

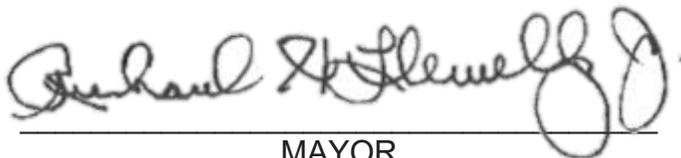
0150-11175-0003

T R A N S M I T T A L

| | | |
|------------------------|-------------------------|------------------|
| TO The City Council | DATE 07/26/21 | COUNCIL FILE NO. |
| FROM The Mayor | COUNCIL DISTRICT All | |

Second Amended and Restated Agreement C-131581 with Aeon Nexus Corporation to provide support, licensing, and maintenance for the Customer Relationship Management Platform and Online Candidate Portal utilized in the recruitment process for Police Officer candidates

Transmitted for your consideration. See the City Administrative Officer report attached. The Council has 60 days from the date of receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a).



MAYOR

(Rich Llewellyn for)

MWS:RR:11220001t

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

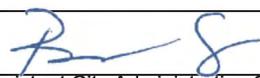
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|--|---|--|----------------------------------|--|-----|----|-----|
| To: The Mayor | Date: 07-09-21 | C.D. No. All | CAO File No.: 0150-11175-0003 | | | | |
| Contracting Department/Bureau: Personnel Department | | Contact: Michael Daco (213) 473-9195 Sherry Cox (213) 473-9122 | | | | | |
| Reference: Personnel Department transmittal dated February 3, 2021, referred for report on February 9, 2021. Revised agreement received on July 6, 2021. | | | | | | | |
| Purpose of Contract: To provide support, licensing, and maintenance for the Customer Relationship Management Platform and Online Candidate Portal utilized in the recruitment process for Police Officer candidates. | | | | | | | |
| Type of Contract: () New contract (X) Amendment, C-131581 | Contract Term Dates: Current Agreement: July 16, 2018 – July 15, 2021 Proposed Agreement: July 16, 2018 – July 15, 2023 | | | | | | |
| Contract/Amendment Amount: \$1,262,185 | | | | | | | |
| Proposed amount \$478,000 + Prior award(s) \$784,185 = Total \$1,262,185 | | | | | | | |
| Source of funds: General Fund | | | | | | | |
| Name of Contractor: Aeon Nexus Corporation | | | | | | | |
| Address: 138 State Street, Albany, NY 12207 | | | | | | | |
| | Yes | No | N/A | Contractor has complied with: | Yes | No | N/A |
| 1. Council has approved the purpose | X | | | 8. Business Inclusion Program | X | | |
| 2. Appropriated funds are available | X | | | 9. Equal Benefits & First Source Hiring Ordinances | X | | |
| 3. Charter Section 1022 findings completed | X | | | 10. Contractor Responsibility Ordinance | X | | |
| 4. Proposals have been requested | X | | | 11. Disclosure Ordinances | X | | |
| 5. Risk Management review completed | X | | | 12. Bidder Certification CEC Form 50 | X | | |
| 6. Standard Provisions for City Contracts included | X | | | 13. Prohibited Contributors (Bidders) CEC Form 55 | X | | |
| 7. Workforce that resides in the City: 0% | | | | 14. CA Iran Contracting Act of 2010* | | | X |

RECOMMENDATION

That the Council approve, and authorize the General Manager of the Personnel Department to execute, the Second Amended and Restated Professional Services Agreement C-131581 with Aeon Nexus Corporation to extend the term by two years for a revised term of five years effective July 16, 2018 through July 15, 2023, and to increase the expenditure authority from \$784,185 to a total not to exceed \$1,262,185, subject to approval as to form by the City Attorney.

SUMMARY

The Personnel Department (Department) requests approval to execute the proposed Second Amended and Restated Agreement C-131581 (Agreement) with Aeon Nexus Corporation (Contractor) to continue support, licensing, and maintenance services for the Customer Relationship Management (CRM) Platform and Online Candidate Portal utilized in the recruitment process for Police Officer candidates. Approval of the proposed Agreement will (i) extend the term by two years for a revised term of five years effective July 16, 2018 through July 15, 2023 and (ii) increase the total expenditure authority from \$784,185 to \$1,262,185, an increase of \$478,000. Actual costs during the initial three-year term of the contract total \$687,247. The proposed Agreement includes a ratification clause to allow the Contractor to continue providing services prior to execution of the proposed Agreement.

| | | | |
|-------------|---------|----------|---|
| Robert Roth | | |  |
| RR | Analyst | 11220001 | Assistant City Administrative Officer |

The annual cost of services is up to \$239,000 over the remaining two years of the Agreement. The scope of services provided under the Agreement consists of support (\$101,395 annually), licensing (\$110,000 annually), and maintenance (up to \$27,605 annually) for the CRM platform and Online Candidate Portal, including Investigative Case Management (ICM) and the Examination Management (EM) functionality.

The Department's initial transmittal dated February 3, 2021 requested an extension of the term and an increase of \$1,045,210 in compensation resulting in maximum compensation of \$1,829,395. Upon review by this Office, with concurrence by the Department, the requested increase in compensation was revised to \$478,000 resulting in a revised maximum compensation of \$1,262,185. The Department provided a revised Agreement on July 6, 2021 to reflect the revised expenditure authority.

