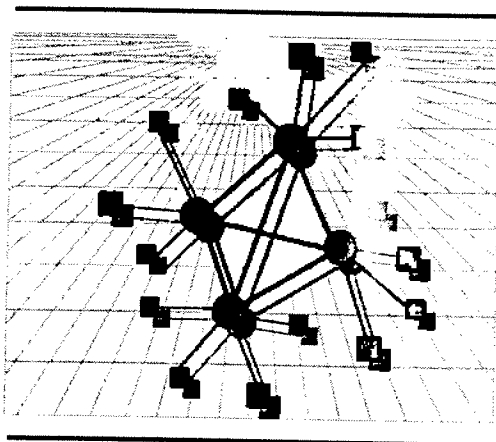


Bluetooth Crime Bulletin, Hotspot and Racial Profiling Reduction Strategy Project

**Proposal Created for
The Redlands Police Department**



Submitted by Mark Gerner of
Compaq Computer Corporation
a wholly owned subsidiary of Hewlett-Packard



i n v e n t

November 5, 2002
22 Executive Park
Irvine, Ca 92614
(949) 215-4675

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**COMPAQ COMPUTER CORPORATION,
A FULLY OWNED SUBSIDIARY OF THE HEWLETT PACKARD
CORPORATION – THE NEW HP.**

**Prepared for Deputy Chief of Police Cletus Hyman for use by the
City of Redlands, California, Police Department**

PREAMBLE

This Agreement is for the provision of Services by COMPAQ Computer Corporation (HP SERVICES) to City of Redlands for its Police Department (referred to as "CUSTOMER" from here forward) on a Time and materials (T&M) basis pursuant to the terms of this three-part Agreement. Exhibit A contains the Task Description, which lists the specific tasks that HP SERVICES is to perform for CUSTOMER. Part 1 contains the General Terms. Part 2 contains the terms, which are specific to a Time and materials (T&M) delivery of Services. Part 3 contains supplemental terms for the purchase or license of any Equipment, Pre-existing Software and Maintenance.

IN WITNESS WHEREOF, each of the parties has duly executed and delivered this Agreement to be effective on November 5, 2002 Redlands, CA

COMPAQ COMPUTER CORPORATION

("CUSTOMER")

By: CITY OF REDLANDS

Mayor Karl N. Haws



Title: Mayor, Redlands California
Redlands Mayor's Office
35 Cajon Street, Suite 200
P.O. Box 3005
Redlands, CA 92373

("HP SERVICES")

By: Mark Gerner

Print/Type Name: Mark Gerner

Mark Gerner Mark Gerner, October 24, 2002

Title: Client Principal
22 Executive Park

Irvine, Ca 92614
W: (949) 215-4675
F: (949) 215-3649

Date: November 5, 2002

Date: November 5, 2002

ATTEST:


Lorrie Poyzer, City Clerk

COMMISSION OF THE EUROPEAN COMMUNITIES
DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS
UNIT FOR THE COORDINATION OF ECONOMIC POLICY

Brussels, 14 June 1994
MEMORANDUM FOR THE PRESIDENT OF THE COMMISSION AND THE MEMBERS OF THE COMMISSION

Subject: ...

The Commission has received information from the ...
The Commission is aware of the ...
The Commission is also aware of the ...
The Commission is further aware of the ...
The Commission is also aware of the ...
The Commission is further aware of the ...

The Commission is aware of the ...
The Commission is also aware of the ...

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EXHIBIT A - TASK DESCRIPTION

1. SCOPE OF TASK DESCRIPTION; COPYRIGHT NOTICE

This Task Description included as Exhibit A to the Agreement ("TASK DESCRIPTION") defines the Services that HP SERVICES will perform for CUSTOMER. This Task Description includes:

- A general description of the CUSTOMER's project
- A detailed description of the Services to be provided by HP SERVICES to the CUSTOMER
- A listing of all Standard Products to be delivered to the CUSTOMER in connection with the Services
- The definition of the working relationship between HP SERVICES and CUSTOMER, including roles and responsibilities.
- A listing of the Assumptions and Dependencies upon which this TASK DESCRIPTION is based and pricing

This Task Description is proprietary to HP Services. It is not to be disclosed in whole or in part without the express written authorization of HP Services. No portion of this Task Description shall be duplicated or used for any purpose other than the purpose of receiving the Services from HP Services described herein.

