This Managed Services Agreement (this "Agreement",), is made and entered into on signature date between **HSO Enterprise Solutions, LLC d/b/a HSO US** ("HSO") with principal offices located at Empire State Building, Suite 6902, New York, NY 10118 and the **City of Redmond, Washington** (**"Customer"**), with principal offices located at 15670 NE 85th Street Redmond, WA 98052

<u>RECITALS</u>

- Customer desires to engage HSO to perform certain managed services related to the support of the Supported Solutions defined in Section 4 of this Agreement
- HSO will perform the services according to the terms set forth herein.
- Unless otherwise stated, the Agreement shall adopt the terms and conditions of the TIS Consulting Services Agreement (the "**TIS Consulting Services Agreement**") signed between HSO and Customer on 8/5/2025 for the delivery of managed services.
    - In case of any language discrepancies, the following order shall apply:

        a. This Agreement.
        b. TIS Consulting Agreement

Amendment Procedure
- Should an amendment to this Agreement be required the parties agree to amend this Agreement according to the following procedure:
    - Proposal of Amendment: HSO or Customer shall provide a detailed description of the proposed amendment, including any potential impact on the Services.
    - Approval and Execution: The proposed amendment shall be documented in the Amendments Register (Exhibit C) attached to this Agreement. The amendment must be signed by an authorized representative of Customer and HSO.
    - Incorporation into Renewal: Upon renewal of this Agreement, any amendments recorded in the Amendments Register shall be incorporated into the updated Agreement.

1. DEFINITIONS

End Date means December 31, 2028.

HSO Product means the HSO IP listed in Section 2.1.6 ISV / 3rd Party Product Support, Table HSO and 3rd Party ISV Solutions.

Incident means any unplanned interruption, reduction in quality, or failure of an IT service. It represents an event that disrupts or negatively affects the normal operation of an IT service and causes an impact on users or business operations.

Resolution means i) the Incident is fixed and approved by Customer, ii) the Service Request is fulfilled and approved by Customer, iii) HSO provides a workaround for a bug or issue.

Resolution Time means the total time taken from when Customer first reports an incident or service request to when the problem is fully resolved.

Response Time means the time between when the Ticket is reported through the service management tool and the initial response by HSO.

Service Request means i) a demand for access to IT services or ii) changes, managed through a structured, low-risk process. It often involves requests for information, advice, or a standard change to an IT service.

Start Date is January 1, 2026

Supported Solutions means the list of business solutions documented in Section 4 Supported Solutions of this Agreement.

Ticket means an Incident or Service Request submitted through HSO's service management tool.

2. SERVICES

This Section describes the full scope of the Services agreed to by both parties under this Agreement.

2.1   Support Services

2.1.1 Incident Management

- All Incidents will be reported using HSO's Service Management Tool.
- HSO will acknowledge Incidents from Customer, will identify, and detect problems, errors, or malfunctions arising from Customer's use of the Supported Solutions and will provide resolutions to such issues according to the agreed to SLA's.
- HSO will prioritize the Incident according to the Priority matrix in Section 3.1.1 Priority Definitions, provide support, and resolve it unless instructed otherwise by Customer.
- HSO will document the resolution steps in HSO's service management tool.
- HSO will issue responses based on the SLA table in Section 3.1.2 Service Level Agreements. Customer may also request updates for their cases at any time by contacting HSO through phone or service management portal. At a minimum, HSO will issue subsequent responses and updates to Customer based on the SLA table displayed above.
- HSO will attempt to contact Customer up to three times before closing the applicable incident as resolved.
- If HSO wishes to change the priority of an Incident registered by Customer, this shall happen only after consultation with the call owner of the Incident.

2.1.2 Service Request Management

Service Request Management includes:
- "How To" questions or explanation of features or functions
- Configuration questions
- Estimation of future modifications or development work
- Dashboard creation/updates
- Data correction/restoration
- Workflow modifications
- Screen/form modifications or re-design.

In each of the above cases the expected timing is under 5 hours per Service Requests. Services requests longer than 5 hours will be treated as Evolve hours.

2.1.3 Support and Case Management

Support and Case Management includes:
- Customer will be assigned a Customer Care Lead / Team Lead to act as the first point of contact for Customer.
- The Customer Care Lead is responsible for efficient case management, provides the in-scope status reporting and deals with any required escalations.
- Customer will be provided with reports on weekly. The Customer Care Lead will facilitate a meeting to review case statuses, case priorities, and any required case updates.
- HSO will provide a portal for Customer to log issues, manage the incidents and get case updates Operations focused status meetings.
- Responding to status update requests from Customer
- Billing details in addition to standard HSO format (hours by category)

2.1.4 HSO Product Support

HSO will assess, analyze, and record the steps taken to reproduce the issue and identify its cause. Once it is determined that it is an HSO Product Issue the support and resolution falls under the Software Support Agreement for the related HSO product.

2.1.5 Knowledge Management

- HSO collects, maintains, and improves support content to ensure Customer and HSO have access to current and relevant information about the in-scope systems.
- Knowledge updates are created as needed during the performance of the services, reviewed by the Knowledge owners to ensure accuracy, clarity and organization.

2.1.6 ISV / 3rd Party Product Support

- HSO will initiate, and manage any issues related to the in-scope ISV's or 3rd parties until the issue is resolved.
- HSO will escalate incidents according to agreed SLAs with Microsoft or other third-party providers.
- HSO will perform resolution of issues where the cause is related to HSO provided customizations or configurations.
- ISV's and 3rd parties (including Microsoft) are responsible for all code related resolutions and issues with their respective solutions.
- If the resolution of a Ticket requires software adjustment for which the author of the software does not provide a fix, the Ticket shall be closed.

2.2 Evolve and Optimization Services

- Working with key Customer stakeholders, perform a review of the development backlog and define the next set of priorities.
- Determine the list of enhancements that will be completed during the upcoming month.

- Produce FDD's and estimates for the consumption of the Evolve hours per month.
- Individual enhancements or groups of enhancements to be developed together that total more than 40 hours of effort will be delivered as part of a separate statement of work.
- Support the development of Customer product roadmaps based on business requirements and Microsoft product roadmaps.
- HSO reserves the right to make reasonable determination as to the complexity of tasks.

2.3   Success Partner

HSO will provide Customer with access to a Sr. Technical Solution Architect to act as a Success Partner that will cover the following topic areas:
- Guidance on best practices, system enhancements, and strategic initiatives to maximize deployed solution value.
- Innovation and emerging technologies related to the Customer industry and / or D365.
- Recommendations to mitigate risk.
- Organizational Change management to drive adoption of process and technology.
- Tailored recommendations and action plans to improve system efficiency.
- Guidance on leading practices with respect to Customer's specific customizations and third-party solutions.
- Guidance on design choices, code quality, and scalability patterns. Recommendations focus on enhancing system scalability to accommodate future growth.