On January 2, 2018, Personnel issued a Request for Proposals (RFP) seeking qualified firms to develop and design an integrated CRM platform and Online Candidate Portal to manage and track Police Officer candidate activities and communications throughout the recruitment process. Based on a competitive process, the Contractor was awarded the contract providing an expenditure authority of \$473,515 and an initial term of one-year effective July 16, 2018 through July 15, 2019, with two one-year extension options. On September 20, 2019, the First Amended and Restated Agreement was executed which exercised the two one-year extension options, increased the expenditure authority to \$784,185, and expanded the scope of services to add ICM and EM system functionality.

The Contractor has complied with all applicable contracting requirements. Personnel indicates City employees in the Applications Programmer, Programmer/Analyst, Systems Programmer, Senior Systems Analyst, Systems Analyst, and Data Base Architect classifications may be able to complete the work proposed in this Agreement; however, the Department does not have staff or resources available to perform the work in a timely manner. Therefore, the Office of the City Administrative Officer finds, in accordance with Charter Section 1022, the work proposed to be contracted can be performed more feasibly by a contractor than by City employees.

In accordance with Los Angeles Administrative Code Section 10.5(a), City Council approval of the Agreement is required because the cumulative term exceeds three years. Pursuant to Executive Directive No. 3 (Villaraigosa Series), the approval of the Mayor is required because the total compensation exceeds \$25,000.

FISCAL IMPACT STATEMENT

Funding is provided by the General Fund, in the Personnel Department's Contractual Services account within the line item titled "Case Management System" which is budgeted \$239,000 in the 2021-22 Adopted Budget. Funding from the Innovation Fund in the amount of \$250,000 was awarded in 2018-19 for the development and implementation of a CRM Platform and Online Candidate Portal.

FINANCIAL POLICIES STATEMENT

As budgeted funds are available to support the proposed Agreement and expenditures in the current year, and future year expenditures are limited to the appropriation of funds, the recommendation of this report complies with the City's Financial Policies.

**BOARD OF CIVIL SERVICE
COMMISSIONERS**

Room 360, PERSONNEL BUILDING

RAUL PEREZ
PRESIDENT

KARLA M. GOULD
VICE PRESIDENT

COMMISSIONERS:
JEANNE FUGATE
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NANCY P. McCLELLAND

BRUCE E. WHIDDEN
COMMISSION EXECUTIVE DIRECTOR

**CITY OF LOS ANGELES
CALIFORNIA**



ERIC GARCETTI
MAYOR

PERSONNEL DEPARTMENT

PERSONNEL BUILDING
700 EAST TEMPLE STREET
LOS ANGELES, CA 90012

Wendy G. Macy
GENERAL MANAGER

February 3, 2021

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

**Subject: REQUEST FOR REVIEW AND APPROVAL OF THE SECOND
AMENDED AND RESTATED AGREEMENT FOR AEON NEXUS
CORPORATION (C-131581)**

In accordance with Executive Directive No. 3, attached for your review and approval is a draft Second Amendment to the First Amended and Restated Agreement (Contract No. C-131581) between Aeon Nexus Corporation ("Contractor") and the City of Los Angeles ("City") for a customer relationship management software and online candidate portal for the Personnel Department.

The department understands the Mayor's current fiscal tightening instructions. Nevertheless, review and approval of this contract is requested because, pursuant to Charter Section 1022, the City does not have staff or resources with the necessary expertise to undertake these specialized tasks. This service cannot be in-sourced, therefore the Department secured a qualified contractor, with the necessary expertise to integrate, manage, and modify the Customer Relationship Management Platform and Candidate Portal that had been specifically designed and tailored for use by the City of Los Angeles.

Background

The Personnel Department released a Request for Proposal (RFP) on January 2, 2018, seeking qualified firms to provide an IT solution consisting of the required Customer Relationship Management Platform and Candidate Portal to assist in the recruitment and hiring process of police candidates.

The City reviewed and found Contractor's competitive bid complete and acceptable for the services needed, determined that Contractor, by virtue of its extensive experience and background, is qualified to provide the unique and specialized services, and that

Contractor has the equipment and staff to provide the necessary services immediately required by the City as indicated in Contractor's competitive bid.

City and Contractor entered into City of Los Angeles Contract Number C-131581 ("Original Contract") commencing on July 16, 2018 through July 15, 2019.

On September 2019, City and Contractor entered into a First Amended and Restated Agreement to add functionality to the platform, extend the Original Contract through July 15, 2021, and increase available funding under the Original Agreement for a new total amount not to exceed \$784,185.

The Department requests a second extension to the contract. With Council approval, this Second Amended and Restated Agreement will extend the contract for two additional years from July 16, 2021 through July 15, 2023.

The City's total obligation under this Agreement shall not exceed ~~\$1,829,395~~ ^{\$1,262,185} over the Agreement's five-year term, for complete and satisfactory performance of the contract's terms.

Contract Compliance

The contractor's compliance documentation statuses are as follows:

Equal Benefits/First Source Hiring Ordinance, and Disclosure Ordinance affidavits have been requested. Required insurance certificate is current.

The headquarters address is as follows:

Aeon Nexus Corporation
138 State Street
Albany, NY 12207

This draft Second Amended and Restated Agreement has been reviewed by City Attorney as to form and language.

Fiscal Impact

Funding for the two-year extension of this contract is budgeted in Personnel Department's Contractual Services Account 3040.

