimum of four Council Members or three Council Members and the Mayor be present for the Council meeting to take action.

Motions

A motion is the way that business is conducted by a group under parliamentary procedure. It is a proposal that an individual would like the group to consider and act upon.

Steps in making, discussing and voting on a motion:

1. The maker of the motion asks for recognition by the Chair.
2. After the individual is recognized, he or she will say "I move that we ..."
3. The Chair will ask if there is a second. Another member of the group must second the motion in order for it to be discussed. A second is made by saying "I second the motion."
4. The Chair then restates the motion "It has been moved and seconded that ..." and opens the floor to discussion.
5. The Chair will recognize members who wish to comment on the motion. Only one motion may be discussed at a time. It is important that all members of the group are clear on what the motion is and what its effect will be. Spirited discussion helps to answer questions and explore different interpretations and/or impacts of the motion.
6. At the end of the discussion period, the Chair will "call for the question" and ask how many members are in support of the motion, how many are opposed and if there are any abstentions. A majority vote is needed for the motion to pass. The motion may be noted as passing or failing by verbal "ayes" and "nays" of members, by counting a show of hands, or by using the electronic vote board for meetings held in Council Chambers.

Other common motions:

Amending a motion	"I move to amend the motion by . . ."
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Delaying consideration	"I move to table the motion until ..."
------------------------	--

Closing debate	"I move the previous question ..."
----------------	------------------------------------

Requesting more study	"I move to refer this to _____ (staff or subcommittee) for further study..."
-----------------------	--

Objecting to procedure	"Point of order."
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APPENDIX 7: July 18, 2023, City Council Meeting Minutes Item 5



City of Santa Clara

Minutes

Call and Notice of Special Council Meeting & Council and Authorities Concurrent Meeting

07/18/2023

6:00 PM

Hybrid Meeting
City Hall Council Chambers/Virtual
1500 Warburton Avenue
Santa Clara, CA 95050

The City of Santa Clara is conducting City Council meetings in a hybrid manner (in-person and continues to have methods for the public to participate remotely).

- Via Zoom:
 - o <https://santaclaraca.zoom.us/j/99706759306>

Meeting ID: 997-0675-9306

- o Phone 1(669) 900-6833

How to Submit Written Public Comment Before City Council Meeting:

1. Use the eComment tab located on the City Council Agenda page <https://santaclaraca.legistar.com/Calendar.aspx>. eComments are directly sent to the iLegislate application used by City Council and staff, and become part of the public record. eComment closes 15 minutes before the start of a meeting.
2. By email to clerk@santaclaraca.gov by 12 p.m. the day of the meeting. Those emails will be forwarded to the Council and will be uploaded to the City Council Agenda as supplemental meeting material. Emails received after the 12 p.m. cutoff time up through the end of the meeting will form part of the meeting record. Please identify the Agenda Item Number in the subject line of your email.

NOTE: Please note eComments and Emails received as public comment will not be read aloud during the meeting.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <https://santaclaraca.legistar.com/Calendar.aspx>

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at Santa Clara City Hall, 1500 Warburton Avenue, Santa Clara, CA 95050 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. For the final document, you may contact the Office of the City Clerk at (408) 615-2220 or Clerk@santaclaraca.gov.

IRRECONCILABLE DIFFERENCES

5. [23-824](#) Action on Appointments Related to a Charter Review Committee and Direction to Study Charter Amendment Alternatives Related to the Positions of Police Chief and City Clerk for Possible Placement on a March 2024 ballot.

Recommendation: Alternative : Staff makes no recommendation

City Manager Grogan introduced the item and turned it over to Assistant City Manager Bojorquez who gave a Powerpoint presentation on appointments related to a Charter Review Committee and direction to study Charter amendment alternatives related to the positions of Chief of Police and City Clerk.

Council comments and questions followed.

A motion was made by Councilmember Jain, seconded by Councilmember Hardy, to appoint the seven nominees to the Charter Review Committee.

Aye: 7 - Councilmember Watanabe, Councilmember Chahal, Councilmember Hardy, Vice Mayor Park, Councilmember Jain, Councilmember Becker, and Mayor Gillmor

A motion was made by Vice Mayor Park, seconded by Councilmember Becker, to direct that the Charter Review Committee, in the their scope of work, determine if the positions of Chief of Police and City Clerk should be appointed positions by either the City Council/City Manager or continue to be elected; look into the specifications and qualifications of each role comparable to other cities; and recommend additional qualifications as it relates to the positions.