2.4   Service Governance

2.4.1 Service Delivery Manager

The Service Delivery Manager (SDM) is responsible for the service relationship between HSO and Customer. Services focus on both the overall strategic partnership between Customer and HSO as well as the Service Excellence delivered by HSO to Customer

Strategic Partnership
- Drives the strategic alignment of the business value drivers and HSO services.
- Promotes cost efficiency, providing budget management and reporting to maximize value from Customer D365 / Microsoft Investments
- Delivers customized solutions offering tailored strategies to address new business requirements with enhanced flexibility.
- Provides the long-term vision for HSO / Customer Relationship success based on a detailed understanding of your business.

Operational Excellence
- Provides streamlined information flow as your primary liaison for services.
- Enables enhanced support with dedicated oversight and priority handling of tickets.
- Drives improved Service Quality through service optimization plans and implementation of leading practices.
- Provides risk management through proactive risk identification and contingency planning.
- Enables enhanced user experience through continuous improvement plans.

2.4.2 Reporting

Service reporting provides a view across the entire service with trending analysis that enables Customer to make pertinent decisions about next steps and where to apply additional focus.

- All reporting will use the HSO service management tool.

2.4.3 Governance Cadence

Weekly Ticket Review and Prioritization Meeting
HSO and Customer shall schedule regular weekly meetings to review the status of any Tickets open and set the priorities for the Tickets for the upcoming week. The meeting agenda would include topics such as:

- Ticket status
- Next steps & updates on active issues
- Roadblocks or challenges between HSO and Customer.

Should HSO and Customer decide that weekly meetings are not necessary, an alternate frequency shall be set by mutual agreement.

Monthly SLA/KPI reporting
The purpose: Provide an update to key Customer stakeholders on the past month's performance, current priority issues, and plan for the following month. The meeting is supported by a PowerPoint presentation that includes at minimum:

- Tickets Opened
- Tickets Closed
- Ticket Categorization

Quarterly Governance Meeting
The meeting is focused on reviewing the Customer / HSO partnership overall performance, assessing progress against goals, and aligning strategic priorities. These meetings serve to ensure that both HSO and the Customer are in alignment on the services, address any issues, and discuss plans for the upcoming quarter. Key topic areas include at minimum:

- A review of Customer satisfaction
- A review of the Ticket and Enhancement Volume assumptions
- An SLA performance review
- A financial review of the partnership
- Operational Contract Amendments (if needed)

2.4.4 Escalation Matrix

Parties shall use the following contacts in the following order to appropriately escalate any issues or concerns regarding the performance of HSO and the obligations of Customer.

Escalation Level	HSO	Customer
Level 1	Customer Care / Team Lead - Amber Aaron aaaron@hso.com	Sophie Bernet <sbernet@redmond.gov> Jay Freeland <jfreeland@redmond.gov>
Level 2	Service Delivery Manager - TBD	Sophie Bernet <sbernet@redmond.gov> Jay Freeland <jfreeland@redmond.gov>

Level 3	VP of HSO Managed Services – Brett Newton Bnewton@hso.com	Sophie Bernet <sbernet@redmond.gov> Jay Freeland <jfreeland@redmond.gov>

2.5   Platform Currency

2.5.1 D365 Finance and Operations OneVersion Upgrade

HSO Responsibilities
- HSO will perform the deployment to the relevant environments, manage any code deployments and data refreshes necessary in support of the update process.
- HSO shall deploy the planned and agreed Microsoft D365 FO Version
- HSO will deploy the most up to date supported version of HSO products and ISVs, as necessary.
- Tickets related to OneVersion Upgrade are not considered part of the monthly Ticket volume.

Assessment Phase
- HSO will review the Microsoft release notes and provide a summarized list of new features, deprecated features, known issues as well as ISV/Customization/BI impact specific to Customer (Word Document).
- HSO shall provide a summary of known issues resolved per release as reported by Microsoft release notes.

UAT Service
- After the release of the UATUpdate environment to Customer by HSO, Customer will perform regression testing to the extent determined by their business needs and risk tolerance.
- If issues are found in testing, Customer will submit a Ticket for all issues discovered during the regression testing cycle according to the agreed to process. The Ticket must include detailed steps to reproduce the issue and screen shots whenever possible.
- Following acknowledgement of a regression issue, HSO will prioritize the regression issue according to severity, will commence investigation and work to resolve the issue in a manner to facilitate continuation of the scheduled update.
- HSO does not guarantee all discovered issues can or will be resolved, especially issues related to Microsoft core code and ISV solutions.
- Should a severe blocking issue be discovered, preventing the update process from proceeding as scheduled, HSO and Customer agree to elevate the same to the respective Executive Sponsors for consideration including Go /No Go decision.

Hypercare Management
- Customer will utilize the HSO service management tool to submit Tickets for issues discovered following the OneVersion deployment to production. Issues would exclude those identified in the OneVersion issues by business process database provided. Issues must include detailed steps to reproduce and screen shots of the area of concern.
- Should the Customer require additional support/assistance, HSO will move all remaining time to the current application support contract in place between Customer and HSO.

Escalation

- During the update process, it may be necessary to escalate issues and/or bugs to Microsoft and/or the ISVs utilized by Customer.
- If an issue requires escalation to Microsoft or an ISV / 3rd party, the process defined in Section 2.1.6 will be followed.

Customizations
- Customer will open a Ticket following the standard process for any customizations that require troubleshooting or Debug/Fix Cycles related to customized content during or following any update cycle.

Project Management
- HSO will identify a project manager to perform resource coordination, project updates, scheduling and planning activities.
- HSO will schedule regular support sessions to facilitate this update process.
- Customer and HSO will agree to a new feature/enhancement code freeze. Exceptions would be limited to bug fixes/issues discovered during regression testing requiring immediate action.

Customer Responsibilities
- Customer must adhere to Microsoft's deadlines for installing the One Version Service Updates.
- Customer will deploy additional Tier 2 UATUpdate environment(s) for testing the update(s)
- Customer will provide additional D365FO Azure cloud hosted virtual machine, QAUpdate, to support their future minor and major updates.
- Customer will reference the known issues database (provided by HSO) prior to opening a regression testing related Ticket.
- Customer confirms any customizations and features for D365 Finance and Operations are in working order and acceptable to Customer prior to the start of the update.

2.6   Training

HSO will provide "Train the Trainer" support on customizations and feature enhancements up to the volume defined in Section 6.2 Assumptions.

2.7   Support Hours

- HSO will provide SERVICES during regular business hours from 9:00AM to 5:00PM Eastern time, Monday through Friday excluding any statutory US holidays.
- If required, Customer may submit a request for pre-arranged extended support. The request must be submitted a minimum of 2 weeks in advance.
- If Customer requires support for a Ticket outside standard Support Hours, Customer will submit a Ticket and follow up with a call to the Team Lead and/or Operations Manager. HSO will use best effort to secure resources to assist Customer.

