

CITY OF STOCKTON
STANDARD AGREEMENT

ATTACHMENT A

Agreement Number:

1. This Agreement is entered into between the City of Stockton ("City") and
("Contractor") to provide
as set forth in Exhibit A to this Agreement.

2. The term of this Agreement is as follows, unless amended as described in Exhibit A and
Exhibit C section 8:
Commences on: Terminates on:

3. The estimated revenue share to be paid to Contractor for each year of this Agreement,
including if authorized, reimbursement of expenses, is: \$

4. The complete Agreement consists of all the following Agreement documents which by
reference are incorporated and made a part of this Agreement. The parties agree to comply with
the terms and conditions of this Agreement.

- (a) Exhibit A – Statement of Work
- (b) Exhibit B – Insurance
- (c) Exhibit C – General Terms & Conditions
- (d) Exhibit D –
- (e) Exhibit E – Compensation Schedule
- (f) Exhibit F – Timeline
- (g) Exhibit G - Special Funding Terms & Conditions

(If applicable check box) YES

IN WITNESS WHEREOF, the authorized parties have executed this Agreement.

CONTRACTOR

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Authorized Signature

04.01.2025

Date

Printed Name and Title of Person Signing

Address

CITY OF STOCKTON

Steve Colangelo, Interim City Manager
Date

ATTEST:

Katherine Roland, CMC, CPMC, City Clerk

APPROVED AS TO FORM:
Lori M. Asuncion, City Attorney

BY:

EXHIBIT A
STATEMENT OF WORK

1. Project Objectives

- 1.1 Alarm Program Systems LLC (“Contractor”) shall provide the Stockton Police Department, Neighborhood Services Section (NSS) with Alarm Reduction Program management services using a cloud-based solution application.

2. Project Scope

- 2.1 The Contractor shall provide services to lower embedded agency costs, heighten public awareness, increase program revenues, reduce false alarms, and free up valuable resources for public safety.

The APS application is a 100% cloud-based solution that enables collaboration, integration and automation between business units across multiple departments - creating a true municipal agency and citizen engagement solution. All program information is highly secure, stable, and accessible in real time from any device. From the front-end citizen portal to the back end administrative interface, APS is able to leverage an industry leading technology stack to ensure that our product offering is constantly improving at the pace of current technology.

3. Specifications

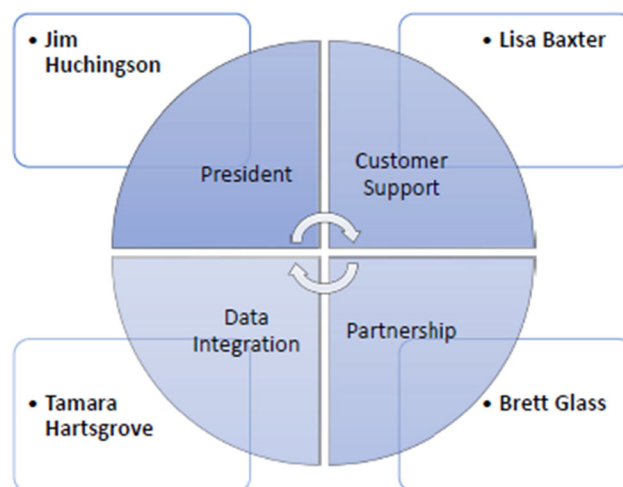
- 3.1 Contractor shall provide a 100% web-based application that requires no hardware or software to be purchased. The platform shall be built entirely on cloud-based architecture and have work process rules to ensure best in class program stability and data security. The platform enables collaboration, integration, and automation between business units across multiple departments - creating a true municipal agency and citizen engagement solution.
- 3.2 Contractor shall migrate all City Alarm Reduction Program call history/data sets from its current Computer Aided Dispatch (CAD) system onto APS platform and assume full administrative responsibility of its functions in accordance with City requirements.
- 3.3 Contractor shall migrate all City Alarm Reduction Program permits and permit renewals from its current Police Alarms Database Software (PADS) system onto APS platform and assume full administrative responsibility of its functions in accordance with City requirements.

- 3.4 Contractor shall be responsible for securely importing existing Alarm Reduction Program data both from the City and its CAD Contractor (Tiburon) and creating callable database files including but not limited to permit address records, permit date records, historical billings, historical payments, and any fees outstanding at the time of transfer.
- 3.5 All program information must be highly secure, stable, and accessible in real time from any device. From the front-end citizen portal to the back end administrative interface.
- 3.6 Contractor shall assist the City in establishing a coding system to enable the Contractor to properly sort the types of alarms received from alarm users, i.e., False Alarm (Excessive/Panic), Activation without a valid permit, and Activation without a response from alarm users within a required timeframe.
- 3.7 Contractor shall, with the City, develop a system of collecting calls-for-service information that will eliminate any access to data or other restricted details, evidence, or statistics pursuant to Criminal Justice Information Services (CJIS) rules and regulations.
- 3.8 Contractor shall be responsible for retrieving all relevant Alarm Reduction Program data sets and assist the City in establishing a CAD interface through which the Contractor can receive false alarm reports at a regular interval.
- 3.9 Contractor shall, consistent with Stockton's [approved alarm ordinance](#) and any future amendments, provide, operate, and maintain City's Alarm Reduction Program. More specifically, the Contractor shall develop, provide, operate, and maintain the systems necessary to communicate with Stockton's designated City officials, Alarm Companies, Police Department, and those members of its citizenry affected by the alarm ordinance.
- 3.10 Contractor's system solution shall be tailored to fit City's particular needs and objectives, and it shall perform all functions necessary to satisfy same. It shall acquire, access, assimilate, produce, record and store data relevant to the operation of City's Alarm Reduction Program. It shall generate and issue notices, permits and billing statements; track accounts receivables, account histories (including hearings and appeals); and generate reports.
- 3.11 Contractor shall provide accounting reconciliation services and accounting reports for all billing pursuant to Generally Accepted Accounting Principles on a monthly basis. This shall include monthly auditing to ensure accuracy. Said reports and all supporting documents shall be submitted to the City within ten business days of the following month.

- 3.12 Contractor shall securely import all existing Alarm Reduction Program records, i.e., permits (PADS), billings, payments/history, and outstanding fees (Munis), etc., and use it to populate live permit accounts on the Contractor's platform.
- 3.13 Contractor shall manage and operate the notifications (both by mail and email), billing (including on-line payment) and collections, and permit applications and processing for residential/commercial burglar alarms, panic alarms, and false alarms.
- 3.14 Contractor shall provide an online alarm user portal (linked to the City's website) where alarm users (households and businesses) can obtain and renew alarm permits, pay billings, view their alarm activity, view the City's alarm ordinance and update account information.
- 3.15 Contractor's online portal should have a dedicated section for educational resources and frequently asked questions (FAQs) regarding alarm systems, best practices for alarm management, and ways to reduce false alarms.
- 3.16 Contractor's platform shall enable Police Department and other City staff to securely search the alarm program database online to access alarm account history and alarm ordinance enforcement actions. Records are callable by multiple search criteria such as name, address, phone number, email address, permit number, and alarm provider name. Additionally, the system shall be able to perform wildcard searches. Reports can be generated instantly by staff in multiple file formats (Including Excel, PDF, and CSV).
- 3.17 On the service side, the Contractor must provide an experienced customer support team that is well versed in all aspects of alarm program management. The staff must be trained in both City's alarm ordinance and the manner in which the City wants the program administered.
- 3.18 Contractor will maintain a toll-free telephone number (M-F, 8am-5pm PST) that alarm owners may call to speak with support staff about the specific details of their bills or to ask about the alarm program in general.
- 3.19 Contractor shall also provide an electronic service functionality by way of a designated City Alarm Reduction Program Support Email address routed directly to a customer support center. Customer email inquiries shall be professionally responded to within 24 business hours of receipt.
- 3.20 Contractor's system shall enable City to perform educational alarm program mail/email campaigns with City generated templates/inserts.