Aye: 5 - Councilmember Chahal, Councilmember Hardy, Vice Mayor Park, Councilmember Jain, and Councilmember Becker

Nay: 2 - Councilmember Watanabe, and Mayor Gillmor

APPENDIX 8: Purpose And Overview Of The 2023 Charter Review Committee



**City of
Santa Clara**
The Center of What's Possible

CHARTER REVIEW COMMITTEE NOMINATION FORM

City of Santa Clara

City Clerk's Office 1500 Warburton Avenue

Santa Clara, California 95050

Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

PURPOSE AND OVERVIEW OF THE 2023 CHARTER REVIEW COMMITTEE

At the June 6, 2023 City Council meeting, the City Council directed the creation of a 2023 Charter Review Committee (Committee). The primary function of the Committee is to review and recommend to the City Council whether the provisions in the City Charter that provide for an elected Police Chief and/or City Clerk shall remain the same or whether an amendment to change the positions from elected to appointed positions and/or other changes to the currently stated qualifications for those positions should be placed on the March 2024 ballot. This scope of work is subject to final approval at the July 18, 2023 City Council meeting. The Council may accept, amend, or reject the Committee's recommendations and for those recommendations that are approved, determine the best method to structure the ballot measure(s). Discussions related to other portions of the City of Santa Clara Charter are not part of the scope of this Committee.

The Committee must be impartial, unbiased and free of any perceived political gain. The Committee must adhere to public meeting requirements and strive to include and educate the community about the process and purpose of a Charter Review, the importance of a City Charter and to solicit community input on proposed changes prior to making a recommendation to the City Council.

Membership

The Charter Review Committee will consist of seven (7) voting members that are appointed by the City Council, including one member from each Council District and a member nominated at large by the Mayor. City staff will be provided to support the Committee in an advisory role.

Meetings

Meeting dates will be set as determined by the majority of the Committee in consultation with City staff. All meetings shall be open to the public. The Committee shall hold at least two publicly advertised public hearings and will consider written and oral testimony offered during the review process, best practices as well as any other information the Committee shall solicit regarding how other cities approach the selection and/or qualifications for these positions. At the first meeting, the Committee shall elect a Chair and a vice-chair who will serve as Chair in the absence of the Chair. A quorum must be present to conduct business and is necessary to adopt a motion.

Duration

The Committee shall terminate at the time its recommendations are presented to the City Council. The Committee's recommendations, together with the related staff report, must be presented to the City Council no later than November 14, 2023.

**The City Council wishes to sincerely thank the nominees for their interest in serving
and outstanding commitment to the City of Santa Clara.**

IRRECONCILABLE DIFFERENCES

THE DEADLINE TO SUBMIT NOMINATIONS IS 12:00 PM, JULY 12, 2023

I, _____, hereby nominate the following individual to serve on the 2023 Charter Review Committee:
Mayor/Councilmember

Nominee Information:

Name: _____

Address: _____

City: _____

State: _____ Zip Code: _____

E-mail Address: _____

Primary Phone Number: _____

Secondary Phone Number: _____

Are you a resident of the City of Santa Clara?

(Must be a resident at time of application – Provide 2 proofs of residency: i.e. License/ID, Utility Bill or passport)

☐ Yes ☐ No

Are you a registered voter of the City of Santa Clara?

(Must be a registered voter at time of application)

☐ Yes ☐ No

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest.

Are you aware of any potential conflict that would prevent you from voting on matters to be considered by the Charter Review Committee?

☐ Yes ☐ No

Would you be willing to abstain from voting if such a conflict arises?

☐ Yes ☐ No

By signing below, you are affirming that if appointed, you have sufficient time to devote to this responsibility and attend meetings. Please note that the information provided on this form is a public record that may be subject to disclosure upon request.