3. SERVICE LEVELS

3.1.1 Priority Definitions

Priority A – Business Standstill
A problem that severely impacts your use of the software in a production environment (such as loss of production data or a case in which your production systems are not functioning). The situation halts your business operations, and no procedural workaround exists.

Priority B – Urgent
A problem where the software is functioning but your use in a production environment is severely reduced. The situation is causing a high impact to portions of your business operations, and no procedural workaround exists.

Priority C – Normal
A problem that involves partial, non-critical loss of use of the software in a production environment or development environment. For production environments, there is a medium-to-low impact on your business, but your business continues to function, including by using a procedural workaround. For development environments, the situation is causing your project to no longer continue or migrate into production.

3.1.2 Service Level Agreements

The following Service Levels are applicable to Incidents only. Incidents submitted to HSO are initially classified as Priority C. Customer can define the appropriate priority of the issues in discussion with HSO. Service Requests are not included in Service Level commitments.

Support Service Level Agreement (SLA)			
Case Intake	< 15 minutes		
HSO Internal routing	< 15 minutes		
	Priority A	Priority B	Priority C
Initial response time	0.5 hour	2 hours	< 8 hours
Minimum Subsequent Responses	2 hours	4 hours	24 hours

3.1.3 Service Level Measurement

- SLAs are measured during HSO's hours of operation outlined in Section 2.6 Support Hours
    - For example, if an issue is reported at 9pm ET with a response time of 1 hour and support hours are from 9am – 5pm ET, HSO Managed Services has until 10am ET the following business day to respond.
- Response times are measured using HSO's ticketing system.
- SLAs are not measured during HSO official holidays.
- SLAs are paused for incidents that are:
    - Waiting for Customer feedback
    - Logged to 3rd Party (e.g., Microsoft, 3rd party vendors, etc.)
    - Awaiting Resolution on a product related issue, including HSO products

- On Hold/Paused (with agreement from the Customer)
    - Logged to Change Management waiting on timelines defined by the change management process.
    - Waiting for development of a fix with the application
    - Awaiting a release to deployment of code after Customer approval
- When Microsoft standard software is subscribed to as a Microsoft Online Service, only the Microsoft terms and conditions, as defined in the Microsoft Online Services Consolidated SLA and provided by Microsoft on Microsoft Licensing Terms and Documentation shall apply for Incidents escalated to Microsoft.

4. SUPPORTED SOLUTIONS

The following applications, software, integrations, and third-party solutions are in-scope for 2.1 Support Services:

Microsoft Dynamics Environments

Name		Environment	Responsibility	In Scope
D365 F&O		PROD	Customer, HSO	Yes
D365 F&O		BLD	Customer, HSO	Yes
D365 F&O		DEV 4	Customer, HSO	Yes
D365 F&O		DEV 5	Customer, HSO	Yes

Name		Environment	Responsibility	In Scope
D365 F&O		UAT	Customer, HSO	Yes
BYOD		UAT PROD	Customer, HSO	Yes
PowerBi		UAT PROD	Customer, HSO	Yes

HSO and 3rd Party ISV Solutions

Solution		Vendor	Responsibility	In Scope
FSI360		HSO	HSO	Yes

Integrations

Integration		Environment	Responsibility	In Scope
Logic Apps		UAT	Customer, HSO	Yes
Tyler Cashiering		UAT	Customer, HSO	Yes
Concur		UAT	Customer, HSO	Yes

5. CUSTOMER RESPONSIBILITIES

- Customer will provide HSO with access to Customer's in-scope system environments.
- Customer agrees to provide HSO with the necessary remote access and systems permissions, according to Customer's security protocols, to enable HSO to provide the Services. The access can be provided via a web browser or remote access technologies (Webex, Citrix, VPN, or Remote Desktop)
- Customer will provide all additional environments for testing, debugging, or problem resolution for use by HSO.
- Customer will have in place an agreement for Microsoft Product level support through a Microsoft Unified agreement. The term of the support will be not less that the term of this Agreement.
- Customers are responsible for training the user population on the use of the D365 platform (Microsoft based training)
- All issues must originate from the HSO's portal. Response times do not apply to issues and requests that are not submitted via the HSO Managed Services portal.
- Customer will delegate HSO to leverage Customers agreement(s) for support from any ISV's or 3rd parties (including Microsoft)
- Customer will limit the use of this Agreement to the list of authorized Customer employees provided during Transition Services and ensure that have been adequately trained on the Supported Solutions.
- Customer will provide HSO with access to the system artifacts defined during the Knowledge Transfer phase of Transition Services. The documents provided will include the current configurations of the Supported Solutions.
- Customer shall provide HSO access to all data that is relevant for the Services. Relevant data may include, but is not limited to, log files, database dumps, program scripts, descriptions of the hardware and software environment, examples of inputs, and expected actual outputs.
- Customer's business users, technical staff, and other solution supporting partners will cooperate and respond to HSO's requests for information, reviews, discussions, and any other requests necessary to comply with all SLA's defined in this Agreement. HSO will proactively escalate any responsiveness issues to Customer per Section 2.4.4 Escalation Matrix to avoid any scheduling impacts or delays.
- Customer will provide the required development and production infrastructure and software packages to enable HSO to provide the Services. HSO does not provide any commercial software or hardware unless explicitly set forth herein.
- Customer is responsible for managing all user acceptance testing.
- All services under this agreement will be delivered exclusively by HSO personnel. No subcontracting will be utilized.

6. FEES

6.1   Service Fees

The table below details the price for each of the respective monthly services for the period of January 1, 2026 to December 31, 2026. Prices include Washington State tax (6.5%) and Local tax (3.8%).

Activity	Monthly Price
Support Services	$16,059.68
Total	$16,059.68

The table below details the price for each of the respective monthly services for the period of January 1, 2027 to December 31, 2027. Prices include Washington State tax (6.5%) and Local tax (3.8%).

Activity	Monthly Price
Support Services	$16,742.44
Total	$16,742.44

The table below details the price for each of the respective monthly services for the period of January 1, 2028 to December 31, 2028. Prices include Washington State tax (6.5%) and Local tax (3.8%).

Activity	Monthly Price
Support Services	$17,453.87
Total	$17,453.87

If Support Services are required outside of the agreed to Support Hours, HSO will on a best-efforts basis attempt to provide Customer with assistance. Fees for such emergency services would be $2,000 per occurrence.

