



Agenda Date: 04/22/2014
Agenda Item: 3.4

STAFF REPORT

Approved and Forwarded to the City Council:

Bryan Montgomery, City Manager

Date: April 22, 2014

To: Bryan H. Montgomery, City Manager

From: Paul Abelson, Finance Director

Subject: Authorize the City Manager to Enter into a Three-Year Contract with Antai Solutions, LLC (dba Ontai), for Network Management Services.

Background and Analysis

The City currently contracts for its network management with Antai Solutions, LLC, and the current contract expires at June 30, 2014. Antai and its predecessor company Britevision have maintained the City's network since its first installation. Antai provides remote network monitoring and management 24/7 and on-site staffing 24 hours per week, which continues to meet the City's needs. The service continues to be both effective in managing the network; and cost effective, because the Team at Antai provides 24/7 access to skill sets ranging from staff engineers to CIO, low cost access to high level network management and monitoring software, and because the company's approach to contract services provides the City with significant flexibility in managing the IT function. As a result, Staff recommends the Council authorize the City Manager to enter into the attached three year contract with Antai Solutions, LLC (Ontai).

Fiscal Impact

Antai has proposed a continuation of the current contract for three (3) years, with no increase from the existing contract. The proposed monthly contract costs would remain unchanged at \$12,750 per month (\$153,000 per year) for the three year period, as long as the network remains its current size. The contract provides for incremental changes to the monthly fees if we increase the size of the network. The contract also allows the City to terminate the contract at any time with or without cause.

Recommendation and Alternatives

Staff recommends the Council authorize the City Manager to enter into the attached three year contract with Antai Solutions, LLC (Ontai).

Other options for the delivery of network management services include: 1) directing Staff to develop and issue a Request for Proposals (RFP) for equivalent contract network management services; or 2) directing staff to recruit and hire a Network Manager and network engineer, and to license the network software and off site space to maintain the current level of network management, support and security. (Based on prior experience,

Subject: Authorize the City Manager to Enter into a Three Year Contract with Antai Solutions, LLC (dba Ontai) for Network Management Service.

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Staff expects both of these alternatives would cost more than the proposal from Antai for the same level of service.)

Attachments

1. Resolution and Proposed Contract

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE-YEAR CONTRACT WITH ANTAI SOLUTIONS, LLC FOR NETWORK MANAGEMENT SERVICES

WHEREAS, the City currently outsources its network management services; and

WHEREAS, the existing contract with Antai Solutions, LLC (Antai) will expire at June 30, 2014; and

WHEREAS, the services provided by Antai in the past have resulted in the successful management of the City's computer networks with little unscheduled downtime and at reasonable cost; and

WHEREAS, Staff did request and Antai did provide an updated proposal to effectively renew the existing contract with no increase in annual costs for managing the City's current network; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Oakley authorizes the City Manager to execute the attached three-year contract with Antai for network management services.

PASSED AND ADOPTED by the City Council of the City of Oakley at a meeting held on the 22nd of April, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTIONS:

APPROVED:

Randy Pope, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date



CONSULTING SERVICES AGREEMENT BETWEEN THE CITY OF OAKLEY AND ANTAI SOLUTIONS, LLC FOR NETWORK MANAGEMENT SERVICES

THIS AGREEMENT for consulting services is entered into by and between the City of Oakley, a municipal corporation in the State of California (hereinafter referred to as "City") and Antai Solutions, LLC (hereinafter referred to as "Consultant") as of July 1, 2014 (the "Effective Date").

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached hereto and incorporated herein as Exhibit A at the time and place and in the manner specified therein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, the Agreement shall prevail.

- 1.1 **Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on June 30, 2017, the date of completion specified in Exhibit A, and Consultant shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated, as provided for in Section 8. The time provided to Consultant to complete the services required by this Agreement shall not affect the City's right to terminate the Agreement, as provided for in Section 8.
- 1.2 **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession. Consultant shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in Consultant's profession.
- 1.3 **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided in Section 1.1 above and to satisfy Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed the amounts described in Exhibit A, notwithstanding any contrary indications that may be contained in

Consultant's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Consultant's proposal, attached as Exhibit A, regarding the amount of compensation, the Agreement shall prevail. City shall pay Consultant for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
 - The beginning and ending dates of the billing period;
 - A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
 - At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
 - The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder, as well as a separate notice which shall include an estimate of the time necessary to complete the work described in Exhibit A;
 - The Consultant's signature.
- 2.2 Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.
- 2.3 Total Payment.** City shall pay for the services to be rendered by Consultant pursuant to this Agreement. City shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering services pursuant to this
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Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified prior to the submission of such an invoice by a properly executed change order or amendment approved by the City Manager, which shall not exceed the maximum amount allowed by the Oakley Municipal Code.

