

City of Redmond



Agenda

Tuesday, September 10, 2024

4:30 PM

City Hall: 15670 NE 85th St; Remote: Comcast Ch. 21/321, Ziplly Ch. 34,
Facebook (@CityofRedmond), Redmond.gov/rctvlive, or 510-335-7371

Committee of the Whole - Finance, Administration, and Communications

Committee Members

Steve Fields, Presiding Officer

Jeralee Anderson

Jessica Forsythe

Vanessa Kritzer

Angie Nuevacamina

Osman Salahuddin

Melissa Stuart

Meetings can be attended in person, viewed live on RCTV (redmond.gov/rctlive), Comcast Channel 21/321, Ziplly Channel 34, Facebook/YouTube (@CityofRedmond), or listen live at 510-335-7371

AGENDA

ROLL CALL

1. 2025-2026 Budget Process Monthly Update [CM 24-390](#)

Department: Finance, 5 minutes

Requested Action: Informational

2. Upcoming Public Hearing on Proposed Amendment to [CM 24-422](#)
Community Facilities District (CFD) 2014-01

[Attachment A: Certificate of Sufficiency](#)

[Attachment B: Sufficiency Letter](#)

[Attachment C: Second Amended and Restated Petition](#)

[Attachment D: Public Hearing Notice - Second Amendment](#)

Department: Finance, 5 minutes

Requested Action: Public Hearing, September 17th

3. Upcoming Public Hearing on Proposed Amendment to [CM 24-423](#)
Community Facilities District (CFD) 2016-01

[Attachment A: Certificate of Sufficiency](#)

[Attachment B: Sufficiency Letter](#)

[Attachment C: Second Amended and Restated Petition](#)

[Attachment D: Public Hearing Notice - Second Amendment](#)

[Attachment E: Project Information Sheet - Pedestrian and Bike
Improvements - NE 40th Shared Use Path](#)

[Attachment F: Project Information Sheet - Overlake Accessibility
Improvements](#)

[Attachment G: Project Information Sheet - Adaptive Traffic Signal Control
- Overlake](#)

[Attachment H: Project Information Sheet - 150th Ave Improvements](#)

Department: Finance, 5 minutes

Requested Action: Public Hearing, September 17th

4. Benefits Update - Potential RedMed Plan Changes for 2025 [CM 24-416](#)

[Attachment A: Resolution](#)

[Attachment A, Exhibit 1: 2025 Plan Changes](#)

Department: Human Resources, 15 minutes

Requested Action: Consent, September 17th

5. Approval of a Contract with Assetworks, Inc. for the Migration of FleetFocus and FuelFocus to a SaaS Environment and Addition of Telematics Hardware in the Amount of \$94,327 [CM 24-410](#)

[Attachment A: Assetworks MSA and Order Form](#)

Department: Technology and Information Services, 5 minutes

Requested Action: Consent, September 17th

6. Approval of the CIP Project and Portfolio Management Software Contract with Aurigo Software Services, LLC for the Implementation of Masterworks in the Amount of \$487,366 [CM 24-411](#)

[Attachment A: Information Privacy and Security Agreement \(IPSA\)](#)

[Attachment B: Aurigo Master Service Agreement \(MSA\)](#)

[Attachment C: Schedule B - Statement of Work](#)

[Attachment D: RFP Attachment A - Key Requirements and Pricing Estimates](#)

[Attachment E: Aurigo Service Subscription Agreement \(SSA\)](#)

Department: Technology and Information Services, 5 minutes

Requested Action: Consent, September 17th

7. Acceptance of the Washington Auto Theft Prevention Authority Grant, in the Amount of \$44,100, and Direct the Finance Department to Recognize the Revenue to Fund Fixed Automated License Plate Readers [CM 24-383](#)

[Attachment A: Agreement](#)

Department: Police, 10 minutes

Requested Action: Consent, September 17th

8. Fees for Extended Use of Right of Way for Outdoor Dining [CM 24-398](#)

[Attachment A: Memo - Outdoor Dining Fee Calculations](#)

[Attachment B: Questionnaire Responses and Mtgs with Business Owners](#)

[Attachment C: Redmond Leasehold Excise Tax Memo](#)

[Attachment D: Issues Matrix - Extended ROW Use Fee](#)

Department: Public Works, 10 minutes

Requested Action: Consent, September 17th

ADJOURNMENT

Meeting videos are usually posted by 12 p.m. the day following the meeting at redmond.legistar.com, and can be viewed anytime on Facebook/YouTube (@CityofRedmond) and OnDemand at redmond.gov/OnDemand



Memorandum

Date: 9/10/2024

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 24-390

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Deputy Finance Director
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TITLE:

2025-2026 Budget Process Monthly Update

OVERVIEW STATEMENT:

Council will be provided with timely and consistent updates related to the development of the 2025-2026 budget. Updates will be provided monthly until final budget adoption and will cover the forecast, internal processes, and community involvement and engagement. Other updates will be provided as requested by Council or as needed by staff.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information

Provide Direction

Approve

REQUEST RATIONALE:

- Relevant Plans/Policies:
N/A
- Required:
N/A
- Council Request:
N/A
- Other Key Facts:
N/A

OUTCOMES:

The following information will be provided to Council:

1. Update on 2025-2026 Community Budget Questionnaire
2. September 24 Study Session on 2025-2026 Forecast

- 3. Revised date for second Public Hearing
- 4. Council budget deliberation planning
 - a. Document location
 - b. Preparedness
 - c. Participation

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
A community questionnaire for the 2025-2026 budget went live August 5, 2024, and is currently scheduled to be available through September 20, 2024.
- **Outreach Methods and Results:**
The Budget Questionnaire is posted on the Let’s Connect Redmond platform. It has been promoted on eNews, Facebook, Twitter, and Nextdoor, as well as in the Parks & Rec newsletter and the Plans, Policies, and Regulations newsletter.
- **Feedback Summary:**
As of September 3, 2024, 119 responses have been submitted.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

N/A

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs:

Yes

No

N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
2/13/2024	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
2/27/2024	Study Session	Provide Direction
3/19/2024	Committee of the Whole - Public Safety and Human Services	Provide Direction
4/9/2024	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
4/23/2024	Study Session	Provide Direction
5/28/2024	Committee of the Whole - Parks and Environmental Sustainability	Provide Direction
6/11/2024	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
6/25/2024	Study Session	Receive Information
7/9/2024	Committee of the Whole - Finance, Administration, and Communications	Receive Information
7/9/2024	Study Session	Provide Direction
7/16/2024	Business Meeting	Receive Information
8/13/2024	Committee of the Whole - Finance, Administration, and Communications	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/24/2024	Study Session	Receive Information

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

N/A

ATTACHMENTS:

N/A



Memorandum

Date: 9/10/2024

File No. CM 24-422

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Upcoming Public Hearing on Proposed Amendment to Community Facilities District (CFD) 2014-01

OVERVIEW STATEMENT:

Community Facilities District (CFD) 2014-01 was established on July 15, 2014, via Resolution 1411 as a partnership between the City of Redmond, Microsoft, and Sound Transit to fund and construct improvements at the Overlake Transit Center (OTC), including a pedestrian bridge over SR 520 and 156th Avenue NE. The Overlake Transit Center has since been renamed the Redmond Technology Station (RTS). A petition has been filed by Microsoft to amend CFD 2014-01 via resolution.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Community Facilities Districts are governed under RCW 36.145.
- **Council Request:**
N/A
- **Other Key Facts:**
CFD 2014-01 was previously amended November 18, 2014, via Resolution 1417 to expand the purpose of CFD 2014-01 to finance the construction of shell and core requirements for a transit office/public waiting area and additional paving.

OUTCOMES:

If approved, the amendment via resolution would add the following improvements to the list of those to be financed by CFD 2014-01:

- Accessibility features at Redmond Technology Station such as timetable displays with text to speech functionality and tactile guidance indicators to assist those with visual impairments to navigate the site.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

In accordance with RCW 36.145, King County Elections certified the petition from Microsoft and issued a certificate of sufficiency and a letter of sufficiency, both of which were received by the City of Redmond on August 14, 2024. Per RCW 36.145, a public hearing must be held by the City Council no sooner than 30 days and no later than 60 days from the certificate of sufficiency date of issue, which was August 13, 2024.

- **Outreach Methods and Results:**

A public hearing is scheduled for September 17, 2024, during the Redmond City Council Business Meeting. A notice of public hearing has been posted in The Seattle Times on August 27, 2024, September 3, 2024, and September 10, 2024.

A notice of public hearing was also posted at Redmond City Hall, the Redmond Library, the Redmond Community Center at Marymoor Village, and three locations at Microsoft on August 30, 2024.

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

To be confirmed.

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

Per RCW 36.145, a public hearing must be held by the City Council no sooner than 30 days and no later than 60 days from the certificate of sufficiency date of issue, which was August 13, 2024.

ANTICIPATED RESULT IF NOT APPROVED:

If a public hearing is not held in accordance with required timelines per RCW 36.145, CFD 2014-01 cannot be amended at this time.

ATTACHMENTS:

Attachment A: Certificate of Sufficiency - CFD 2014-01

Attachment B: Sufficiency Letter - CFD 2014-01

Attachment C: Second Amended and Restated Petition - CFD 2014-01

Attachment D: Public Hearing Notice - Second Amendment to CFD 2014-01



Certificate of Sufficiency

This is to certify that the petition 2014-1, originally submitted on August 8, 2024, to King County Elections, seeking to form a community facilities district in Redmond, Washington, has been examined by the King County Assessor and the King County Elections Department, and as a result of such examination, found to be sufficient under the provisions of the Revised Code of Washington 36.145.020.

Dated this 13th day of August 2024.

Julie Wise

Director of Elections



August 13, 2024

Sent via email

Kelley Cochran, Finance Director
City of Redmond
Sent via email to: kcochran@redmond.gov

**RE: Petition to Form Community Facilities District Pursuant to RCW 36.145.020
Certificate of Sufficiency**

Dear Kelley Cochran:

King County examined the signatures contained on the petition 2014-1 to form a community facilities district in Redmond and confirmed that the petition has been validly executed by 100% of all owners of the property located within the proposed district. It is therefore determined that the petition is sufficient under RCW 36.145.020.

If you have questions, please feel free to contact Angela Kubota, Candidate and Jurisdiction Coordinator at 206-477-4201.

Sincerely,

Julie Wise
Director

cc: Janice Case, Deputy Director
Angela Kubota, Candidate and Jurisdiction Coordinator

**SECOND AMENDED AND RESTATED REDMOND CFD No. 2014-1
Community Facilities District (“CFD”) Petition Pursuant to Chapter 36.145 RCW**

Microsoft Corporation (“Petitioner”) respectfully submits this Second Amended and Restated Redmond CFD 2014-1 Community Facilities District Petition (the “Second Amended Petition”) to the City of Redmond pursuant to Chapter 36.145 RCW. This Second Amended Petition requests modification of the Amendment approved by the Redmond City Council on November 18, 2014 which amended the Petition for formation of Redmond CFD No. 2014-1 (the “District” or “CFD No. 2014-1”), which was approved by the Redmond City Council on July 15, 2014, 2014 and which includes the Redmond CFD No. 2014-1 Property, as defined below, that is both located within the Redmond Urban Growth Area (“UGA”) and within the city limits of Redmond as required by RCW 36.145.020. The requirements for a community facilities district petition are set forth in RCW 36.145.020(1). Each of these requirements is addressed subsection-by-subsection below.

RCW 36.145.020(1)(a): See the township, range, and legal subdivision description of the boundaries of the District attached to this Petition as Attachment 1 (the “Redmond CFD No. 2014-1 Property”).

RCW 36.145.020(1)(b): The undersigned property owner hereby requests that the Redmond CFD No. 2014-1 Property be subject to assessments up to the amount outlined in RCW 36.145.020(1)(i)(iv) as authorized by Chapter 36.145 RCW.

RCW 36.145.020(1)(c): See the certification attached to this Petition as Attachment 2.

RCW 36.145.020(1)(d): The District’s objective is to finance all or part of six specific improvements that provide special benefits to the Redmond CFD No. 2014-1 Property through the application of assessments. The net amount to be assessed on each parcel within the District is proportional to the special benefit conferred on such parcel by the six improvements. The District anticipates financing the following six specific facilities (the “Improvements”):

- Pedestrian/Bicycle Bridge connecting the east side of 156th Avenue NE to Redmond Technology Station and to the west side of SR 520.
- Canopy Coverage for Waiting Areas at Redmond Technology Station.
- Shell and core requirements for a transit office/public waiting area near the parking garage at Redmond Technology Station.
- Additional paving for buses and vans to wait and to drop off and pick up passengers moving between the light rail system and the bus system.
- Accessibility features at Redmond Technology Station such as timetable displays with text to speech functionality and tactile guidance indicators to assist those with visual impairments to navigate the site.

RCW 36.145.020(1)(e): The undersigned property owner declares that CFD No. 2014-1 will be conducive to public health, safety, and welfare for the following reasons. The proposed District will finance the Improvements which will improve the public health, safety, and welfare by improving pedestrian and bicycle circulation and thereby improving pedestrian and bicycle safety. The Improvements also enhance the public transit experience which should reduce reliance on private automobiles for commuting. The Improvements are in the best interest of the City for these reasons. The Improvements have benefits for the City, its residents and those who visit or work in the City. The proposed District, through the application of assessments, provides a secure financing source for the Improvements which provide public health, safety, and welfare benefits to the Redmond CFD No. 2014-1 Property and the citizens of Redmond.

RCW 36.145.020(1)(f): The purpose of forming the District is to finance the Improvements. The Improvements will provide special benefit to the Redmond CFD No. 2014-1 Property and will increase the fair market value of the Redmond CFD No. 2014-1 Property on account of their proximity to the Redmond CFD No. 2014-1 Property. The Improvements provide special benefits to the Redmond CFD No. 2014-1 Property as summarized below:

- The Pedestrian/Bicycle Bridge allows safe, expedient, and sheltered travel across SR-520 for pedestrians and cyclists whose work is located on the Redmond CFD No. 2014-1 Property. The bridge connects transit stops and a regional pedestrian/bicycle trail on the west side of SR-520 with the Redmond Technology Station and the public sidewalk on 156th Avenue NE. This will avoid the need for pedestrians and cyclists to cross SR-520 via the NE 40th Street overpass thereby eliminating significant potential for pedestrian and bicycle encounters with automobiles and buses.
- The canopy coverage for the waiting areas will provide a drier and more comfortable area for transit riders whose work is located on the Redmond CFD No. 2014-1 Property while waiting for the light rail trains and buses that serve the Redmond Technology Station.
- The transit office/public waiting area will provide a comfortable place for transit riders whose work is located on the Redmond CFD 2014-1 Property to wait if there is a long wait for their train or bus.
- The additional paving provides increased bus system capacity and more efficient bus system operations in the transit loop at Redmond Technology Center resulting in improved access for bus system riders whose work is located on the Redmond CFD 2014-1 Property and facilitates connection between the light rail system and the bus system.
- The accessibility features, such as the timetable displays and tactile guidance indicators, will enable pedestrians with disabilities to more easily navigate in and through the Redmond Technology Station and will enable pedestrians and bicyclists who are unfamiliar with Microsoft's campus to avoid long and time-consuming mistakes by having the information to go in the correct direction the first time.

RCW 36.145.020(1)(g): See the “obligation” attached to this Petition as Attachment 3.

RCW 36.145.020(1)(h): Petitioner nominates the following two individuals as eligible supervisors for the District: (1) Mike Behn, Senior Real Estate and Land Use Manager of Microsoft Corporation, as a representative of the Petitioner; and (2) Donald Marcy, as a qualified professional. Both Mr. Behn and Mr. Marcy are willing and able to serve on the District’s Board of Supervisors. Curriculum vitae for Mr. Behn and Mr. Marcy, as well as documentation of their consent to serve, are attached hereto as Attachment 4.

RCW 36.145.020(1)(i): Subsections (i)-(v) of this section are each addressed separately below.

(i) See the diagram showing each separate lot, tract, parcel of land, or other property in the District attached hereto as Attachment 5.

(ii) The acreage of the Redmond CFD No. 2014-1 Property is 3.60 acres.

(iii) The name and address of the owner of each lot, parcel as shown on the tax roll of the King County Assessor:

Lot/Parcel	Property Owner	Property Owner Address
232505-9120	Microsoft Corporation	Microsoft Real Estate & Facilities One Microsoft Way Redmond, WA 98052

(iv) See Preliminary Assessment Roll on the following page:

Community Facility District (CFD) No. 2014-1 Preliminary Assessment Roll		
Parcel		Total \$ per Parcel
Number	Acreage	
1	2.96	\$8,198,500
Total:	2.96	\$8,198,500

(v) Because there is only one parcel of property and one property owner in the proposed district, the method of allocating the special benefit and assessments among the properties is not relevant to this petition as one hundred percent of the assessments will be assigned to the single parcel.


RCW 36.145.020(1)(j): The security to ensure the timely payment of assessments and the timely payment of bonds issued by the District will be the Redmond CFD No. 2014-1 Property.

[see signature of property owner on the following page]

PROPERTY OWNER:

MICROSOFT CORPORATION, a Washington corporation

By:


Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date:

04/04/24

WARNING

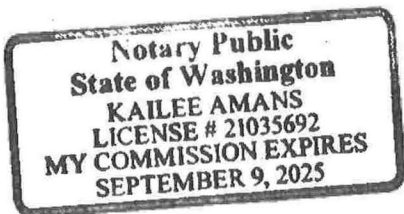
Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager, Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April, _____, 2024.



Kailee Amans
Kailee Amans

(Print name of notary)

NOTARY PUBLIC in and for the State of Washington, residing at One Microsoft Way

My commission expires Sept 9, 2025

ATTACHMENT 1

REDMOND CFD NO. 2014-1

N 1/2 OF NE 1/4 OF SE 1/4 OF NW 23-25-5 LYING SELY OF THE SE MARGIN OF SR 520 CONV TO THE STATE PER REC #7104290555 LESS POR LYING E OF W MARGIN 156TH AVE NE PER SCC#84-2-12153-0 & LESS POR TO CITY OF REDMOND FOR NE 36TH ST PER REC #20020131000898 & LESS POR TO CPSRTA PER DEED REC #20171109001137

ATTACHMENT 2

CERTIFICATION

Microsoft Corporation, the undersigned petitioner, voluntarily submits the Redmond CFD No. 2014-1 Property, as defined in Attachment 1 of the attached Petition, to the authority of the District described in the Petition pursuant to Chapter 36.145 RCW to approve the Petitioner's request to submit the Property to the assessments, up to the amount included in Section 36.145.020(1)(i) of the Petition and authorized under Chapter 36.145 RCW.

The undersigned petitioner certifies under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONER:

MICROSOFT CORPORATION, a Washington corporation

By: 

Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date: _____

04 / 04 / 24

WARNING

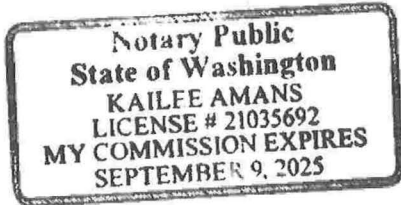
Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager, Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April,
2024.



Kailfe Amans
Kailfe Amans
(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at One Microsoft Way
My commission expires Sept. 9, 2025

ATTACHMENT 3

OBLIGATION

Microsoft Corporation certifies that it is the sole Petitioner for the attached Petition and that it agrees to pay the costs of the formation of the Redmond CFD No. 2014-1 pursuant to the Petition.

The undersigned Petitioner certifies under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONER:

MICROSOFT CORPORATION, a Washington corporation

By: 

Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date: 04/04/24

WARNING

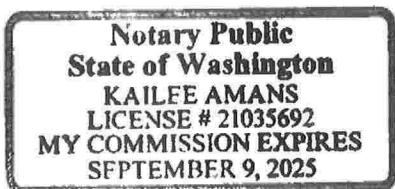
Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager, Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April, 2024.



Kailee Amans
Kailee Amans
(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at One Microsoft Way
My commission expires Sept. 9, 2025

Mike Behn

1 Microsoft Way, Redmond WA 98065
425-703-6420 mike.behn@microsoft.com

Mike is a land use professional with skills covering the spectrum of real estate processes including land acquisition, master planning, entitlement, development, and leasing. He has a life-long passion for the built environment and creating places that enhance everyday experience. At Microsoft, Mike applies his real estate and land use expertise to the company’s 500+ acre Redmond, WA campus including their current 2050 master planning efforts, public/private partnerships, and execution on sustainability initiatives. Additionally, Mike oversees commercial acquisitions and dispositions in Puget Sound. Prior to joining Microsoft, Mike spent 15 years in residential development working for regional and national homebuilders. During his tenure, Mike oversaw the purchase, design, entitlement and development of numerous single-family and townhouse communities and the buildout of notable northwest master-planned communities. Mike has an honors Bachelor of Arts degree in Planning, Public Policy, and Management from the University of Oregon. He is a member of NAIOP and the Urban Land Institute.

Education Bachelor of Arts – Planning, Public Policy, and Management

1991-1996 University of Oregon Eugene, OR
Robert D. Clark Honors College; Architecture minor

Experience Senior Real Estate and Land Use Manager

2017 – Present Microsoft Redmond, WA

- Manage land use of the Redmond campus through master planning activities, lead acquisition efforts on new properties, and oversee infrastructure projects
- Collaborate on behalf of Microsoft stakeholders with the City of Redmond, Sound Transit, and other agencies to facilitate agreements
- Serve as a land use subject matter expert and share knowledge of the Redmond campus and best practices for land use planning to the company

Director of Land Planning and Entitlement, Senior Development Manager

2004 – 2017 Pulte Homes, Quadrant Homes Bellevue, WA

- Provided senior leadership for the entitlement of new subdivisions, meeting with elected officials and senior city staff to secure approvals
- Oversaw land development activities, including the installation of new innovative and sustainable low-impact development features (pervious pavement, modular wetland vault systems, bioswales, etc.)
- Served as President of multiple Commercial Owner’s Associations and Residential Owner’s Associations during the declarant period of control

Involvement Member, Board of Directors and Government Affairs Committee

2017 – 2019 OneRedmond Redmond, WA

DONALD E. MARCY

Land Use Attorney

Email: dmarcy@cairncross.com

Direct: 206-254-4465

Introduction

Donald is one of the leading lawyers in land use and real estate development matters in Seattle. For over 40 years, he has guided many of the region's significant mixed-use, office, business park, retail, and multi-family projects to successful conclusion through creative application of the law. He has assisted real estate developers and owners of property in developing commercial and residential projects in the Pacific Northwest and other regions of the country. He has represented clients in all aspects of real estate development; buying property; negotiating ground leases; obtaining land use entitlements; negotiating design, construction, and financing documents; negotiating leases; and selling fully developed properties. The skills he has developed through this legal work are varied and include structuring real estate deals, drafting and negotiating agreements and contracts, negotiating with government agencies, analyzing regulatory programs and requirements, and making public presentations.

As a member and past Chairman of the Government Affairs Committee of NAIOP, the commercial real estate organization, Donald is active in the crafting of legislation that affects the commercial real estate industry.

Education

- Stanford University (A.B., with Honors in Economics)
- University of Southern California (J.D.)
 - Member and Executive Editor of Articles, Southern California Law Review

Admissions

- Washington
- US District Court, Western District of Washington
- US District Court, Eastern District of Washington

Honors & Recognition

- Top Ranked in Washington State by *Chambers USA* in the area of Real Estate: Zoning/Land Use since 2016

- Named *The Best Lawyers in America*® Litigation – Land Use and Zoning “Lawyer of the Year” in Seattle (2022)
- Named *The Best Lawyers in America*® Litigation – Real Estate “Lawyer of the Year” in Seattle (2021)
- Named *The Best Lawyers in America*® Land Use & Zoning Law “Lawyer of the Year” in Seattle (2014)
- Listed in *The Best Lawyers in America*® in Land Use & Zoning Law since 2010
- Listed in *The Best Lawyers in America*® in Litigation – Land Use & Zoning since 2010
- Listed in *The Best Lawyers in America*® in Litigation – Real Estate since 2010
- Listed in *The Best Lawyers in America*® in Real Estate Law since 2010
- Named on the Washington Super Lawyers list by *Super Lawyers*® Magazine since 2000
- Named on the Top 100 Washington Super Lawyers list by *Super Lawyers*® Magazine
- NAIOP Washington State Chapter Board Member of the Year, 2008
- NAIOP Washington State Chapter Member of the Year, 1994
- Association of Washington Business Heavy Lifter Award Recipient, 2008
- Martindale-Hubbell AV® Preeminent 5.0 out of 5
- Avvo® rated 10.0 out of 10.0
- Top 100 Attorneys Award Recipient, *Washington CEO Magazine*
- Top Rated Lawyer in Land Use and Zoning, *The American Lawyer & Corporate Counsel Magazines*
- Top Ten Attorneys in Washington (in the Area of Real Estate Law) Award Recipient, *Washington CEO Magazine* in conjunction with Avvo, Inc.
- League of Justice – Environmental & Land Use Law Award Recipient, *Washington CEO Magazine*
- Top Lawyer Award Recipient, *Seattle Magazine*
- Top Business Lawyer Award Recipient, *Seattle Business*
- Top Lawyer – Real Estate Award Recipient, *Seattle Metropolitan Magazine*

Professional & Community Involvement

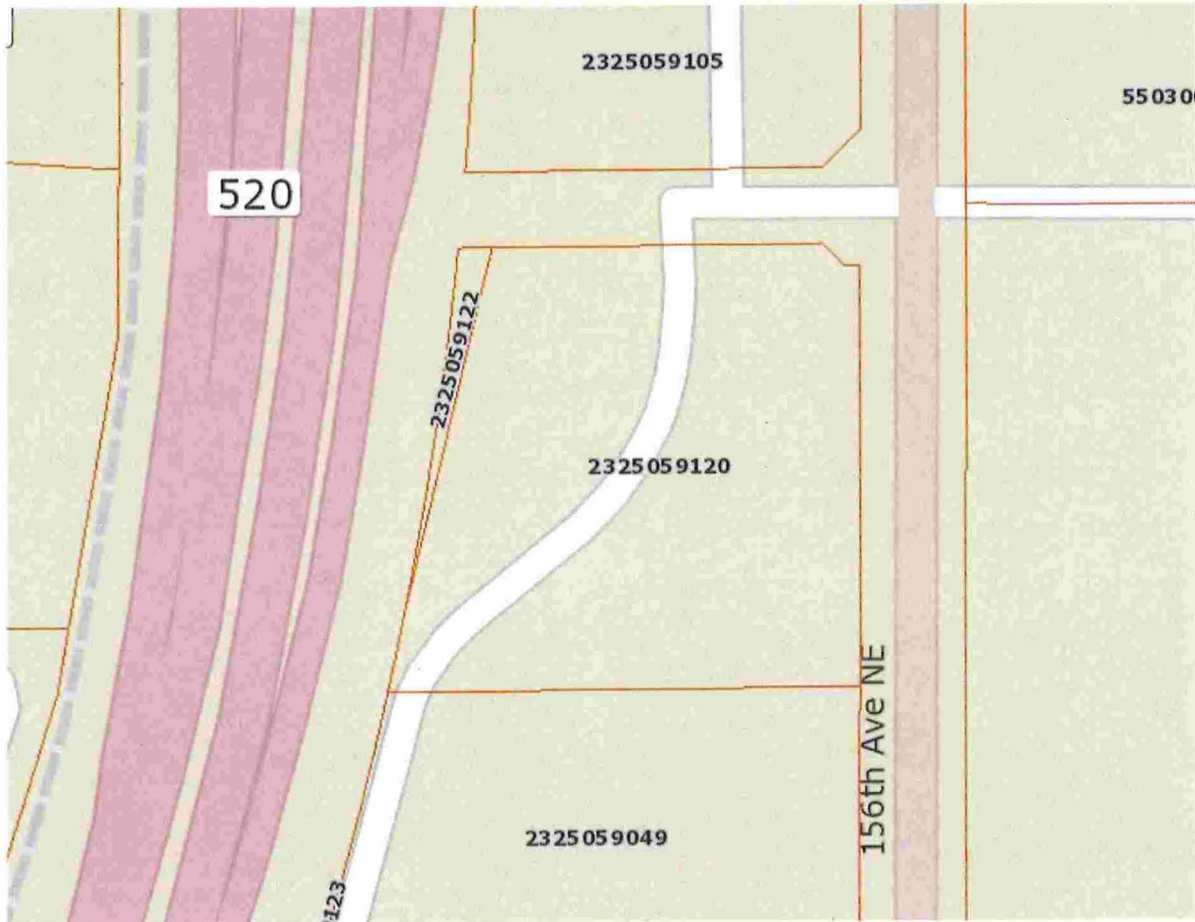
- National Association of Industrial and Office Properties (NAIOP) Washington (1989-present)
 - Board of Directors (1991-1995, 2005-2009)
 - Chairman of Government Affairs Committee (1996-1998, 2010-2015)
- King County Green River Flood Protection Task Force
- State Department of Ecology, State Wetland Integration Strategy Task Force
- Pacific Real Estate Institute
- Lewis County Economic Development Council
- Seattle Metropolitan Chamber of Commerce

- Association of Washington Business, Environmental Affairs Council, Land Use Committee, and Regulatory Reform Committee
- King County Bar Association
- Seattle Mayor's Industrial Lands Task Force (2015-2018)
- Path with Art, Board of Directors (2021-present)

Publications & Speaking Engagements

- Moderator, "Seattle Forecast 2018!," Bisnow, Seattle, WA, January 25, 2018
- Speaker, "Commercial Real Estate Leases," Law Seminars International, December 11-12, 2017
- Moderator, "Seattle State of the Market," Bisnow, Seattle, WA, December 17, 2013
- Moderator, "Seattle Office 2020," Bisnow, Seattle, WA, April 23, 2013
- Moderator, "Seattle Construction & Development Summit," Bisnow, Seattle, WA, March 27, 2013

ATTACHMENT 5
PARCEL DIAGRAM



CERTIFICATE OF DESIGNATION
Global Workplace Services Authorization

THIS CERTIFICATE OF DESIGNATION is made pursuant to and in accordance with that certain resolution of the Board of Directors of Microsoft Corporation (the "Company"), adopted on June 16, 2006, under which the undersigned are authorized to designate persons empowered to sign any and all documents as relates to real estate transactions on behalf of the Company and its subsidiary companies.

The following persons are so designated, in compliance with the objectives in the resolution:

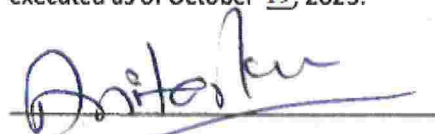
Beth Schryer, Vice President, Global Workplace Services

Steph Longstreth, General Manager, Global Workplace Services

John Trujillo, Senior Director, International Real Estate Operations

This Certificate may be signed by electronic signature, which will be effective for all purposes.

IN WITNESS WHEREOF, the undersigned have caused this Certificate of Designation to be executed as of October 19, 2023.



Anita Mehra
Global Treasurer



Oystein Harsvik
Assistant Treasurer



**NOTICE OF PUBLIC HEARING
CITY OF REDMOND**

Second Amendment to Community Facilities District No. 2014-01

The City of Redmond City Council will hold a Public Hearing in the **Council Chambers, 15670 NE 85th Street, Redmond, Washington** on September 17, 2024 **at 7 p.m.** or as soon thereafter as possible, on:

SUBJECT: Petition filed by Microsoft Corporation to amend Community Facilities District No. 2014-01 per RCW 36.145 in Redmond, Washington. If approved, the amendment would add the following improvements to the list of those to be financed by the community facilities district:

- Accessibility features at Redmond Technology Station such as timetable displays with text to speech functionality and tactile guidance indicators to assist those with visual impairments to navigate the site.

REQUESTED ACTION: Amend the petition by resolution.

All persons are invited to comment in person at the hearing. Written comment can be sent to cityclerk@redmond.gov, or P.O. Box 97010, Redmond, Washington, 98073-9710. In the event of difficulty attending a meeting in person, or with any questions, please contact the City Clerk at cityclerk@redmond.gov.

Posted: August 30, 2024



Memorandum

Date: 9/10/2024

File No. CM 24-423

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Upcoming Public Hearing on Proposed Amendment to Community Facilities District (CFD) 2016-01

OVERVIEW STATEMENT:

Community Facilities District (CFD) 2016-01 was established June 21, 2016, via Resolution 1453 as a partnership between the City of Redmond and Microsoft to finance multimodal improvements. A petition has been filed by Microsoft to amend CFD 2016-01 via resolution.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Transportation Master Plan, ADA Transition Plan
- **Required:**
Community Facilities Districts are governed under RCW 36.145.
- **Council Request:**
N/A
- **Other Key Facts:**
CFD 2016-01 was amended on July 25, 2017, via Resolution 1478 to fund additional multimodal and stormwater improvements.

OUTCOMES:

If approved, the amendment via resolution would add the following improvements to the list of those to be financed by CFD 2016-01:

- Extension of shared use path on south side of NE 40th Street from 163rd Ave NE to 172nd Ave NE and related improvements. This project will replace all sidewalk on the south side of the street, which is currently non-ADA-compliant.
- Perform ADA ramp improvement and push button activation for crosswalks at select locations to be determined.
- Install adaptive traffic signal controls at multiple intersections along 148th Ave NE, 156th Ave NE, and NE 40th Street in the Overlake neighborhood.
- Install bike lane improvements (improved curve design and completion of bike lane gaps) on 150th Ave NE. The project will complete missing bike lane connections near the Nintendo campus at the 4500 block and at the intersection with NE 51st Street. Work includes pavement widening, new curb and gutter, and associated stormwater improvements.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
In accordance with RCW 36.145, King County Elections certified the petition from Microsoft and issued a certificate of sufficiency and a letter of sufficiency, both of which were received by the City of Redmond on August 14, 2024. Per RCW 36.145, a public hearing must be held by the City Council no sooner than 30 days and no later than 60 days from the certificate of sufficiency date of issue, which was August 13, 2024.

- **Outreach Methods and Results:**
A public hearing is scheduled for September 17, 2024, during the Redmond City Council Business Meeting. A notice of public hearing has been posted in The Seattle Times on August 27, 2024, September 3, 2024, and September 10, 2024.

A notice of public hearing was also posted at Redmond City Hall, the Redmond Library, the Redmond Community Center at Marymoor Village, and three locations at Microsoft on August 30, 2024.

- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

\$12,551,241

- \$9,317,520 funded by CFD 2016-01
- \$3,233,721 funded by Impact Fees

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

CIP

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

Ongoing costs:

Date: 9/10/2024

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 24-423

Type: Committee Memo

- \$1,000 - routine maintenance of expanded sidewalk (NE 40th Street Shared Use Path)
- \$40,000 - Software license fee and equipment management and replacement (Adaptive Traffic Signal Control)

Funding source(s):

- CFD 2016-01 (all four projects)
- Impact Fees (NE 40th Street Shared Use Path only)

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

Per RCW 36.145, a public hearing must be held by the City Council no sooner than 30 days and no later than 60 days from the certificate of sufficiency date of issue, which was August 13, 2024.

ANTICIPATED RESULT IF NOT APPROVED:

If a public hearing is not held in accordance with required timelines per RCW 36.145, CFD 2016-01 cannot be amended at this time.

ATTACHMENTS:

Attachment A: Certificate of Sufficiency - CFD 2016-01

Attachment B: Sufficiency Letter - CFD 2016-01

Attachment C: Second Amended and Restated Petition - CFD 2016-01

Attachment D: Public Hearing Notice - Second Amendment to CFD 2016-01

Attachment E: Project Information Sheet - Pedestrian and Bike Improvements - NE 40th Shared Use Path

Attachment F: Project Information Sheet - Overlake Accessibility Improvements

Attachment G: Project Information Sheet - Adaptive Traffic Signal Control - Overlake

Attachment H: Project Information Sheet - 150th Ave Improvements



Certificate of Sufficiency

This is to certify that the petition 2016-1, originally submitted on August 8, 2024, to King County Elections, seeking to form a community facilities district in Redmond, Washington, has been examined by the King County Assessor and the King County Elections Department, and as a result of such examination, found to be sufficient under the provisions of the Revised Code of Washington 36.145.020.

Dated this 13th day of August 2024.

Julie Wise

Director of Elections



August 13, 2024

Sent via email

Kelley Cochran, Finance Director
City of Redmond
Sent via email to: kcochran@redmond.gov

**RE: Petition to Form Community Facilities District Pursuant to RCW 36.145.020
Certificate of Sufficiency**

Dear Kelley Cochran:

King County examined the signatures contained on the petition 2016-1 to form a community facilities district in Redmond and confirmed that the petition has been validly executed by 100% of all owners of the property located within the proposed district. It is therefore determined that the petition is sufficient under RCW 36.145.020.

If you have questions, please feel free to contact Angela Kubota, Candidate and Jurisdiction Coordinator at 206-477-4201.

Sincerely,

Julie Wise
Director

cc: Janice Case, Deputy Director
Angela Kubota, Candidate and Jurisdiction Coordinator

**SECOND AMENDED AND RESTATED
REDMOND CFD No. 2016-1
Community Facilities District (“CFD”) Petition Pursuant to Chapter 36.145 RCW**

Microsoft Corporation (“Petitioner”) respectfully submits this Second Amended and Restated Community Facilities District Petition (the “Petition”) to the City of Redmond pursuant to Chapter 36.145 RCW. This Petition requests the amendment of Redmond CFD No. 2016-1 (the “District” or “CFD No. 2016-1”), which shall include the Redmond CFD No. 2016-1 Property, as defined below, that is both located within the Redmond Urban Growth Area (“UGA”) and within the city limits of Redmond as required by RCW 36.145.020. The requirements for a community facilities district petition are set forth in RCW 36.145.020(1). Each of these requirements is addressed subsection-by-subsection below.

RCW 36.145.020(1)(a): See the township, range, and legal subdivision description of the boundaries of the District attached to this Petition as Attachment 1 (the “Redmond CFD No. 2016-1 Property”).

RCW 36.145.020(1)(b): The undersigned property owner hereby requests that the Redmond CFD No. 2016-1 Property be subject to assessments up to the amount outlined in RCW 36.145.020(1)(i)(iv) as authorized by Chapter 36.145 RCW.

RCW 36.145.020(1)(c): See the certification attached to this Petition as Attachment 2.

RCW 36.145.020(1)(d): The District’s objective is to finance eight specific improvements that provide special benefits to the Redmond CFD No. 2016-1 Property through the application of assessments. The net amount to be assessed on each parcel within the District is proportional to the special benefit conferred on such parcel by the eight improvements. The District anticipates financing the following eight specific facilities (the “Improvements”):

- Multimodal improvements, including eastbound and westbound left-turn lanes at the intersection of 154th Avenue NE and NE 51st Street and at the intersection of 156th Avenue NE and NE 51st Street along with signal modification to the intersection of 156th Avenue NE and NE 51st Street and bicycle lanes along NE 51st Street from 154th Avenue NE to the SR 520 eastbound on-ramp.
- Multimodal improvements, including bicycle lanes along NE 31st Street from the roundabout just east of SR 520 to 156th Avenue NE along with improvements to the intersection of NE 31st Street and 156th Avenue NE.
- Extension of storm water pipe from 172nd Avenue NE to Lake Sammamish along the NE 40th street right-of-way and related improvements required as part of project construction; flow splitter vault at the intersection of NE 40th Street and 172nd Avenue NE; energy dissipation vault at end of pipe extension; outfall at Lake Sammamish that mitigates for wetland and lake impacts; water quality treatment facilities for a portion of the basin to improve water quality in Lake Sammamish and/or Villa Marina Creek; potential Salmon Safe certification; and project mitigation.

- Grade separated path for pedestrians/bicycles on the west side of SR 520 to reduce potential pedestrian/bicycle conflicts with motor vehicles on NE 40th Street. The extent of the funding for the grade separated pedestrian/bicycle path is dependent on the actual cost of the other three Improvements. To the extent there are funds available from the assessment approved by the District after construction of the other three Improvements, those remaining funds will be applied to the construction cost of the grade separated pedestrian/bicycle path.
- Extension of shared use path on south side of NE 40th Street from 163rd Avenue NE to 172nd Avenue NE and related improvements. This project will replace all sidewalk on the south side of the street which is currently non ADA-compliant.
- Perform ADA ramp improvements and push button activation for crosswalks at select locations to be determined.
- Install adaptive traffic signal controls at multiple intersections along 148th Avenue NE, 156th Avenue NE, and NE 40th Street in the Overlake neighborhood.
- Install bike lane improvements (improved curve design and completion of bike lane gaps) on 150th Avenue NE. The project will complete missing bike lane connections near the Nintendo campus at the 4500 block and at the intersection with NE 51st Street. Work includes pavement widening, new curb and gutter, and associated stormwater improvements.

RCW 36.145.020(1)(e): The undersigned property owner declares that CFD No. 2016-1 will be conducive to public health, safety, and welfare for the following reasons. The proposed District will finance the Improvements which will improve the public health, safety, and welfare by reducing the incidence of automobile collisions, reducing the incidence of automobile/bicycle/pedestrian collisions, and reducing traffic congestion. The Improvements also create a more connected network of bicycle facilities, which helps facilitate travel and commuting by bicycle resulting in reduced production of carbon dioxide. The Improvements will also improve traffic flow on 156th Avenue NE reducing congestion and the production of carbon dioxide. The Improvements also increase pedestrian safety, especially for disabled persons. The Improvements also improve storm water quality in the NE 40th Street drainage basin with concomitant improvement to water quality in Lake Sammamish. The Improvements are in the best interest of the City for these reasons. The Improvements have benefits for the City, its residents and those who visit or work in the City. The proposed District, through the application of assessments, provides a secure financing source for the Improvements which provide public health, safety, and welfare benefits to the Redmond CFD No. 2016-1 Property and the citizens of Redmond.

RCW 36.145.020(1)(f): The purpose of forming the District is to finance the Improvements. The Improvements will provide special benefit to the Redmond CFD No. 2016-1 Property and will increase the fair market value of the Redmond CFD No. 2016-1 Property on account of their

proximity to the Redmond CFD No. 2016-1 Property. The Improvements provide special benefits to the Redmond CFD No. 2016-1 Property as summarized below:

- The eastbound and westbound left-turn lanes on NE 51st Street will reduce the potential for automobile and automobile/bicycle collisions by enabling left turns to occur at 154th Avenue NE without impeding eastbound and westbound through traffic, and will also reduce congestion on NE 51st Street.
- The bike lanes on NE 31st Street and NE 51st Street will improve non-motorized mobility and access to transit in the Overlake neighborhood and increase the potential for reduction of carbon dioxide emissions from motor vehicles.
- The signal modification at the intersection of NE 51st Street and 156th Avenue NE will reduce congestion on NE 51st Street.
- The NE 40th Street drainage basin improvements will improve storm water quality and result in water quality improvement in Lake Sammamish which will provide recreational benefits as well as improved habitat for salmonids and other aquatic life.
- The grade separated pedestrian/bicycle path on the west side of SR 520 will reduce the potential for automobile collisions with pedestrians/bicycles on NE 40th Street. The path will also improve non-motorized mobility in the Overlake neighborhood and increase the potential for reduction of carbon dioxide emissions from motor vehicles.
- The extension of the shared use path on NE 40th Street will improve non-motorized mobility and access to transit in the Overlake neighborhood and increase the potential for reduction of carbon dioxide emissions from motor vehicles.
- The ADA ramp improvements and push button activation for crosswalks will improve pedestrian safety, especially for disabled persons.
- The adaptive signal controls on 148th Avenue NE, 156th Avenue NE, NE 40th Street will improve traffic flow on these streets reducing congestion and the production of carbon dioxide.
- The bike lane improvements on 150th Avenue NE will improve non-motorized mobility in the Overlake neighborhood and increase the potential for reduction of carbon dioxide emissions from motor vehicles.

RCW 36.145.020(1)(g): See the “obligation” attached to this Petition as Attachment 3.

RCW 36.145.020(1)(h): Petitioner nominates the following two individuals as eligible supervisors for the District: (1) Mike Behn, as a representative of the Petitioner; and (2) Donald Marcy, as a qualified professional. Both Mr. Behn and Mr. Marcy are willing and able to serve on the District’s

Board of Supervisors. Curriculum vitae for Mr. Behn and Mr. Marcy, as well as documentation of their consent to serve, are attached hereto as Attachment 4.

RCW 36.145.020(1)(i): Subsections (i)-(v) of this section are each addressed separately below.

(i) See the diagram showing each separate lot, tract, parcel of land, or other property in the District attached hereto as Attachment 5.

(ii) The acreage of the Redmond CFD No. 2016-1 Property is 7.23 acres.

(iii) The name and address of the owner of each lot, parcel as shown on the tax roll of the King County Assessor:

Lot/Parcel	Property Owner	Property Owner Address
142505-9141	Microsoft Corporation	Microsoft Real Estate & Facilities One Microsoft Way Redmond, WA 98052
550300-0110	Microsoft Corporation	Microsoft Real Estate & Facilities One Microsoft Way Redmond, WA 98052

(iv) See Preliminary Assessment Roll on the following page:

Community Facility District (CFD) No. 2016-1 Preliminary Assessment Roll		
Parcel		Total \$ per Parcel
Number	Acreage	
1	4.18	\$12,756,400
2	3.05	\$15,197,500
Total:	7.23	\$27,953,900

(v) Because there are only two parcels of property and one property owner in the proposed district, the method of allocating the special benefit and assessments among the properties is not relevant to this petition as one hundred percent of the assessments will be assigned to the two parcels.

RCW 36.145.020(1)(j): The security to ensure the timely payment of assessments and the timely payment of bonds issued by the District will be the Redmond CFD No. 2016-1 Property.

[see signature of property owner on the following page]

PROPERTY OWNER:

MICROSOFT CORPORATION, a Washington corporation

By:


Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date:

04/04/24

WARNING

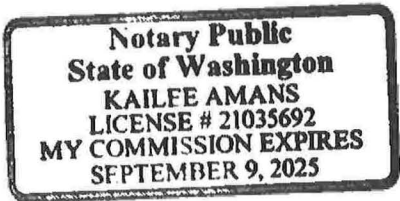
Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager of Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April,
2024.



Kailfe Amans
Kailfe Amans
(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at One Microsoft Way
My commission expires Sept. 9, 2025

ATTACHMENT 1

REDMOND CFD NO. 2016-1

PARCEL 1

PARCEL A OF KING COUNTY BOUNDARY LINE ADJUSTMENT NO. L010069, RECORDED UNDER RECORDING NO. 20020110900002, IN KING COUNTY, WASHINGTON.

LOCATED IN SW QUARTER OF SECTION 14, TOWNSHIP 25, RANGE 5 E, W.M.

PARCEL 2

LOT 11 OF MICROSOFT MAIN CAMPUS BINDING SITE PLAN RECORDED ON OCTOBER 22, 2008 UNDER RECORDING NO. 20081022000945 IN KING COUNTY, WASHINGTON.

LOCATED IN NE QUARTER OF SECTION 23, TOWNSHIP 25, RANGE 5 E, W.M.

ATTACHMENT 2

CERTIFICATION


Microsoft Corporation, the undersigned petitioner, voluntarily submits the Redmond CFD No. 2016-1 Property, as defined in Attachment 1 of the attached Petition, to the authority of the District described in the Petition pursuant to Chapter 36.145 RCW to approve the Petitioner's request to submit the Property to the assessments, up to the amount included in Section 36.145.020(1)(i) of the Petition and authorized under Chapter 36.145 RCW.

The undersigned petitioner certifies under the penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONER:

MICROSOFT CORPORATION, a Washington corporation

By:


Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date:

04/04/24

WARNING

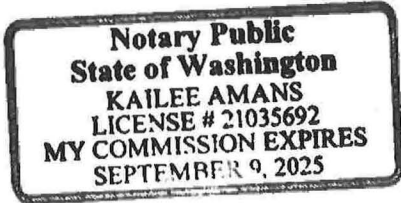
Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager of Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April, 2024.



Kailee Amans
Kailee Amans
(Print name of notary)

NOTARY PUBLIC in and for the State of Washington, residing at One Microsoft Way
My commission expires Sept. 9, 2025

ATTACHMENT 3

OBLIGATION


Microsoft Corporation certifies that it is the sole Petitioner for the attached Petition and that it agrees to pay the costs of the formation of the Redmond CFD No. 2016-1 pursuant to the Petition.

The undersigned Petitioner certifies under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

PETITIONER:

MICROSOFT CORPORATION, a Washington corporation

By:


Steph Longstreth, General Manager, Microsoft Global Workplace Services

Mailing Address: Microsoft Real Estate & Facilities
One Microsoft Way
Redmond, WA 98502

Telephone No.: (425) 882-8080

Date: 04/09/29

WARNING

Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Steph Longstreth, to me known to be the General Manager of Microsoft Global Workplace Services of Microsoft Corporation, the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

GIVEN under my hand and official seal this 4th day of April,
2024.



Kailie Amans
Kailie Amans
(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at One Microsoft Way
My commission expires Sept. 9, 2025

ATTACHMENT 4

NOMINEES FOR BOARD OF SUPERVISORS

I, Mike Behn, hereby acknowledge that Property Owner, Microsoft Corporation, has nominated me to serve as a supervisor on Redmond CFD No. 2016-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Redmond.

Mike Behn 4/4/24
Mike Behn, Senior Real Estate and Land Use Manager of Date
Microsoft Corporation

WARNING

Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Mike Behn, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of April, 2024.



Kailee Amans
Kailee Amans
(Print name of notary)
NOTARY PUBLIC in and for the State of
Washington, residing at 09E Microsoft Way
My commission expires Sept 9, 2025

Mike Behn

1 Microsoft Way, Redmond WA 98065
425-703-6420 mike.behn@microsoft.com

Mike is a land use professional with skills covering the spectrum of real estate processes including land acquisition, master planning, entitlement, development, and leasing. He has a life-long passion for the built environment and creating places that enhance everyday experience. At Microsoft, Mike applies his real estate and land use expertise to the company's 500+ acre Redmond, WA campus including their current 2050 master planning efforts, public/private partnerships, and execution on sustainability initiatives. Additionally, Mike oversees commercial acquisitions and dispositions in Puget Sound. Prior to joining Microsoft, Mike spent 15 years in residential development working for regional and national homebuilders. During his tenure, Mike oversaw the purchase, design, entitlement and development of numerous single-family and townhouse communities and the buildout of notable northwest master-planned communities. Mike has an honors Bachelor of Arts degree in Planning, Public Policy, and Management from the University of Oregon. He is a member of NAIOP and the Urban Land Institute.

Education **Bachelor of Arts – Planning, Public Policy, and Management**

1991-1996 University of Oregon Eugene, OR
Robert D. Clark Honors College; Architecture minor

Experience **Senior Real Estate and Land Use Manager**

2017 – Present Microsoft Redmond, WA

- Manage land use of the Redmond campus through master planning activities, lead acquisition efforts on new properties, and oversee infrastructure projects
- Collaborate on behalf of Microsoft stakeholders with the City of Redmond, Sound Transit, and other agencies to facilitate agreements
- Serve as a land use subject matter expert and share knowledge of the Redmond campus and best practices for land use planning to the company

Director of Land Planning and Entitlement, Senior Development Manager

2004 – 2017 Pulte Homes, Quadrant Homes Bellevue, WA

- Provided senior leadership for the entitlement of new subdivisions, meeting with elected officials and senior city staff to secure approvals
- Oversaw land development activities, including the installation of new innovative and sustainable low-impact development features (pervious pavement, modular wetland vault systems, bioswales, etc.)
- Served as President of multiple Commercial Owner's Associations and Residential Owner's Associations during the declarant period of control

Involvement **Member, Board of Directors and Government Affairs Committee**

2017 – 2019 OneRedmond Redmond, WA

I, Donald Marcy, hereby acknowledge that Property Owner, Microsoft Corporation, has nominated me to serve as a supervisor on Redmond CFD No. 2016-1's Board of Supervisors and hereby consent to serve on such board if I am appointed by the City of Redmond.

Donald E. Marcy
Donald Marcy

4-12-24
Date

WARNING

Every person who signs this petition with other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes any false statements, shall be guilty of a misdemeanor.

NOTARIAL CERTIFICATE

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me Donald Marcy, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he/she signed the same as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12 day of April, 2024.

Sophie Johnson
SOPHIE JOHNSON

(Print name of notary)
NOTARY PUBLIC in and for the State of Washington, residing at Seattle
My commission expires 11-07-26



DONALD E. MARCY

Land Use Attorney

Email: dmarcy@cairncross.com

Direct: 206-254-4465

Introduction

Donald is one of the leading lawyers in land use and real estate development matters in Seattle. For over 40 years, he has guided many of the region's significant mixed-use, office, business park, retail, and multi-family projects to successful conclusion through creative application of the law. He has assisted real estate developers and owners of property in developing commercial and residential projects in the Pacific Northwest and other regions of the country. He has represented clients in all aspects of real estate development; buying property; negotiating ground leases; obtaining land use entitlements; negotiating design, construction, and financing documents; negotiating leases; and selling fully developed properties. The skills he has developed through this legal work are varied and include structuring real estate deals, drafting and negotiating agreements and contracts, negotiating with government agencies, analyzing regulatory programs and requirements, and making public presentations.

As a member and past Chairman of the Government Affairs Committee of NAIOP, the commercial real estate organization, Donald is active in the crafting of legislation that affects the commercial real estate industry.