- 3.21 Contractor shall create awareness in the community of the City's ordinance to reduce false alarms. Contractor shall publish/share weekly top offenders lists to APS support team and City staff to bring awareness to problem alarm locations and conduct outreach campaigns via email/phone to educate alarm users.
- 3.22 Contractor shall provide an Online Alarm School and collaborate with City law enforcement and alarm monitoring companies to educate alarm users in an effort to reduce false alarms.
- 3.23 If requested, the Contractor shall furnish, model alarm ordinances and complimentary service to write any revisions to the City's alarm ordinance. The Contractor shall work with the Police Department staff and the City Attorney's Office to produce workable versions.
- 3.24 Contractor shall establish an interface protocol with City's current CAD Contractor, and any future CAD Contractor, and collect alarm call data weekly. The Contractor shall provide for a secure, encrypted transmission of this data.
 - a. Contractor shall in approximately three (3) years, connect/integrate to a new CAD system.
- 3.25 Contractor shall establish work-flow rules for the handling of return mail. Return addresses are matched against existing locations via google maps and representative calls are made to additionally sort for corrected locations.
- 3.26 Contractor shall pursue outstanding balances with live customer service phone calls.
- 3.27 Contractor shall establish a mail-in payment program in a manner desired and approved by the City.
- 3.28 City shall have the option of using a bank lockbox, an already established City lockbox, or elect the Contractor to process mailed payments in house. Banking fees shall be paid from the gross monthly program revenues. All payments (by check and electronically) shall be directly deposited into the agreed-on bank account until the City approved month-end distribution.
- 3.29 Contractor shall use Salesforce.com platform for the processing of online credit card payments and be PCI compliant. The Contractor shall design its service to meet City's specific PCI requirements providing relevant certifications as necessary.

- 3.30 City staff will have unlimited real-time access to all relevant data related to alarm program operation and ability to call data metrics such as program revenues, current permits, refused permits, false alarm billings, outstanding receivables, past due balances, collection rates, upcoming renewals, etc.
- 3.31 Contractor shall pursue outstanding fees for 90 days and transfer outstanding collection data to the City in any file format necessary.
- 3.32 Contractor shall provide virtual training to City staff that are engaged in the operation and/or oversight of City's Alarm Reduction Program. Additional training is open-ended and provided on an ongoing basis throughout the term of contract as requested by the City.
- 3.33 Contractor shall produce and deliver reports to the City on a weekly basis or as requested by the City, including, but not limited to, auto-notifications. The system can be configured to automatically generate and distribute reports electronically on any time interval (daily, weekly, monthly, etc.).
- 3.34 Contractor shall maintain its equipment in good working order and shall take all reasonable steps to protect their systems against infection or corruption to ensure uninterrupted operation of City's Alarm Reduction Program.
- 3.35 Contractor shall provide the City with a 24-hour emergency telephone number where an APS associate can be reached at all times.
- 3.36 Contractor shall provide City with a rollout schedule detailing the program migration from contract date to GoLive date.
- 3.37 The Project Management team will consist of the following individuals:



Jim Huchingson will serve as Project Manager and oversee all phases of the Stockton partnership. His efforts will be concentrated on the development of a rollout plan and overseeing all phases of the project - including status meetings, data import, website development, and managing CAD and financial interfaces.

Lisa Baxter will conduct customer support training. She will train the APS customer support staff on City's alarm ordinance, establish a protocol for appeals with the City, and implement workflow rules for collection and billing.

Tamara Hartsgrove will serve as the point person for data conversion and integration. She will take alarm program data in whatever form it currently exists and import it onto the APS platform. She will also assist in designing any necessary CAD/RMS interface.

Brett Glass will serve as Co-Manager on the project and coordinate regular progress meetings with Stockton to ensure clear communication throughout the onboarding process. He will handle all communication materials for alarm company and citizen outreach. Brett will continue as City's primary Customer Service Representative after the program has rolled out.

These four key members of the team will serve as contact points for respective staff members in Stockton focused on the False Alarm Management Program. Each will be principally responsible for working with Stockton and ensuring the success of its Alarm Program

3.38 Hosting Solutions for Contractor's application is built on Salesforce.com.

- a. The hosted site is secured via access control and physical security
 - 24-hour manned security, including foot patrols and perimeter inspections
 - Biometric scanning for access
 - Dedicated concrete-walled Data Center rooms
 - Computing equipment in access-controlled steel cages
 - Video surveillance throughout facility and perimeter
 - Building engineered for local seismic, storm, and flood risks
 - Tracking of asset removal
- b. Power
 - Underground utility power feed
 - Redundant (N+1) CPS/UPS systems
 - Redundant power distribution units (PDUs)
 - Redundant (N+1) diesel generators with on-site diesel fuel storage

- c. Environmental controls
 - Humidity and temperature control
 - Redundant (N+1) cooling system
- d. Network
 - Concrete vaults for fiber entry
 - Redundant internal networks
 - Network neutral; connects to all major carriers and located near major
 - Internet hubs
 - High bandwidth capacity fire detection and suppression
 - VESDA (very early smoke detection apparatus) Dual-alarmed, dual-interlock, multi-zone, pre-action dry pipe water-based fire suppression

3.39 Contractor shall provide a recovery strategy, recovery response times, and Security Incident Response Plan.

- a. Data Backups: Salesforce Cloud System Integrity and Security
 - Salesforce performs real-time replication to disk at each data center, and near real-time data replication between the production data center and the disaster recovery center.
 - All networking components, SSL accelerators, load balancers, web servers, and application servers are configured redundantly.
 - All customer data is stored on a primary database server that is clustered with back-up database server for uninterrupted access.
 - All customer data is stored on disk that is mirrored across multiple storage cabinets and controllers.
 - All customer data, up to the last committed transaction, is automatically backed up to a primary tape library on a nightly basis.
 - Back-up tapes are immediately cloned on a second library to verify their integrity. The clones are moved to secure, fire-resistant off-site storage on a regular basis.

- b. Performance and Service Level Agreement (SLA):
 - Salesforce provides a SLA of 99.9% uptime for its core services. The platform is available at least 99.9% of the time – Maximum allowable downtime of approximately:
 - 8.76 hrs per year
 - 43.8 minutes per month
- c. Recovery Plan:
 - Contractor shall perform data replication across multiple regions ensures high availability. Recovery Time Objective (RTO) is estimated at 12 minutes to restore service.
- d. Security Incident Response Plan:
 - In case of a security breach, Contractor's incident response team members shall implement their established Incident Response Plan (Attachment A).