6.2   Assumptions

All Fees are dependent on the following assumptions:

- The number of Tickets raised in a month average six (6) over the term of the Agreement.
- The average Ticket resolution effort averages 7.5 hours per Ticket over the Term of the agreement
- HSO will provide 10 hours per Month of Evolve and Optimization Hours
- HSO will perform 2 OneVersion upgrades per year over the term of the Agreement, each capped at thirty-five (35) hours of effort
- HSO will allocate up to 48 hours per year of a Success Partner

6.3   Travel and Expenses

Costs do not include reasonable, documented travel and living expenses, which will be billed separately. Travel and expenses are not expected on this Agreement for the day-to-day support of the

Dynamics 365 application. This is specific to Customer requiring and approving the services of specialized resources to travel to Customer's location.

6.4   Payment Terms

Services will be invoiced monthly on the first day of each month and payment is due according to the terms of the TIS.

All invoices will be sent via electronic mail to:

Name: _____

Email: _____

Phone: _____

7. TERM AND TERMINATION

The term of this Agreement shall commence on the Start Date and shall continue until End Date unless terminated sooner by either party. Either party may terminate without cause with no less than thirty (30) days' written notice. If Agreement terminated without cause by Customer, any unused prepaid fees or annual contract fees paid shall be forfeited.

Customer may extend for two (2) additional two (2) year periods, with a minimum of thirty (30) days' notice to HSO. Price for each extension must be mutually agreed to by both parties. Should the City exercise a renewal option, the Customer and HSO will mutually agree on any necessary changes to services and will confirm price prior to each renewal. HSO shall notify the Customer in writing at least thirty (30) days prior to any proposed price adjustment. Acceptance of such a request will be at the sole discretion of the Customer.

8. EXIT ASSISTANCE

Customer and HSO will undertake the necessary action to provide one another with exit assistance according to Exhibit A to enable a transfer of the Services back to Customer (or Customer supplier) as at the Termination Date of the Agreement

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the Effective Date.

HSO Enterprise Solutions, LLC d/b/a HSO US:

Signature: _____

Name: _____

Title: _____

Date: _____

The City of Redmond:

Signature: _____

Name: _____

Title: _____

Date: _____

Exhibit A
Exit Assistance

The Code of Conduct for Exit Assistance, which is used by HSO, provides guidelines on the transfer of Services from one supplier to another or back to Customer. Its primary focus is to limit the impact on Customer's service delivery. It clearly states which services are included in the Exit period and how they will be performed. HSO acts in accordance with its Code of Conduct.

- The Exit Assistance is organized as a project during which HSO transfers its activities to the future service provider. This project is executed under Customer's responsibility and is created and managed by Customer.
- HSO is responsible for maintaining the contracted service levels regarding the services until they are transferred to the future service provider.
- When HSO enters into a transition agreement with Customer, a project plan is drawn up for Exit Assistance. This plan is developed by Customer before the start of the actual Exit Assistance in proper consultation between HSO and Customer.
- HSO will define the effort for Exit Assistance based on the plan provided by Customer. The Terms and Conditions and all fees from the Agreement remain in force during the Exit Assistance.
- HSO will return any confidential information at the end of the agreement or at the end of the Exit Assistance without retaining any copies.
- The assets are transferred "as-is ". In other words, no items are modified for the transfer during the Exit Assistance. If Customer wishes to modify certain items, this can be done in advance (project order) or afterwards (under the responsibility of the new service provider).
- The end of the Exit Assistance is always recorded and agreed upon in a formal discharge document.
- All parties will cooperate on the required legal actions such as contracts with subcontractors and deliveries.
- HSO will not transfer the following items:
  - Internal procedures and operating instructions.
  - Internal tools, such as the management tools. Customer information in these tools is property of Customer.
  - Reporting systems. The reports from the Reporting systems are the property of Customer.
  - Tools used specifically for the Exit Assistance, unless agreed otherwise.
  - HSO Intellectual property. The Service Delivery is based on ideas, work processes, methods and standards that have been invented, developed and elaborated on by HSO.

Exhibit B
Contract Review and Amendment Process

To ensure that HSO's support services align with the commitments outlined in the agreement, HSO will implement a thorough review process to compare the number of Tickets opened by the client against the agreed-upon terms after the end of the Transition period. This process will involve a review (every three (3) months) of Tickets and include an analysis of the nature and frequency of the incidents.

During these reviews, HSO will identify any discrepancies between the contracted assumptions in Section 6.2 Assumptions and the actuals during the prior 3-month period. If HSO finds that the actual volume consistently exceeds or falls short of the contracted amount by ten percent (10%), HSO will initiate a contract amendment procedure. This procedure includes a proposal outlining the proposed adjustments to the contract, including any modifications to the pricing.

The proposed amendments will be documented in the Amendments Register and must be approved and signed by an authorized representative of Customer.

Exhibit C
Amendments Register

If the parties have reached an agreement on a change to this Agreement, the Amendment will be logged in this register.

Parties agreed that only a mandated person from Customer is entitled to approve a change in the Amendments Register. Any changes to the Mandated Persons list must be tracked by email by both Parties:

Mandated Persons List (entitled to approve a change to the Amendments Register)

Name of Mandated Person	Role	Date Added	Date Removed

Changes in the Amendments Register are approved by email by both Parties.

The following changes are recorded in the Amendments Register

Number	Effective Date	End Date (if Applicable)	Change description / Reason for Change

Exhibit D

TIS Consultant Services Agreement

TIS CONSULTANT SERVICES AGREEMENT

> • THIS CONSULTING SERVICES AGREEMENT ("Agreement") is entered into between the City of Redmond, Washington, hereinafter called "the CITY", and __HSO__, whose principal place of business is located at _350 5th Avenue, Suite 6902 New York, NY 10118_, hereinafter called "the CONSULTANT". The CITY and the CONSULTANT are each individually a "party" and collectively the "parties.

WHEREAS, the CITY has determined the need to have certain services performed for its citizens; and

WHEREAS, the CITY does not have sufficient staff or expertise to perform the services, and therefore deems it advisable and desirable to engage the assistance of the CONSULTANT to provide the necessary services; and

WHEREAS, the CONSULTANT has represented to the CITY that the CONSULTANT is in compliance with the professional registration statutes of the State of Washington, if applicable, and has signified a willingness to furnish consulting services to the CITY, now, therefore,

IN CONSIDERATION OF the terms and conditions set forth below, or attached and incorporated and made a part hereof, the parties agree as follows:

1. **Retention of Consultant - Scope of Work.** The CITY hereby retains the CONSULTANT to provide professional services as defined in this agreement and as necessary to accomplish the schedule and scope of work attached hereto as **Exhibit A** and incorporated herein by this reference as if set forth in full. The CONSULTANT shall furnish all services, labor and related equipment necessary to conduct and complete the work, except as specifically noted otherwise in this agreement. The CONSULTANT shall not begin any work under the terms of this agreement until authorized in writing by the CITY. A failure to complete the work according to **Exhibit A**, except where such failure is due to circumstances beyond the control of the CONSULTANT, shall be deemed a breach of this agreement. The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the CITY, in the event of a delay attributable to the CITY, or because of unavoidable delays caused by circumstances beyond the control of the CONSULTANT. All such extensions shall be in writing and shall be executed by both parties.