Recommendation

That the General Manager of the Personnel Department, or designee, be authorized to execute a Second Amended and Restated Agreement (Contract No. C-131581) with Aeon Nexus Corporation to integrate, manage, and modify the Customer Relationship Management Platform and Candidate Portal that had been specifically designed and tailored for use by the City of Los Angeles

Council approval is required to execute this Second Amended and Restated Agreement. To expedite execution, we request that the Mayor's Office transmit the approved Agreement to the Office of the City Clerk so that this item can be considered by the City Council.

Please contact Sherry Cox at (213) 473-9122 with any additional questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'Wendy G. Macy', written in a cursive style.

Wendy G. Macy
General Manager

Attachment

ec: Robert Roth, CAO

PROFESSIONAL SERVICES AGREEMENT

Contractor: AEON NEXUS CORPORATION

**Regarding: Configuration of Customer Relationship
Management Software and Online
Candidate Portal**

Contract Number C-131581

**Professional Services Agreement
AEON NEXUS CORPORATION**

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ATTACHMENTS

- Attachment A – Standard Provisions for City Contracts (Rev. 10/17 [v.3])
- Attachment B – Confidentiality Agreement
- Attachment C – Scope of Work
- Attachment D – Deliverables & Fee Schedule
- Attachment E – Technical Support Service Level Agreement

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF LOS ANGELES AND
AEON NEXUS CORPORATION**

THIS SECOND AMENDED AND RESTATED AGREEMENT (Contract No. C-131581) is made and entered into by and between the City of Los Angeles (“City”), a municipal corporation, acting by and through its Personnel Department (“Department”) and Aeon Nexus Corporation (“Contractor”), a New York corporation, with reference to the following:

RECITALS

1. City, through the Public Safety Bureau of the Personnel Department, administers the process by which City recruits and hires police officers for the Los Angeles Police Department, Los Angeles Port Police, and Los Angeles Airport Police;
2. City requires a Customer Relationship Management Platform and Candidate Portal that will provide an integrated system to enable staff to efficiently manage communications with candidates and potential candidates;
3. Pursuant to Charter Section 1022, City does not have staff or resources with sufficient time or the necessary expertise to design, create, and integrate the Customer Relationship Management Platform and Candidate Portal in a timely manner, and it is therefore more feasible and in the Department's best interest to secure these services by contract;
4. The services required are of an expert and technical nature and are temporary and occasional in character; therefore, competitive bidding under Charter Section 371 is neither practicable, nor advantageous, nor consistent with City's interests;
5. City, pursuant to Charter Section 372, issued a Request for Proposal (RFP) on January 2, 2018, seeking firms that can provide an IT solution consisting of the required Customer Relationship Management Platform and Candidate Portal (“IT Solution”) to assist in the recruitment and hiring process of police candidates, and found Contractor satisfied the required qualifications and experience to provide the type of service required by City;
6. Contractor has represented that it has the necessary equipment and staff possessing sufficient knowledge, expertise, and experience required to provide the necessary services and is available and willing to perform the services required by City; and
7. On or about July 16, 2018, City and Contractor entered into City of Los Angeles Contract Number C-131581 (“Original Contract”), pursuant to which Contractor agreed, for consideration and upon the terms and conditions provided in the Original Contract, to perform the above-referenced work and furnish deliverables;

8. On or about September 2019, City and Contractor entered into a First Amended and Restated Agreement to (1) extend the Original Contract through July 15, 2021; (2) increase available funding under the Original Agreement for a new total amount not to exceed \$784,185 for complete and satisfactory performance of the terms of the Original Contract, as amended, and (3) make certain changes deemed necessary by the parties;
9. City and Contractor now wish to enter into this Second Amended and Restated Agreement to (1) extend the expiration date to July 15, 2023, and (2) increase available funding under the Original Agreement for a new total amount not to exceed \$1,262,185;
10. At its meeting on [DATE], the City Council authorized Personnel Department General Manager or designee to execute this Second Amended and Restated Agreement to (1) extend the expiration date to July 15, 2023, and (2) increase available funding under the Original Agreement for a new total amount not to exceed \$1,262,185; and

NOW, THEREFORE, in consideration of the promises and of the covenants, representations, and agreements set forth herein, the parties hereby covenant, represent, and agree as follows:

ARTICLE A – DEFINITIONS AND SCOPE OF WORK

1. Definitions.
 - 1.1 “Recruitment” means steps prior to an individual’s successful completion of the application and written exam.
 - 1.2 “Potential Candidates” means the individuals in the Recruitment stage of the process.
 - 1.3 “Appointment” means the official offer given to an individual after successful completion of hiring process.
 - 1.4 “Hiring” means steps in the process from an individual’s successful completion of the written exam through the Appointment or departure from the process.
 - 1.5 “Candidates” means the individuals in the Hiring stage of the process.
2. Purpose. The purpose of Contractor’s work under this Agreement is to provide software configuration, implementation, training, maintenance, and support for the Personnel Department Public Safety Bureau online candidate portal and customer relationship management system (the “software product” or “IT Solution” or “System”) on City’s software platform.

3. Modifications. Any modifications in the terms and/or conditions to this Agreement shall require the execution of an amendment, approved and signed by an authorized representative of both the requesting Department and Contractor. If Contractor performs any modification without a written amendment, City shall neither pay for, nor be obligated to accept said modification.