4. Implementation Schedule

Implementation Schedule

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| Contract Date |
| Notice to Proceed Date |
| Proposed Roll-Out Meeting: Day 1 <ul style="list-style-type: none"> Conduct implementation status meeting between APS and city staff Review and approve implementation plan |
| Weeks 1-3 of Rollout <ul style="list-style-type: none"> <input type="checkbox"/> Interface, Correspondence and Process Specifications <ul style="list-style-type: none"> Establish a toll-free number and alarm program mailing address Build Alarm Program website with ordinance and fee information data connections for online support and payment Review CAD, financial (bank account, bank lockbox and/or city financial system) and online access specifications for city agents. Collaborate with PD/City to establish a coding system to alarm response & set filters on data import based off of these to surface qualified billable false alarm Draft and format for approval all correspondence templates <ul style="list-style-type: none"> Existing Alarm User Notification Alarm Company Letter False Alarm Incident Notification Stockton Web Site Content Establish hearing and appeal process steps Work with city staff to build comprehensive roster of all jurisdictional alarm providers Import all existing permit and false alarm data/history from current administrator Import Alarm Company rosters electronically and manually as needed Establish secure web-based interface with alarm Companies for ongoing roster management, licensing, outstanding invoices and current balance <input type="checkbox"/> Implement and test business, alarm company, and citizen web functions <ul style="list-style-type: none"> Alarm company self-service portal Alarm user portal/alarm program website (online alarm class available) Establish city administrative access to application Embed links from Stockton PD website(s) to alarm program website Implement and test business, alarm company, and citizen web functions |
| Midpoint Meeting: Day 21 <ul style="list-style-type: none"> Appraise city staff of implementation progress; discuss remaining steps to 'go live' date |
| Weeks 4-6 of Rollout <ul style="list-style-type: none"> <input type="checkbox"/> Registration Implementation <ul style="list-style-type: none"> Complete the import of all relevant data onto the APS platform Configure system logic for alarm ordinance work flow rules <input type="checkbox"/> System Infrastructure and Interface Implementation <ul style="list-style-type: none"> Establish, configure and test CAD alarm event and interface Establish a secure, electronic payment gateway (Stripe) |
| <input type="checkbox"/> Program Training <ul style="list-style-type: none"> Train APS staff on the Stockton's alarm ordinance, objectives and execution plan Train Stockton program administrator(s) on APS application, optimize layout and click-through reporting features. |

Implementation Schedule

| |
|--|
| <input type="checkbox"/> Program Testing <ul style="list-style-type: none"> • Test all major system components, including interfaces, generation of communication templates, collection and customer service systems. |
| <input type="checkbox"/> Final Rollout Meeting: Day 41 <ul style="list-style-type: none"> • Address any remaining details |
| <input checked="" type="checkbox"/> GO LIVE <ul style="list-style-type: none"> • Begin the full-time management of the Stockton Alarm Program |

5. Major Deliverables

- 5.1 Interface, Correspondence and Process Specifications
- 5.2 Implement and test business, alarm company, and citizen web functions
- 5.3 Registration Implementation
- 5.4 System Infrastructure and Interface Implementation
- 5.5 Program Training – Train Contractor staff on the City’s Alarm Program, objectives, and execution plan. Train City staff on APS application, optimize layout and click-through reporting features
- 5.6 Program Testing
- 5.7 GoLive – Begin full-time management of the Alarm Intrusion Program

6. Criteria of Acceptance for Deliverables

- 6.1 Interface, Correspondence and Process Specifications (Rollout weeks 1-3) all activities are successfully developed, implemented, configured, tested, validated, and approved.
- 6.2 Registration Implementation (Rollout weeks 4-6) activities are successfully completed.

All Contractor staff shall be trained on City’s alarm ordinance, objectives and execution plan. The Contractor will train Stockton program administrator(s) on application, optimize layout and click-through reporting features.

- 6.3 Program testing of all major systems, including interface, generation of communication templates, collection and customer service systems is successfully completed.

6.4 Go-Live Acceptance

a. **System Readiness:**

- All critical business functions operate as expected in the production environment.
- No **Severity 1 (Critical)** or **Severity 2 (High)** defects remain unresolved.

b. **Data Integrity & Migration:**

- Data migration is completed successfully, with validation ensuring accuracy and completeness.
- No data inconsistencies or corruption in the live system.

c. **Performance & Scalability:**

- System meets performance benchmarks under expected user load and transactions.
- No significant performance degradation compared to the test environment.

d. **Security & Compliance:**

- Security assessments and penetration testing are completed with no critical vulnerabilities.
- Compliance with industry standards and regulatory requirements is verified.

e. **User Acceptance & Sign-off:**

- Key stakeholders have validated system functionality and signed off on Go-Live readiness.
- End-users have completed training, and necessary support structures are in place.

7. **City Responsibilities**

The City shall:

- Provide Contractor access to systems or information required by program implementation.
- Collaborate with Contractor to design all program documentation and communicate strategies to Stockton residents.
- Approve all published content in support of the Alarm Intrusion Program – print and online versions.
- Monitor of implementation performance and ongoing program performances.
- Provide provision of existing alarm program information in an accessible file format.
- Collaborate with Contractor on false alarm appeals and processes.
- Collaborate with Contractor to develop coding for alarms and report objects used to determine valid false alarms.
- Provide training documents of internal tasks to assist with the data conversion and transition from PADS to Contractors platform.

Typical tasks and input from Stockton staff may include:

Collaborative design of all program documentation and communication strategies to Stockton residents.

Approval of all published content in support of the program—print and online versions.

Monitoring of implementation performance on ongoing program performance.

Provision of existing alarm program information in accessible file format.

Collaboration on false alarm appeals and processes.

Collaboration to develop coding for alarms and report objects used to determine valid false alarms

8. **Notices**

Pursuant to Exhibit C – General Terms and Conditions, Paragraph 15 – Notices, the mailing address for all required notices is as follows:

Contractor: Alarm Program Systems LLC
367 Civic Drive, Suite 10
Pleasant Hill, CA 94523

City: City of Stockton
Attn: City Manager
425 N. El Dorado Street
Stockton, CA 95202

9. **Key Personnel**

City of Stockton
Almarosa Vargas, Police Services Manager
Marina Lemos, Administrative Aide

Alarm Program Systems

Jim Huchingson, President / Project Manager
Lisa Baxter, Customer Support
Tamara Hartsgrove, Data Conversion
Brett Glass, Partnership

10. **Option to Renew.**

The term of the Agreement is a three (3) year term and may be extended up to an additional two (2) one-year renewals by a written amendment executed by both parties. However, the total term of the Agreement including the extended term shall not exceed five (5) years.

Exhibit B:
Insurance Requirements
(Information Technology)

Vendor/Consultant shall procure and maintain for the duration of the contract insurance against claims for security breaches, system failures, injuries to persons, damages to software, or damages to property (including computer equipment) which may arise from or in connection with the performance of the work hereunder by the Vendor, its agents, representatives, or employees. Vendor shall procure and maintain for the duration of the contract insurance claims arising out of their services and including, but not limited to loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- 2. Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
- 3. Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
(Not required if consultant provides written verification it has no employees)
- 4. Crime/Fidelity Bond** – Insurance no less than **\$1,000,000** per occurrence, covering all officers and employees, for loss of proceeds caused by dishonesty.
- 5. Cyber Liability** Insurance, with limits not less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress,

invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

Technology Professional Liability Errors & Omissions

Technology Professional Liability Errors and Omissions Insurance appropriate to the Consultant's profession and work hereunder, with limits not less than **\$2,000,000** per occurrence. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by the Vendor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

a. The Policy shall include, or be endorsed to include, ***property damage liability coverage*** for damage to, alteration of, loss of, or destruction of electronic data and/or information "property" of the Agency in the care, custody, or control of the Vendor.