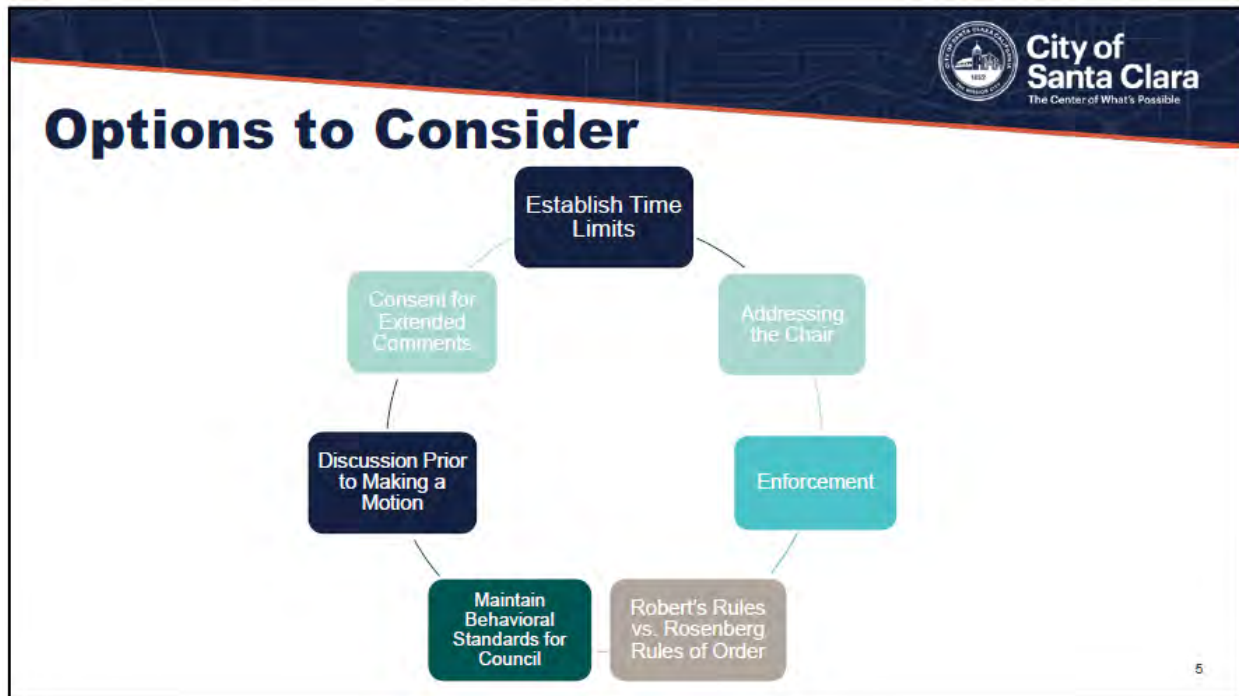
Signature: _____

Date Signed: _____

You may submit the completed nomination form in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050 or email completed form to: clerk@santacalaraca.gov

THE DEADLINE TO SUBMIT NOMINATION IS 12:00 PM, JULY 12, 2023

APPENDIX 9: Ethics Committee Presentation, December 4, 2023



APPENDIX 10: Understanding The Role Of Ethics Commissions



INSTITUTE FOR
LOCAL GOVERNMENT

PUBLIC SERVICE ETHICS

Everyday Ethics for Local Officials

Understanding the Role of Ethics Commissions

December 2007

QUESTION

We have a citizens' group in our community considering whether to propose establishing an ethics commission. We have looked for information about ethics commissions but have not really found much. Can you help?

ANSWER

There are a number of questions to ask in evaluating whether an ethics commission represents a useful tool for your community, including:

1. What is your overall goal?
2. What do you want an ethics commission to do?
3. How would commission members be selected?
4. What powers would the commission have?
5. What resources are available to support the commission?
6. What decision-making process should you use to determine whether a commission is right for the community?

Let's look at each issue.

What Is Your Overall Goal?

The interest in creating an entity with some kind of responsibility for public service ethics can be inspired by any number of goals. One goal may be symbolic: to convey the message that ethics is important to a jurisdiction — so important that the jurisdiction has a body responsible for it. Unfortunately, symbolic gestures rarely accomplish much in terms of ethics.

Other goals may relate to the type of role the entity will play. An ethics task force can determine whether additional ethics measures and activities would be helpful in a jurisdiction. The City of Long Beach used this approach in 2001 when it created an ethics task force that came back a year later with a series of recommendations on how to enhance the ethical climate in the city. This kind of entity is an information-gathering and advisory body. However, the city council made the ultimate decision on whether to adopt the measures recommended by the task force.

One advantage of having an ethics task force is that it brings the community's voice to the table about ethics in public service. Depending on the composition of the task force, the respect that task force members enjoy in the community can translate into community respect for the task force's proposals.