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2. OVERVIEW OF SERVICES

This Statement of Work (SOW) defines the scope of the services and deliverables that HP will provide to Customer's Police Department as part of their Racial Profiling & Auto-Synchronization design and implementation effort. This SOW is the sole written description of the services to be provided by Hewlett Packard Services. This document when appended to CUSTOMER'S Redlands Police Department Purchase Order containing terms and conditions of purchase shall constitute the exclusive Subcontract Agreement by and between the parties.

The CUSTOMER'S Police Department has requested that HP implement a Racial Profiling solution on iPAQ Pocket PC devices that can receive crime bulletins & send and receive racial profiling data. CUSTOMER also requested the installation of seven Bluetooth access points with synchronization capability.

Installation and implementation of the Racial Profiling, -Synchronization and Bluetooth access points.

HP Services' experience and capabilities confirm that the best way to ensure a timely and predictable implementation of your solution is to start planning today and seek out and use credible and capable partners to implement your solution. .

Racial Profiling:

CUSTOMER'S Police Dept. wants police officers to be able to do the following, by approximately November 26, , 2002, via the 86 iPAQ 3870's with integrated Bluetooth that they have already purchased:

- Answer a Racial Profiling questionnaire of approximately 20 fields, which will be stored on their server in an Access database
- View crime bulletins, with pictures in Word or PDF format, that have been downloaded to the iPAQ from a central server
- View maps in PDF format that have been downloaded to the iPAQ from a central server

HP Services will develop and implement:

- The iPAQ application to present, temporarily store and submit to a server questionnaire results
- The ASP.Net server application to receive the results and store them in an Access Database
- A mechanism to delete old and download, and possibly convert, new crime bulletins to the iPAQs from a central server
- A mechanism to view crime bulletins on the iPAQs
- A mechanism to delete old and download, and possibly convert, new maps to the iPAQs from a central server
- The Bluetooth infrastructure needed to do the above iPAQ "synchronization" at 7-8 points (4 substations, the squad room and 2 points in the annex building) using the existing Redlands Police Dept. LAN at those points

3. DETAILED DESCRIPTION OF THE SERVICES

- The iPAQ questionnaire application that HP SERVICES will build, will temporarily store data on the iPAQ in an unsecured Pocket Access database. The date & time that the questionnaire was completed will be saved in addition to the responses from the officer. Before submitting the questionnaire, the officer may make corrections to it. Once the officer has submitted the questionnaire, it will no longer be modifiable by the officer. When the officer is in a Bluetooth connection area, the officer will need to power on the iPAQ. An application will then detect the connection, do all updates and notify the officer that the updates are complete, at which point the iPAQ may be turned off. Since each iPAQ has a unique serial number and each officer will be assigned an iPAQ that no other officer will use, we may send up the serial number so that the server can determine which officer submitted which questionnaire. An application will be built to setup the application(s) on an iPAQ.
- The ASP.Net server application that HP SERVICES will build will be a Web Service that receives questionnaire results in XML format and parses the XML to store the data in an Access Database. HP SERVICES will design the table(s) required to store this data with input from the REDLANDS POLICE DEPT. The

ASP.Net application will run on an existing REDLANDS POLICE DEPT. Windows 2000 or Windows XP server.

- HP SERVICES will work with the REDLANDS POLICE DEPT. to design a mechanism to delete old and download, and possibly convert, new crime bulletins and maps to the iPAQs from a central server. An application may be built which takes a folder of crime bulletins and maps and puts them in iPAQ specific folders for synchronization. The central server will be provided by the REDLANDS POLICE DEPT. and will run Windows 2000 or Windows XP.
- HP SERVICES will work with the REDLANDS POLICE DEPT. to verify that officers can reasonably view crime bulletins and maps on the iPAQs.

HP SERVICES will design, build and install the Bluetooth infrastructure needed to do the above iPAQ “synchronization” at 7 points (4 substations, the squad room and 2 points in the annex building) using the existing REDLANDS POLICE DEPT. LAN at those points. The REDLANDS POLICE DEPT., will purchase all additional hardware needed for Bluetooth access points.