If the Vendor maintains broader coverage and/or higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Stockton, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Vendor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

Primary Coverage

For any claims related to this contract, the **Vendor's insurance coverage shall be primary and non-contributory**. Coverage for commercial liability shall be at least as broad as ISO CG 20 01 04 13 as respects the City of Stockton, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its officers, officials, employees, or volunteers shall be excess of the Vendor's insurance and shall not contribute with it. This requirement shall also apply to any Excess policies. The City of Stockton does not accept endorsements limiting the Vendor's insurance coverage to the sole negligence of the Named Insured.

Umbrella or Excess Policy

The Vendor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Vendor's primary and excess liability policies are exhausted.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the City of Stockton**.

Waiver of Subrogation

Vendor hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Vendor may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Vendor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Stockton. The City of Stockton may require the Vendor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by City of Stockton. Any and all deductibles and SIRs shall be the sole

responsibility of Vendor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City of Stockton may deduct from any amounts otherwise due Vendor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named Insured. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City of Stockton reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A-:VII, unless otherwise acceptable to the City of Stockton.

Claims Made Policies (Professional & Pollution only)

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not ***replaced with another claims-made policy form with a Retroactive Date*** prior to the contract effective date, the Vendor must purchase "extended reporting" coverage for a minimum of ***five (5) years*** after completion of contract work.

Verification of Coverage

Vendor shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements.** All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City of Stockton before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Vendor's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Subcontractors

Vendor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Vendor shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Certificate Holder Address

The address for mailing certificates, endorsements and notices shall be:

City of Stockton
Its Officers, Officials, Employees and Volunteers
400 E Main Street, 3rd Floor – HR
Stockton, CA 95202

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. **Goods, Equipment and Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A of the Agreement. Contractor shall provide said services at the time, place and in the manner specified in Exhibit A of the Agreement.

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A, Contractor shall, at its sole cost and expense, furnish and maintain all facilities and equipment that may be required for furnishing services pursuant to this Agreement. If applicable, City shall furnish to Contractor only the facilities and equipment listed in Exhibit A to the Agreement.

3. **Compensation.** City shall pay Contractor for services rendered pursuant to this Agreement as described more particularly in Exhibit A and Exhibit E to the Agreement.

3.1 Invoices submitted by Contractor to City must contain a brief description of work performed, time spent and City reference number. Within thirty (30) days of receipt of Contractor's invoice, City will review invoice, and if acceptable make payment on approved invoice.

3.2 Upon completion of work and acceptance by City, Contractor shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Contractor fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

4. **Sufficiency of Contractor's Work.** All Contractor services, work, and deliverables shall be performed in a good and workmanlike manner with due diligence in accordance with the degree of skill normally exercised by similar contractors supplying services and work of a similar nature, and in conformance with applicable laws, codes and professional standards. Contractor's work shall be adequate and sufficient to meet the purposes of this Agreement.

5. **Ownership of Work.** All reports, work product, all other documents completed or partially completed by Contractor or its approved subcontractors, in performance of this Agreement, and if applicable, drawings, designs, and plan review comments shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor and its approved subcontractors agree

to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. Contractor and its approved subcontractors shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

6. Timeliness. Time is of the essence in this Agreement. Further, Contractor acknowledges that the failure of Contractor to comply with the time limits described in Exhibit A and Exhibit F may result in economic or other losses to the City.

7. Changes. Both parties to this Agreement understand that it may become desirable or necessary during the term of this Agreement for City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work. Until the amendment is so executed, City will not be responsible to pay any charges Contractor may incur in performing such additional services, and Contractor shall not be required to perform any such additional services.

8. Amendment. No variation of the terms of this Agreement shall be valid unless an amendment is made in writing and signed by both parties.

9. Contractor's Status.

9. 1 In performing the obligations set forth in this Agreement, Contractor shall have the status of an independent contractor and Contractor shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Contractor are its agents and employees and are not agents or employees of City. Contractor by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of City. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the City. No agent, officer or employee of the City is to be considered an employee of the Contractor. It is understood by both Contractor and City that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to City's

control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

9.3 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

9.4 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

10. Subcontractor.

10.1 Subcontractors shall not be recognized as having any direct or contractual relationship with City. Contractor shall be responsible for the work of subcontractors, which shall be subject to the provisions of this Agreement. Subcontractors will be provided with a copy of the Agreement and be bound by its terms. Contractor is responsible to City for the acts and omissions of its subcontractors and persons directly or indirectly employed by them.

10.2 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by Contractor.

10.3 It is further understood and agreed that all Subcontractors must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Subcontractors personnel.

11. Termination.

11.1 Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Contractor. The Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for the work actually completed at the time the notice of termination is received.

11. 2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

11.3 Funding- Non-Appropriation. It is mutually understood between the Parties that payment to the Contractor for performance shall be dependent upon the availability of appropriations by the City Council for the purposes of this Agreement. No legal liability on the part of the City for any payment may arise under this Agreement until funds are made available and until the Contractor has received funding availability, which will be confirmed in writing. If funding for any fiscal year is reduced or deleted, or if the City loses funding for any reason, the City, in its sole discretion, shall have the option to either (a) cause this Agreement to be canceled or terminated pursuant to applicable provisions of the Agreement; or (b) offer to amend the Agreement to reflect the reduced funding for this Agreement.

12. Non-Assignability. The Contractor shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Contractor shall be solely responsible for reimbursing subcontractors.

13. Indemnity and Hold Harmless. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify City of Stockton and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City of Stockton. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this agreement. These obligations shall survive the completion or termination of this agreement.

14. Insurance. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B to this Agreement and shall otherwise comply with the other provisions of Exhibit B to this Agreement.

15. Notices. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed in Exhibit A to this Agreement.

16. Conformance to Applicable Laws. Contractor shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Contractor shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

17. **Licenses, Certifications and Permits.** Prior to the City's execution of this Agreement and prior to the Contractor's engaging in any operation or activity set forth in this Agreement, Contractor shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Contractor covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement. Such licenses, certificates and permits shall be maintained in full force and effect during the term of this Agreement.

18. **Records and Audits.** Contractor shall maintain all records regarding this Agreement and the services performed for a period of three (3) years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit. To the extent Contractor renders services on a time and materials basis, Contractor shall maintain complete and accurate accounting records, in a form prescribed by City or, if not prescribed by City, in accordance with generally accepted accounting principles, such records to include, but not be limited to, payroll records, attendance cards, time sheets, and job summaries.

19. **Confidentiality.** Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

20. **Conflicts of Interest.** Contractor covenants that other than this Agreement, Contractor has no financial interest with any official, employee or other representative of the City. Contractor and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Contractor's services under this Agreement. If such an interest arises, Contractor shall immediately notify the City.

21. **Waiver.** In the event either City or Contractor at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation. No payment, partial payment, acceptance, or partial acceptance by City shall operate as a waiver on the part of City of any of its rights under this Agreement.

22. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the Federal District Court of California, Eastern District, Sacramento Division.

23. **No Personal Liability.** No official or employee of City shall be personally liable to Contractor in the event of any default or breach by the City or for any amount due Contractor.

24. Severability. If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or city statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

25. Non-Discrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, gender identity, gender expression, sex or sexual orientation, family and medical care leave, pregnancy leave, or disability leave. Contractor and its officers, employees, agents, representative or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the City's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12990 (et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulation or Code of Federal Regulations. Title VI of the Civil Rights Act of 1964 requires that "no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." (42 USC Section 2000d). <http://www.dol.gov/oasam/regs/statutes/titlevi.htm>. The City requires compliance with the requirements of Title VI in all of its programs and activities regardless of funding source.

26. Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, terrorism, fire, flood, strikes, war, epidemics, pandemics, shortage of power or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.

27. Taxes and Charges. Contractor shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of the Contractor's business.

28. Cumulative Rights. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative of all other rights and remedies to which may be legally entitled.

29. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

30. Heading Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

31. Entire Agreement, Integration, and Modification.

31.1 This Agreement represents the entire integrated agreement between Contractor and the City; supersedes all prior negotiations, representations, or agreements, either written or oral between the parties and may be amended only by a written Amendment signed by the Contractor and City Manager.

31.2 All Exhibits to this Agreement and this Agreement are intended to be construed as a single document.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

33. Authority. The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

34. Other Government Agencies. If mutually agreeable to all parties, the use of any resultant contract/purchase order may be extended to other political subdivisions, municipalities, or tax supported agencies. Such participating governmental bodies shall make purchases in their own name, make payment directly to successful Proponent and be liable directly to the successful Proponent, holding the City of Stockton harmless.

EXHIBIT D
GOODS AND SERVICES TERMS AND CONDITIONS

1. Definitions. The following words and phrases have the following meanings for purposes of this Agreement:

1.1 "Services" means, collectively, the services, duties and responsibilities described in Exhibit A of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

1.2 "Deliverable" means quantifiable goods or services that will be provided upon completion of a project. A deliverable is any tangible material, work or thing delivered by one party to the other, including associated technical documentation. A deliverable can be tangible or intangible parts of the development process, and often are specified functions or characteristics of the project.

2. General. The following terms and conditions are applicable for the purchase of goods and services only. The special conditions shall be read in conjunction with the Standard Agreement, General Terms and Conditions ("GTC") Exhibit C, and all other Exhibits identified in the Standard Agreement.

2.1 Where any portion of the GTC is in conflict to or at variance with any provisions of the Special Conditions of the Agreement, then unless a different intention stated, the provision(s) of the Special Conditions of the Agreement shall be deemed to override the provision(s) of GTC only to the extent that such conflict or variations in the Special Conditions of the Agreement are not possible of being reconciled with the provisions of the GTC.

2.2 In the case of modification of a part or provision of the GTC, the unaltered part or provision, or both shall remain in effect. The Special Conditions shall relate to a particular project and be peculiar to that project but shall not weaken the character or intent of the GTC.

3. Time for Performance.

3.1 Contractor shall perform the services according to the schedule contained in Exhibit F.

3.2 Timeliness of Performance i) Contractor shall provide the Services, and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Exhibit A and Exhibit F. ii) Neither Contractor nor Contractor's agents, employees nor subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other

losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

4. Standard of Performance

In addition to Exhibit C, Section 4 and 17, Contractor agrees as follows:

4.1 Contractor's Services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Contractor's profession currently practicing under similar conditions. Contractor shall comply with the profession's standard of performance, applicable laws, regulations, and industry standards. By delivery of completed work, Contractor certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. If Contractor is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Contractor shall maintain that license, certification, registration, or other similar requirement throughout the term of this Agreement.

4.2 Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Contractor shall assure that all services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.

4.3 If Contractor fails to comply with the foregoing standards, Contractor must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance, or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor either under this Agreement, at law or in equity.

5. Compensation

5.1 In addition to Section 3 Compensation in Exhibit C – GTC, the Contractor shall be compensated for the services provided under this Agreement as follows:

5.1.1 Contractor shall be compensated for services rendered and accepted under this Agreement and shall be paid monthly, in arrears on a not to exceed

basis, based upon the rates set forth in Exhibit E attached hereto and made a part of this Agreement. Contractor may vary the compensation for each task in Exhibit E provided that the total project compensation listed in Exhibit E and the Standard Agreement is not exceeded.

6. Reports and Information

Contractor shall at such times and in such forms as the City may require furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters are covered by this Agreement as specified in Exhibit A and Exhibit E.

7. Findings Confidential

All the reports, information, data, et cetera, prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is required by applicable law or by proper legal or governmental authority, is already rightfully in the Contractor's possession without obligation of confidentiality, is independently developed by Contractor outside the scope of this Agreement or is rightfully obtained from third parties. Contractor shall give City prompt notice of any such legal or governmental demand and reasonably cooperate with City in any effort to seek a protective order or otherwise to contest such required disclosure.

8. Right of Inspection

All Deliverables furnished by Contractor must be as specified in Exhibit A and will be subject to inspection and approval of City after delivery. City reserves the right to reject and return, at the risk and expense of Contractor, the portion of any Deliverable which may be defective or fail to comply with specifications in Exhibit A without invalidating the remainder of the Deliverables. If rejected, Deliverable will be held for disposition at the expense and risk of Contractor. Payment for Deliverable prior to inspection shall not constitute acceptance of the Deliverable.

9. Warranty

Contractor warrants that (i) any Deliverable created or performed by Contractor for City under this Agreement will conform to specifications, drawings or samples furnished by City to Contractor for a minimum period of one year, and (ii) any standard Deliverable sold by Contractor to other customers besides City will meet or exceed any of the standards for such types of product in industry, any express or implied warranty stated or

advertised by Contractor or the actual manufacturer of such Deliverable, or any warranties implied by law. Contractor's warranty shall survive delivery of Deliverable and shall not be deemed waived by City's failure to discover defects, acceptance of the Deliverable, or payment, therefore.

10. Ownership

Contractor shall have title to and bear the risk of any loss or damage to the Deliverable until the Deliverable is delivered and accepted by City in conformity with this Agreement. Upon delivery and acceptance, Deliverable delivered by Contractor shall become the exclusive property of City. The ownership rights described herein shall include, but not be limited to, the right to copy, publish, display, transfer, or otherwise use the Deliverable. All artwork, patterns, dies, models, samples, materials, drawings, specifications, technical material, advertising material and any other personal property furnished by City to Contractor, or specifically paid for by City for use in performance of the Agreement, shall be and remain the property of City and said property shall be used only for Deliverables benefiting City. Contractor shall return to City or shall dispose of this property only according to City's instruction.

11. Applicable Laws

Under guidelines specified in 29 CFR 1910.1200 (f) and (g) City requests that Contractor label applicable Deliverables accordingly and provide associated Safety Data Sheets ("SDS") to City.

Deliverables must conform with all applicable federal, state, and local laws. Such conformity includes compliance with federal sanctions, and Contractor certifies that it has not and will not engage in prohibited transactions with sanctioned persons or entities.