Education

- Stanford University (A.B., with Honors in Economics)
- University of Southern California (J.D.)
 - Member and Executive Editor of Articles, Southern California Law Review

Admissions

- Washington
- US District Court, Western District of Washington
- US District Court, Eastern District of Washington

Honors & Recognition

- Top Ranked in Washington State by *Chambers USA* in the area of Real Estate: Zoning/Land Use since 2016

- Named *The Best Lawyers in America*® Litigation – Land Use and Zoning “Lawyer of the Year” in Seattle (2022)
- Named *The Best Lawyers in America*® Litigation – Real Estate “Lawyer of the Year” in Seattle (2021)
- Named *The Best Lawyers in America*® Land Use & Zoning Law “Lawyer of the Year” in Seattle (2014)
- Listed in *The Best Lawyers in America*® in Land Use & Zoning Law since 2010
- Listed in *The Best Lawyers in America*® in Litigation – Land Use & Zoning since 2010
- Listed in *The Best Lawyers in America*® in Litigation – Real Estate since 2010
- Listed in *The Best Lawyers in America*® in Real Estate Law since 2010
- Named on the Washington Super Lawyers list by *Super Lawyers*® Magazine since 2000
- Named on the Top 100 Washington Super Lawyers list by *Super Lawyers*® Magazine
- NAIOP Washington State Chapter Board Member of the Year, 2008
- NAIOP Washington State Chapter Member of the Year, 1994
- Association of Washington Business Heavy Lifter Award Recipient, 2008
- Martindale-Hubbell AV® Preeminent 5.0 out of 5
- Avvo® rated 10.0 out of 10.0
- Top 100 Attorneys Award Recipient, *Washington CEO Magazine*
- Top Rated Lawyer in Land Use and Zoning, *The American Lawyer & Corporate Counsel Magazines*
- Top Ten Attorneys in Washington (in the Area of Real Estate Law) Award Recipient, *Washington CEO Magazine* in conjunction with Avvo, Inc.
- League of Justice – Environmental & Land Use Law Award Recipient, *Washington CEO Magazine*
- Top Lawyer Award Recipient, *Seattle Magazine*
- Top Business Lawyer Award Recipient, *Seattle Business*
- Top Lawyer – Real Estate Award Recipient, *Seattle Metropolitan Magazine*

Professional & Community Involvement

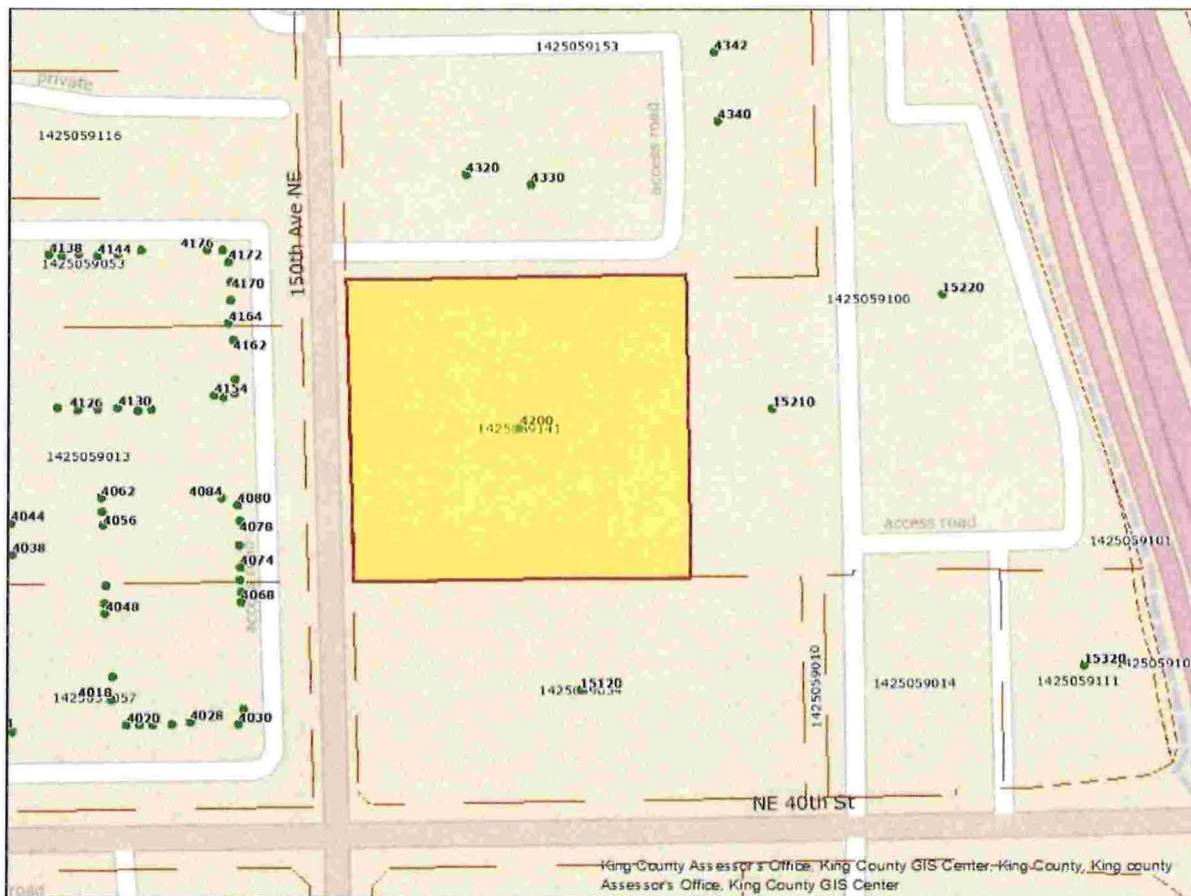
- National Association of Industrial and Office Properties (NAIOP) Washington (1989-present)
 - Board of Directors (1991-1995, 2005-2009)
 - Chairman of Government Affairs Committee (1996-1998, 2010-2015)
- King County Green River Flood Protection Task Force
- State Department of Ecology, State Wetland Integration Strategy Task Force
- Pacific Real Estate Institute
- Lewis County Economic Development Council
- Seattle Metropolitan Chamber of Commerce
- Association of Washington Business, Environmental Affairs Council, Land Use Committee, and Regulatory Reform Committee

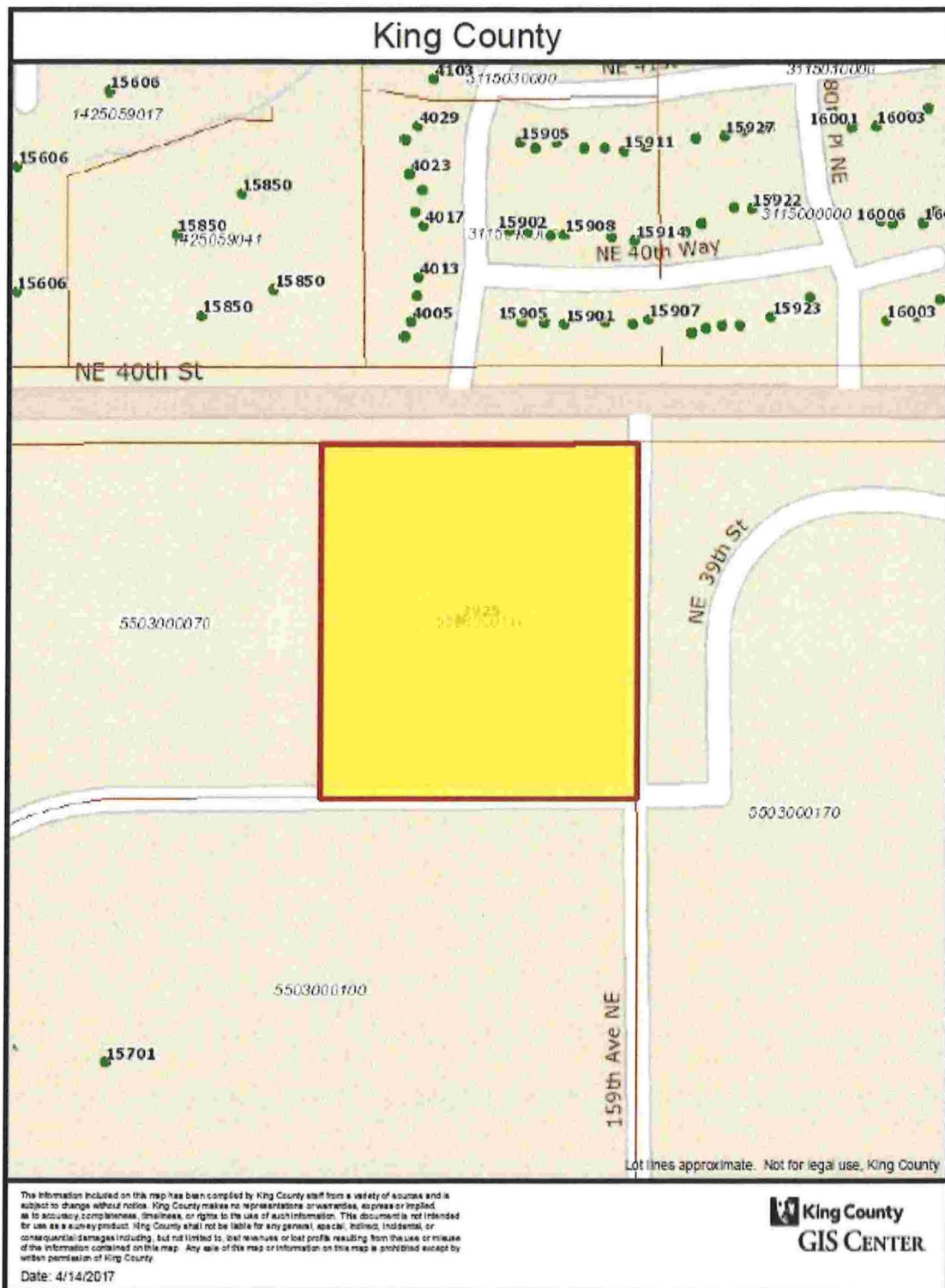
- King County Bar Association
- Seattle Mayor's Industrial Lands Task Force (2015-2018)
- Path with Art, Board of Directors (2021-present)

Publications & Speaking Engagements

- Moderator, "Seattle Forecast 2018!," Bisnow, Seattle, WA, January 25, 2018
- Speaker, "Commercial Real Estate Leases," Law Seminars International, December 11-12, 2017
- Moderator, "Seattle State of the Market," Bisnow, Seattle, WA, December 17, 2013
- Moderator, "Seattle Office 2020," Bisnow, Seattle, WA, April 23, 2013
- Moderator, "Seattle Construction & Development Summit," Bisnow, Seattle, WA, March 27, 2013

**ATTACHMENT 5
PARCEL DIAGRAM**





CERTIFICATE OF DESIGNATION

Global Workplace Services Authorization

THIS CERTIFICATE OF DESIGNATION is made pursuant to and in accordance with that certain resolution of the Board of Directors of Microsoft Corporation (the "Company"), adopted on June 16, 2006, under which the undersigned are authorized to designate persons empowered to sign any and all documents as relates to real estate transactions on behalf of the Company and its subsidiary companies.

The following persons are so designated, in compliance with the objectives in the resolution:

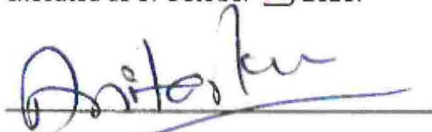
Beth Schryer, Vice President, Global Workplace Services

Steph Longstreth, General Manager, Global Workplace Services

John Trujillo, Senior Director, International Real Estate Operations

This Certificate may be signed by electronic signature, which will be effective for all purposes.

IN WITNESS WHEREOF, the undersigned have caused this Certificate of Designation to be executed as of October 19, 2023.



Anita Mehra
Global Treasurer



Oystein Harsvik
Assistant Treasurer



**NOTICE OF PUBLIC HEARING
CITY OF REDMOND**

Second Amendment to Community Facilities District No. 2016-01

The City of Redmond City Council will hold a Public Hearing in the **Council Chambers, 15670 NE 85th Street, Redmond, Washington** on September 17, 2024 **at 7 p.m.** or as soon thereafter as possible, on:

SUBJECT: Petition filed by Microsoft Corporation to amend Community Facilities District No. 2016-01 per RCW 36.145 in Redmond, Washington. If approved, the amendment would add the following improvements to the list of those to be financed by the community facilities district:

- Extension of shared use path on south side of NE 40th Street from 163rd Avenue NE to 172nd Avenue NE and related improvements. This project will replace all sidewalk on the south side of the street which is currently non ADA-compliant.
- Perform ADA ramp improvements and push button activation for crosswalks at select locations to be determined.
- Install adaptive traffic signal controls at multiple intersections along 148th Avenue NE, 156th Avenue NE, and NE 40th Street in the Overlake neighborhood.
- Install bike lane improvements (improved curve design and completion of bike lane gaps) on 150th Avenue NE. The project will complete missing bike lane connections near the Nintendo campus at the 4500 block and at the intersection with NE 51st Street. Work includes pavement widening, new curb and gutter, and associated stormwater improvements.

REQUESTED ACTION: Amend the petition by resolution.

All persons are invited to comment in person at the hearing. Written comment can be sent to cityclerk@redmond.gov, or P.O. Box 97010, Redmond, Washington, 98073-9710. In the event of difficulty attending a meeting in person, or with any questions, please contact the City Clerk at cityclerk@redmond.gov.

Posted: August 30, 2024

CIP Project Information Sheet

Project Name: Pedestrian and Bicycle Improvement - NE 40th Street Shared Use Path (163rd Avenue NE to 172nd)

Project Status: Existing - Revised

Functional Area(s): Transportation

Relevant Plan(s): Transportation Master Plan, ADA Transition Plan

Neighborhood: Overlake

Time Frame: 2023-2026

Budget Priority: Vibrant and Connected

Citywide Rank: 33

Functional Area Priority: High

Location: NE 40th Street from 163rd Avenue NE to 172nd Avenue NE

Description:

Replace sidewalk with shared path on the south side of NE 40th Street.

Anticipated Outcomes: *Primary:* Upgrade/Enhancement *Secondary:* Improved pedestrian and bicycle access to Redmond Technology Light Rail Station meeting ADA requirements.

Request: *Primary Reason(s):* Project approved in the 2023-2028 CIP budget process.

Budget:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Original Budget	\$2,410,094	\$2,703,102	\$1,993,726						\$7,106,922
Approved Changes	-\$2,410,094	-\$2,313,668	-\$130,318	\$4,854,080					
Current Approved Budget		\$389,434	\$1,863,408	\$4,854,080					\$7,106,922
Proposed New Budget		\$389,434	\$1,863,409	\$4,854,080					\$7,106,923
Proposed changes due to	___ Scope Change	___	X Schedule Change	___	___ Budget Change				

Project Phasing:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Preliminary Design (0-30%)		\$192,252	\$57,675						\$249,927
Right of Way			\$64,080						\$64,080
Design (31-100%)			\$817,947	\$181,766					\$999,713
Construction				\$3,204,207					\$3,204,207
Contingency		\$197,182	\$923,707	\$1,468,107					\$2,588,996
Total		\$389,434	\$1,863,409	\$4,854,080					\$7,106,923

Estimated M&O Impacts:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Cost						\$500	\$500	ongoing	\$1,000

Explanation: Routine maintenance of the expanded sidewalk.

Proposed Funding Sources:	Prior	2025-2030	Future	Total
Impact Fees		\$3,233,721		\$3,233,721
Community Facilities District (CFD)		\$3,873,202		\$3,873,202
Total		\$7,106,923		\$7,106,923





CIP Project Information Sheet

Project Name: Overlake Accessibility Improvements

Project Status: Existing

Functional Area(s): Transportation

Relevant Plan(s): Transportation Master Plan, ADA Transition Plan

Neighborhood: Overlake

Time Frame: 2023-2025

Budget Priority: Vibrant and Connected

Citywide Rank: 62

Functional Area Priority: High

Location: Multiple locations in Overlake

Description:

Enhance accessibility for people with disabilities with ADA ramp and pedestrian push button upgrades.

Anticipated Outcomes: *Primary:* Code Requirement *Secondary:* Upgrade/Enhancement

Updated curb ramps to current standards which improves comfort and safety for people crossing in the Overlake area and within the Microsoft campus.

Request: *Primary Reason(s):*

Project approved in the 2023-2028 CIP budget process.

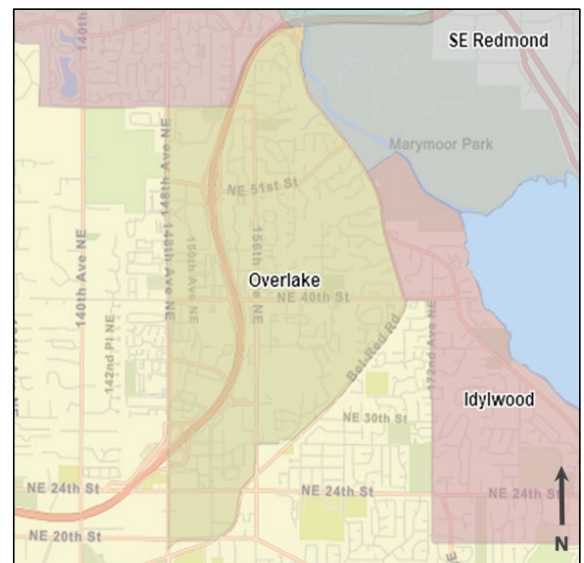
Budget:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Original Budget	\$1,000,000	\$500,000							\$1,500,000
Approved Changes									
Current Approved Budget	\$1,000,000	\$500,000							\$1,500,000
Proposed New Budget		\$500,000	\$500,000	\$500,000					\$1,500,000
Proposed changes due to	<input type="checkbox"/> Scope Change	<input checked="" type="checkbox"/> Schedule Change	<input type="checkbox"/> Budget Change						

Project Phasing:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Preliminary Design (0-30%)									
Right of Way									
Design (31-100%)									
Construction		\$500,000	\$500,000	\$500,000					\$1,500,000
Contingency									
Total		\$500,000	\$500,000	\$500,000					\$1,500,000

Estimated M&O Impacts:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Cost									

Explanation: No M&O costs expected.

Proposed Funding Sources:	Prior	2025-2030	Future	Total
Community Facilities District (CFD)		\$1,500,000		\$1,500,000
Total		\$1,500,000		\$1,500,000





CIP Project Information Sheet

Project Name: Adaptive Traffic Signal Control - Overlake

Project Status: Existing

Functional Area(s): Transportation

Relevant Plan(s): Transportation Master Plan

Neighborhood: Overlake

Time Frame: 2025-2027

Budget Priority: Vibrant and Connected

Citywide Rank: 75

Functional Area Priority: Medium

Location: Multiple intersections (20-32) in Overlake along the 148th Avenue NE, 156th Avenue NE, and NE 40th Street corridors

Description:

Install adaptive traffic signal control system capable of adjusting signal timings and operations in real-time.

Anticipated Outcomes: *Primary:* Upgrade/Enhancement *Secondary:*

Reduce or maintain travel times on key corridors by responding to real-time traffic demands instead of relying on historic traffic volume. Make traffic data available for performance measures and improved traffic management.

Request: *Primary Reason(s):*

Project approved in the 2023-2028 CIP budget process.

Budget:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Original Budget	\$972,405								\$972,405
Approved Changes									
Current Approved Budget	\$972,405								\$972,405
Proposed New Budget		\$50,000	\$825,000	\$97,405					\$972,405
Proposed changes due to	<input type="checkbox"/> Scope Change	<input checked="" type="checkbox"/> Schedule Change		<input type="checkbox"/> Budget Change					

Project Phasing:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Preliminary Design (0-30%)									
Right of Way									
Design (31-100%)									
Construction		\$50,000	\$825,000	\$97,405					\$972,405
Contingency									
Total		\$50,000	\$825,000	\$97,405					\$972,405

Estimated M&O Impacts:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Cost							\$40,000	ongoing	\$40,000

Explanation: Software license fee and equipment management and replacement.

Proposed Funding Sources:	Prior	2025-2030	Future	Total
Community Facilities District (CFD)		\$972,405		\$972,405
Total		\$972,405		\$972,405



CIP Project Information Sheet

Project Name: 150th Avenue Improvements (4500 Block to NE 51st Street)

Project Status: Existing - Revised

Functional Area(s): Transportation

Relevant Plan(s): Transportation Master Plan

Neighborhood: Overlake

Time Frame: 2025-2031

Budget Priority: Vibrant and Connected

Citywide Rank: 69

Functional Area Priority: Medium

Location: 150th Avenue NE, from 4500 block to NE 51st Street

Description:

Project will complete missing bike lane connections on 150th Avenue NE. Work includes pavement widening, new curb, gutter, and associated stormwater improvements.

Anticipated Outcomes: **Primary:** Upgrade/Enhancement **Secondary:** Safety
 Improve curve design and complete bicycle lane gaps on 150th Avenue NE.

Request: **Primary Reason(s):**
 Project approved in the 2023-2028 CIP budget process.

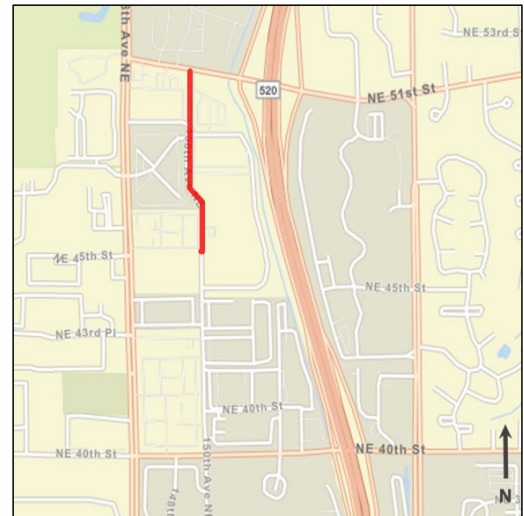
Budget:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Original Budget		\$112,197	\$257,887	\$263,846	\$263,846	\$228,092	\$1,252,068	\$593,977	\$2,971,913
Approved Changes									
Current Approved Budget		\$112,197	\$257,887	\$263,846	\$263,846	\$228,092	\$1,252,068	\$593,977	\$2,971,913
Proposed New Budget		\$112,197	\$257,887	\$263,846	\$263,846	\$228,092	\$1,252,068	\$593,977	\$2,971,913
Proposed changes due to	___ Scope Change	___ Schedule Change	___ Budget Change						

Project Phasing:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Preliminary Design (0-30%)		\$63,411	\$9,058						\$72,469
Right of Way			\$50,358	\$54,936	\$54,936	\$27,458			\$187,688
Design (31-100%)			\$99,648	\$108,707	\$108,707	\$108,707	\$36,235		\$462,004
Construction							\$913,629	\$456,815	\$1,370,444
Contingency		\$48,786	\$98,823	\$100,203	\$100,203	\$91,927	\$302,204	\$137,162	\$879,308
Total		\$112,197	\$257,887	\$263,846	\$263,846	\$228,092	\$1,252,068	\$593,977	\$2,971,913

Estimated M&O Impacts:	Prior	2025	2026	2027	2028	2029	2030	Future	Total
Cost									

Explanation: Minimal increases to M&O from additional bike lane markings. M&O costs to be determined.

Proposed Funding Sources:	Prior	2025-2030	Future	Total
Community Facilities District (CFD)		\$2,377,936	\$593,977	\$2,971,913
Total		\$2,377,936	\$593,977	\$2,971,913





Memorandum

Date: 9/10/2024

File No. CM 24-416

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Human Resources	Cathryn Laird	425-556-2125
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DEPARTMENT STAFF:

Human Resources	Nicole Bruce	Benefits Program Manager
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TITLE:

Benefits Update - Potential RedMed Plan Changes for 2025

OVERVIEW STATEMENT:

The Red-Med Plan is the self-insured medical plan that is provided by the City for employees, spouses, state registered domestic partners, and eligible dependents. Periodically, the City’s third-party administrator and broker recommend plan changes. In addition to ensuring that the Plan is legally compliant, these recommendations address evolving treatment options and protocols, as well as other issues and benefit clarifications that these parties deem necessary. Proposed changes in benefits are reviewed and discussed with the Employee Benefits Advisory Committee (EBAC) and any recommendations will be brought forward to Council for their approval. The changes that are being considered for 2025 are outlined in Exhibit 1 - 2025 Plan Change Summary.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information
- Provide Direction
- Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Any changes to Red-Med benefits are incorporated into a Summary Plan Description, which is the definitive description of the benefits that are covered by Red-Med. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan, was adopted by Resolution No. 913 and last amended by Resolution No. 1575.
- **Required:**
The City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that increase benefits to employees.
- **Council Request:**
N/A
- **Other Key Facts:**

These changes are negotiated with bargaining units before they are incorporated into the Summary Plan Description as plan amendments.

OUTCOMES:

The Red-Med changes being considered for 2025, 1) align our plan with benefits offered to dependents in the Kaiser plan and with industry best practice and 2) incorporate two new programs offered by Premera that address behavioral health which is a top category of claims for the RedMed plan.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
EBAC meetings are held monthly and discussions regarding 2025 plan changes were discussed at the following meetings:
 - July 24, 2024
 - August 28, 2024 (Vote)
- **Outreach Methods and Results:**
EBAC meetings are held on a monthly basis and discussion around plan changes occur annually with a vote regarding recommendations to Council occurring at the August meeting.
- **Feedback Summary:**
Feedback from this outreach occurred though a vote on recommendations. This vote took place at the August 28, 2024 EBAC meeting and is included on Exhibit 1.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget:

Yes No N/A

Budget Offer Number:

N/A

Budget Priority:

Responsible Government

Other budget impacts or additional costs:

Yes No N/A

If yes, explain:

The plan changes are anticipated to have a cost neutral impact to the medical plan.

Funding source(s):

Medical Self-Insurance Fund (511)

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

In order for Plan Changes to take effect at the beginning of a new plan year (January 1, 2025), the recommendations will need to be approved at the September 17, 2024, meeting to allow for appropriate lead time for the Benefits Plan Administrator to make adjustments for an effective date of January 1, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

Our plan could be out of compliance with the latest law changes, and valuable programs offered by Premera would not be able to be utilized by members of the Red-Med Plan.

ATTACHMENTS:

Attachment A: Draft Resolution Amending the Red-Med Plan
Exhibit 1: 2025 Plan Change Summary

**CITY OF REDMOND
RESOLUTION NO. XXXX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, ADOPTING A REVISED SUMMARY PLAN DESCRIPTION FOR THE CITY OF REDMOND SELF-INSURED MEDICAL PLAN

WHEREAS, the City Council desires that the City of Redmond maintain a self-insured employee healthcare program that is fiscally sound and legally compliant; and

WHEREAS, since adoption of the City's self-insured employee healthcare program, the City has approved and adopted amendments that are reflected in the Summary Plan Description for the healthcare program; and

WHEREAS, the City Council desires to update the Summary Plan Description to incorporate changes deemed necessary by the third-party administrator, Premera, to clarify benefits and to address evolving treatment options, protocols and other issues; and

WHEREAS, City of Redmond Personnel Manual, Section 1.40, requires Council approval of changes in the medical plan that add or delete benefits to employees.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO RESOLVE AS FOLLOWS.

Section 1. Adoption of Changes. The Summary Plan Description for the Self-Insured Employee Health Benefits Plan,

adopted by Resolution No. 913 and amended by Resolution No. 1575 and referenced in Section 8.30 of the City of Redmond Personnel Manual, is hereby amended to include those benefit changes set forth in Exhibit 1 to this Resolution and incorporated herein by this reference as if set forth in full.

Section 2. Implementation. The Mayor is authorized and directed to implement the changes adopted in Section 1 and execute any contracts and/or agreements to do so.

Section 3. Effective Date of Benefit Changes. The effective date of the benefits adopted by this resolution shall be January 1, 2025.

Section 4. Conflicts -- Severability. If any provision of this resolution conflicts with any provision of the City of Redmond Personnel Manual or any other resolution or policy of the City of Redmond, the provisions of this resolution shall govern. If any section, sentence, clause or phrase of this resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 5. Effective Date. This resolution shall take effect upon adoption of the Redmond City Council.

ADOPTED by the Redmond City Council this ____ day of _____, 2024.

CITY OF REDMOND

Angela Birney, MAYOR

ATTEST/AUTHENTICATED:

CITY CLERK, CHERYL XANTHOS

(SEAL)

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO. _____

**Summary of 2025 Benefit Recommendations/Modifications
Proposed for Redmond Medical Plan**

Source	Type of Change	Effective Date	Description	Purpose	Cost Impact	EBAC Recommendation	HR Recommendation
Union Request	Benefit Enhancement - Medical Plan	January 1, 2025	Maternity Care for dependent children	The RedMed plan does not currently cover maternity care for dependent children, only complications of pregnancy. We allow dependent children to stay on our plan to age 26, this coverage would allow them to have this coverage. Currently our Kaiser plan covers this benefit, this would also allow us to align the coverage in both plan.	The cost impact of this change is negligible and is not anticipated to have an actuarial impact to claims costs.	YES	YES
Premera Recommendation	Benefit Enhancement - Medical Plan	January 1, 2025	Behavioral Health Navigator	Behavioral health claims are some of our top claims and finding providers is sometimes difficult and time consuming for members. The Behavioral Health Navigator program offered by Premera will provide members a customized list of providers would be given to members, providers would be in-network and the list would be delivered within 3-4 business days.	Each list is provided for a plan cost of \$380. This will be a negligible cost and is not anticipated to have an actuarial impact on the claims costs.	YES	YES
Premera Recommendation	Benefit Enhancement - Medical Plan	January 1, 2025	Brightline	Behavioral health claims are some of our top claims and locating providers for children can be difficult. Also, some children are resistant to counseling. This behavioral health solution for children provides virtual therapy for children ages 3-18 and their families needing support and coaching. This solution delivers a behavioral health digital care platform as well as telehealth therapy.	\$35 for digital platform; employer paid, \$90 per coaching session; employer paid, therapy billed as an in-network claim; member cost shares apply. This change will not have an actuarial impact on the claims costs.	YES	YES



Memorandum

Date: 9/10/2024

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 24-410

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Technology and Information Services	Michael Marchand	425-556-2173
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DEPARTMENT STAFF:

Technology and Information Services	Maria O’Neill	Technology Project Manager
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TITLE:

Approval of a Contract with Assetworks, Inc. for the Migration of FleetFocus and FuelFocus to a SaaS Environment and Addition of Telematics Hardware in the Amount of \$94,327

OVERVIEW STATEMENT:

In the 2023-2024 BTIP, Public Works requested to deploy data collection technology in vehicles that will collect manufacture type and vehicle data and upload to Assetworks cloud environment. This will allow for proactive data collection and improve vehicle maintenance process.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Budget for this project is in the 2023-2024 BTIP
- **Required:**
Council approval is required to award a contract that exceeds \$50,000
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Proactive analytics collection and improve vehicle maintenance process. Also reduce maintenance cost by replacing on-premise environments and associated support services to cloud based environments.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Estimated timeline for assignment of vendor resources and implementation is 7 months from contract execution
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The cost for Implementation (\$24,640) and the first year of licensing and support (\$69,687) totals \$94,327. Implementation fees include professional services for configuration, data migration, and integrations and will be invoiced according to the billing milestones identified in the statement of work. The first year of licensing and support fees will be invoiced beginning when the contract is fully executed and annually on the anniversary of that date.

Approved in current biennial budget: **Yes** **No** **N/A**

Budget Offer Number:

BTIP

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: **Yes** **No** **N/A**

If yes, explain:

Annual licensing and support fees of \$69,687 plus approved yearly increase

Funding source(s):

BTIP funds

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

Public Works staff will continue to use on premise versions of the application and will not collect vehicle data.

ATTACHMENTS:

Attachment A: Assetworks MSA and Order Form

This Master Subscription Agreement (“Agreement”) is deemed effective as of [REDACTED] 2024 or the below date of countersignature (“Effective Date”) between the AssetWorks Contracting Party (“AssetWorks”) and the customer and/or its authorized intermediary (“Customer”) as detailed on the order form and/or statement of work (collectively “Order”).

SCOPE & TERM.

- 0.1 This Agreement shall continue for five (5) years from the Effective Date (the “Term”) and shall apply to all Orders executed between AssetWorks and Customer (collectively “Parties” and individually a “Party”) during the Term. Capitalized terms are defined at the end of this Agreement.
- 0.2 The following order of precedence shall control in case of conflict:
 - Agreement
 - Exhibit A – Order Form
- 0.3 Customer agrees to pay the undisputed fees and AssetWorks agrees to supply the items in each case as detailed on the Order, subject to the terms and conditions of this Agreement to the exclusion of any additional or conflicting terms of acceptance.
- 0.4 No terms or conditions endorsed upon, delivered with, or contained in the Customer's acknowledgement or acceptance of this Agreement or any related Order shall form part of this Agreement. Customer hereby waives and agrees to waive any right to rely on such terms and conditions.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by authorized representatives as of the Effective Date:

ASSETWORKS INC.		CITY OF REDMOND	
By	_____	By	_____
Name	_____	Name	_____
Title	_____	Title	_____
Date	_____	Date	_____
Address	<u>1001 Old Cassatt Road, Ste. 204</u> <u>Berwyn, PA 19312</u>	Address	_____
CC 1:	jim.hammond@assetworks.com	CC 1:	_____
CC 2:	legal@assetworks.com	CC 2:	_____

1 SAAS SUBSCRIPTION

- 1.1 Software-as-a-Service Subscription. If the Order includes SaaS, recurring service, or similar identifier then subject to the terms and conditions of this Agreement including the payment of fees, AssetWorks will provide Customer with subscription-based access to the Service as detailed on the Order and Documentation during the prepaid Term through an access-restricted website or designated IP address hosted via a third-party data center (“SaaS” or “Service”) for Customer’s internal business purposes provided Customer complies with the applicable limitations on use set forth in Section 3 (*Ownership; Restrictions; Utilization Limitations*).
- 1.1.1 Support. SaaS subscriptions include standard support pursuant to Section 4 (*Maintenance & Support*).
- 1.1.2 Hosting. SaaS subscriptions include standard hosting services pursuant to Section 5 (*Hosting Services*).
- 1.1.3 Delivery N/A. Customer acknowledges and agrees that Orders for SaaS are services agreements for which delivery and acceptance is inapplicable and that no copies of the Software nor license thereto will be delivered nor granted to Customer.

2 SOFTWARE LICENSE

- 2.1 Restated Software License. If the Order includes license to Software, then subject to the terms and conditions of this Agreement including the payment of fees, AssetWorks grants to Customer a non-exclusive, non-transferable, non-sublicensable, perpetual license to use the Software as detailed on the Order and Documentation up to the number of units or in the amount, quantity, and/or tier or as otherwise specified on the Order (e.g. Active Equipment Unit, Concurrent License, Enterprise License) for Customer’s internal business purposes provided Customer complies with the applicable restrictions set forth in Section 3 (*Ownership; Restrictions; Utilization Limitations*). Customer’s license is for (1) copy or image of the Software within one (1) business entity for production purposes on approved database and application servers (“Customer Environment”). Customer shall not copy nor use the Software for any other purpose except: (a) for archival purposes; (b) in connection with a disaster recovery program; or (c) for testing operation the Software outside of a live production environment.
- 2.1.1 Support N/A. For additional fee, Customer may obtain standard support pursuant to Section 4 (*Maintenance & Support*).
- 2.1.2 Hosting N/A. For additional fee, Customer may obtain hosting services pursuant to Section 5 (*Hosting Services*).

3 OWNERSHIP; RESTRICTIONS; UTILIZATION LIMITATIONS;

- 3.1 Restrictions; Limitations. To the extent permitted by law and unless Parties agree otherwise, Section 1 (*SaaS Subscription*) and Section 2 (*Software License*) are conditioned on the following limitations and restrictions. Customer shall not (indirectly or directly) attempt, permit, nor encourage any third party to: (a) copy, modify, enhance, translate, change data structures, create derivative works from, distribute, publicly display or perform, sublicense, transfer, sell, rent, lease, or assign the Software or Documentation or otherwise encumber the Service; (b) reverse engineer, decompile, disassemble, or otherwise attempt to derive or modify the Software or Source Code, underlying data structure, ideas, know-how, algorithms, or other trade secrets relevant to the Service; (c) engage in any activities that interfere or disrupt any computer, software, network, or other device used to provide the Service or otherwise impacting the Service or data contained therein; (d) gain unauthorized access to the Service or networks; (e) remove any proprietary notices, labels, or markings from the Software or Documentation; (f) use the Software or Service by more than one (1) business entity, in processing work for third parties, or for any purpose other than its internal business purposes, which does not include use by any parent, subsidiary, or affiliate of Customer nor any third party other than Customer’s Users; (g) use the Service in a manner that violates laws or rights of others such as by inputting Excluded Data into the Service; (h) use the Software or Service as part of a fail-safe design for dangerous or emergency applications or as part of control measures required for hazardous materials, life support systems, munitions, or weapons; (i) perform bench mark or pen tests without prior consent; (j) use the Software or Service to compete with AssetWorks; (k) engage in web- or data scraping on or related to the Service, including without limitation collection of information through bot, web crawler, or any software that simulates human activity; and (l) use the Service and/or Software in excess of the licensed quantity or tier (e.g. Active Equipment Unit, Concurrent License, Enterprise License, etc.).
- 3.2 Ownership. Customer will not obtain any ownership rights, title, or interest to the Software or Services nor to any improvements, enhancements, derivatives, or modifications thereto. Any software, systems, methods, inventions, technology, and any intellectual property rights (“IPR”) developed or otherwise arising during this Agreement shall remain exclusively owned by AssetWorks and/or its licensors. Notwithstanding anything to the contrary, AssetWorks shall have the right to collect and analyze data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data), and AssetWorks will be free (during and after the term hereof) to: (a) use such information and data to improve and enhance the Services and for other development, diagnostic and corrective purposes in connection with the Services and other AssetWorks offerings, and (b) disclose such data solely in aggregate or other de-identified form in connection with its business. No rights or licenses are granted except as expressly set forth herein.

4 MAINTENANCE & SUPPORT

- 4.1 Annual Support Subscription (i.e. Maintenance-as-a-Product). Subject to the terms and conditions of this Agreement, AssetWorks will provide the latest updates, modifications, and enhancements (including correction of errors) which relate to the operation and performance of the Software or SaaS (hereinafter referred to collectively as the “Service(s)”) as they are developed and made generally available in accordance with the maintenance and support schedule published by AssetWorks (collectively “Maintenance” or “Support”). Subscriptions to Maintenance include:
- 4.1.1 Technical Assistance. AssetWorks will make available technically qualified personnel to respond to all reasonable support requests made by Customer during normal business hours published by AssetWorks Customer Care (excluding legal holidays).
 - 4.1.2 Technical Literature. AssetWorks will make available all technical literature (i.e. Documentation) in electronic format that is relevant to the operation of the Service within the scope of Customer’s operations.
 - 4.1.3 Correction of Deviations. AssetWorks will take reasonably necessary steps to correct errors and/or malfunctions (“Deviation(s)”) without undue delay that, in the mutual and reasonable opinion of the Parties, constitute a serious impediment to the normal intended use of the Service as set forth in the Documentation. Corrections to Deviations which do not rise to this level will be distributed to Customer in accordance with AssetWorks’ normal maintenance schedule.
 - 4.1.4 Software Revisions & New Versions. The Software may be revised by AssetWorks to correct Deviations and/or for upgrades, enhancements, improvements, or modifications designed to improve performance and/or increase capabilities of the Software. Revisions may be mandatory or optional and are included at no cost with annual subscription to Maintenance. New products or versions may also be added to the Software from time to time by AssetWorks. Compared to revisions, new products substantially improve the performance, functionality, and capability of the Software. AssetWorks has sole discretion to determine which revisions are mandatory and which updates shall be issued as new products for which there may be an additional charge.
- 4.2 Maintenance Exclusions. Unless the Order provides otherwise, subscriptions to Maintenance do not include: (a) custom programming, consulting, configuration services, and upgrade support; (b) on-site support or installation, travel, hotel, and per-diem expenses related thereto; (c) support of any software other than the Software accessed as part of the Service; (d) training; (e) support for third-party integrations; (f) support of Customer’s computer equipment, servers, printers, or problems which arise therefrom; (g) remediation of issues resulting from: Customer’s misuse of the Software or data files in contravention of the Documentation, failure to implement a mandatory revision or update the Software to a current or supported version when recommended, failure to obtain or decision to otherwise previously forgo Maintenance; (h) diagnostic assistance for issues unrelated to a Deviation; and (i) any Professional Services which AssetWorks ordinarily performs pursuant to a SOW.
- 4.3 Additional Software Maintenance Fee. Customer agrees that Maintenance fees shall automatically increase in an amount equal to twenty-five percent (25%) of the non-discounted, then-current Software fee for additional licenses supplied during the Term. AssetWorks shall invoice and Customer agrees to pay additional maintenance for Software licenses upon the Order Effective Date. Customer agrees to pay additional maintenance for the cost of any custom-developed software, custom report, or custom notification upon delivery pursuant to the Order. For SaaS, additional custom maintenance will be added to the annual SaaS fee or added into the per-unit SaaS fee.
- 4.4 Maintenance Re-enrollment Fee. In the event Customer subscribes to Maintenance any time after the Effective Date or otherwise fails to pay for Maintenance in advance of the annual term, then in addition to the annual subscription fee due in advance for the next year, Customer also agrees to pay back-maintenance in a total amount equal to the Maintenance fees otherwise payable.
- 4.5 Mandatory Revisions; Termination. AssetWorks reserves the right to terminate Maintenance if Customer does not implement a mandatory revision within sixty (60) days’ notice or such longer period as AssetWorks may provide.
- 4.6 Other Fees & Expenses. If on-site Maintenance is required, Customer agrees to pay reasonable travel, hotel, and per-diem expenses of AssetWorks’ personnel which shall be invoiced and paid when incurred.

SPACE INTENTIONALLY OMITTED

5 HOSTING SERVICES.

- 5.1 Scope of Services. AssetWorks provides hosting services via a third-party data center (“Hosted Environment”) inclusive with subscriptions to SaaS and to support installation and upgrade management of Software licensed by Customer (“Hosting Services”). If the Order includes Hosting Services or SaaS, then the Service for purpose of the Agreement includes the following:
- 5.1.1 Application. Application refers to AssetWorks’ proprietary software and third-party software if specified on the Order.
 - 5.1.2 Support Software. Support Software includes the operating system, utilities, database software, and all necessary licenses required to operate the Application as detailed in the Documentation.
 - 5.1.3 Hosted Environment Hardware. Server infrastructure using redundant web and database servers is deployed within the Hosted Environment. If required, Customer will provide the telecommunications equipment, communications line, and services for connecting Customer’s site to the Hosted Environment.
 - 5.1.4 Database Instances. AssetWorks will maintain a single production database instance to provide daily, real-time transaction data to Users and will populate a test database (if applicable) with Customer’s production data up to four (4) times in any twelve (12) month period at no additional cost. If applicable, updates or patches are first introduced to the test environment and it is Customer’s responsibility to perform testing and report any errors within ten (10) days. If Customer does not report any errors within ten (10) days, the new release or patch will then be discharged in the production environment. AssetWorks may use the test environment to trouble shoot or configure and test new functionalities or reports. A Reporting Database may be provided for an additional fee on a 24-hour refresh.
 - 5.1.5 Custom Reports. For an additional fee pursuant to a SOW, AssetWorks will certify a Customer-built report for scheduling execution from within the Application directly against the production database, certifying that the report performs within appropriate performance guidelines and does not cause unacceptable response time issues. Once certified, AssetWorks will install the report into Customer’s production environment to make it available for execution submission from within the Application.
 - 5.1.6 Backups. Hosted Environment database and incremental file Service backups are performed daily with local retention at fifteen (15) to thirty (30) days, local workloads enabled with cloud tiering to Microsoft Azure Blob storage for archive data from thirty-one (31) to ninety (90) days; target recovery time objective (RTO) is thirty-six (36) hours or maximum of four (4) business days; Recovery Point Objective (RPO) under one (1) minute.
 - 5.1.7 Hours of Service Operation. Application will be accessible and available to Customer and capable of normal operating functions twenty-four (24) hours-per-day, seven (7) days-per-week, except for periods of scheduled maintenance and AssetWorks’ approved outages with prior customer notification. AssetWorks will not be held responsible for inaccessibility arising from communications problems occurring anywhere beyond AssetWorks’ external network interface, nor will those hours of inaccessibility count as unavailable.
 - 5.1.8 Hosted Environment Maintenance. AssetWorks will complete routine maintenance, including application upgrades, on the Hosted Environment according to the published schedule. Upgrade/patch notifications are normally sent two (2) business days in advance and generally occur during off-hours. All routine, additional, and emergency maintenance will be considered a period of scheduled maintenance. AssetWorks will endeavor to provide at least thirty (30) days’ notice to any changes in the schedule. If additional non-emergency maintenance outside of the scheduled maintenance window is required, AssetWorks will notify Customer in writing of and Parties will mutually agree on the downtime.
 - 5.1.9 Data Classification. The Hosted Environment maintains SSAE-16 SOC 2 certification/ISO27001 compliance as a facility housing CUI (Controlled Unclassified Information) data based on the DOJ assessment using NIST 800-53 guidelines for FISMA (Federal Information Standards Management Agency) standards. (SC Information Service = [(confidentiality, MODERATE), (integrity, LOW), (availability, LOW)]).
- 5.2 Customer Responsibilities. The Service specifically excludes the following items which Customer agrees to be responsible for:
- 5.2.1 Maintenance Exclusions. All items listed within section 4.2 (*Maintenance Exclusions*) including (but is not limited to) remediation of issues which do not constitute a Deviation. AssetWorks shall have no obligation but may attempt to correct such situations at Customer’s expense.
 - 5.2.2 Proper Use. Ensuring the Service is used in accordance with this Agreement and in a manner that does not violate nor threaten to violate applicable laws or rights of others (such as by inputting Excluded Data into the Service) and promptly notifying AssetWorks upon discovery of misuse or suspected misuse by Customer, its Users, or any third party.
 - 5.2.3 Unauthorized Access. Customer shall take reasonable steps to prevent unauthorized access to the Service such as by protecting passwords and securely managing log-in credential. Customer shall notify AssetWorks immediately of any suspected unauthorized use of the Service or breach of its security and shall use best efforts to stop said breach.
 - 5.2.4 Key Personnel. Assigning primary and alternate Customer-designated key personnel to coordinate all communications and activities related to the Services on a regular basis.
 - 5.2.5 Customer SOW Resources. Customer will provide, maintain, and make available to AssetWorks, at Customer’s expense and in a timely manner, the resources described in the SOW. Delays in the provision of these resources may result in

delays in the performance of the Professional Services and/or additional fee. Customer will designate qualified representatives with project management responsibilities and/or decision-making authority to consult with AssetWorks on a regular basis in connection with the Professional Services. For avoidance of doubt, the forgoing shall apply mutatis mutandis to resources and key personnel of AssetWorks that are required for performance under any Order.

- 5.2.6 Customer Credentials & Application-level Security. Providing up-to-date User identification data, determining the appropriate security profile for each User, keeping all User identifications and passwords secure (“Customer Credentials”), and promptly notifying AssetWorks upon suspicion that Customer Credentials were compromised. Customer is solely responsible for application-level security and for secure management of Customer Credentials.
- 5.2.7 Customer’s Site. Installation, operation, and maintenance of all workstation software, existing data communications and configurations, LAN, hardware, or other application software required at Customer’s site. Customer will provide access to its site and obtain any license or approvals necessary for any on-premise performance.
- 5.2.8 Customer’s Environment. Ensuring Software deployed to the Customer Environment (if applicable) complies with the Documentation and does not exceed the licensed quantity, tier, or other Order restriction.
- 5.2.9 Testing updates, fixes, and upgrades. Testing updates or patches and reporting any errors within ten (10) days of their introduction to the test environment or otherwise during the mutually agreed testing period.
- 5.2.10 Diligent Troubleshooting. Customer must utilize best efforts to analyze suspected problems to determine their specific nature and possible causes before calling AssetWorks for assistance. Notwithstanding this diligence requirement, Customer is responsible for informing AssetWorks of any problems encountered in a timely manner, provided that failure to so timely notify will not void AssetWork’s responsibility to fix said problem.

5.3 Service Level Objectives.

- 5.3.1 Availability. AssetWorks will use commercially reasonable efforts to provide Services with an average of 99% Availability for each quarter during the Term. For purposes of the Agreement, “Availability” during any quarter refers to Customer’s Users’ ability (i.e. documented inability) to log into the Service during such quarter calculated as follows:

$$X = (Y - Z) / Y * 100$$

“X” is the Availability of the Service during the quarter;

“Y” is the total number of hours in such quarter minus the number of hours during such quarter that the Customer is unable to log into the Service because of: (a) regularly scheduled maintenance windows and for times in which Customer has been notified in writing (including e-mail) by AssetWorks in advance thereof; (b) Force Majeure; (c) non-performance of hardware, software, Customer’s internet service provider (ISP) connections, and/or non-performance of other equipment that is neither provided nor certified by AssetWorks for use in conjunction with the Service (except as such non-performance is directly or indirectly caused by AssetWorks); and

“Z” is the number of hours in such month during which the Customer is unable to log into the Service (other than for reasons set forth in the definition of “Y” above); provided that AssetWorks has been notified, is otherwise aware, or reasonably should be aware of Customer’s inability to log into the Service.

- 5.3.2 Service Credit. In the event the average Availability for the Service is less than ninety-nine percent (99%) during any two (2) consecutive quarters, Customer will receive a service credit (i.e. fee adjustment) to its account with AssetWorks of five per cent (5%) of the amount of a quarter’s aggregate Service fees paid or payable by Customer to AssetWorks. AssetWorks’ obligation to provide said service credit is conditioned on Customer delivering written notice detailing the alleged unavailability within fifteen (15) days of the relevant quarter’s end. Upon receipt of such notice, AssetWorks shall have thirty (30) days to investigate the contention and, if it is determined that AssetWorks did in fact fail to meet the applicable Availability level, Customer will receive the appropriate service credit to its account during the next invoice cycle. THE SERVICE CREDIT SET FORTH ABOVE SHALL BE CUSTOMER’S SOLE REMEDY AND ASSETWORKS’ ENTIRE LIABILITY IN THE EVENT OF A BREACH OF THESE SERVICE LEVEL OBJECTIVES.

SPACE INTENTIONALLY OMITTED

6 HARDWARE

- 6.1 Hardware Prices & Specifications. Hardware prices and specifications are subject to change without notice. AssetWorks is not responsible for typographical and/or photographic errors.
- 6.2 Hardware Installation & Configuration. Hardware fees are exclusive of shipping, installation, and/or configuration services unless Order provides otherwise. Customer agrees that installation guides, site readiness requirements, and/or other hardware-specific terms on the Order or otherwise published by the applicable hardware provider are deemed an integral part of this Agreement.
- 6.3 Hardware Warranties. AssetWorks responsibility for Hardware is limited to repair or replacement (i.e. parts only) during the warranty period in accordance with the then-current applicable warranty statements.
- 6.4 AssetWorks GPS
- 6.4.1 Technical Assistance. Telephone and/or Help desk support is available for AssetWorks GPS hardware issues 8:00AM-5:00pm MST Monday through Friday, by emailing fss.support@assetworks.com or calling 403-777-3760 x2
- 6.4.2 Warranty on third-party products, where sold as part of the AssetWorks GPS, will be as offered by the original manufacturer's warranty terms and Customer will be subject to these terms.
- 6.5 FuelFocus, FuelDrive, & KeyValet
- 6.5.1 Technical Assistance. Telephone and/or Help desk support is available for FuelFocus & FuelDrive hardware issues 8:00AM- 5:00pm ET Monday through Friday, by emailing fuelsupport@assetworks.com or calling 610-225-8350 (800-900-8152). Calls left after hours will be returned the next business day. Access to support after warranty period is on a commercially reasonable basis unless Customer is a fully paid subscriber for Maintenance.
- 6.5.2 Return Policy. Hardware may be returned within thirty (30) days of shipment by requesting a Returned Merchandise Authorization ("RMA") by emailing fuelsupport@assetworks.com or by calling 610-225-8350. RMAs are valid for fifteen (15) days from the date of issuance. Customer must ship the requested hardware, freight pre-paid, with original packing, manuals, and accessories (as applicable) to the RMA-identified return address with AssetWorks-issued RMA affixed and enclosed otherwise no credit will be issued. A minimum restocking fee of 25% will be charged against any return credit issued to Customer. AssetWorks shall refund, replace, or exchange such Hardware within fifteen (15) business days of its receipt; provided, however, that AssetWorks reserves the right to reject returns of Hardware that are: (a) lacking a valid and/or unexpired RMA; (b) no longer in production; (c) used unless under warranty or other maintenance contract; (d) altered without AssetWorks' specific authorization; or (e) not evaluated by AssetWorks' personnel and/or returned in accordance with this section.
- 6.6 Limited Hardware Warranty. AssetWorks warrants Hardware to be free from defects in materials and workmanship for one (1) year commencing on the earlier of three (3) months from shipment or the date of invoice. During the one (1) year warranty period and subject to the exclusions contained herein, AssetWorks will replace parts found to be defective with new or rebuilt parts within fifteen (15) business days of AssetWorks' receipt of such Hardware if evaluated by AssetWorks technical support and returned in accordance with these terms. Labor and travel costs are not included.
- 6.7 HARDWARE WARRANTY DISCLAIMER . HARDWARE WARRANTIES ARE PROVIDED IN LIEU OF ALL OTHER RIGHTS, CONDITIONS, AND WARRANTIES. ASSETWORKS MAKES NO OTHER EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO HARDWARE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, OR NON-INFRINGEMENT. ASSETWORKS DOES NOT WARRANT THAT HARDWARE WILL BE ERROR-FREE OR THAT ANY DEFECTS THAT MAY EXIST IN PRODUCTS CAN BE CORRECTED. IN NO EVENT SHALL ASSETWORKS BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS, LOST PROFITS, OR ANY OTHER SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, HOWEVER CAUSED WHETHER OR NOT ASSETWORKS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 6.8 HARDWARE WARRANTY EXCLUSIONS. AssetWorks Hardware warranties do not cover and shall be void in regards to nor shall AssetWorks be responsible (unless Parties agree otherwise) for any damages, costs, and/or repairs attributable in any way to: (i) faulty installation or installation otherwise not in accordance with AssetWorks installation manual or instructions; (ii) Customer's use of personnel other than qualified AssetWorks personnel absent prior written approval from the AssetWorks Project Manager; (iii) water, fire, abuse, theft, vandalism, shipment, accident, operator error or lack of knowledge, power surges or failure, acts of god and force majeure; (iv) any condition not encountered during normal operation; (v) neglecting, misusing, tampering, or adjusting of the Hardware; (vi) Customer 's failure to perform normal preventive maintenance as recommended by AssetWorks installation manual or instructions; (vii) accessories attachments or other devices not furnished by AssetWorks; (viii) labor, travel, or any costs unrelated to parts; and (ix) and expendable items such as magnetic card, printer ribbons, fuses, bulbs, and similar items and supplies subject to ordinary wear and tear.

8 PROFESSIONAL SERVICES.

- 8.1 Scope. AssetWorks will provide the professional services detailed on the Order Form and/or SOW (collectively "Order") or otherwise requested by Customer ("Professional Services").
- 8.2 Fees. Customer agrees to pay undisputed Professional Services fees as follows:
- 8.2.1 Each Order will be on a time and material basis, a fixed price basis, or a hybrid of both as specified in the Order. The Order may or may not include a definitive list of deliverables ("Deliverables") that must be completed by AssetWorks. In some instances, the Order will include a date by which Deliverables must be completed.
 - 8.2.2 Unless specifically addressed in the Order, all travel and expenses will be extra and billed as incurred.
 - 8.2.3 Customer will bear the expense of its failure to meet all assumptions noted on the Order.
- 8.3 Subcontractors. AssetWorks may engage subcontractors as it deems appropriate to perform its obligations under this Agreement; provided, however, that AssetWorks shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and AssetWorks shall remain liable to the Customer for the performance of such subcontractor(s).
- 8.4 SOW Termination. Either Party may terminate a SOW in accordance with this Agreement as well as for convenience upon ninety (90) days' written notice. In addition, AssetWorks may terminate any SOW (or suspend performance of Professional Services under any Order) effective immediately upon written notice if Customer fails to make any undisputed fee payment in full as and when due hereunder. Termination of an Order or SOW will not terminate this Agreement. Upon termination for any reason, AssetWorks shall invoice and Customer agrees to pay unbilled and undisputed Professional Services provided to Customer up to the date of termination regardless if Customer accepted the Deliverable or if the milestone was achieved. This Agreement shall survive until conclusion of any pending Order.

9 FEES & PAYMENT

- 9.1 Fees. Customer agrees to pay the undisputed fees detailed on the Order within thirty (30) days of invoice date as follows:
- 9.1.1 Software license fees are due and payable upon the Effective Date and thereafter upon license increase, if applicable.
 - 9.1.2 Service subscription fees for Maintenance/Support, Hosting, SaaS, and other recurring services are due and payable upon the Effective Date and annually in advance thereafter. Existing customers migrating to Hosting and/or SaaS shall be billed upon notification from AssetWorks that the Hosting/SaaS environment has been established.
 - 9.1.3 Professional Services Fees, including one-time implementation or set-up fees identified on the Order, shall be billed either on: a fixed-fee basis upon achievement of milestones pursuant to a mutually agreed project plan, on a time-and-materials basis monthly in arrears, or on a hybrid-fixed-T&M basis, in each case as detailed on the Order.
 - 9.1.4 Hardware shall be billed at cost upon delivery through an AssetWorks-selected common carrier, F.O.B. destination, with Customer responsible for any fees related to shipping such as custom duties, shipping insurance, etc.; and
 - 9.1.5 such other fees to which Customer agreed or received notice via the Order or otherwise.
- 9.2 Invoices; No Refunds. Customer agrees to pay the undisputed fees set forth on the Order within thirty (30) days from the date of a proper invoice, to the AssetWorks Contracting Entity identified on the Order, in the currency of the Order, preferably by electronic funds transfer (EFT) either via Funds Transfer (Fed Wire) or via Direct Deposit (ACH), without deduction, withholding, or offset. For late payment, Customer agrees to pay interest absent notice or demand from in an amount equal to the lower of: (a) statutory interest in the prompt payment act applicable to Customer; (b) eighteen percent (18%) per annum compounded monthly; or (c) the maximum interest rate permitted by applicable law. All fees are nonrefundable unless Parties agree otherwise.
- 9.3 Additional Maintenance/Support Fee. As per section 4.3 above, Customer agrees that Maintenance/Support and SaaS subscription fees shall automatically increase based on additional software licenses, SaaS subscriptions, or custom-developed software.
- 9.4 Taxes. Amounts due under this Agreement are payable to AssetWorks without deduction and are net of any tax, tariff, duty, or assessment imposed by any government authority (national, state, provincial, or local), including without limitation any sales, use, excise, ad valorem, property, withholding, or value-added tax, whether or not withheld at the source (collectively, "Sales Tax"). Except as forbidden by applicable law, AssetWorks may require that Customer submit applicable Sales Taxes to AssetWorks. However, the preceding sentence does not apply to the extent that Customer is tax exempt, provided it gives AssetWorks a valid tax exemption certificate within thirty (30) days of the Effective Date. AssetWorks' failure to include any applicable tax in an invoice will not waive or dismiss the parties' rights or obligations pursuant to this Section 11.4. If applicable law requires withholding or deduction of Sales Taxes or any other tax or duty, Customer shall separately pay AssetWorks the withheld or deducted amount, over and above the fees on the Order. In the event a taxing authority conducts an audit of this Agreement and determines that an additional tax should have been imposed or a refund of tax is due on the Services provided by AssetWorks to Customer (other than those taxes levied on AssetWorks income), Customer shall reimburse AssetWorks, or

AssetWorks shall reimburse such refund to Customer, for any such additional tax or any such refund, as applicable, including interest and penalties thereon.

- 10 CONFIDENTIAL INFORMATION. For purpose of this Agreement, Parties agree that “Confidential Information” means all information disclosed by or on behalf of either Party (“disclosing party”) to the other Party (“recipient”) during the Term, whether orally or in writing, that the recipient should reasonably understand to be confidential. Each Party will maintain all Confidential Information in confidence and will use it solely in the discharge of its obligations under this Agreement. Nothing herein will be deemed to restrict a Party from disclosing Confidential Information to its employees and subcontractors in the discharge of such obligations. Confidential Information will not include information that: (a) is or becomes generally known or available to the public through no fault of the recipient; (b) is known to the recipient at the time of its receipt from the disclosing party; (c) the disclosing party provides to a third party without restrictions on disclosure; (d) is subsequently and rightfully provided to the recipient by a third party without restriction on disclosure; (e) is independently developed by the recipient, without reference to the disclosing party’s Confidential Information; or (f) is required to be disclosed pursuant to a government agency or court ordered subpoena, provided the recipient promptly notifies the disclosing party of such order to allow disclosing party reasonable time to seek protective order or other appropriate relief. Because of the unique nature of the Confidential Information, each Party agrees that irreparable harm may occur in the event the recipient fails to comply with its confidentiality obligations herein, that monetary damages may be inadequate to compensate the disclosing party for such breach, and that the disclosing party may accordingly be entitled to injunctive relief.

AssetWorks recognizes the Customer is a municipal entity subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that Customer is obligated to disclose records upon request unless a specific exemption from disclosure exists. Nothing in the Agreement is intended to prevent the Customer’s compliance with the Public Records Act, and Customer shall not be liable to AssetWorks due to Customer’s compliance with any law or court order requiring the release of public records.