2. **Payment.** The CONSULTANT shall be paid by the CITY for satisfactorily completed work and services satisfactorily rendered under this agreement as provided in **Exhibit B**, attached hereto and incorporated herein by this reference as if set forth in full. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in the Scope of Work attached. The CONSULTANT shall be entitled to invoice the City no more frequently than once per month during the course of the completion of work and services by the CONSULTANT. 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. The CITY shall pay all such invoices within 30 days submittal, unless the CITY gives notice that the invoices is in dispute. In no event shall the total of all invoices paid exceed the maximum amount set forth in **Exhibit B**, and the CONSULTANT agrees to perform all services contemplated by this Agreement for no more than said maximum amount.

3.	**Duration**. This Agreement shall be in full force and effect for a period commencing _, 20__, and ending _, 20__, unless sooner terminated under the provisions hereinafter specified.

4.	**Changes in Work.** The CONSULTANT shall make such changes and revisions in the complete work provided by this Agreement as may be necessary to correct errors made by the CONSULTANT and appearing therein when required to do so by the CITY. The CONSULTANT shall make such corrective changes and revisions without additional compensation from the CITY. Should the CITY find it desirable for its own purposes to have previously satisfactorily completed work or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the CITY. This work shall be considered as Extra Work and will be paid for as provided in Section 5.

## 5.	Extra Work.

A.	The CITY may, at any time, by written order, make changes within the general scope of the agreement in the services to be performed. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work or services under this agreement, whether or not changed by the order, or otherwise affects any other terms or conditions of the agreement, the CITY shall make an equitable adjustment in the (1) maximum amount payable; (2) delivery or completion schedule or both; and (3) other affected terms, and shall modify the agreement accordingly.

B.	The CONSULTANT must submit any "proposal for adjustment" under this clause within 30 days from the date of receipt of the written order to make changes. However, if the CITY decides that the facts justify it, the CITY may receive and act upon a proposal submitted before final payment of the agreement.

C.	Failure to agree to any adjustment shall be a dispute under the Disputes clause of this agreement, as provided in Section 14. Notwithstanding any such dispute, the CONSULTANT shall proceed with the agreement as changed.

D.	Notwithstanding any other provision in this section, the maximum amount payable for this agreement shall not be increased or considered to be increased except by specific written amendment of this agreement.

6.	**Ownership of Work Product. Rights in Deliverables.** Subject to full payment, CONSULTANT grants CITY a perpetual, non-exclusive, non-transferable license to use any parts of the Deliverables that belong to CONSULTANT for its internal business purposes. Unless otherwise stated in the SOW, CONSULTANT retains all intellectual property rights in the Deliverables and any of CONSULTANT's Pre-Existing IP embedded therein. Portions of the Deliverables owned by THIRD PARTIES will be addressed in the appliable SOW.

7. **Independent CONSULTANT.** The CONSULTANT is an independent CONSULTANT for the performance of services under this agreement. The CITY shall not be liable for, nor obligated to pay to the CONSULTANT, or any employee of the CONSULTANT, sick leave, vacation pay, overtime or any other benefit applicable to employees of the CITY, nor to pay or deduct any social security, income tax, or other tax from the payments made to the CONSULTANT which may arise as an incident of the CONSULTANT performing services for the CITY. The CITY shall not be obligated to pay industrial insurance for the services rendered by the CONSULTANT.

8. Indemnity.

A. The CONSULTANT agrees to hold harmless, indemnify and defend the CITY, its officers, agents, and employees, from and against any and all claims, losses, or liability, for injuries, sickness or death of persons, including employees of the CONSULTANT, or damage to property, arising out of any willful misconduct or negligent act, error, or omission of the CONSULTANT, its officers, agents, subconsultants or employees, in connection with the Services required by this Agreement including but not limited to a breach of the Agreement by CONSULTANT, a violation by CONSULTANT of any information security and private statute or regulations, and any data breach by CONSULTANT, provided, however, that:

i. The CONSULTANT's obligations to indemnify, defend and hold harmless shall not extend to injuries, sickness, death or damage caused by or resulting from the sole willful misconduct or sole negligence of the CITY, its officers, agents or employees; and

ii. The CONSULTANT's obligations to indemnify, defend and hold harmless for injuries, sickness, death or damage caused by or resulting from the concurrent negligence or willful misconduct of the CONSULTANT and the CITY, or of the CONSULTANT and a third party other than an officer, agent, subconsultant or employee of the CONSULTANT, shall apply only to the extent of the negligence or willful misconduct of the CONSULTANT.

B. In addition to CONSULTANT'S obligations under Section 8(A), CONSULTANT shall indemnify, defend, and hold harmless CITY and its directors, officers, employees, agents and other representatives against any Losses in connection with Claims made or alleged against CITY by a third party that the services, software or deliverables infringes a U.S. patent, copyright or other intellectual property rights of any third party. The foregoing indemnification obligation does not apply to any claims or losses arising out of or relating to any:

i. access to or use of the software in combination with any hardware, system, software, network or other materials or service not provided or authorized by this Agreement or otherwise in writing by CONSULTANT; or

ii. modification of the software other than: (a) by or on behalf of CONSULTANT; or (b) with CONSULTANT'S written approval or in accordance with CONSULTANT'S written specifications.

C. If any of the services, software or deliverables are, or in CONSULTANT'S opinion are likely to be, claimed to infringe, misappropriate or otherwise violate any third-party

intellectual property right, or if CITY'S or any Authorized User's use of the services, software or deliverables is enjoined or threatened to be enjoined, CONSULTANT may, at its option and sole cost and expense:

i. obtain the right for CITY to continue to use the Services, Software and Deliverables materially as contemplated by this Agreement;

ii. modify or replace the services, software and deliverables, in whole or in part, to seek to make the services, software and deliverables (as so modified or replaced) noninfringing, while providing materially equivalent features and functionality; or

iii. by written notice to CITY, terminate this Agreement with respect to all or part of the Services, Software and Deliverables, and require CITY to immediately cease any use of the Services, Software and Deliverables or any specified part or feature thereof, provided that if such termination occurs, CONSULTANT shall refund any prepaid fees to CITY and provide transition services free of charge.