ARTICLE B – NOTICES AND TERM

1. Representatives of the Parties and Service of Notices

- 1.1 The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications will be given are as follows:

- 1.1.1 The representative of City will be, unless otherwise stated in the Agreement:

Wendy G. Macy
General Manager
Personnel Department
700 E. Temple Street, Room 305
Los Angeles, California 90012

With copies to:

Vincent Cordero
Public Safety Bureau Chief
Personnel Department, Public Safety Bureau
700 E. Temple Street, Room 150
Los Angeles, California 90012
Phone: (213) 473-9367
E-Mail: Vincent.Cordero@lacity.org

- 1.1.2 The representative of Contractor will be:

Meghan Barkley
Chief Operating Officer
Aeon Nexus Corporation
138 State Street
Albany, NY 12207
Phone: (518) 708-8971
E-Mail: meghanbarkley@aeonnexus.com

- 1.2 Formal notices, demands, and communications required hereunder by either party will be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

- 1.3 If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice will be given, in accordance with Article I, within five (5) business days of said change.
2. Time of Performance. The term of this Agreement will commence on July 16, 2018 and will end on July 15, 2023, subject to the termination provisions herein and availability of City budgeted funds.
 - 2.1 Ratification Clause. Due to the need for Contractor's services to be provided continuously on an ongoing basis, Contractor may have provided services prior to the execution of this Agreement. To the extent that said services were performed in accordance with the terms and conditions of this Agreement, those services are hereby ratified.

ARTICLE C – DATA SECURITY AND PRIVACY

1. Data Ownership. As between the parties, City is the sole and exclusive owner of all data and information provided to Contractor by or on behalf of City pursuant to this Agreement and any and all updates or modifications thereto or derivatives thereof made by Contractor ("City Data"), and all intellectual property rights in the foregoing, whether or not provided to any other party under this Agreement. City Data is Confidential Information for the purposes of this Agreement. Contractor shall not use City Data for any purpose other than that of rendering the services under this Agreement, nor sell, assign, lease, dispose of or otherwise exploit City Data. Contractor shall not possess or assert any lien or other right against or to City Data. City may request an export of City Data stored within the systems or held by Contractor in any form or format at no charge to City.

Subject to the restrictions articulated elsewhere in this Agreement, City grants Contractor a non-transferable, non-exclusive, terminable at-will license, solely for the term of this Agreement, to use City Data solely for purposes of performing the services pursuant to this Agreement for City's benefit.

2. Data Protection
 - 2.1 Contractor shall use best efforts, but in no event less than information security industry standard protections, to prevent unauthorized use, disclosure, or exposure of City Data. To this end, Contractor shall safeguard the confidentiality, integrity, and availability of City Data.
 - 2.2 Contractor shall implement and maintain appropriate administrative, technical, and organization security measures to safeguard against unauthorized access, disclosure, or theft of City Data. Such security measures shall be in accordance with recognized industry best practices and the standard of care imposed by state and federal laws and regulations relating to the protection of such information. In the absence of any legally imposed standard of care and not

less stringent than the measures Contractor applies to Contractor's own personal data and non-public data of similar kind.

- 2.3 Unless otherwise expressly agreed to by City in writing, Contractor shall encrypt all City Data at rest and in transit and limit access to only those individuals whose access is essential for performance of the services contemplated by this Agreement.
- 2.4 At no time may any content or City processes be copied, disclosed, or retained by Contractor or any party related to Contractor for subsequent use in any transaction that does not include City.
3. Compliance with Privacy Laws. Contractor shall ensure that Contractor's performance of Contractor's obligations under this Agreement complies with all applicable local, state, and federal privacy laws and regulations. If this Agreement or any practices which could be, or are, employed in performance of this Agreement are inconsistent with or do not satisfy the requirements of any of these privacy laws and regulations, City and Contractor shall in good faith execute an amendment to this Agreement sufficient to comply with these laws and regulations and Contractor shall complete and deliver any documents necessary to compliance.
4. Confidential Information. Contractor understands that all original material, whether written or readable by machine, including written or recorded data, documents, graphic displays, reports, and other documentation or other materials which contain information relating to Contractor's performance hereunder are considered confidential property of City. Contractor understands the sensitive nature of the above and therefore agrees that neither its officers, partners, employees, agents, contractors or subcontractors will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, nor other materials except as provided herein or as authorized, in writing, by City's representative. This section shall remain in effect after the termination of this Agreement until such time as the Confidential Information has been released by City. Contractor must submit a signed copy of the **Confidentiality Agreement**, that is attached hereto as **Attachment B**, and incorporated herein, and require it from each subcontractor. The provisions of this subsection shall survive expiration or termination of this Agreement.
5. Provision of Data. Upon termination of this Agreement for any cause or reason (including City's breach), Contractor shall provide City with a copy of all City Data in Contractor's possession in a mutually agreeable machine-readable format.
6. Data, Development, and Access-Point Location. Contractor shall provide its hosting services to City and its end users solely from data centers in the United States of America. Storage of Content at rest shall be located in the continental United States of America. Contractor shall not allow its personnel or contractors to store City Data on portable devices, including personal computers, except for devices that are used and kept only at Contractor's United States of America headquarters or data centers.

Contractor may permit its personnel and contractors to access City Data remotely only as required to provide technical support. Contractor shall neither access, nor allow a third-party access to the systems from any location outside of the United States of America. Contractor shall not provide any services under this Agreement from a location outside of the United States of America, absent receipt of City's express approval.

7. Data Breach. Contractor shall protect City Data using the most secure means and technology that is commercially available. Contractor shall notify City as soon as reasonably feasible, but in any event, within twenty-four (24) hours in writing of Contractor's discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. Contractor shall begin remediation immediately. Contractor shall provide daily updates, or more frequently if required by City, regarding findings and actions performed by Contractor until the Data Breach or Security Incident has been effectively resolved to City's satisfaction. Contractor shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with City. At City's sole discretion, City and/or its authorized agents shall have the right to lead or participate in the investigation. Contractor shall cooperate fully with City, its agents and law enforcement.