11 WARRANTIES & DISCLAIMERS

- 11.1 Software Warranty. AssetWorks warrants the Software licensed or included with Hardware shall perform substantially in accordance with the Documentation for ninety (90) days from delivery which in any event shall not exceed one (1) year from the Effective Date. During the Software warranty period, in the event there exists a Deviation or nonconformance to the Documentation, which in the mutual and reasonable opinion of AssetWorks and Customer, constitutes a serious impediment to the normal intended use of the Software, AssetWorks’ sole responsibility shall be to correct the Deviation or nonconformance with due dispatch. Corrections to Deviations or nonconformance which do not rise to this level shall be corrected and distributed by AssetWorks in accordance with the published maintenance schedule provided Customer is subscribed for Maintenance.
- 11.2 Service Subscription Warranty. AssetWorks warrants the Service shall function substantially in conformance with the Documentation for so long as Customer pays in advance the subscription fee for the applicable Service (e.g. Maintenance, Hosting, and/or SaaS).
- 11.3 Professional Services Warranty. AssetWorks warrants that the Deliverables provided under the SOW will be performed with the degree of skill and judgement normally exercised by recognized professional firms performing substantially similar services. In the event of any breach of the foregoing warranty, AssetWorks will at its expense and discretion either: (a) correct the non-conforming Deliverables; or (b) refund to Customer the portion of Professional Services fees attributable to the non-conforming Deliverables. No Professional Services warranty claim will be effective unless Customer delivers to AssetWorks written notice detailing the non-conformities within sixty (60) days after tender of the non-conforming Deliverables. The remedy set forth in this section is the sole and exclusive remedy for breach of the foregoing professional services warranty. Customer represents and warrants to AssetWorks that Customer has the right to use and furnish any information, specifications, data, or intellectual property that Customer has provided or will provide to AssetWorks in order for AssetWorks to perform the Professional Services and provide the Deliverables identified in the Order.
- 11.4 WARRANTY DISCLAIMER. Except to the extent set forth herein, CUSTOMER ACCEPTS THE SERVICE “AS IS”, “AS AVAILABLE”, and “WITH ALL FAULTS” AND ASSETWORKS DISCLAIMS ALL WARRANTIES INCLUDING WITHOUT LIMITATION: MERCHANTABILITY, FITNESS FOR PURPOSE, NONINFRINGEMENT OF IPR OR THIRD-PARTY RIGHTS, COMPLIANCE WITH LAW, ERROR-FREE PERFORMANCE, OR ANY WARRANTY OF FUNCTIONALITY WITH THIRD-PARTY PRODUCTS OR WITH CUSTOMER’S HARDWARE, SOFTWARE, OR COMPUTER SYSTEMS OR ANY IMPLIED WARRANTY ARISING FROM STATUTE, COURSE OF DEALING, PERFORMANCE, OR USAGE OF TRADE. ASSETWORKS DOES NOT WARRANT SERVICE WILL PERFORM ERROR-FREE OR WITHOUT INTERRUPTION NOR THAT CUSTOMER DATA WILL REMAIN PRIVATE, SECURE, OR AVAILABLE; NOR THAT ANY DEFECTS CAN BE CORRECTED.

12 INDEMNIFICATION.

- 12.1 IP Indemnity From AssetWorks. AssetWorks shall indemnify and defend, at its own expense, any action commenced against

Customer to the extent based on a claim that the Software supplied by AssetWorks infringes a Worldwide patent or copyright ("Claim"), and AssetWorks will pay those costs and damages finally awarded against Customer to the extent attributable to any such Claim; provided, however, such defense and payments are conditioned on: (a) AssetWorks shall be promptly notified of any Claim; (b) AssetWorks shall have sole control of any defense, negotiations, settlements, or compromises to the extent related to such Claim; and (c) AssetWorks shall have the option to either: (i) procure a non-infringing license to use the Software; (ii) modify the Software to be non-infringing; or (iii) refund to Customer a depreciated credit for the Software which Parties agree shall be five (5) years.

- 12.2 Exclusions. AssetWorks shall have no liability to Customer with respect to: (a) Customer's breach of this Agreement, including without limitation its failure to cease use of the Software after AssetWorks' direction pursuant to Section 16.1.2 (*IP Rights in the Service*); (b) revisions to the Software or other Service components made without AssetWorks' written consent; (c) Customer's failure to incorporate Software updates or upgrades that would have avoided the alleged infringement, provided AssetWorks has notified Customer of such updates or upgrades as set forth in section 20 below and offered such updates or upgrades without charges not otherwise required pursuant to this Agreement; (d) any Deliverable if the Order, SOW, or a disclosure provided at or before delivery states that such Deliverable incorporates third party software or other assets; or (f) use of the Service in combination with hardware or software not provided by AssetWorks.
- 12.3 Indemnity from Customer. Unless prohibited by Applicable Law, Customer shall indemnify and defend AssetWorks against any claims related in any way to Excluded Data or otherwise arising out of Customer's improper utilization of the Service.

13 LIMITATION OF LIABILITY.

- 13.1 Aggregate Dollar Cap. CUSTOMER AGREES THAT ASSETWORKS' CUMULATIVE LIABILITY SHALL NOT EXCEED TWO TIMES (2x) THE FEES PAID DURING THE YEAR PRECEDING THE DATE ON WHICH THE LIABILITY AROSE FOR ALL CLAIMS RELATED TO SUCH ORDER.
- 13.2 Excluded Damages. CUSTOMER AGREES THAT ASSETWORKS SHALL NOT BE LIABLE FOR: (a) LOST PROFITS OR LOSS OF BUSINESS (WHETHER DIRECT OR INDIRECT); (b) SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (SUCH AS LOSS OF: USE, REVENUE, ACTUAL OR ANTICIPATED PROFITS OR SAVINGS, BUSINESS OPPORTUNITIES, DATA, GOODWILL, PRIVACY, REPUTATION); OR (c) ANY DAMAGES (HOWEVER CALCULATED OR ARISING) WHICH IN THE AGGREGATE EXCEED THE AMOUNT OF FEES PAID TO ASSETWORKS DURING THE YEAR PRECEDING THE DATE ON WHICH THE LIABILITY AROSE. THE LIABILITIES LIMITED BY THIS SECTION (*LIMITATION OF LIABILITY*) APPLY: (d) TO THE BENEFIT OF ASSETWORKS' OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AFFILIATES, LICENSORS, SUPPLIERS, AND THIRD-PARTY CONTRACTORS, AS WELL AS: (e) TO LIABILITY REGARDLESS THE FORM OF ACTION OR THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT, STRICT PRODUCT LIABILITY, NEGLIGENCE, OR OTHERWISE) EVEN IF ASSETWORKS IS ADVISED IN ADVANCE OF THE POSSIBILITY AND EVEN IF SUCH DAMAGES WERE FORESEEABLE; AND (f) EVEN IF CUSTOMER'S REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.
- 13.3 Data Transfer. AssetWorks does not guarantee the privacy, security, authenticity, or non-corruption of any information transmitted through or stored in any system connected to the internet, mobile or wireless network. AssetWorks will not be liable to Customer nor any third party for any claims, expenses, damages, costs, or losses related in any way to the use of the internet, any mobile or wireless network, Customer's use of the Service insofar as such Service may be used to store, transmit, display, disclose, or otherwise use data or information considered private, confidential, proprietary, or otherwise exempt from public disclosure or subject to regulation under Applicable Law (i.e. Excluded Data).
- 13.4 Limitation. The Parties' respective responsibilities, warranties, and limitations of liability herein form an essential basis of the Parties' bargain. If Applicable Law limits the application of the provisions of this section (*Limitation of Liability*), Customer acknowledges and agrees that AssetWorks' liability will be limited to: (a) the maximum extent permitted by law; (b) claims presented to AssetWorks principal office in writing; and (c) claims not waivable.

14 TERM & TERMINATION.

- 14.1 Term. The term of this Agreement will commence on the Effective Date and continue for the greater of: (a) the period detailed on the first page of this Agreement or the Order, or if none is specified, a default term of five (5) years; or (b) for so long as Customer continues to use the Services (the "Term"). Thereafter, the Term will renew for successive one (1) year periods upon mutual agreement absent ninety (90) days' written non-renewal notice.
- 14.2 Termination for Cause. Either Party may terminate this Agreement for: (a) material breach after providing written notice and reasonable opportunity to cure of no less than sixty (60) days; (b) failure of the Service to perform substantially in accordance with the Documentation due to an AssetWorks-verified issue for which a written action plan is not delivered to Customer within sixty (60) days of written notice from Customer; and (c) the other Party's insolvency, cessation of business, liquidation, assignment for the benefit of creditors, or any proceeding related thereto which is not dismissed within ninety (90) days.
- 14.3 Suspension for Nonpayment. Without limiting AssetWorks' other rights and remedies, AssetWorks may suspend or terminate access to the Service: (a) if Customer's account becomes delinquent and is not cured within ten (10) days of notice of

nonpayment of undisputed fees; or (b) if AssetWorks reasonably concludes that Customer's actions are not consistent with the requirements of this Agreement or may subject AssetWorks or a third party to potential liability.

14.4 Effects of Termination. Upon termination of this Agreement, Customer shall cease all use of the Service and delete, destroy, or return all copies of the Documentation and Software in its possession or control. If Customer terminates this Agreement for any reason other than termination for default, Customer will be obligated to pay the balance due for the remainder of the Term of the Agreement computed in accordance with the Order Form. Customer agrees to pay such undisputed fees for any Services and Professional Services performed and reasonable costs incurred up to the effective date of such termination however terminated. The following provisions will survive termination or expiration of this Agreement: (a) any obligation of Customer to pay undisputed fees incurred before termination; (b) Section 4 (Restrictions on Software Rights), Section 15 (IP Ownership; Customer Data), 10 (Confidential Information), Section 11 (Warranty & Disclaimers), Section 12 (Indemnification); and(c) any other provision of this Agreement that must survive to fulfill its essential purpose.

15 IPR OWNERSHIP; CUSTOMER DATA.

15.1 IPR Ownership. Customer and AssetWorks shall each retain ownership of and all right, title, and interest in and to their respective pre-existing IPR and any derivatives thereto. AssetWorks will not obtain any ownership rights, title, or interest to Customer's confidential data files nor will Customer obtain any ownership rights, title, or interest to the Software, SaaS, systems, and methods developed or employed by AssetWorks (collectively referred to herein as the "Service"). Services performed, code developed, and any IPR however arising during this Agreement ("Developments") are not "works made for hire" nor any similar concept throughout the world, and AssetWorks is the sole owner of all right, title, and interest in such Developments. If any Developments may be considered "works made for hire" such that any IPR may accrue to Customer, then Customer hereby irrevocably assigns and agrees to assign any and all right, title, and interest thereto, whether now known or hereafter defined or discovered, to AssetWorks and Customer agrees to take such further action as AssetWorks may reasonably request to evidence such assignment. If Customer provides suggestions, enhancement requests, or ideas related to Services ("Feedback"), Customer agrees that AssetWorks has all rights to use, exploit, and incorporate such Feedback into the Services without restriction or payment.

15.2 Return of Customer Data. For up to thirty (30) days (or such greater period of time agreed to by the Parties or required by Applicable Law) following expiration or termination of the Agreement for any reason ("Customer Access Period"), AssetWorks will provide Customer with reasonable access to Customer Data in its existing format: ASCII comma, separated value (CSV format) with binary images TIFF, JPG, or PRF. Requests after this period or for other formats are subject to approval and may require additional fee.

15.3 Erasure of Customer Data. AssetWorks may permanently erase or otherwise render unrecoverable Customer Data: (a) if Customer's account is delinquent, suspended, or terminated for sixty (60) days or more; or (b) at the end of the Customer Access Period except to the extent prohibited by applicable law.

15.4 Use of Customer Data. AssetWorks will only process Customer Data in accordance with Customer's instructions, with adequate safeguards, and to provide, maintain, support, and enhance the Services. AssetWorks shall not: (a) access, process, or otherwise use Customer Data contrary to this Agreement; (b) give Customer Data access to any third party, except AssetWorks' approved subcontractors that have a need for such access to facilitate the Service. Further, AssetWorks shall: (c) exercise reasonable efforts to prevent unauthorized disclosure or exposure of Customer Data; and (d) comply with all Applicable Laws that are applicable both specifically to AssetWorks and generally to data processors (if applicable) in the jurisdictions in which AssetWorks does business. Notwithstanding anything to the contrary contained herein, AssetWorks may use, reproduce, sell, publicize, and otherwise commercially exploit De- Identified Data (as determined in its sole discretion) to the fullest extent permitted by law including without limitation aggregated with data from other customers and commercial sources. "De-Identified Data" refers to Customer Data with information that could reasonably be used to identify an individual person, household, User, or Customer is removed or otherwise rendered de-identified.

15.5 Required Disclosure of Customer Data. Notwithstanding anything to the contrary herein, AssetWorks may use and disclose Customer Data as required: (a) by Applicable Law; (b) by proper demand of legal or governmental authority; (c) to provide the Service or functionalities paid for by Customer. AssetWorks shall give Customer prompt notice of any such legal or governmental demand (unless notice is prohibited, in which case, AssetWorks shall only disclose Customer Data to the limited extent necessary to comply with such demand) and AssetWorks shall cooperate with any Customer-initiated effort to seek a protective order or otherwise to contest such demanded disclosure at Customer's expense.

15.6 Third Party Access. Customer acknowledges and agrees that Customer is responsible for protecting and securing all data, usernames, and passwords from unauthorized use, whether such use is by Customer or by any other person/organization to whom Customer grants access (whether directly or through AssetWorks) ("Third Party"). Customer represents and warrants

that it has obtained all relevant consents from Users such as employees or relevant data subjects for this access. Customer agrees that access by the Third Party (or anyone to whom Customer provides direct or indirect access) is at Customer's sole risk and expense. Customer further

agrees to indemnify and hold AssetWorks harmless against any and all claims, losses, costs, damages, and liabilities arising out of or in any way related to such access, including but not limited to the failure to notify or obtain consent for this transfer or such access.

15.7 Excluded Data. Customer warrants that: (a) it has not, will not, nor will it permit the transmission of Excluded Data to AssetWorks or otherwise into the Service; (b) Customer Data does not and will not include Excluded Data except to the extent necessary to make ordinary use of the Service in accordance with the Documentation; and (c) it shall inform AssetWorks of any Excluded Data promptly after discovery (without limiting AssetWorks' rights or remedies). Customer recognizes and agrees that: (i) the provisions of this Agreement related to Customer Data do not apply to Excluded Data; (ii) AssetWorks has no liability for any failure to provide protections required by law applicable to Excluded Data or otherwise to protect Excluded Data; and (iii) AssetWorks' Services are not intended for management nor protection of Excluded Data and may not provide adequate or legally required security for Excluded Data. AssetWorks is not responsible nor liable for any exposure or related loss to the extent that it involves Excluded Data.

15.8 Additional Fees. Unless explicitly prohibited by Applicable Law, Customer recognizes and agrees that AssetWorks may charge additional fees (without limitation) for: (a) activities (if any) required by Applicable Laws, and (b) activities requested of AssetWorks to help Customer comply with Applicable Laws; provided that AssetWorks first shall notify Customer in writing that the Applicable Laws, or activities requested by Customer will result in the imposition of additional fees and give Customer the opportunity to terminate the Agreement or change the SOW or Order.

16 PREDICTIVE ANALYTICS; TELEMATICS CLOUD; COLLECTION AND USE OF ASSET DATA: In the course of providing the Service, AssetWorks may receive or collect spatial data relating to the vehicles, mobile objects, devices, locations, Users (whether employees, contractors, suppliers, and/or customers of Customer), including but not limited to, vehicle identification number (VIN), GPS location, vehicle speed, acceleration, driver-behavior information, vehicle diagnostics information, User ID numbers, and other usage information ("Collected Data"). will cooperate to If required, Customer agrees to notify its Users that a vehicle or other asset has been fitted with equipment enabled for the Service which collects and analyzes data points associated with the vehicle's location and manner of operation. If Customer and/or User provides written consent, AssetWorks may continue to receive and collect the Collected Data after the termination of the Service for purposes of facilitating Third-Party access requested by Customer. Customer agrees that, during and after termination of the Service, AssetWorks, its affiliates, and/or third-party suppliers may: (a) retain and use Collected Data to provide and improve the Service, Maintenance/Support, and Professional Services, and for conducting research and development; (b) AssetWorks may share Collected Data with affiliates and third-parties providing services to AssetWorks subject to obligations of confidentiality; (iii) AssetWorks may disclose Collected Data if required under applicable law, regulation, or court order; and (iv) AssetWorks may use and share with third-parties any Collected Data in aggregated or deidentified form (such that the source of the Collected Data cannot be identified) or that is publicly available without any restriction. Customer acknowledges that Collected Data may be commercially exploited by or on behalf of AssetWorks for commercial marketing purposes, subject to the permissions and restrictions set forth in this Agreement, and in AssetWorks' then-current privacy policy (available at www.AssetWorks.com/privacy). To the extent required by applicable law, Customer agrees to provide notice to and to receive consents from its Users of: (v) the nature of the equipment and Service, (vi) AssetWorks' collection, use, and disclosure of Collected Data (which may contain Confidential Information) from time to time, and (vii) whether and if so the extent to which such Users' whereabouts, movements, vehicle usage, and other activities may be excluded from Collected Data or disassociated with such User.

17 THIRD-PARTY SERVICES

17.1 Third-Party Integrations. The Service may contain features which interoperate with products, applications, or services not provided by AssetWorks ("Third-Party Service"). To use such features, Customer may be required to obtain access to such Third-Party Service and may be required to grant AssetWorks access to Customer's account on such Third-Party Service. If Customer chooses to use a Third-Party Service with the Service, Customer hereby grants AssetWorks permission to allow the Third-Party Service and its providers to access any data (including data that may constitute Confidential Information) provided to AssetWorks by or on behalf of Customer as required for the interoperation of that Third-Party Service with the Service. Customer shall provide (and shall cause the provider of the Third-Party Service to provide) AssetWorks with any reasonably required information and materials needed to integrate the Third-Party Service. Customer's use of a Third-Party Service will be subject to the applicable term between such Third Party and Customer. Customer recognizes and agrees that Customer Data and data regarding Customer's use of a Third-Party Service may be shared with and/or collected by such Third Party to improve that Third-Party Service.

17.2 Third-Party Disclaimer. AssetWorks provides integrations with Third-Party Services solely as a convenience which Customer

accesses at its own risk. ASSETWORKS IS NOT RESPONSIBLE FOR THE UNAVAILABILITY, ACCURACY, OR RELIABILITY OF ANY INFORMATION, DATA, OR CONTENT FROM SUCH THIRD-PARTY SERVICES. AssetWorks is not responsible for any disclosure, modification, or deletion of such data resulting from such access by any Third-Party Service or its provider. Any acquisition by Customer of a Third-Party Service and any exchange of data thereby is solely between Customer and such Third Party. Unless agreed otherwise, AssetWorks neither warrants nor supports the Third-Party Service whether or not they are designated by AssetWorks as operable with the Service. Further, AssetWorks cannot guarantee the continued availability of and may cease to offer any Service features that interoperate with any Third-Party Service without entitling Customer to any refund, credit, or other compensation, if for example (without limit) the provider of a Third-Party Service ceases to make the Third-Party Service available for interoperation with the corresponding Service features in a manner deemed acceptable to AssetWorks at its sole discretion.

18 API Terms

- 18.1 API Definitions. As used in this section, “API Information” means all information and data that is created, captured, or is otherwise accessible from the AssetWorks APIs through use of the Service. “AssetWorks APIs” or “APIs” mean AssetWorks’ current or future application program interfaces (e.g., MAXQueue Module PLUS and Integrations Module PLUS (M5))
- 18.2 API License. Subject to the terms and conditions of this Agreement, AssetWorks grants to Customer during the prepaid term a personal, revocable, limited, non-exclusive, royalty-free, non-sublicensable, non-transferable, terminable subscription-based license to access or otherwise receive information from the AssetWorks APIs and to obtain API Information. This API ‘license’ is granted solely to aid Customer’s internal provisioning of the Service to Users and for no other purpose.
- 18.3 Access Tokens or Security Keys. AssetWorks will give Customer and/or Users unique access token(s) or security key(s) to access the AssetWorks APIs for the purpose of accessing and receiving API Information. Customer will immediately notify AssetWorks if any User’s access tokens or security keys are used or suspected of being used by a third party. Neither Customer, its Users, nor any Third Party is authorized to provide direct access, access token(s), or security key(s) for the AssetWorks APIs.
- 18.4 Limitations and Restrictions. The API license granted to Customer is subject to the following limitations and restrictions:
- 18.4.1 AssetWorks may, in its sole discretion, (a) modify, change, update and/or enhance the AssetWorks APIs at any time (a “Modification”), provided AssetWorks gives Customer commercially reasonable notice and supports Customer’s access to the AssetWorks API in the same manner as prior to the Modification for a commercially reasonable period of time. Notwithstanding the foregoing, AssetWorks may suspend, terminate and/or revoke Customer’s access, or make a Modification without providing notice if necessary to address or prevent a security breach or to protect from the unauthorized disclosure of any API Information or other personally identifying information. In such circumstances, AssetWorks will notify Customer and use commercially reasonable efforts to ameliorate any impact from such action.
- 18.4.2 Customer acknowledges that, except as set forth in the API License section above, nothing in this Agreement grants or assigns to Customer (nor its Affiliates or any third party) any right, title, interest, or license of any kind, including in any patents, copyrights, trade secrets, trademarks, logos or other IPRs of AssetWorks.
- 18.4.3 AssetWorks may establish limits on the use of the AssetWorks APIs, including, but not limited to, the number of AssetWorks API requests initiated over a limited time period (e.g., per minute, hourly, and daily) upon advance notice to Customer and only to protect the functioning, security, and/or reliability of the API Information and/or AssetWorks APIs. AssetWorks shall make commercially reasonable efforts to maintain the availability of the AssetWorks API but does not guarantee the service level, availability, or quality of service of the AssetWorks APIs.
- 18.4.4 To the extent obtained by Customer pursuant to this Agreement, Customer will protect all API Information from unauthorized alteration, copying, access, storage, transmittal, or use. Customer must immediately notify AssetWorks of any unauthorized use, disclosure, or access to API Information.
- 18.4.5 Customer will not: (a) make derivative works of, reverse engineer, reverse compile, or disassemble the AssetWorks APIs; or
(b) access or use the AssetWorks APIs in any unauthorized manner, including any way that will (i) infringe any AssetWorks’ or third party’s copyright, patent, trademark, trade secret, other property rights or rights of publicity or privacy; or (ii) violate any applicable law, statute, ordinance, or regulation.
- 18.5 Customer API Security. Customer will not: (a) use any robot, spider, site search or other retrieval application or device to scrape, retrieve or index services or collect, disseminate, use, store or disclose information about AssetWorks customers for any unauthorized purpose; (b) disable, override or otherwise interfere with any AssetWorks alerts, warnings, display panels, consent panels and the like; (c) disrupt, disable, harm or otherwise impede the operation of any software, firmware, hardware, wireless communications device, computer system or network; (d) enable any third party to access the AssetWorks APIs to circumvent Service controls or otherwise penetrate AssetWorks network; or (v) take any action that affects or is otherwise competitive with any AssetWorks Service. Customer is solely responsible for protecting the confidentiality of any API Information or data that it collects or uses from the AssetWorks APIs.
- 18.6 API Disclaimer. ALL INFORMATION, MATERIALS, SOFTWARE, TECHNOLOGY, AND SERVICES PROVIDED BY ASSETWORKS

INCLUDING (WITHOUT LIMIT) THE ASSETWORKS APIs ARE PROVIDED “AS IS”, “AS AVAILABLE”, and “WITH ALL FAULTS”. ASSETWORKS DOES NOT MAKE AND EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, OR ENDORSEMENTS OF ANY KIND WHATSOEVER INCLUDING (WITHOUT LIMIT) THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR PURPOSE, AND THE WARRANTIES OF TITLE OR NONINFRINGEMENT. CUSTOMER AND/OR ITS INTERMEDIARIES ASSUME ALL RISK AS TO THE AVAILABILITY, SUITABILITY, QUALITY, AND PERFORMANCE OF THE ASSETWORKS APIs AND API INFORMATION AND ASSETWORKS EXPRESSLY DISCLAIMS ALL RESPONSIBILITY AND LIABILITY RELATED THERETO.

19 MISCELLANEOUS.

Independent Contractors. Parties are independent contractors in all regards. Neither party is an agent authorized to make commitments on the other’s behalf. Notices. Any communication or notice hereunder must be in writing and will be deemed given and effective: (i) when delivered personally with proof of receipt; (ii) when delivered by overnight express; or (iv) three days after the postmark date when mailed by certified or registered mail, postage prepaid, return receipt requested, in each case addressed to the Party at its address for notices stated on the Order or identified herein. Courtesy copies of such notices shall be provided via email. Such address may be changed by a notice delivered to the other Party in accordance with the provisions of this Section. Force Majeure. Neither party will be liable for any failure of or delay in performance of its obligations under this Agreement to the extent such failure or delay is due to acts of God, acts of a public enemy, fires, floods, power outages, wars, civil disturbances, sabotage, terrorism, accidents, insurrections, blockades, embargoes, storms, explosions, labor disputes, failure of common carriers, internet services providers, or other communication devices, acts of cyber criminals, acts of any governmental body (whether civil or military, foreign or domestic), failure or delay of third parties or governmental bodies from whom a Party is obtaining or must obtain approvals, authorizations, licenses, franchises, or permits, inability to obtain labor, materials, power, equipment, or transportation, or other circumstances beyond its reasonable control (collectively referred to herein as “Force Majeure”); however, nothing in this Section shall relieve Customer of the obligation to make otherwise undisputed payments when due. Any delays cause by Force Majeure shall not be a breach of or failure to perform this Agreement or any part thereof and the date on which the obligations hereunder are due to be fulfilled will be extended for a period equal to the time lost as a result of such delays. Neither Party shall be liable to the other for any liability claims, damages, or other loss caused by or resulting from Force Majeure. Assignment & Successors. Neither Party may assign this Agreement nor any of its rights or obligations hereunder without the prior express written consent of the other Party, which approval shall not be unreasonably withheld. This Agreement will be binding upon and inure to the benefit of the Parties’ respective successors and permitted assigns. Notwithstanding the foregoing, in the event of an assignment or novation of this Agreement to an AssetWorks’ affiliate pursuant to a *bona fide* internal corporate reorganization, AssetWorks shall not require Customer’s prior written consent. Severability. To the extent permitted by applicable law, the Parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. If a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect. No Waiver. Neither party will be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any other breach of this Agreement. Non-Solicitation. During the Term of this Agreement and for one year thereafter, Customer shall not solicit the employment nor contract for the services of any individual or entity that was an employee, agent, or subcontractor of AssetWorks during the Term of this Agreement. Nothing in this section shall prohibit Customer from placing a *bona fide* public advertisement for employment which is not specifically targeted at AssetWorks, nor shall Customer be restricted from hiring any such person who responds to any such general solicitation or public advertisement so long as no direct solicitation of such person has occurred. Choice of Law & Jurisdiction: This Agreement will be governed solely by the internal laws of the State of Washington without reference to: (a) any conflicts of law principle; (b) the 1980 United Nations Convention on Contracts for the International Sale of Goods; or (c) other international laws. The Parties consent to the personal and exclusive jurisdiction of the federal and state courts of Washington. Construction; Conflicts. The Parties agree that the terms of this Agreement result from arms-length negotiations and its terms will not be construed in favor of or against either Party by reason of authorship. All exhibits, schedules, and documents attached hereto or incorporated herein are intended to be read and construed in harmony with each other. In the event of any conflict between any provision of this Agreement, the order of precedence set forth on page 1 of this Agreement shall control. Any Customer purchase order terms are deemed to be for Customer’s internal purposes only and are specifically rejected. The section headings in the Agreement are inserted only as a matter of convenience and in no way define, limit, extend, or otherwise impact the interpretation of any section or this Agreement. Counsel. By acceptance of this Agreement, each of the Parties acknowledges and agrees that it has had an opportunity to consult with legal counsel and that it knowingly and voluntarily waives any right to a trial by jury of any dispute pertaining to or relating in any way to the transactions contemplated by the Agreement, the provisions of any federal, state or local law, regulation or ordinance notwithstanding. Technology Export. Customer shall not: (a) permit any third party to access or use the Service in violation of any law or regulation; or (b) export any Software or Confidential Information provided by AssetWorks except in compliance with all applicable laws and regulations. Without limiting the generality of the foregoing, Customer shall not permit any third party to access or use the Service in, nor export the Software or Confidential Information to, a country subject to a United States embargo (e.g., the Crimea Region of Ukraine, Cuba, Iran, North Korea, Russia, and Syria). Entire Agreement. This Agreement sets forth the entire agreement of the parties and supersedes all prior or contemporaneous

writings, negotiations, and discussions with respect to its subject matter. Neither party has relied upon any such prior or contemporaneous communications. Each of the Parties represents and warrants that the Agreement is a valid and binding obligation enforceable against it and executed by its duly authorized representative. Electronic Execution in Counterparts. This Agreement may be executed electronically (e.g. DocuSign) and in one or more counterparts, each of which will be an original, and all which will constitute a single instrument. Amendment. This Agreement may only be amended via written agreement signed by both Parties' authorized representatives that explicitly states its intent to amend this Agreement. Customer PO terms are null and void. Notwithstanding the foregoing, AssetWorks may revise the Documentation at any time effective on the date posted provided such amended Documentation shall not materially reduce Customer's rights or protections.

20 DEFINITIONS. The following capitalized terms will have the following meanings whenever used in this Agreement.

20.1 "Active Equipment Unit License" means a license for each Active Equipment Unit covered by or utilizing the Service. "Active Equipment Unit" means any vehicle, asset, or other unit on which work is performed or for which activity is reported. Customer must pay fees to cover all Active Equipment Units unless Parties agree otherwise.

20.2 "AssetWorks Contracting Party" means the specific entity identified on the Order Form and shown below:

For USA Customers:	For UK & EU Customers:	
AssetWorks Inc.	AssetWorks Fleet Solutions Ltd.	Lightbulb Analytics Limited
Delaware Corporation EIN 46-0521049	England & Wales Company No. 15298579	England & Wales Company No. 01843754
1001 Old Cassatt Road, Ste. 204 Berwyn, PA 19312	Brook Suite, Ground Floor, Bewley House, Marshfield Road, Chippenham, SN15 1JW	Egale One, 80 St Albans Road, Watford, Herts, WD17 1DL
jim.hammond@assetworks.com	mike.gadd@assetworks.com	Adrian.mcmullan@lba.ltd
CC: legal@assetworks.com	CC: legal@assetworks.com	CC: legal@assetworks.com

20.3 "Concurrent License" means a license for an authorized user of the Software, provided that the number of simultaneous users may not exceed the number of licenses purchased. Each simultaneous login to the Software (through active browser sessions) will be deemed to constitute one Concurrent License.

20.4 "Customer Data" means any data, information, or material that Customer or Customer's Users may disclose or submit to AssetWorks or the Service in the course of properly using the Service in accordance with the Documentation and best practices regarding minimization of personal information. Customer Data does not include Excluded Data, public information, or inferences derivable from Customer Data.

20.5 "Documentation" means the standard documentation and/or user manual provided or published by AssetWorks

20.6 "Enterprise License" means a license for the Software that allows for an unlimited number of users and tracks an unlimited amount of assets. Pricing is based on the population of the city, town, region, fleet, college, university, department, etc. ("Population Base") Customer utilizes in the Enterprise License to cover. Customer must promptly pay increased fees for an Enterprise License reconciliation if Customer's Population Base increases beyond the Customer's licensed limits for any reason, including, but not limited to, a material increase in Population Base, use of the Software to provide the Services to an additional population, or merger of Customer with any other entity that increases the population served by the Software.

20.7 "Excluded Data" means Payment Card Industry (PCI) or similar regulated financial information; protected health information (PHE) under HIPAA or similar regulated medical information of any nature; personal financial or any sensitive personal information subject to heightened privacy and/or security requirements by law, regulation, or applicable third-party terms (e.g., government issued identification or license numbers, personal bank account numbers, passport or visa numbers, credit card numbers, social security numbers, passwords and security credentials); or any other unnecessary personal identifiers (i.e. any information capable of truncation, hashing, or greater minimization); and any other categories of data for which the Service is not suitable or the input of which is unnecessary to make ordinary use of the Service per the Documentation and Customer's policies in regards to Excluded Data.

20.8 "Order Effective Date" means the date: (a) an Order is countersigned by the Parties, (b) an Order is signed by Customer and/or its authorized intermediary and accepted by AssetWorks, or (c) which the Parties deemed their agreement to be effective as of.

20.9 "Software" means AssetWorks' proprietary Software either: (a) perpetually licensed for on-premise installation in a Customer Environment, (b) perpetually licensed and hosted by AssetWorks in a Hosted Environment, (c) made available through an access-restricted website or designated IP address hosted via a third-party data center on a prepaid-subscription basis inclusive with Maintenance/Support under a software-as-a-service model ("SaaS"). "Software" includes commercially available updates, enhancements, and new versions if Customer subscribes for Maintenance/Support and may be revoked for material breach (e.g. nonpayment) to the extent permitted by Applicable Law.

- 20.10 “Intellectual Property Rights” or “IPR” means unpatented inventions, patent applications, patents, design rights, works of authorship, copyrights, trademarks, service marks, trade names, domain name rights, mask work rights, know-how, ideas, concepts, algorithms, database schema, and other trade secret rights, and all other intellectual property rights, derivatives thereof, and forms of protection of a similar nature anywhere in the world with respect to all intellectual property incorporated into any Development, SOW, or other deliverable whether or not first created, discovered, or developed by AssetWorks in providing the Services.
- 20.11 “Order” or “Order Form(s)” means the form evidencing the initial license or subscription and any subsequent Order submitted online or in written form (including any countersigned SOW), specifying the applicable Software, SaaS, Services, fees, and other charges agreed to between the Parties, each such fully executed Order to be incorporated into and to become a part of this Agreement (in the event of any conflict between the terms of this Agreement and the terms of any such Order, the terms of the Order shall prevail);
- 20.12 “Source Code” means software in human-readable form, including all appropriate programmer’s comments, data files and structures, header and include files, macros, make files, object libraries, programming tools not commercially available, technical specifications, flowcharts and logic diagrams, schematics, annotations and documentation reasonably required or necessary to enable a competent independent third party programmer to create, operate, maintain, modify and improve such software without the help of any other person, and with data files containing Source Code in standard ASCII format readable by a text editor.
- 20.13 “User(s)” or means Customer’s employees, representatives, consultants, contractors, or agents who use the Service on Customer’s behalf or through Customer’s account or passwords (whether or not authorized).
- 20.14 “Deliverable(s)” means any copyrightable works, code developed, products, discoveries, developments, designs, work product, deliverables, improvements, inventions, processes, techniques and know-how made, conceived, reduced to practice or learned by AssetWorks (either alone or jointly with Customer or others) that arise during the Term of this Agreement or result from Professional Services performed pursuant to any Order and delivered to Customer hereunder. Deliverables are not “works made for hire”
- 20.15 “Law” or “Applicable Law(s)” means privacy and security laws governing AssetWorks’ handling (if any) of Customer Data and other applicable laws and regulations in force as of the Effective Date. For the avoidance of doubt, Applicable Laws do not include laws applicable to Customer or its data to the extent not described in the preceding sentence, including laws in regards to Excluded Data.
- 20.16 “Maintenance” means the support and maintenance services provided by AssetWorks to Customer on a pre-paid annual subscription basis (i.e. maintenance-as-a-product) inclusive with SaaS but exclusive of Hosting Services and Professional Services.
- 20.17 “Professional Services” means those technical or non-technical services performed or delivered by AssetWorks under this Agreement as set forth in an Order and/or SOW.
- 20.18 “SOW” means a statement of work or other written scoping terms set forth on an Order or otherwise executed in writing by the Parties.
- 20.19 “SLA” means AssetWorks’ service level objectives, target availability level, and service level credit for unavailability of the Service.



ORDER FORM

AssetWorks Inc.

998 Old Eagle School Road, Suite 1215
Wayne, PA 19087

Order #: Q-08976-6

Date: 08/17/2024

Expires On: 12/31/2024

Ship To

Steve Eastman
City of Redmond, WA
18080 Northeast 76th Street
Redmond, Washington 98052
(425) 556-2940

Bill To

City of Redmond, WA
18080 Northeast 76th Street
Redmond, Washington 98052
United States

This Order Form is subject to the terms of the incorporated AssetWorks Master Agreement. Parties agree to be bound by those terms and conditions.

Annual SaaS

Description	QTY	Unit Cost	Annual Total
SaaS – FleetFocus (includes production, test, and reporting databases)	400	USD 54.48	USD 27,192.00
SaaS Services - FuelFocus Annual Fee (per ICU)	1	USD 600.00	USD 600.00
SaaS Total:			USD 27,792.00

Migration - Professional Services (one-time fees)

Description	Line Total
FuelFocus Testing & Re-direction Services (Up to 4 ICUs)	USD 1,760.00
Database Conversion Services (SQL to ORA)	USD 9,680.00
One-Time Hosting Environment and Reporting Database Setup Fee	USD 10,560.00
System Migration Support Services	USD 2,640.00
Professional Services Total:	USD 24,640.00

Telematics Hardware

Part #	Description	QTY	UNIT PRICE	Line Total
87Z-002	ME87 Vehicle Tracking Unit - with "Y" harness for installation to Light/Heavy Duty Vehicle ECM	175	USD 0.00	USD 0.00
Telematics Hardware Total:				USD 0.00

AssetWorks GPS SaaS

Description	QTY	Monthly Fee/Unit	Line Monthly Total	Annual Fee
AssetWorks GPS Bundle (includes Hardware, Monthly Subscription, and Telematics Module/Cloud)	175	USD 19.95	USD 3,491.25	USD 41,895.00
AssetWorks Telematics Integration License - Includes Telematics Module/Cloud (AW Client)	175	USD 0.00	USD 0.00	USD 0.00
SaaS Total:				USD 41,895.00

Description	Line Total
Year 1 - SaaS Total (FleetFocus, FuelFocus, AssetWorks GPS)	\$94,327.00
Year 2 - SaaS Total (FleetFocus, FuelFocus, AssetWorks GPS)	\$71,632.44
Year 3 - SaaS Total (FleetFocus, FuelFocus, AssetWorks GPS)	\$73,714.06
Year 4 - SaaS Total (FleetFocus, FuelFocus, AssetWorks GPS)	\$75,941.40
Year 5 - SaaS Total (FleetFocus, FuelFocus, AssetWorks GPS)	\$78,324.64

FuelFocus Testing & Re-direction Services Scope and Assumptions

- AssetWorks will provide assistance in the migration and re-directing of all FuelFocus ICUs for a customer transitioning to the AssetWorks hosted environment for both production and non-production.
- AssetWorks will need to upgrade ICU software prior to the hosting migration which will require a minimum 60 GB flash disk.
- Testing services are estimated based on completion of re-direction and testing efforts; quote has been provided based on an assumed number of ICUs and may increase if additional are needed. All services provided remotely via web conferencing.
- Costs are for a fixed fee project and do not include applicable taxes. Milestone(s) are to be billed upon testing and re-direction of ICUs as noted below in the milestone names, with the amounts noted below:
 - Milestone – Completion of FuelFocus Testing and Re-Direction of Four (4) ICUs = \$1,760 USD

FleetFocus FA Relational Database Migration Services

- AssetWorks provides an RDBMS migration service to move the FleetFocus FA database from Oracle to Microsoft SQL Server or Microsoft SQL Server to Oracle. AssetWorks will perform a migration of both the non-production and production FleetFocus FA databases in an offline AssetWorks environment. If required to convert with the customer's environment, the work will be done using remote teleconferencing services to control the customer's desktop over a broadband connection; no onsite services to be utilized. Additional FleetFocus FA installations outside of a single non-production and production environment will incur an additional cost.
- AssetWorks will provide this migration service for a fixed fee of \$9,680 USD not including applicable taxes, which will be invoiced upon completion of the production migration. Invoices are due on existing contract terms. The reinstallation of the FleetFocus FA application is optional and requires remote control access to the application server (as described above). If reinstallation services are needed, a change order will be necessary.
- The non-production and production migrations must occur no more than 90 days apart. This service includes only a single default instance on Microsoft SQL Server (no named instances). This service does not include the installation of your RDBMS or the migration of custom work, such as, but not limited to, any custom reports or interfaces. If you would like assistance with the RDBMS installation or with migrating custom items, please contact AssetWorks Sales.
- A database conversion does not include custom database views, Crystal Reports, MAXQueue tables or migrate the data stored in the tables at the point of the conversion. Customer is recommended to follow best practices and do the following at the time of the designated migration date:
 - Stop system users from entering additional data at the time of the designated migration.
 - Allow system administrators to review the MAXQueue error queue shown in the MAXQueue portal and confirm it is empty.
 - Reprocess and/or delete (only for errors that do not need reprocessed) any errors that are in the MAXQueue portal for all interfaces and/or integrations (ex: NAPA, Zonar, Network Fleet, etc.) to ensure no data is pending and waiting to be entered into FA; this avoids any potential data loss and is the responsibility of the customer at the time of migration and customer as directed by Customer Care.
- Customer is responsible for testing all business processes following the new environment installation.
- These services are to be provided during normal technical support business hours. If off-hours/weekend services are needed, a change order will be necessary.
- If this order is abandoned/paused by the client for any reason mid-effort, the client will be billed for the full contracted amount. If additional scope is added or required, a change order will be necessary.
 - Milestone - Deliver Production Converted Database (MSSQL to Oracle) = \$9,680 USD
- Customer Care engagements have an 8 week lead time from execution of contract/order.

FleetFocus Hosting Setup and Migration Scope and Assumptions

- As part of going hosted, AssetWorks will create a non-production and production FleetFocus environment as well as a third reporting environment, and setup SSO per FleetFocus supported methods. AssetWorks Customer Care will work to schedule the installations and provide updates accordingly through a support ticket. Once installed, the login information to the production and non-production system will be provided to the customer. The reporting instance connection information will be provided as well, if elected on order form.

EXHIBIT A – Order Form

- Customers are required to upgrade to a supported generally available (GA) release available in the FA hosting environment. If the customer is on a supported version on premise, an upgrade is offered as part of the environment setup fees. If the customer is not a supported version on premise, a separate upgrade fee will apply to move the customer to a version that can be maintained by AssetWorks.
- MobileFocus handheld devices, Capital Asset Management (CAM), KeyValet key boxes and FuelFocus ICUs are excluded from upgrade unless otherwise noted on the quote. In addition, FuelFocus ICU and KeyValet key boxes require additional testing and re-direction services and are excluded unless otherwise noted on the quote.
- The AssetWorks environments run on an Oracle database and as such, all custom interfaces, custom reports, and custom reporting views must be either built in Oracle or converted to Oracle prior to moving to AssetWorks servers. If the custom work (AssetWorks or Customer built) is not built in Oracle it is excluded from this quote, unless otherwise noted on the quote. Please send a list of all currently used custom interfaces and reports that would need to be converted (if reports, send .RPT files and prompts) for review by AssetWorks development and inclusion of additional costs.
- AssetWorks will assist in the migration and re-connecting of all custom deliverables and out of the box integrations (i.e., NAPA, Telematics Cloud, FSS, etc.) for a customer transitioning to the AssetWorks hosted environment for both production and non-production. This service does not include full scale testing to the original specification but does include ensuring core connections are functioning. These services are covered under System Migration Support Services, which also includes general project administration and AW resource coordination. System Migration Support Services are presented on a fixed fee basis and will be invoiced in full after the migration to a production and non-production environment on AssetWorks' servers are complete.
- Customer is responsible for testing all business processes following migration of the non-production environment. This is expected to be completed within 30 days of installation in the hosted environment on AssetWorks' servers. All business processes should be reconfirmed following the migration of the production environment. This includes:
 - Reports, reporting views and interfaces that AssetWorks custom built for the customer. If any issues are encountered, AssetWorks Customer Care will open a ticket to investigate, troubleshoot and/or resolve.
 - Custom work built by customer including, but not limited to, reports, reporting views, data loads, batch processes, notifications, etc. AssetWorks cannot guarantee that any custom work built by the customer will continue to function after the migration and/or upgrade is completed. AssetWorks Customer Care can assist with initial investigation or troubleshooting but resolution is outside of the scope of the migration/upgrade process.
- Customer will make appropriate technical resources available to AssetWorks' consultants for tasks such as delivery of the database, file directories (attachments), etc. AssetWorks assumes customer utilizes an internal system administrator to maintain all aspects of FleetFocus configuration, user training and system administrator duties as required to support any necessary testing post migration to AssetWorks servers.
- All services are presented on a fixed fee basis and will be invoiced upon completion of the environments or 60 days after the non-production migration, whichever occurs first.
 - Milestone – One-Time Hosting Environment and Reporting Database Setup Fee = \$10,560 USD
 - Milestone – System Migration Support Services = \$2,640 USD

FleetFocus Hosting Setup and Migration Professional Services Terms

- Invoices are due on existing contract terms.
- All services will be performed remotely using web teleconferencing, unless otherwise noted.
- Customer Care engagements have an 8-week lead time from execution of contract/order.
- The expected project implementation timeline is 16 weeks from the date the project team is assigned.
- Customer will test all Deliverables within fifteen (15) business days of delivery per the scope in this Order Form. If the Deliverables have been tested and accepted a written notice will be issued by the Customer for AssetWorks to trigger billing. AssetWorks may not invoice until they have received Acceptance of each Deliverable in writing by the Customer provided scope has been met as noted above.
- Customer will make appropriate technical resources available to AssetWorks' consultants.
- Customer will have all the necessary and appropriate personnel at meetings for the purpose of defining the project requirements.
- Customer will appoint a single point of contact for the duration of the project. This person should have project management responsibilities and decision-making authority. This person will be the focal point of contact for the AssetWorks' Professional Services and Customer Care team.
- If additional scope is added or required, a change order will be requested of the customer.
- If this order is abandoned, paused or cancelled by the customer for any reason mid-effort, the customer will be billed for all AssetWorks time incurred at the current contracted labor rate.

AssetWorks GPS Notes & Assumptions

- Prices for GPS components are in USD dollars and valid for 90 days. All applicable shipping, sales/use taxes are additional and payment of such is the sole responsibility of the purchaser.
- Unless quoted herein, installation is responsibility of customer or can be quoted by AssetWorks upon request.
- Pricing is based on a 36-month term for SaaS service for each device.
- SaaS subscription will be billed annually with first invoice at time of shipment due net 30. The first invoice date will also be the anniversary date for future annual payments.
- Hardware fees will be billed at time of shipment due net 30.
- Professional services costs are on a fixed fee basis and will be invoiced in full upon installation.
- Devices can be shipped in small groups (approx. 25 at a time) so that inventory and install is manageable.



Memorandum

Date: 9/10/2024

File No. CM 24-411

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Technology and Information Services	Michael Marchand	425-556-2173
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DEPARTMENT STAFF:

Technology and Information Services	Maria O’Neill	Technology Project Manager
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TITLE:

Approval of the CIP Project and Portfolio Management Software Contract with Aurigo Software Services, LLC for the Implementation of Masterworks in the Amount of \$487,366

OVERVIEW STATEMENT:

In the 2023-2024 BTIP, Public Works requested a Capital Investment Program (CIP)- Project and Portfolio Management Tool for managing the documentation, workflow, status and reporting on all aspects of CIP projects. Through a competitive, cross department RFP process, the City has selected Masterworks by Aurigo Software Services, LLC.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Budget for this project is in the 2023-2024 BTIP
- **Required:**
Council approval is required to award a contract that exceeds \$50,000
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Improve predictability and consistency in delivery and management of CIP projects by automating processes and centralizing project records, as well as increasing the accuracy and visibility of CIP data.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Estimated implementation timeline is 9 months from contract execution
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The cost for Implementation (\$180,052) and the first two years of licensing and support (\$307,314) totals \$487,366. Implementation fees include professional services for configuration, data migration discovery, and integrations and will be invoiced according to the billing milestones identified in the statement of work. The first year of licensing and support fees will be invoiced beginning when the contract is fully executed and annually on the anniversary of that date.

A change order for integrations still in discovery is expected for this project.

Approved in current biennial budget: **Yes** **No** **N/A**

Budget Offer Number:

BTIP

Budget Priority:

Vibrant and Connected

Other budget impacts or additional costs: **Yes** **No** **N/A**

If yes, explain:

Annual licensing and support fees of \$151,386 plus 3% yearly increase

Funding source(s):

BTIP Funds

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
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Date: 9/10/2024

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 24-411

Type: Committee Memo

N/A	Item has not been presented to Council	N/A
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Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

Public Works staff will continue to use manual processes to collect and distribute project information.

ATTACHMENTS:

Attachment A: Information Privacy and Security Agreement (IPSA)

Attachment B: Aurigo Master Service Agreement (MSA)

Attachment C: Schedule B - Statement of Work

Attachment D: RFP Attachment A - Key Requirements and Pricing

Attachment E: Aurigo Service Subscription Agreement (SSA)

INFORMATION PRIVACY AND SECURITY AGREEMENT

This Information Privacy and Security Agreement (“IPSA”) is entered into by and between the City of Redmond (“City”) and [] (“Contractor”) as of the date last signed below (the “Effective Date”) and hereby amends the attached agreement between City and Contractor (the “Underlying Agreement”). This IPSA shall apply to the extent that the provision of services by Contractor pursuant to the Underlying Agreement, for example including but not limited to, professional services, SAAS, on-premises software, and remote desktop access, involves the processing of City Data, access to City systems, or access to City Data that is subject to privacy laws.

In consideration of the mutual promises in the Underlying Agreement, this IPSA and other good and valuable consideration, the parties agree as follows:

1. Definitions.

a. “Authorized Users” means Contractor's employees, agents, subcontractors and service providers who have a need to know or otherwise access City Data to enable Contractor to perform its obligations under the Underlying Agreement or the IPSA, and who are bound in writing by confidentiality and other obligations sufficient to protect City Data in accordance with the terms and conditions of this IPSA.

b. “City Data” means any and all information that the City has disclosed to Contractor or that Contractor has created on behalf of the City pursuant to its obligations under the Underlying Agreement. For the purposes of this IPSA, City Data does not cease to be City Data solely because it is transferred or transmitted beyond the City’s immediate possession, custody, or control.

c. “Data Breach” means the unauthorized acquisition, access, use, or disclosure of City Data which compromises the security or privacy of the City Data or associated City software systems.

d. “Services” means all services, work, activities, deliverables, software or other obligations provided by Contractor pursuant to the Underlying Agreement.

2. Standard of Care.

a. Contractor acknowledges and agrees that, in the course of its engagement by City, Contractor may create, receive, or have access to City Data. Contractor shall comply with the terms and conditions set forth in this IPSA in its creation, collection, receipt, access to, transmission, storage, disposal, use, and disclosure of such City Data and be responsible for any unauthorized creation, collection, receipt, access to, transmission, storage, disposal, use, or disclosure of City Data under its control or in the possession of Authorized Users.

b. Contractor further acknowledges that use, storage, and access to City Data shall be performed with that degree of skill, care, and judgment customarily accepted as sound, quality, and professional practices. Contractor shall implement and maintain safeguards necessary to ensure the confidentiality, availability, and integrity of City Data. Contractor shall also implement and maintain any safeguards required to be implemented by applicable state and federal laws and regulations.

3. User Access to City Data.

a. Contractor shall not access, use or disclose City Data in any manner that would constitute a violation of state or federal law, the terms of the Underlying Agreement, or the terms of this IPSA. Contractor may only provide access to Authorized Users who have a legitimate business need to access, use or disclose City Data in the performance of Contractor's duties to City.

b. If Contractor requires access to a City software system, then each Authorized User must have a unique sign-on identification and password for access to City Data on City systems. Authorized Users are prohibited from sharing their login credentials, and may only receive such credentials upon execution of the Authorized User Access Agreement, attached hereto as Exhibit A. Contractor shall notify City within one (1) day of the departure of any Authorized User, so that City may terminate such Authorized User's access to City software systems.

4. Use of Subcontractors or Agents.

a. Contractor may disclose City Data to a subcontractor and may allow the subcontractor to create, receive, maintain, access, or transmit City Data on its behalf, provided that Contractor obtains satisfactory assurances that the subcontractor will appropriately safeguard the information. Without limiting the generality of the foregoing, Contractor shall require each of its subcontractors that create, receive, maintain, access, or transmit City Data on behalf of Contractor to execute a written agreement obligating the subcontractor to comply with all terms of this IPSA and to agree to the same restrictions and conditions that apply to Contractor with respect to the City Data.

b. Contractor shall be responsible for all work performed on its behalf by its subcontractors and agents involving City Data as if the work was performed by Contractor. Contractor shall ensure that such work is performed in compliance with this IPSA, the Underlying Agreement and applicable law.

5. Use, Storage, or Access to, City Data.

a. Contractor shall only use, store, or access City Data in accordance with, and only to the extent permissible under this IPSA and the Underlying Agreement. Further, Contractor shall comply with all laws and regulations applicable to City Data (for example, in compliance with the Health Insurance Portability and Accountability Act ["HIPAA"] or the FBI Criminal Justice

Information Services requirements). If Contractor has access to City protected health information, then Contractor must also execute the City's Business Associate Agreement.

b. Contractor may store City Data on servers housed in datacenters owned and operated by third parties, provided the third parties have executed confidentiality agreements with Contractor. Any transmission, transportation, or storage of City Data outside the United States is prohibited except with the prior written authorization of the City.

6. Privacy.

a. Contractor represents and warrants that in connection with the Services provided by Contractor:

i. All use of City Data by Contractor shall be strictly limited to the direct purpose of performing the Services, except to the extent that City expressly grants permission in writing for such additional uses.

ii. Collection of data which identifies individuals shall be limited to the minimum required by the Services.

iii. If the Services, in whole or part, involves access or delivery of information pertaining to the City via a public-facing web site, then Contractor represents and warrants that its current privacy policy is published online, and is accessible from the same web site as any web-hosted application that is a part of the Services. Contractor's privacy policy will provide end-users with a written explanation of the personal information collected about end-users, as well as available opt-in, opt-out, and other end-user privacy control capabilities.

iv. If Contractor creates technical system log information, aggregated technical usage or traffic data, and/or statistically measured technical usage or traffic data that contains or originated (in whole or part) from City Data, then Contractor's use of such data shall be strictly limited to the direct purpose of the Services and Contractor's technical security operations and systems maintenance. Contractor is prohibited from using such data that personally identifies an individual for secondary commercial purpose (including but not limited to marketing to such individuals, or disclosing data to third parties for reasons unrelated to the primary purpose for originally collecting the data), nor may Contractor solicit consent from the identified individual to do so unless the Underlying Agreement defines a means to do so that does not unduly burden individual privacy rights.

b. Contractor shall maintain the confidentiality of City Data. Confidential information shall not be deemed to include information which (a) is or becomes publicly known through no fault of Contractor; (b) is a publicly available document; or (c) disclosure of which is required by court order or legal requirement. If disclosure of City Data is required by court order or legal requirement the Contractor shall notify City, unless such notification is prohibited by court order or legal requirement. City may take such legally available measures as it chooses to limit or prevent disclosure of the City Data.

7. Information Security. This Section 7 applies to the extent that Contractor owns, supports, or is otherwise responsible for host(s), network(s), environment(s), or technology products (including hardware or software) which may contain City Data.

a. Contractor represents and warrants that the design and architecture of Contractor's systems (including but not limited to applications and infrastructure) shall be informed by the principle of defense-depth; controls at multiple layers designed to protect the confidentiality, integrity and availability of data.

b. Contractor shall make appropriate personnel vetting/background checks, have appropriate separation of duties, and undertake other such workflow controls over personnel activities as necessary to safeguard City Data.

c. Contractor shall implement appropriate procedures to monitor and deploy security patches and prevent unintended or unauthorized system configuration changes that could expose system vulnerability or lead to a Data Breach.

d. To the extent that the Services include software that was developed, in whole or part, by Contractor, then Contractor shall ensure that all such Services were developed within a software development life cycle (SDLC) process that includes security and quality assurance roles and control process intended to eliminate existing and potential security vulnerabilities.

e. Contractor shall have appropriate technical perimeter hardening. Contractor shall monitor its system and perimeter configurations and network traffic for vulnerabilities, indicators of activities by threat actors, and/or the presence of malicious code.

f. Contractor shall have access, authorization, and authentication technology appropriate for protecting City Data from unauthorized access or modification, and capable of accounting for access to City Data. The overall access control model of Contractor systems shall follow the principal of least privileges.

g. Contractor shall collaborate with City to safeguard electronic City Data with encryption controls over such City Data both stored and in transit. Contractor shall discontinue use of encryption methods and communication protocols which become obsolete or have become compromised. All transmissions of City Data by Contractor shall be performed using a secure transfer method.

h. Contractor shall maintain a process for backup and restoration of data with a business continuity and disaster recovery plan.

i. Contractor facilities will have adequate physical protections, commensurate with leading industry practice to secure business facilities, data centers, paper files, servers, backup systems, and computing equipment, including, but not limited to, all mobile devices and other equipment with information storage capability.

j. Contractor shall, at its own expense, conduct an information security and privacy risk assessment, no less than annually, in order to demonstrate, substantiate, and assure that the security and privacy standards and practices of Contractor meet or exceed the requirements set out in this IPSA. Upon written request, Contractor shall furnish City with an executive summary of the findings of the most recent risk assessment. In lieu of providing an executive summary, Contractor may provide evidence of privacy and security certification from an independent third party.

i. City reserves the right to conduct or commission additional tests, relevant to the Services, in order to supplement Contractor's assessment. Contractor shall cooperate with such effort.

ii. If the findings of the risk assessment identify either: a potentially significant risk exposure to City Data, or other issue indicating that security and privacy standards and practices of Contractor do not meet the requirements set out in this IPSA, then Contractor shall notify City to communicate the issues, nature of the risks, and the corrective active plan.