LIMITATION OF LIABILITY:
THE ENTIRE LIABILITY OF CONSULTANT TO THE CITY FOR ANY LOSS OR DAMAGE RESULTING FROM ANY CLAIMS, DEMANDS OR ACTIONS ARISING OUT OF THE SOW OR THIS AGREEMENT OR THE PERFORMANCE OF OR FAILURE TO PERFORM SPECIFIC CONSULTING SERVICES SHALL NOT EXCEED, AS APPLICABLE, THE
FEES PAYABLE TO CONSULTANT FOR THE SERVICES RENDERED UNDER THIS CONTRACT OR THE LICENSE FEE, SALES PRICE OR OTHER CHARGE PAYABLE TO CONSULTANT FOR THE RELEVANT SOFTWARE, PRODUCTS OR DELIVERABLES COVERED BY THIS CONTRACT; PROVIDED, HOWEVER THAT THE FOREGOING SHALL NOT APPLY TO SUCH DAMAGES ARISING FROM CONSULTANT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR THIRD-PARTY CLAIMS FOR INTELLECTUAL PROPERTY INFRINGEMENT.

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES WHATSOEVER (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, LOSS OF OR DAMAGE TO REPUTATION OR OTHER PECUNIARY LOSS) ARISING OUT OF THE SOW OR THIS AGREEMENT FOR THE PERFORMANCE OF SPECIFIC CONSULTING SERVICES OR FOR ACTS OF NEGLIGENCE.

CONSULTANT shall be liable for damages arising from its negligent acts or omissions, including those of its employees, agents, or subcontractors, **but only to the extent such negligence directly results in:**

1. **Damage to Tangible Property** – Including physical damage to City-owned hardware, facilities, or other physical assets resulting from CONSULTANT'S negligent performance of services.
1. **Data Loss or Corruption**
– When such data loss or corruption is caused by CONSULTANT'S failure to follow industry-standard practices as specified in this Agreement or any attached Statement of Work.
3. **Unauthorized Disclosure of Confidential or Protected Information** – Resulting from CONSULTANT'S failure to implement reasonable administrative, technical, and physical safeguards to protect such information as required under this Agreement.

For damages arising from CONSULTANT'S negligence under this Section, CONSULTANT'S total cumulative liability shall not exceed an amount equal to two times the total fees paid by the City to CONSULTANT under this Agreement in the twelve (12) months preceding the event giving rise to the claim. This limitation shall not apply to damages resulting from CONSULTANT'S gross negligence or willful misconduct.

9. Insurance. Prior to commencing the Services, the CONSULTANT 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 in which work is performed.

ii. COMMERCIAL GENERAL LIABILITY $1,000,000 per claim, $2,000,000 aggregate

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:

as medical, educational, financial, and employment information regardless of how or where the information is stored or transmitted (collectively "City Data").

(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 City 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 City Data or any other third party data.

B. The amounts listed above are the minimum deemed necessary by the CITY to protect the CITY'S interests in this matter. The CITY has made no recommendation to the CONSULTANT as to the insurance necessary to protect the CONSULTANT'S interests and any decision by the CONSULTANT to carry or not carry insurance amounts in excess of the above is solely that of the CONSULTANT.

C. All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. Excepting the professional liability and cyber liability insurances, the CITY will be named on all insurance as an additional insured. The CONSULTANT shall submit a certificate of insurance to the CITY evidencing the coverages

specified above, together with an additional insured endorsement naming the CITY, within fifteen (15) days of the execution of this agreement. The additional insured endorsement shall provide that to the extent of the CONSULTANT's negligence, the CONSULTANT's insurance shall be primary and non-contributing as to the City, and any other insurance maintained by the CITY shall be excess and not contributing insurance with respect to the CONSULTANT'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 the CITY.

D. The CONSULTANT'S maintenance of insurance as required by this Section 9 shall not be construed to limit the liability of the CONSULTANT to the coverage provided by such insurance, or otherwise limit the CITY's recourse to any remedy available at law or equity. Further, the CONSULTANT'S maintenance of insurance policies required by this Agreement shall not be construed to excuse unfaithful performance by the CONSULTANT.

10. Records.

A. The CONSULTANT shall keep all records related to this agreement for a period of three years following completion of the work for which the CONSULTANT is retained. The CONSULTANT shall permit any authorized representative of the CITY, and any person authorized by the CITY for audit purposes, to inspect such records at all reasonable times during regular business hours of the CONSULTANT. Upon request, the CONSULTANT will provide the CITY with reproducible copies of any such records. The copies will be provided without cost if required to substantiate any billing of the CONSULTANT, but the CONSULTANT may charge the CITY for copies requested for any other purpose.

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

11. Notices. All notices required to be given by either party to the other under this Agreement shall be in writing and shall be given in person or by mail to the addresses set forth in the box for the same appearing at the outset of this Agreement. Notice in person shall be deemed given upon receipt. Notice by mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, addressed as provided in this paragraph.

12. Project Administrator. The Project Administrator shall be responsible for coordinating the work of the CONSULTANT, for providing any necessary information for and direction of the CONSULTANT's work in order to ensure that it meets the requirements of this Agreement, and for reviewing, monitoring and approving the quality and quantity of such work. The CONSULTANT shall report to and take any necessary direction from the Project Administrator.

13. Disputes. Any dispute concerning questions of fact in connection with the work not disposed of by agreement between the CONSULTANT and the CITY shall be referred for resolution to a

mutually acceptable mediator in the state of New York. The parties shall each be responsible for one-half of the mediator's fees and costs.

14. **Termination**. The CITY reserves the right to terminate this Agreement at any time upon ten (10) days written notice to the CONSULTANT. Any such notice shall be given to the address specified in Section 12 above. In the event that this Agreement is terminated by the CITY other than for fault on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT for all services performed. No payment shall be made for any work completed after ten (10) days following receipt by the CONSULTANT of the notice to terminate. In the event that services of the CONSULTANT are terminated by the CITY for fault on part of the CONSULTANT, the amount to be paid shall be determined by the CITY with consideration given to the actual cost incurred by the CONSULTANT in performing the work to the date of termination, the amount of work originally required which would satisfactorily complete it to date of termination, whether that work is in a form or type which is usable to the CITY at the time of termination, the cost of the CITY of employing another firm to complete the work required, and the time which may be required to do so.

15. **Non-Discrimination**. The CONSULTANT agrees not to discriminate against any customer, employee or applicant for employment, subconsultant, supplier or materialman, because of race, creed, color, national origin, sex, religion, honorable discharged veteran or military status, familial status, sexual orientation, age, or the presence of any sensory, mental, or physical disability or the use of a trained dog or service animal by a person with a disability, except for a bona fide occupational qualification. The CONSULTANT understands that if it violates this provision, this Agreement may be terminated by the CITY and that the CONSULTANT may be barred from performing any services for the CITY now or in the future.

16. **Compliance and Governing Law.** The CONSULTANT shall at all times comply with all applicable federal, state, and local laws, rules, ordinances, and regulations. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

17. **Subcontracting or Assignment.** The CONSULTANT may not assign or subcontract any portion of the services to be provided under this agreement without the express written consent of the CITY. Any sub-consultants approved by the CITY at the outset of this agreement are named on separate Exhibit attached hereto and incorporated herein by this reference as if set forth in full.