12. Prevailing Wage

It shall be the responsibility of the Contractor to comply, when applicable, with the prevailing wage rates in accordance with the State of California Department of Industrial Relations. It shall further be the responsibility of the Contractor to monitor the prevailing wage rates as established by the California Department of Industrial Relations for any increase in rates during the term of this Agreement and adjust wage rates accordingly.

CONTRACTOR REGISTRATION REQUIREMENTS- Pursuant to Labor Code Section 1771.1(a): A Contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of this section for an unregistered Contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the Contractor is

registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Department of Industrial Relations- Contractor Registration information and web link: <https://www.dir.ca.gov/public-works/publicworks.html>. In compliance with Senate Bill 854 and the California Labor Code, all Bidders shall include with their Bid proof of registration from the Department of Industrial Relations (DIR) that includes the contractor's Legal Name, Registration Number, License Type/Number, Registration Date and Expiration Date, for every contractor and subcontractor, regardless of tier.

This project may be subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractors must submit their certified payroll records directly to the Division of Labor Standards Enforcement Compliance Monitoring Unit, as well as the City of Stockton.

13. Shipping Terms

City shipment terms are F.O.B. Destination, Freight Prepaid and Added unless otherwise specified in the Agreement. Contractor shall observe shipping instructions and, unless otherwise stated in the instructions, shall ship Deliverables in the safest and most economical manner necessary to meet the delivery date specified in the Agreement. Contractor shall provide an itemized packing list showing the Agreement number with the shipment. Contractor shall include the Agreement number on all packages, boxes, invoices, and shipping documents. Contractor shall label all individual boxes with stock number and quantity and items with different stock numbers shall be boxed separately. City reserves the right to refuse, at Contractor's expense, any shipments not containing the Agreement number or stock numbers as required under this section.

14. Deliveries

TIME IS OF THE ESSENCE IN THE PERFORMANCE OF ANY ORDER. If Deliverable is not provided or performed within the times specified in the Agreement, City may cancel the Agreement and hold Contractor liable for damages incurred due to the untimely delivery including, but not limited to, the additional costs resultant from City procuring substitute Deliverables elsewhere.

15. Price and Quantities

Prices and quantities set forth in this Agreement may not be altered by Contractor without the prior written authorization of City, with the exception that quantities of custom paper or printed Deliverables, chemicals, or fuel may deviate from those in the Agreement by the lesser of standard industry practices.

EXHIBIT E

COMPENSATION SCHEDULE

The Contractor shall be compensated for the services identified in Exhibit A, Exhibit C, and Exhibit D to this Agreement as follows:

1. **Project Price**

1.1 The Contractor shall be paid fee based upon the following:

| | Revenue Share Percentage | |
|---------------------------------|---|----------------------------|
| | City of Stockton | Alarm Program Systems, LLC |
| Permit & Renewal Fees | 82% | 18% |
| False Alarm Fees | 82% | 18% |
| Other Expenses: Description: | None | |
| Total Estimated Cost: | <ol style="list-style-type: none"> 1. The proposed revenue share will be based on total net collections from permit fees, renewal fees, false alarm fees, and any other penalty fees associated with the administration of the alarm program. 2. All postage expenses (first class mailing and materials), banking lock box fees, and credit card processing fees incurred administrating the program will be paid from the gross collections prior to the revenue share being calculated. These costs will be itemized on each monthly reconciliation. 3. There are no start-up or additional fees – including start-up, implementation, data conversion, implementation, technical support, and training | |

1.2 **Standard Reimbursable Items:** Only the reimbursable items identified in Exhibit A, C, and D (Compensation), shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the amount set forth in section 1.1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City's needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such as telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the

actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

- i. Expenses, fees or charges for printing, reproduction, binding or mailing of documents at actual costs with no markup added to the actual cost.
- ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.
- iii. Travel expenses shall be reimbursed in accordance with the City's travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.3 The Contractor shall be entitled to receive payments for its work performed pursuant to the Agreement. The City will pay Contractor based on invoices for acceptable work performed and approved until the "not to exceed" amount is reached. Thereafter, Contractor must complete services based on the Agreement without additional compensation unless there is a material change to the Statement of Work and Scope by a written Amendment.

1.4 If work is completed before the "not to exceed" amount is reached, the Contractor's compensation will be based on the Contractor's invoices previously submitted for acceptable work performed and approved.

1.5 Subcontractor Costs: Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed 0%.

2. Invoice to Address. Each invoice submitted shall identify the specific task(s) listed in Exhibit A and this Exhibit, and the completed work product/deliverable for the agreed upon price listed in this Exhibit.

2.1 Contractor shall submit an original, itemized invoice to City for approval, before receiving compensation. Contractor shall submit the invoice on the first of each month at no more than monthly intervals. All invoices must include a summary of total costs, description of the services performed, itemization of costs associated with each task, and the total task costs to date.

2.2 Once invoices are approved, Contractor shall directly deposit payments (by check and electronically) into the designated City bank account via Bill.com.

Invoices shall be submitted to the address below:

City of Stockton Police Department
Attention: Almarosa Vargas Fawal
22 East Weber Avenue, Room 350
Stockton, CA 95202

EXHIBIT F

TIMELINE

1. Contractor shall complete the requested services identified in Exhibit A as follows:

1.1 TIMELINE FOR COMPLETION OF WORK

- | | | |
|-------|--|----------------------|
| 1.1.1 | Interface, correspondence, and process specifications | 1-3 weeks of Rollout |
| 1.1.2 | Implement and test business, alarm company and citizen web functions | 1-3 weeks of Rollout |
| 1.1.3 | Midpoint Meeting: Appraise city staff and discuss remaining steps to GoLive date | Day 21 at 3 weeks |
| 1.1.4 | Registration Implementation | 4-6 weeks of Rollout |
| 1.1.5 | System Infrastructure and Interface Implementation | 4-6 weeks of Rollout |
| 1.1.6 | Program Training | 4-6 weeks of Rollout |
| 1.1.7 | Program Testing | 4-6 weeks of Rollout |
| 1.1.8 | Final Rollout Meeting 5.5 weeks | Day 41 at approx. |
| 1.1.9 | Go Live - Begin full-time management of Alarm Intrusion Program | |

EXHIBIT G

Not applicable.

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Incident Response Plan

Policy Owner: President

Effective Date: September 21, 2024; Version 3.0

Purpose

This document establishes the plan for managing information security incidents and events and offers guidance for employees or incident responders who believe they have discovered, or are responding to, a security incident.

Scope

This policy covers all information security or data privacy events or incidents.

Incident and Event Definitions

A security event is an observable occurrence relevant to the confidentiality, availability, integrity, or privacy of company-controlled data, systems or networks.

A security incident is a security event which results in loss or damage to confidentiality, availability, integrity, or privacy of company-controlled data, systems or networks.

Incident Reporting & Documentation

Reporting

If an Alarm Program Systems employee, contractor, user, or customer becomes aware of an information security event or incident, possible incident, imminent incident, unauthorized access, policy violation, security weakness, or suspicious activity, then they shall immediately report the information using one of the following communication channels:

- Email support@alarmprogramsistemas.com information or reports about the event or incident¹

Reporters should act as a good witness and behave as if they are reporting a crime. Reports should include specific details about what has been observed or discovered.