8. Data Breach Procedures and Liability.

a. Contractor shall maintain a data breach plan in accordance with the criteria set forth in Contractor's privacy and security policy and shall implement the procedures required under such data breach plan on the occurrence of a Data Breach, in compliance with the requirements of Washington's data breach notification law codified at RCW 42.56.590. Contractor shall report, either orally or in writing, to City any Data Breach involving City Data including any reasonable belief that an unauthorized individual has accessed City Data. The report shall identify the nature of the event, a list of the affected individuals and the types of data, and the mitigation and investigation efforts of Contractor. Contractor shall make the report to the City immediately upon discovery of the Data Breach, but in no event more than forty-eight (48) hours after discovery of the Data Breach. Contractor shall provide investigation updates to the City. If such Data Breach contains protected health information, as defined by HIPAA, Contractor shall comply with the breach requirements contained in the Business Associate Agreement.

b. Notwithstanding any other provision of the Underlying Agreement, and in addition to any other remedies available to the City under law or equity, Contractor shall promptly reimburse the City in full for all costs incurred by the City in any investigation, remediation or litigation resulting from any Data Breach. Contractor's duty to reimburse the City includes but is not limited to, reimbursing to the City its cost incurred in doing the following:

i. Notification to third parties whose information may have been or were compromised and to regulatory bodies, law- enforcement agencies or other entities as may be required by law or contract;

ii. Establishing and monitoring call center(s) and credit monitoring and/or identity restoration services to assist each person impacted by a Data Breach of a nature that, in City's sole discretion, could lead to identity theft; and

iii. Payment of legal fees and expenses, audit costs, fines and penalties, and other fees imposed upon the City by a regulatory agency, court of law, or contracting partner as a result of the Data Breach.

c. Upon a Data Breach, Contractor is not permitted to notify affected individuals without the express written consent of City. Unless Contractor is required by law to provide notification to third parties or the affected individuals in a particular manner, City shall control the time, place, and manner of such notification.

9. No Surreptitious Code. Contractor warrants that, to the best of its knowledge, its system is free of and does not contain any code or mechanism that collects personal information or asserts control of the City's system without City's consent, or which may restrict City's access to or use of City Data. Contractor further warrants that it will not knowingly introduce, via any means, spyware, adware, ransomware, rootkit, keylogger, virus, trojan, worm, or other code or mechanism designed to permit unauthorized access to City Data, or which may restrict City's access to or use of City Data.

10. Public Records Act. Contractor recognizes that City is a municipal entity subject to the Public Records Act, Chapter 42.56 RCW, and that City is obligated to disclose records upon request unless a specific exemption from disclosure exists. Nothing in this IPSA is intended to prevent City's compliance with the Public Records Act, and City shall not be liable to Contractor due to City's compliance with any law or court order requiring the release of public records.

11. City Control and Responsibility. City retains all ownership, title, and rights to the City Data. City has and will retain sole responsibility for: (a) all City Data; and (b) City's information technology infrastructure, including computers, software, databases, electronic systems (including database management systems) and networks, whether operated directly by City or through the use of third-party services.

12. Term and Termination.

a. Term. The term of this IPSA is the same as the term in the Underlying Agreement.

b. Termination. In addition to the termination rights in the Underlying Agreement, City may terminate this IPSA and the Underlying Agreement as follows:

i. In the event of a material breach of this IPSA by the Contractor, provided that City first sends the Contractor written notice describing the breach with reasonable specificity, including any steps that must be taken to cure the breach. If Contractor fails to cure the breach to the reasonable satisfaction of City within thirty (30) days after receipt of the written notice, this IPSA and the Underlying Agreement may be terminated at the end of the 30-day period; provided, that if a cure cannot be completed within the thirty (30) day period, the cure period shall be extended so long as Contractor shall initiate the cure within the thirty (30) day period and thereafter diligently pursue it to completion, and provided further, that the cure

period shall not be extended more than ninety (90) days after receipt of the notice of the breach;
or

ii. Immediately upon a Data Breach by Contractor or Contractor's Authorized Users.

c. Effect of Expiration or Termination.

i. If City terminates the Underlying Agreement or this IPSA due to a material breach or Data Breach described in Section 12.b above, City shall not be obligated to pay any early termination fees or penalties.

ii. Within thirty (30) days following the expiration or termination of the Underlying Agreement, Contractor shall return to City all City Data in a format and structure acceptable to City and shall retain no copies of such City Data, unless City requires destruction of the City Data. As applicable, Contractor shall comply with any transition service requirements described in the Underlying Agreement.

iii. Contractor is permitted to retain City Data in its backups, archives and disaster recovery systems until such City Data is deleted in the ordinary course of Contractor's data deletion practices; and all City Data will remain subject to all confidentiality, security and other applicable requirements of this IPSA and as otherwise required by law.

13. Insurance. In addition to the insurance requirements of the Underlying Agreement, Contractor will maintain at its sole cost and expense at least the following insurance covering its obligations under this IPSA.

a. Cyber Liability Insurance: With coverage of not less than Two Million Dollars (\$2,000,000) in the aggregate which shall include at a minimum coverage for (i) unauthorized access, which may take the form of a "hacker attack" or a "virus" introduced by a third party or cyber extortion; (ii) crisis management, response costs and associated expenses (e.g. legal and public relations expenses); (iii) breach of the City Data; and (iv) loss of data or denial of service incidents.

b. If Contractor's Services include professional services, then Contractor shall maintain Professional Liability or Errors and Omissions Coverage of not less than Two Million Dollars (\$2,000,000) per claim and in the aggregate.

c. Contractor's insurance shall be primary to any other insurance or self-insurance programs maintained by City. Contractor shall provide to City upon execution a certificate of insurance and blanket additional insured endorsement (if applicable for the Cyber Liability Insurance). Receipt by City of any certificate showing less coverage than required is not a waiver of Contractor's obligations to fulfill the requirements.

d. Upon receipt of notice from its insurer(s), Contractor shall provide City with thirty (30) days prior written notice of any cancellation of any insurance policy, required pursuant

to this Section 13. Contractor shall, prior to the effective date of such cancellation, obtain replacement insurance policies meeting the requirements of this Section 13. Failure to provide the insurance cancellation notice and to furnish to City replacement insurance policies meeting the requirements of this Section 13 shall be considered a material breach of this IPSA.

e. Contractor's maintenance of insurance as required by this Section 13 shall not be construed to limit the liability of Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Contractor's maintenance of insurance policies required by this IPSA shall not be construed to excuse unfaithful performance by Contractor.

14. Cumulative Rights and Remedies. All City rights and remedies set out in this IPSA are in addition to, and not instead of, other remedies set out in the Underlying Agreement, irrespective of whether the Underlying Agreement specifies a waiver, limitation on damages or liability, or exclusion of remedies. The terms of this IPSA and the resulting obligations and liabilities imposed on Contractor shall supersede any provision in the Underlying Agreement purporting to limit Contractor's liability or disclaim any liability for damages arising out of Contractor's breach of this IPSA.

15. Indemnification. Contractor shall indemnify, defend and hold harmless City and City's officers, directors, employees, volunteers and agents (each, a "City Indemnitee") from and against any and all third party loss, cost, expense, claims, suit, cause of action, proceeding, damages or liability incurred by such City Indemnitee arising out of or relating to (i) a breach of this IPSA by Contractor; (ii) a violation by Contractor of any information security and privacy statute or regulations; or (iii) any Data Breach by Contractor.

16. Miscellaneous.

a. Order of Precedence. This IPSA shall survive the expiration or earlier termination of the Underlying Agreement. In the event the provisions of this IPSA conflict with any provision of the Underlying Agreement, or Contractor's warranties, support contract, or service level agreement, the provisions of this IPSA shall prevail.

b. Entire Agreement. This IPSA, including its exhibits, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this IPSA and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

c. No Third-Party Beneficiaries. This IPSA is for the sole benefit of the parties hereto and their respective permitted successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this IPSA.

d. Notices. All notices required to be given by either party to the other under this IPSA shall be given to the Technology and Information Systems Service Desk at the following

email address: ISAdministration@redmond.gov, or phone number: 425-556-2929. All other notices shall be governed by the requirements of the Underlying Agreement.

e. Amendment and Modification; Waiver. No amendment to or modification of this IPSA is effective unless it is in writing, identified as an amendment to or modification of this IPSA and signed by an authorized representative of each party. The waiver of any breach of any provision of this IPSA will be effective only if in writing. No such waiver will operate or be construed as a waiver of any subsequent breach.

f. Severability. If a provision of this IPSA is held invalid under any applicable law, such invalidity will not affect any other provision of this IPSA that can be given effect without the invalid provision. Further, all terms and conditions of this IPSA will be deemed enforceable to the fullest extent permissible under applicable law and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect.

g. Governing Law; Submission to Jurisdiction. This IPSA is governed exclusively by the laws of the State of Washington, excluding its conflicts of law rules. Exclusive venue for any action hereunder will lie in the state and federal courts located in Seattle, King County, Washington and both parties hereby submit to the jurisdiction of such courts.

h. Counterparts. This IPSA may be executed in counterparts and by facsimile or electronic pdf, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this IPSA delivered by facsimile, e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this IPSA.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

Contractor

City of Redmond

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
AUTHORIZED USER ACCESS AGREEMENT

Name of Individual: _____ Name of Contractor: _____

I understand and agree that I am being provided electronic access to a system containing confidential and or proprietary data (the "City Data") owned and operated by the City of Redmond ("City") due to my employment by or contractual relationship with _____ ("Contractor").

I agree that I may use the City Data for the sole purpose of Contractor's obligations to City and in a manner that complies with City's Information Technology Usage Policy. I understand that under no circumstances shall I attempt to impermissibly access, download, read, alter, use or disclose any City Data.

In the event I inadvertently access City Data not related to Contractor's obligations to City, I agree that I will not use, copy, alter or disclose such data and will immediately delete all such data from my records and notify City.

I understand that my user identification, password and profile (collectively, "Authorized User ID") will allow me to access the City Data. I acknowledge that I will keep my Authorized User ID confidential and will not divulge such information to any other individual or entity. I agree to take appropriate measures to protect the privacy of any City Data and to comply with Contractor's privacy and security policies and procedures. I agree that if I suspect that my Authorized User ID has been obtained by another individual, I will immediately inform City so that appropriate action may be taken.

I understand that my access to City Data may be monitored. I understand that all actions used in connection with the City Data may be saved, searched and audited for compliance. I understand that I do not have any personal privacy rights related to my access of the City Data. I further understand that the City has the right to revoke my access at any time.

I agree that I will not use City Data for any other purpose, including personal use, solicitation for outside business ventures, or clinical or research studies. I understand that unauthorized use or disclosure of certain types of City Data may subject me to civil liability under state and/or federal law, and that improper use or disclosure may constitute a crime.

I understand that should I violate any provision of this Authorized User Access Agreement, City will discontinue my access to the City Data and may terminate access of Contractor.

I acknowledge that I have read, understand and agree with the conditions above. Further, I agree to immediately notify City at _____ of any conflict with or violation of the above conditions.

Authorized User Signature

Date

Master Services Agreement

This Master Services Agreement (this “MSA”) is made effective as of <<Date>> (the “Effective Date”) between Aurigo Software Technologies Inc, having its registered office at 8310-2 N Capital of Texas Highway, Prominent Pointe II, Suite 100, Austin, TX 78731 (hereinafter referred to as “Aurigo”) and City of Redmond having its principal place of business at P.O. Box 97010, Redmond, WA 98073-9710 (hereinafter referred to as “Customer”) (Aurigo and Customer are collectively referred to as the “Parties” and individually referred to as a “Party”).

Whereas, the Parties, based on their mutual discussions and negotiations, propose to enter into a contract governing the delivery of Aurigo Masterworks (the “Aurigo Software”) to Customer;

Whereas, Customer, upon approval of the proposal, intends to enter simultaneously into a Software Subscription Agreement directly with Aurigo for the use of the Aurigo Software which will govern the rights and usage of the SaaS software;

Whereas, Aurigo agrees to perform certain services described on Schedule B (herein referred to as the “Services”), at the rates also specified in Schedule B with the intent of delivering the Aurigo Software and related services; and

Whereas, Customer shall actively participate in the Services by providing the resources and subject matter expertise required for Aurigo to deliver the Services; and

Whereas, the Parties are entering into this Agreement for the purposes of these Services, separate from the Service Subscription Agreement;

Now, Therefore,

In consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree to as follows:

1. DEFINITIONS

“Authorized Representatives” are employees designated by each Party as their respective authorized agents for communications.

“Confidential Information” means all terms and conditions in this Agreement, and any and all financial, sales, marketing, pricing, customer, personnel, present or future product (including, without limitation, the source code of the Services and all know-how and trade secrets, relating to, contained in, or embodied in the Services, technical, research, development or other business data and information of the Parties (whether communicated orally, visually, in writing, or in any other recorded or tangible form) which is not in the public domain and which: (a) either Party has marked as confidential or proprietary, (b) either Party, orally or in writing, has advised the other Party of its confidential nature, or (c) due to its character or nature, a reasonable person in a like position and under like circumstances would treat as confidential.

“Customer Content” means all text, files, images, graphics, illustrations, information, data, audio, video, photographs, other content and material, and software programs including source code for such programs, that Customer or its Users provide and load onto, or create using, any SaaS. Aurigo Intellectual Property and all Derivative Work thereof, do not fall within the meaning of the term “Customer Content.” The term “Customer Content” does not apply to any test data.

“Deliverables” means the materials, SaaS, and Services to be provided by Aurigo to Customer under this

MSA.

“Derivative Work” means modifications to and creation of forms, workflows, dashboards, and reports within Aurigo Masterworks. Subject to Customer’s payment of undisputed subscription fees due to Aurigo, Aurigo hereby grants to Customer a non-exclusive license to prepare derivative works based on materials, including any and all modifications thereto, owned and developed independently by Aurigo prior to the reparation of its proposal and used to provide Services under this Agreement. Aurigo shall retain ownership interest in any modifications, enhancements, improvements, or derivative works of the foregoing, irrespective of their date of creation.

“Intellectual Property” means any intellectual or industrial property rights protected or protectable under applicable law and includes copyrights, moral rights, trade secrets, patent rights, rights in inventions, trade-marks, trade names and service marks, as well as applications for, and registrations, extensions, renewals and re-issuances of, the foregoing, in whatever form such rights may exist and whether registered or unregistered.

“SaaS” means software-as-a-service and refers to the Aurigo-hosted software service or software services to which you subscribe under Software Subscription Agreement.

“Taxes” means taxes, levies, duties or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction whatsoever.

“Term” begins on the Effective Date and means the period of time during which this Agreement is in effect, as set forth on Schedule B.

“Users” are individuals or entities authorized by Customer to access and use a Deliverable.

2. ORDER of PRECEDENCE

This Master Services Agreement, along with the City of Redmond Information Privacy and Security Agreement (the “IPSA”), incorporates other attachments and documents in the following order of precedence, and together constitutes the “Agreement”. If terms in one document conflict with another the terms will be interpreted with the following sequence of validity, beginning with item 1 and ending with item 7:

1. The City of Redmond Information Privacy and Security Agreement
2. This Master Services Agreement
 - a. Schedule B – Statement of Work
 - b. Attachment A - Key requirements and pricing
3. Aurigo Service Subscription Agreement

3. SERVICES, FEES, PAYMENTS

3.1 Services. Aurigo shall perform the Services described on Schedule B, subject to the terms and conditions of this Agreement.

3.2 Change Control. The Services and Deliverables to be provided pursuant to Schedule B may be amended from time to time, as mutually agreed by the Parties. Any such amendment will use the change control procedures set forth below.

- a. When a Party desires a change to this Agreement, that Party will prepare a written document (a “Change Order”) describing in reasonable detail its proposed changes, to include, at a minimum, any changes in cost, schedule, and impact, if any, to the project, and will submit the proposed Change Order to the other Party for approval.
- b. A Change Order will only become effective, thereby amending this Agreement, when signed by the Parties.

- 3.3 Customer Obligations.** Customer is solely responsible for all equipment used in connection with the Services, including its suitability in relation to the Services and Deliverables. Customer is solely responsible for the configuration, operation, performance and security of its equipment, networks and other computing resources, including its devices and networks used to connect to the Services.
- 3.4 Use of Customer Content.** Customer hereby grants Aurigo the right to use, process and transmit, in accordance with this Agreement, Customer Content, solely in order to perform the Services and deliver the Deliverables. Aurigo will not be responsible for the interoperability of Customer Content with the Services and Deliverables, except to the extent described in the applicable Statement of Work. Customer shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Content.
- 3.5 Fees; Invoices.** Customer agrees to pay Aurigo the undisputed fees set forth on Schedule B. Aurigo will invoice Customer for all sums owed on completion of each milestone set forth on Schedule B.
- 3.6 Taxes.** The fees do not include any taxes, unless stated otherwise. Customer is responsible for all taxes it is legally obligated to pay, including, but not limited to, paying Aurigo any applicable value added, sales or use taxes. If any taxes are required by law to be withheld on payments made by Customer to Aurigo, Customer may deduct such taxes from the amount owed Aurigo and pay them to the appropriate taxing authority; provided, however, that Customer shall promptly secure and deliver to Aurigo an official receipt for any such taxes withheld or other documents necessary to enable Aurigo to claim a Foreign Tax Credit. If the Customer is tax exempt, it must provide a valid tax exemption certificate for Aurigo to exclude taxes from customer invoices.
- 3.7 Refunds.** All charges are non-refundable unless expressly stated otherwise, or otherwise provided by law.
- 3.8 Payments.** Payments to Aurigo for undisputed fees are due 30 days from receiving an approved invoice. Invoices shall detail the work performed or services rendered, the time involved (if compensation is based on an hourly rate) and the amount to be paid. Customer will make payment on invoices by check or EFT. In no event shall the total of all invoices paid exceed the maximum amount payable set forth in Schedule B, and Aurigo agrees to perform all services contemplated by this agreement for no more than said maximum amount. Late payments on undisputed and invoiced amounts accrue interest at the rate of 1% per month, or the highest rate permitted by law, whichever is lower. Aurigo may suspend or cancel the Services if Customer does not pay undisputed fees in full and on time.

4. TERM AND TERMINATION

- 4.1** This Agreement will become effective upon execution by the Parties and will remain in force for the Term unless terminated pursuant to this Agreement.
- 4.2** **Termination of this Agreement for Cause.** A Party may terminate this Agreement by written notice to the other Party if the other Party materially breaches this Agreement and fails to cure the breach during the Cure Period. The “Cure Period” will commence on the date the non-breaching Party gives written notice of breach to the breaching Party, specifying the nature of the breach, and will continue for a period of 30 days; provided that, notwithstanding the foregoing, there will be no period for curing or remedying a material breach by either Party of its obligations pertaining to Confidential Information. If the breaching Party fails to cure such breach within the Cure Period, the non-breaching Party may immediately, upon written notice to the breaching Party, terminate this Agreement.
- 4.3** **Termination for Insolvency.** This Agreement may be terminated by either Party, immediately upon written notice to the other Party in the event (i) the other Party files a petition for bankruptcy or is adjudicated bankrupt; (ii) a petition in bankruptcy is filed against the other Party and such petition is not dismissed within sixty (60) calendar days; (iii) the other Party becomes insolvent or makes an assignment for the benefit of its creditors or an arrangement for its creditors pursuant to any bankruptcy or other similar law; (iv) the other Party discontinues its business; or (v) a receiver is appointed for the other Party or its business.
- 4.4** **Effect of termination.** Upon termination, (i) Aurigo will immediately cease providing any Services to Customer, and (ii) Customer will pay Aurigo such undisputed amounts owed under Schedule B for performance rendered prior to the termination date. Termination will not result in a waiver of any remedy, legal or equitable, to which a Party may be entitled, or any claim a Party may have against the other. All provisions that by their nature should survive termination or expiration of this Agreement will so survive.

5. INTELLECTUAL PROPERTY AND RECORDS

- 5.1** Aurigo and its licensors are, and shall remain, the sole and exclusive owner of all right, title and interest in and to the Services and all Derivative Works thereof, including all Intellectual Property rights therein. Customer shall have no right or license to use the Services except solely during the Term and in accordance with this Agreement. No other rights are granted hereunder to Customer except as expressly set forth in this Agreement.
- 5.2** Aurigo and its licensors are, and shall remain, the sole and exclusive owner of all right, title and interest in and to Deliverables that are (a) SaaS or (b) commercial software; such Deliverables are licensed, not sold, by Aurigo to Customer.
- 5.3** Customer is, and shall be, the sole and exclusive owner of all right, title and interest in and to the Deliverables specified in Schedule B that are Services and that are not software.
- 5.4** Customer and its Users (where applicable) are, and shall remain, the sole and exclusive owner of all right, title and interest in and to the Customer Content, including all Intellectual Property rights therein. Aurigo shall have no right or license to use any

Customer Content except solely during the Term of the Agreement to the extent necessary to provide the Services to Customer.

- 5.5** Any and all documents, drawings, reports, and other work product produced by Aurigo under this Agreement shall become the property of Customer upon payment of Aurigo's fees and charges therefore. Customer shall have the complete right to use and re-use such work product in any manner deemed appropriate by the CITY, provided, that use on any project other than that for which the work product is prepared shall be at Customer's risk unless such use is agreed to by Aurigo.
- 5.6** Aurigo shall keep all records related to this agreement for a period of three years following completion of the work for which Aurigo is retained. Aurigo shall permit any authorized representative of Customer, and any person authorized by Customer for audit purposes, to inspect such records at all reasonable times during regular business hours of Aurigo. Upon request, Aurigo will provide Customer with reproducible copies of any such records. The copies will be provided without cost if required to substantiate any billing of Aurigo, but Aurigo may charge Customer for copies requested for any other purpose.

6. REPRESENTATIONS AND WARRANTIES

- 6.1** Each Party represents and warrants to the other Party as follows:
 - A. it is duly organized, validly existing and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization or chartering;
 - B. it has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform its obligations hereunder; and
 - C. when executed and delivered by such Party, this Agreement will constitute the legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.
- 6.2** Aurigo represents and warrants to Customer that:
 - A. The Services will be provided in a professional and workmanlike manner; and
 - B. the Services and Deliverables will be in conformity in all material respects with all requirements or specifications stated in this Agreement.
- 6.3** EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE SERVICES AND DELIVERABLES ARE PROVIDED ON AN "AS IS" BASIS. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, THESE WARRANTIES ARE CUSTOMER'S EXCLUSIVE REMEDY, AND AURIGO DOES NOT REPRESENT OR WARRANT THAT THE SERVICES OR DELIVERABLES WILL MEET THE REQUIREMENTS OF ANY PERSON OR WILL OPERATE ERROR-FREE OR CONTINUOUSLY, AND MAKES NO OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESSLY MADE IN THIS AGREEMENT.

7. CONFIDENTIALITY

- 7.1** Aurigo and Customer shall treat the terms and conditions of this Agreement, to the extent permitted by law, as confidential and shall not disclose them to any third Party except in the furtherance of the Parties' business relationship with each other. For government Customers, this Section is subject to the requirements of applicable trade secret, public records, or similar laws.
- 7.2** Each Party acknowledges the proprietary nature of the other Party's Confidential Information and the business advantage and opportunity provided thereby. Customer acknowledges and agrees that the Services and Deliverables, and all ideas, methods, algorithms, formulae, processes, and concepts used in developing or incorporated into the Services, all derivative works based upon any of the foregoing, and all copies of the foregoing are trade secrets, Confidential Information and proprietary property of Aurigo, having great commercial value to Aurigo. Accordingly, each Party agrees that the Confidential Information it receives from the other Party will be disclosed only to such of its employees and agents who have a need to know such particular information in furtherance of their duties and are bound to an enforceable written agreement prohibiting them from disclosing any such information to any other Party or using such information except for the purposes permitted by this Agreement.
- 7.3** Nothing in this Agreement will prevent the receiving Party from disclosing the other Party's Confidential Information to the extent the receiving Party is legally compelled to do so by any court or governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction, on condition that prior to the disclosure, the receiving Party shall (i) assert the confidential nature of the Confidential Information; (ii) immediately notify the disclosing Party in writing of the order or request to disclose; and (iii) cooperate fully with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.
- 7.4** Each Party acknowledges and agrees that due to the unique nature of Confidential Information, there can be no adequate remedy at law for any unauthorized use or copying of the Services or Deliverables by Customer or any breach of the obligations under this Section 7 regarding Confidential Information by either Party. Any such breach would result in irreparable harm to the non-breaching Party and, therefore, upon any such alleged breach, the non-breaching Party will be entitled to seek appropriate equitable relief, in addition to whatever remedies it might have at law, in equity or under this Agreement.
- 7.5** Aurigo recognizes the Customer is a municipal entity subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that Customer is obligated to disclose records upon request unless a specific exemption from disclosure exists. Nothing in the Agreement is intended to prevent the Customer's compliance with the Public Records Act, and Customer shall not be liable to Aurigo due to Customer's compliance with any law or court order requiring the release of public records. In the event the Customer receives a request requiring the release of Aurigo's information, Customer will provide Aurigo with notice and an opportunity to obtain a court protection pursuant to Washington State Public Records Act, Chapter 42.56 RCW.

8. INDEMNIFICATION AND LIMITATION OF LIABILITY

- 8.1** Each Party (the “Indemnitor”) will defend, indemnify and hold harmless the other Party, including its officials, affiliates, officers, directors, agents, employees, and representatives (jointly and severally, the “Indemnitees”), from and against proceedings and losses resulting from or arising out of: (a) the acts or omissions of the Indemnitor or its agents, employees, contractors, or subcontractors, except to the extent such losses result from the negligence or willful misconduct of the Indemnitee or its agents; (b) any breach of any representation or warranty of the Indemnitor contained in this Agreement; or (c) any breach of any covenant or obligation to be performed by the Indemnitor under this Agreement. In the event any claim is brought against a Party that may give rise to an indemnifiable loss, that Party will provide the other Party with prompt notice of such claim and reasonably cooperate in connection with such claim; provided, however, a Party’s obligation to defend the other Party against Proceedings and losses does not extend to proceedings between the Parties. Neither Party, nor any attorney engaged by a Party, shall defend the claim in the name of the other Party, nor purport to act as legal representative of the other Party, without first receiving from its Authorized Representative authority to act as legal counsel for that Party. Neither Party shall settle any claim on behalf of the other Party without the approval of an Authorized Representative. Indemnitee will control the defense of any Proceeding, through its chosen counsel; provided, however, in such instance, the Indemnitee will allow the Indemnitor to participate in the settlement or defense of any Proceeding, at the Indemnitor’s own expense.
- 8.2** Aurigo will defend Customer against any claims made by an unaffiliated third party that any Services infringes that third party’s patent, copyright or trademark or makes intentional unlawful use of its trade secrets or confidential information. Aurigo will also pay the amount of any resulting adverse final judgment (or settlement to which Aurigo consents). This section provides Customer’s exclusive remedy for these claims. Customer must notify Aurigo promptly in writing of the claim and give Aurigo control over its defense or settlement of the claim. Aurigo will work with Customer’s designated representative to process and defend against the claim. Customer’s designated representative must provide Aurigo with reasonable assistance in defending the claim. Aurigo will reimburse Customer for reasonable out of pocket expenses that it incurs in providing that assistance, but Aurigo will not be liable to Customer for any attorney fees of counsel hired by Customer unless Aurigo has expressly agreed to pay such fees in advance and in writing.
- 8.3** Aurigo’s obligations in Section 8.2 will not apply to the extent that the claim or award is based on:
- a) Customer’s use of the Services after Aurigo notifies it to discontinue its use due to a third party claim;
 - b) Damages attributable to the use of a non-Aurigo product, data or business process;
 - c) Customer’s use of Aurigo’s trademark(s) without express written consent to do so;
 - d) Any trade secret or undisclosed information claim, where Customer acquires the trade secret or undisclosed information (1) through improper means; (2) under circumstances

giving rise to a duty to maintain its secrecy or limit its use; or (3) from a person (other than Aurigo) who owed to the Party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret or undisclosed information.

- 8.4** If Aurigo receives information concerning an infringement claim related to the Services, Aurigo may, at its expense and without obligation to do so: (1) procure for Customer the right to continue to use the allegedly infringing Services, (2) modify the Services, (3) replace the Services with a functional equivalent, to make it non-infringing, in which case Customer will immediately stop using the allegedly infringing Services after receiving notice from Aurigo; or (4) terminate the License as to the infringing Services and refund any amounts paid in advance by Customer for unused Services.
- 8.5** IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 8.6** EXCEPT WITH RESPECT TO AURIGO'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL INVESTMENT AS DEFINED IN SCHEDULE B OF THIS AGREEMENT.

9. INSURANCE

9.1 Prior to commencing the Services, Aurigo shall procure and maintain at its sole cost and expense at least the following insurance, covering its obligations under this Agreement.

A. Insurance Coverages:

- i. Worker's compensation and employer's liability insurance as required by the State of Washington;
- ii. General public liability and property damage insurance in an amount not less than a combined single limit of two million dollars (\$2,000,000) for bodily injury, including death, and property damage per occurrence;
- iii. Professional Liability/Errors and Omissions Insurance (including Technology Errors and Omissions) of at least \$1,000,000 per occurrence and \$2,000,000 in the annual aggregate;
- iv. Cyber liability insurance with coverage of not less than \$1,000,000 per occurrence and \$5,000,000 in the annual aggregate which shall include but not be limited to coverage, including defense, for the following losses or services:

- a) Network security liability arising from: (1) the unauthorized access to, use of, or tampering with computer systems, by an outside party, including hacker attacks or a virus introduced by a third party; or (2) the inability of an authorized third party to gain access to supplier systems and/or Customer Data, including denial of service, unless caused by a mechanical or electrical failure; (3) introduction of any unauthorized software computer code or virus causing damage to Customer Data or any other third party data.
 - b) Event management services and first-party loss expenses for a data breach response including crisis management services, credit monitoring for individuals, public relations, legal service advice, notification of affected parties, independent information security forensics firm, and costs to re-secure, re-create and restore data or systems.
- B. The amounts listed above are the minimum deemed necessary by Customer to protect Customer's interests in this matter. Customer has made no recommendation to Aurigo as to the insurance necessary to protect Aurigo's interests and any decision by Aurigo to carry or not carry insurance amounts in excess of the above is solely that of Aurigo.
- C. All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Excepting the professional liability insurance, Customer will be named on all insurance as an additional insured. Aurigo shall submit a certificate of insurance to Customer evidencing the coverages specified above, together with an additional insured endorsement naming Customer, within fifteen (15) days of the execution of this Agreement. The additional insured endorsement shall provide that to the extent of Aurigo's negligence, the Aurigo's insurance shall be primary and non-contributing as to Customer, and any other insurance maintained by Customer shall be excess and not contributing insurance with respect to Aurigo's insurance. The certificates of insurance shall cover the work specified in or performed under this Agreement. No cancellation, reduction or modification of the foregoing policies shall be effective without thirty (30) days prior written notice to Customer.
- D. Aurigo's maintenance of insurance as required by this Section 9 shall not be construed to limit the liability of Aurigo to the coverage provided by such insurance, or otherwise limit Customer's recourse to any remedy available at law or equity. Further, Aurigo's maintenance of insurance policies required by this Agreement shall not be construed to excuse unfaithful performance by Aurigo.

10. GENERAL TERMS

- 10.1 Parties’ Relationship; Non-exclusivity.** The Parties acknowledge and agree that their relationship is that of independent contracting entities. This Agreement does not create any form of legal association that would impose liability upon one Party for any act or omission of the other, nor does it preclude either Party from conducting similar business with other parties.
- 10.2 Notices.** Notices, authorizations, and requests to either Party in connection with this Agreement must be sent by regular or overnight mail, or express courier, to the addresses listed below. Notices will be treated as delivered on the date shown on the return receipt. Termination of the Agreement, a subscription, or cancellation of a subscription initiated by a Customer should be sent via the Aurigo customer service contact.

Notices to Aurigo:	Copies to Aurigo
Hugh Kreizenbeck Director of Sales Aurigo Software Technologies Inc. 8310-2 N Capital of Texas Highway Prominent Pointe II, Suite 100 Austin, TX 78731 Phone: (602) 339-1541 Email: hugh.kreizenbeck@aurigo.com	Contract notices email address: contracts@aurigo.com

Notices to Customer:	Copies to Customer
City of Redmond MS: 3SFN Service Desk P.O. Box 97010 Redmond, WA 98073-9710	servicedesk@redmond.gov

- 10.3 Assignment.** Neither party may assign any rights or delegate the performance of any duties under this Agreement without the prior written consent of the other party.
- 10.4 Severability.** If a court holds any provision of this Contract to be illegal, invalid or unenforceable, the rest of the document will remain in effect and this Agreement will be amended to give effect to the eliminated provision to the maximum extent possible.
- 10.5 Non-waiver.** A waiver of any breach of this Agreement is not a waiver of any other breach. Any waiver must be in writing and signed by an Authorized Representative of the waiving Party.
- 10.6 City Business License.** Aurigo has obtained, or agrees to obtain, a business license from Customer prior to commencing to perform any Services. Aurigo will maintain the

business license in good standing throughout the term of this Agreement.

- 10.7 Applicable law.** This Agreement is governed by the laws of the State of Washington without regard to its conflict of laws principles.
- 10.8 Dispute Resolution.** The Parties agree that any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled to the extent possible by good faith negotiations. Any dispute which the Parties cannot resolve by good faith negotiations within 30 days or such longer period as the Parties may mutually agree, shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a single arbitrator appointed in accordance with such Rules. The arbitration will take place in Seattle, WA, USA, in the English language and the arbitral decision may be enforced in any court. Notwithstanding the foregoing, claims for injunctive or equitable relief or claims regarding Intellectual Property rights may be brought in any competent court. Subject to the preceding arbitration provision, the Parties consent to exclusive jurisdiction and venue in the state and Federal courts located in Seattle, WA.
- 10.9 Entire Agreement; Amendment.** This Agreement and the incorporated attachments and documents constitute the entire agreement between the Parties and supersede all prior agreements, understandings and other communications with respect to the subject matter hereof. Except as specifically provided for in this Agreement, no modification or amendment of this Agreement will be effective unless in writing and executed by a duly Authorized Representative of each Party.
- 10.10 Cooperative Purchasing.** To the extent the procurement regulations of Customer permit another state/local government to procure Aurigo's services under the terms and conditions of this Contract, Aurigo has a cooperative purchasing program under which it would allow for such procurement, provided that the procurement is also in accordance with that state/local government's procurement regulations. The term "state/local government" includes any State, local, regional, or tribal government, or any instrumentality thereof. Any such state/local government is required to separately sign the Aurigo Service Subscription Agreement.
- 10.11 Force majeure.** Neither Party will be liable for any failure in performance due to causes beyond either Party's reasonable control (such as fire, explosion, power blackout, earthquake, flood, severe storms, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism (including cyber terrorism), acts of God, acts or omissions of Internet traffic carriers, actions or omissions of regulatory or governmental bodies (including the passage of laws or regulations or other acts of government that impact the delivery of Services)). This Section does not apply to Customer's payment obligations under this Agreement to the extent that any services continue during the force majeure period, for services rendered prior to the force majeure period, or once services resume following the force majeure period.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first above written.

City of Redmond

Signature

Printed Name

Printed Title

AURIGO SOFTWARE TECHNOLOGIES

Signature

Kevin Koenig

Chief Revenue Officer



**Statement of Work: Schedule B – Scope and Investment
for
City of Redmond, Washington**

Date: August 29, 2024



Attention:
Maria O’Neill
Technology Project Manager
City of Redmond, WA



Aurigo Contact

Hugh Kreizenbeck
Enterprise Account Executive
Aurigo Software Technologies Inc.
8310-2 N Capital of Texas Highway
Prominent Point II, Suite 100
Austin, TX 78731
Direct: 1-602-339-1541
Email: hugh.kreizenbeck@aurigo.com

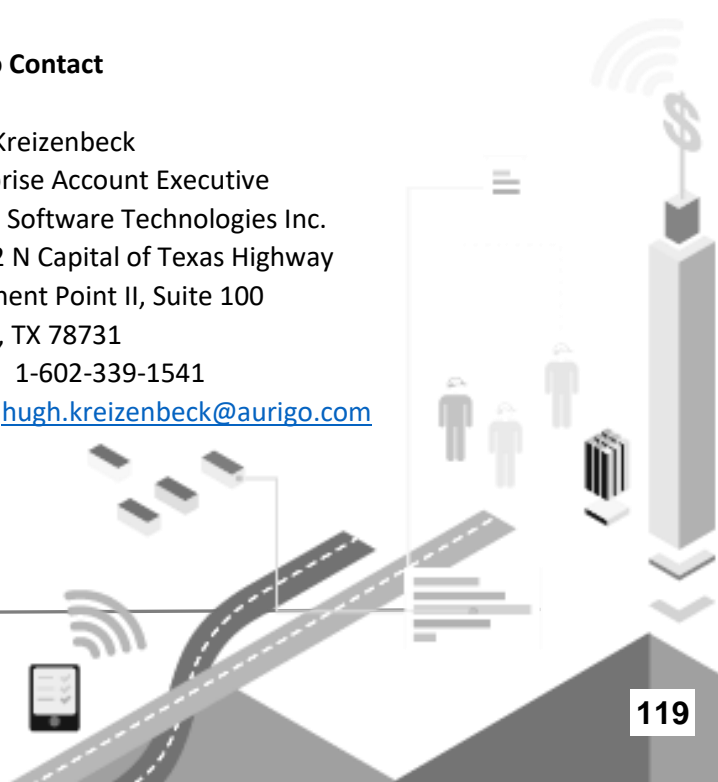




Table of Contents

- 1 Purpose 3
- 2 Investment Summary..... 4
 - 2.1 Professional Services Milestone Payment Schedule..... 6
- 3 Implementation Services Scope 7
 - 3.1 Integration Services 12
 - 3.2 Data Migration Services 13
 - 3.3 Masterworks Environments..... 13
 - 3.4 Deliverable Review and Approval Timeframes 14
- 4 Project Schedule 15
 - 4.1 Project Milestone Calendar 15
- 5 Client Responsibilities and Implementation Assumptions 16
- 6 Statement of Work: Schedule B – Scope and Investment Approval 17

1 Purpose

This **Statement of Work: Schedule B – Scope and Investment** ("SOW") is between Aurigo Software Technologies, Inc. ("Aurigo") and City of Redmond, Washington ("Client"). This SOW incorporates by reference the terms and conditions of the Service Subscription Agreement ("SSA") between Aurigo and Client. In the event of an inconsistency between the terms of this Statement of Work and the SSA, the terms of the SSA shall control.

The purpose of this **Statement of Work: Schedule B – Scope and Investment** document is to provide the Client with the investment and scope to implement Masterworks for the Client.

2 Investment Summary

The following details the investment for the Client for the implementation and subscription of Masterworks.

Annual Software Subscription

Subscription Item	Subscription Detail	Annual Price
Aurigo Masterworks Cloud	Products: <ul style="list-style-type: none"> Aurigo Masterworks Cloud Platform Masterworks Capital Planning Masterworks Construction Project Management Data Link Mobile 	\$ 131,640.00
Aurigo Gold Support		\$ 19,746.00
Total Annual Subscription:		\$ 151,386.00

Implementation and Development Services

Subscription Item	Subscription Detail	Services Price
Masterworks Implementation, Setup, Deployment and Training	Per the Implementation Services Scope section below	\$ 161,012.00
Integrations	Per the Integration Services section below	\$ 19,040.00
Total One-Time Implementation:		\$ 180,052.00

5 Year Total Cost of Ownership Investment

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Subtotal
Masterworks Subscription	\$131,640	\$135,589	\$139,657	\$143,847	\$148,162	\$698,895
Gold Support	\$19,746	\$20,338	\$20,948	\$21,576	\$22,223	\$104,831
Implementation Services	\$35,494	\$144,558	-	-	-	\$180,052
<i>Subtotal by Year</i>	<i>\$186,880</i>	<i>\$300,485</i>	<i>\$160,605</i>	<i>\$165,423</i>	<i>\$170,385</i>	
Total Investment (5) Years						\$983,778

Payment Terms:

- Contract Term** – The contract term is two (2) years with successive one (1) year auto-renewals. All pricing specified in this SOW is subject to change after the expiration of the initial contract term.
- Annual Software Subscription** - The annual software subscription is due upon contract signing of this Schedule B and every anniversary date thereafter. The Annual Subscription is subject to a 3% increase after year 1 of the contract.

-
3. **Travel and Expenses** - Travel expenses and course material reproduction (if requested) are not included in the investment. Aurigo will follow the Client's travel policy. These expenses will be billed as incurred as actuals.
 - a. The Client Project Manager may request Aurigo travel onsite as long as there are no Aurigo or government travel restrictions in place.
 - b. Aurigo Project Manager to request travel authorization from the Client before any Aurigo staff travel onsite as long as there are no Aurigo or government travel restrictions in place.
 - c. Aurigo travel expenses to be invoiced monthly, with attached receipts, and reimbursed by the Client
 - d. Aurigo will comply with the Client's Travel Policies. Travel costs will be reimbursed based on actual expenses limited by Federal Travel Regulations (FTR) and the CONUS rate for the Client's State. The FTR breaks down meals and incidental expenses at its website: www.gsa.gov/mie. The first and last travel days are calculated at seventy-five percent (75%). The lodging rate excludes taxes and fees. Taxes and fees are reimbursable.
 4. **Professional Service Milestone Payment Schedule** - Payment for Professional Services (e.g., implementation, integration, etc.) shall be invoiced and be due and payable as identified in section *3.1 Professional Services Milestone Payment Schedule*.

Pricing Notes:

1. **Annual Software Subscription** – The Annual Software Subscription is based on:
 - a. The annual software subscription investment for up to five hundred (500) named users (50 internal and 450 external).
 - b. A DocuSign ISV Embedded eSignature Plan is not included as part of the Client's subscription. Aurigo can provide a DocuSign ISV Embedded eSignature Plan consisting of unlimited user and 2,500 envelopes for an additional cost.
2. **Support** - The pricing specified in the proposal includes Aurigo's Gold Support Plan.
3. **Scope Assumptions** - The services quoted were calculated based on the requirements discussed with the Client and Aurigo's interpretation of those requirements. Any changes to the assumptions or requirements which extend the project duration will trigger the Project Change Control process.
4. **Change Control** - Any change to the agreed-upon project schedule or scope outside Aurigo's control and extending the project duration will trigger the Project Change Control process. All Change Orders will be provided based on annual billable additional service rates.

2.1 Professional Services Milestone Payment Schedule

ID	Services Payment Milestones	Amount	Invoice Frequency
1	Project and System Initiations: - Deployment of Masterworks base builds used during implementation for configuration, development, testing, and training - Project site setups - Team charter and project initiation	\$9,002.60	On Completion
2	Project Management Services Status reports Project schedule maintenance	\$9,002.60	9 Monthly Payments of \$1,000.29 each
Project Planning Phase			
3	Baselined Project Schedule	\$9,002.60	On Approval
4	Project Management Plan (PMP)	\$9,002.60	On Approval
5	Requirements Traceability Matrix	\$9,002.60	On Approval
6	Stakeholder Project Kick-off Meeting	\$9,002.60	On Completion
Business Process Mapping Phase			
7	Business Process Mapping Workshop Plan	\$9,002.60	On Approval
8	Business Process Mapping Workshop	\$14,404.16	Monthly Progress
9	Functional Specifications 50% Complete	\$9,002.60	On Completion
10	Functional Specifications 100% Complete	\$9,002.60	On Completion
11	Technical Specifications 100% Complete	\$3,601.04	On Completion
Solution Configuration			
12	20% Configuration Complete	\$9,002.60	On Completion
13	40% Configuration Complete	\$9,002.60	On Completion
14	60% Configuration Complete	\$9,002.60	On Completion
15	80% Configuration Complete	\$9,002.60	On Completion
16	100% Configuration Complete – Ready for UAT	\$9,002.60	On Completion
Solution Testing			
17	Test Plan	\$1,800.52	On Approval
18	System Integration Testing	\$11,703.38	On Completion
19	User Acceptance Testing	\$11,883.43	On Completion
Training			
20	Training Plan	\$1,800.52	On Approval
21	Training Material	\$3,601.04	On Completion
22	Training Delivery	\$3,601.04	On Completion
Services Payment Milestones Total:		\$180,052.00	

3 Implementation Services Scope

Deliverables	Scope	Scope Detail
ACM Deliverables		
Project Planning	Deliverables to be provided as part of Project Planning.	<ul style="list-style-type: none"> - Kickoff Presentation - Project Management Plan (Lean Approach) - Project Schedule - Project SharePoint Site Setup - Requirements Traceability Matrix (RTM) Setup - Requirements Validation and Mapping (RVM) Sessions Plan
Requirements Validation Mapping (RVM)	Delivery and documentation of RVM sessions.	<ul style="list-style-type: none"> - RVM Sessions - Requirements RACI - Configuration Specifications - Risk and Issues Log (if applicable) - Feedback Log (if applicable)
Solution Configuration	Delivery of configuration solution.	<ul style="list-style-type: none"> - Configured Solution - Updated Feedback Log
Solution Testing	The setup, configuration and testing of the production, test and training environments.	<ul style="list-style-type: none"> - User Acceptance Testing (UAT) – Development of UAT environment, plan, testing, and results. - System Integration Testing – See section 3.1 Integration Services. - Data Migration Testing – See section 3.2 Data Migration Services
Training	Training material development and training delivery.	The training deliverables are identified in the Training and Warranty Services section below.
Production Release		<ul style="list-style-type: none"> - Deployment Plan - Post Go-Live Support Plan
Project Closeout and Transition to Support		<ul style="list-style-type: none"> - Lessons Learned - Transition to Support - Client Acceptance
Project Management Services		
Project Management	Project Management services to manage the implementation from contract execution through the Warranty period.	<ul style="list-style-type: none"> - Primary project point-of-contact - Project schedule and status Reporting - Issue and Change Management
Environment Provisioning and Configuration		
Masterworks Environments	Environments are set up and configured for use by the Client.	All environments to be delivered are in section 3.3 – Masterworks Environments .

<p>Templates</p>	<p>Provisioning of the best practice out-of-the-box library templates.</p>	<p>Preconfigured libraries to be provided:</p> <ul style="list-style-type: none"> - Business Units (Divisions) - Budget - Contract - Project Management - Calendar - Documents - Vendors - Phases
<p>System Services</p>		
<p>User Administration</p>	<p>Provisioning of the best practice out-of-the-box roles and permission settings. System Administrator training will present how to manage User Administration (e.g., new users, new roles, etc.).</p>	<p>Any additional configuration changes are to be performed by Client designated System Administrators.</p>
<p>Core Business Processes</p>	<p>Provisioning of the best practice out-of-the-box business processes. Each business process (listed in the next column) consists of a preconfigured Form. Most forms have a preconfigured workflow for submission and approval routing. These core business processes cannot be edited.</p>	<p>Project Level:</p> <ul style="list-style-type: none"> - Budget Estimates - Budget Estimate Revision - Forecasts - Engineers Estimate Details - Contract Details - Contract Forecast - Contract Change Order - Pay Estimates - Asset Checklist - User Management - Document Management <p>Contract Level:</p> <ul style="list-style-type: none"> - User Management - Document Management <p>Planning Level:</p> <ul style="list-style-type: none"> - Planned Project - Fund Plan - Program - Master Program
<p>Planning and Construction Management Business Processes</p>	<p>Provisioning of the best practice out-of-the-box business processes. Each business process consists of a preconfigured Form. The business process forms are configurable.</p>	<p>Enterprise Level:</p> <ul style="list-style-type: none"> - Global Fund List - Fund Transaction <p>Project Level:</p> <ul style="list-style-type: none"> - Project Phases - Project Fund List - Project Fund Transaction - Project Fund Rules

		<ul style="list-style-type: none"> - Purchase Order - Expenses - Request For Information - Minutes of Meeting - Risk Register - Submittals - Submittal Package - Transmittals - Daily Progress Report - Item Posting - Materials on Hand - Pay Estimates - Punch List - Inspections - Location - Health Report <p>Project Level – Consulting Contract:</p> <ul style="list-style-type: none"> - Request for Project Number - Project Details - Contract Intake Checklist - Spec Approval - Bid Estimate <ul style="list-style-type: none"> o Bid Items o Bid Letting o Bid Management
<p>Business Processes Configuration</p>	<p>Changes on up to ten (10) of the forms for the Planning and Construction Management Business Processes identified above. Changes include the addition of data fields, reordering of fields, and modifying field captions.</p>	<p>RVM sessions, Business Requirements Specification documentation, and configuration change for Forms and Workflows.</p> <p>Processes to be Configured:</p> <ul style="list-style-type: none"> • Resource Management
<p>Business Processes Development</p>	<p>Development of up to ten (10) new business processes.</p>	<p>All Business Processes:</p> <p>RVM sessions, Business Requirements Specification documentation, and configuration change for Forms and Workflows.</p> <p>New Processes to be Developed:</p> <ul style="list-style-type: none"> • Grant Management • Submit, review, and process contractor payments, including: <ul style="list-style-type: none"> o Tracking paid and unpaid work

		<ul style="list-style-type: none"> ○ Different pay schedules and retention amounts ○ Effective date rate changes ○ Track by unit <p>Liquidated damages</p>
<p>Dashboards and Reports</p>	<p>Provisioning of the out-of-the-box best practice dashboards.</p>	<p>Out-of-the-box Planning and Construction Management Dashboards and Reports:</p> <ul style="list-style-type: none"> - Enterprise Level Dashboards <ul style="list-style-type: none"> ○ Enterprise Fund Summary ○ Portfolio Summary by Status ○ Project Summary by Status - Project Level Dashboards <ul style="list-style-type: none"> ○ Project Budget vs. Actual Spent ○ Project Fund Summary ○ Project Management ○ Project Resource Management ○ Project Risk and Issues ○ Schedule Dashboard - Planning Level Dashboards <ul style="list-style-type: none"> ○ Plan Summary by Program Category ○ Project Approval Funnel ○ Program Cost Chart ○ In-Year Budget Changes ○ In-Year Forecast Changes - Enterprise Level Reports <ul style="list-style-type: none"> ○ Budget vs. Actuals ○ Delayed Projects Based on Schedule ○ Enterprise Cost Sheet ○ Enterprise Schedule ○ Project Funding Overview ○ Mobile Sync - Project Level Reports <ul style="list-style-type: none"> ○ Funding Details by Budget Items ○ Funding Details by Contract ○ Project Funding Summary

		<ul style="list-style-type: none"> ○ Purchase Order Details ○ Purchase Order Original Items Details ○ Purchase Order Revision Details - Contract Level Dashboards <ul style="list-style-type: none"> ○ Change Management ○ Contract Work Progress ○ Contracts Bills and Payments - Contract Level Reports <ul style="list-style-type: none"> ○ Change Management ○ Contract Financial Summary ○ Contract Work Progress ○ Contracts Bills and Payments ○ Contract Level Reports ○ Change Order by Date ○ Completed Items ○ Item Reconciliation ○ Rework Items ○ Item Postings by Item Progress ○ Item Postings <p>Configured Dashboards:</p> <ul style="list-style-type: none"> - Up to five (5) dashboards <p>Configured Reports:</p> <ul style="list-style-type: none"> - Up to five (5) reports
Training and Warranty Services		
System Administrator Training	Instructor led System Administration training for up to fifteen (15) users per course. Will cover user administration, permissions, security access/permissions, system and functional configuration, Form Builder, Workflow Management, and Ad-hoc reporting.	<ul style="list-style-type: none"> - One (1) course(s) - A course is up to eight (8) hours in duration for two (2) days.
Train-the-Trainer Training	Instructor led Train-the-Trainer training for up to fifteen (15) users per course. This training is to train Trainers who will provide all end-user training. Will cover the	<ul style="list-style-type: none"> - One (1) course(s) - A course is up to forty (40) hours in duration and will be delivered over seven (7) consecutive days (No more than (6) hrs. / day).

	functional processes as configured for the Client.	
Training Materials & Documentation	Training Materials & Online Help documentation	<ul style="list-style-type: none"> - Training Materials comprising: <ul style="list-style-type: none"> o Presentation Deck for each training course o Participant Guide for Train-the-Trainer Training course - Documentation: - Context Sensitive Help documentation accessible to authorized users from within the configured system

3.1 Integration Services

The ability to import a Microsoft Project file (*.MPP) is a standard feature of Masterworks. Aurigo will deliver all interfaces identified in the table below. However, for any additional interfaces that may be discovered during the business process mapping phase, including an integration to Project Cloud for real time updates, the Client can procure these services by initiating a change request as defined in the **Statement of Work: Schedule A – Product and Services Approach**.

The following integration services will be developed as part of this Statement of Work:

- DocuSign (electronic signature)
- Microsoft Azure Active Directory (Authentication)
- ESRI ArcGIS (Geographical Information System)
- Bluebeam Revu (Plan Review and Construction Document Management)
- PowerBI (Reporting)

Integration System	Data flow	Integration Method	Hours
Power BI	Data warehouse <-- Masterworks	Data Link product	0
Azure AD	Masterworks <--> City's Azure AD	SAML2.0	0
Bluebeam REVU	Masterworks <--> Bluebeam	REST API based	0
ESRI ArcGIS	Masterworks <--> ArcGIS	OOB – ArcGIS REST services. Parcel Association is not OOB.	112
DocuSign	N/A	Configuration - DocuSign client id, Api user id, Auth server and Private key as input	0

- Details of the integration services have been shared with the City via the Integration Discovery document dated 19th July 2024.

3.2 Data Migration Services

Data Migration discovery of 50 hours have been allocated in this Statement of Work.

3.3 Masterworks Environments

Aurigo will set up the following environments to execute this project successfully and deliver a high-quality solution to the Client. Aurigo follows the Continuous Improvement – Continuous Deployment (CI-CD) process to promote builds from one environment to the other. Only Aurigo's Dev-Ops teams will have access to installing and making changes to the environment. Aurigo's deployment checklists, including deployment and roll-back plans, will help seamlessly promote the builds. The following environments will be available during the implementation:

Environment	Description
Sprint Review	<ul style="list-style-type: none"> The primary purpose of this environment is to review the sprint releases during the solution configuration phase. Aurigo will also use this environment to introduce Masterworks to the Client users during the business process mapping phase. Aurigo will set up this environment before the Business Process Mapping phase. Aurigo will update this environment at a minimum at the end of each Sprint.
System Integration Testing (SIT)	<ul style="list-style-type: none"> The primary purpose of this environment is for the Client to perform System Integration Testing (SIT) and Data Migration Testing (DMT). Aurigo will set up this environment before the System Integration Testing (SIT) begins. This environment will have interfaces to the Client's external system that are in scope and the migrated data.
User Acceptance Testing (UAT)	<ul style="list-style-type: none"> The primary purpose of this environment is for the Client to perform User Acceptance Testing (UAT). Aurigo will set up this environment before the UAT begins. This environment will have interfaces to the Client's external system that are in scope and the migrated data.
Training	<ul style="list-style-type: none"> The primary purpose of this environment is to train the Client users. Aurigo will set up this environment before the first training begins and throughout the training period. Aurigo will use this environment to set up the training data and execute the training. The data will match the UAT or Pre-Production (whichever is the latest).
Production	<ul style="list-style-type: none"> This environment will be the production environment with active interfaces, migrated, and live data. This build will be set up and commissioned for use after the UAT and before Go-Live.
Pre-Production	<ul style="list-style-type: none"> The primary purpose of this environment is to test the production updates after Go-Live. Aurigo will set up this environment along with the production environment.

Environment	Description
	<ul style="list-style-type: none"> All releases or updates to the production environment post Go-Live will be updated, tested, and certified on this environment.

The only available builds post-implementation will be the Production, Training, and UAT environments. All use of the other environments will be discontinued.

3.4 Deliverable Review and Approval Timeframes

There is a standard process and timeline for reviewing and approving the project deliverables. Project deliverables include, but are not limited to, the following:

- Documentation deliverables, such as plans, requirements, or specifications
- Payment milestones
- Test results or other documentation of work performed
- Software and Software Configurations

Client will acknowledge receipt of a Deliverable within twenty-four (24) hours of delivery, excluding weekends and holidays. Below are the agreed-on timeframes for all reviews and approvals for the project:

Deliverable Status	Client Approval Turnaround Timeframe
Deliverable Review	Five (5) business days
Deliverable Approval	Five (5) business days
Amended Deliverable	Three (3) business days

In the event the Client discovers a defect during the deliverable review, the Client will notify Aurigo of the requested change as soon as practicable (the “Deliverable Notification”). The Aurigo team will acknowledge receipt of the requested change within one (1) Business Day of receipt of the Deliverable Notification. The Aurigo team will review and update the agreed upon changes in the deliverable. The amended deliverable will then be resubmitted to the Client for approval. The Client revision turnaround timeframe for any subsequent deliverable reviews will be no more than two (2) business days. Any additional requested changes will be limited to the original feedback items and will not include new changes, or items.

4 Project Schedule

4.1 Project Milestone Calendar

A detailed project schedule in MS Project will be developed jointly with the Client during the Project Planning phase of the implementation. The plan assumes contract execution by September 17, 2024, and a production Go-Live in July 2025. Below is a **DRAFT** high-level project milestone calendar by project phases and planned phase durations.

City of Redmond PPM Implementation	2024				2025							
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Contract Execution												
Project Initiation and Mobilization												
Project Planning												
Requirements Validation and Mapping												
Solution Configuration and Integration												
Solution Testing												
Training												
Production Release												
Project Closeout and Transition to Support												

Assumption: The project milestone calendar is based on the assumption that the contract will be executed on or before Sep 17, 2024.

5 Client Responsibilities and Implementation Assumptions

The following responsibilities and implementation assumptions are necessary to successfully implement Masterworks for the Client. If an item below does not occur in the manner or time frame defined, Aurigo may request to meet with the Client and mutually agree on an adjustment to the schedule, scope, and investment.

1. The Client will ensure the committed participation of all appropriate technical and user personnel throughout the project. Client resources assigned during the implementation must be empowered to make decisions on project deliverables and direction.
2. Unless specifically identified as a deliverable within this document, any item (e.g., data migration, integration, etc.) is not included within the scope of the Aurigo implementation. These items can be included through the Change Control process.
3. Aurigo will provide soft copies of all the training materials. The Client will be responsible for printing required hard copies and distributing them to participants if printed copies are required.
4. All change requests will follow the Change Control process. Any changes must be signed and accepted by the Client before initiating additional work by the Aurigo team.
5. The Client shall have the right to approve proposed new Key Personnel prior to reassignment to the project.
6. Aurigo will allocate, at a minimum, one (1) BA and one (1) PM to the project. The Aurigo BA and PM will manage any additional staff, as needed.
7. The implementation team will be available between 8:00am and 5:00pm PST.