18. **Non-Waiver.** Payment for any part of the work or services by the CITY shall not constitute a waiver by the CITY of any remedies of any type it may have against the CONSULTANT for any breach of the agreement by the CONSULTANT, or for failure of the CONSULTANT to perform work required of it under the agreement by the CITY. Waiver of any right or entitlement under this agreement by the CITY shall not constitute waiver of any other right or entitlement.

19. **Litigation.** In the event that either party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this agreement, the parties agree that such actions shall be initiated in the Superior Court of the State of New York. The parties agree that all questions shall be resolved by application of Washington law and that parties to such actions shall have the right of appeal from such decisions of the Superior Court in accordance with the law of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior

Court of the State of New York. The substantially prevailing party in any such litigation shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other award.

20.   <u>Taxes</u>. The CONSULTANT will be solely responsible for the payment of any and all applicable taxes related to the services provided under this agreement and if such taxes are required to be passed through to the CITY by law, the same shall be duly itemized on any billings submitted to the CITY by the CONSULTANT.

21.   <u>Force Majeure.</u> Neither party shall be responsible for failure to perform its obligations in a timely manner under this Agreement when its failure results from any of the following causes: acts of God or public enemies, terrorism, civil war, insurrection or riot, fire, flood, explosion, earthquake or serious accident, strike, labor trouble or work interruption, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis including quarantine or other employee restrictions, or any other cause beyond such party's reasonable control.

22.   <u>Entire Agreement</u>. This Agreement, and the exhibits listed below, represents the entire integrated agreement between the CITY and the CONSULTANT, superseding all prior negotiations, representations or agreements, written or oral. This agreement may be modified, amended, or added to, only by written instrument properly signed by both parties hereto.

> **A.**   Exhibit A – Scope of Work
>
> **B.**   Exhibit B – Fee Schedule

23.   <u>Counterparts</u>. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. This Amendment shall be considered properly executed by a Party if executed by that Party and transmitted by facsimile or other electronic means including, without limitation, Docusign, Tagged Image Format Files (TIFF), or Portable Document Format (PDF).

24.   <u>Controlling Document and Conflict in Terms.</u> The following documents make up the Agreement between the parties. Where there is conflict or a gap between or among these documents, the controlling document will be identified in the following order of precedence (first listed being the highest precedent):

> **A.**   This Consulting Services Agreement.
>
> **B.**   The City of Redmond Information Privacy and Security Agreement (IPSA)
>
> **C.**   CONSULTANT'S Order Form or Scope of Work.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the latest date this Agreement is fully executed.

CONSULTANT: CITY OF REDMOND:

_____

By: Leah Petrunin

Michael Marchand, Chief Information Officer   Title:

Signed by:

Leah Petrunin

7A6743CB4D3E4F3...

DocuSigned by:

[signature]

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EVP Business Operations   DATED: 8/5/2025

_____

_____

_____

TIS Consulting Services Agreement City of Redmond
Docusign Envelope ID: BAC8AA99-D1B8-4840-8940-B8652784E5B6

EXHIBIT A

  This Agreement applies to any Scope of Work executed between the parties during the effective period of this Agreement. All Scopes of Work are subject to the City's standard approval procedures and require written authorization prior to commencement.

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Last Updated August 2024
{EFM4878-4002-0158;3/00020.110082/}
TIS Consulting Services Agreement City of Redmond

Exhibit B

City of Redmond	2/4/2025 update
Role	Revised CoR Rates / Hr.
Executive Director	$290.00
Solution Advisor	$290.00
Program Manager	$275.00
Sr. Project Manager	$250.00
Project Manager	$230.00
Project Coordinator	$125.00
Sr. Functional Solution Architect	$275.00
Functional Solution Architect	$250.00
Lead Functional Consultant	$230.00
Sr. Functional Consultant	$210.00
Functional Consultant	$180.00

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Associate Consultant	$150.00
Jr. Associate Consultant	$110.00
Functional Solution Architect (Global Services)	$140.00
Lead Functional Consultant (Global Services)	$120.00
Sr. Functional Consultant (Global Services)	$110.00
Functional Consultant (Global Services)	$85.00
Associate Consultant (Global Services)	$60.00
Sr. Technical Solution Architect	$275.00
Technical Solution Architect	$250.00
Lead Technical Consultant	$230.00
Sr. Technical Consultant	$210.00
Technical Consultant	$180.00
Technical Solution Architect (Global Services)	$150.00
Lead Technical Consultant (Global Services)	$120.00
Sr. Technical Consultant (Global Services)	$110.00
Technical Consultant (Global Services)	$85.00
Lead Infrastructure Consultant	$230.00
Cloud Technical Solution Architect	$250.00
Cloud Lead Technical Consultant	$230.00
BI Solution Architect	$250.00
BI Lead Technical Consultant	$230.00

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EXHIBIT E

INFORMATION PRIVACY, SECURITY AND ACCESS
AGREEMENT

This Information Privacy, Security, and Access Agreement ("IPSA") is entered into by and between the City of Redmond ("City") and [*insert name and address of Consultant*] ("Consultant") as of the date last signed below (the "Effective Date") and hereby supplements the attached agreement between City and Consultant (the "Underlying Agreement"). This IPSA shall apply to the extent that the provision of services by Consultant pursuant to the Underlying

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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 exemption from disclosure under Chapter 42.56 RCW.

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

1.   **Definitions.**

a.   "Authorized Users" means Consultant's employees, agents, subconsultants

and service providers who have a need to know or otherwise access City Data to enable Consultant 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 Consultant or given Consultant access to, or that Consultant 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 accessed by, or is transferred or transmitted beyond the City's immediate possession, custody, or control.

c.   "City software systems" means the systems, solutions (COTS and custom

developed), applications and platforms used to support the management, operation and development of City activities.

d.   "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.

e.   "Services" means all services, work, activities, deliverables, software or

other obligations provided by Consultant pursuant to the Underlying Agreement.

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2.   Standard of Care.

a.   Consultant acknowledges and agrees that, in the course of its engagement by City, Consultant may create, receive, or have access to City Data. Consultant 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.   Consultant 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. Consultant shall implement and maintain safeguards necessary to ensure the confidentiality, availability, and integrity of City Data. Consultant 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.   Consultant 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. Consultant may only provide access to Authorized Users who have a legitimate business need to access, use or disclose City Data in the performance of Consultant's duties to City.

b.   If Consultant 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.   Consultant 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 Subconsultants or Agents.

a.   Consultant may disclose City Data to a subconsultant and may allow the subconsultant to create, receive, maintain, access, or transmit City Data on its behalf, provided that Consultant obtains satisfactory assurances that the subconsultant will appropriately safeguard the information. Without limiting the generality of the foregoing, Consultant shall

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require each of its subconsultants that create, receive, maintain, access, or transmit City Data on behalf of Consultant to execute a written agreement obligating the subconsultant to comply with all terms of this IPSA and to agree to the same restrictions and conditions that apply to Consultant with respect to the City Data.

b.   Consultant shall be responsible for all work performed on its behalf by its

subconsultants and agents involving City Data as if the work was performed by Consultant.