- 2.4 **Fees.** Fees for work performed by Consultant on a monthly basis shall not exceed the amounts shown on the Compensation Schedule attached hereto and incorporated herein as Exhibit A.
- 2.5 **Reimbursable Expenses.** Reimbursable expenses are specified in Exhibit A, and expenses not listed in Exhibit A are not chargeable to the City.
- 2.6 **Payment of Taxes.** Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.
- 2.7 **Payment upon Termination.** In the event that the City or Consultant terminates this Agreement pursuant to Section 8 of this Agreement, the City shall compensate the Consultant for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs incurred to that date.
- 2.8 **Authorization to Perform Services.** The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement. City shall make available to Consultant only the facilities and equipment listed in this section, and only under the terms and conditions set forth herein.

City shall furnish physical facilities such as desks, filing cabinets, and conference space, as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of the City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in

connection with the performance of the work hereunder by the Consultant and its agents, representatives, employees, and subcontractors. Consultant shall provide proof satisfactory to City of such insurance that meets the requirements of this section and under forms of insurance satisfactory in all respects to the City, and that such insurance is in effect prior to commencing work under this Agreement. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid. Consultant shall not allow any subcontractor to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Verification of the required insurance is attached hereto and incorporated herein as Exhibit B.

4.1 Variation. The City may approve a variation in the insurance requirements, upon a determination that the coverage, scope, limit, and form of such insurance is either not commercially available, or that the City's interests are otherwise fully protected.

4.2 Notice of Reduction in Coverage. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, Consultant shall provide written notice to City at Consultant's earliest possible opportunity and in no case later than five days after Consultant is notified of the change in coverage.

4.3 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES. Consultant shall to the fullest extent allowed by law, with respect to all Services performed in connection with this Agreement, defend with counsel acceptable to the City, and indemnify and hold the City and its officials, officers, employees, agents, and volunteers harmless from and against any and all losses that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant ("Claims"). Consultant will bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such Claims, whether directly or indirectly ("Liability"). Such obligations to defend, hold harmless and indemnify the City shall not apply to the extent that such Liability is caused by the sole negligence, active negligence, or willful misconduct of the City.

With respect to third party claims against the Consultant, the Consultant waives any and all rights of any type of express or implied indemnity against the indemnitees.

However, notwithstanding the foregoing, in accordance with California Civil Code Section 1668, nothing in this Agreement shall be construed to exempt the City from its own fraud, willful injury to the person or property of another, or violation of law. In addition, and notwithstanding the foregoing, in accordance with California Civil Code Section 1668, nothing in this Agreement shall be construed to exempt the City from its own fraud, willful injury to the person or property of another, or violation of law. In addition, and notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code section 2783, as may be amended from time to time, such duties of Consultant to indemnify shall not apply when to do so would be prohibited by California Civil Code Section 2782.

Section 6. STATUS OF CONSULTANT.

- 6.1 **Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.
- 6.2 **Consultant, Not Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 **Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any
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subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

7.4 Licenses and Permits. Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.

7.5 Nondiscrimination and Equal Opportunity. Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Consultant shall include the provisions of this Subsection in any subcontract approved by the Contract Administrator of this Agreement.

Section 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement at any time and without cause upon written notification to Consultant.

Consultant may cancel this Agreement upon 30 days written notice to City and shall include in such notice the reasons for cancellation.

In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.

8.2 Amendments. The parties may amend this Agreement only by a writing signed by all the parties.

8.3 Assignment and Subcontracting. City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator.

8.4 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the termination of this Agreement.

8.5 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to the following:

8.5.1 Immediately terminate the Agreement;

8.5.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.5.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or

8.5.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 of this Agreement if Consultant had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are

confidential and will not be released to third parties without prior written consent of both parties.

- 9.2 **Consultant's Books and Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement.
- 9.3 **Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Contra Costa or in the United States District Court for the Northern District of California.
- 10.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
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- 10.6 Use of Recycled Products.** Consultant shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.
- 10.7 Conflict of Interest.** Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for services performed pursuant to this Agreement, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

- 10.8 Solicitation.** Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.
- 10.9 Contract Administration.** This Agreement shall be administered by _____, _____ ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 10.10 Notices.**

Any written notice to Consultant shall be sent to:

Antai Solutions, LLC
Attn: Richard Miller, CEO
79 Muth Drive
Orinda, CA 94563

Any written notice to City shall be sent to:

City of Oakley
Attn: Finance Director
3231 Main Street
Oakley, CA 94561

10.11 Integration. This Agreement, including the Scope of Work, Compensation Schedule, Provisions Required for Public Works Contracts, and Insurance Requirements, attached hereto and incorporated herein as Exhibit A, B and C respectively, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

Exhibit A Scope of Work and Compensation Schedule
Exhibit B Insurance Requirements

10.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

10.13 Authorized Signature. Each person and party signing this Agreement warrants that he/she has the authority to execute this Agreement on behalf of the principal and that the party will be bound by such signature.