Severity

All Alarm Program Systems employees shall monitor incident and event tickets and shall assign a ticket severity based on the following categories.

S3/S4 - Low and Medium Severity

Issues meeting this severity are simply suspicions or odd behaviors. They are not verified and require further investigation. There is no clear indicator that systems have tangible risk and do not require emergency response. This includes a lost/stolen laptop with disk encryption, suspicious emails, outages, strange activity on a laptop, etc.

S2 - High Severity

High severity issues relate to problems where an adversary or active exploitation hasn't been proven yet, and may not have happened, but is likely to happen. This may include lost/stolen laptops without encryption, vulnerabilities with direct risk of exploitation, threats with risk or adversarial persistence on our systems (e.g.: backdoors, malware), malicious access of business data (e.g.: passwords, vulnerability data, payments information).

S1 - Critical Severity

Critical issues relate to actively exploited risks and involve a malicious actor or threats that put any individual at risk of physical harm. Identification of active exploitation is required to meet this severity category.

Escalation and Internal Reporting

The incident escalation contacts can be found below in Appendix A².

S1 - Critical Severity: S1 issues require immediate notification to the President of Alarm Program Systems.

S2 - High Severity: A Zendesk ticket must be created, and the appropriate manager (see S1 above) must also be notified via email or slack with reference to the ticket number.

S3/S4 - Medium and Low Severity: A Zendesk ticket must be created and assigned to the President of Alarm Program Systems.

Documentation³

All reported security events, incidents, and response activities shall be documented and adequately protected in Zendesk.

A root cause analysis may be performed on all verified security incidents. A root cause analysis report shall be documented and referenced in the incident ticket. The root cause analysis shall be reviewed by the President of Alarm Program Systems who shall determine if a post-mortem meeting will be called.

³Appendix C – Incident Report Form

Incident Response Process

For critical issues, the response team will follow an iterative response process designed to investigate, contain exploitation, eradicate the threat, recover system and services, remediate vulnerabilities, and document a post-mortem report including the lessons learned from the incident.

Summary

- Event reported
- Triage and analysis
- Investigation
- Containment & neutralization (short term/triage)
- Recovery & vulnerability remediation
- Hardening & Detection improvements (lessons learned, long term response)

Detailed

- The President of Alarm Program Systems will manage the incident response effort
- If necessary, a central “War Room” will be designated, which may be a physical or virtual location (i.e. Slack channel)
- A recurring Incident Response Meeting will occur at regular intervals until the incident is resolved
- Legal and executive staff will be informed as required

Incident Response Meeting Agenda

- Update Incident Ticket and timelines
- Document new Indicators of Compromise (IOCs)
- Perform investigative Q&A
- Apply emergency mitigations
- External Reporting / Breach Reporting
- Plan long term mitigations
- Document Root Cause Analysis (RCA)
- Additional items as needed

Special Considerations

Internal Issues

Issues where the malicious actor is an internal employee, contractor, vendor, or partner require sensitive handling. The incident manager shall contact the President of Alarm Program Systems directly and will not discuss with other employees. These are critical issues where follow-up must occur.

Compromised Communications

Incident responders must have Slack arranged before listing themselves as incident members. If there are IT communication risks, an out of band solution will be chosen, and communicated to incident responders via cell phone.

Root Account Compromise

If an APS Platform/Salesforce/AWS root account compromise is known or expected, refer to the playbook in **Appendix B**.

Additional Requirements

- Suspected and reported events and incidents shall be documented
- Suspected incidents shall be assessed and classified as either an event or an incident
- Incident response shall be performed according to this plan and any associated procedures.
- All incidents shall be formally documented, and a documented root cause analysis shall be performed
- Incident responders shall collect, store, and preserve incident-related evidence in accordance with industry guidance and best practices such as NIST SP 800-86 'Guide to Integrating Forensic Techniques into Incident Response'⁴
- Suspected and confirmed unauthorized access events shall be reviewed by the Incident Response Team. Breach determinations shall only be made by the President of Alarm Program Systems.
- Alarm Program Systems shall promptly and properly notify customers, partners, users, affected parties, and regulatory agencies of relevant incidents or breaches in accordance with Alarm Program Systems policies, contractual commitments, and regulatory requirements, as determined by the President of Alarm Program Systems.
- This Incident Response Plan shall be reviewed and formally tested at least annually. Results of IR plan testing activities including findings and lessons learned will be formally documented and maintained to support security, compliance and audit requirements

External Communications and Breach Reporting

Executive staff shall confer with technical teams in the event of unauthorized access to company or customer systems, networks, and/or data. President of Alarm Program Systems shall determine if breach reporting or external communications are required. Breaches shall be reported to customers, consumers, data subjects and regulators without undue delay and in accordance with all contractual commitments and applicable legislation.

No personnel may disclose information regarding incidents or potential breaches to any third party or unauthorized person without the approval of legal and/or executive management.

Mitigation and Remediation

President of Alarm Program Systems shall determine any immediate or long-term mitigations or remedial actions that need to be taken because of an incident or breach. If mitigations or remedial actions are needed, executive staff shall direct personnel with respect to planning, communicating and executing those activities.

Cooperation with Customers, Data Controller and Authorities

As needed and determined by legal and executive staff, the company shall cooperate with customers, Data Controllers and regulators, to fulfill all its obligations in the event of an incident or data breach.

Roles & Responsibilities

Every employee and user of any Alarm Program Systems information resources has responsibilities toward the protection of the information assets. The table below establishes the specific responsibilities of the incident responder roles.

Response Team Members

| Role | Responsibility |
|-------------------------|--|
| Incident Manager | <p>The Incident Manager is the primary and ultimate decision maker during the response period. The Incident Manager is ultimately responsible for resolving the incident and formally closing incident response actions. See Appendix A⁵ for Incident Manager contact information.</p> <p>These responsibilities include:</p> <ul style="list-style-type: none"> • Ensuring the right people from all functions are actively involved as appropriate • Communicating status updates to the appropriate person or teams at regular intervals • Resolving incidents in the immediate term • Determining necessary follow-up actions • Assigning follow-up activities to the appropriate people • Promptly reporting incident details which may trigger breach reporting, in writing to the President of Alarm Program Systems |

| | |
|--|--|
| Incident Response Team (IRT) | The individuals who have been engaged are actively working on the incident. All members of the IRT will remain engaged in incident response until the incident is formally resolved, or they are formally dismissed by the Incident Manager. |
| Engineers (Support and Development) | Qualified engineers will be placed on the on-call rotation and may act as the Incident Manager (if primary resources are not available) or a member of the IRT when engaged to respond to an incident. Engineers are responsible for understanding the technologies and components of the information systems, the security controls in place including logging, monitoring, and alerting tools, appropriate communications channels, incident response protocols, escalation procedures, and documentation requirements. When Engineers are engaged in incident response, they become members of the IRT. |
| Users | Employees and contractors of Alarm Program Systems. Users are responsible for following policies, reporting problems, suspected problems, weaknesses, suspicious activity, and security incidents and events. |
| Customers | Customers are responsible for reporting problems with their use of Alarm Program Systems services. Customers are responsible for verifying that reported problems are resolved. |
| Legal Counsel | Responsible, in conjunction with the President of Alarm Program Systems and executive management, for determining if an incident presents legal or regulatory exposure as well as whether an incident shall be considered a reportable breach. Counsel shall review and approve in writing all external breach notices before they are sent to any external party. |
| Executive Management | Responsible, in conjunction with the CEO and Legal Counsel, for determining if an incident shall be considered a reportable breach. An appropriate company officer shall review and approve in writing all external breach notices before they are sent to any external party. Alarm Program Systems shall seek stakeholder consensus when determining whether a breach has occurred. The President of Alarm Program Systems shall make a final breach determination if consensus cannot be reached. |

Management Commitment

President and Vice President of Alarm Program Systems approved this policy and commit to providing the resources, tools and training needed to reasonably respond to identified security events and incidents with the potential to adversely affect the company or its customers.