Consultant 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.   Consultant 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, Consultant 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 Consultant has access to City protected health information, then Consultant must also execute the City's Business Associate Agreement.

b.   Consultant may store City Data on servers housed in datacenters owned

and operated by third parties, provided the third parties have executed confidentiality agreements with Consultant and subject to Section 5.c.

c.   Unless specifically authorized in writing by City, Consultant shall not (i) access, store, process, transmit, or create City Data at locations outside the fifty (50) United States of America; (ii) permit viewing access to City Data by Consultant or any of its agents (including any subconsultants) or any other person outside the fifty (50) United States of America through any screen sharing technology such as Remote Desktop Protocol or VMware Remote Console ("VMRC"), or other current or future protocols designed to provide similar functionality; or (iii) provide City Data received from, created, or received by Vendor on behalf of City to any employee or agent, including a subconsultant, if such employee, agent, or subconsultant receives, processes, or otherwise has access to such City Data outside of the fifty (50) United States of America. The prohibitions set forth in this Section 5.c apply not only to Consultant's data center locations and personnel primarily involved with providing the contracted Services,

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but equally to any and all data centers and personnel used for resilience or redundancy, backups, log storage, after-hours support, and any downstream partners that may access, store, process, transmit, or create City Data.

6.   Privacy.

a.   Consultant represents and warrants that in connection with the Services

provided by Consultant:

i.   All use of City Data by Consultant 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 Consultant 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. Consultant's privacy policy will provide end-users with a written explanation of the personal information collected about endusers, as well as available opt-in, opt-out, and other end-user privacy control capabilities.

iv.   If Consultant 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 Consultant's use of such data shall be strictly limited to the direct purpose of the Services and Consultant's technical security operations and systems maintenance. Consultant 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 Consultant 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.

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b.   Consultant 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 Consultant; (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 Consultant 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 Consultant 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.   Consultant represents and warrants that the design and architecture of Consultant'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.   Consultant 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.   Consultant 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 Consultant, then Consultant 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.   Consultant shall have appropriate technical perimeter hardening. Consultant shall monitor its system and perimeter configurations and

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network traffic for vulnerabilities, indicators of activities by threat actors, and/or the presence of malicious code.

f.   Consultant 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 Consultant systems shall follow the principal of least privileges.

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

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

i.   Consultant 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.   Consultant 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 Consultant meet or exceed the requirements set out in this IPSA. Upon written request, Consultant shall furnish City with an executive summary of the findings of the most recent risk assessment. In lieu of providing an executive summary, Consultant 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 Consultant's assessment. Consultant 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 Consultant do not meet the requirements set out in this IPSA, then Consultant shall notify City to communicate the issues, nature of the risks, and the corrective active plan.

8.   Data Breach Procedures and Liability.

a.   Consultant shall maintain a data breach plan in accordance with the criteria

set forth in Consultant'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 laws codified at RCW 19.255.010 and RCW 42.56.590. Without limiting the generality of the foregoing, Consultant 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 Consultant. Consultant 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. Consultant shall provide investigation updates to the City. If such Data Breach contains protected health information, as defined by HIPAA, Consultant 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, Consultant 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. Consultant'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,

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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, Consultant is not permitted to notify affected

individuals without the express written consent of City. Unless Consultant 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. Consultant 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. Consultant 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. Consultant 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 Consultant 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.   Data Access. The City shall have access to City Data stored within any application or system owned by the Consultant.

13.   Data Export and Retrieval. The City shall be able to export and retrieve City Data.

14.   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:

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i.   In the event of a material breach of this IPSA by the Consultant,

provided that City first sends the Consultant written notice describing the breach with reasonable specificity, including any steps that must be taken to cure the breach. If Consultant 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 Consultant 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 Consultant or Consultant'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 14.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, Consultant 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, Consultant shall comply with any transition service requirements described in the Underlying Agreement.

iii.   Consultant 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 Consultant'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.

iv.   Consultant agrees to certify that City Data, including City Data held by

subconsultants, has been returned, deleted, or destroyed from its systems, servers, off-site storage facilities, office locations, and any other location where Consultant or subconsultants, maintain City Data within 45 days of receiving City's request that the City Data be returned,

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deleted, or destroyed. Consultant shall document its verification of data removal, including tracking of all media requiring cleaning, purging or destruction.

15.   Insurance. In addition to the insurance requirements of the Underlying Agreement, Consultant 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 Consultant's Services include professional services, then Consultant 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.   Consultant's insurance shall be primary to any other insurance or self-

insurance programs maintained by City. Consultant 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 Consultant's obligations to fulfill the requirements.

d.   Upon receipt of notice from its insurer(s), Consultant shall provide City with

thirty (30) days prior written notice of any cancellation of any insurance policy, required pursuant to this Section 15. Consultant shall, prior to the effective date of such cancellation, obtain replacement insurance policies meeting the requirements of this Section 15. Failure to provide the insurance cancellation notice and to furnish to City replacement insurance policies meeting the requirements of this Section 15 shall be considered a material breach of this IPSA.

e.   Consultant's maintenance of insurance as required by this Section 15 shall not be construed to limit the liability of Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or equity. Further, Consultant's maintenance of insurance policies required by this IPSA shall not be construed to excuse unfaithful performance by Consultant.

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16. **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 Consultant shall supersede any provision in the Underlying Agreement purporting to limit Consultant's liability or disclaim any liability for damages arising out of Consultant's breach of this IPSA.

17. **Indemnification.** Consultant 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 Consultant; (ii) a violation by Consultant of any information security and privacy statute or regulations; or (iii) any Data Breach by Consultant.

18. **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 Consultant'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.

Consultant   **City of Redmond**

_____HSO US

_____

Signed by:

By: _Leah Petrunin_____   By: _____
7A6743CB4D3E4F3...   6222B98288CC42B...

Name: Leah Petrunin_____   Name: _____ Michael Marchand

Title: _____EVP Business Operations
Title: _____Chief Information Officer

Date: _____ 8/6/2025

_____ 8/5/2025

Date:

AUTHORIZED USER ACCESS AGREEMENT

Name of Individual: _____ Name of Leah Petrunin   Consultant: __HSO
US _____

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 _____ ("HSO US Consultant").

I agree that I may use the City Data for the sole purpose of Consultant'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 Consultant'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 Consultant'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 Consultant.

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

Signed by:
Leah Petrunin
7A6743CB4D3E4F3...   _____   8 /6/2025

Authorized User Signature   Date