6 Statement of Work: Schedule B – Scope and Investment Approval

As of the last signature date shown below, both parties hereto agree that the requirements listed in this **Statement of Work: Schedule B – Scope and Investment Approval** ("SOW") to define the scope of this engagement and are the basis for the offered pricing. Any changes or modifications to the requirements listed in this SOW require a Change Order governed by the Implementation Change Control Plan defined in the **Statement of Work: Schedule A – Product and Services Approach**.

Signing for the City of Redmond, Washington (the "Client"):

(Signature) (Date)

Printed Name: _____

Title: _____

Signing for Aurigo Software Technologies, Inc. ("Aurigo"):

(Signature) (Date)

Printed Name: _____

Title: _____

R = Required
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 N = Nice to have
 E = Explore

City of Redmond

Project Portfolio Management Solution Requirements

	Proposing Vendor and Solution Information	Response
	Vendor Information	
	Contact: Name, Title	The primary point of contact for Aurigo: Name: Hugh Kreizenbeck Title: Director of Sales
	Contact Phone(s)	602.339.1541
	Contact Email	hugh.kreizenbeck@aurigo.com
	Company Information	
	Year founded	Aurigo Software Technologies, Inc. was founded in 2003.
	Parent company (if separate)	Aurigo Software Technologies, Inc. is a privately held US corporation. It does not have a parent company.
	Company genealogy (name changes, mergers)	Aurigo has never been part of a merger, acquisition, or reorganization. Aurigo Software Technologies, Inc. has always operated under the same name.
	Public vs. private, exchange listing if public	Aurigo Software Technologies, Inc. is a privately held US corporation.
	Vendor Employees	
	Total	Aurigo currently has 550+ full-time employees.
	Number of employees dedicated to proposed software	A minimum of five Aurigo Team members will be assigned to the project. The standard roles for the Aurigo Team are Project Manager, Business Analyst, Training Lead, Integration Specialist, and Solution Architect. Additional experts and technicians like Configuration Specialists and Data Migration experts will be brought in to work on specified tasks per the project's scope.
	Vendor Customer Information	
	Total customers	Aurigo has over 20 years of experience providing Commercial-Off-the-Shelf ("COTS") solutions to dozens of North American public sector agencies. Aurigo's customers are 100% public sector, which includes federal, state, and provincial departments, cities, counties, municipalities, and government agencies, with thousands of users using Masterworks' solutions. Aurigo currently has forty-five active clients across the United States and Canada. One is a private entity, and forty-four are various governmental agencies, including eight of the fifty state DOTs that use Aurigo Masterworks Cloud to build and maintain their transportation infrastructure. The exhibit below provides a snapshot of some of Aurigo's clients across North America. Most of these clients are government agencies equal or greater in size to the City:

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City of Redmond Project Portfolio Management Solution Requirements

Proposing Vendor and Solution Information	Response				
	<div style="border: 1px solid black; padding: 10px; text-align: center;">  <p>Aurigo is helping its customers plan and deliver over \$300 billion of capital programs safely and efficiently. Masterworks is suitable for managing all infrastructure projects irrespective of size, scope, cost, or duration.</p> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">  45K+ Mile Of highway managed by agencies using Masterworks </td> <td style="text-align: center; padding: 5px;">  35B Gallons Of drinking water delivered per day by Water agencies using Masterworks </td> <td style="text-align: center; padding: 5px;">  53M+ Passengers Travel every year through Airports agencies that use Masterworks </td> <td style="text-align: center; padding: 5px;">  \$2B+ Import/Export Annually through Ports managing their projects using Masterworks </td> </tr> </table> </div> </div>	 45K+ Mile Of highway managed by agencies using Masterworks	 35B Gallons Of drinking water delivered per day by Water agencies using Masterworks	 53M+ Passengers Travel every year through Airports agencies that use Masterworks	 \$2B+ Import/Export Annually through Ports managing their projects using Masterworks
 45K+ Mile Of highway managed by agencies using Masterworks	 35B Gallons Of drinking water delivered per day by Water agencies using Masterworks	 53M+ Passengers Travel every year through Airports agencies that use Masterworks	 \$2B+ Import/Export Annually through Ports managing their projects using Masterworks		
Percentage of customers in the Public Sector	<p>Aurigo's clients are 98% Public Sector. Our primary client base includes state and provincial departments, cities, counties, municipalities, and other government agencies that employ tens of thousands of people.</p>				
Customers in Washington	<p>Aurigo's clients in Washington include the following:</p> <ul style="list-style-type: none"> • City of Seattle • Snohomish County • King County Metro 				
Customers similar to the City of Redmond	<p>Aurigo clients that are similar to the City of Redmond include Snohomish County (Washington), King County Metro</p>				

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City of Redmond

Project Portfolio Management Solution Requirements

	Proposing Vendor and Solution Information	Response
		(Washington), the City of Las Vegas (Nevada), Fort Bend County (Texas), and the City of Lincoln (Nebraska).
	Implementation model: Direct or Partner	Aurigo will provide all software and services required to implement the City's Project and Portfolio Management solution. We will not be working with a partner.
	Version Schedule	
	Proposed version and release date	<p>Proposed Software Details:</p> <ul style="list-style-type: none"> • Product Name: Aurigo Masterworks Cloud • Current version: 23.3.0 • Current version release date: Aug 17, 2023
	Typical release schedule (major and minor releases)	<p>Aurigo will provide regular software updates to ensure the City has the most current maintenance updates and product upgrades. This well-defined process addresses each release type's scheduling, user experience, and other service factors for each release type. The City will receive advance notice of any system administration or upgrade activity and if any system downtime occurs. The City will also be informed about the content included in each release and the actions required (if any) before applying the update. The City and Aurigo will work together to promote updates and upgrades into production. New versions of Aurigo's software will always be deployed in a Staging/UAT environment for the City to test and approve before being deployed into production.</p> <p>There are two types of software releases:</p> <ol style="list-style-type: none"> 1. Maintenance Releases – Maintenance releases (e.g., bugfix, patch updates, etc.) are generally initiated by a helpdesk ticket filed with the Aurigo Customer Success team. Aurigo will coordinate all maintenance releases with the City's staff to ensure little to no downtime or disruption of business. The Customer Success team will work with the City to identify the earliest opportunity Aurigo can promote the patch from the UAT environment to production. 2. Product Releases - Aurigo publishes a quarterly software update schedule for upgrades showing system configuration, patch management, and release plans for the following twelve (12) months. Aurigo releases new minor versions of its Masterworks software about once per quarter and new major versions every one to two years. There are two types of upgrade releases: <ul style="list-style-type: none"> ○ Major upgrade - The major version upgrade may include workflow changes, UI changes, new security features, or newer modules. This upgrade

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City of Redmond

Project Portfolio Management Solution Requirements

	Proposing Vendor and Solution Information	Response
		<p>release is delivered once every one to two years with prior approval from the City. Aurigo's Professional Services team typically handles major updates because they are generally more complex and may include more than updating the Masterworks software.</p> <ul style="list-style-type: none"> ○ Minor upgrade - The minor version upgrade contains enhancements to existing features, security fixes, and application-level performance enhancements. This upgrade release is delivered no more than four times a year. The Customer Success team or other designated Aurigo representative will contact the City directly a few weeks before the update is scheduled. The Customer Success team will then work with the City to ensure the City is well-positioned to receive the update. The Aurigo Customer Success team will manage the initial deployment to the UAT and the subsequent approval by the City for promotion to production. <p>The system administration and upgrade activities are performed in predefined windows agreed upon by the City and Aurigo. The windows typically occur between the close of business and the start of business the next day. In most cases, Aurigo can adjust downtime scheduling to meet the City's specific needs. Aurigo schedules downtime for major system updates at least 30 days in advance and commits not to exceed 12 hours of system downtime in 98% of cases. The average length of downtime for a complete system update is 2 hours. Any system administration or upgrade work needed to address an unplanned outage will be handled as a system outage as defined in the Service Level Agreement ("SLA"). Aurigo provides all Masterworks patch fixes at no additional cost during the life of the contract with the City.</p>
	Number of prior versions supported	Aurigo provides support for the current and last two major releases of Masterworks. The City can run an older version while preparing to upgrade to the latest/newer version. The City must upgrade if Aurigo announces the discontinuation of support for an older version the City is running.
	Cost Estimate for On-Premises Deployment	
	Licensing Model: (Enterprise, Named, Concurrent)	Aurigo is not offering an on-premise solution.
	License: 50 Users (ability to add users in the future) with 450+ external users (contractors, project managers, etc.)	

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Project Portfolio Management Solution Requirements

	Proposing Vendor and Solution Information	Response
	Implementation Estimate: Include design, configuration, training, travel expenses, installation, data conversion, integration, reports, etc.	
	Other: Indicate any 3 rd party software and associated costs for modules necessary to meet requirements.	
	Annual Support & Maintenance: Percent of software cost	
	Year One	
	Year Two	
	Year Three	
	Year Four	
	Year Five	
	Total Year One Cost	
	Total Five-Year Cost	
	Cost Estimate for Cloud Deployment	
	Licensing Model: (Enterprise, Named, Concurrent)	Named
	Annual Subscription: 50 Users (ability to add users in the future) with 450+ external users (contractors, project managers, etc.)	Year 1: \$122,640 with a 3% increase annually. This subscription fee includes hosting, technical support, and Aurigo software maintenance patches.
	Implementation Estimate: Include design, configuration, training, travel expenses, installation, data conversion, integration, reports, etc.	\$161,012
	Other: Indicate any 3 rd party software and associated costs for modules necessary to meet requirements.	N/A
	Year One	\$283,652 (this includes the implementation estimate noted above)
	Year Two	\$126,319
	Year Three	\$130,109
	Year Four	\$134,012
	Year Five	\$138,032
	Total Year One Cost	\$283,652
	Total Five-Year Cost	\$812,124

Aurigo Professional Service Rates:	
Project Manager, Technical and Solution Architects, Training Lead	\$250 / hour
Business Analysis, Software Configuration, and Testing Specialists	\$225 / hour

Aurigo Pricing Assumptions:	
1	All Pricing specified in the proposal is subject to change after the expiration of the initial contract term.
2	The Pricing specified in the proposal includes Aurigo's Silver Support Plan with 99.9% uptime, not including planned downtime, and phone support from 6 a.m. to 6 p.m. Redmond local time.
3	Aurigo expects to provide all services virtually and does not anticipate the need to bill for travel expenses. However, should travel be required, the expenses will be billed as actuals when they occur. Reimbursement will be per the City's travel policies.
4	Aurigo has included a Data Migration Discovery Session in the implementation scope. This session aims to understand the data migration requirements, define the scope, and provide the City with a defined scope and investment. If the City wants to proceed with the defined data migration scope, it can procure the services using the Project Change Control Process.
5	The Annual Subscription Fees are due upon contract signing and every anniversary date after that.
6	Any change to the agreed-upon scope or project schedule outside Aurigo's control may result in a Project Change Order and additional fees.
7	The Services investment quoted above is calculated based on the scope defined in the RFP, Aurigo's interpretation of those requirements, the City's answers to vendor questions, and the assumptions stated in Aurigo's RFP response. Any substantial changes to the assumptions or scope may result in a Project Change Order and additional fees.
8	Aurigo has provided our system integration approach and investment in the response.
9	The Pricing in this response is considered valid for ninety (90) days from the submission date.

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Project Portfolio Management Solution Requirements

Functional Requirements		Comments – How does the solution address this?
Areas of Functionality		Identify if 3 rd Party solution is required for functionality
R	1. Finance	<p>Masterworks Capital Planning product can manage cash flows, plan multi-year programs, collaborate across key stakeholders, and drive year-on-year execution plans. The product can produce dynamic what-if forecasting for multi-year and multi-regional programs, monthly cash flow forecasting, and multiple plan/forecast comparisons. Masterworks will provide the City with the following capabilities to plan its capital projects seamlessly:</p> <ul style="list-style-type: none"> • Capital Projects: Strategic objectives, multi-year planning, project scoring, approvals, and monitoring progress. • Capital Programs: Create and approve multi-year programs for CIP or TIP programs, determine fund source(s) and fund availability, track decisions, track approvals, and track progress. • Funds: Determine fund sources, fund programs and plans, fund allocations, fund availability, and funding reports • Budgets: Manage cash flows, track funding sources, track itemized costs, track revisions, budget allocation, and budget reports • Analysis: What-if analysis, budget analysis, CIP/STIP phased schedules, cash flow management • Forecasting: Compare multiple forecasts, multi-year cash flows, theoretical forecasting, Inflation adjustments, Interest capitalization, and expenditure curves • Reports and Graphs: Completion status reports, project financial reports, program financial reports, fiscal constraint reports • Integration: Financial systems, data warehouses, project management systems, ESRI/GIS mapping, DocuSign e-signatures
R	2. Project/Portfolio Management	<p>Masterworks has program and portfolio planning capabilities to help the City track numerous projects, allocate funds to the right projects, manage multi-year schedules, and keep projects within budget. Masterworks combines everything the City will need to group projects into portfolios and programs. Program/Portfolio Managers and Directors will have access to screen forms, reports, and dashboards to assist them in managing the business. Masterworks comes with standard reports and dashboards that show KPIs and metrics at the program, portfolio, and project levels. The City can use the Report Builder in Masterworks to configure additional reports and dashboards that show project-related metrics such as project health, schedules, KPIs, cash flows, budget status, and funding availability.</p>

		The City can configure dashboards that display administrator-level information for the Program/Portfolio Managers and Directors. From within the reports and dashboards, authorized users can drill down from the program/portfolio level to the project details or roll up from the project level. Users can display a summary of project schedules at the program and portfolio levels, and Masterworks can perform what-if analyses on projects and portfolios.
R	3. Contract/Bid Management	Masterworks' Estimation and Bidding product provides full procurement and bid management features that support the development of bid packages, management of solicitation invites, enforcement of bid open and close dates, collection of bids, comparison bids, and awarding contracts. The product can create commitment and value statements for all procurements. The City can compare bids with the engineer's estimate and differences in unit bid prices between bidders and the engineer's estimate. The analysis provided by this feature enables managers to determine the most competitive bid before awarding.
R	4. Construction Management	Masterwork's Construction Project Management product is the most complete solution on the market today. The City can use it to plan, track, and manage construction project resources, schedules, budgets, contracts, and risks to ensure projects are on time and within budget. The product supports intricate engineering estimates, contractor/consultant management, worksite equipment and material tracking, and all labor and skills requirements. It combines everything the City needs to plan, track, automate, and manage project funds, budgets, labor, equipment, materials, schedules, contracts, inspections, environmental compliance, and risk management in one integrated solution. The City will have all the information it needs to manage its construction projects.
R	5. Document Management	Masterworks has comprehensive document management capabilities that facilitate collaboration and organization of content in designated project folders. The solution will support document classification, metadata features, and a robust search engine. Business rules and role permissions determine who can upload, check-in or out, move, or delete files. Workflows can be associated with business activities and file types to manage document review and approval processes. Built-in version control allows authorized users to retrieve any version of a document.
R	6. Reporting	Masterworks will help the City stay in front of its projects by bringing real-time reporting to capital programs, construction, and maintenance projects. Masterworks comes with dozens of standard reports with analysis and comparison capabilities that aid decision-making. Additional reports can be configured to address specific requirements. Authorized users can create ad hoc reports, such as fund accounting and vendor summary reports, from any data set in the solution the user can access. Reports, once rendered, can be exported into various formats, including Word, Excel, PDF, PowerPoint, etc. The solution will include many dashboards to provide the City with decision-support assistance.
Technology		

R	7. Deployment model (On premises, cloud single tenant, cloud multi-tenant, etc.).	Masterworks is a SaaS solution hosted in the Cloud on the Amazon Web Services (AWS) public cloud platform. The City's data, configured forms, workflows, reports, and documents will be in a single-tenant environment.
R	8. If cloud deployed, list cloud platform provider utilized (e.g., Azure, Amazon Web Services, etc.).	Masterworks will be hosted on the Amazon Web Services (AWS) public cloud platform.
R	9. If on premises deployed, list server/platforms supported and percentage of customers on each.	Aurigo does not provide on-premise solutions.
R	10. If on premises deployed, list databases supported and percentage of customers on each.	Aurigo does not provide on-premise solutions.
R	11. If on premises deployed, describe virtual server support.	Aurigo does not provide on-premise solutions.
R	12. Describe different levels of support, if offered, including hours of operation.	<p>Aurigo provides world-class client support using an in-house team based out of Aurigo's corporate headquarters in Austin, Texas. The City can contact Aurigo during support hours via telephone or 24x7x365 via email or web portal. Aurigo offers three levels of support for its clients:</p> <ul style="list-style-type: none"> • Aurigo Silver Support: The Silver Support Plan is Aurigo's standard software support plan. Clients receive phone/web support from 8 a.m. to 5 p.m. client local time. The Plan includes restorations for any issues that might arise during normal operations. Each issue is categorized by severity, and Aurigo commits to strict service level agreements (SLAs). Also, the client can access all software updates and upgrades Aurigo produces. Aurigo makes its enhancements available to all clients as they are released so they can run the latest and greatest version of Masterworks. • Aurigo Gold Support: The Gold Support Plan comprises everything in the Silver Plan, increases the response priority, and provides extended support hours from 8 a.m. to 5:30 p.m. client local time. The Plan allows clients to acquire additional blocks of support hours for post-production configuration changes for an additional yearly fee. The amount of support person-hours can be customized to meet the client's needs. • Aurigo Platinum Support: The Platinum Support Plan comprises everything in the Gold Plan, increases the response priority to the highest level, and provides extended support hours from 8 a.m. to 6 p.m. client local time. The Plan allows clients to acquire additional blocks of support hours for post-production configuration changes for an additional yearly fee. The amount of support person-hours can be customized to meet the client's needs. <p>The City can select the Support Plan that meets its needs. All three Support Plans require the City's IT Department or Helpdesk to provide Level 1 support and take initial support calls directly from the</p>

		<p>City's end-users. If the IT Department or Helpdesk cannot resolve a Masterworks software issue, the issue can be escalated to Aurigo's Customer Success team by an authorized City IT Department or Helpdesk staff member. Aurigo will only provide Level 2 and Level 3 support directly to the City's IT Department or Helpdesk staff.</p>																																												
<p>R 13. Describe support service level agreement provided, including target response and resolution times.</p>		<p>Aurigo commits to responding to support requests in a timely manner. If the issue is because of a bug, a fix may take longer, depending on the nature of the bug. The time to fix will be bug-specific, and an estimate will be provided to the City. In such cases, Aurigo will provide a workaround or advisory instructions (such as when the fix will be released into production), stopping the SLA clock for that specific issue. The service level time will be measured from the first communication to Aurigo via email or the support line during standard business hours. To calculate "Time to Repair" accurately, the clock will pause if Aurigo waits for the City's approval, clarification, or confirmation for corrective change. This applies to all severity levels.</p> <p>The SLAs for the target response and resolution times will be outlined in Schedule 2, "Support Plan and Service Level Agreement," of Aurigo's Services Subscription Agreement ("SSA"). The SSA is attached in Section 6 of the Response Document. The SLA times will depend on the issue's severity and the support plan chosen by the City. The following table outlines the typical response and resolution times.</p> <table border="1" data-bbox="732 993 1560 1837"> <thead> <tr> <th data-bbox="732 993 899 1115">Aurigo Support Plan</th> <th data-bbox="899 993 1122 1115">Silver (included with the subscription fee)</th> <th data-bbox="1122 993 1344 1115">Gold (purchased separately)</th> <th data-bbox="1344 993 1560 1115">Platinum (purchased separately)</th> </tr> </thead> <tbody> <tr> <td colspan="4" data-bbox="732 1115 1560 1167">Incident Response Times</td> </tr> <tr> <td data-bbox="732 1167 899 1220">Severity 1</td> <td data-bbox="899 1167 1122 1220">1 Hour</td> <td data-bbox="1122 1167 1344 1220">45 Minutes</td> <td data-bbox="1344 1167 1560 1220">30 Minutes</td> </tr> <tr> <td data-bbox="732 1220 899 1310">Severity 2</td> <td data-bbox="899 1220 1122 1310">4 Business Hours</td> <td data-bbox="1122 1220 1344 1310">3 Business Hours</td> <td data-bbox="1344 1220 1560 1310">2 Business Hours</td> </tr> <tr> <td data-bbox="732 1310 899 1400">Severity 3</td> <td data-bbox="899 1310 1122 1400">1 Business Day</td> <td data-bbox="1122 1310 1344 1400">6 Business Hours</td> <td data-bbox="1344 1310 1560 1400">4 Business Hours</td> </tr> <tr> <td data-bbox="732 1400 899 1491">Severity 4</td> <td data-bbox="899 1400 1122 1491">1 Business Day</td> <td data-bbox="1122 1400 1344 1491">1 Business Day</td> <td data-bbox="1344 1400 1560 1491">4 Business Hours</td> </tr> <tr> <td colspan="4" data-bbox="732 1539 1560 1591">Incident Restoration Times</td> </tr> <tr> <td data-bbox="732 1591 899 1644">Severity 1</td> <td data-bbox="899 1591 1122 1644">4 Hours</td> <td data-bbox="1122 1591 1344 1644">3 Hours</td> <td data-bbox="1344 1591 1560 1644">2 Hours</td> </tr> <tr> <td data-bbox="732 1644 899 1696">Severity 2</td> <td data-bbox="899 1644 1122 1696">2 Business Days</td> <td data-bbox="1122 1644 1344 1696">2 Business Days</td> <td data-bbox="1344 1644 1560 1696">2 Business Days</td> </tr> <tr> <td data-bbox="732 1696 899 1749">Severity 3</td> <td data-bbox="899 1696 1122 1749">7 Business Days</td> <td data-bbox="1122 1696 1344 1749">7 Business Days</td> <td data-bbox="1344 1696 1560 1749">7 Business Days</td> </tr> <tr> <td data-bbox="732 1749 899 1837">Severity 4</td> <td data-bbox="899 1749 1122 1837">90 Business Days</td> <td data-bbox="1122 1749 1344 1837">45 Business Days</td> <td data-bbox="1344 1749 1560 1837">30 Business Days</td> </tr> </tbody> </table>	Aurigo Support Plan	Silver (included with the subscription fee)	Gold (purchased separately)	Platinum (purchased separately)	Incident Response Times				Severity 1	1 Hour	45 Minutes	30 Minutes	Severity 2	4 Business Hours	3 Business Hours	2 Business Hours	Severity 3	1 Business Day	6 Business Hours	4 Business Hours	Severity 4	1 Business Day	1 Business Day	4 Business Hours	Incident Restoration Times				Severity 1	4 Hours	3 Hours	2 Hours	Severity 2	2 Business Days	2 Business Days	2 Business Days	Severity 3	7 Business Days	7 Business Days	7 Business Days	Severity 4	90 Business Days	45 Business Days	30 Business Days
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<p>R 14. Describe training options, including at implementation (train the trainer, instructor led, etc.) and ongoing options.</p>		<p>Aurigo offers the following training options described in detail below.</p> <ul style="list-style-type: none"> At Implementation Training Options: 																																												

- System Administrator Training
- Train-the-Trainer Training (TTT)
- Training Material & Documentation
- Training Environment
- Support for City-led Training (offline support)
- Ongoing Training Options:
 - Annual Recurring Training Sessions
 - Train-the-Trainer Training (TTT)
 - System Administrator Training
 - Refresher Training
 - Videos (pre-recorded videos)
 - Certification Programs

Aurigo's cost proposal only includes the "At Implementation Training Options." The "Ongoing Training Options" are available at an additional cost.

The following briefly describes Aurigo's "At Implementation Training Options."

System Administrator Training

Aurigo proposes a one-time Virtual Instructor-led Training (VILT) for up to fifteen (15) administrative users/IT support staff identified by the City. The course lasts approximately eight (8) hours and includes hands-on activities to adequately prepare the City admin staff to support and maintain the system and its users. System Administrator training comprises user management, user role and access permissions, system and functional configuration, workflow management, and form builder courses. System Administrator training will be delivered virtually (online) using web conferencing tools such as MS Teams or Zoom. The method of instruction includes a topic overview using presentation slides, followed by an in-system demonstration, and finally, in-system hands-on practice for learners. Hands-on activities are conducted using virtual breakout rooms.

Training Material and Documentation for System Administrators:

Aurigo will provide an electronic/soft copy of the following materials:

- Microsoft PowerPoint presentation slide deck (Feature Overview)
- System Administrator documentation in the form of context-sensitive Online Help for administrators accessible from the system

Train-the-Trainer (TTT) Training

Aurigo proposes a one-time Virtual Instructor-led Training (VILT) for up to fifteen (15) City users. The course duration is approximately forty (40) hours delivered across seven (7) consecutive business days with no more than six (6) hours per day. In the TTT training, Aurigo will train key City users on the full system functionality as configured for City business users. The City's trained personnel will then train the City end users. The value of this approach is developing a sustainable

group of in-house trainers for long-term training needs. The TTT training will be delivered virtually (online) using web conferencing tools such as MS Teams/Zoom. The method of instruction includes a topic overview using presentation slides, followed by an in-system demonstration, and finally, in-system hands-on practice for learners. Hands-on activities are conducted using virtual breakout rooms. For the proposed class size of fifteen(15) users, we group learners into two breakout rooms - one led by an Aurigo trainer and another by City SMEs.

Note: For the Train-the-Trainer session, Aurigo expects the City to provide SME/business process experts to support the Aurigo trainer during the training, to respond to the City-specific business process questions from participants, and to support the breakout rooms during hands-on practice.

Aurigo recommends that the identified City trainers be engaged early and participate in project activities for this approach to be most effective. Participating in configuration activities, such as sprint demos and testing, and UAT sessions will prepare them sufficiently before the TTT. At a minimum, the TTT participants MUST be assigned to the (user acceptance testing) UAT to be better prepared before attending TTT. TTT participants will be required to attend TTT in its entirety and may not opt out of specific sessions.

Training Material and Documentation for Train-the-Trainer Training:

Aurigo will provide the electronic/soft copy of the following materials:

- Microsoft PowerPoint presentation slide deck (feature overview) aligned with the courseware designed for the system as configured for the City
- Participant (end-user) Guides with steps for hands-on practice aligned with the TTT courseware
- User documentation in the form of context-sensitive Online Help for end-users accessible from the configured system

Training Environment:

Aurigo will provide an exclusive environment for use during training. Aurigo will provide the training environment with base library data and sample users to support the TTT and System administrator training. If the City requires specific data, the City must provide and assist in configuring the sample data in the training environment. Aurigo will continue to provide access to the TTT training environment for up to thirty (30) days after TTT so the City can use it to deliver end-user training. The City will be responsible for configuring additional data, as required, to deliver the end-user training.

Support for City Trainers (offline support):

Aurigo's proposal assumes that the City will deliver the end-user training post-Aurigo-delivered Train-the-Trainer. Aurigo will provide offline technical support to the City trainers as they prepare to

deliver the end-user training. The scope of support by Aurigo includes the availability of the training environment (same as the TTT environment) and offline support with questions and clarifications to City trainers as they prepare for the end-user training. Aurigo proposes to provide offline support to trainers for up to five (5) hours over a week.

Assumptions:

- If the City identifies the need for Aurigo to deliver additional Train-the-Trainer sessions or End-User training, Aurigo will work with the City to identify the **scope and the costs associated** with it.
- All training is delivered virtually online. The City must provide participants access to computers/laptops with requisite internet connectivity and browsers.
- The City may deliver end-user training with the TTT training materials provided by Aurigo or modify the materials as required to deliver end-user training.
- Aurigo will provide soft copies of all the training materials. The City may print and distribute hard copies to participants.

Note: All proposed training sessions are Virtual Instructor-led Training (VILT). In this method, all training will be delivered by an Aurigo instructor virtually (online) using tools such as MS Teams or Zoom.

Ongoing Training Options:

Here is a brief description of Aurigo's "Ongoing Training Options" offered as optional services and not part of the proposal.

Annual Recurring Training Sessions: Aurigo offers additional training options for an additional cost, as described below.

- Train-the-Trainer Training (TTT): Aurigo offers a repeat of the Train-the-Trainer courseware delivered during implementation. The City can arrange for the repeat sessions to occur once or twice annually. The repeat program will use the same materials AND method as during implementation.
- System Administrator Training: Aurigo offers a repeat of the System Administrator courseware delivered during implementation. Customers can choose either once annually or twice annually for the repeat sessions. The repeat program will use the same materials and method as during implementation.
- Refresher Training: Aurigo offers a refresher training program, typically custom courseware developed for the customer, ranging from 6 to 8 hours courseware. The City can either get a summary (overview) session of the full program as a refresher or choose specific topics to be covered in the refresher program. The refresher program can be adjusted and priced as required.

		<p>Videos (pre-recorded videos): Aurigo offers pre-recorded videos that can be used for ongoing training at an additional cost. Typically our customers avail this service for important business functions. If the City identifies the need, Aurigo will scope the requirements with the City.</p> <p>Certification Programs: Aurigo offers our customers a comprehensive Online Certification Program - "Certified Aurigo Masterworks (CAM)" to our customers. The certification is primarily offered to all the participants of the Aurigo-delivered training, such as Train-the-Trainer and System Administrator training. The certification will align with the system configured for the City. The participants earn their Aurigo Masterworks digitally verified certificate and badge upon completing the program. While the CAM certification program is typically a paid service, Aurigo is pleased to offer the program to the City of Redmond one-time for free at the end of implementation, if desired. If the City chooses to get the certification at some other time in the future, the program will be a paid service.</p>
R	15. Web browser agnostic (Microsoft Edge, Chrome, Firefox).	Masterworks is accessible via the web using a standard browser such as Google Chrome, Apple Safari, Mozilla Firefox, and Microsoft Edge.
R	16. Ability to support Microsoft Active Directory for single sign-on.	Masterworks can support Single Sign-On through authentication providers like Active Directory Federation Services (ADFS), Lightweight Directory Access Protocol (LDAP), Microsoft/Azure Active Directory, Okta, Duo, OneLogin, Ping Identity, and CyberArk.
I	17. Multi-factor authentication or integration.	Masterworks provides an Identity Services utility with login options such as standard username and password, Single Sign-On, and Multi-Factor Authentication. These options will allow the City to customize the access security to meet its needs.
R	18. Configurable user access.	Masterworks' role-based permission capabilities will allow the City to control access by configuring user roles that uniquely identify the groups to which users belong. Each user role can be given permissions that control user access to data, forms, reports, dashboards, and documents. These role-based features will allow the City to manage user access effectively and ensure that the right individuals have the appropriate permissions. Users can be assigned to one or more roles based on their responsibilities and data access requirements. Permissions granted to a role are automatically extended to the users assigned to that role, streamlining the permission management process and ensuring consistency. This flexible approach will allow System Administrators to tailor permissions for each role, ensuring users have access only to the data and functionalities relevant to their responsibilities.
R	19. User and role-based security.	Masterworks utilizes role-based permissions for internal access and security. System Administrators will have roles that allow them to view and edit all roles and permissions across the application. The security roles assigned to a user will determine what data, forms, and reports the user can access.

R	20. Configurable menus, screens, and dashboards.	Masterworks' Configuration Toolkit has tools that allow authorized users to configure forms (screens), workflows, reports, and dashboards. The menus depend on the software that makes up the City's solution. The menu structure will be configured during implementation.
R	21. List integration tools or web services and describe integration interfaces (e.g., application programming interfaces, web services, etc.).	<p>Masterworks is purpose-built to be an integration-friendly solution. Masterworks has a standard, flexible Open API that can be used to integrate the City's solution with nearly all third-party software and middleware. Aurigo applies Service Oriented Approach (SOA) principles to its integrations to help transform IT systems, applications, and data sources into highly flexible and reusable services. Masterworks also supports manual import/export, batched, and real-time integrations. The Open API has numerous pre-built web service-based APIs that any application can consume.</p> <p>Aurigo has integrated its Masterworks solution with many systems:</p> <ul style="list-style-type: none"> • Project and Portfolio management system - Primavera P6 • Project Scheduling - MS Project, Primavera P6 • Finance and Accounting - JD Edwards, Oracle EBS, PeopleSoft, SAP, Workday • Geo Location - Esri ArcGIS • Document management systems - LaserFische, ProjectWise, SharePoint • Design systems - iPD (Exevision) • Construction Management - Aashtoware FieldManager, Aashtoware Project Construction & Materials <p>Aurigo utilizes the following practices to develop integrations:</p> <ul style="list-style-type: none"> • Determine the Touchpoints - Aurigo will conduct integration workshops with the City SMEs to identify the integration touchpoints with each application. Doing so will help the City understand the overall data flow between the systems and design an optimal solution. • Define the Data Model - Aurigo Solution Architects will elaborate on all the touchpoints identified with the technical team of each interfaced application to identify data attributes flowing between the systems (data mapping), workflows, schedules (real-time or batch), and modes of communication. • Document the Approach - Aurigo will prepare a technical interface document for the Aurigo and City configuration teams that provides all the details required to configure the interfaces. • Test the Integration: The Aurigo Integration Specialist will ensure test data flows between Masterworks and the integrated systems as expected. This test will be performed on a staging or test implementation of the system in production. The development environment will be used for this portion of the test. • User Acceptance Testing: Integrations between Masterworks and the integrated system will be tested to determine the appropriate data flows between systems with the expected

		<p>triggers or scheduled batch times. City and Aurigo teams then verify the data to ensure it is accurate and acceptable. User Acceptance Testing will take place in a dedicated UAT environment.</p> <ul style="list-style-type: none"> • Go-Live Cutover: Once Masterworks goes live, the integration will be pointed to the production environment. The integrations will be closely monitored during the hyper-care warranty period to ensure everything works as expected. <p>Aurigo has a dedicated team of Integration Specialists that develop and deploy intelligent and efficient system integrations. The team has specialized knowledge of the Aurigo APIs and batch processing capabilities. Aurigo's approach to configuring system integrations will significantly reduce the risks for the City.</p>
	22. Major key systems for interface or integration. Explain how your system might integrate or replace this solution, and if you have experience with it:	
R	A. Power BI (Reporting/Data Warehouse)	Masterworks has a highly adaptable API system that can be used to integrate the City's new solution with third-party reporting and data warehouse applications. This creates a powerful data repository that enables tracking and reporting of projects at an enterprise level. The City can integrate data and workflows in real-time, ensuring accurate and current information in all integrated systems. Masterworks' reporting capabilities can replace third-party reporting tools like Power BI. Our Report Builder tool has SSRS capabilities the City can use to recreate the reports and functions found in Power BI. Aurigo has experience integrating its Masterworks solutions with third-party reporting tools. Masterworks' APIs can integrate the proposed solution with Power BI if the City decides to continue using that software. Data can be regularly exported from Masterworks and uploaded into Power BI.
R	B. MS Office (Excel, Word, etc.)	Masterworks can be integrated with Microsoft Office 365, MS Teams, and One Drive. Workflows in Masterworks can send email notifications to users via Microsoft Office 365. Additional discussions may be required to fully define the City's requirements and scope for integrating with Microsoft Office apps.
R	C. Microsoft D365 Finance and Operations (Financials/Project Accounting)	Masterworks can be integrated with the Microsoft D365 finance and operations system. Additional discussions will be required to fully define the City's requirements and determine the scope and potential costs for implementing the functionality.
R	D. DocuSign (electronic signature)	Masterworks comes with APIs that can be used to integrate the City's solution with DocuSign. Masterworks' Open API can also be used for integrations with other digital signature applications. The City will be responsible for purchasing and maintaining the licenses for the eSignature applications.
R	E. Microsoft Azure Active Directory (Authentication)	Masterworks can be integrated with several Single Sign-On (SSO) providers for authentication, including Microsoft Azure Active Directory.

R	F. Bluebeam Revu (Plan Review and Construction Document Management)	Masterworks can be integrated with Bluebeam using its Open API. Files created or edited in Bluebeam can be uploaded into the solution, and Masterworks will maintain a version history each time a document is uploaded.
R	G. ESRI ArcGIS (Geographical Information System)	Masterworks comes with APIs that can be used to integrate the City's solution with Esri ArcGIS. Map screens and controls can be enabled on location-related forms like project, issue, and risk forms. Additionally, Masterworks has a map viewer that can display multiple locations at the enterprise level.
I	H. Autodesk PlanGrid/Build (Inspections/Punch List)	Aurigo has an exclusive partnership with Autodesk, the leading design and construction technology company. The two companies have created software integration connectors between Autodesk's and Aurigo's systems to bring together best-in-class design and construction products for public agencies, private owners, and contractors. Masterworks can be integrated with Autodesk PlanGrid, the popular Autodesk Construction Cloud mobile contractor application. The integration will give the City's contractors working on public infrastructure projects an easy way to access Aurigo project files from their mobile devices, including inspection data stored in Masterworks and the punch lists associated with the projects the contractors are working on.
I	I. SharePoint (Collaboration)	Masterworks can be integrated with the City's SharePoint instance for transferring documents between the two systems. Workflows can be configured to monitor document additions and changes on Masterworks and transfer the documents to SharePoint when needed.
I	J. Microsoft Project (Project Management)	Masterworks has full-fledged project scheduling capabilities, allowing the City to plan its projects in detail. In addition, the solution can seamlessly integrate with other project planning applications such as Microsoft Project and Primavera.
I	K. MS Outlook (Email)	Masterworks integrates with Microsoft Outlook for sending email notifications. Notifications can be sent based on a user's workflow actions or specific triggers defined in the system. Masterworks also has an Outlook plugin that can be installed on a user's client system. It will allow users to upload email contents and attached documents to Masterworks folders directly. Aurigo will work with the City's IT personnel to configure how Masterworks will integrate with the City's email systems.
I	L. Lucity (Asset Management)	Masterworks has Asset Management capabilities, including a library of business processes (e.g., forms, workflows, reports, etc.) that can be implemented and configured to the City's requirements. Based on Aurigo's experience with its other clients, the Masterworks solution is generally used to capture and manage assets during the project execution. After the project is closed out, the asset information can be exported or integrated into the City's Lucity asset management system. Further discussion is required to determine how the City could best utilize Masterworks' asset management capabilities.

E	M. Energov (Permitting)	Masterworks has a Permitting product as part of its Enterprise suite. It includes a library of business processes (e.g., forms, workflows, reports, etc.) that can be implemented and configured to the City's requirements. Based on Aurigo's experience with its other clients, the Masterworks Permitting product is used to configure business processes for tracking and managing project permits. Further discussion is required to determine how the City could best utilize Masterworks' Permitting product.
R	23. Mobile Strategy: App and/or Hyper Text Markup Language5 (iOS and Android).	Aurigo's Masterworks Mobile application runs on the latest and two most recent previous versions of iOS, Android, and Windows Mobile. Masterworks is also compatible with Windows PCs, tablets, and Windows, iOS, and Android mobile devices using standard browsers.
I	24. Store and forward capability (support mobile offline work).	The Masterworks Mobile app gives users in the field the flexibility to easily submit and respond to processes, view and annotate documents, and, most importantly, work offline when there is no internet connection. Data entered or changed on mobile devices in the field automatically syncs when internet connectivity is restored.
I	25. Ability to download documents for offline access (different from above) on mobile devices.	Users can download documents to their mobile devices while connected to the internet, including documents related to assets, inspections, work orders, warranties, specifications, and maintenance schedules. The documents will then be available for viewing in the field using the Masterworks Mobile app, even if the mobile device has no connectivity.
I	26. Data encryption in transit and at rest.	Masterworks encrypts data in transit using accepted HTTPS and TLS 1.2 protocols. Data at rest is encrypted with AES 256-bit encryption.
R	27. Meets System and Organization Compliance 2 standards.	<p>Aurigo serves many clients in the public and private sectors who require Aurigo to provide comprehensive compliance controls and meet multiple Federal and State security standards. Aurigo maintains the following key compliance certifications and standards:</p> <ul style="list-style-type: none"> • SOC 2 Type 2 (SSAE 18) Certified • NIST 800-53 (Rev. 4) Moderate Baseline Compliant • FedRAMP In Process • StateRAMP Ready • ISO 22301:2019 Certified <p>Aurigo has also achieved the Amazon Web Services (AWS) Government Competency status. This accreditation recognizes Aurigo as an AWS partner with deep domain knowledge and the ability to deploy solutions seamlessly through the AWS platform.</p>
R	28. Documented disaster recovery/business continuity policies (if cloud deployed).	Aurigo has developed a comprehensive Business Continuity and Disaster Recovery (BC/DR) Plan to ensure the continuity of its primary business functions and address potential disruptions. The plan is ISO22301:2019 certified and utilizes the AWS North Virginia region as the primary data center. Regular backups are stored in the secondary AWS Oregon regional data center, with additional backups stored on servers in separate buildings within the Virginia regional data center. Aurigo can restore backups in the event of a catastrophic server failure in the Virginia regional data center.

		Aurigo's BC/DR plan also includes maintaining an always-up-to-date backup of client implementations, configurations, and data. The backups fully comply with the NIST 800-53 data backup, recovery, and retention standards. Masterworks is SOC 2 Type 2 certified, and the backup procedures and practices incorporate all the practices related to business recovery, including the software and support services. Aurigo uses the BC/DR plan to provide a reliable and secure environment for its operations and valued clients.
R	29. Configurable data retention policy with alerts for automatic document deletion.	Masterworks will retain the City's data in the solution as long as the system is active and there is an active contract. Only authorized users can delete data within the solution. Data retention rules can be configured to meet the City's data retention policies. They will vary per the Support Plan chosen by the City. For example, Masterworks can be configured to allow authorized users to select documents and dispose of them only after the data retention requirements are met. Additional data retention capabilities can be provided at an additional cost.
I	30. What are your file size limitations? (looking for unlimited file size)	There is no theoretical size limit for files uploaded into the solution. However, the City can set a maximum file size limit as part of the solution's settings. Masterworks comes with 2 TB of data storage in the Annual Subscription Fee. Additional storage is available for an additional annual fee.
I	31. Support metadata searches.	Masterworks can search document metadata fields. Metadata can be defined based on the type of document.
I	32. Describe how conditional logic is used in data entry, e.g., use an if-do condition to show or hide different fields based on an answer to a previous question.	The City can configure business-specific forms in Masterworks. Using the Form Builder tool, the forms can be configured to utilize logic and business rules defined by the City to perform various functions. These functions include validating data entries, calculating totals, and displaying error messages when necessary. Additionally, logic can be added to create dropdown lists of valid entries, perform automatic searches, display data from other tables or systems, and show or hide fields based on user permissions.
General Requirements		
R	33. User definable rules-based workflow, including configurable multi-channel notifications (email, system notifications, popups, etc.).	Masterworks comes with a built-in workflow engine with an easy-to-use Workflow Designer tool. The workflow engine can process City-definable processing rules. As part of the implementation, Aurigo will configure key business processes and train City-designated System Administrators to configure additional business processes. The workflow engine and Workflow Designer tool provide the ability to easily: <ul style="list-style-type: none"> • Create simple or multistage workflows. • Support manual, ball-in-court routing between users • Perform complex validation rules using expressions. • Generate notifications via email and in-app task lists. • Push or fetch data from other systems • Trigger secondary or parallel workflows automatically. • Track approval history

		<ul style="list-style-type: none"> • Generate notifications that address multiple items per user rather than a separate notification for each action.
R	34. Near real-time project data collaboration and co-authoring of information.	Masterworks allows authorized users to perform real-time data collaboration and co-authoring of information. All authorized users can access and update the same data source simultaneously.
I	35. Notifications that can be triggered by status changes (e.g., when a document is modified or approved).	Masterworks' workflow engine can send automated notifications upon any status change.
R	36. Visual view of workflows.	Masterworks' Workflow Designer tool allows authorized users to view graphical representations of workflows.
I	37. Workflow delegation capability.	Masterworks' Workflow Designer tool can delegate actions in a workflow to specific users or used groups if the user or group has permission to access the data or forms. Authorized users can delegate an action or task to another user for a defined timeframe if the user originally assigned is unavailable. All workflow tasks get assigned to delegated users automatically with appropriate email notifications when a workflow is initiated or a workflow stage is completed.
N	38. Ability to share large data files with users not permissioned to the project or system.	Masterworks does not allow sharing data files with non-registered or non-permissioned users as a security measure. Authorized users can download files and distribute them manually.
R	39. Drill-down to source transactions.	Masterworks allows authorized users to drill down to source transactions based on information availability and data attributes. However, configurations may be required to allow drill-down capabilities on some reports and dashboards.
R	40. Attach documents to transactions within the system.	Masterworks allows authorized users to attach documents to a project record within the solution. The documents can be referred to in any workflow or process. Also, links to the uploaded documents can be shared.
R	41. Wild card searches and queries.	Masterworks' enterprise search feature allows users to search for information in the database and document metadata using wild cards in the parameters.
I	42. Ability to create and search user-defined fields.	System Administrators and authorized users can add custom fields on all forms. All fields on a form can be used to enter parameters for queries and reports.
R	43. Audit trail with date, time, user stamp and historical values for all data fields including metadata and chats.	All data changes can be tracked, and an audit trail can be maintained using Masterworks' audit log functionality. With every change in data, the system can capture the user details, date, timestamp, previous value, new value, and action type. Audit Logs can be exported to Excel files and downloaded for analysis. Additionally, version control can be configured to ensure that a history of changes is captured for each change to a database record.
N	44. Context-sensitive help & ability to add City specific help information.	Aurigo will provide context-sensitive Online Help as part of the solution implementation, accessible via the Help menu button incorporated into the solution. The help files will be specific to the City's solution configuration. Any customizations or addition of City-

		specific help information will need to be provided by Aurigo's Professional Services group.
R	45. Library of pre-loaded documents/checklists including hyperlinks.	Masterworks' document management capabilities will include a repository for electronically storing and tracking documents, checklists, specifications, and manuals. The solution will facilitate the organization of the repository with documents logically and hierarchically stored in project folders and sub-folders to ensure consistency across the enterprise. Each document in the repository can be accessed using a hyperlink.
R	46. Ability for external entities (contractors and consultants) to access system with security.	Authorized users can access the City's solution anytime, anywhere on the internet, using standard web browsers such as Google Chrome, Apple Safari, Mozilla Firefox, and Microsoft Edge. The City's System Administrators can create user accounts that give external users access to only specific projects and functions in the solution. Authorized external users can log into the system and submit applications, upload drawings, access project information, and perform other activities permitted by their user roles. All activities performed in the solution by external users will be traceable using the user's unique account ID.
I	47. Functionality to create and enforce naming standards.	Masterworks can be configured to enforce naming standards. System Administrators can manage solution-wide settings such as file names cannot be longer than 128 characters or passwords must be fourteen characters in length or greater. The data entry forms used in the solution can also be configured to enforce naming standards. For example, names for new projects must end in the four-digit year in which the project was initiated (e.g., RedmondCityProject - 2023).
N	48. Ability to track permit requirements.	Permit requirements can be defined and maintained in one or more tables in the Masterworks Library. The forms used to track and maintain permit information for the City can be configured to use the permit requirements for validating data entered on the forms.
R	Finance	
R	49. Prepare and maintain project budgets based on custom templates, e.g., transportation, water, sewer, storm, etc.	Masterworks can use templates to create project budgets for each type of project the City manages. Budget templates can be configured to set up business processes, budget limitations, workflows, standard libraries, and document requirements. The associated project budget template will be applied whenever a new project is created for a City department.
R	50. Support Capital Investment Program Portfolio budgeting – biennium (every 2 years) and 6-year proposals.	Masterworks' Capital Planning and Portfolio Management product has budgeting features that will help the City build and maintain its capital investment program and portfolio budgets at a detailed level. Budgets defined and approved for each project will roll up to the program or portfolio level. The City will have everything it needs to plan and manage large, multi-year budgets for capital, infrastructure, and maintenance programs and portfolios.
R	51. Support creating budget documents such as project information sheets, graphics, etc.	The Report Designer in Masterworks can be used to create budget-related reports and dashboards that meet the City's business requirements. The reports and dashboards can contain detailed data

		lists, graphics, etc. They can be configured to display funding sources and revisions, budget allocations and cash flows, and itemized costs.
R	52. Track funding sources by fund, project, phase, month, year, grant, taxes, REET, etc.	Masterworks' fund management capabilities can be used to track multiple funding sources by fund, project, phase, month, year, grant, taxes, or REET. Each funding source can be used to fund multiple projects. Funding for projects can include fixed amounts from one or more funding sources or multiple amounts from multiple funds assigned as a percentage from each fund.
R	53. Track multiple funding sources to a project (grant, revenues, REET, etc.).	Masterworks' fund management features include tracking multiple funding sources for a project, such as funding from grants, revenues, REET, etc.
R	54. Ability to allocate and reallocate funding.	Authorized users can allocate and reallocate funding for budgets, and budget amounts for projects down to the task level.
R	55. Project management integrates to D365 Finance and Operations (project accounting), including revenues and expenditures, project staffing, and date fields from the project schedule.	Masterworks can be integrated with finance and operations systems like Microsoft's D365 using the Open APIs. Aurigo will work with the City's SMEs to understand the requirements in detail, conduct the data mapping sessions, and configure the integrations.
R	56. Real-time visibility of project finances (budgets, forecasts, actuals, etc.) by location, by project, by project phase, by project line item.	Masterworks can provide real-time visibility of project finances. Reports and dashboards that show current budgets, forecasts, and actuals by location, project, project phase, and project line item can be configured.
R	57. Project-specific budget and revenue to actuals reporting.	Reports and dashboards that show project-specific budgets and funding revenues to actuals can be configured.
R	58. Project change order tracking/history.	Masterworks has Change Order capabilities. Change Orders can be initiated for multiple aspects of a project or contract. Relevant documents can be attached to support the change requests. Approval workflows can align with the City's business processes. Once a Change Order is fully approved, the affected project or contract will automatically be updated.
N	59. Forecasting capability, including long term (i.e: 6, 10 and 25 year) cost/revenue escalation or de-escalation.	Masterworks has forecasting capabilities at project and contract levels. Forecasts can include allocations for long-term cost or revenue escalation and de-escalation. Linear and non-linear distribution curves can be used to calculate forecasts. The solution can automatically generate forecasts for the defined budget estimates. Also, the solution will enable users to adjust the distributed costs in the forecast. Once an optimum forecast is determined, the user can route it for review and approval via a workflow. The system can also generate a blended forecast that considers actual spending history.
I	60. Ability to create and manage what/if scenarios.	Masterworks enables users to perform what-if analysis both at project and program levels. For a project, the user can create multiple budget estimates, each with multiple cash flow forecasts. This enables users to do what-if comparisons using different budgets and cashflows and finally zero in on the optimum budget. Users can perform what-if analysis at the program level using a unique feature called 'fund-based what-if.' The feature lets users view and perform what-if analysis based on fund sources. Having clarity on fund-specific

		project requirements and available funds, users can determine the best project mix.
R	61. Manage project pay estimates/pay requests to contractors.	Masterworks allows authorized users to create payment requests (pay estimates) from the dailies. Workflows will be configured for approving the dailies and pay estimates. Contractors can request their pay estimates in Masterworks, which can then be routed to the City's staff for approval.
R	62. Functionality to support billing multiple schedules and project numbers.	Masterworks can be integrated with the City's financial systems to support invoicing processes that include multiple project numbers and billing schedules.
N	63. Track materials on hand.	Masterworks can track quantity and payments for construction materials. Materials can be identified as Material on hand (MOH), and amounts can be deducted when the material is used. A pay estimate can automatically be issued to reimburse the vendor as the materials are consumed.
R	64. Pay estimate/pay request workflow – approvers, contractors, PM, etc. (including workflow to external partners).	Workflows can be configured to manage the review and approval of pay estimates. The workflows can have multiple approval stages, and required approvals from stakeholders, including external users, can be dynamically determined based on factors such as payment amount, the department making the payment, the type of vendor being reimbursed, etc.
R	65. Manage invoice tracking by vendor, project, and contract.	Masterworks can be integrated with the City's financial systems. The solution can track invoices by vendor, project, and contract. Data from vendor invoices can be entered into the solution and matched with pay estimates. Workflows can be configured to manage the reviews and approvals of invoices. Approval to pay a vendor can then be sent to the City's financial systems, where the payment is initiated and processed. Once payment is confirmed, the invoice and payment data can be sent back to Masterworks, where the invoice will be marked as paid. Adjustments to contract items and materials on hand will automatically be made. Reports can be configured to show invoicing activity by vendor, project, or contract.
N	66. Support grant applications, to include details needed for grant applications such as project classification (e.g., pedestrian safety).	The ability to support grant applications is a functionality that will be configured in Masterworks. Aurigo's Business Analyst and Solution Architect will work with the City's SMEs to fully understand the requirements, develop a plan, and cost estimation for implementing the functionality.
I	67. Describe grant management/tracking functionality.	Grant management functionality will be a configurable effort. More information is required to understand the City's requirements fully. At a minimum, new forms, workflows, and reports must be configured to support tracking grant submissions, execution, and expiration dates. Aurigo's Business Analyst and Solution Architect will work with the City's SMEs to fully understand the requirements, develop a plan, and cost estimation for implementing the functionality.
I	68. Support for D365 grant billing and invoicing.	Masterworks can be integrated with the City's D365 financial system. Invoicing and grant billing can be managed in the D365 system, and

		the grant data can be transferred back to Masterworks, where it can be used for further processing, decision-making, and reporting.
I	69. Support grant-specific reporting requirements (restricted funds, etc.).	Grant restriction information can be maintained in the Masterworks Library. The restrictions can be used to determine how funds can be applied to projects and contracts. Reports and dashboards can be configured to show grants, their initial and remaining amounts, and the restrictions that apply to them.
R	70. Escalate/de-escalate project cost/revenue based on schedule changes and inflation.	Masterworks' cost estimation capabilities can be used to determine how project funds, budgets, and costs must be adjusted based on schedule and inflation changes. What-if analysis can show the effects on a project and other projects in a program or portfolio. New estimates can be created manually using information from previous budgets or current or previous bid estimates. Data from external systems can also be imported. Linear regression-based cost projections for the current period can be based on past data and historical cost inflation.
R	Project/Portfolio Management	
R	71. Support full Capital Investment Program project cycle at project and portfolio level.	<p>Masterworks has program and portfolio planning capabilities to help the City track numerous projects, allocate funds to the right projects, manage multi-year schedules, and keep projects within budget. It brings together everything the City needs to group projects into portfolios and programs. Program/Portfolio Managers and Directors will have access to screen forms, reports, and dashboards that can assist them in managing the business. Masterworks comes with standard reports and dashboards that show KPIs and metrics at the program, portfolio, and project levels.</p> <p>The City can use the Report Builder functionality in Masterworks to configure additional reports and dashboards that show project-related metrics such as project health, schedules, KPIs, cash flows, budget status, and funding availability. The City can configure dashboards that display administrator-level information for the Program/Portfolio Managers and Directors. From within the program/portfolio/project reports and dashboards, administrative users can drill down from the program/portfolio level to the project details or roll up from the project level. Users can display a summary of schedules at the program and portfolio levels, and Masterworks can perform what-if analyses on projects within programs and portfolios.</p>
R	72. Manage long range planning periods of 6 to 25 years.	Masterworks can manage planning periods from one month to 25+ years. It can also manage planning for fiscal periods that are not the same as calendar periods.
I	73. Electronic submittal and tracking of project requests.	Masterworks has standard capabilities allowing the City to submit project requests (Project Needs) in the Masterworks solution. The requests can contain expected project duration, cost estimates, relevant business units, strategic goals, and other important details that define the project. All scope specification documents can be attached to the requests. Once completed and saved, the requests can be sent for review and approval through using pre-configured

		workflows. Once approved, the requests can be used to create formal planned projects in the solution.
R	74. Support project charter development.	Fields can be added to the Project Needs forms for developing a project charter for each proposed project. Stakeholders can be invited to provide their take on a project's requirements and goals. The solution can record ideas from the stakeholders, and the information can be used to develop a project charter that defines the project's purpose. A Project Charter report can be configured to pull information from the project intake request and stakeholder feedback to create a formal project charter document formatted per the City's requirements. The Aurigo Team will work with the City's SMEs to map the Project Charter data requirements and ensure the fields are included on the Project Needs intake forms.
R	75. Support business case development.	Fields can be added to the Project Needs forms for developing a business case for each proposed project. Stakeholders can be invited to provide their take on the project needs to be approved. The solution can record ideas from the stakeholders, supporting documents can be attached, and the information can be used to develop a business case that describes the project's benefits. The solution can be configured to pull information from the project intake request and stakeholder feedback to create a business case document formatted per the City's requirements. The Aurigo Team will work with the City's SMEs to map the business case data requirements and ensure the fields are included on the Project Needs intake forms.
I	76. Develop project cost estimates.	Masterworks has standard capabilities for developing project cost estimates from the City's independent research and information gathered from past projects. Project cost estimate data can be created manually, imported from external sources, gleaned from previous budgets, or taken from current or previous bid estimates. Masterworks also offers linear regression-based cost projections for the current period based on historical cost trends and inflation predictions. Multiple cost estimates can be created for each project, and workflows can be configured to allow the appropriate stakeholders to approve or reject an estimate.
R	77. Prioritize and rank projects by a user defined set of criteria, such as strategic goals, grant opportunity, preservation of assets, etc.	Masterworks has standard project scoring capabilities. Fields can be added to project forms for gathering project-specific attributes and assigning values to those attributes. The City can configure questionnaires specific to the type of project. Users can score and rank projects based on the City's business criteria. Users can also score and set priorities for multiple projects within a program or enterprise.
I	78. Maintain information on unfunded projects for consideration in future years.	Masterworks allows users to maintain and securely store information on projects that have not received funding, remain unapproved or have already concluded (closed) until the City deems it appropriate to either archive or delete the project data. The City can return to unfunded and unapproved projects and reconsider them. Masterworks allows authorized users to retrieve and edit information in unapproved projects anytime.