7.1 Data Breach Liability. If City is subject to liability for any Data Breach or Security Incident, Contractor shall fully indemnify and hold harmless City and defend against any resulting actions.

8. Firewalls and Access Controls

8.1 Access Precautions. Contractor shall use precautions, including, but not limited to, physical software and network security measures, employee screening, training and supervision, and appropriate agreements with employees to:

8.1.1 Prevent anyone other than City, Contractor, and authorized City or Contractor personnel from monitoring, using, gaining access to, or learning the import of City Data;

8.1.2 Protect appropriate copies of City Data from loss, corruption, or unauthorized alteration; and

8.1.3 Prevent the disclosure of City and Contractor passwords and other access control information to anyone other than authorized City personnel.

8.2 Security Best Practices. Contractor shall implement the following security best practices with respect to any service provided:

- 8.2.1 Least Privilege: Contractor shall authorize access only to the minimum amount of resources required for a function.
 - 8.2.2 Separation of Duties: Contractor shall divide functions among its staff members to reduce the risk of one person committing fraud undetected.
 - 8.2.3 Role-Based Security: Contractor shall restrict access to authorized users and base access control on the role a user plays in an organization.
- 8.3 Access Restrictions. Contractor shall restrict the use of, and access to, administrative credentials for City accounts and Contractor's systems to only those of Contractor's employees and other agents whose access is essential for the purpose of providing the services of this Agreement. Contractor shall require these personnel to log on using an assigned user-name and password when administering City accounts or accessing City Data. These controls must enable Contractor to promptly revoke or change access in response to terminations or changes in job functions, as applicable. Contractor shall encrypt all passwords, passphrases, and PINs, using solutions that are certified against U.S. Federal Information and Processing Standard 140-2, Level 2, or equivalent industry standard, and verify that the encryption keys and keying material are not stored with any associated data. Contractor will implement any City request to revoke or modify user access within twenty-four hours or the next business day of receipt of City's request. Contractor will disable user accounts after at most 10 consecutive invalid authentication attempts.
- 9. Right of Audit by City. Without limiting any other audit rights of City, City may review Contractor's data privacy and data security program prior to the commencement of this Agreement and from time to time during the term of this Agreement. During the performance of this Agreement, on an ongoing basis from time to time and without notice, City may, by itself or by retaining a certified public accounting firm or information security professional, perform, or have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, at City's discretion and upon request by City, Contractor agrees to complete, within fourteen (14 days) of receipt, an audit questionnaire provided by City regarding Contractor's data privacy and information security program.
- 10. Written Information Security Policy. Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards, and procedures (collectively "Information Security Policy"), and communicate the Information Security Policy to all of its respective employees and contractors in a relevant, accessible, and understandable form. Contractor shall regularly review and evaluate the Information Security Policy to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks. Upon execution of this Agreement and thereafter within three (3) business days of City's request, Contractor shall make

available for City's review Contractor's Information Security Policy and any related SOC audits, information security certifications, or other evidence that Contractor has in place appropriate policies and procedures regarding information protection and security.

11. Change in Service. Contractor shall notify City of any changes, enhancement, and upgrades to Contractor's systems, or changes in other related software services, as applicable, which can impact the security of the services.

ARTICLE D – PAYMENT AND INVOICING

1. Payment Terms and Deliverables. City's total obligation under this Agreement shall not exceed **\$1,262,185** for the term of this Agreement for complete and satisfactory performance of the terms of this Agreement as provided in **Attachment D, Fee Schedule**.

2. Limitation of City's Obligation to Make Payments to Contractor. Notwithstanding any other provision of this Agreement, including any exhibits or attachments incorporated therein, and in order for City to comply with its governing legal requirements, City shall have no obligation to make any payments to Contractor unless City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in said Agreement. Contractor agrees that any services provided by Contractor, purchases made by Contractor or expenses incurred by Contractor in excess of said appropriation(s) shall be free and without charge to City and City shall have no obligation to pay for said services, purchases or expenses. Contractor shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until City appropriates additional funds for this Agreement.

3. Invoicing

3.1 Invoicing

- 3.1.1 Invoices must be submitted electronically to:

Vincent Cordero Public Safety Bureau Chief
Vincent.Cordero@lacity.org

- 3.1.2 To ensure that services provided under personal services contracts are measured against services as detailed in the Agreement, the Controller of the City of Los Angeles has developed a policy requiring that specific supporting documentation be submitted with invoices.