The parties have executed this Agreement as of the Effective Date.

CITY

CONSULTANT

City of Oakley, a municipal corporation
in the State of California

Antai Solutions, LLC

By: _____
Bryan H. Montgomery, City Manager

By: _____
Richard Miller, CEO

Attest:

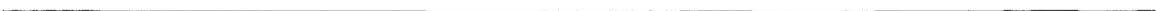
Libby Vroenis, City Clerk

Approved as to Form:

William R. Galstan, Special Counsel

EXHIBIT A

SCOPE OF SERVICES AND COMPENSATION SCHEDULE



Service Level Agreement

This Managed Services Contract ("Agreement"), by and between **Antai Solutions, LLC** ("ONTAI"), a Delaware limited liability company, with its principal offices at 94 Muth Drive, Orinda, CA 94563 and The City of Oakley. ("Client"), an individual with its principal place of business at 3231 Main Street, Oakley CA 94561 as of 7-1-2014 (the "Effective Date") until 7-1-2017.

1. **The Services.** ONTAI agrees to perform day-to-day network monitoring services, including configuration changes, maintenance and/or software updates for the Client's computer systems, including but not limited to peripheral devices, security, Internet connectivity, network cabling and infrastructure and other computer equipment as described in **Exhibit A**, said services to maintain best possible uptime and usability of the existing network services as of the Effective Date of this agreement. ONTAI will provide the Services to Client in a professional and timely manner and in accordance with the terms of this Agreement. ONTAI shall perform a network analysis at the outset of this Agreement and will provide Client with a list of recommended changes and upgrades necessary to improve network service stability. ONTAI and its employees shall, at all times, use reasonable efforts and skills in performing the Services under this Agreement. Client and ONTAI will jointly determine the method, details, and means of performing the above-described Services, except as specifically provided otherwise in this Agreement. Unless otherwise agreed, ONTAI will provide all tools and supplies required to perform the Services. All Services will be coordinated with Client's designated representative. ONTAI shall cooperate with Client's personnel and any other third parties that Client hires to perform services related to the Statement of Work. ONTAI shall use access to Client's facilities and/or computer systems solely for the execution of its duties and not to make them accessible or to disclose them to any third persons. ONTAI shall not breach Client's security and shall not compromise the physical or network integrity or security of Client's facilities and equipment. ONTAI will provide an accounting of work at the end of each calendar month that describes the Block Hour of Time used to maintain the Client network.

Level of ONTAI Service Selected: **GOLD + LEVEL + ONSITE**

2. **Compensation.** Client agrees to pay ONTAI the compensation as described as payment in full for performance of the Services. Unless specified otherwise in the Statement of Work, Client shall pay in full all fees to ONTAI no later than 15 days after receipt of the applicable invoice from ONTAI.

\$ 12,750.00 per month due by the 5th of each Month.
\$ included Onsite Support 16 Hours Per Week Engineer Level 2, 8 Hours Per Week Engineer Level 3.

Current Unit Count:		Incremental Unit increase:	
Servers	21	Server	230.00
Workstations	52	Workstation	65.00
Firewall	2	Infrastructure Node	129.00
Router	1		
Switch	12		
Police Car MDC	25		
Wireless Access Point	5		
Block Hour of Time per Month	-Unlimited		

3. **Completion.** ONTAI agrees to perform the Services in accordance with deadlines and timeframes as specified in **Exhibit A**.

4. **Warranties.** Each party warrants that they have all right, power and authority necessary to enter into this Agreement and that its performance hereunder shall not violate any agreement between the party and any third party or any obligation owed to any third party. BOTH PARTIES SPECIFICALLY DISCLAIM ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, ARISING FROM OR RELATED TO THIS AGREEMENT INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. THE SERVICES PROVIDED UNDER THIS AGREEMENT

ARE SUPPLIED "AS IS."

5. **Indemnification.** Each party shall indemnify and hold harmless the other party, its directors, officers, partners, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including but not limited to attorney's fees, for which the indemnifying party is determined to be legally liable resulting from negligent or intentional acts, errors, or omissions by the indemnifying party, its officers, agents, and employees in performance of this Agreement.