Violations & Enforcement

Any known violations of this policy should be reported to the President of Alarm Program Systems. Violations of this policy may result in immediate withdrawal or suspension of system and network privileges and/or disciplinary action in accordance with company procedures up to and including termination of employment.

| Version | Date | Description | Author | Approved by |
|---------|---------------|---------------|--------|-------------|
| <1.0> | <29-Apr-2020> | First Version | < | JH, BG |
| <2.0> | <21-Sep-2023> | Update | | JH, BG |
| <3.0> | <21-Sep-2024> | Update | | JH, BG |

Appendix A – Management Contact Information

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Alarm Program Systems LLC
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Appendix B – Root Account Compromise

1. Preparation (Pre-Incident)

Roles and Responsibilities:

- Incident Response Team (IRT): IT Manager, Security Analyst, Cloud Admin, Legal Counsel.
- Assign a designated Incident Manager (e.g., IT Manager) to coordinate response efforts.
- Pre-emptive Measures:
- Enable Multi-Factor Authentication (MFA) on all root/admin accounts (AWS: root user; Salesforce: system admin).
- Limit root account usage; use IAM roles (AWS) or delegated admin profiles (Salesforce) for daily operations.
- Enable logging: AWS CloudTrail, GuardDuty, and S3 access logs; Salesforce Event Monitoring and Login Forensics.
- Maintain an up-to-date asset inventory of AWS resources and Salesforce objects.
- Establish a communication plan (e.g., email templates, escalation paths to leadership).
- Conduct regular training and tabletop exercises simulating root account compromise.

2. Detection and Analysis

Detection Triggers:

- AWS: Alerts from GuardDuty (e.g., "Root account used to launch EC2"), unexpected cost increases, or CloudTrail anomalies (e.g., API calls from unfamiliar IPs).
- Salesforce: Login alerts from unusual geolocations, audit log entries for permission changes, or data export notifications.
- Initial Actions:
- Security Analyst confirms the alert by reviewing logs (CloudTrail for AWS, Event Monitoring for Salesforce).
- Determine scope: Identify affected accounts, resources (e.g., EC2 instances, S3 buckets, Salesforce records), and time/window of compromise.
- Document findings: Record timestamps, IP addresses, and actions taken by the compromised account.

Escalation:

Notify Incident Manager within 1 hour of detection if compromise is confirmed.

3. Containment

Short-Term Containment:

AWS:

- Immediately lock the root account by changing the password (MFA already active). Use a secure, offline process to generate the new password.
- Deny root account access temporarily via an IAM policy.
- Isolate affected resources (e.g., detach EC2 instances from security groups, restrict S3 bucket access).

Salesforce:

- Freeze the compromised admin account via the User Management interface.
 - Temporarily disable all admin logins until the scope is clear.
 - Revoke active sessions for the compromised account (Setup > Session Management).
 - Communication:
 - Incident Manager notifies the IRT and leadership within 2 hours of containment start.
-

4. Eradication

Identify Root Cause:

- AWS: Review CloudTrail logs to trace how credentials were compromised (e.g., phishing, leaked keys in a public repo).
- Salesforce: Analyze login history and audit logs to pinpoint the entry vector (e.g., reused password, stolen session token).

Remove Threats:

AWS:

- Terminate unauthorized EC2 instances, delete rogue IAM users/roles, and remove unrecognized access keys.
- Rotate all potentially exposed credentials (root, IAM users, service keys).

Salesforce:

- Delete backdoor accounts and revoke any unauthorized API tokens or OAuth permissions.
- Reset passwords and enforce MFA for all admin users.

Validation:

- Confirm no unauthorized access remains by re-checking logs and resource configurations.
-

5. Recovery

Restore Operations:

AWS:

- Reinstall root account access with new credentials and MFA, then transition to IAM roles for ongoing management.
- Restore affected resources from clean backups (e.g., S3 snapshots, EC2 AMIs) if data was altered.

Salesforce:

- Reactivate admin accounts with new credentials and MFA.
 - Restore any altered permissions or data from backups (e.g., Salesforce Data Loader exports).
 - Monitoring:
 - Increase log monitoring for 72 hours post-recovery to detect residual malicious activity.
 - AWS: Set up CloudWatch alarms for root login attempts; Salesforce: Enable real-time login alerts.
-

6. Post-Incident Activity

- Convene a debrief within 5 business days, led by the Incident Manager.
- Document what worked, what failed, and root cause analysis (e.g., "Phishing bypassed employee training").

Improvements:

- Update security policies (e.g., mandate quarterly credential rotation, enhance phishing training).

Reporting:

- Incident Manager drafts an incident report for leadership, including timeline, impact, and remediation steps.
- If required, Legal Counsel oversees external notifications (e.g., regulators, customers).

Appendix C – Incident Report Form

(To be logged electronically via Zendesk)

Incident Details

Incident ID:

(Assign a unique identifier for tracking)

Date and Time Detected:

System/Application Affected:

Reported By: [Name/Role]

Initial Detection Method:

Incident Manager Assigned: [Name]

1. Detection and Analysis

Time of Confirmation:

Description of Incident:

(Briefly describe what happened)

Indicators Observed:

Scope of Impact:

Affected Accounts/Users:

Affected Systems/Resources:

Time Window of Incident:

Evidence Collected:

2. Containment

Containment Start Time:

Actions Taken:

Restricted access to affected accounts/systems

Isolated affected resources (specify:)

Terminated unauthorized processes or sessions

Other:

Team Members Involved:

Containment Completion Time:

Communication:

Leadership Notified: ☐ Yes ☐ No (Time:)

Legal Counsel Informed: ☐ Yes ☐ No (Reason:)

3. Eradication

Eradication Start Time:

Root Cause Identified:

Actions Taken:

Removed unauthorized entities (specify:)

Updated or reset affected credentials

Eliminated malicious processes or configurations

Other:

Validation:

Systems re-checked for residual activity (Result:)

Eradication Completion Time:

4. Recovery

Recovery Start Time:

Actions Taken:

Restored access to affected accounts/systems

Restored affected resources from backups (specify:)

Increased monitoring (specify:)

Operational Status:

Fully Restored ☐ Partially Restored (Details:)

Recovery Completion Time:

5. Post-Incident Activity

Debrief Held: ☐ Yes ☐ No (Date/Time:)

What Worked:

What Failed:

Recommendations:

Final Report Submitted: ☐ Yes ☐ No (Date:)

External Notifications (if applicable):

Regulators ☐ Customers ☐ Third-Party Vendors

Details:

Signatures

Incident Manager:

Name: _____

Signature: _____

Date: _____

Incident Response Team:

Name: _____

Signature: _____

Date: _____