R	79. Track project name changes with history.	Masterworks can track changes made in the solution, and an audit trail can be maintained using Masterworks' audit log functionality. The solution can capture user details, timestamps, previous values, new values, and action types.
I	80. Geographical Information System integration with projects.	Masterworks comes standard with APIs that can be used to integrate the City's solution with ESRI ArcGIS (GIS) and other third-party mapping applications. The GIS capabilities in Masterworks will allow the creation of geo-tagged objects for parcels, projects, current issues, and risk locations. Location-related forms, such as project, parcel, issue, and risk forms, will enable maps and map controls by default. Consolidated location information can be viewed at the enterprise level, and GIS search functionality can be enhanced to search by coordinates. Certain objects found in GIS layers can be read and updated directly within Masterworks. Any GIS information updated in Masterworks will auto-update back into ArcGIS layers. If design consultants provide the City with GIS objects that show read/write impacts, Aurigo can design customized functions within Masterworks that upload the objects into the appropriate GIS layers.
R	81. Project scheduling tools (color-coding, Gantt charting, flow charts, widgets, drag and drop, etc.). Briefly describe capabilities.	Masterworks has full-fledged project scheduling capabilities that can be used to plan projects in detail. The project scheduler allows users to break down project deliverables into manageable sub-components and task schedules and track the progress of project tasks. Forms can be configured to capture project and task information. Reports and dashboards can be configured to display project schedule information. Masterworks supports project scheduling techniques such as Gantt Charts, flow charts, widgets, and drag-and-drop as standard functionality.
R	82. Develop a project scope, cost estimate, schedule and baseline, including the ability to create snapshots at various project milestones including initiation, 30%, 60%, and 90% design, etc.	Masterworks provides the ability to capture project information like project details, costs, and schedules for creating a project scoping document. All fields can be configured to match the City's fields and nomenclature. Users can create detailed schedules for specific milestones and baseline them. Masterworks includes a budget estimating feature. Multiple versions of the budget can be created for a project, including hierarchical cost breakdown structures. The sub-totals and grand totals are generated at summary levels. Resource information can be captured along with the costs. Estimates, once created, can be routed in a workflow for review and approval based on the organization's review process. Multiple attributes can be applied based on client expectations and requirements. A snapshot option enables the capture of schedule progress at different project stages. Project information can be exported in different file formats to create project-scoping documents.
R	83. Project schedules can be rolled into portfolio level schedules in summary and detail.	Masterworks Capital Planning and Portfolio Management capabilities will allow the City to roll up project schedules in summary and detail within programs and portfolios.
R	84. View portfolio budget summary and detail, including cash flow summary and analysis.	The City can view budget summaries and details at the program and portfolio levels, including cash flow summaries and analysis. Reports and dashboards can also be configured to show budget summaries and details at the project, program, and portfolio levels.

R	85. Create and manage dynamic, editable checklists for adherence to business rules, federal or state statutes; discuss how your software handles new tasks added to a checklist at a point prior to the current status of a project.	The City can create checklists for any purpose and project stage. Checklists are user-configurable based on business needs. Different stages and business processes can have separate checklists, like during project scope definition or project closeout. Workflows can be configured to manage processing and tracking reviews and approvals. For example, a checklist for a project quality audit can be configured. The associated workflow will enforce the City's business processes, like determining at what project stage an audit must be completed, what activities must take place during the audit, when and what stakeholders must review the project deliverables and approve their quality, and what documents are required to accompany the audit. As activities on the checklist are completed, the solution will capture usernames, timestamps, and user comments. Authorized users can modify checklists, including adding new items or modifying existing items on the list that have not already been marked as complete.
I	86. Checklists have full workflow capability with configurable rules.	Masterworks' Workflow Designer tool will allow the City to configure workflows for checklists that match the City's business processes and comply with business rules.
R	87. Support workforce planning and management.	Masterworks has Resource Management capabilities for planning, allocating, and managing resources efficiently. Project Managers (PMs) can identify and allocate resources for a single project and concurrently on multiple projects and tasks. Every project task has a resource allocation grid, and the PM can decide what roles are required to complete the task. The total cost for a task is determined based on the resources assigned and their rates. The number of available hours per day and the hourly rates for resources are kept in the Masterworks Library. Once resource allocation is completed, the PM can view the allocations across all projects, including over or underutilization details.
R	88. Short-term and long-term workforce projections.	Masterworks has short and long-term maintenance planning capabilities that use project schedules, work orders, and projected resource requirements. Reports highlighting capacity shortages or excesses for labor, materials, or other resources can be configured.
I	89. Shared calendar/work loading features.	Masterworks can use a shared calendar for each project. The calendar is used to define project working days, task durations, workloads, budget planning, and cash flow estimations. Common calendars can be defined and stored in the Library. Project Manager can select the best calendar for their project or define a new one.
R	90. Manage resource allocations by percentage or hour, and visually identify if resources are over allocated.	Masterworks can allocate resources by percentage of the resource's time or specific days or hours. It also comes with standard reports and dashboards that show how resources are allocated on a single project and across all projects utilizing a resource. Authorized users can visually identify resources that are over and underutilized.
R	91. Manage resources by individuals or groups.	Project Managers can use the Resource Management capabilities in Masterworks to manage resources by individuals or groups. Individuals will be identified as belonging to a specific group by the user role assigned to them. External users who do not have logins to

		the solution will be identified as belonging to a designated group assigned to them in the Library resource tables.
R	92. Assign and track staff assignments within the portfolio schedule.	Masterworks' scheduling features are used to assign staff to tasks in projects. Staff assignments can be tracked at the portfolio level using reports and dashboards configured to display staff assignments across multiple projects.
R	93. Ability to set up alerts & notifications based on status, due dates, actions, approvals, etc.	The City can use the Workflow Designer to configure workflows for issuing alerts and notifications. The workflows can be set up to monitor certain events, like impending due dates, past due actions, approvals, or when actions are performed in the solution. The workflows can then send alerts or notifications. The workflows determine what users or user groups will get notifications based on assigned user roles and what actions must occur after previous actions have been reviewed or approved. The My Tasks feature on each user's home page will inform them of pending action items.
R	94. Support progress notes - scrolling/continuous format from the previous period's notes.	Freeform text fields can be added to any form. The text fields can be used to enter progress notes. Users can add new text to the bottom after the text is already entered in the field.
I	95. Create additional forms or workflows based on project criteria, e.g., a request for a building valuation for renovation projects.	Masterworks can create and maintain project forms and workflows using templates configured by the City. The templates can include settings for managing business processes, workflows, standard libraries, and document templates. The templates and resulting forms and workflows can be based on the nature of the project or contract. The associated template will be applied whenever a new project or contract is created for a particular business process. Fields for project attributes can be added to forms and are easily configurable to save additional project information. The City's standard project attributes can be optionally added to every project created in Masterworks.
R	96. Combine and split projects.	Masterworks has full-fledged project scheduling capabilities that can be used to plan projects in detail, including combining or splitting them. The project scheduler allows users to break down project deliverables into manageable sub-components and tasks, schedule the project tasks, and track the progress. Forms can be configured to capture project and task information. Reports and dashboards can be configured to display project schedule information.
R	97. Analysis of changes to the Capital Investment Program portfolio at various intervals.	Masterworks' Program Revision features can record CIP details as individual records in a Library table with all process details like who, when, and why. Approved changes to the CIP can be updated in the solution using forms and workflows configured specifically for the task. Masterworks can track changes made to the CIP, and an audit trail can be maintained using Masterworks audit log functionality.
R	98. Ability to link projects with schedule or budget dependencies (e.g., the start of one is dependent on the completion of another).	Sequencing, scheduling, and re-scheduling projects within a program can be carried out using Masterworks' what-if analysis capabilities to identify necessary changes and then adjust individual projects. Masterworks currently does not support linking projects with schedule or budget dependencies.

R	99. Ability to add project classifications to portfolio section. Need more granular level of tracking, e.g., stormwater - distribution, collection, etc.	Project attribute fields can be added to the project forms for tracking project classifications. The project classifications can be used to group projects at the program and portfolio levels. The classifications can also filter project data on reports and dashboards.
R	Contract/Bid Management	
R	100. Manage consultant/vendor/contractor solicitation, proposal review, and selection.	Masterworks' vendor management capabilities will allow users to select and qualify a vendor based on the criteria set by the City. The approval status of the vendor is maintained in the vendor details. Masterworks' Estimation and Bidding product provides full procurement and bid management features that support the development of bid packages, management of solicitation invites, enforcement of bid open and close dates, collection of bids, comparison bids, and awarding contracts. The product can create commitments and value statements for all procurements. The City can compare bids with the engineer's estimate and identify differences in unit bid prices between bidders and the engineer's estimate. The analysis provided by these features enables managers to determine the most competitive bid before awarding.
I	101. Bid portal functionality for posting/submitting bids electronically (Currently using Builders Exchange of WA).	Contractors can be given a login to Masterworks and access the solution's vendor management and bidding functionality. They can be given access to forms used for bidding on projects, submitting certifications, and accessing bid documentation.
I	102. Support Electronic Bid Management, including: <ul style="list-style-type: none"> • Post and receive solicitations • Manage addendums • Bid review including unbalanced bid items • Bid tabulation • Track historical trends at an item-level 	<p>The Bid Management features in Masterworks will allow external users and contractors to submit bids by following the City's defined processes for bidding. Separate data tables and maintenance processes can be created in the Library to manage bid and non-bid items. The information gathered can be used for project estimates based on business rules defined by the City.</p> <p>A contractor can enter bid information into the solution using screen forms configured specifically for that purpose. A workflow associated with the bidding process will then notify internal users when a bid has been entered and uploaded. The City can define business rules determining whether contractors can update their bid information before the bid opening date. Masterworks has Bid Tabulation functionality, allowing data analysis in a spreadsheet format. The bid functionality also allows for creating an addendum to an issued bid and attaching items to the addendum.</p>
R	103. Create project forms based on a defined project attribute (e.g., Small Works or Federal Aid, Transportation, Building, Stormwater, etc.).	Masterworks can create user-defined tables in the Library with fields for defining project attributes. Fields can be added to project forms for tracking the project attributes. Data entry will be validated against the information in the Library tables. The attributes can also filter data on reports and dashboards.
R	104. Effective date for contractor wage rate adjustments.	Masterworks can track key dates associated with contracts and vendors (contractors). Fields can be added to vendor, contract, and contract item forms to indicate effective dates when a contractor's wage rate will automatically adjust. The dates and the rate adjustment amounts can be used to produce accurate cash flow projections. Aurigo's Business Analyst and Solution Architect will

		work with the City's SMEs to fully understand the requirements and determine the scope and cost of implementing the functionality.
I	105. Manage contractor information, including business licenses, certificates of insurance, evaluation forms, all projects assigned to, etc. all with permission-based access.	Tables can be configured in the Library for managing contractor information, including business licenses, certificates of insurance, evaluation forms, project assignment history, etc. Forms, workflows, and reports will be configured to manage the contractor data. System Administrators and authorized users can create new contractors, including contract IDs, services/materials provided, staffing levels, sub-contractor information, and external stakeholder associations, and attach associated documents such as certifications and bonding information. When setting up a new construction project or contract in the solution, users can select validated contractors from the contractor tables who meet the project or contract requirements.
R	Construction Project Management	
R	106. Construction documentation management, upload/download and storage, including: <ul style="list-style-type: none"> • Version history and control • Construction meeting agendas and notes • Request for Information (RFIs) • Plan and specification revisions • Change orders • Force account with labor, equipment, and material summaries • Material submittals and approvals • Materials testing coordination • Track working days used for contract • Unit item quantity and lump sum percentage tracking • Prepare and maintain as-built drawings • Routing and tracking documentation • Risk and issues analysis • Lessons learned 	<p>Construction documentation storage and management - Version history and control</p> <p>Masterworks has full-featured Document Management capabilities. The City can upload documents and associate them with specific projects, change orders, contracts, etc. Business rules and role permissions determine who can upload files, check them in/out, move them, or delete them. Workflows can be associated with certain activities and file types to manage document review and approval processes. The Document Management features in the solution will allow users to collaborate and coordinate amongst multiple parties.</p> <p>Upload/download and storage:</p> <p>Masterworks Document Management is a repository that stores and tracks documents electronically. It facilitates the organization and storage of content logically and hierarchically in project folders and sub-folders to ensure consistency across the enterprise. The documents will be stored within a directory structure defined by the City. The document management feature supports document classification and metadata features that can be used to group documents. Masterworks provides a robust document search engine that allows users to search for documents using document properties or keywords. Document search is available at the individual project level and the enterprise level.</p> <p>Construction meeting agendas and notes:</p> <p>Masterworks comes with the ability to create and track meeting minutes out of the box. Authorized users can seamlessly schedule and manage meetings using the Minutes of Meeting functionality. It allows the user to create a meeting with details such as the meeting agenda. The user can either add a new meeting agenda or copy an agenda from the previous meeting. In addition, users can use the Mail Merge feature to generate a meeting agenda from the previous meeting minutes.</p> <p>Request for Information</p>

The Request for Information (RFI) form in Masterworks is a formal communication between the contractor and the owner. The RFI process is used primarily by contractors to send questions to an owner and then receive resolutions back from the owner. Additionally, owners can initiate discussions with multiple project stakeholders and use the responses from the participants to develop solutions for problems. An RFI may result in a contract change order or a Request for Proposal. The City can use the RFI/RFP capabilities in Masterworks to accomplish the following tasks:

- Contractors can initiate RFIs with questions that need to be answered along with pertinent details and submit them to the City.
- Authorized users, such as Project Managers, can view the queries in the RFIs and collaborate with other stakeholders to arrive at solutions.
- Authorized users can respond to contractors with clarifications and initiate a Request for Proposal process if required.
- Final business decisions can be obtained from management and other stakeholders.

Change orders

In Masterworks, change orders can be initiated for changes in the price or quantity of contract items. An authorized user can request a change order that includes changes to the contract terms or contract item quantities or prices. Relevant documents can be attached to support the changes. The change order approval workflows can be configured to align with the City's business process. After approval, the contract is updated to include the changes.

Material submittals and approvals

In Masterworks, relevant documents, shop drawings, and material samples are attached to a submittal form and processed for stakeholders' approval. A submittal form comprises information about the contractor submitting the submittal, the title, type, and due date for the expected submission information, and specifications and descriptions. The City can also compile a set of submittals and package it into a single unit that can be used without having to attach these documents individually to a submittal form.

The related records of other forms to a submittal can be associated, and project users can be invited to review a submittal before it is processed for approval. Then, a submittal response can be selected to either approve and close the submittal or to create a new submittal as a revision to the current submittal.

Unit item quantity tracking

Masterworks can add and track items with units, unit prices, and total item costs. The data can be imported through Excel into the application (item, description, unit, quantity, cost, totals, and subtotals).

Prepare and maintain as-built drawings.

		<p>Masterworks' document management features include annotating drawings and managing versions of Record/As-built drawings and spec files.</p> <p>Routing and tracking documentation:</p> <p>In Masterworks, every document is associated with a pre-defined workflow driven by its document type. Document approvals can be routed using workflows according to defined business rules; the system administrator can configure such workflows using the Workflow Builder tool. My Tasks feature on Masterworks will inform users of any pending action items. Using document management workflow, users can route documents and images for approval. Documents can be cross-referenced across multiple process objects. Every document will have a pre-defined workflow driven by its type. Workflows drive the status and approval cycles of documents. The associated approval cycle determines document review, redline, and version controls.</p> <p>Risk and issues analysis:</p> <p>Masterworks has a risk register that allows users to identify and track risks. Risks can be categorized and scored based on likelihood and severity, which determines the risk level and score and would be the quantitative analysis for the risk. The users can also define the action items and the mitigation plan to help the City's project team mitigate and reduce the likelihood of the risk. The impact regarding schedule, cost, etc., can also be quantified against the risk. The project risks can be tracked and monitored using risk reports and dashboards.</p> <p>Lessons Learned:</p> <p>A Lessons Learned table can be configured in the Masterworks Library. It can be used to record issues discovered while executing projects and what the City did to resolve them. Supporting documents can be uploaded and attached to each lesson learned. Authorized users can search the table for examples of how the City responded to past problems.</p>
R	107. Manage task assignments.	<p>Tasks are assigned by workflows, which are a part of business processes. Users are assigned tasks by the schedule feature within each project. Notifications are triggered based on the due dates for the completion of the task. Individuals can review and complete their respective tasks from the My Tasks page in the application.</p>
R	108. Field access to project documents (mobile, desktop, web).	<p>Masterworks comes with a companion mobile application, accessible on any modern mobile device that runs Android, Windows, or iOS. The Masterworks Mobile application improves productivity by enabling users in the field to work from a mobile device efficiently.</p> <p>The Masterworks mobile app is tailor-made for tracking and monitoring the onsite activities of a construction project. The site's field inspectors and construction managers can use the mobile app to record daily progress, issues, risks, etc. Videos and photos from the site can be uploaded into the system through the app. Project documents can be downloaded to a mobile device and accessed in the field for reference purposes.</p>

R	109. Conduct design submittal reviews, including adding comments/redlines and mark up, and compiling into a comment log.	Masterworks has document annotation capabilities that can be used for collaborating with internal and external users and adding redlines to contracts and other project documents. External vendors can be given access to the solution where they can review documents for specified projects. They can provide their annotations and comments on what changes were made or needed. The external vendors can be assigned to user roles that only allow them to access specified content and perform City-designated tasks in the solution. Workflows can be configured to control the review and approval processes. Masterworks also has document submittal capabilities that allow the City and its vendors to exchange documents for projects, design reviews, contracts, RFIs, etc.
R	110. Support Critical Path Method schedules.	Masterworks supports project scheduling using the critical path method. The City can use the scheduling methodology to create and manage schedules for all of its projects. Masterworks supports multiple project schedule views. Critical paths can be viewed using a Gantt chart.
R	111. Change order creation and approval routing, including tracking detailed history by revising percentage complete, quantity, budget, etc.	Change Orders can be initiated for changes in price or quantity of contract items. Relevant documents can be attached to support the changes being made. Change Orders are used to update projects and contracts only after they receive all approvals. The workflows can be configured to align with the City's business process. The revised contracts can then be executed, tracked, and invoiced.
I	112. Contractor/Consultant performance metrics and review.	Masterworks has Vendor Management functions for capturing and evaluating contractor and consultant evaluations, performance metrics, and reviews.
N	113. Minority and Women-owned Business Enterprise and Disadvantaged Business Enterprise reporting.	Fields can be added to vendor management forms for tracking Minority and Women-owned Business Enterprise and Disadvantaged Business Enterprise data. Reports can be configured to extract and display the DBE goal details from the contracts. The DBE goal details can be used in associated business processes and for government reporting.
R	114. Field updates via mobile device, including attaching documents and images.	Aurigo's Mobile application runs on the latest and two most recent previous versions of iOS, Android, and Windows Mobile. Masterworks is also compatible with Windows PCs, tablets, and Windows, iOS, and Android mobile devices using standard browsers. The Masterworks Mobile app allows users in the field to easily submit and respond to processes, view and annotate documents, and, most importantly, work offline when there is no internet connection. In Offline Mode, data entered in the mobile client will automatically sync with Masterworks once the mobile device has internet connectivity.
R	115. Punchlist creation, tracking and management. Ability to share approved punchlists with contractors.	Masterworks supports punch lists. Authorized users can create punch lists with any number of items, assign the items to users or user groups, and set due dates. System Administrators can configure workflows to send notifications and share approved punch lists with contractors. Workflows can also be configured to send alerts when Punch List items are due or overdue. For example, a Project Manager

		can create a final Punch List for a project's closeout. The project cannot be set to "closed" until all the Punch List items are complete.
R	116. Capture punch list with notes and photos (or links) for items on a plan set, as identified by plan sheet.	Punch lists created in Masterworks allow authorized users to enter notes for each punch list item. Users can also upload documents and photos and attach them to punch list items.
I	117. Functionality to note if a punch list item is not started, in progress or complete.	Masterworks includes a punch list utility as a standard feature of construction contract management. The list can be used to define all pending deliverables, which can be tracked to completion. Workflows can also be configured to send alerts when Punch List items are due or overdue. Reports can be generated as needed.
I	118. Capture project progress notes in the field, including date stamp for each entry.	Masterworks and the Mobile app come with Daily Progress Report forms that the City can use to document site inspections. The forms can include fields for project name, project number, date, contractor name, weather conditions, remarks section, call log with name address, phone number, comments, ability to upload or link photos into a report, project manager signature, and date stamp for each entry. The form and its workflow can be configured to align with the City's business processes.
R	119. Static project details can be pre-populated on forms.	Fields on Masterworks forms can be auto-populated based on the City's business rules. Masterworks can auto-populate project detail data such as project name, number, and other fields based on what is defined in the library or what was used on a previous record.
R	120. Update progress notes from a previous day or have a scrolling/continuous form for new information to be added.	Masterworks Construction Project Management product comes with Daily Progress Report forms that inspectors can use to document site inspections. Masterworks can copy data from a previous Daily Progress Report and use it in a new Daily Progress Report.
R	121. Track labor to project and task level of project.	Masterworks offers Resource Management capabilities that allow tracking labor to the task level of a project. Project Managers (PM) can use the Resource Management functions to efficiently manage resources, identify resources for a project, and identify and manage resources concurrently on multiple projects and tasks. Every task has a resource allocation grid, and the PM can decide what roles are required for completing tasks. Once assigned, it will show the total cost for this task based on its resources. The number of available hours per day and the hourly rate for a resource are kept in the Masterworks Library module. Once resource allocation is completed, the PM can get an overview of the allocation across all projects, including over and underutilization.
R	122. Submit, review, and process contractor payments, including: <ul style="list-style-type: none"> • Tracking paid and unpaid work • Different pay schedules and retention amounts • Effective date rate changes • Track by unit • Liquidated damages 	Masterworks supports submitting, reviewing, tracking, processing, and managing contractor payments, including tracking paid and unpaid work. The pay estimate features of Masterworks include allowances for retainage and retainage releases, advance payments and payment recoveries, liquidated damage holds, and hold releases. Retainage can be configured and applied at the contract level. Workflows and related reports can be configured to support tracking and managing retainage.

I	123. Track construction in process vs. in service (items not capitalized).	Masterworks' Construction Project Management solution will provide the City with everything it needs to manage in-process and in-service work tracking. The solution will provide project visibility, comprehensive reporting, real-time dashboards, stakeholder collaboration, automated change management, progress tracking, payment processing, and streamlined scheduling processes. Default project status tracking will be part of the solution, along with a scheduling feature to organize project tasks into manageable sub-components while tracking progress.
I	124. Project completion - transfer project information to an Enterprise Asset Management solution (Lucity), including record drawings, operation and maintenance manuals, warranty information, spare parts, maintenance logs, etc.	<p>Masterworks provides the ability to realize value throughout the lifecycle of a project. To manage this for each project accurately, we recommend the City utilize a combination of processes (i.e., out-of-the-box forms with some advanced configuration) and additional configured reports. The process forms will capture the data throughout the project lifecycle based on the City value goals that need to be measured.</p> <p>As previously mentioned, Masterworks has a flexible Open API for integrating nearly all third-party software and middleware, creating a truly enterprise-level data store for seamless project tracking and reporting. Masterworks supports real-time, two-way data and workflow integration, meaning that Masterworks and integrated systems have accurate, up-to-the-minute data.</p> <p>Aurigo will conduct integration workshops with the core team to identify and elaborate on the integration touchpoints with each application. Doing so helps the Business Core Team understand the overall data flow between the systems and design an optimal solution. Aurigo's Solution Architects will elaborate on all the touchpoints identified with the technical team of each interfaced application to identify data attributes flowing between the system (data mapping), drawings, manuals, documents, warranty information, and logs.</p> <p>A technical interface document will provide all the details required for the interface configuration for Aurigo and the City's development team to build these interfaces. Interfaces are developed and tested in configuration sprints, SIT (System Integration Testing), and UAT (User Acceptance Testing) before sign-off and moving into Production. This will require further discussion to validate the requirements to define the scope, exceptions, and investment.</p>
R	Document Management	
R	125. Full document management capability.	Masterworks includes a Document Management product. The City can upload documents and associate them with specific projects, change orders, and contracts. Business rules and role permissions determine who can upload files, check them in or out, and move or delete them. Workflows can be associated with certain activities and file types to manage document review and approval processes. Masterworks Document Management capabilities allow users to collaborate and coordinate amongst multiple parties.

R	126. Ability to migrate current and past project information from SharePoint and Excel to new PPM system.	Aurigo will work with the City to determine a data migration strategy for migrating current and past project information from legacy systems to the new solution. This may include developing custom, one-time migration solutions. Historical data can also be imported to Masterworks using ready-to-use APIs or Excel import capabilities.
R	127. Version management of documents, images, and reports including ability to mark them complete/final with locking.	The document management capabilities in Masterworks provides version control for all project documents. Any upload or change to a project document is versioned with a date and time stamp. Authorized users will be able to retrieve any version of a document. The solution will lock documents that are checked out, preventing other users from editing.
I	128. Mark a document or form as complete or approved.	A field or check box can be added to documents or forms indicating completion. After reviewing the submitted document or form, an authorized user can click the check box or enter information in the field. Also, as part of a business process workflow, a form can be marked as complete to kick off the subsequent workflow activity.
I	129. Manage and enforce document naming conventions.	All features, forms, documents, and fields within Masterworks are localization-enabled, which means they can be named or renamed to suit the City's naming conventions.
R	130. Photo/image management, including: <ul style="list-style-type: none"> • Directly import images to a project record easily • Ability to tag images to a sheet, plan set, geographical information system location, or project name 	Masterworks can attach or link files, images, photos, videos, and drawings to project items and records. The solution also allows users to tag images to a sheet, plan set, and geographical information system location.
R	131. Support a form library, (typically for inputs) e.g., for business cases, cost estimates, ratings, schedules, consultant and contractor ratings, project development checklists, etc.	Masterworks has built-in forms for many business processes. It also has a Form Builder tool that can be used to create custom forms for business cases, cost estimates, ratings, schedules, consultant and contractor ratings, and project development checklists.
R	132. Support a template library (typically for sending out documents) e.g., for business cases, cost estimates, ratings, schedules, consultant and contractor ratings, project development checklists, etc.	Masterworks can use templates for business processes, workflows, library items, and documents. The templates can be unique for each project and contract type. The template library can contain templates for business cases, cost estimates, ratings, schedules, consultant and contractor ratings, and project development checklists.
I	133. Configurable record archiving and retention.	All data captured within the solution can be deleted or archived based on the City's data retention policies. The policies will be defined during the business analysis phase of the implementation and configured during the configuration phase. The City's data and documents can be maintained in the solution for as long as the system is active and there is an active contract. Authorized users can delete the data within the application if required. Data backup retention policies vary per the Support Plan chosen by the City. Additional data retention capabilities may be possible at an additional cost.
R	Reporting	
I	134. Dashboard functionality can be changed by end users (self-service).	Masterworks provides real-time reporting and dashboard capabilities so the City can visually communicate project updates to its

		stakeholders. The City can use the reports and dashboards that come with Masterworks as-is or use the Report Designer tool to reconfigure existing reports and dashboards or configure new ones (self-service).
R	135. Portfolio Dashboard by user type - Project Manager, Department Head, City Council, Field, Project Manager, Contractor, etc.	Masterworks has standard Portfolio Dashboards that can display data by user type, such as Project Manager, Department Head, City Council, Field, Project Manager, and Contractor.
R	136. Project Dashboard – timeline, budget to actual, percent complete, project shortfall, project on track, behind, etc.	Masterworks can track and report budgets at the project, program, and portfolio summary and detail levels by timeline, planned budget vs. actual, percent complete, project shortfall, project on track, project delay, planned cash flow vs. actuals, and cost breakdown structure.
R	137. Ability to drill down into details of project status, including earned value, spend rate, cash flow, etc.	Masterworks' on-screen reports and dashboards allow authorized users to drill down to the details such as earned value, spend rate, cash flow, etc.
I	138. Project performance metrics.	Project performance metric reports can be configured at the project, program, and portfolio levels. Fields can be added to project forms for performance metric tracking.
I	139. Self-service user query (ad-hoc) reporting tools based on multiple parameters/filters.	Masterworks has reporting capabilities that allow users to create ad-hoc custom reports for any data set available in the solution based on multiple parameters or filters. The reports can be saved as templates and made available to other users. The ability to access specific data is dependent on the roles and permissions assigned to the user.
I	140. User level security flows through to queries, reports and data.	Users can be given role permissions to create, modify, and delete ad-hoc reports and dashboards. Unless a user is permitted to access specific data in the system, they cannot create reports or dashboards that can retrieve the data. System Administrators will have full access to the data and functions in the solution and can edit the queries in the City's standard reports and dashboards.
I	141. Pre-built and user-generated reports and queries that can be modified, saved, and shared based on permissions.	Masterworks comes with dozens of industry-standard reports built using Microsoft SQL Reporting Services. The City can create custom reports using the Report Builder tool in Masterworks. The Report Builder allows users to save reports for future use, schedule them to run at predefined times, and send them to user inboxes or via email. Role permissions can be configured on custom reports to allow or restrict user permissions.
R	142. Ability to date and time stamp reports.	Reports generated by Masterworks can be configured to display the date and time stamp of the report's production.
I	143. Functionality to support “mining” previously completed projects including cost data.	The City can analyze the data stored in the solution using Masterworks' reporting capabilities. The Report Designer tool can configure reports that display information based on data points such as project delays and cash flows. The historical data can be used to display trend analysis and determine projected future performance based on past project performance. The Aurigo Team will work with the City's SMEs to understand the reporting requirements and determine if existing reports can be used as-is or need reconfiguring to meet the City's trend analysis reporting needs.

I	144. Support for year-end reporting.	Masterworks has several project, program, and portfolio-level reports that support year-end reporting. Program and fund forecast reports are included, including reports that show data spread across the entire program cycle (for example, four and five years). Additional program reports can be configured per the City's requirements.
N	145. Trend analysis.	Masterworks comes with standard reports showing financial trend analysis for funding levels, revenues, budget appropriations, expenditures, and cash flows. The Report Designer tool can be used to configure additional trend analysis reports that meet the City's business requirements. The reports can be generated on a regular basis and then distributed to stakeholders. Aurigo's Business Analyst and Configuration Specialist will work with the City's SMEs to fully understand the requirements and determine the scope and cost of implementing additional reports.
I	146. Automated report generation and distribution.	Masterworks' reporting engine can generate and distribute automated reports to authorized users who subscribe to the reports. System Administrators and authorized users can configure reports that automatically run on a defined schedule (Hourly, Daily, Weekly, Monthly, etc.). Authorized users like System Administrators can set up report subscriptions for themselves or others. The reporting engine will automatically generate per the defined schedule and email the reports to recipients as attachments. The received reports can be viewed and printed using the printing capabilities in the browser, which can set the default printer, orientation, etc.

AURIGO SERVICE SUBSCRIPTION AGREEMENT

This Service Subscription Agreement (the "Agreement") is an agreement between Aurigo Software Technologies Inc. (hereinafter referred to as "Aurigo") and City of Redmond (the "Customer"). Aurigo and Customer are collectively referred to as the "Parties" and individually referred to as a "Party". This Agreement consists of the terms and conditions, the service level agreements ("SLAs") corresponding to the applicable Services, and the pricing and payment terms related to the applicable Services. The Services may also contain other posted notices or codes of conduct incorporated by reference into this Agreement.

Please read this Agreement carefully. THIS AGREEMENT MUST BE SIGNED BY BOTH PARTIES PRIOR TO USING ANY OF THE SERVICES. THE CUSTOMER AGREES TO BE BOUND BY THIS AGREEMENT, INCLUDING ANY WRITTEN AND MUTUALLY AGREED MODIFICATIONS MADE TO IT FROM TIME TO TIME. IF THE CUSTOMER DOES NOT AGREE TO THE TERMS AND CONDITIONS IN THIS AGREEMENT, IT MAY NOT SUBSCRIBE TO OR USE THE SERVICES.

1. DEFINITIONS

"Add-on Service" means additional functionality or services that may be ordered by Users of the Services for an additional subscription fee or charge.

"Affiliate" means any legal entity that a Party owns, that owns a Party, or that is under its common ownership. "Ownership" means control of more than a 50% interest in an entity for purposes of this definition. If the Customer is an agency of a state, provincial, or local government, "Affiliate" means:

1. any government agency, department, office, instrumentality, division, unit or other entity, of the Customer's state, provincial or local government that is supervised by, or is part of, the Customer, or which supervises the Customer or of which the Customer is a part, or which is under common supervision with the Customer.
2. any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar types of governmental instrumentality established by the Customer's state or provincial laws and located within the Customer's state's or province's jurisdiction and geographic boundaries.
3. any other entity in the Customer's state or province expressly authorized by the laws of the Customer's state or province to purchase under state or provincial contracts; provided that a state or province and its Affiliates shall not, for purposes of this definition, be considered Affiliates of the federal government or its Affiliates. Notwithstanding the foregoing, provincial Crown corporations are not Affiliates for the purposes of this definition. If the Customer is a US government agency, "Affiliate" means any other US government agency. If the Customer is an agency of the Canadian government, "Affiliate" means any other agency of the Canadian government, except for a federal Crown corporation.

"Annual Construction Value" or **"ACV"** means the Customer's sum of all construction costs (both direct and indirect) for one fiscal year.

"Aurigo" means Aurigo Software Technologies Inc. or its Affiliates.

"CPGL" means Core Product Go Live. It is the date that the base functionality of the Aurigo Commercially Off the Shelf platform and the licensed product(s) is/are made available to the Customer. This is different from the Solution Go-live date when the entire solution will be hosted in a production environment.

"Client Software" means any software provided to Customer by Aurigo related to the Services.

"Confidential Information" means all terms and conditions herein and all financial, sales, marketing, pricing, customer, personnel, present or future product (including, without limitation, the source code of the Services or Client Software and all know-how and trade secrets, relating to, contained in, or embodied in the Services or Client Software), technical, research, development or other business data and information of the Parties (whether communicated orally, visually, in writing, or any other recorded or tangible form) which is not in the public domain and which (a) either Party has marked as confidential or proprietary, (b) either Party, orally or in writing, has advised the other Party of its confidential nature, or (c) due to its character or nature, a reasonable person in a like position and under like circumstances would treat as confidential.

"Content" means all data, including all text, sound, or image files and software that are provided to Aurigo by, or on behalf of, the Customer, its Users, and associated account Users through their use of the Services. The term "Content" does not apply to any test data.

"Customer" means the entity that has entered into this Agreement. If an individual enters into this Agreement on behalf of a company or other legal entity, such individual represents that they have the authority to bind such entity to this Agreement.

"Derivative Work" means modifications to and creation of forms, workflows, dashboards, and reports within Client Software. Subject to Customer's payment of undisputed subscription fees due to Aurigo, Aurigo hereby grants to Customer a non-exclusive license to prepare derivative works based on materials, including any and all modifications thereto, owned and developed independently by Aurigo prior to the reparation of its proposal and used to provide Services under this Agreement. Aurigo shall retain ownership interest in any modifications, enhancements, improvements, or derivative works of the foregoing, irrespective of their date of creation.

"Solution Go-Live" means the date the entire configured Service is hosted and available in Aurigo's production environment for user access.

"Intellectual Property" means any intellectual or industrial property rights protected or protectable under the laws of the United States of America and includes copyrights, moral rights, trade secrets, patent rights, rights in inventions, trademarks, trade names, service marks, as well as applications for, and registrations, extensions, renewals and re-issuances of, the foregoing, in whatever form such rights may exist and whether registered or unregistered.

"License" means the rights granted by Aurigo to the Customer to copy, install, use, access, display, run and otherwise interact with the Services and Client Software for, as applicable, the Customer's internal business purposes.

"Service" or "Services" means any Aurigo-hosted software or services to which the Customer subscribes under this agreement.

"SLAs" means service level agreements representing commitments Aurigo makes to Customer regarding the Services. The term "SLAs" does not apply to any Third-Party Software or Third-Party Services.

"Subscription" means enrollment for a Service or Services for a defined Term.

"Subscription Fee" means the annual fee the Customer is required to pay for the Subscription to the Services and Client Software. The Customer is required to pay the Subscription Fees in advance. Payments are due and must be paid in accordance with the Agreement, Change Order, or Purchase Order. Price level changes are not retroactive. Prices for each price level are fixed when the Subscription is first placed and will apply throughout the Contract Term. Subscription Fees are subject to change by Aurigo at the end of the initial Contract Term and the end of any contract renewal term. Any Subscription Fee increase will be limited by Aurigo to a maximum of five percent (5%) or the CPI-W for June of the previous year for the Seattle/Tacoma/Bellevue area, whichever is higher, per applicable renewal term.

"Subscription Period" means the one-year period corresponding to a given Subscription Fee.

"Term" or **"Contract Term"** means the duration of this Agreement, as set forth on Schedule 1.

"Third Party Software" means software provided by a third party to the Customer (which may or may not be used through the Services) that are subject to additional terms and conditions between the third party and the Customer associated with the Customer's use of such third-party software. The term "Third Party Software" does not include software embedded in the Services or provided to the Customer by Aurigo as part of the Services necessary for the Customer's use of the Services.

"Third Party Services" means services provided by a third party to the Customer (which may or may not be used through the Aurigo Services) that are subject to additional terms and conditions between the third party and the Customer associated with the Customer's use of such third party services. The term "Third Party Services" does not include services provided to the Customer with, or as part of, the Aurigo Services necessary for the Customer's use of the Aurigo Services.

"Users or User" means individuals within the Customer's organization who have the right to use the Services, as dictated by the number of User Licenses purchased by the Customer.

"User Licenses" refers to the named user license subscriptions that the Customer has purchased under its Subscription for Services.

"Work Order" or **"Order"** means an order for Services.

"Work Product" means any item (tangible or intangible) created or produced as a result of any customization or configuration services by Aurigo. For the sake of clarity, the term "Work Product" does not include any items that are derivative works of intellectual property owned by Aurigo, including but not limited to the configuration of existing code.

2. LICENSE GRANT – WHAT CUSTOMER IS LICENSED TO USE

- 2.1 General.** Aurigo grants the Customer a non-exclusive, non-transferable, non-assignable, limited License to the Services ordered by the Customer during the Term, subject to the Customer's obligation to pay and any rights and limitations described in this Agreement. The Customer's ability to use the Services may be affected by minimum system requirements or other factors. Aurigo reserves all rights not expressly granted. No implied licenses flow from this Agreement.
- 2.2 Ownership.** Each Party shall retain ownership of its Intellectual Property and derivative works created therefrom. Ownership rights to Work Product provided to the Customer

under this Agreement will be defined in an applicable Statement of Work associated with that Work Product.

- 2.3 Client Software.** The Customer may need to install Client Software wherever applicable (mobile client software for iOS and Android are available subject to users being licensed to access the Services) to access and use the Services, in which case Aurigo grants the Customer a non-exclusive, non-transferable, non-assignable, limited License to the Client Software during the Term, subject to the Customer's obligation to pay and any rights and limitations described in this Agreement. The Customer's ability to use the Client Software may be affected by minimum system requirements or other factors. The Customer may make copies of the Client Software solely to support the Services for its Users, but only to the extent the copies are true and complete copies (including copyright and trademark notices) and are made from an Aurigo approved media or a network source. The Customer agrees to use reasonable efforts to make all authorized Users (as discussed in Section 2.4 below) aware that use of the Services is licensed from Aurigo and subject to the terms of this Agreement. Additional rights and restrictions for the Client Software may accompany the provision of such Client Software, and the Customer agrees to abide by all such additional rights and restrictions.
- 2.4 Authorized Users.** Only those individuals the Customer designates as authorized Users may use and access the Services. Only Users who have administrator privileges may add additional authorized Users to the Services up to and including the total number of User Licenses purchased during the Subscription Period. User Licenses cannot be shared or used by more than one authorized User and cannot be reassigned to a new User to replace a current authorized User who has terminated employment or otherwise changed job status or function and no longer uses the Services. However, a User who has administrator privileges may delete an authorized User from the Services and add a new authorized User to the Services to replace the former authorized User.
- 2.5 Limitations on use.** The Customer shall not (and shall not permit any third party to) copy, reverse engineer, decompile or disassemble the Services or Client Software or make works derived from any version of the Services or Client Software or attempt to generate or access the source code for the Services or Client Software, whether by converting, translating, decompiling, disassembling or merging any part of the Services or Client Software with any other software, except where applicable law requires it despite this limitation. The Customer shall not (and shall not permit any third party to) rent, lease, lend, resell, or host to or for third parties any Services or Client Software. The Customer shall not circumvent or disable any usage rules or other security features of the Services or Client Software; or remove, alter or obscure any proprietary notices or labels.

3. ORDERING, PRICING, PAYMENTS, RENEWALS, AND TAXES

- 3.1 Ordering.** The Customer shall issue a purchase order to Aurigo for each Subscription and each change to a Subscription during an applicable Subscription Period. If the Customer desires to increase the total number of User Licenses during a Subscription Period, the Customer must purchase those additional User Licenses prior to exceeding its then-current number of authorized User Licenses. If the Customer desires to reduce the total number of User Licenses, the Customer may request a reduction in the number

of User Licenses at any time during the applicable Subscription Period. If Aurigo assesses that the Customer is eligible for such reduction, which Aurigo may determine in its sole discretion, the reduction in the number of User Licenses will be effective at the beginning of the next Subscription Period. The Customer's reduction of User Licenses may trigger a price increase according to Aurigo's then-current Subscription Fee, and the Customer may lose any locked-in pricing or volume discounts previously agreed with Aurigo.

If the Customer has purchased an ACV-based Subscription, and if during the Contract Term, the Customer uses a higher ACV than it originally purchased for the applicable Subscription period, then (i) at the end of the applicable Subscription period, Aurigo will have the right to invoice the Customer in arrears at a price for the higher ACV tier used by the Customer; and (ii) the Customer will automatically be enrolled in the higher ACV tier used by the Customer for the next applicable Subscription Period. If the Customer's budget allocation changes, the Customer may request a downgrade to a lower ACV tier. If Aurigo assesses that the Customer is eligible for such downgrade, which Aurigo may determine in its sole discretion, the Customer's downgrade to a lower ACV tier will be effective at the beginning of the next Subscription Period. There will be no refunds if the Customer's ACV usage is lower than the tier selected for the then-current Subscription Period. The Customer's downgrade to a lower ACV tier may trigger a price increase according to Aurigo's then-current Subscription Fee, and the Customer may lose any locked-in pricing or volume discounts previously agreed with Aurigo.

Any Services added to a Subscription will expire at the end of the Term. The Customer may place Orders for its Affiliates under this Agreement and grant its Affiliates administrative rights to use the Services. Affiliates may not place Orders under this Agreement. To the extent the Customer grants any rights to Affiliates, such Affiliates shall be bound by the terms and conditions of this Agreement. The Customer agrees that it is jointly and severally liable for any Services purchased for or other actions taken by any of its Affiliates or any third party to which it provides rights under this Agreement.

- 3.2 Renewal.** The Contract Term of this Agreement is defined in Schedule 1.
- 3.3 New agreement.** Upon notice prior to placing new Orders, renewing any Subscriptions, or further use of the Services after the end of the Contract Term, Aurigo may require the Customer to enter into an updated agreement to govern Orders, renewal Subscriptions, usage, or other terms from that date forward.
- 3.4 Taxes and other Incidental Charges.** Unless stated otherwise, the prices and rate plans do not include any taxes, phone and the Customer's cost of their Internet access charges, mobile text messaging, wireless service, and other data transmissions. The Customer is responsible for all such incidental charges and any taxes it is legally obligated to pay, including, but not limited to, paying Aurigo any applicable value-added, sales, or use taxes or like taxes that are permitted to be collected from the Customer by Aurigo under applicable law. If any taxes are required by law to be withheld on payments made by the Customer to Aurigo, the Customer may deduct such taxes from the amount owed Aurigo and pay them to the appropriate taxing authority; provided, however, that the Customer shall promptly secure and deliver to Aurigo an official receipt for any such taxes withheld or other documents necessary to enable Aurigo to claim a Foreign Tax

Credit. The Customer will make certain that any taxes withheld are minimized to the extent possible under applicable law. If the Customer is tax-exempt, it must provide a valid tax exemption certificate for Aurigo to exclude taxes from customer invoices.

- 3.5 Refunds.** All charges are non-refundable unless expressly stated otherwise or otherwise provided by law.
- 3.6 Late Payments.** Undisputed payments to Aurigo are due 30 days from receiving an invoice. Aurigo may suspend or cancel the Services if the Customer does not pay undisputed fees in full and on time.

4. TERM AND TERMINATION

- 4.1** This Agreement will become effective upon execution by the Parties and remain in force for the Term unless terminated pursuant to this Section 4.
- 4.2 Suspension of Services by Aurigo.** Aurigo may immediately suspend the Customer's use of the Services or a portion thereof at any time if (a) Aurigo believes that the Customer's use of the Services represents a direct or indirect threat to its network function or integrity or anyone else's use of the Service, or (b) Aurigo is otherwise required by law to do so. Upon notification by Aurigo of any such suspension, the Customer's right to use the Services will stop immediately. For the avoidance of doubt, during any suspension, the other terms of this Agreement remain in full force and effect.

Aurigo will endeavor to work with the Customer to revoke a suspension, which may include the Customer taking remedial actions, after which the Customer's right to use the Services will resume. If Aurigo determines in its sole discretion that a suspension cannot be revoked, then Aurigo may terminate this Agreement by written notice to the Customer.

- 4.3 Termination by Customer.** The Customer may suspend the Customer's use of the Services or a portion thereof at any time if Aurigo violates the terms of this Agreement. However, the Customer's obligation to pay remains in effect until the termination date.
- 4.4 Termination of this Agreement for Cause.** A Party may terminate this Agreement by written notice if the other Party materially breaches this Agreement and fails to cure the breach during the Cure Period. The "Cure Period" will commence on the date the non-breaching Party gives written notice of a breach to the breaching Party, specifying the nature of the breach, and will continue for a period of (i) ten (10) days in cases where the breach is the failure to pay any undisputed amounts due under this Agreement; or (ii) thirty (30) days for all other breaches; provided that, notwithstanding the foregoing, there will be no period for curing or remedying a material breach by either Party of its obligations pertaining to Confidential Information under Section 8. If the Customer fails to make any payment required hereunder and fails to cure such breach within the Cure Period, Aurigo may declare all sums due and to become due hereunder immediately due and payable. If Aurigo terminates this Agreement for the Customer's violation of the Agreement terms, the Customer will be obligated to pay any Subscription fees due for the then-current Subscription Period.
- 4.5 Termination for Insolvency.** This Agreement may be terminated by either Party,

immediately upon written notice to the other Party in the event (i) the other Party files a bankruptcy petition or is adjudicated bankrupt; (ii) a petition in bankruptcy is filed against the other Party, and such petition is not dismissed within sixty (60) calendar days; (iii) the other Party becomes insolvent or makes an assignment for the benefit of its creditors or an arrangement for its creditors pursuant to any bankruptcy or other similar law; (iv) the other Party discontinues its business; or (v) a receiver is appointed for the other Party or its business.

- 4.6 Effect of termination.** Upon termination or cancellation of the Services or this Agreement by either Party for any reason, (i) the Customer will immediately cease all use of the Services and Client Software, (ii) the Customer shall certify in writing to Aurigo that, within 30 calendar days after termination, the Customer has erased from computer memory, destroyed, or returned to Aurigo all Client Software, as well as any copies thereof on any media or in any form, whether partial or complete, whether modified or in original form, and (iii) Aurigo may delete the Customer's Content permanently from its servers. Notwithstanding the foregoing, Aurigo will keep the Customer's Content for a period of 90 days before it is deleted from Aurigo's servers. Termination of the Services or this Agreement or any license granted herein shall not limit either Party from pursuing other remedies available to it at law or in equity.

At no additional cost to Customer, and when requested in writing by Customer, based upon termination of this Agreement, Aurigo will deliver (within forty-five (45) days of receipt of request) electronic files containing all available Customer Content. Aurigo will deliver the data as a SQL server backup file plus documents in the original form uploaded. The data files will be posted to an agreed to SFTP site. Any standardized documentation describing the data files will be included.

- 4.7 No liability for the deletion of Content.** The Customer acknowledges that, other than as expressly described in these terms, Aurigo will have no obligation to continue holding, exporting, or returning the Customer's Content. The Customer acknowledges that Aurigo will have no liability whatsoever for the deletion of Content pursuant to these terms.

5. DATA PRIVACY

- 5.1 Use of Customer Data.** Content and other data that the Customer may provide or cause to be provided to Aurigo for use with the Services ("**Customer Data**") will be used only to provide the Customer the Services, and in other limited circumstances, including troubleshooting aimed at preventing, detecting, and repairing problems affecting the operation of the Services, the improvement of features including but not limited to those features that involve the detection of, and protection against, emerging and evolving threats to the user (such as malware or spam), and develop new Service capabilities. Aurigo may also use Customer Data for the limited purposes of marketing, advertising, and customer communications. The Customer hereby grants to Aurigo a limited, nonexclusive license to use the Customer Data for the limited purposes set forth above in this Section 5.1.

Notwithstanding the foregoing, Aurigo will not otherwise disclose customer data to a third party (including law enforcement, other government entity, or civil litigant;

excluding Aurigo subcontractors and affiliates) except as the Customer directs or unless required by law. Should a third party contact Aurigo with a demand for customer data, Aurigo will attempt to redirect the third party to request it directly from the Customer. Aurigo may provide the Customer's basic contact information to the third party as part of that. If compelled to disclose customer data to a third party, Aurigo will use commercially reasonable efforts to notify the Customer in advance of a disclosure unless legally prohibited. The Customer is responsible for responding to requests by third parties defined in this clause regarding the Customer's use of the Service, such as a request to take down content under the Digital Millennium Copyright Act.

6. USE RIGHTS AND LIMITATIONS

6.1 SLAs. Aurigo will comply with the then-current SLA in place relating to the Services

6.2 Customer's Use. In using the Service,

Customer agrees to:

- comply with all laws
- comply with any codes of conduct or other notices provided by Aurigo
- keep its password secret
- promptly notify Aurigo if it learns of a security breach or unauthorized access related to the Service

Customer agrees to not:

- use the Services in any way that harms Aurigo or its Affiliates, resellers, distributors and/or vendors, or any customer of the same, or the Services or other Users
- engage in, facilitate, or further unlawful conduct
- damage, disable, overburden or impair the Services (or the networks connected to the Services) or interfere with anyone's use and enjoyment of the Services
- resell or redistribute the Services, or any part of the Services, unless the Customer has a contract with Aurigo that permits it to do so
- use any portion of the Services as a destination linked from any unsolicited bulk messages or unsolicited commercial messages ("spam")
- use any unauthorized automated process or service to access and/or use the Services (such as a BOT, a spider, periodic caching of information stored by Aurigo, or "meta-searching"), however, periodic automated access to the Services for report creation or scheduling is permitted
- use any unauthorized means to modify or reroute, or attempt to modify or reroute, the Services or work around any of the technical limitations in the Services
- modify, create derivative works from, reverse engineer, decompile or disassemble or otherwise attempt to discover any trade secret contained in the Services or in any technology, or system used by Aurigo in connection with providing the Services, except and only to the extent that applicable law expressly permits the Customer to do so despite this limitation
- create a "mirror" of any content of the Services to give the impression that the

Customer is offering all the functionality of the Services as its service is located on its servers

- build a product or service using similar ideas, features, functions, or graphics of the Services
- copy any ideas, features, functions, or graphics of the Services

6.3 Use of Other Aurigo Services. The Customer may need to use certain Aurigo websites or services to access and use the Services. If so, the terms of use associated with those websites or services, as applicable, apply to the Customer's use of them.

6.4 Third Party Services. Aurigo or its partners may make Third Party Services available to the Customer (a) through the Services or (b) that interface with the Aurigo Services. These Third Party Services are the responsibility of the Third Party Service provider, not Aurigo. The Third Party Service providers may require the Customer to accept additional terms and conditions and/or pay a fee to use their services. Those additional terms and conditions are between the Customer and the Third Party Service provider. The Customer must maintain an active Subscription to use the Aurigo Services with Third-Party Services.

Any Third Party Service provider's use of information that the Customer provides as part of using their Third Party Service is subject to the privacy statements and practices of that Third Party Service provider and/or their suppliers. Aurigo encourages the Customer to review the privacy statement of these Third Party Service providers. Aurigo is not responsible for the privacy statements or privacy practices of these Third Party Service providers or their suppliers.

6.5 Third Party Software. Some Third-Party Software may be appropriate or necessary for use with the Service. The Customer is solely responsible for any Third Party Software installed in or used with the Aurigo Services. The Customer's right to use such Third Party Software is governed by the terms of any applicable Third Party Software license agreement. Aurigo is not a party to and is not bound by any terms governing the Customer's use of the Third-Party Software. The Customer acknowledges that it will direct and control the installation and use of Third Party Software with the Aurigo Services.

The Customer must maintain an active Subscription to use the Aurigo Services with Third Party Software. Aurigo will not run or make any copies of Third Party Software licensed by the Customer except as necessary to support the Customer's use of the Aurigo Services. The Customer may not install or use the Third Party Software in any way that would subject Aurigo's intellectual property or technology to obligations beyond those included in the Agreement. Aurigo does not, and will not have any obligation to, provide technical or other support for any Third Party Software. Aurigo does not make any representation or guarantee that any Third Party Software will operate successfully with the Services or continue performing after an update, upgrade, services patch, support fix, or platform migration has been made to the Service.

6.6 Third Party Software and Third-Party Services Release of Claims. Aurigo will not be liable for any claims arising out of the Customer's use of Third-Party Software or Third-Party Services, including but not limited to claims pertaining to privacy, performance, availability, or data integrity.

- 6.7 Third Party Software and Third-Party Services Indemnity for Use.** The Customer will indemnify and hold harmless Aurigo for all claims resulting from, related to, or in connection with the Customer's use of Third-Party Software or Third-Party Services associated with the Aurigo Services.
- 6.8 Use of Third-Party Software or Third-Party Services Websites.** If the Customer accesses any third-party website to use Third Party Software or Third-Party Services in conjunction with the Aurigo Services, the Customer must abide by the third party's terms of use and Aurigo's terms of use for those third-party websites, as set forth in section 7.1 below.

7. CUSTOMER CONTENT

- 7.1 Links to third-party websites.** The Services may contain links to third-party websites belonging to Third Party Software and Third Party Service providers. These third-party websites are not under Aurigo's control, and Aurigo has no responsibility for the content contained in such third-party websites. If Aurigo has included these links in the Services, it provides them as a convenience to the Customer only. The inclusion of these links is not an endorsement by Aurigo of any third-party website, Third Party Software, Third Party Services, or any other third-party service or product. Aurigo reserves the right to disable links to any third-party website that the Customer posts on the Services. The Customer's use of any such third-party website will also be subject to Aurigo's Third Party Terms of Use, available here: <http://www.aurigo.com/third-party-terms-of-use/>
- 7.2 Aurigo will not own any Content.** Aurigo performs regular backups of Content for the purpose of recovery in the event of a failure in Aurigo's data centers. However, notwithstanding the foregoing, the Customer is solely responsible for the Content it provides to Aurigo through the Services either through integrations or manual entry. The Customer, not Aurigo, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use such Content. Aurigo shall not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any Content that the Customer uses with the Service.

8. CONFIDENTIALITY

- 8.1** Aurigo and the Customer shall treat the Agreement terms and conditions as confidential to the extent permitted by law. They shall not disclose them to any third party except in the furtherance of the Parties' business relationship with each other. For government customers, this Section is subject to the requirements of applicable trade secrets, public records, or similar laws.
- 8.2 Protective Measures.** Each Party acknowledges the proprietary nature of the other Party's Confidential Information and the business advantage and opportunity provided thereby. The Customer acknowledges and agrees that the Services and Client Software, its object code and source code, whether or not provided to the Customer, and all ideas, methods, algorithms, formulae, processes, and concepts used in developing or incorporated into the Services or Client Software, all future updates and upgrades, and

all other improvements, revisions, corrections, bug-fixes, hotfixes, patches, modifications, enhancements, releases, signature sets, upgrades, and policy and database updates and other updates in, of, or to the Services or Client Software, all derivative works based upon any of the foregoing, and all copies of the foregoing are trade secrets, Confidential Information and proprietary property of Aurigo, having great commercial value to Aurigo. Accordingly, each Party agrees that the Confidential Information it receives from the other Party will be disclosed only to such of its employees and agents who have a need to know such information in furtherance of their duties and are bound to an enforceable written agreement prohibiting them from disclosing any such information to any other party or using such information except for the purposes permitted by this Agreement. Except as expressly permitted by this Agreement, neither Party will use the other Party's Confidential Information or disclose such information to any third party without the prior written consent of the other Party.

8.3 Exceptions Regarding Disclosure. Nothing in this Agreement will prevent the receiving Party from disclosing the other Party's Confidential Information to the extent the receiving Party is legally compelled to do so by any court or governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction, on condition that prior to the disclosure, the receiving Party shall (i) assert the confidential nature of the Confidential Information; (ii) immediately notify the disclosing Party in writing of the order or request to disclose; and (iii) cooperate fully with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.

8.4 Injunctive Relief. Each Party acknowledges and agrees that due to the unique nature of Confidential Information, there can be no adequate remedy at law for any unauthorized use or copying of the Services or Client Software by the Customer or any breach of the obligations under this Section 8 regarding Confidential Information by either Party. Any such breach would result in irreparable harm to the non-breaching Party and, therefore, upon any such alleged breach, the non-breaching Party will be entitled to seek appropriate equitable relief, in addition to whatever remedies it might have at law, in equity or under this Agreement.