Types of Ethics Entities

The following nomenclature may be helpful to underscore the differing roles that ethics-related positions or bodies can play in an organization, although different organizations may use different terminology.

Ethics Task Force

A body convened by a local agency to accomplish a specific task relating to ethics, typically making policy recommendations on ways to enhance the culture of ethics in an agency. The task force is usually disbanded after it has made its recommendations or accomplished its task.

Ethics Committee

A standing body designed to be a source of advice on policy implementation and support for ethics within the agency. An ethics committee can also play an educational role within the agency and out in the community.

Ethics Hotline/Ombudsperson

A sounding board for public officials on public service ethics dilemmas. In the private sector, many large companies provide such a source of advice for their people. This kind of position can also play an educational and training role.

Ethics Commission

A standing body with delegated authority to interpret and enforce the jurisdiction's ethics regulations. An ethics commission can also play a role in training and education.

Other communities have an ethics committee. The committee is a group of individuals that provides advice and feedback on how to promote and enhance the city's ethics program. It can comprise members of the public, local officials or a combination of both. The City of Santa Clara's ethics committee, for example, is composed of the mayor and two council members, the city manager, city attorney, city clerk, chief of police and the city's ethics advisor. Other staff regularly attend. The meetings are open to the public, and the city posts meeting notices and mails them to those who wish to be notified.

An ethics commission is usually an in-dependent body that provides external oversight and enforcement of ethics laws.¹

In California, the state's Fair Political Practices Commission (FPPC) performs this role for state and local officials subject to the Political Reform Act. The FPPC regulates:

- Campaign financing and spending at the state and local levels;
- Financial conflicts of interest at the state and local levels;
- Lobbyist registration and reporting at the state level;
- Post-governmental employment at the state and local levels;
- Mass mailings at public expense at the state and local levels; and
- Gifts and honoraria given to public officials and candidates at the state and local levels.

A key goal of an ethics commission is to enhance public trust in the ethics enforcement process by assigning it to a quasi-independent entity.

Local agencies can have ethics commissions that are charged with enforcing and taking other actions with respect to local ethics laws. Such commissions may also provide advice regarding local ethics laws as well as offer training on such laws.

One question to ponder is whether your city or county needs additional ethics regulations (see "There Ought to Be a Law" at the bottom of this article). California already has a fairly complex array of ethics laws. For an overview of existing state and federal ethics laws, see A Local Official's Ethics Law Reference at www.ca-ilg.org/ethicslaws.

Common local ethics laws include laws that go beyond the minimum standards established in various state laws. These include laws that relate to campaign finance (contribution limits and public financing of campaigns), laws regulating lobbyists, open government or "sunshine" ordinances and more stringent gift rules.

IRRECONCILABLE DIFFERENCES

Everyday Ethics for Local Officials
Understanding the Role of Ethics Commissions

December 2007

Table 1. Ethics Commission Duties and Responsibilities

San Francisco Ethics Commission	Los Angeles Ethics Commission	San Diego Ethics Commission	San Jose Elections Commission	Berkeley Fair Campaign Practices Commission	Oakland Ethics Commission
<p>Upon a four-fifths vote of its members, commission may submit directly to voters any ordinance relating to conflict of interest, campaign finance, lobbying, campaign consultants or governmental ethics</p> <p>Commission serves as filing officer for state campaign statements</p> <p>Commission may adopt administrative regulations; regulations become effective within 60 days unless vetoed by a two-thirds vote of the board of supervisors</p> <p>Ethics commission authorized to hold hearings to determine whether an elective or appointed city officer warrants suspension or removal for acts of official misconduct</p>	<p>Administers and implements laws concerning campaign finance, lobbying, conflict of interest and governmental ethics</p> <p>Commission also serves as filing officer for campaign statements and is required to conduct audits of those statements</p> <p>Commission may investigate alleged violations of local and state law pertaining to campaign finance, lobbying, ethics and conflict of interest and report to appropriate authorities</p> <p>Commission must maintain a whistleblower hotline</p> <p>Commission authorized to adopt administrative regulations subject to council approval without modification</p> <p>Commission may issue written opinions and advice, the good faith reliance on which can provide immunity from or a defense to subsequent enforcement proceedings</p>	<p>Administers, monitors and enforces city-enacted laws concerning campaign finance, statements of economic interests, conflict of interest and gifts, lobbyist registration and other matters proposed by the commission and adopted by the city council</p> <p>Commission may investigate allegations of violations of city campaign and ethics laws</p>	<p>Monitors compliance with all city campaign and ethics laws</p> <p>Investigates allegations of violations of city campaign and ethics laws</p> <p>Makes recommendations to the city council on city campaign and ethics laws</p>	<p>Administers and enforces the Berkeley Election Reform Act</p> <p>Prescribes forms, publishes manuals and assists other city agencies in connection with the Berkeley Election Reform Act</p> <p>Commission may issue opinions, the good faith reliance on which can provide immunity from subsequent enforcement proceedings</p>	<p>Oversees compliance with all city campaign and ethics laws, including local "sunshine" ordinance, lobbyist registration act, public financing of campaigns, campaign finance act, etc.</p> <p>Makes recommendations to the city council on city campaign and ethics laws</p> <p>Imposes penalties and fines as provided for by ordinance</p> <p>Prescribes forms for reports, statements, notices and other documents related to campaign financing, conflict of interest, lobbying and ethics</p> <p>Sets compensation for the office of city council member, which is reviewed and adjusted annually</p> <p>Conducts investigations, audits and public hearings</p>