- 3.1.3 Contractor shall submit invoices that conform to City standards and include, at a minimum, the following information:

- i. Name and address of Contractor
 - ii. Name and address of City department being billed
 - iii. Date of invoice and period covered
 - iv. Agreement number or authority (purchase order) number
 - v. Certification by a duly authorized officer
 - vi. Remittance Address (if different from Contractor's address)
- 3.1.4 All invoices must be submitted on Contractor's letterhead, contain Contractor's official logo, or other unique and identifying information such as the name and address of Contractor. Evidence that tasks have been completed, in the form of a report, brochure, or photograph, shall be attached to all invoices. Invoices must be submitted within 30 days of service, or monthly, and will be payable to Contractor no later than 30 days after acknowledged receipt of a complete invoice. Invoices are considered complete when appropriate documentation or services provided are signed off as satisfactory by City's Fiscal Officer.
- 3.1.5 Invoices and supporting documentation must be prepared at the sole expense and responsibility of Contractor. City shall not compensate Contractor for costs incurred in invoice preparation. City may request, in writing, changes to the content and format of the invoice and supporting documentation at any time. City reserves the right to request additional supporting documentation to substantiate costs at any time.
- 3.1.6 Subcontractors' Requirements. Tasks that are completed by subcontractors must be supported by subcontractor invoices, copies of pages from reports, brochures, photographs, or other unique documentation that substantiates their charges.
- 3.1.7 ***Failure to adhere to these policies may result in nonpayment or non-approval of demands, pursuant to Charter Section 262(a)***, which requires the Controller to inspect the quality, quantity, and condition of services, labor, materials, supplies, or equipment received by any City office or department, and to approve demands before they are drawn on the Treasury.

ARTICLE E – REPRESENTATIONS AND WARRANTIES

1. Responsibility to Provide Services in Accordance with Applicable Standards and Requirement to Possess All Valid Permits and Licenses. Contractor represents and warrants that the work performed hereunder shall be completed in a manner consistent with professional standards among those firms in Contractor's profession, doing the same or similar work, under the same or similar circumstances. Contractor

must possess and maintain valid licenses and permits required to perform the services described herein.

2. Compliance with Statutes and Regulations. Contractor, in the performance of this Agreement, shall comply with all applicable statutes, rules, regulations, and orders of the United States, the State of California, the County and City of Los Angeles. Contractor shall comply with new, amended, or revised laws, regulations, and procedures that apply to the performance of this Agreement.

ARTICLE F – STANDARD PROVISIONS FOR CITY CONTRACTS

1. Standard Provisions for City Contracts. Contractor agrees to, and shall comply with, the **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**, which are attached hereto as **Attachment A** and made a part hereof as though fully set forth herein.
2. Disclosure of Border Wall Contracting. Contractor shall comply with Los Angeles Administrative Code (LAAC) Section 10.50 et seq., “Disclosure of Border Wall Contracting.” City may terminate this Agreement at any time if City determines that Contractor failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE G – MISCELLANEOUS

1. Insurance. Contractor shall maintain the level of insurance required in the completed Form Gen. 146, Required Insurance and Minimum Limits, which is attached as [Exhibit 1] to Attachment A, Standard Provisions for City Contracts (Rev. 10/17 [v.3]). The insurance must name City as additional insured with respect to liability coverage. No policies or certificates with respect to such insurance may be cancelled or materially changed without at least 30 days’ prior written notice by the respective insurer to City.
2. Separation Assistance. In the event of separation, Contractor shall provide separation assistance to City to facilitate separation. Contractor shall further guarantee elimination from Contractor's services of all City Data upon separation.
3. Contractor’s Personnel & Subcontractors. Except as expressly provided in Subsection 3.1 below, Contractor shall use its own employees to perform the services described in this Agreement. City shall have the right to review and approve any personnel who are assigned to work under this Agreement. Contractor agrees to consult with City about the possibility of removing personnel from performing work under this Agreement if such a consultation is requested by City. City reserves the right to approve in advance any changes in project personnel or levels of commitment by Contractor to the project.
 - 3.1 Subcontractors. Contractor may utilize subcontractors to assist in performance of this Agreement. Notwithstanding the fact that Contractor may utilize subcontractors, Contractor shall remain responsible for performing all aspects

of this Agreement. City has the right to approve Contractor's subcontractors and City reserves the right to request replacement of a subcontractor. Nothing herein is intended to create a third party beneficiary in any subcontractor. City does not have any obligation to pay subcontractors and nothing herein creates any privity between City and the subcontractors.

4. Non-Exclusive Agreement. Contractor understands and agrees that this is a non-exclusive Agreement to provide services to City and that City has entered into contracts with other contractors and will continue to do so. City may terminate this Agreement and use any of the contractors with whom City has current or future contracts and, therefore, City cannot estimate nor guarantee the volume or amount of work to be received by Contractor under this Agreement.
5. Contractor's Interaction with the Media; Publicity. Contractor shall refer all inquiries from the news media to City, shall immediately contact City to inform City of the inquiry, and shall comply with the procedures of City's Public Affairs staff regarding statements to the media relating to this Agreement or Contractor's services hereunder.
6. Ambiguity. No ambiguity in this Agreement may be interpreted against any one party by virtue of that party being drafter of the Agreement.
7. Amendments to Agreement. Any changes in the terms of this Agreement, including changes in the services to be performed by Contractor, extension of the term, and any increase or decrease in pricing, must be incorporated into this Agreement by a written amendment properly executed by both parties.
8. Notice of Delays. Except as otherwise provided under this Agreement, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.
9. Entire Agreement. This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement. The parties acknowledge that they have read and understand this Agreement and had the opportunity to consult with counsel of their choosing.
10. Order of Precedence. In the event of any inconsistency between the provisions in the body of this Agreement and the attachments, the provisions in the body of this Agreement take precedence, followed by Attachment A, Standard Provisions for City Contracts (Rev. 10/17 [v.3]), followed by any other exhibits or attachments to this Agreement in the order in which they are attached.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

(Signature Page to Follow)

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

THE CITY OF LOS ANGELES

By: _____
WENDY G. MACY
General Manager,
Personnel Department

Date: _____

AEON NEXUS CORPORATION*

By: _____
MEGHAN A. BARKLEY
Vice-President & COO

Date: _____

AEON NEXUS CORPORATION*

By: _____
OMAR H. USMAMI
President & CEO

Date: _____

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
BRENT NICHOLS
Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____

* Approved Signature Methods:

1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.

1) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign.

City Business License Number: _____

Internal Revenue Service Taxpayer Identification Number: _____

Agreement Number: C-131581-2

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Professional Services Agreement

AEON NEXUS CORPORATION

Attachment B – Confidentiality Agreement

I _____, (hereinafter referred to as “Contractor”), have entered into a contract (hereinafter referred to as the “Agreement”) with the City of Los Angeles to provide various services to the City of Los Angeles (hereinafter referred to as “City”).

I will provide temporary services to City and as part of these services I will have access to confidential information. “Confidential Information” includes all data, records, documents, audio or visual recordings, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to me by City pursuant to the Agreement or this Confidentiality Agreement, regardless of whether the information is marked or otherwise identified in writing as confidential, and regardless of whether the Confidential Information is received prior to execution of this Confidentiality Agreement.

I further understand that all Confidential Information provided to me by City, or accessed or reviewed by me during the performance of this assignment will remain the property of City.

I agree to use Confidential Information solely in connection with providing services to City under the Agreement and for no other purpose.

I agree not to provide Confidential Information, nor disclose its content or any information contained in it, either orally or in writing or in any form to transmit information, to any other person or entity, unless required by law or court order. I further agree not to make copies of any Confidential Information unless a formal request is made and approved by City.

I agree to promptly notify City of all requests, notices, subpoenas, pleadings, or other means, for the release of Confidential Information received by me.

I agree that I will not divulge to any unauthorized person, Confidential Information or any other information obtained while performing work pursuant to the Agreement between me and City.

I will be responsible for protecting the confidentiality and maintaining the security of all Confidential Information in my possession. I agree to use the same standard of care to protect City’s Confidential Information as I use to protect my own confidential and proprietary information, but not less than a reasonable standard.

Upon request by City, or completion or termination of my assignment under the Agreement, I will promptly return or destroy all Confidential Information in my possession at City's discretion, and provide City with written certification stating that such Confidential Information has been returned or destroyed.

This Confidentiality Agreement is to apply in conjunction with any prior confidentiality agreement between myself and City, and will not nullify such agreements; however, this Confidentiality Agreement will take precedence. Any conflicts with any other agreements will be modified to comply with the terms and intent of this Confidentiality Agreement.

I acknowledge that violation of this Confidentiality Agreement may subject me to civil and/or criminal action and that the City of Los Angeles will seek all possible legal redress.

| | |
|-----------------------|----------------------|
| Print Contractor Name | Contractor Signature |
|-----------------------|----------------------|

| | |
|------------------------|------|
| Print Contractor Title | Date |
|------------------------|------|

Contractor Address

Agreement Number C-131581

Professional Services Agreement

AEON NEXUS CORPORATION

Attachment C – Scope of Work

Contractor shall: Design, Develop, Unit Test, System Test, User Acceptance Test, Performance and Regression test, all of which must be completed and approved in order for the system to be implemented and for all functionality to be live, working properly, City-approved, and accessible to all internal and external users (“Go-Live”). Contractor shall create training and change management materials and provide these materials to City.

1. **Project Management:** Contractor shall provide project management services to plan and coordinate project implementation activities. Contractor shall:
 - 1.1 Provide a full-time Project Manager who will serve as a primary point of contact for all project implementation activities.
 - 1.2 Develop a detailed Project Management Plan to manage activities required to complete project deliverables within the timeline established in this Agreement.

2. **Knowledge Transfer:** As directed by City, Contractor shall provide knowledge transfer and operation support transition, including by assisting City with the development and execution of City-approved plans including:
 - 2.1 A comprehensive plan for knowledge transfer; and
 - 2.2 A Technical Change Management Plan and process for handoff of technical artifacts.

3. **Support and Maintenance:** Contractor shall provide technical support and maintenance, including both Post Go-Live Support and Annual Support:
 - 3.1 Contractor shall provide support and maintenance in order to resolve any failure of the software to operate in accordance with the System documentation, in accordance with this Agreement and attachments.
 - 3.2 If the System does not perform substantially in accordance with the Specifications, Contractor shall use best efforts to correct the failure so that the System performs as designed. These best efforts may include, but are not limited to: providing a workaround, subject to approval of City; or, a modification of the System, subject to approval of City.
 - 3.3 Contractor shall manage ongoing support through a support ticketing system as described in Exhibit C.

- 3.4 City shall designate three (3) staff members as designated support users. Contractor shall train designated City users in the use of technical support.
 - 3.5 Contractor shall serve as City's first line of support for issues arising from either the System configured by Contract, or the underlying Microsoft software platform. Contractor's technical staff shall escalate issues to the appropriate contractor or Microsoft staff members, as appropriate.
 - 3.6 Contractor shall enable City to track all support tickets, regardless of whether they have been escalated to contractor or Microsoft support staff.
 - 3.7 Following the post Go-Live support period, certain requests for technical support shall be considered "billable" requests, beyond the scope of Annual Support. "Billable" requests include: the addition of new features or functionality to the System; all training, which shall include questions that take longer than 1 (one) hour to explain to City staff, regardless of the type of questions; and consulting services. The maximum amount paid by City for billable requests shall not exceed \$35,000 at an agreed upon rate. City must approve all billable requests in writing.
4. The System shall comply with the applicable controls of the Federal Risk and Authorization Management Program (FedRAMP), National Institute of Standards and Technology (NIST) Special Publication 800-53, and the Criminal Justice Information Services (CJIS) Security Policy for the transmission, storage, or processing of data.
 5. Contractor shall maintain the confidentiality of the deliverable items and all other information, reports, and materials that are utilized or produced by Contractor pursuant to this Agreement until City releases the items or other information to the public. Contractor, therefore, agrees that neither it nor its officers, partners, employees, agents, or subcontractors will release, disseminate, or otherwise publish said items, other information, reports or materials except as provided herein or as authorized, in writing, by City's representative. Contractor must submit a signed copy of the ***City of Los Angeles Confidentiality Agreement***, that is attached hereto as Attachment B, and incorporated herein, and require it from each subcontractor.