8.5 Aurigo recognizes the Customer is a municipal entity subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that Customer is obligated to disclose records upon request unless a specific exemption from disclosure exists. Nothing in the Agreement is intended to prevent the Customer's compliance with the Public Records Act, and Customer shall not be liable to Aurigo due to Customer's compliance with any law or court order requiring the release of public records. In the event the Customer receives a request requiring the release of Aurigo's information, Customer will provide Aurigo with notice and an opportunity to obtain a court protection pursuant to Washington State Public Records Act, Chapter 42.56 RCW.

9. WARRANTIES

9.1 Limited warranty. Aurigo warrants that the Services and Client Software will conform as per specification and will be subject to the following limitations:

- this limited warranty applies only during the Term, including any renewals

("Limited Warranty Period")

- any implied warranties, guarantees, or conditions not able to be disclaimed as a matter of law will last only during the Limited Warranty Period
- this limited warranty does not cover problems caused by accident, abuse, or use of the Services in a manner inconsistent with this Agreement or resulting from events beyond Aurigo's reasonable control
- this limited warranty does not apply to problems caused by the failure to meet minimum system requirements
- this limited warranty does not apply to downtime or other interruption in access to the Services or any other performance metrics that are addressed in an applicable SLA
- this limited warranty does not apply to problems caused by the Customer's use of any Third-Party Services, Third-Party Software, and any other third party provided goods or services
- This limited warranty expressly excludes any Third-Party Services, Third-Party Software, and any other third party provided goods or services

9.2 Remedies for breach of limited warranty. If the Customer notifies Aurigo within the Limited Warranty Period that the Services or a portion thereof do not meet the limited warranty, then Aurigo will either (1) return the amount paid for the applicable Services or portions thereof during the Term, but only in an amount equal to the portion of the payments for which the Customer's warranty claim applies, and only to the extent the Customer requests termination of the contract, or (2) update such Services to make it conform to the limited warranty. These are the Customer's only remedies for breach of the limited warranty unless other remedies are required to be provided under applicable law.

9.3 DISCLAIMER OF OTHER WARRANTIES. OTHER THAN THIS LIMITED WARRANTY, AURIGO PROVIDES NO OTHER EXPRESS OR IMPLIED WARRANTIES. AURIGO DISCLAIMS ANY IMPLIED REPRESENTATIONS, WARRANTIES, OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, TITLE, OR NON-INFRINGEMENT. THESE DISCLAIMERS WILL APPLY UNLESS OTHERWISE REQUIRED BY APPLICABLE LAW.

9.4 DISCLAIMER OF LIABILITY. Aurigo will not be in breach of any of its obligations under this Agreement (including in respect of any service levels, to the extent applicable) or be liable to the Customer, to the extent such act or omission (which would constitute such a breach or give rise to liability) is caused by or directly attributable to an act or omission of any third party not affiliated with Aurigo, including for the avoidance of doubt, the Customer.

10. DEFENSE OF INFRINGEMENT AND MISAPPROPRIATION CLAIMS

10.1 Agreement to protect. Aurigo will defend the Customer against any claims made by an unaffiliated third party that any Services or Client Software infringes that third party's patent, copyright, or trademark or makes intentional unlawful use of its trade secrets or confidential information. Aurigo will also pay the amount of any resulting adverse final judgment (or settlement to which Aurigo consents). This Section provides the Customer's exclusive remedy for these claims.

10.2 What Customer must do: The Customer must promptly notify Aurigo promptly in writing of the claim and give Aurigo control over its defense or settlement of the claim. Aurigo will work with the Customer's designated representative to process and defend against the claim. The Customer's designated representative must provide Aurigo with reasonable assistance in defending the claim. Aurigo will reimburse the Customer for reasonable out-of-pocket expenses incurred in providing that assistance, but Aurigo will not be liable to the Customer for any attorney fees of counsel hired by the Customer unless Aurigo has expressly agreed to pay such fees in advance and in writing.

10.3 Limitations on defense obligation. Aurigo's obligations in this Section 10 will not apply to the extent that the claim or award is based on:

- the Customer's use of the Services or Client Software after Aurigo notifies Customer in writing to discontinue its use due to a third-party claim
- the Customer's combination of the Services or any related Client Software with a non-Aurigo product, data, or business process, including Third Party Software and Third-Party Services
- damages attributable to the value of the use of a non-Aurigo product, data, or business process
- the Customer's use of Aurigo's trademark(s) without express written consent to do so
- any trade secret or undisclosed information claim, where the Customer acquires the trade secret or undisclosed information (1) through improper means; (2) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (3) from a person (other than Aurigo) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret or undisclosed information

10.4 Specific rights and remedies in case of infringement.

- **Aurigo's rights in addressing possible infringement.** If Aurigo receives information concerning an infringement claim related to the Services or Client Software, Aurigo may, at its expense and without obligation to do so: (1) procure for the Customer the right to continue to use the allegedly infringing Services and/or Client Software, (2) modify the Services and/or Client Software, or (3) replace the Services and/or Client Software with a functional equivalent, to make it non-infringing, in which case the Customer will immediately stop using the allegedly infringing Services and/or Client Software after receiving notice from Aurigo.
- **Customer's specific remedy in case of an injunction.** If, as a result of an infringement claim, the Customer's use of the Services or Client Software is enjoined by a court of competent jurisdiction, Aurigo will, at its option, either: (1) procure the right to continue its use; (2) replace it with a functional equivalent; (3) modify it to make it non-infringing; or (4) terminate the License as to the infringing Services and/or related Client Software and refund any amounts paid in advance by the Customer for unused Services.

11. LIMITATION OF LIABILITY

11.1 Limitation on liability. Except as otherwise provided in this Section, to the extent permitted by applicable law, the liability of Aurigo and Aurigo's contractors to the Customer arising under this Agreement is limited to direct damages up to the amount the Customer paid Aurigo for the Services and/or Client Software giving rise to that liability during the (1) Term or (2) twelve months prior to the filing of the claim, whichever is less. These limitations apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory. However, these monetary limitations will not apply to:

- Aurigo's obligations under the Section titled "Defense of infringement and misappropriation claims"
- the Customer's use of Aurigo's trademark(s) without express written consent to do so
- liability for damages awarded by a court of final adjudication for Aurigo's or its employees' or agents' gross negligence or willful misconduct
- liabilities arising out of any breach by Aurigo of its obligations under the Section entitled "Confidentiality"
- liability for personal injury or death caused by Aurigo's negligence or that of its employees or agents or for fraudulent misrepresentation

11.2 EXCLUSION OF CERTAIN DAMAGES. To the extent permitted by applicable law, whatever the legal basis for the claim, neither Party, nor any of its affiliates or suppliers, will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for lost profits or revenues, business interruption, or loss of business information) arising in connection with this agreement, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. However, this exclusion does not apply to either Party's liability to the other for violation of its confidentiality obligations or the other Party's intellectual property rights.

12. VERIFYING COMPLIANCE

During the Term of any Subscription and for three years thereafter, the Customer must keep all records relating to the Subscription(s) and the Customer's use of the Services and/or Client Software under this Agreement. Aurigo may request that the Customer conduct an internal audit of all Services in use throughout the Customer's organization, comparing (i) the number of User Licenses in use to the number of User Licenses purchased by the Customer or (ii) the ACV tier used by the Customer to the ACV tier purchased by the Customer, as the case may be. By requesting an audit, Aurigo does not waive its rights to enforce this Agreement or protect Aurigo's intellectual property by any other means permitted by law. If verification or self-audit reveals any unlicensed use, the Customer must promptly order sufficient User Licenses or purchase a higher ACV tier to cover its past and present use. If use is more than what the Customer purchased from Aurigo, the Customer must also reimburse Aurigo for the costs Aurigo has incurred in verification and acquire the necessary additional User Licenses or ACV tier, as the case may be, at single retail subscription cost within 30 days.

13. MISCELLANEOUS

13.1 Notices. Notices, authorizations, and requests in connection with this Agreement must

be sent by regular or overnight mail, or express courier, to the addresses listed below. Notices will be treated as delivered on the date shown on the return receipt. Termination of the Agreement, a Subscription, or cancellation of a Subscription initiated by the Customer should be sent via the Aurigo customer service contact.

Notices should be sent to Aurigo:	Copies should be sent to:
Aurigo Software Technologies Inc. 8310-2 N Capital of Texas Highway Prominent Pointe, Suite 100 Austin, TX 78731 Email: support@aurigo.com	Aurigo Software Technologies Inc. 8310-2 N Capital of Texas Highway Prominent Pointe, Suite 100 Austin, TX 78731

Notices should be sent to the Customer:	Copies should be sent to:
City of Redmond MS: 3SFN Service Desk P.O. Box 97010 Redmond, WA 98073-9710	servicedesk@redmond.gov

- 13.2 Assignment.** Neither party may assign this Agreement.
- 13.3 Severability.** If a court holds any provision of this Agreement to be illegal, invalid, or unenforceable, the rest of the document will remain in effect, and this Agreement will be amended to give effect to the eliminated provision to the maximum extent possible.
- 13.4 Waiver.** A waiver of any breach of this Agreement is not a waiver of any other breach. Any waiver must be in writing and signed by an authorized representative of the waiving Party.
- 13.5 Applicable law.** This Agreement is governed by the laws of the State of Texas without regard to its conflict of laws principles, except that (1) if the Customer is an entity of the US Government, this Agreement is governed by the laws of the United States, and (2) if the Customer is an entity of a state or local government in the United States, this Agreement is governed by the laws of that state. The 1980 United Nations Convention

on Contracts for the International Sale of Goods and its related instruments will not apply to this Agreement. The Services are protected by copyright and other intellectual property rights laws and international treaties.

- 13.6 Dispute Resolution.** The Parties agree that any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled to the extent possible by good faith negotiations. Any dispute that the Parties cannot resolve by good faith negotiations within thirty (30) days or such a longer period as the Parties may mutually agree shall be submitted to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association by a single arbitrator appointed in accordance with such Rules. The arbitration will take place in Seattle, WA, USA, in the English language, and the arbitral decision may be enforced in any court. Notwithstanding the foregoing, claims for injunctive or equitable relief or claims regarding intellectual property rights may be brought in any competent court. Subject to the preceding arbitration provision, the Parties consent to exclusive jurisdiction and venue in the state and federal courts located in Seattle, WA.
- 13.7 This Agreement is not exclusive.** The Customer is free to enter into agreements to license, use or promote non-Aurigo software or services, subject to the terms of this Agreement.
- 13.8 Survival.** Provisions regarding fees, restrictions on use, transfer of licenses, export restrictions, defense of infringement and misappropriation claims, limitations of liability, confidentiality, compliance verification, indemnification, obligations on termination, and the provisions in this Section entitled "Miscellaneous" will survive expiration or termination of this Agreement.
- 13.9 Force majeure.** Neither Party will be liable for any failure in performance due to causes beyond either Party's reasonable control (such as fire, explosion, power blackout, earthquake, flood, severe storms, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism (including cyber-terrorism), acts of God, acts or omissions of Internet traffic carriers, actions or omissions of regulatory or governmental bodies (including the passage of laws or regulations or other acts of government that impact the delivery of Services)). This Section does not apply to the Customer's payment obligations under this Agreement to the extent that any services continue during the force majeure period, for services rendered prior to the force majeure period, or once services resume following the force majeure period.
- 13.10 US export jurisdiction.** The Services are subject to US export jurisdiction. The Customer must comply with all applicable laws, including the US Export Administration Regulations, the International Traffic in Arms Regulations, and end-user, end-use, and destination restrictions issued by the US and other governments.
- 13.11 Entire Agreement; Amendment.** This Agreement and the schedules thereto constitute the entire agreement between the Parties and supersede all prior agreements, understandings, and other communications with respect to the subject matter hereof. Except as specifically provided for in this Agreement, no modification or amendment of this Agreement will be effective unless in writing and executed by a duly authorized representative of each Party.

SCHEDULE 1 - Description of Service Subscription

Product Name	Aurigo Masterworks Cloud – PRO
Product Version	2024-1
Products Included	<ol style="list-style-type: none"> 1. Aurigo Masterworks Cloud – Platform Core – PLT 2. Full Lifecycle Construction Management – FLCM 3. Capital Planning - PLN 4. Construction Project Management – CPM 5. Data Link 6. Mobile - MBL
Contract Term	2 years with successive 1-year auto-renewals
# of Users	50 Internal Users (for included modules only) 450 External Users
Customer Name	City of Redmond
Support Plan	Gold Support Plan
Support Plan Amendments	Hyper-Care Warranty - 60 days after production go-live

Note:

Only the products listed above are included with the annual subscription.

SCHEDULE 2 – Support Plan and Service Level Agreement

Aurigo provides this Service Level Agreement (SLA) subject to the terms and conditions below, which will be fixed for the duration Contract Term of the Service. If a new SLA is proposed, it must be agreed upon in writing between Aurigo and the Customer.

Aurigo will provide product support to the administrative users of the system. Administrative users can contact Aurigo for support during the support times defined in the purchased Support Plan.

The Customer's end-users must contract the Customer's helpdesk for general support. If the Customer's helpdesk cannot resolve the issue, the Customer's designated and authorized personnel can contact Aurigo support helpdesk to help resolve the issue as set forth below.

A. Definitions

1. **"Claim"** means a claim submitted by the Customer to Aurigo that a Service Level under this SLA has not been met and that a Service Credit may be due to the Customer.
2. **"Downtime"** means the time when the Service is not functional and is not available to the Customer for use.
3. **"Incident"** means an unplanned interruption or degradation in Service.
4. **"Monthly Uptime Percentage"** is calculated on a calendar month basis (according to the formula set forth in Section B) using data collected about the Service's availability for a given calendar month by a third-party provider who makes frequent log-in attempts to the Service on a 24-hour/seven day a week basis.
5. **"Planned Downtime"** means published maintenance windows or times when Aurigo notifies the Customer of periods of scheduled Downtime for network, hardware, Service maintenance, or Service upgrades at least five days before the commencement of such Downtime. If an emergency Downtime is required (such as a fix to a zero-day vulnerability), Aurigo is authorized to give the Customer less than twenty-four (24) hours' notice before the required downtime. Except for all Emergency Downtime, the Customer's approval is mandatory for Scheduled Downtime. For Emergency Downtime, the Customer will be notified. A three-hour maintenance period (over a weekend) is scheduled every month for security patching.
6. **"Service Level"** means the percentage of Service availability for a given month that Aurigo agrees to provide to the Customer, which is measured by the Monthly Uptime Percentage.

B. Application Uptime Service Level

1. The Service Level for Application Uptime is according to the purchased Support Plan.
2. The Monthly Application Uptime Percentage is calculated for a given calendar month using the following formula:

Monthly Uptime Percentage =		
Total number of minutes in a given calendar month	minus	Total number of minutes of Unplanned Downtime in a given calendar month
Total number of minutes in a given calendar month		

3. To monitor the Service and ensure availability, the Customer agrees to provide a read-only user account to access the Customer's instance of the Service.

C. Claims against Application Uptime Service Level

1. The Customer may make a claim if the Application availability does not meet the uptime service level guarantee. The Customer's account must be active and in good standing to make a claim against Application Uptime Service Level.
2. The Customer must submit a formal claim to billing support at support@aurigo.com.
3. The Customer must provide all reasonable application downtime details related to the Claim.
4. The Customer must provide sufficient evidence to support the Claim by the end of the month following the month in which the Incident that is the subject of the Claim occurs. For example, if the Incident occurs on January 15 and the Customer provides Notice on January 20, the Customer must provide sufficient evidence to support the Claim by February 28.

Aurigo will use all information reasonably available to validate Claims and make a good faith judgment on application uptime Service Level. Aurigo will use commercially reasonable efforts to process Claims within forty-five (45) days.

5. In the event that a valid Claim is determined and continues for at least 3 consecutive measurement periods, Aurigo will issue the Customer a service credit in the amount of 10% of the pro-rated monthly amount of the Subscription Fee during that annual Subscription Period. Such service credits can be applied against the subsequent Subscription Fee.

D. Incident (application issue) definitions and support process

Aurigo commits to responding to support requests in a timely manner. If the issue is because of a bug, a fix may take longer depending on the nature of the bug. The time to restore will be bug-specific, and an estimate will be provided to the customer. In such cases, Aurigo will provide a workaround or advisory instructions (such as when the fix would be released in production), which will stop the SLA clock for that specific issue.

Severity Level	Name	Description	Time to Response	Time to Restore
1	Urgent	Service outage has halted the normal functioning of the business. The Service is entirely inaccessible to users, or the Service is unusable because of severe performance degradation.	45 Minutes	3 Hours
2	High	Major functionality in the Service is not working as designed, and there is a high impact on portions of the Customer's business that impacts most users. If a reasonable workaround is found for an "Urgent" issue, it can be downgraded to "High" with the Customer's consent.	3 Business Hours	2 Business Days
3	Medium	The Service is experiencing a partial, non-critical loss of use with a medium-to-low impact on business. However, the business can continue to function. If a reasonable workaround is found for a "High" issue, it can be downgraded to "Medium" with the Customer's consent.	6 Business Hours	7 Business Days
4	Low	Users are experiencing minor inconveniences that do not prevent them from using the Services. Such inconveniences are categorized as "Low" severity. If a reasonable workaround is found for a "Medium" issue, it can be downgraded to "Low" with the Customer's consent.	1 Business Day	45 Business Days

The service level time will be measured from the first communication to Aurigo via email or the support line during standard business hours.

To calculate "Time to Restore" accurately, the clock will pause if Aurigo is waiting for Customer approval, clarification, or confirmation for corrective change. This applies to all severity levels.

E. Exclusions

1. Unplanned Downtime does not include:
 - a. The period when the Service is not available because of Planned Downtime or
 - b. The following performance or availability issues may affect the Service:
 - i. Due to factors outside Aurigo's reasonable control
 - ii. That resulted from the Customer's or third party's use of any third-party hardware, software, or services (including Third-Party Software or Third-Party Services, as defined in this Agreement)
 - iii. That resulted from actions or inactions of the Customer or third parties

- iv. That resulted from actions or inactions by the Customer or the Customer's employees, agents, contractors, or vendors, or anyone gaining access to Aurigo's network by means of the Customer's passwords or equipment
 - v. That was caused by the Customer's use of the Service after Aurigo advised the Customer (through an email to a Customer representative) to modify its use of the Service, and the Customer did not modify its use as advised
2. SLAs apply to production systems only
 3. Software defects - For issues not classified as Severity 1 that require a code fix, Aurigo will provide a committed time to fix the defect within the Time to Repair window. If Aurigo delivers the fix within the committed time, Aurigo will be deemed compliant with the Time to Repair service level.
 4. Change requests require a separate statement of work, including scope, list of deliverables, and cost of deliverables.
 5. Service requests for configuration change

Schedule 2.1 Gold Support Plan

The Gold Support Plan adds solution support to Aurigo’s standard Silver Support Plan. The Plan includes extensive support for the base product functionality and provides the Customer with peace of mind while using the Aurigo Service. The Gold Support Plan gives the Customer everything committed to in Aurigo’s Silver Support Plan plus greater service levels such as 45 days of product warranty after the solution goes live.

Support Hours	8 AM – 5:30 PM PST (Monday through Friday, excluding US federal and state holidays)
Support Channel	Phone, Email, Web
Product Support - Included	Platform – Updates and Break-Fix Patches Purchased Products – Updates and Break-Fix Patches
Hyper-Care Warranty	45 Days after production go-live
Solution Support - Post Warranty	Provided on Time and Materials Basis
Concierge Desk	Not included
Application Uptime	99.9% (excluding planned downtime)

Notes:

1. Discounted rate for each hour of Solution Support is \$185
2. The Concierge Desk is available with the Platinum Support Plan only.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first above written.

City of Redmond

Signature

Printed Name

Printed Title

AURIGO SOFTWARE TECHNOLOGIES

Signature

Kevin Koenig
Chief Revenue Officer



Memorandum

Date: 9/10/2024

File No. CM 24-383

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Police	Chief Darrell Lowe	425-556-2521
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DEPARTMENT STAFF:

Police	Brian Coats	Deputy Police Chief
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TITLE:

Acceptance of the Washington Auto Theft Prevention Authority Grant, in the Amount of \$44,100, and Direct the Finance Department to Recognize the Revenue to Fund Fixed Automated License Plate Readers

OVERVIEW STATEMENT:

The police department is seeking Council’s approval to accept funding in the amount of \$44,100.00 from the Washington Auto Theft Prevention Authority (WATPA) to address auto theft in local communities.

Adding to the Commerce grant approved by Council at the August 5, 2024 Business Meeting, the department intends to enhance its capabilities by installing automated license plate readers (ALPRs) in strategic locations throughout the city. Flock Safety has been identified as the vendor for this project and will be responsible for the installation, maintenance, and support of the cameras with the goal being to reduce crime in the community. Flock Safety has provided a quote specific to this award amount.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information Provide Direction Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Council approval is required for grant acceptance.
- **Council Request:**
Approve grant funding
- **Other Key Facts:**
N/A

OUTCOMES:

Strategically located intersections were identified within the City to place the Flock cameras to capture the most license plates entering and leaving the City limits. The concept of this approach is for officers and dispatchers to be alerted whenever a “Wanted” or “Hot List” vehicle or vehicle used in the commission of a crime is captured on a Flock camera. Officers will respond to the area and look for the vehicle based on the last known location. Vehicles typically placed on “Hot Lists” include stolen vehicles, wanted persons connected to vehicles, and missing persons.

Whether responding to a crime in-progress or investigating a past crime, Flock camera technology can locate vehicles based on a description of the vehicle without needing the license plate number. For example, a vehicle involved in a crime described as a red sports car with a spoiler can be entered into the search parameters. Using just that information, the Flock cameras will locate all vehicles matching that description and provide information concerning location, direction of travel, and license plate number.

The police department intends to partner with local homeowner’s associations and retail stores who already have or have plans to install Flock ALPR cameras. Through a data-sharing agreement between the police department and private entities, officers and investigators will have access to a tremendous amount of data used to solve and reduce crimes, while holding violators accountable for their actions.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
The use of ALPR technology was approved by Council on August 5, 2024 as a pilot program.
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
No budget impact

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
228 Criminal Justice

Budget Priority:
Safe and Resilient

Date: 9/10/2024

Meeting of: Committee of the Whole - Finance, Administration, and Communications

File No. CM 24-383

Type: Committee Memo

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

General Fund

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
9/17/2024	Business Meeting	Approve

Time Constraints:

The grant award is effective June 1, 2024, and expires on June 30, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

The police department will not accept the grant award and will research other funding options.

ATTACHMENTS:

Attachment A: Agreement Between Redmond Police Department and the Washington Auto Theft Prevention Authority

**AGREEMENT BETWEEN REDMOND POLICE DEPARTMENT AND THE
WASHINGTON AUTO THEFT PREVENTION AUTHORITY**

AUTO THEFT PREVENTION GRANT PROGRAM AWARD AGREEMENT

Award Recipient Name and Address:

**Redmond Police Department
8701 160th Ave NE
Redmond, WA 98052**

Award Period:
06/1/2024 - 06/30/25

Amount Approved
\$44,100.00

Funding Authority:
**WASHINGTON AUTO THEFT
PREVENTION AUTHORITY**

Requests for reimbursement under this agreement are subject to the following Budget:

EQUIPMENT & TECHNOLOGY
\$44,100.00

IN WITNESS WHEREOF, the WATPA and RECIPIENT acknowledge and accept the terms of this AGREEMENT and attachments hereto, and in witness whereof have executed this AGREEMENT as of the date and year last written below. The rights and obligations of both parties to this AGREEMENT are governed by the information on this Award Sheet and other document incorporated herein by reference: Non-Supplanting Declaration.

WATPA



Name
/ Bryan Jeter
Title: WATPA, Executive Director

Date: 7/24/24

RECIPIENT



Name
/ Brian Coats
Title: Deputy Chief

Date: 7/23/24

WATPA

Non-supplanting Declaration

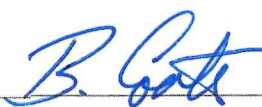
Supplanting

WATPA funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose (RCW 46.66.080 (5)). Supplanting shall be the subject of application review, as well as pre-award review, post-award monitoring, reimbursement and audit. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-WATPA resources occurred for reasons other than the receipt or expected receipt of WATPA funds.

The Redmond Police Department (Applicant Agency) certifies that any funds awarded through WATPA shall be used to supplement existing funds for program activities and will not replace (supplant) non-WATPA funds that have been appropriated for the purposes and goals of the grant.

The Deputy Chief Brian Coats (Applicant Agency Chief or designee) understands that supplanting violations may result in a range of penalties, including but not limited to suspension of future funds under this program, suspension or debarment from WATPA grants, recoupment of monies provided under this grant, and civil and/or criminal penalties.

Printed Name and Title: Brian Coats, Deputy Chief

Signature: 

Date: 7/23/24



Memorandum

Date: 9/10/2024

File No. CM 24-398

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Public Works	Aaron Bert	425-556-2786
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DEPARTMENT STAFF:

Public Works	Paul Cho	Traffic Operations and Safety Engineering Manager
Public Works	Patty S. Criddle	Transportation Engineering Supervisor
Public Works	Vangie Garcia	Deputy Public Works Director

TITLE:

Fees for Extended Use of Right of Way for Outdoor Dining

OVERVIEW STATEMENT:

The City has allowed the closure of public Right of Way (ROW) for the benefit of private businesses without charging a use fee nor the excise tax on the value of the use fee that has been paid to the State. Private use of ROW takes limits public access and enjoyment of sidewalks, landscape, bike lanes, parking, and travel lanes. In order to balance the needs of private businesses with the needs of the public, Public Works is proposing a use fee and the State-required excise tax beginning January 2025 for extended closures of the public right of way.

Proposed use fee:

- Outdoor Dining: Annual use fee of \$2.00 per square foot of closed ROW.

This will require adoption of a Fee Resolution.

Based on feedback from Council during the Aug 13 study session, Public Works met with local businesses to solicit feedback. As a result of the meetings, Public Works proposes to issue a permit for a 2-year term for the same cost of an annual permit. This will reduce the permit administration and the cost businesses have to pay over a 2-year period.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information

Provide Direction

Approve

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
RMC 12.08 Street Repairs, Improvements, Alterations, and Business Use
RZC 21.52.050.C Pedestrian, Bicycle, and Other Nonmotorized Connections
RZC Appendix 2 - Table 1 - requires wider sidewalks
Sidewalks, bike lanes, multiuse paths, and trails shall be provided in public rights-of-way or easements across private property that guarantee public access.
RZC Appendix 2 Construction Specification and Design Standards for Streets and Access
- **Required:**
Council approval is required for adoption of a fee resolution.
- **Council Request:**
N/A
- **Other Key Facts:**
Proposed use fees based on neighboring cities' fees, right sized for Redmond, and are common practice.

OUTCOMES:

The city is collecting an extended use fee for the closure of the right of way and the state excise tax.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
June 18, 2024 - Webpage ready to go live.
Week of June 17, 2024 - Email to restaurants and construction businesses.
June 24, 2024 - Shared in e-news.
Week of June 24, 2024 - Shared on city social media.
July 2024 - Plans, Policies, and Regulations Newsletter
July 2024 - Let's Connect Redmond article and questionnaire posted.
July 25 - Presentation to One Redmond
Week of August 19 - Meet with outdoor dining business owners and solicit feedback.
- **Outreach Methods and Results:**
Share proposed policy and background on a webpage.
Request questions and feedback from affected businesses via email.
Share webpage and request feedback via email newsletters, direct emails, and social media.
Post questionnaire on Let's Connect Redmond.
- **Feedback Summary:**
Summary will be provided after outreach is complete.

BUDGET IMPACT:

Total Cost:

N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
7/2/2024	Committee of the Whole - Planning and Public Works	Receive Information
8/13/2024	Study Session	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
10/1/2024	Business Meeting	Approve

Time Constraints:

N/A

ANTICIPATED RESULT IF NOT APPROVED:

Continue allowing private use of right of way for outdoor dining without a use fee.

ATTACHMENTS:

Attachment A: Memo - Outdoor Dining Fee Calculations

Attachment B: Questionnaire Responses and Mtgs with Business Owners

Attachment C: Redmond Leasehold Excise Tax Memo

Attachment D: Issues Matrix- Extended ROW Use Fee



M E M O R A N D U M

DATE: September 3, 2024
 TO: City Council
 FROM: Aaron Bert
SUBJECT: Extended ROW Use Fee for Outdoor Dining

This memo outlines the method used to determine the proposed right of way use fee of \$2.00 per square foot for outdoor dining, comments from business owners, and a proposal for issuing a permit for a 2-year term.

Background

The City has been allowing the use of public right of way by outdoor dining establishments without charging a use fee. In addition, the City has been paying the State the excise tax on use of the right of way. To establish a reasonable use fee, the City hired the consultant FCS Group to research other cities and to make a recommendation of said fees.

FCS Group compiled a memorandum on August 8, 2023, in which they recommended an annual use fee (Calculated Contract Rent) of 8% of adjacent land values per square foot. For a Citywide rate of \$4.76 per square foot.

Exhibit 4: Calculated Contract Rental Rates per Square Foot

City Sectors	# Parcels	GIS Appraised Value (Land Only)	GIS Sq Ft of Lot	AV-Land per Sq Ft	Calculated Contract Rent			
					Rent @ 8%	Rent @ 7%	Rent @ 6%	Rent @ 5%
Downtown Redmond	199	\$ 1,506,013,300	12,859,532	\$ 117.11	\$ 9.37	\$ 8.20	\$ 7.03	\$ 5.86
Overlake	123	\$ 2,099,583,500	31,170,829	\$ 67.36	\$ 5.39	\$ 4.72	\$ 4.04	\$ 3.37
SE Redmond	181	\$ 1,071,668,700	26,924,355	\$ 39.80	\$ 3.18	\$ 2.79	\$ 2.39	\$ 1.99
Willows	149	\$ 722,347,600	19,771,724	\$ 36.53	\$ 2.92	\$ 2.56	\$ 2.19	\$ 1.83
Citywide		\$ 5,399,613,100	90,726,440	\$ 59.52	\$ 4.76	\$ 4.17	\$ 3.57	\$ 2.98

ROW staff conducted research of neighboring cities' practices and found cities were charging a permit fee, an annual fee, and the state excise tax on the use fee. Based on an example of 180 square foot closure of right of way, the following table shows the costs associated with outdoor dining.

Outdoor Dining Example: Sidewalk (avg 180sf)	Permit Fee	Annual Fee per sf	Excise Tax	Total
City of Bellevue	\$563	\$2.00	\$46	\$969
City of Bothell				
(before Mar 15)	\$198	\$1.68	\$39	\$539
(after Mar 15)	\$589	\$1.68	\$39	\$930
Proposed City of Redmond	\$672	\$2.00	\$47	\$1,078
City of Kirkland	\$1,021	\$1.05	\$24	\$1,234
City of Seattle	\$1,286	\$0.00	\$24*	\$1310

Based on the information in table above, ROW Staff recommended a use fee rate of \$2.00 per square foot.

Outreach

Public Works staff met with available local restaurant business owners and heard the following information:

- The proposed rate of \$2.00 is fair and reasonable.
- Requests for a more streamlined process to obtaining a permit.
- Request for process that takes less paperwork.
- Would like longer duration than 1-year for a permit.
- Preference for annual rather than a seasonal permit.
- Gratitude for what city did for businesses during Covid.

Proposal

In response to business owners’ comments and Councils concern for small businesses, Public Works proposes issuing a permit that is valid for 2-years at the same cost as an annual permit. This will:

- Reduce permit application work by the businesses as they only have to submit paperwork every other year.
- Reduce permit fee for businesses, cutting it in half.
- Allow the city to recoup administration cost as applications will only be reviewed every other year.

The extended use fee and excise tax will be calculated for a 2-year term and collected when business applies for the permit.

Cc: Angela Birney, Mayor

Attachments:
FCS Group Memorandum, August 8, 2023

Right of Way Questionnaire

SURVEY RESPONSE REPORT

01 July 2024 - 19 August 2024

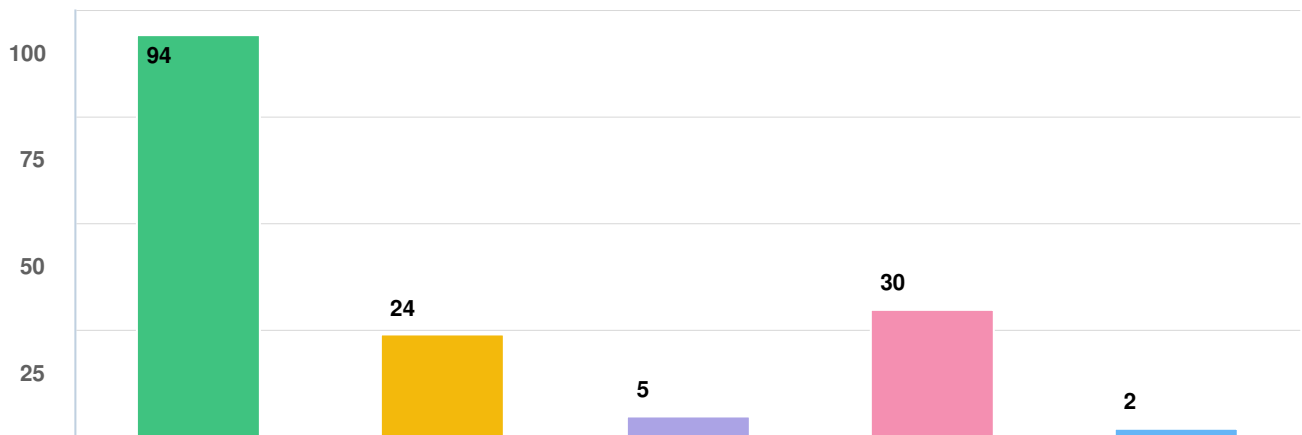
PROJECT NAME:

Right of Way Use Fee



SURVEY QUESTIONS

Q1 How are you connected to Redmond? (Check all that apply)

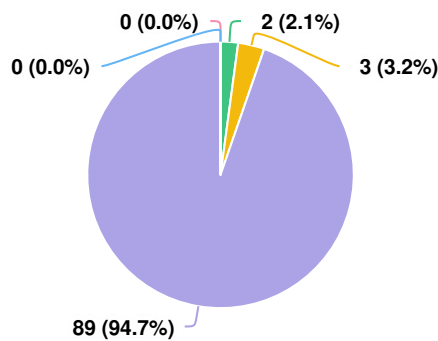


Question options

- I live in Redmond.
- I work in Redmond.
- I own a business in Redmond.
- I visit Redmond for recreation, shopping, etc.
- Other

Optional question (104 response(s), 1 skipped)
Question type: Checkbox Question

Q2 Do you own, operate, or work at a business that is interested in Outdoor Dining or Construction?

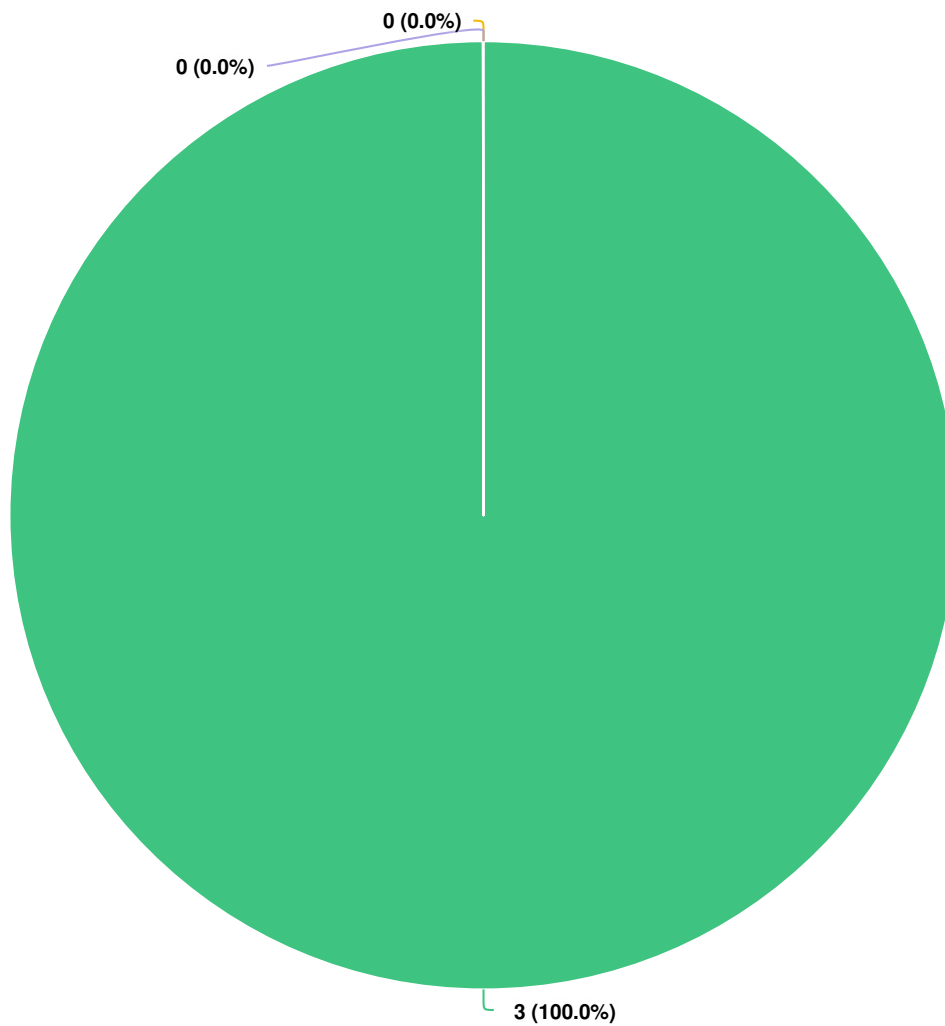


Question options

- I am a food service business owner in the City of Redmond.
- I work or am affiliated with a construction contractor doing business in Redmond.
- No, my business is not interested in outdoor dining or construction.
- I work at a food service establishment in the City of Redmond.
- I am a construction contractor doing business in Redmond.

Optional question (94 response(s), 11 skipped)
Question type: Radio Button Question

Q3 Does your business offer outdoor dining?

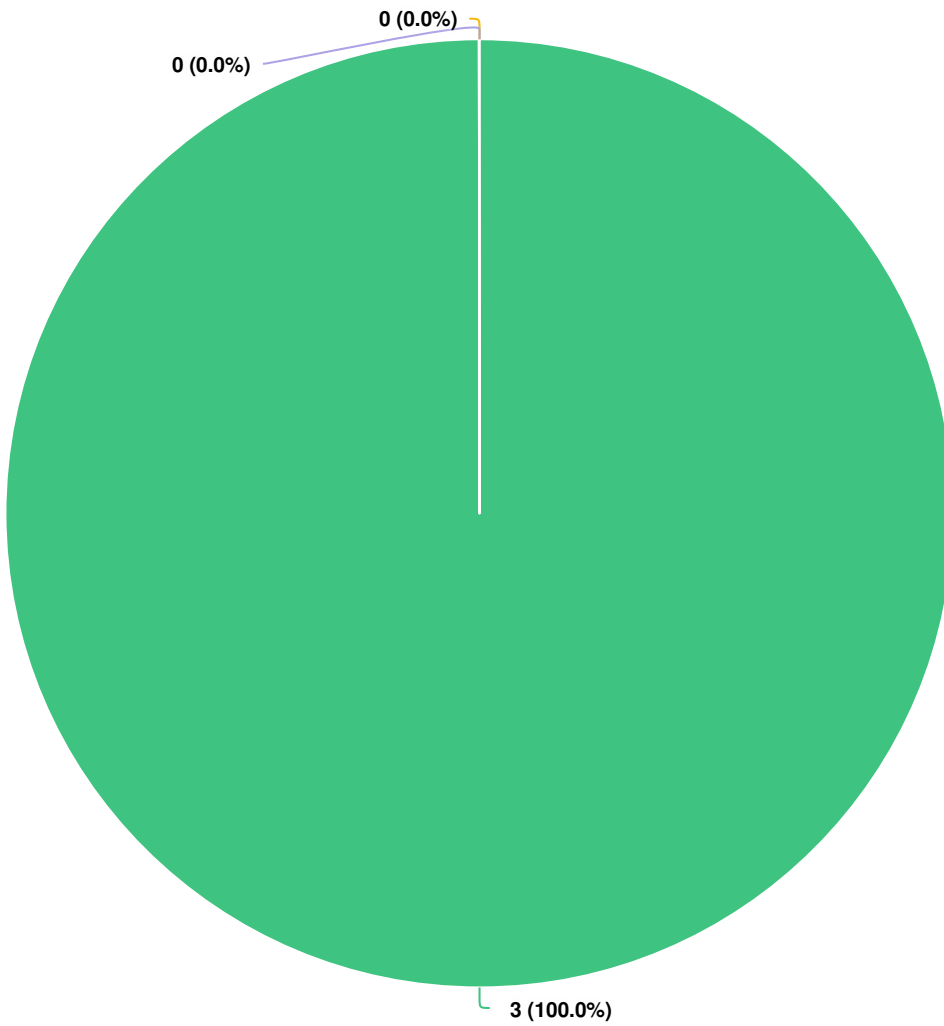


Question options

- Yes, we offer outdoor dining.
- No, but we are considering it.
- No, we do not offer outdoor dining.

Optional question (3 response(s), 102 skipped)
Question type: Radio Button Question

Q4 Do you know the sidewalk width in front of the business?

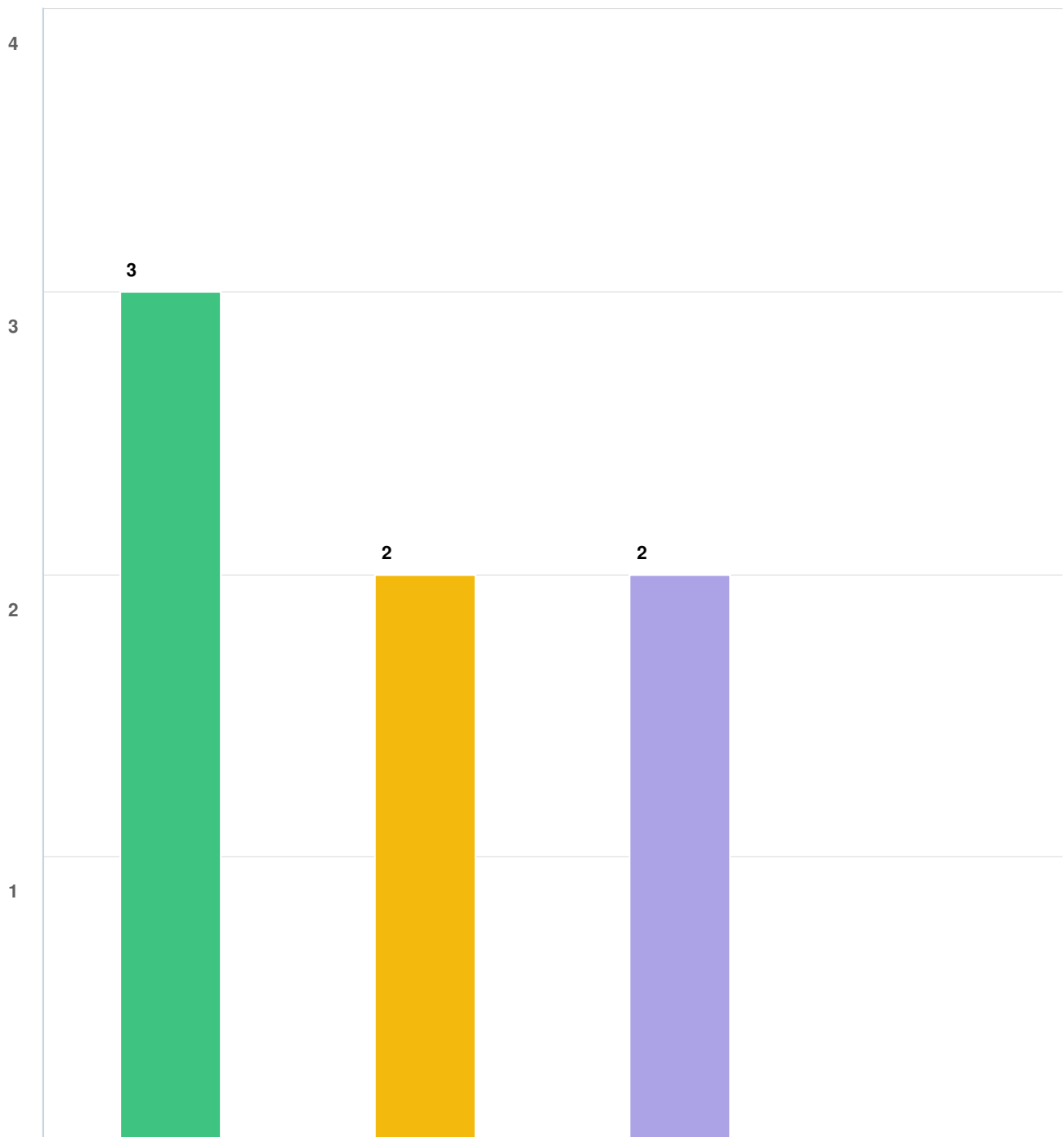


Question options

- Yes, the sidewalk width is 8ft or more.
- Yes, the sidewalk width is less than 8ft.
- No or I am not sure.

Optional question (3 response(s), 102 skipped)
Question type: Radio Button Question

Q5 Help describe the type of street and land use surrounding the business. (Check all that apply)

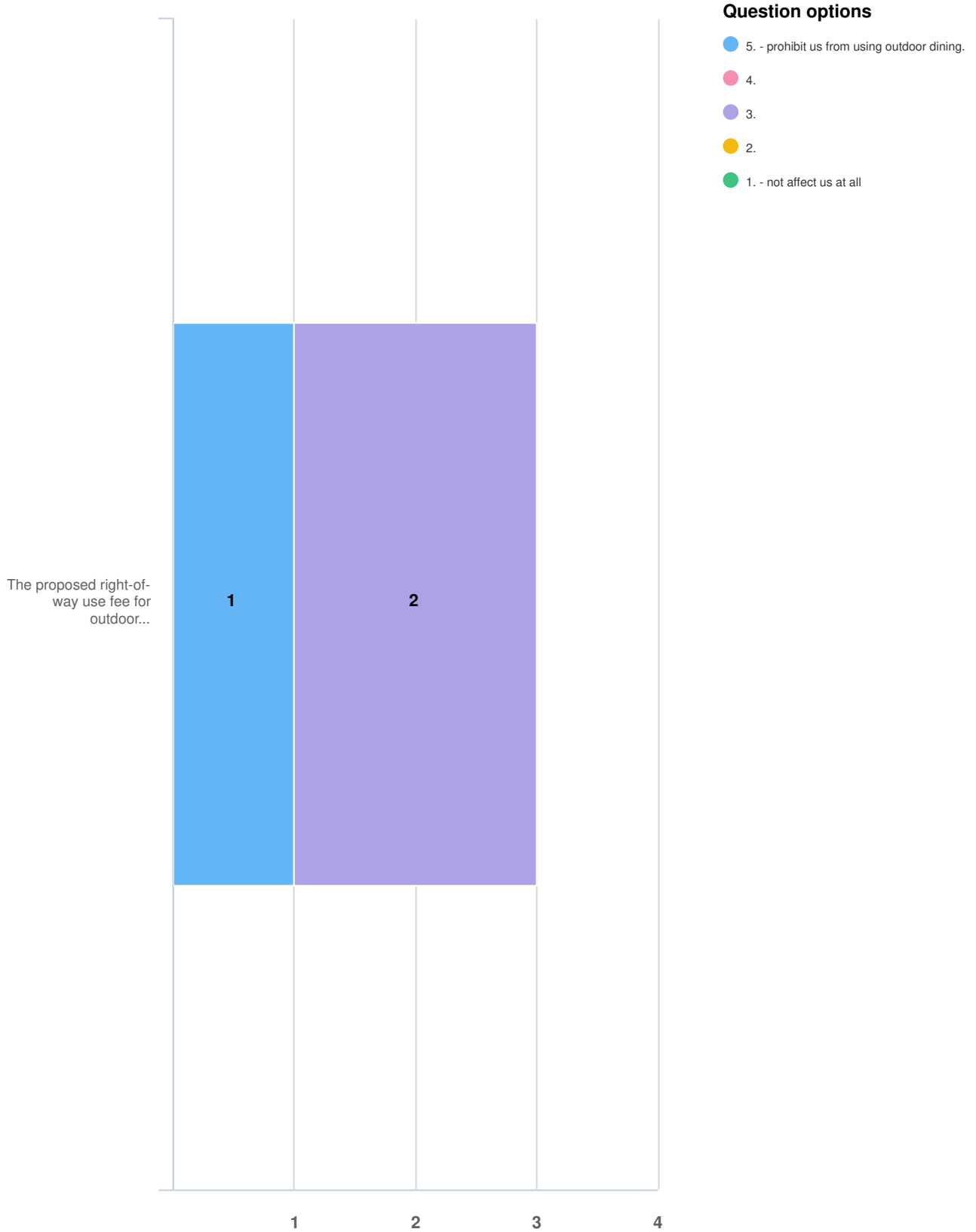


Question options

- There is on-street parking in front or within the vicinity.
- The business is in a mixed-use building that includes residential units.
- There is landscaping or street furniture along the sidewalk.
- The street is a public transit route (King County Metro or Sound Transit).

Optional question (3 response(s), 102 skipped)
Question type: Checkbox Question

Q6 On a scale from 1 to 5, how does the proposed right-of-way use fee for outdoor dining impact your business?



Optional question (3 response(s), 102 skipped)
Question type: Likert Question

Q6 | On a scale from 1 to 5, how does the proposed right-of-way use fee for outdoor dining impact your business?

The proposed right-of-way use fee for outdoor dining would -

5. - prohibit us from using outdoor dining. : 1



4. : 0



3. : 2



2. : 0



1. - not affect us at all : 0



1

2

3

Q7 | Is there anything you'd like to share about this proposed policy change?

Anonymous

8/01/2024 09:59 PM

The overall fee is confusing and seems costly to small businesses in Redmond

Anonymous

8/09/2024 03:24 PM

I understand that the policy is being considered to pay for a privilege and also to motivate businesses to limit their impact on the people who live and/or work in the city. What I'd like to see is accountability from the city as to how this money is used especially for addressing the inconvenience caused for the people who live and/or work in the city. Or is this just a convenient way for the city to generate revenue from people who are not likely to complain about paying for this privilege.

Anonymous

8/12/2024 12:42 PM

I think it is ridiculous policy that will kill outdoor spaces

Anonymous

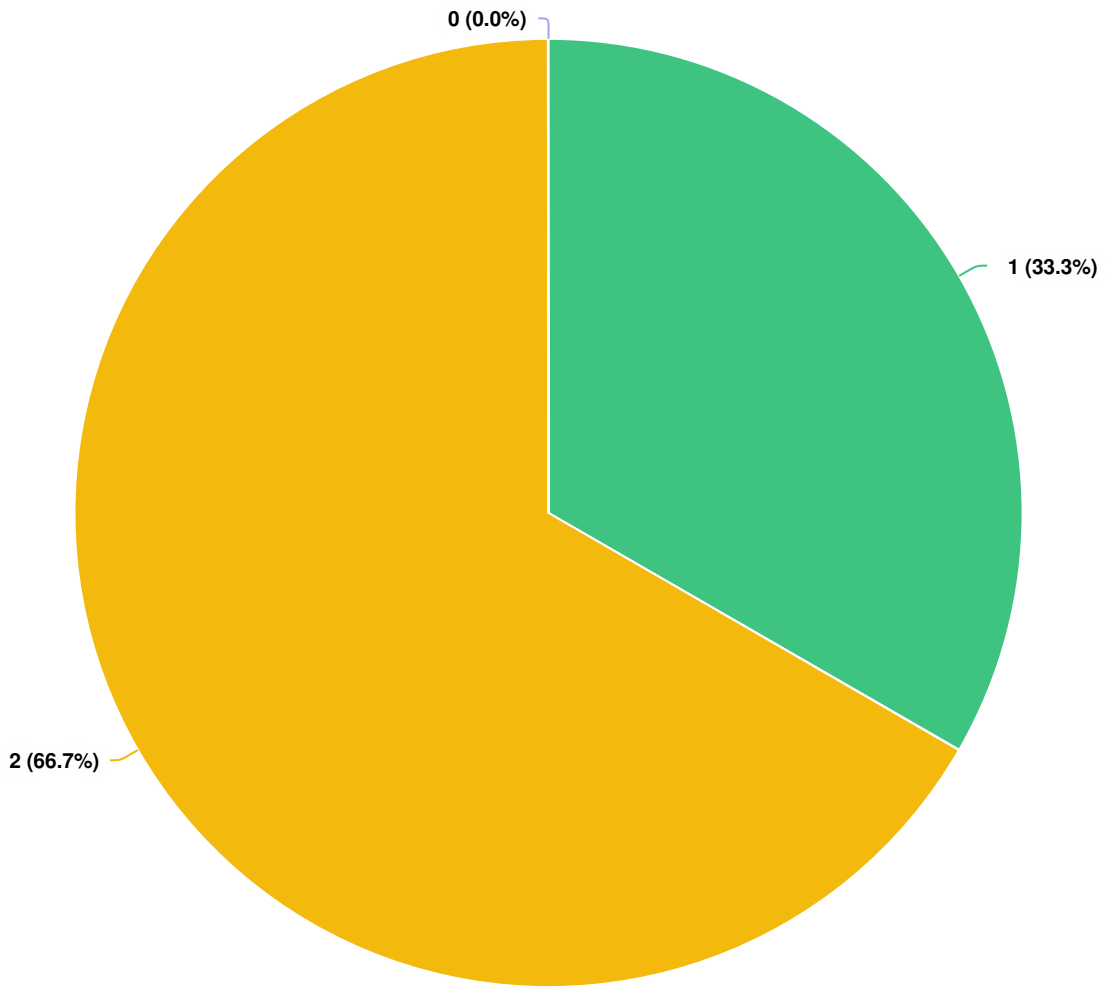
8/17/2024 12:18 PM

Ridiculousness! You charge them they charge us!

Optional question (4 response(s), 101 skipped)

Question type: Essay Question

Q8 | Has your company utilized City of Redmond right-of-way for construction projects for more than two weeks before?

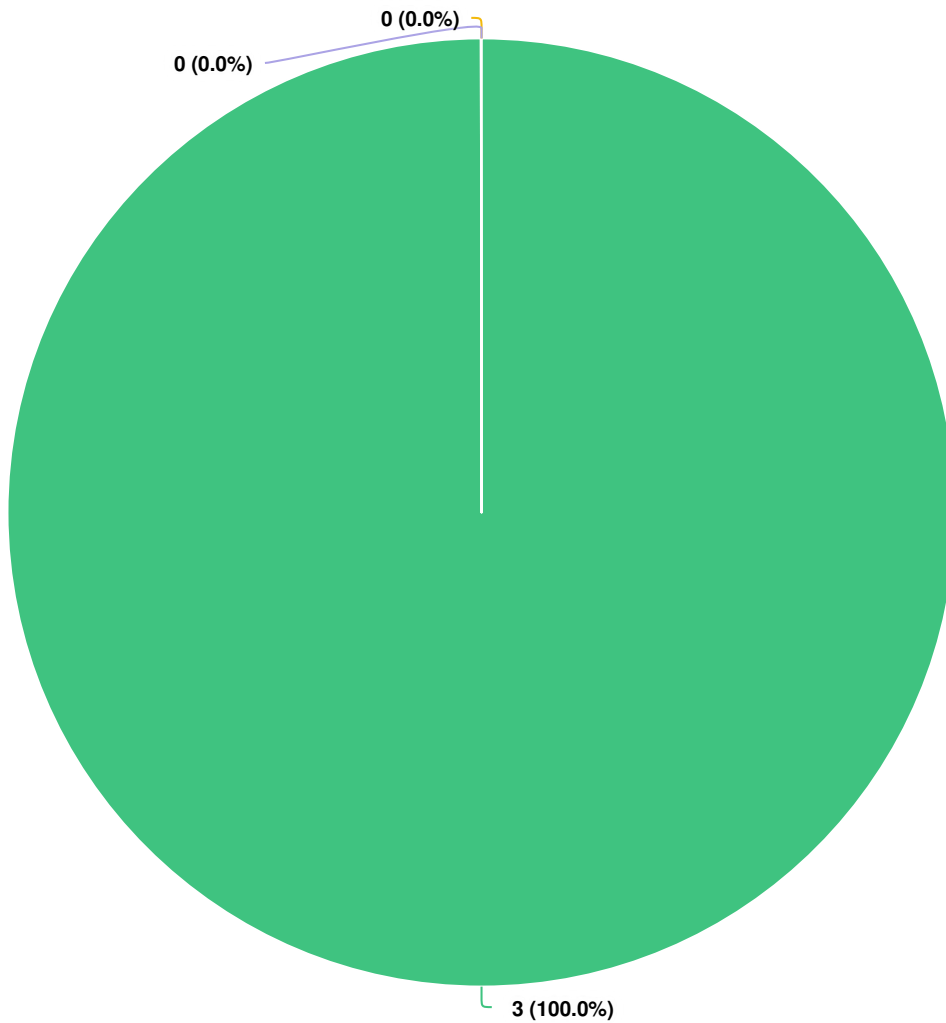


Question options

- No, but we may have to for future projects.
- No, we do not close right-of-way for our projects.
- Yes, we close City right-of-way for our projects.

Optional question (3 response(s), 102 skipped)
Question type: Radio Button Question

Q9 | How would the proposed right-of-way use fee for construction impact your business financially?



Question options

- It will prevent us from working on some projects.
- The fee creates a challenge since work will need to be scheduled to minimize cost.
- Not much. We will continue to schedule work as we have been.

*Optional question (3 response(s), 102 skipped)
Question type: Radio Button Question*

Q10 | Is there anything you'd like to share about this proposed policy change?