Tables provided courtesy of Oakland Ethics Commission

What Do You Want an Ethics Commission to Do?

If creating an independent, regulatory entity would meet your community's goal, the specific duties assigned to ethics commissions tend to fall into one or more of three categories:

1. Overseeing and enforcing local ethics laws and/or codes;
2. Providing advice to local officials on ethics and ethics laws; and
3. Training local officials on ethics and ethics laws.

Most ethics commissions tend to focus on ethics laws as opposed to ethics (values-based conduct that goes above and beyond the minimum requirements of the law). See Table 1 for a list of responsibilities of various ethics commissions in California.

However, one California community experimented with having an ethics commission that enforced its values-based ethics code. The code had examples of what conduct reflecting certain values -- such as fairness, trustworthiness, responsibility and respect -- did and did not look like. The task assigned to the ethics commission in that situation was to assess whether a given conduct fell into the "does not look like" category.

How Should Members Be Selected?

For an ethics commission to achieve the goal of promoting public confidence in its decision-making processes, it needs fair-minded and diligent members who are concerned with equitably enforcing its adopted ethics laws and requirements. This leads to the question of who appoints the members of the ethics commission. Table 2 illustrates how a number of jurisdictions have tried to achieve the goal of appointing fair decision-makers.

Public confidence in the commission's decisions is also enhanced if the commissioners are not participants in the political process that they are charged with regulating. For that reason, a number of jurisdictions impose restrictions on commissioners' participation in elections (see Table 2).

IRRECONCILABLE DIFFERENCES

Everyday Ethics for Local Officials
Understanding the Role of Ethics Commissions

December 2007

Table 2. Ethics Commission Composition and Restrictions on Commissioner Activities

	San Francisco Ethics Commission	Los Angeles Ethics Commission	San Diego Ethics Commission	San Jose Elections Commission	Berkeley Fair Campaign Practices Commission	Oakland Ethics Commission
Commission Composition	Five members, each serving one six-year term Terms staggered annually	Five members, each serving a five-year term Terms staggered annually	Seven members, each serving up to two four-year terms Terms staggered	Five members, each serving up to two four-year terms Terms staggered	Nine members; each serving a single four-year term Terms staggered	Seven members, each serving a three-year term Terms staggered
Appointment	Appointed by mayor, board of supervisors, city attorney, district attorney and assessor	Appointed by mayor, city attorney, controller, president of council, and president pro tem of council	Appointed by mayor from a pool of candidates Each council member and city attorney nominates seven candidates Mayor's appointments subject to confirmation by city council	Appointed by two-thirds vote of city council	The mayor and each city council member appoint a commissioner Commission terms run concurrently with the elected official's term	Three members appointed by mayor Four members appointed by the entire commission
Qualifications	Mayor's appointee must have background in public records/public meetings; city attorney's appointee must have background in public ethics law; assessor's appointee must have background in campaign finance law; remaining two appointees must represent general public	Must be a registered voter	At least one member must have held elective public office; two must be lawyers; no more than three can be from the same political party Must be a registered voter	Must be a registered voter with some familiarity with campaign laws; one member must be a California attorney	Must be a registered voter	Must be an Oakland resident and registered to vote