Professional Services Agreement

AEON NEXUS CORPORATION

Attachment D – Deliverables & Fee Schedule

1. Contractor shall provide project deliverables to City upon the completion of the configuration and implementation milestones defined in this Agreement. City may accept or reject project deliverables provided by Contractor according to the following service deliverable acceptance process:
 - 1.1 City shall indicate its acceptance or rejection of project deliverables electronically via email.
 - 1.2 City shall submit the Service Deliverables Acceptance form within five (5) business days from the date of submittal.
 - 1.3 Deliverables shall be deemed accepted unless City provides a timely, written rejection notice. Should City reject a deliverable, City shall provide a written list describing the reasons for rejection. City shall submit the rejection notice and list of reasons for rejection within five (5) business days from the date of submittal of the project deliverable.
2. City's obligation for support and maintenance services and licenses will not exceed \$239,000 annually for complete and satisfactory performance of the terms of this Agreement.

Within the \$239,000 indicated above, \$101,395 will comprise the annual support fee, \$110,000 will be allocated towards licenses, and the remaining \$27,605 will be for billable support requests, at the rate of \$175 per hour.

3. City's total obligation for the term of this Agreement, for complete and satisfactory performance of the terms of this Agreement, will not exceed **\$1,262,185.**

Professional Services Agreement

AEON NEXUS CORPORATION

Attachment E – Technical Support Service Level Agreement

1. Definitions. The following terms will have the meanings indicated for purposes of this Attachment.

- **"Business Hours"**: Defined as the hours of 8:00 am to 5:00 pm Pacific Time Monday through Friday.
- **"Follow-up Frequency"**: The frequency of time that a support consultant will update the customer on the progress of commercially reasonable efforts to resolve an issue.
- **"Outage"**: Any incident that restricts the ability of the end-user to access the System.
- **"Response Time"**: The amount of time from when the customer properly reports an issue until a support consultant acknowledges receipt and initiates troubleshooting to resolve.
- **"Resolution Goal"**: Amount of time that is set as a goal to resolve an incident. Commercially reasonable efforts will be used to meet this goal.
- **"Issue Severity"**: Impact level assigned to an issue based on the level of service degradation or loss of functionality.

2. Support Coverage. Contractor shall provide the following Customer Support as part of the services referenced in this Agreement. Depending on the issue type, City staff can expect the support and response times referenced in the table of section 3. *Functionality and Response Times* below.

| Support Type | Support Description | Expectation | Exclusions |
|---------------------|--|-------------------|------------|
| Emergency Support | Emergency support (24 hours a day, 7 days a week - Severity 1&2 issues only) | 24x7x365 | None |
| Self-Service Portal | Online access to ticketing system to report an incident. | Based on Priority | None |

3. Functionality and Response Times. The System is designed and configured to meet minimal functionality standards as described in this Agreement. The following table illustrates the response level for loss of functionality of the System:

| Issue Priority | Severity Description | Response Time | Follow-up Frequency | Resolution Goal |
|-----------------------------------|--|--------------------|------------------------|--|
| Priority 1 Emergency | Production/system is down and work cannot continue until problem is fixed; or system is executing but not usable output is generated. | 30 Elapsed Minutes | Every 2 Elapsed Hours | 8 Elapsed Hours. Escalation to Microsoft if not resolved within 8 hours |
| Priority 2 Significant | Inaccurate or loss of business data. The output is not being saved correctly or the defect prevents the nominal solution from being generated. Problem is occurring in a business-critical module, and there is no work-around. *nominal is defined as the output normally generated when no anomalies are occurring. | 2 Business Hours | Every 2 Business Hours | 2 Business Days or by next scheduled maintenance window; whichever is less |
| Priority 3 Normal | Issue is not critical to the business or there is a workaround to an otherwise priority 1 or 2 issue. | 1 Business Day | Every 1 Business Days | As Agreed |
| Severity 4 Low | Issue is not critical to the business or there is a workaround to an otherwise priority 1, 2, or 3 issue. | 1.5 Business Days | Every 2 Business Days | As Agreed |

4. Proactive support. Contractor provides the following “proactive” support as part of the services referenced in this Agreement.

| Support Type | Support Description | Quarterly | Monthly | Weekly | Daily |
|---------------------------|---|-----------|---------|--------|-------|
| Self-Service Portal | Online access to ticketing system to monitor status of outstanding tickets | ✓ | ✓ | ✓ | ✓ |
| System Health Check | Regular scheduled health check of environment | ✓ | ✓ | | |
| Account Review | Regular meeting with Account Management Team to review overall status including outstanding tickets and usage reports | ✓ | | | |
| System Performance Report | System Performance Indicator report | | ✓ | | |