Assumptions:

- HP Services will be given reasonable access to Redlands Police Department to get information on current infrastructure and design. All PD's are connected through a high-speed link to a central site with TCP/IP as the underlying protocol.
- Access to backend systems is currently protected by strong authentication.
- Hotspot area not to exceed 300 square feet in free space. (The total number of access points can be determined after a complete site survey)
- We will be able to install authentication and RBAC (Role based access control) with Wireless Access gateway at central/each location, should we need to.
- All access points can be configured in VLAN and ingress to the main network goes through a wireless access gateway.
- There is no asbestos in the ceilings designated for installing access points.
- One 10 – 100 Ethernet drop connected to the back end network at each planned access point location.
- Access point must be mounted no more than fifty (50) feet from each Ethernet drop.

Service Deliverables

- Two HP Services consultants to provide support of the project.
- A racial profiling solution as described above
- The iPAQ application to present, temporarily store and submit to a server questionnaire results.

- The ASP.Net server application to receive the results and store them in an Access Database
- A mechanism to delete old and download, and possibly convert, new crime bulletins and maps to the iPAQs from a central server
- A mechanism to view crime bulletins and maps on the iPAQs
- Installation of Seven (7)-Bluetooth access points for synchronization.
- A one day (8 hour) training session for IPAQ familiarization
- Process for and training on re-imaging Redlands Police Department's 86 IPAQs and Bluetooth upgrade

HP SERVICES will perform the Services to complete the tasks described above in furtherance of CUSTOMER's goals. While HP SERVICES may be in furtherance of development of tangible end products, the CUSTOMER and not HP SERVICES has the risk as to the amount and total cost of the Services necessary to achieve the CUSTOMER's goals.

4. PRICING FOR SERVICES.

Services	Part Number	Description	Rate	Hours	Amount
1	QS-TCAA9-CH	Technical Consultant, installation of 7 Bluetooth access points and WAG	\$240.00	48	\$11,520.00
2		Racial Profiling implementation	\$240.00	128	\$30,720.00
3		Training	\$240.00	8	\$1,920.00
4		Process to Re-image IPAQ/Bluetooth upgrade	\$240.00	4	\$960.00

HP SERVICES provides the Services described in this TASK DESCRIPTION on a time and materials (T&M) basis in accordance with the following rates.

HP SERVICES best current estimate of the total price for two HP Service's consultants for a total of 180 hours **at a time and materials (T&M) rate of \$240.00 an hour for a total of \$43,200.00. The total consulting hours (time) estimate exclusive of applicable taxes would be \$43,200.00 plus reasonable travel and living expenses not to exceed a total of \$2500.00. This is intended to provide budgetary information to The City of Redlands and this price, and the resources identified by HP SERVICES**

hereunder, are HP SERVICES' best estimates of the resources and price required to complete HP SERVICES and should not exceed this estimate. . Should The City of Redlands request or require additional time and HP Services resources above and beyond) 180 hours, HP Services and the Redlands Police Department will negotiate an acceptable rate for additional HP Services' time and resources. Redlands Police Department agrees to issue its Purchase Order or other Spending Authorization in the amount of this estimate to enable HP SERVICES to begin work.

If HP SERVICES estimates that more time or resources are needed to complete the CUSTOMER's Project, the parties will negotiate a mutually acceptable change order, or if no change order is issued, the parties agree that HP SERVICES will stop work when the Services provided by HP SERVICES exhausts its Spending Authority, since HP SERVICES does not have the obligation to complete CUSTOMER's Project under this TASK DESCRIPTION for the above price.

4-1 HARDWARE PRICING

Item	Part Number	Description	Price per unit:	Quantity	Total Price
1	AXIS 5020	BT Access Point	\$637.00	7	\$4,459.00
2	WG-1000 (Optional)	Wireless Access Gateway (10 additional service hours required for follow through with this option)	\$6500.00	1	\$6500.00
Sub Total					\$4,459.00

Total Hardware and estimated Services Price (not including optional hardware/services):
\$47,659.00

5. HP SERVICES AND CUSTOMER RESPONSIBILITIES

5-1. HP SERVICES RESPONSIBILITIES

In addition to its other responsibilities described herein, HP SERVICES will designate an individual from its organization to serve as the HP SERVICES Project Manager, and to be the CUSTOMER's primary contact with HP SERVICES. The HP SERVICES Project Manager will be responsible for managing the HP SERVICES resources and providing a single point of communication with the CUSTOMER including:

- A one day training session

5-2. CUSTOMER RESPONSIBILITIES

In addition to its other responsibilities described herein, CUSTOMER will assign an individual to serve as CUSTOMER's Project Coordinator and be HP SERVICES primary contact with CUSTOMER. CUSTOMER's Project Coordinator will have full authority to act on behalf of CUSTOMER with respect to:

- Managing CUSTOMER's responsibilities for the project
- Authorizing payments
- Facility and meeting coordination at CUSTOMER's site
- Interfacing with HP SERVICES to insure there is an efficient exchange of information and that important and timely decisions are made
- Providing all systems preparation prerequisites for product installation as requested by HP SERVICES Providing development system hardware and software Coordinating all the development system scheduling procedures Other activities specified in this Task Description

Any work or scope changes that involve any additional cost to the City of Redlands above and beyond the scope reflecting in this document requires City Council consideration and a signature from the mayor of the City of Redlands.

CUSTOMER is responsible for the accuracy, completeness, and the timely provision of all information it provides. If information is incomplete or incorrect, any delay or work required to correct problems created by the use of such incomplete or inaccurate information shall be the funded responsibility of the CUSTOMER.

CUSTOMER is responsible for providing the CUSTOMER Staff as set forth in 6-2 below in order for HP SERVICES to fulfill its obligations under this Agreement.

6. PROJECT STAFFING

6-1. HP SERVICES STAFF

HP SERVICES will provide the following staffing for the project:

- Two HP Services consultants.
- One Client Principal acting as Project Manager

6-2. CUSTOMER STAFF

CUSTOMER agrees to provide the following personnel for the project:

- Redlands Police Department personnel who have knowledge of the current environment and design.
- Redlands Police Department personnel who are responsible for recording information during the one day training session. .

7. MEETINGS

Approximately three weeks of support of the Redlands Police Department.

8. DEPENDENCIES.

The failure of the CUSTOMER to timely complete its obligations under this Section 8 will impact the budgetary estimates and estimated schedule of this Task Description.

8-1. EQUIPMENT, FACILITIES AND OPERATIONS SUPPORT

A. DEVELOPMENTS SYSTEM

Software development for this project will be performed on CUSTOMER hardware at CUSTOMER facilities. CUSTOMER's Project Coordinator will coordinate all of the machine scheduling procedures. CUSTOMER is responsible for providing the project team with facilities and standard access capabilities to the development system. CUSTOMER shall ensure that this system is properly configured and licensed. CUSTOMER is responsible for maintaining the computer system in good working order. During software development, HP SERVICES personnel will be accorded priority access to this hardware eight contiguous hours each day Monday through Friday per week during the primary shift period (8:00 a.m. to 5:00 p.m.) to perform the Tasks. CUSTOMER will be responsible for handling any and all security related issues pertaining to this project, including providing unescorted access to buildings where the project team will be working. CUSTOMER will provide all computing equipment supplies and media (disks, magnetic tapes, paper, etc.) that are required for this project.

B. PRODUCT ENVIRONMENT

CUSTOMER will provide the HP SERVICES development team with the requisite product environment necessary for development activities.

C. SECURE WORK PLACE

CUSTOMER will provide a secure workspace for project team members that comply with the applicable health and safety requirements, for each project team member, and all necessary technical matter, data, information, and operating supplies required for this project.

D. COMPUTER DATA

CUSTOMER is responsible for the loading/conversion of data for the project.

E. TRAINING FACILITIES

CUSTOMER will be responsible for providing the facilities and the equipment necessary to hold the training classes at the CUSTOMER's site.

8-2. THIRD PARTY DELIVERABLES

HP SERVICES' performance of its obligations under this Agreement depends upon timely, complete, and accurate documentation, technical consulting, and engineering support relating to the hardware and/or software products not provided by HP SERVICES. CUSTOMER is responsible for obtaining and delivering all third-party hardware, software, and consulting services required by HP SERVICES to fulfill HP SERVICES' obligations under this Agreement. CUSTOMER is responsible for any such third-party hardware, software and/or service charges and fees and for obtaining any right

for HP SERVICES to use the third-party hardware, software or service. CUSTOMER will indemnify HP SERVICES against any claims from a third party if such rights are not obtained.

9. CHANGE CONTROL

Any changes to this TASK DESCRIPTION must be mutually agreed upon by both HP SERVICES and CUSTOMER in writing (see Addendum A - Change Request Form). The Change Request Form is part of HP SERVICES' change control technique as defined in *HP SERVICES' Quality Program Methodology*. No oral agreement between persons involved in the project will be binding on either HP SERVICES or CUSTOMER. Mutually acceptable changes in the scope of work and adjustments in schedule and pricing will be incorporated as a modification to the Agreement or may become the basis of a new, follow-on agreement.