Table 2 continued

IRRECONCILABLE DIFFERENCES

Everyday Ethics for Local Officials
Understanding the Role of Ethics Commissions

December 2007

	San Francisco Ethics Commission	Los Angeles Ethics Commission	San Diego Ethics Commission	San Jose Elections Commission	Berkeley Fair Campaign Practices Commission	Oakland Ethics Commission
Restrictions	<p>Can't hold public office or be an officer of a political party</p> <p>Can't be a city employee, registered lobbyist or campaign consultant</p> <p>Can't participate in a campaign for city office, a ballot measure or publicly endorse a candidate or ballot measure</p>	<p>Can't hold public office or participate in an election campaign</p> <p>Can't run for public office within two years of a commission decision concerning that office</p>	<p>Can't make a financial contribution to, or publicly support or oppose, a candidate for public office</p> <p>Must agree not to run for elective office for 12 months after serving as a commissioner</p>	<p>Can't have a direct and substantial financial interest in any business, work or action by the city</p> <p>May not hold public office while a commissioner</p> <p>May not run for elective office for one year before or after serving on the commission</p> <p>May not endorse or work on behalf of any candidate while serving on the commission</p>	<p>Can't hold or seek election to public office or serve as an officer of any political party</p> <p>Can't participate in or contribute to a Berkeley election campaign</p>	<p>Can't be employed by the city or have any direct and substantial financial interest in any work or business or official action by the city</p> <p>Can't seek election to any other public office or participate in or contribute to an Oakland municipal campaign</p> <p>Can't endorse, support, oppose, or work on behalf of any candidate or measure in an Oakland election</p>
Vacancies	<p>Vacancies filled by the appointing authority for the remainder of the term</p> <p>If less than three years remaining on the term, the appointee may serve a new six-year term</p>	<p>Appointments made within 30 days by the appointing authority to fill the unexpired term</p>	<p>Vacancies filled by the mayor from a pool of candidates submitted by each city council member and the city attorney</p>	<p>Appointments must be made within 60 days by the city council to fill the unexpired term</p>	<p>Appointments must be made within 30 days by the appointing authority to fill the unexpired term</p>	<p>A vacancy must be filled no sooner than 30 days and no later than 60 days from the date that the vacancy occurs</p>

What Powers Should the Ethics Commission Have?

Other key decisions that will have to be made in the process of creating an ethics commission are:

- What kind of power should the commission have?
- Will the commission have the power to investigate claims of violations? And
- Can it subpoena records and compel people to testify before the commission?

IRRECONCILABLE DIFFERENCES

If the commission's primary function is to enforce ethics requirements, the commission will typically be given the power to impose penalties (usually fines) for violations of laws within its jurisdiction. It may also be given the power to issue orders compelling compliance with ethics laws or enjoining violations. Table 3 explains how various jurisdictions answer these questions.

Table 3. Ethics Commission Powers

	San Francisco Ethics Commission	Los Angeles Ethics Commission	San Diego Ethics Commission	San Jose Elections Commission	Berkeley Fair Campaign Practices Commission	Oakland Ethics Commission
Enforcement Procedures	A comprehensive set of complaint procedures exists; investigations and preliminary consideration of complaints are confidential	A comprehensive set of complaint procedures exists; investigations and preliminary consideration of complaints are confidential Commission can request appointment of a special prosecutor for criminal enforcement if the city attorney is conflicted	A comprehensive set of complaint procedures exists; investigations and preliminary consideration of complaints are confidential	City council adopts by resolution the commission's complaint procedures	The commission may investigate and hold hearings to determine violations of the Berkeley Election Reform Act Hearings are open to all interested persons	A comprehensive set of complaint procedures exists Changes to commission rules and procedures become effective within 60 days unless vetoed by two-thirds vote of the city council
Conflict With Other Laws		Ethics charter provisions prevail against conflicting local laws				
Subpoena	Yes	Yes	Yes	Yes	Yes	Yes
Laws Over Which the Commission Has Jurisdiction	Campaign Finance Reform Ordinance (includes public matching funds); Campaign and Government Conduct Code; Prohibition of False Endorsement in Campaign Literature Ordinance; Lobbyist Registration Ordinance; Sunshine Ordinance (partial)	Campaign Finance Ordinance (includes public matching funds); Governmental Ethics Ordinance; Municipal Lobbying Ordinance; Post-Employment Ordinance	Election Campaign Control Ordinance; Citywide Ethics Ordinance; Municipal Lobbying Ordinance	Citywide Ethics Code (includes campaign finance, lobbying, revolving door and gift limitations)	Berkeley Election Reform Act	Campaign Finance Act (OCRA); Ethics Code (for city council); Lobbyist Registration Act; Conflict of Interest Code; Sunshine Ordinance; Limited Public Financing Act; False Endorsement in Campaign Literature Act

What Resources Are Available To Support an Ethics Commission?