6. **Limitation of Liability.** EXCEPT UNDER SECTION 5, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, OR SPECIAL DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. **Term and Early Termination.** The Term of the Agreement shall commence on the Effective Date of this Agreement and continues until the earlier of Work Product completion or when terminated by either party upon at least thirty (30) days written notice. In addition, either party may terminate at any time upon written notice in the event of a material breach of this Agreement by the other, provided that such written notice gives the other party at least twenty (20) business days to cure such breach. In the Event that the Client notifies ONTAI of early Termination, the Client will be responsible to pay ONTAI 80% of the remaining value of this contract within 5 days of termination of said contract.

8. **Relationship Between the Parties.** ONTAI is an independent contractor. This Agreement shall not create the relationship of an employer and employee, a partnership, or a joint venture between the parties.

9. **Assignment.** Both parties' rights and duties under this Agreement may not be assigned without the other party's prior written consent. Notwithstanding the foregoing, ONTAI may assign or subcontract its obligations under this Agreement without Company's consent, provided however that ONTAI shall be responsible for the performance of such subcontractors.

10. **Confidential Information.** Each party shall hold in strictest confidence, shall not use or disclose to any third party, and shall take all necessary precautions to secure any Confidential Information of the other party. The term "Confidential Information" shall mean all non-public information that a party designates as being confidential, or which, under the circumstances of disclosure ought to be treated as confidential, including know how. If a party has any questions as to what comprises such Confidential Information, that party shall consult with the other party. "Confidential Information" shall not include information the receiving party can document: (i) is or has become readily publicly available through no fault of the receiving party or its employees or agents; (ii) is received from a third party lawfully in possession of such information and lawfully empowered to disclose such information; (iii) is rightfully in the possession of the receiving party prior to its disclosure by the other party; or (iv) is independently developed by the receiving party without use of the disclosing party's Confidential Information. The receiving party may make disclosures required by law or court order provided the receiving party uses reasonable efforts to limit disclosure and to obtain confidential treatment.

11. **Jurisdiction/Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. If either party becomes involved in litigation arising out of this Agreement, the prevailing party shall be entitled to all available relief, including costs and reasonable attorneys' fees, as well as any injunctive relief.

12. **General.** This Agreement constitutes the entire agreement between the parties and merges all prior and contemporaneous communications. It shall not be modified except by a written agreement signed by both parties. Throughout this Agreement, reference to either party shall refer to the party, its affiliates, employees, designated representatives, agents and successors. If for any reason a court of competent jurisdiction finds any provision of this Agreement to be unenforceable, that provision of the Agreement shall be null, and the remainder of this Agreement shall continue in full force and effect. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall

constitute one instrument. ONTAI and Client each agree to take all such actions and execute all such documents as may be necessary or desirable to carry out or implement and give full effect to the provisions and intent of this Agreement.

13. Scheduling. This contract includes labor service to include immediate 24x7x365 coverage for emergencies that inhibit Client's ability to conduct business. Client will initiate a service call by using the 24-hour service phone number as specified by their ONTAI representative. If not immediately connected with the ONTAI representative, Client must leave a message with the nature of the issue, time and date, to initiate the service timer. Client is guaranteed to have an ONTAI network engineer onsite within four hours of reporting an emergency that inhibits the company's ability to conduct business. Emergency services that are initiated by Alarm or Monitoring Alert outside of normal business hours are subject to approval by the specified Emergency Contact. ONTAI may, at its sole discretion, begin remediation services using the Block Hour of Time per calendar month if it is deemed that the Alarm or Monitoring Alert will create a circumstance of non availability of critical network services to client on the next business day in the event that the Emergency Contact is not available. The Block Hour of Time allocation is applicable to both on-site and off-site remediation services.

Any other services (outside of any regularly scheduled maintenance visits) will be scheduled at the earliest convenience of Client and ONTAI and will not exceed 48 hours from the original request for service. Any emergency coverage is included for up to the remaining Block Hour of Time in any calendar month, specified in Section 2 "Compensation", after which normal billable rates will be applied.

14. Labor Warranties. ONTAI warrants its workmanship under this Agreement for a period of one year from the performance of the work and/or installation of materials up to, but not beyond the final date of this, or any subsequent Agreement for services. ONTAI's sole obligation under this warranty shall be to provide the labor necessary to resolve any defective workmanship and to either repair or replace, at ONTAI's sole discretion, any defective materials. Client is responsible for maintaining service contracts with software and hardware vendors which provide access to technical support from said vendors, and/or to maintain upgrade paths for software packages.