Anonymous

8/05/2024 09:25 PM

A notification period of several months should be given so developers, construction companies, etc. can budget for the possible extra ROW Use Fee.

Anonymous

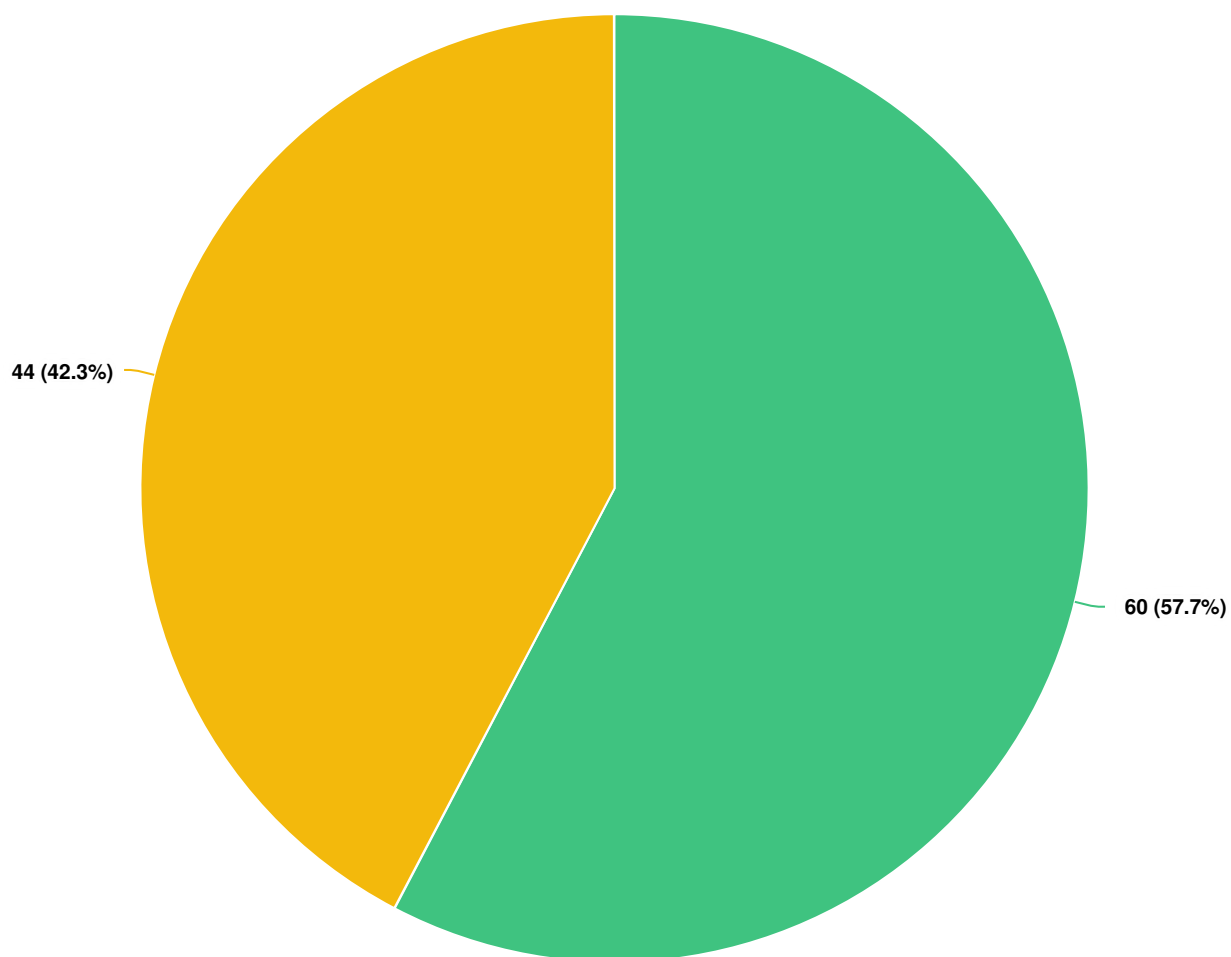
8/10/2024 10:27 AM

Great idea. Many cities have this to offset the public cost that construction activities create. Redmond has grown tremendously and will continue to grow. Policies like this show that Redmond is accepting what it is becoming!

Optional question (2 response(s), 103 skipped)

Question type: Essay Question

Q11 | Have you encountered any sidewalk accessibility issues in Redmond?

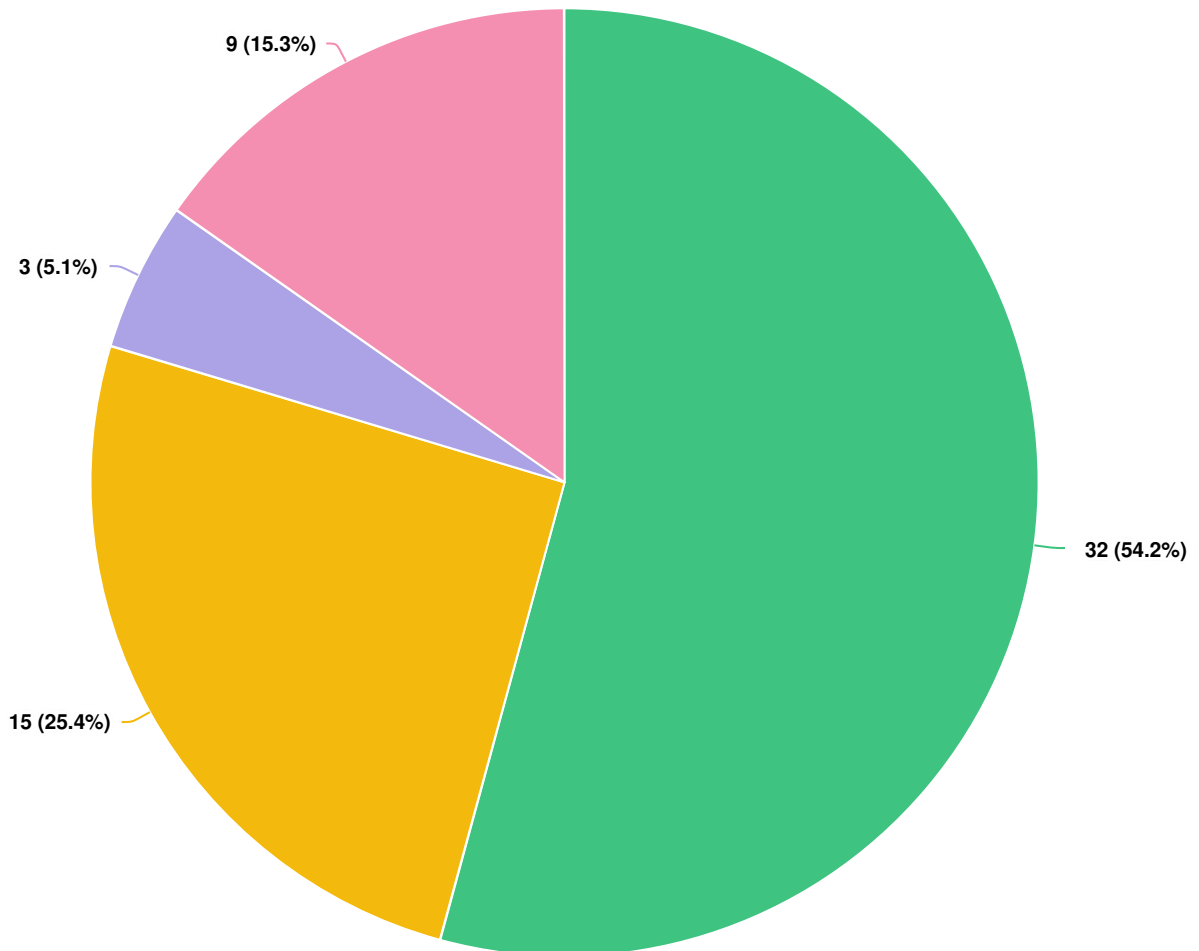


Question options

- No
- Yes

*Optional question (104 response(s), 1 skipped)
Question type: Radio Button Question*

Q12 | How many times have you encountered sidewalk accessibility issues in the past month?

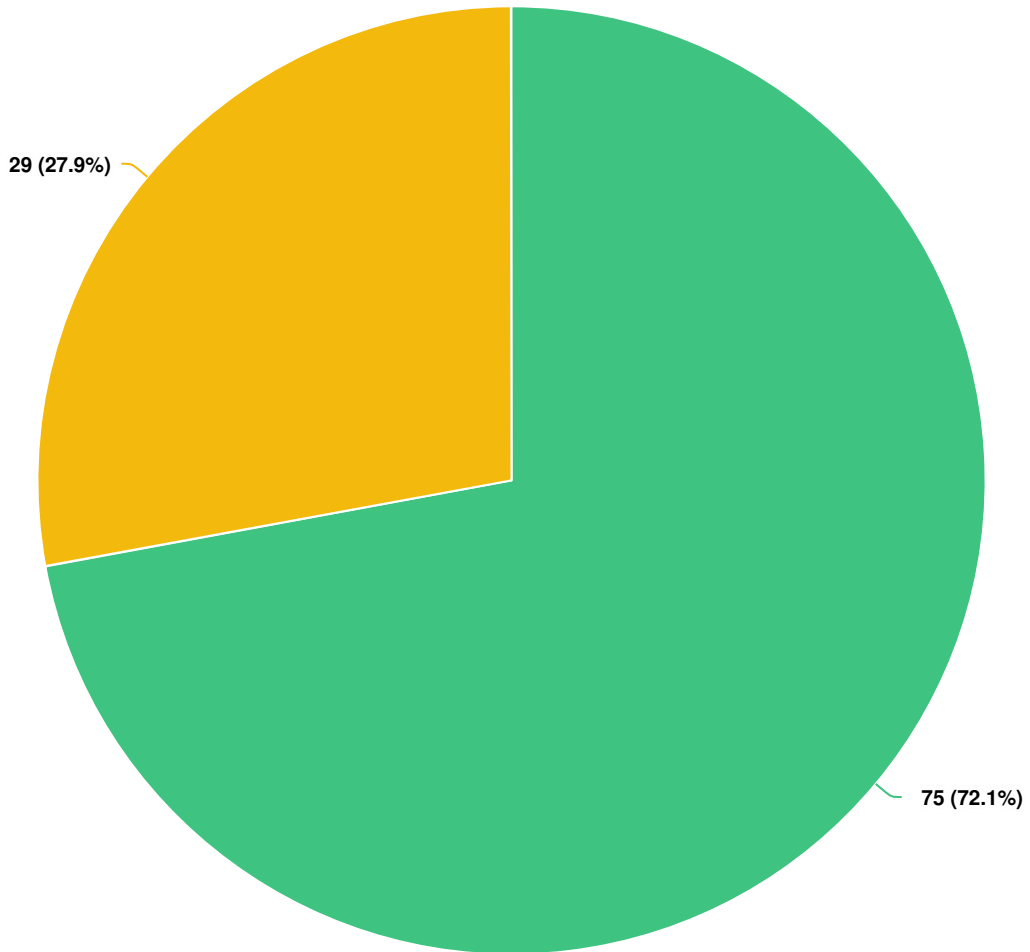


Question options

- Ten or more times
- Seven to nine times
- Four to six times
- One to three times

*Optional question (59 response(s), 46 skipped)
Question type: Radio Button Question*

Q13 | In the last two weeks, has your route been affected by vehicle lane closures in Redmond due to construction?

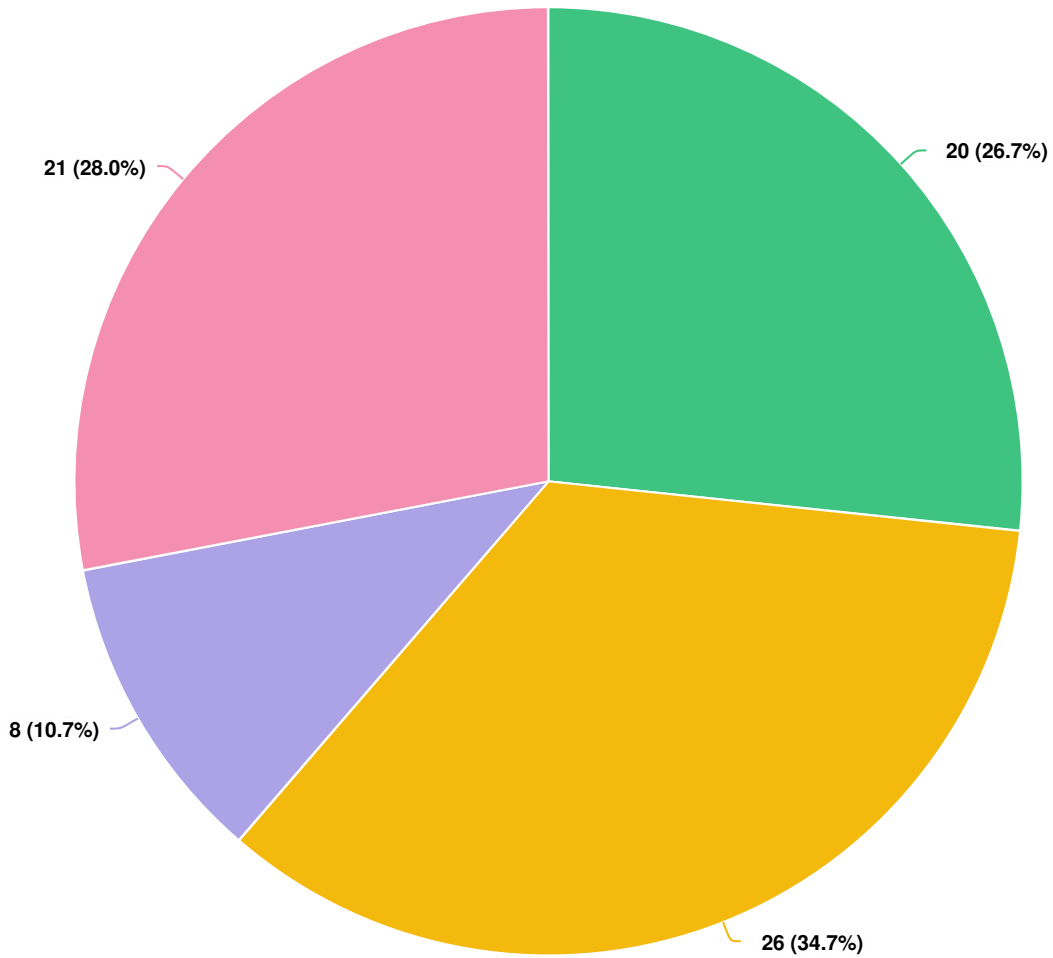


Question options

- No
- Yes

Optional question (104 response(s), 1 skipped)
Question type: Radio Button Question

Q14 | How many times have you encountered vehicle lane closures in the past month?



Question options

- Ten or more times
- Seven to nine times
- Four to six times
- One to three times

Optional question (75 response(s), 30 skipped)
Question type: Radio Button Question

Q15 | Do you have any feedback on the proposed fee structure?

Anonymous

7/29/2024 09:52 AM

Fee structure seems fair.

Anonymous

7/29/2024 10:02 AM

I don't think it's fair to tax restaurants that offer outdoor dining, even if it is taking up a portion of the sidewalk. Restaurants struggled to stay in business during the Covid pandemic and many have not recovered fully from that time. I have never had a problem walking in the areas where tables and chairs are set up and I also feel many people enjoy dining outdoors.

Anonymous

7/29/2024 10:05 AM

not sure if the fee of \$.75/ liner foot is high enough to incentivize builders to speed up construction. I recommend increasing this amount. Is there also a nexus between construction timelines and permit approvals/city inspections timing? Is the City's permit process expedient enough to help contractors reduce the amount of construction time or is there no nexus?

Anonymous

7/29/2024 10:29 AM

I support the fee structure

Anonymous

7/29/2024 10:41 AM

As a frequent pedestrian in Redmond, I have been impacted many times by the construction happening downtown that has forced me to change my route. Example walking west on Redmond way on north side of street, I have to cross to go around the construction by the downtown park in order to get to the QFC or Trader Joe's. When walking eastbound on Cleveland street, the sidewalk on both sides of the street have been closed for months due to construction of apartments/condos near 166th. I am VERY in favor of the outdoor dining options and I do not think they should be included in this fee structure. There is ample free parking in Redmond that impact of a couple parking spots is not significant. Sidewalk impact of outdoor dining is already restricted due to ADA rules.

Anonymous

7/29/2024 10:41 AM

It seems extremely reasonable. It doesn't seem like a deterrent for blocking right-of-ways. I am curious about the amount this is expected to generate versus the cost of initiating and tracking compliance.

Anonymous

7/29/2024 12:56 PM

I'm reluctant to impose anything that would slow down needed construction activity, but would welcome incentives to restructure closures so that they don't completely block pedestrian access to

certain areas. 2 Line construction activity has shut down a large section of the Central Connector that requires taking lengthy detours to navigate; I'm not sure whether this was entirely unavoidable.

Anonymous

7/29/2024 07:48 PM

Redmond City Council created this problem by allowing overdevelopment of the Redmond area with multiuse buildings. Contractors are trying to get finished as quickly as possible and have most likely already paid their "dues." City allowing on-street parking causes visual safety issues for pedestrians and drivers, especially when exiting the Regal Theater lot near Jack in the Box. Businesses wanting on-street dining should pay extra to maintain outdoor dining caused by the stupid governing in this state by putting ridiculous restrictions on businesses during Covid. The City should put attention toward cutting back overgrown trees/bushes that block sidewalks, and cut down weeds that block views for turning lanes, like the constant problem at the 51st St. exit off west bound 520. Fix the dangerous sidewalks that have developed because of planting trees to replace the ones you cleared for "progress." If the RCC would get some common sense and manage the budget, they wouldn't have to pick on the businesses and raise taxes to increase their revenue.

Anonymous

7/29/2024 08:00 PM

Absolutely businesses that take public resources for their own use, excluding the public, should be charged. There should be no two week waiting period. Businesses should be charged for every day that the public does not have use of the resource, starting on day 1. Perhaps an exception can be granted for restaurants that want to rent public owned space, for a reduced rate. But no exception for construction projects. They need to pay on day 1.

Anonymous

7/30/2024 06:21 AM

I don't understand why it is needed and what the money will be used for.

Anonymous

7/30/2024 04:07 PM

Most sidewalk accessibility issues are due to construction or pavement issues, not outdoor dining

Anonymous

7/30/2024 07:33 PM

I fully support giving up on-street parking spots for restaurants to use for outdoor dining without a fee. I think construction activities that close ROW areas should be charged a fee, as they tend to take up much more valuable space like sidewalks and bike lanes which as a pedestrian and bicyclist is already challenging enough.

Anonymous

Approve

7/31/2024 08:40 PM

Anonymous

8/01/2024 10:45 AM

I would want to know what is considered "blocking a sidewalk" for dining businesses. Many businesses only have tables adjacent to their building and the rest of the sidewalk is open and accessible.

Anonymous

8/02/2024 12:09 PM

I think for construction of apartments etc, the fees can be much higher. I would be more lenient on outdoor dining

Anonymous

8/02/2024 12:53 PM

I applaud Redmond for exploring this issue and seeking feedback. With regard to restaurants using parking spaces and sidewalks for outdoor dining, I would encourage Redmond to promote this practice and not create a financial hardship for restaurant owners. Outdoor dining has become a welcome change to Redmond over the past few years and we need to keep promoting it. With regard to blocked roadway and sidewalk access due to construction, I would encourage the City to leverage higher fees for those obstacles. The apartment builders in Redmond have created a constant source of day-to-day obstacles and inconveniences. There is another issue I want to bring attention to as well: resident-caused sidewalk obstacles and blockages. I live on Education Hill and see more blocked sidewalks and illegally parked vehicles in a one-hour walk around the neighborhood than I see in Downtown Redmond in a day. Our residents show a lack of understanding and respect for keeping sidewalks clear, free of garbage cans, and foliage obstructions.

Anonymous

8/02/2024 01:37 PM

We need more outdoor dining! Fees for construction are fine but don't dissuade restaurants from offering outdoor tables.

Anonymous

8/02/2024 01:42 PM

How would the fees collected be used to enhance accessibility?

Anonymous

8/02/2024 02:02 PM

Please be careful that the new fees are not a burden to small businesses using the sidewalks. I have not encountered any cases where sidewalk tables have blocked thru access, but I have encountered small businesses struggling to stay afloat. The construction side to incentivize shorter closures makes more sense to me.

Anonymous

8/02/2024 02:25 PM

It's a good concept but it would want to ensure the fee is not so high that it prevents positive activities that enhance the city for walkability, vibrancy, and entertainment. I am not worried about current levels of street-side car parking spots and sidewalks being used for outdoor

seating, as long as it is done considerately and tidily. I am more concerned about businesses claiming certain public street parking spots for their exclusive use. That should be prohibited outright and subject to a daily fine if it isn't already.

Anonymous

8/02/2024 02:52 PM

While I understand the purpose of imposing such fees, I'm curious how this might affect the customer of such services in charge back fees.

Anonymous

8/02/2024 04:24 PM

It's very inconvenient. Agree to levy fees which is considered fair

Anonymous

8/02/2024 05:48 PM

Do you have any plans to permanently use the sidewalks or parking spaces for restaurants. I think they might be a little more accepting if they have one fee per year and then make provisions of walking spaces along the side of their building or a blocked off lane in the street. It doesn't seem that these outdoor eating areas are a problem for those who enjoy eating outside. I think we should encourage them to problem solve in a way that still allows us to have outdoor eating as well.

Anonymous

8/02/2024 06:59 PM

It seems reasonable at first blush

Anonymous

8/02/2024 07:05 PM

Higher fees for construction. Give the money to Parks to create more public space.

Anonymous

8/02/2024 08:27 PM

It's important to establish some form of prioritization for maintaining rights of way. I don't think it's appropriate for a business to be able to rent the sidewalk indefinitely, and force pedestrians to stop using that space. So if there's a flow chart or matrix that maintains the rights of certain more vulnerable users (like walkers and bicyclists) over less vulnerable (cars) and then least vulnerable (a business) I would feel more comfortable. Otherwise I'm concerned about a system that leaves access to sidewalks to the whims of whichever businesses choose to purchase it.

Anonymous

8/03/2024 05:01 AM

Good idea for construction.

Sayna

8/03/2024 07:46 AM

I would like to see opportunities that we alleviate fees for small businesses because they often have smaller profit margins, and they

have smaller financial cushions and we should support local owned small businesses.

Anonymous

8/03/2024 08:39 AM

I do NOT support fees that tax outdoor dining. I LOVE seeing the outdoor spaces and am happy for the businesses. Some seem to have flourished due to the increased visibility. It creates such a charming vibe in our town. Fees for construction make sense. Also, something needs to happen so that Hashtag can install some sort of barrier to protect their storefront. I feel bad for them. The city needs to make adjustments so they can put some posts up or something.

Anonymous

8/03/2024 10:47 PM

Let's support rather than penalize our businesses! Outdoor dining during nice weather is a good thing, and ought to be encouraged rather than penalized, and be a part of the fabric of the good life we enjoy in Redmond!

Anonymous

8/04/2024 06:27 AM

I like the ideas, but I can't say whether the specific fee amounts are good. I just don't have a sense of that.

Anonymous

8/04/2024 07:43 AM

Let's not find ways to charge more fees. Let's not try to do what other cities do. Perhaps there is a flat fee if a ROW is impacted for 30-days or more? Redmond, let's look for ways to be different, not a follower.

Anonymous

8/04/2024 10:21 AM

Rents in Redmond are pretty high. Keep this in mind when adding more fees to businesses. Outdoor seating is a great benefit to dining in Redmond.

Anonymous

8/04/2024 09:49 PM

I agree with the fee structure. Parking spots and sidewalks are for the public, not private businesses. Businesses have been able to increase restaurant capacity using public land, which I do not agree with. They should pay to use the land, as it probably increases their profits.

Anonymous

8/05/2024 09:25 PM

Accessibility issues experienced are due to broken, damaged, aged and nonexistent sidewalks. Not due to private use of the ROW.

Anonymous

8/07/2024 05:52 PM

All construction issues (noise, right of way obstruction, etc.) I experienced are related to government owned projects (for example, light rail construction closing streets for days while no work is performed, only doing loud work at night while not working during the

day, etc.) I never had any issues with any private construction projects in Redmond.

Anonymous

8/09/2024 01:16 PM

Do not charge restaurants for outdoor dining. They are not the problem. The problem is construction and has been for year. Please don't hurt are already small number of restaurants and charge those who are making the impacts. I think more than \$75 should be considered for construction

Anonymous

8/09/2024 01:19 PM

I would prefer that business be able to provide outdoor facilities without any additional government interference. Don't make it harder for them.

Anonymous

8/09/2024 01:40 PM

Fees seem fair & timely. We like that it's consistent with what other jurisdictions are doing and is not just a Redmond fee. Businesses should pay to use the public ROW. Will this include enforcing all the business signs blocking sidewalks & ADA access? Will this include all the scooters that are littering the city ROW? They are an eye-sore everywhere in town, blocking streets & sidewalks with no concern for the public trying to safely maneuver around them.

Anonymous

8/09/2024 02:03 PM

yes to enact for construction, no for small businesses such as restaurants. Outdoor dining is a gift to us diners and the small amount of sidewalk or parking spaces is minimal at best. Adding additional fees to small businesses impacts all of us without significant gain in revenue. Besides, Redmond touts itself as a walkable city so let's put our money where our mouth is and let restaurants use the space. Construction companies should be charged as the cost of doing business. Also, as our city population become denser and parking dries up, they should bus their workers in to save what little space we have.

Anonymous

8/09/2024 02:09 PM

The proposed fee for outdoor dining is too high. I don't have personal experience but I believe the margins are too tight for that to make sense and I enjoy the outdoor dining options (as well as having a variety of food choices in town so I want to keep it profitable). In contrast, the construction fee is too low. The dining related closures are providing a benefit and could last as long as the weather allows. The construction fee on the other hand could be used as another incentive to review ROW closures more carefully and use them only as needed for just as long as it's needed, which would benefit residents/workers/shoppers or someone trying to find a restaurant

hidden behind the construction signs.

Anonymous

8/09/2024 02:11 PM

Don't do it. Only a bureaucrat could come up with such a dumb proposal .

Anonymous

8/09/2024 02:54 PM

Businesses should not be charged for outdoor space, it is a benefit to us all and Covid is still very real. There's no parking anyways so they're not taking away from that much. Construction is another issue. And the workers that come with all their vehicles. Require them to park at a P&R and shuttle them over, or require them to take public transport.

Anonymous

8/09/2024 03:06 PM

Please require construction sites to preserve covered and protected pedestrian access in construction zones. We should never allow multiple construction projects to close ped access on both sides of the street (Cleveland St) EVER. If City of Seattle can require this, so can we. Vastly more valuable to public that .75/sq ft.

Anonymous

8/09/2024 03:24 PM

Need clarity on how the fee revenues will be used/spent by the city.

Anonymous

8/09/2024 03:31 PM

As long as outdoor seating do not block the sidewalk for pedestrians, I think it should be allowed without any fee. There are not a lot of businesses operating in Redmond and prices are high already, adding a fee will not support opening of new restaurants.

Anonymous

8/09/2024 04:00 PM

If you can, charge a fee for sidewalk and street areas. Consider loss of sidewalk when traffic control signs block the sidewalk or bike lane. If you can, charge for loss of public easement usage, too.

Anonymous

8/09/2024 04:29 PM

Yes I think it is great that restaurants get to use sidewalks for seating. I think it is awful that you want to tax them for this. I do not like what you are doing to the city of Redmond. I hope you all get voted out. You should be ashamed of what you have done and are doing.

Anonymous

8/09/2024 04:29 PM

Not sure why a restaurant appears to have to pay a higher fee than does a construction company that will recoup their fees in no time and charge ever higher rates to the public. I live near a construction site and during the week days there have been issues but they pull all their equipment in for the weekend so that we can get by. Adding not just a 2 week limit on construction but requiring them to

minimize apace on the weekend when the downtown welcomes many more visitors. At the same time, there are always those who will complain if their life is dirupted in anyway. How can there be more living area or businesses if we are not inconveinanced at some point. Maybe restaurants should not be able to take up ROWs during the week but be allowed to spread out on F/S/Su.

Anonymous

8/09/2024 04:43 PM

Fees for construction blockage only

Anonymous

8/09/2024 05:03 PM

Good idea.

Anonymous

8/09/2024 05:10 PM

The fees need to be allocated in specific accounts and not just the general fund account.

Anonymous

8/09/2024 05:29 PM

Lane changes, some confusing to other people, impacted me at 164 Ave. & 85th for months.

Anonymous

8/09/2024 06:14 PM

The rates seem appropriate

Anonymous

8/09/2024 09:04 PM

I think it could be higher. What about winter? Are restaurants going to pay or remove tables in the winter when people don't use them. Hard on keeping streets plowed and safe.

Anonymous

8/09/2024 10:10 PM

I think this is a great idea to incentivize builders. However, how will you take into account closures that are off the more common work hours. Would the same fees apply?

Anonymous

8/10/2024 10:27 AM

It certainly seems like a low fee but at the same time don't want to discourage outdoor dining and construction. Hoping the fees cover cost of maintenance for the space taken up and any administrative time needed to implement the fees.

Anonymous

8/10/2024 12:19 PM

Blocking sidewalks hinders accessibility. Many times, the blockage spreads more than permitted. It's often a problem with signs, bike share bikes & plantings around restaurant seating areas.

Anonymous

Businesses that want to use the public right of way need to pay for it

8/10/2024 01:41 PM

with a monthly rental fee.

Anonymous

8/11/2024 11:02 AM

Reasonable alternatives should be required. Penalties for longer durations. Nothing that is permanent (like dining).

Anonymous

8/11/2024 08:02 PM

Shouldn't just apply to businesses, but anyone that wants to block the sidewalk or lane. For example, in Bellevue, there's a house going up that reduces the West Lake Sammamish down to one lane. Why should the "public" be inconvenienced and bear some cost of this personal house construction? I'm also tired of trashcans blocking the sidewalk in neighborhoods where they can easily go into the street.

Anonymous

8/12/2024 09:39 AM

I do feel if business use the public sidewalk or street there should be a fee. Parking is very limited.

Anonymous

8/12/2024 11:45 AM

Where would these fees go to?

Anonymous

8/12/2024 12:07 PM

It might help to reduce the frequency and length of closures, and inconvenience to traffic and pedestrians

Anonymous

8/12/2024 12:42 PM

It is stupid

Anonymous

8/13/2024 07:15 AM

Outdoor dining is such a nice feature in Redmond, and gives it a community feel. this fee would discourage that and seems like a bad idea.

Anonymous

8/14/2024 11:50 AM

Why wait for 2 weeks? If a private entity is impacting the public, they should pay for it right away.

Anonymous

8/14/2024 02:37 PM

I think that incentivizing quicker construction is great however I'm not sure that punishing restaurants for creating more outdoor space is a good idea. I think that outdoor dining is something people still look for and appreciate.

Anonymous

8/15/2024 11:30 AM

I feel that the rates should be more weighted towards the construction use cases. Higher volume, more administration. They should pay a higher rate. How will the money collected be used? If there is no plan

for the money then take the restaurants seating piece out of the plan.

Anonymous

8/15/2024 03:44 PM

That fee amount sounds too low to incentivize meaningful changes by businesses. But I like the general idea of charging businesses for appropriating public resources.

Anonymous

8/17/2024 12:18 PM

Exception: construction around Marymoore, Brown Bear/Whole Foods area.

Anonymous

8/18/2024 10:26 AM

What would the revenue from the fees be used for? I would like to see the funds used to make improvements to the sidewalks and crosswalks making them safer and more accessible.

Optional question (72 response(s), 33 skipped)

Question type: Essay Question

Outreach Efforts with Permitted Outdoor Dining business owners
August 2024

Dining Establishment	Name on permit	Outreach Effort	Response Received by email.
Redmond Bar & Grill (RB&G)	Tim Short	<p>8/19 – Teams Meeting at Mr. Short’s request. Attendees: Paul Cho and Patty Criddle, City of Redmond, and Tim Short, owner of RB&G</p> <ul style="list-style-type: none"> • Prefer the permit had a longer duration, such as 3-5 years. • Current process to get a permit requires too much paperwork. • If there are no changes to outdoor dining set up, should be able to fill out one form or check a box on a webpage, and then pay a renewal fee. Make it more expeditious. • The proposed use fee rate of \$2.00/sf is fair. • Prefer there only be one payment (permit fee, use-fee, excise tax) 	N/A
Palmer’s	Eugene “Thomas” Wilhite	<p>8/20 – In-person meeting at City Hall Attendees: Paul Cho and Patty Criddle, City of Redmond, and Thomas Wilhite, owner of Palmer’s</p> <ul style="list-style-type: none"> • Thomas said the proposed fee of \$2.00/sf is fair and reasonable. • Prefer there is only one submittal package. • Expressed gratitude for the measures the city took during COVID to help make these outdoor dining spaces available to them. • Prefer there be no tents. • Prefer that the permit be annual, so they don’t have to tear down, store, and put back up in the spring 	N/A
Topsy Cow	David Zimmerman	<p>8/22 – Team’s Meeting at Mr. Zimmerman’s request. Attendees: Paul Cho and Patty Criddle, City of Redmond, and David Zimmerman, Owner of Topsy Cow</p> <ul style="list-style-type: none"> • Regarding the proposed right of way use fee: “Just another fee to deal with.” • Expressed high cost of City of Redmond Business License of \$4500. • Only taking up part of the sidewalk with his outdoor dining. Expressed his outdoor dining may not all be in the right of way (PW staff will be measuring the actual square footage in the right of way and will report back to Mr. Zimmerman). • Likes the demarcations better than fencing. • Only uses the right of way 6-months out of the year, has issue with annual fee. 	N/A

Outreach Efforts with Permitted Outdoor Dining business owners
August 2024

Garlic Crush	Matt Jabour	Called Mr. Jabour and asked to set up a meeting with him. Mr. Jabour stated he would rather receive email with information and provide feedback via email. Sent him email.	None.
Pint & Pie	Gregory Steed	Left Mr. Steed voicemails on 8/19, 8/20, 8/21, 8/22 trying to set up a meeting with him. Sent him email with information on the use fee and let him know would appreciate his feedback.	None.
Woodblock	Tony Scott	Left voicemail on 8/16 trying to set up a meeting. Called again on 8/20 and Mr. Scott said he would rather receive email with information and reply with feedback. Sent him email.	None.

To: Kelly Hsi, Senior Financial Analyst, City of Redmond
From: Martin Chaw and Luke Nelson
CC: Chris Gonzalez and John Ghilarducci, FCS GROUP
RE Extended Right of Way Leasehold Excise Tax Study

Date: August 8, 2023

This memorandum summarizes FCS GROUP's analysis, conclusions, and recommendations for the Extended Right-of-Way Leasehold Excise Tax Study. It has been a pleasure working with City staff. We look forward to the City's review and comment.

Executive Summary

Washington State law (RCW 82.29A.030) establishes a leasehold tax of 12.84%.

Revenue from the leasehold tax is shared between the State and the local jurisdiction where the tax is assessed and collected.

A leasehold tax is due when there is a private lease, permit, license, or similar agreement for publicly owned real or personal property. In most instances, the tax is measured by contract rent, which is the amount paid for use of public property.

The Washington State Tax Reference Manual defines "contract rent" as:

- Cash payments.
- Rents paid by sub lessees.
- Expenditures by the lessee for the protection of the owner's interests in the property.
- Expenditures by the lessee for improvements to the property which become the property of the owner.

The definition of "contract rent" excludes:

- Expenditures that are reimbursed by the lessor.
- Expenditures for repair or replacement of facilities due to fire or other casualty.
- Expenditures for improvements required by government action taken after the lease was executed.
- Improvements subject to personal property tax.
- Payments for concession rights.

The Department may establish a taxable rent computation when:

- The lease payment was not arrived at through competitive bidding, and the compensation to the lessor does not represent the fair market value of the lease.
- The lease has not been renegotiated for at least ten years.

This study found the following:

- Cities in Washington are obligated to collect the Leasehold Excise Tax from any business using the public right-of-way (ROW) lasting longer than thirty days and remit it to the Washington State Department of Revenue (DOR).
- Some cities require a local permit for the long-term use of the ROW, charging an additional permit fee that is separate from both the rent and the tax collected.
- Based on discussions with DOR, FCS GROUP recommends the City exclude its current adjustment for public improvements in its calculation of contract rent. While the DOR may have previously recommended this adjustment, DOR's is now recommending moving away from this adjustment as it is difficult to quantify the value of public improvements (such as underground utilities) that may run under or over the public property.
- The City's leasehold excise tax calculations should be based upon a rate of return of 8.0% on the value of contracted rent. FCS GROUP discussed the reasonableness of an 8.0% rate of return with DOR and the City's real property manager. Both parties felt it was a reasonable assumption.
- FCS GROUP calculated the average assessed value of land only per square foot of commercial properties in four commercial areas of the City as a means of determining the value of contract rent for public properties (see **Exhibit 1**):

Exhibit 1: Calculated Contract Rental Rates for the Public Right of Way

Commercial Area	No. of Parcels	AV-Land Only (\$B)	Square Footage (M)	AV-Land per Square Foot	Multiplied by 8.0% Rate of Return	Calculated Contract Rental Rate per Square Foot
Downtown Core	199	\$1.5	12.9	\$117.11	8.0%	\$9.37
Overlake	123	\$2.1	31.2	\$67.36		\$5.39
SE Redmond	161	\$1.1	26.9	\$39.80		\$3.18
Willows	149	\$0.7	19.8	\$36.53		\$2.92

Analysis

During the COVID-19 pandemic, in order to allow businesses to continue operations as safely as possible, the City of Redmond allowed restaurants to establish outdoor seating within the public ROW. In addition, the City also allows construction businesses to use the public ROW to stage operations and store building materials.

In 2023, the City of Redmond engaged FCS GROUP to conduct a study to help inform the proper calculation of contract rent and suggest policies for the extended use of the public ROW. **Exhibit 2** summarizes the problem statement and research questions that guided this study.

Exhibit 2: Problem Statement and Research Questions

Problem Statement: What policies should the City consider in the extended use of the public right-of-way, and what is a reasonable contract rent to assess for purposes of calculating a leasehold tax?	
Research Statements	Findings and Conclusions
<p>Research Statement #1: What laws govern leasehold excise taxes?</p>	<p>RCW 82.29A establishes the leasehold excise tax equal to 12.84% of the contract rent of the area used.</p> <p>The Washington State Tax Reference Manual defines a leasehold tax as follows: "Leasehold tax is due when there is a private lease, permit, license, or similar agreement for publicly owned real or personal property. In most instances, the tax is measured by contract rent, which is the amount paid for use of the public property."</p>
<p>Research Statement #2: What policies do other jurisdictions have in place for extended use of the public ROW?</p>	<p>Many jurisdictions that allow streateries and other uses of the ROW have explicit policies developed to ensure pedestrian and travel safety. For example, these include mandating clear paths of sidewalk travel, line of sight, and umbrella height and overhang requirements.</p>
<p>Research Statement #3: What is a reasonable extended ROW use contract rental rate for the City of Redmond?</p>	<p>Having consulted with the DOR and City staff, we believe that a contract rent equal to 8.0% of assessed land value is reasonable.</p> <p>Based on the appraised land value in four commercial areas of the City (Downtown, SE Redmond, Willows, and Overlake), we calculated contract rental rates varying from \$2.92 to \$9.37 per square foot.</p>

Our study process is based on:

- Revised Code of Washington and Washington State Tax Reference Manual.

- Discussions with DOR Auditor David Gebauer regarding the calculation of fair market rent for ROW leasehold interests.
- Discussions with Andrew Curtis, an Engineering Program Specialist with the City of Olympia that administers the City’s extended ROW program.
- Research ROW policies for several cities including Tacoma (WA), Seattle (WA), Portland (OR), and San Francisco (CA).
- Analysis of geographic information system (GIS) data to determine the square footage and assessed value of land for four distinct commercial areas in the City: Downtown, SE Redmond, Willows, and Overlake.

Research Statement #1: What laws govern leasehold excise taxes?

RCW 82.29A establishes the leasehold excise tax of 12.84%, assessing the tax against the contract rent paid for use of the public property.

Contract rent is defined as: cash payments, rents paid by sub lessees, expenditures by the lessee for the protection of the owner’s interests in the property, expenditures by the lessee for improvements to the property which become the property of the owner

RCW 82.29A.020(2)(a) defines taxable rent as rent based on “competitive bidding, or negotiated in accordance with statutory requirements regarding the rent payable, or negotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor.”

If the DOR does not feel that this standard has been met, it may calculate a fair market rent for use in determining the leasehold tax payable.

Cities are required to collect and remit this tax to the DOR.

Research statement #2: What policies do other jurisdictions have in place for extended use of the public ROW?

As part of the study, FCS GROUP surveyed websites for several cities in Washington, Oregon, and California for policies governing use of the public ROW. Because Oregon and California do not have a leasehold excise tax, the survey of cities in those states focused on policies, design, and guidance on how the use of the ROW may be regulated. Highlights of this survey include:

- Permitting process:
 - A chart or explanation of the different kinds of permits available may be helpful for each business type
 - An outline of the permit review process
 - Where to apply and fees for application
- Site plan regulations:
 - The amount of sidewalk to be left unobstructed, generally 6-8 feet depending on the city and the sidewalk size.

- Most plans mentioned where tables and chairs could be placed, prohibiting them from being located near a curb ramp or fire hydrants/escapes.
- Umbrella height was mentioned by almost all plans, with a consensus that they must be 7 feet tall to avoid interfering with the path of travel.
- Lessee responsibilities:
 - Keeping area clear of debris and clean.
 - Some cities asked that any tables and chairs be removed outside of business hours, while others required that they be left out for public use.
 - Posting permits and signs is mandatory across all cities surveyed.

Research Statement #3: How should the City calculate the amount of leasehold excise tax due?

The City's finance department maintains an internal spreadsheet for purpose of calculating taxable rent for leasehold excise tax. The methodology for calculating leasehold excise taxes includes the following steps:

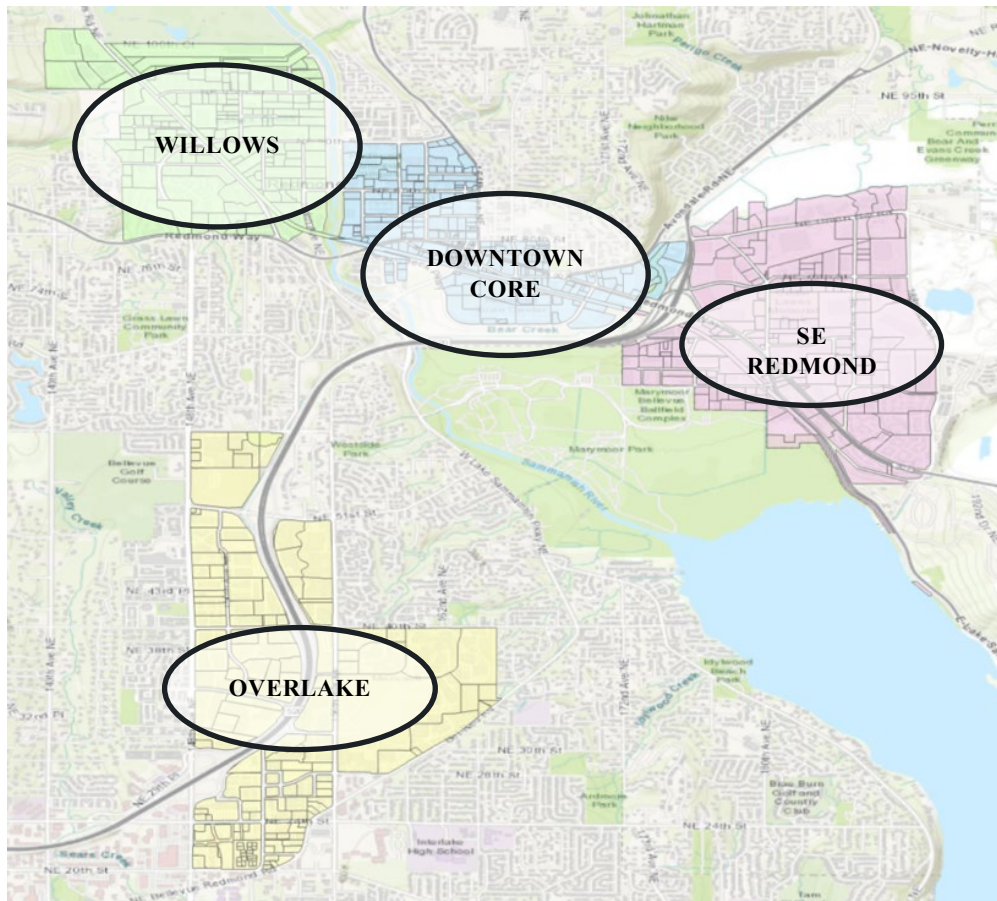
1. Determine the assessed land value and square footage of the business parcel, from the King County Assessor's website.
2. Calculate the assessed land value per square foot of the business parcel.
3. Multiply by 75% to account for public improvements (such as underground public utilities) of the business parcel.
4. Multiply by 8%. This represents the City's contract rent per square foot.
5. Multiply the contract rent by the total square foot of the ROW area.
6. Multiply the calculated rent for the ROW area by 12.84% to calculate the leasehold excise tax.

According to City staff, the DOR reviewed the City's calculations several years ago and agrees with this approach.

However, based on FCS GROUP's recent discussions with the DOR, the DOR has indicated that its thinking has evolved and now would not agree with the 75% adjustment for public improvements (Step #3) as it is difficult to quantify the value of these improvements that may run under (or over) the public ROW. For this reason, FCS GROUP recommends the City modify its calculations and eliminate Step #3 as outlined above.

During discussions with City staff, FCS GROUP was directed to determine the value of contract rent for Redmond. Based on discussions with City staff, rather than calculating a contract rent rate for the City as a whole, FCS GROUP suggested, and the City concurred, with calculating a contract rent rate for each of the four business districts within the City – Downtown, SE Redmond, Willows, and Overlake as shown in **Exhibit 3**.

Exhibit 3: City of Redmond Business Districts



FCS GROUP conducted a GIS analysis of the four designated areas to calculate the average assessed value for land per square foot of commercial parcels. Based on FCS GROUP’s analysis, the following **Exhibit 4** summarizes the calculated values per square foot with assumed rates of return ranging from 5.0% to 8.0%.

Assuming a rate of return of 8.0%, the City’s calculated contract rent per square foot of the public ROW would range from \$2.92 per square foot for the Willows area to \$9.32 per square foot for the Downtown core.

In other words, in the case of an extended use of the public ROW in the Downtown core (such as a sidewalk eatery), the contract rental value should be \$9.37 per square foot. FCS GROUP discussed and confirmed with the City’s real property manager that an 8.0% rate of return for the downtown core is reasonable.

For the City’s reference, FCS GROUP presents the calculated contract rental rates for alternative rates of return of 5.0%, 6.0%, 7.0% and 8.0% (see **Exhibit 4**).

Exhibit 4: Calculated Contract Rental Rates per Square Foot

City Sectors	# Parcels	GIS Appraised Value (Land Only)	GIS Sq Ft of Lot	AV-Land per Sq Ft	Calculated Contract Rent			
					Rent @ 8%	Rent @ 7%	Rent @ 6%	Rent @ 5%
Downtown Redmond	199	\$ 1,506,013,300	12,859,532	\$ 117.11	\$ 9.37	\$ 8.20	\$ 7.03	\$ 5.86
Overlake	123	\$ 2,099,583,500	31,170,829	\$ 67.36	\$ 5.39	\$ 4.72	\$ 4.04	\$ 3.37
SE Redmond	181	\$ 1,071,668,700	26,924,355	\$ 39.80	\$ 3.18	\$ 2.79	\$ 2.39	\$ 1.99
Willows	149	\$ 722,347,600	19,771,724	\$ 36.53	\$ 2.92	\$ 2.56	\$ 2.19	\$ 1.83
Citywide		\$ 5,399,613,100	90,726,440	\$ 59.52	\$ 4.76	\$ 4.17	\$ 3.57	\$ 2.98

Next Steps

Based upon our analysis, the City should consider establishing policies regarding public ROW use and how much it will charge for this leasehold interest. This decision should be centered around the following policy considerations:

- The City should calculate a fair market rent and collect the leasehold excise tax calculated to remit to the DOR. FCS GROUP presents a methodology for calculating the fair market rent in **Exhibit 4**.
- The City should consider establishing a written policy for the long-term use of public property, including requiring an extended ROW use permit and associated permit fee.

City Council Issue Matrix Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
07/02/2024	CM Kritzer: Communicate directly with existing businesses (with permits) before Facebook communications. Make them aware. Can you look at smallest fee possible to cover excise tax since there is a public benefit?	<p>We will be emailing businesses with current permits in place to inform them and garner feedback.</p> <p>Excise tax is 12.84% of the adjacent land value per square feet. The proposed \$2.00 per square foot use fees are lower than the adjacent land value.</p> <p>We can evaluate lower fees.</p>	<p>All these questions will be addressed in a Staff Report on 07/16/24.</p> <p>Emailed outdoor dining businesses and solicited feedback.</p> <p>Evaluate lower use fees for seasonal or shorter durations.</p>
	CM Salahuddin: Would we see two separate proposals or an all-encompassing package that includes both outdoor dining fee and construction closure fee?	Public Works will be presenting one proposal package with two separate fees. One for outdoor dining and one for construction closures.	N/A
	CM Forsythe: Packet included construction closure of sidewalk AND single lane closure. Make sure it's "AND/OR". Would like to see equitable outdoor dining fee. Accessible to small business (looking at Bothell, seems to be more accessible)	<p>Construction Activity table provided in slide presentation is an example of an actual development that closed the sidewalk and a single lane closure. Fees will be based on the actual closure or closures proposed by the contractor.</p> <p>We will do additional evaluation of the fee.</p>	Evaluation of fee.
	CM Fields: What type of criteria will be used to address pedestrians and pedestrians on wheels? How will you structure this and what criteria will be to allow sidewalk seating? As we see more traffic and concerned about safety.	<p>For outdoor dining sidewalk seating, we evaluate the proposal to ensure safe mobility of pedestrians. We coordinate other requirements such as maintenance and emergency access. The permit is for one year. We will reevaluate any changes to the conditions each year.</p> <p>The additional fee is compensation for the closure of the sidewalk area.</p> <p>For in-street dining, there are other safety conditions that will be reviewed.</p>	N/A

City Council Issue Matrix

Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
	<p>CM Stuart: Curious to know of those businesses that obtained permits during (covid) pandemic, how many are still in business? Can we garner feedback from them? Can fees be seasonal in nature? Especially those areas that are already allowed (I've seen those stickers in the sidewalk on 152nd) would they still be subject to fees? How will they be impacted. For Construction closures, (though projects say they'll be done) can fees be automatically subject for projects that goes beyond two weeks?</p>	<p>There were 12 permits issued during the (covid) pandemic. Of those 12, 6 were in the public right of way. The others were on private property. Of the 6 in the right of way, 5 are still in business. The sixth business now has a configuration that fits on private property.</p> <p>Yes, we will garner feedback from dining business through email.</p> <p>We will evaluate lower use fees for seasonal or shorter durations.</p> <p>The stickers on the sidewalk were used to mark café seating limits. The stickers were obtained when permit was issued. The permits are only good for one year and must be obtained each year.</p> <p>There are some businesses that have sidewalk café seating on private property adjacent to the right of way. These sidewalk cafes are not subject to right of way permit fees.</p> <p>For construction activity, the fees will be charges for actual closure durations. Staff will be monitoring closures to ensure fees are applied after 2 weeks.</p>	<p>Email outdoor dining businesses and solicit feedback.</p> <p>Evaluate lower use fees for seasonal or shorter durations.</p>
	<p>Email Fee Resolution to Council.</p>		<p>Aaron Bert has emailed the Fee Resolution to Council.</p>
	<p>Provide the Let's Connect Redmond questionnaire report</p>		<p>The Let's Connect Redmond Questionnaire report as well as Summary of Meetings with Business will be emailed.</p>

City Council Issue Matrix Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
	<p>Is the fee structure for business ROW based on cost recovery only?</p>	<p>Regarding the code change mandating keeping sidewalks open. Public Works is not in support of making such a change. Under our current authorities for management of the ROW, we can mandate a sidewalk remain open during construction. The default has been to make full closures to accommodate the requests of the developer for the duration of a project. With the revised ROW closure fee, the intent will be to work with the development project to maximize the time that sidewalks are accessible, understanding there will be circumstances in which a closure is warranted. Public Works will also be developing a standard detail which will cover accessible walk sheds, which will further provide for accessibility around development projects. Happy to discuss the nuances of ROW closures at committee or one-on-one.</p>	
<p>8/13/24</p>	<p>CM Nuevacamina: On page 3, the buttons on the sidewalks. When they go down, is there a fee at that point?</p> <p>Has the benchmark information (on comparative prices to other agencies) been communicated to the businesses?</p> <p>Can we communicate to the businesses how we came to the permit fees and how it compares to other cities?</p> <p>What is the break-down of staff costs for the permit fee?</p>	<p>The buttons are from permits issued with previous Café seating permits. Some businesses have continued Café seating and some have not.</p> <p>The businesses were provided information in the flyers. For additional information, they were asked to reach out to the City.</p> <p>Yes. We can reach out to existing permit holders to schedule a meeting to talk directly.</p>	<p>Staff will schedule meetings with existing permit holders.</p>

City Council Issue Matrix

Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
		The permit fee includes approximately 5hrs of staff time for: permit administration, plan review, inspection.	
	CM Salahuddin: We have five ROW permits for outdoor dining now. Do we know how many permits Kirkland and Bothell have? Other than covering the permitting fees, excise tax, is there a reason to charge businesses a fee? How is the \$2 determined?	We do not know how many permits our neighbors have issued. We can reach out to them to find out. The City has to charge a few for private businesses using the public ROW or it would be gifting of public funds.	Staff contacted Bellevue, Bothell, Kirkland to find out how many permits they have issued.
	CM Fields: What is the history? (especially in construction) Why did this not come up before? (putting restaurant use aside) Safety or distraction. Some create driving logistics to drive around. Did we think in terms of optimal or ok locations vs any locations?	Can't speak to past. But when Director Bert came on board, took this issue on.	Staff will be taking a more detailed look at safety criteria and countermeasures when reviewing permits.
	CM Stuart: There are five permit holders. Did staff meet with those businesses?	Staff reached out via e-mail but not connected in person.	Staff reached out to businesses to set up personal meetings.
	CM Kritzer: Recently talked with a business owner. I would feel more comfortable if we could do more engagement with the 5 or businesses. Has the issue of gifting of public funds come through on an audit?	Yes. The City has been audited and required to pay the excise tax to the State. Staff will look at lowering cost, cover City's costs and be in compliance.	Staff reached out to businesses to set up personal meetings.

City Council Issue Matrix Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
	<p>What is the lowest we can charge to the businesses and cover our costs and be in compliance?</p> <p>Is there any movement for year-round or seasonal?</p>		
	<p>CM Anderson: How is the use of public right of way a gift of public funds?</p> <p>Is it a gift of public funds if people are eating in the sidewalk? What about parking?</p>	<p>A private business will be closing off the public use of the sidewalk for an extended time for the benefit of their business for profit. This is different than a short term use by an individual for parking.</p>	
	<p>CM Nuevacamina: Is the cost/revenue of the total fees is about \$1,100/yr?</p> <p>Have we shared on how to get on the same side? Can we tell the story better to the businesses for both sides?</p>	<p>Based on the average square footage of current permits, Yes.</p>	<p>Staff reached out to businesses to set up personal meetings.</p>
	<p>CM Salahuddin: If a business has an A-frame sign in the sidewalk, would we charge them for that? (if over 2 weeks) Are there other activities that this would apply to?</p>	<p>This is for outdoor dining that closes semi-permanently the right of way for their exclusive use.</p>	
	<p>CM Stuart: What can we do for these 5 businesses and ongoing business?</p> <p>Why \$2? Can the fee be lower?</p>	<p>The \$2 represents a proposed fee based on research. If Council would like to amend that amount, they may provide staff their recommendation.</p>	

City Council Issue Matrix Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
		Staff will look at ways of lowering cost while covering City's costs and be in compliance.	
	CM Anderson: Is there specific maintenance operations costs (annual) for that space that the City takes on?	The permit holder maintains the space. If there was a paving project, the business would have to remove items in the street.	
	CM Fields: Can we separate these two items? Separate Construction and Outdoor dining?	These two items can be de-coupled. They were packaged together to move the use of right of way activities together.	Staff will prepare response to tonight's Outdoor Dining concerns and questions at 9/3 Committee of the Whole. Staff will prepare Construction Activity fee on Consent Agenda at 9/3 Business Meeting.
	CM Nuevacamina: If the (outdoor dining) doesn't change, would it be taking the same amount of resources to process the permits.	Staff has to verify that the conditions have not changed which does take time/resources.	
	CM Kritzer: Can we connect with businesses to discuss the multiple components involved in the permit. Can we help businesses navigate this easier?		Staff reached out to businesses to schedule meetings with existing permit holders and explore ways to make the permit process easier.
	CM Forsythe: Can we look at code revision language that requires sidewalks to remain open during construction?	The traffic control plans are always reviewed when proposing to close the ROW. That is a condition that we can impose on the closure approval and doesn't require a code change.	Staff will review ROW closure requests to require sidewalks to be open during construction to the extent practicable.

City Council Issue Matrix

Extended ROW Use Fee

Date	Issue	Notes & Recommendations	Next Steps
		The extended use fee for closing the ROW will support imposing stricter requirements for sidewalks onto the projects.	
	CM Forsythe: Would like to see what the fee can look like other than what we've seen tonight. Also connect with some of the businesses and answer questions after meeting.		Staff will recommend a modification to the fees after meeting with existing permit holders.