Cletus Hyman has been designated as the authorized CUSTOMER representative for making changes to this TASK DESCRIPTION, Subject to Paragraph 5-2. Mark Gerner is designated as the authorized HP SERVICES representative for making changes to this TASK DESCRIPTION.

The generic approval process for change requests is as follows:

INITIATION AND VALIDATION

During this step, the requirements for change are defined and change impact is initially estimated. The proposed change is classified, and the effort required to evaluate its full impact is estimated. A review of the proposed change takes place. The status of the proposed change is logged and communicated.

EVALUATION

Here, a full-scale impact analysis is conducted and any missing data are requested from the change originator. The status of the proposed change is logged and communicated.

REVIEWS, APPROVAL AND NEGOTIATION

The proposed change is reviewed here and a decision is reached regarding its approval, rejection, or deferral. If a change proposal is deferred, additional studies or external approval can be requested. Funding for implementing the change may need to be negotiated, and again the status of the request is logged and communicated.

IMPLEMENTATION

The change is implemented and the baseline information is updated. The change status is tracked and reported.

VERIFICATION AND CLOSURE

A check for correctness, completeness, and adherence to quality requirements is completed, and final status of the change is logged and reported.

CUSTOMER ACKNOWLEDGES THAT CHANGE REQUESTS MAY HAVE AN IMPACT ON THE SCHEDULE FOR ITS PROJECT AND THE COST REQUIRED TO ACHIEVE CUSTOMER GOALS. THIS INCLUDES BOTH THE IMPACT OF PERFORMING THE CHANGE REQUEST EVALUATION AND THE IMPACT OF CHANGE REQUEST IMPLEMENTATION.

10. ISSUE RESOLUTION

The following process for resolving issues will be utilized. An Issue Resolution Form is submitted when individuals working on customer projects experience problems within a given area (see Addendum B – Issue Resolution Form). The status of open issues and actions taken or planned for resolution are to be published. The HP SERVICES Project Manager is responsible for logging and tracking issues for all parties. When either the HP SERVICES Project Manager or the CUSTOMER Project Coordinator deems it necessary, either may escalate an issue to their management, or the management of both parties, for help in resolving. Each organization shall designate an escalation manager who is the primary contact for issue escalations. Each escalation manager will actively assist in defining and influencing the resolution, and further escalate to their management when/if executive assistance is required. The following is the defined escalation path for both HP SERVICES and CUSTOMER management.

CUSTOMER:

Project Coordinator

Mr. Cletus Hyman

Escalation Manager: James Bueermann

HP SERVICES:

Project Manager: Mark Gerner

Escalation Manager: Tim Hartill

The following activities may be performed for each issue:

Define the problem and decide that it should be handled as an issue.

Evaluate the issue; estimate its impact on the project and potential financial exposure.

Identify corrective action(s) and personnel responsible.

Log and track the issue.

Notify appropriate business management.

END OF TASK DESCRIPTION

PART 1 - GENERAL TERMS

1-1. DEFINITIONS

1-1-1. Background Data

“Background Data” shall mean data, information, documentation, software, and techniques in whatever form, owned or distributed by HP SERVICES and not first produced or created by or for HP SERVICES as a result of or related to the rendition of Services under this Agreement, but which is included with the Service or is used in the delivery of the Service. Background Data shall not include HP SERVICES Tools or any Software, which is a standard HP SERVICES or third-party Product. Such standard HP SERVICES or third-party Product shall be licensed in accordance with HP SERVICES’ standard software license or the appropriate third-party license.

1-1-2. HP SERVICES Tools

“HP SERVICES Tools” shall mean Pre-existing Software, tools, methodologies and processes developed by HP SERVICES or its subcontractors and used in their performance under this Agreement.

1-1-3. Custom Documentation

“Custom Documentation” shall mean manuals, specifications, instructions, and similar documentation which are specifically designed and developed by HP SERVICES or its subcontractors and delivered to CUSTOMER under this Agreement, such as: installation and use instructions, operating environment requirements, system architecture documents, design documents, training materials, user manuals, project plans and schedules, and system guides.