The commission will typically need staff to assist with its work. The Los Angeles Ethics Commission employs 31 people, but staffing levels vary. Table 4 shows how various ethics commissions are staffed and their associated budgets.

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Everyday Ethics for Local Officials
Understanding the Role of Ethics Commissions

December 2007

It's also important to understand that indirect costs will be associated with supporting an ethics commission. Ethics commission staff will likely work closely with the agency counsel's office and possibly with the agency auditor. For example, in Berkeley, the city clerk's office also provides administrative support to the ethics commission.

Table 4. Ethics Commission Staffing and Resources

	San Francisco Ethics Commission	Los Angeles Ethics Commission	San Diego Ethics Commission	San Jose Elections Commission	Berkeley Fair Campaign Practices Commission	Oakland Ethics Commission
Number of Staff (full-time equivalents)	12	31	6	No staff (city clerk's office provides administrative assistance as needed)	No staff (city clerk's office provides administrative assistance as needed)	20
Annual Budget	\$1,382,441	\$2,603,000	\$1,021,106	No separate budget	No separate budget	\$279,644
Commission & Staff Relations	Commission appoints and may remove the executive director at will Executive director has power to appoint and remove other commission employees City attorney is the commission's legal advisor	Commission appoints and may remove the executive director at will Executive director has power to appoint and remove other commission employees City attorney is the commission's legal advisor; however, commission may employ or contract staff counsel on matters involving the conduct of the city attorney, his or her office, or his or her election campaign	Commission appoints the executive director, subject to confirmation by the city council Executive director serves at the pleasure of the commission	Committee meetings staffed by the office of the city clerk City council has authority to retain an independent and neutral evaluator, selected by the commission, to review and investigate complaints filed with the commission. The city council must appropriate funds for this purpose City attorney provides legal advice but does not participate in investigations or review of complaints	City provides the commission with staff who act in accordance with commission policies and regulations	City manager, or his or her designee(s), provides the commission with staff assistance as necessary to permit the commission to fulfill its functions and duties

Is an Ethics Commission Right For Your Jurisdiction?

A variety of decision-making processes are used to decide whether a community needs an ethics commission. Some jurisdictions assign the task of making recommendations on these issues to an ethics committee or task force. The task force's recommendations are presented to the city council or board of supervisors, who then evaluate whether these recommendations should be adopted, adopted with modifications or subjected to further study and analysis. In charter cities and counties, the proposal may be put before the

voters as a charter amendment. Voters can also use the initiative process to propose a matter for the ballot.

Another option is for community groups to collaborate with a local agency on a ballot measure. This hybrid approach helps create a proposal that reflects community concerns as well as the technical expertise of the public agency about how to craft a measure that addresses such concerns.

Conclusion

Local agencies have a number of tools available to them to promote a culture of ethics and compliance with ethics laws in their jurisdictions. An ethics commission is one such tool. Like all tools, there are tasks that ethics commissions can perform well, while other ethics-related functions may be better achieved by other measures. For more information about the range of tools available to local agencies to promote ethics in public service, visit the Institute for Local Government's Ethics Resource Center at www.ca-ilg.org/erc.

There Ought to Be a Law -- Wait, There Is One!

Sometimes a jurisdiction will find itself evaluating whether to form an ethics commission or other ethics-related entity when it is experiencing a scandal. Leaders may feel under pressure to "do something" to prevent future scandals. To respond effectively, it can be helpful to identify exactly what caused the scandal to occur and tailor the response accordingly.