Except as expressly provided in this paragraph, ONTAI disclaims and excludes all other warranties, expressed or implied, with respect to workmanship or materials, including, but not limited to any implied warranties of merchantability or fitness for a particular purpose. In no event shall ONTAI be liable for any incidental, special or consequential damages, costs or expenses for any breach of warranty or arising out of, or in connection with, workmanship or materials provided by ONTAI.

The authorized representatives of the parties have executed this Agreement as of the later of the dates set forth below.

Antai Solutions LLC (dba "ONTAI")	CUSTOMER NAME
Signature: 	Signature:
Print Name: Richard Miller	Print Name:
Title: CEO	Title:
Date: 7-1-2014	Date:

Client Emergency Contact Paul Abelson **Phone:** 925-683-8968

EXHIBIT A

Description of Services.

ONTAI is engaged to perform the following services for Client, subject to the terms and conditions of the Professional Services Agreement:

1. Maintain Network Documentation and Inventory of customer systems
2. Monitoring of Network Services and basic monitoring of desktop computer systems (ie: hard disk, utilization)
3. Monitoring of Backup logs.
4. Monitoring of all server and infrastructure systems for component or system failures and access to the ONTAI management portal for customer network administrators or primary contact.
5. Monitoring of selected applications for application or dependent subsystem failures.
6. Installation of software patches and Services Packs for covered servers and workstations.
7. Remediation of covered desktop computing environments
8. Monitoring of network security for selected systems.
9. Monitoring of configuration changes to existing infrastructure devices.
10. Notification of any trends or alerts where remediation or actions need to be taken
 - a. Where Gold service levels have been selected ONTAI will actually take remediation actions upon receiving alerts and notifications of serious security or availability issues
11. Troubleshoot network connectivity issues either on the local LAN, WAN, or to the Internet
12. Onsite support by ONTAI staff if resolution to a covered issue cannot be resolved by remote means. To be used as needed on any network system, component or otherwise aside from the installation of any server, service or component that provides network resources to more than 10% of the network.
13. Block Hour of Time (specified below) for support initiated by an emergency support call declaring an outage or based on prior approval as a result of a monitored event or outage. Any time beyond the block hour of time specified below, or to be required to complete recovery of a server, gateway, or workstation will be billed at normal emergency hourly rates and is subject to prior approval by an authorized representative of Client.

Description of Services Not Covered or Available from Block Hour Pool

ONTAI does not provide certain services as part of this contract, including:

1. Installation of new servers, gateways, printers, or workstations
2. Installation of new software on workstations or servers.
3. Monitoring workstation systems for component failure.
4. Complete re-installation of workstations for any reason
5. Complete re-installation of Servers for any reason
6. Complete restoration of data from tape backup for Servers
7. Any changes, modifications, or services additions to the Logon Domain, network environment, or network infrastructures that are not maintenance or disaster-recovery services by nature. (e.g. Enhancements to environment)
8. Recovery from failure caused by any hardware on the network other than from hardware sold to Client by ONTAI or its affiliated hardware vendors
9. Recovery or reactive service resulting from any environmental condition or failure, natural disaster, acts of sabotage or terrorism, any circumstance known as an "act of god".

EXHIBIT B

INSURANCE REQUIREMENTS

Specific Insurance Requirements and Required Policy Limits

PROFESSIONAL SERVICES CONTRACTS:

Including, but not limited to architects, engineers, consultants, counselors, attorneys and accountants.

Consultant shall procure and maintain for the duration of its contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

Minimum scope of coverage

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.
4. Errors and Omissions liability insurance appropriate to the consultant's profession. Architects and Engineers coverage shall be endorsed to include contractual liability.

Minimum limits of insurance

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage including operations, products and completed operations. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately for this project/location or the general aggregate limit shall be twice the required occurrence limit (e.g. \$2,000,000).
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability: \$1,000,000 per occurrence.

Other insurance provisions

The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of work or operations as performed by or on behalf of consultant; or automobiles owned, leased, hired or borrowed by the consultant.
2. For any claims related to this project, the consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees and volunteers shall be in excess of the consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by either party, unless thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Waiver of Subrogation

The Workers' Compensation policy is to be endorsed with a waiver of subrogation. The insurance company, in its endorsement, agrees to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses paid under the terms of this policy which arises from the work performed by the named insured for the City.

Deductibles and Self-Insurance Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers, or the consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise approved in writing by the City.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to the City's requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Subcontractors

Consultants shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.