Sometimes the scandal will be that someone is charged with violating an ethics law. Under such circumstances, the solution may not be more laws or even more law enforcement. The solution may be stepped-up training. Such training may be helpful if the prevailing sense is that someone made an ignorant mistake (either not knowing something was against the law or not realizing the consequences of getting caught). Greater attention to creating a culture of ethics within the jurisdiction and sensitizing the voters to the need for considering ethics as a criteria in elections may also be solutions (see "Santa Clara Infuses Ethics Into Campaigns" regarding the city's "Vote Ethics" efforts).

In other cases, there may not have been a perceived violation of the law but a perceived lack of enforcement. If this is the situation, keep in mind that there may be multiple enforcement mechanisms. For example, the Political Reform Act allows for private enforcement if the Fair Political Practices Commission does not take action on a complaint. Moreover, under the federal law that protects the public's right to "honest services" from its public officials, many violations of state ethics laws can also be prosecuted by the U.S. Attorney's Office as a form of mail or wire fraud (or if money was involved, even income tax evasion).

Alternatively, the scandal may be that someone did not engage in conduct that should necessarily send them to jail or cause them to pay a fine; they just exercised very poor judgment. Or it could be a form of conduct that is very difficult to regulate (for example, issues related to free speech). This is where an aspirational, value-based code of ethics can help, particularly if it is accompanied by a well-defined, consistently implemented program to highlight the importance of the code as a guide for everyday conduct by public officials that reflects the community's expectations. Visit www.ca-ilg.org/ethicscodes for more information on this approach.

In short, it's important when facing demands that one "do something" about an ethics issue to choose a course of action reasonably tailored to fixing the problem that gave rise to the issue. Otherwise, one faces the specter of further erosions of the public's trust and confidence if a remedy, while well-intended, proves ineffective in preventing a repeat occurrence.

This piece originally ran in *Western City Magazine* and is a service of the Institute for Local Government (ILG) Ethics Project, which offers resources on public service ethics for local officials. For more information, visit www.ca-ilg.org/trust.

ILG is grateful to these individuals for their assistance in preparing this article: Dan Purnell, executive director, Oakland Ethics Commission; Heather Mahood, assistant city attorney, Long Beach; Jennifer Spiraćino, city manager, City of Santa Clara; and Carol McCarthy, deputy city manager, City of Santa Clara. Generous funding for the development of this column was provided by the International City-County Management Association (ICMA) Retirement Corporation (www.icmarc.org), whose mission is to build retirement security for the public sector.

Endnote:

¹ National Conference of State Legislatures, Ethics Committees and Ethics Commissions: What's the Difference? Available at http://www.ncsl.org/programs/ethics/whats_the_difference.htm.

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This report was **ADOPTED** by the 2023-24 Santa Clara County Civil Grand Jury on this 12th day of June, 2024.

A handwritten signature in blue ink, appearing to read "Karen", followed by a stylized flourish or second name, all written over a horizontal line.

Karen Enzensperger
Foreperson



**City of
Santa Clara**

The Center of What's Possible

CITY OF SANTA CLARA
OFFICE OF THE CITY CLERK
2024 JUN 18 PM 3:43

COUNCIL ITEM REQUEST FORM

The Council Item Request Form is for members of the City Council to submit written requests to the City Manager's Office for inclusion of an item on a future City Council meeting agenda. At the meeting where the initial written request is heard, discussion should be limited to whether the item should be added to an agenda and a date, not the merit of the item. A majority vote of the City Council is required for the item to be added to future Council meeting agenda for action.

CONTACT INFORMATION

Requesting Member of City Council Mayor Lisa Gillmor, Councilmember Kathy Watanabe

Contact E-mail Lgillmor@santaclaraca.gov, Kwatanabe@santaclaraca.gov

Contact Phone 408-836-0313, 408-429-4440

Today's Date June 18, 2024

WRITTEN REQUEST

I, Mayor Lisa Gillmor & Councilmember Kathy Watanabe, hereby request that the following item be placed on the City of Santa Clara Council and Authorities Concurrent meeting agenda:

Please see below.

We respectfully request that this item be placed on the June 25th City Council agenda.

The Santa Clara County Civil Grand Jury report titled "Irreconcilable Differences: Santa Clara City Council", findings reveal serious dysfunction within the City Council, hindering effective governance and public engagement. Placing this discussion on a future agenda is crucial for addressing the systemic issues and restoring public trust in this governing body.

Therefore, we request that this item be added to the the July 9th, 2024 City Council agenda for a public discussion on the Grand Jury report, the findings, and possible council actions.