1-1-4. Custom Equipment

“Custom Equipment” shall mean Equipment, which is specifically designed and developed by HP SERVICES or its subcontractors and delivered to CUSTOMER under this Agreement. Custom Equipment shall not include Equipment.

1-1-5. Custom Software

“Custom Software” shall mean Software, which is specifically designed and developed by HP SERVICES or its subcontractors and delivered to CUSTOMER under this Agreement. Custom Software shall not include any Pre-existing Software.

1-1-6. Day

“Day” shall mean a standard workday (8:00 AM to 5:00 PM) Monday through Friday, excluding HP SERVICES’ locally observed holidays.

1-1-7. Equipment

“Equipment” shall mean HP SERVICES’ standard computer hardware, accessories, spare parts, controller devices, bar code readers, and any other tangible items (not including software), which are to be delivered to CUSTOMER under this Agreement.

1-1-8. Maintenance

“Maintenance” shall mean any standard hardware remedial maintenance services and software support services, as more fully described in a HP SERVICES Service Description, which is supplied by HP SERVICES in relation to Equipment and Pre-Existing Software.

1-1-9. Pre-existing Software

“Pre-existing Software” shall mean standard HP SERVICES and standard third-party software products and any modifications and/or enhancements made thereto, including any modifications and/or enhancements first developed under this Agreement, which are to be delivered to CUSTOMER under this Agreement.

1-1-10. Services

“Services” shall mean the work to be performed by HP SERVICES or its subcontractors’ personnel under this Agreement.

1-1-11. Software

“Software” shall mean a set of instructions consisting of a program or routine, or other information including databases, used by computer equipment and is further divided into Custom Software, Pre-existing Software, and Background Data. Software may be in either object or source code form, and may be stored in a variety of media, including magnetic tape or disk, CD ROM, and integrated circuits (“firmware”). Unless otherwise specified in this Agreement, all Software is furnished in object code form only.

1-1-12. Third-party Products

“Third-party Products” shall mean any equipment, software, or maintenance, which are supplied by HP SERVICES under this Agreement under the brand name of the third-party.

1-2. SCOPE

The terms in Parts 1 and 2 of this Agreement are for Services furnished to CUSTOMER under this Agreement. The terms in Part 3 of this Agreement are the supplemental terms for the sale and licensing of Equipment, Pre-existing Software and Maintenance provided under this Agreement.

1-3. CONFIDENTIALITY

Except as otherwise required to be disclosed by law, both parties agree to preserve the confidentiality of data and information relating to CUSTOMER’s and HP SERVICES’

business (including data and information belonging to third parties utilized by HP SERVICES), which is identified as confidential prior to receipt and exchanged between the parties in order to perform this Agreement ("Confidential Information"). For a period of three (3) years from disclosure, both parties will not disclose any item of Confidential Information to any person or entity other than employees, agents, or contractors who need to know the same in regard to their performance under this Agreement except as otherwise required to be disclosed by law. The receiving party will protect and maintain the confidentiality of Confidential Information with the same degree of care as it employs to protect its own Confidential Information, but at least with a reasonable degree of care except as otherwise required to be disclosed by law. Neither party will have any obligation to not disclose Confidential Information which: (a) was in the receiving party's lawful possession prior to the submission thereof by the disclosing party, (b) is obtained, without an obligation of confidentiality, from a third party, (c) is or becomes generally known other than by unauthorized disclosure by the receiving party, (d) is independently developed by the receiving party or (e) is required to be disclosed by operation of law or regulation.

1-4. NONSOLICITATION OF PERSONNEL

CUSTOMER shall not directly solicit the personnel of HP SERVICES, or its subcontractors, that are involved in the performance of this Agreement to undertake employment with CUSTOMER, CUSTOMER's parent company, any subsidiary or affiliated company of CUSTOMER, or any contractor of CUSTOMER, during the period of this Agreement and for a period of one (1) year following the completion of this Agreement. Both parties acknowledge that it is impossible to precisely calculate the damages to HP SERVICES arising from a violation of this paragraph of this Agreement by CUSTOMER. Accordingly, CUSTOMER agrees to pay to HP SERVICES the sum of \$100,000 per employee for each HP SERVICES employee so solicited by CUSTOMER for employment. This sum represents HP SERVICES' estimate of the amount of money required to recruit, hire and train its employee during the initial period of their employment with HP SERVICES.

In addition, should such solicitation occur during the period of performance of this Agreement, HP SERVICES shall have the right to terminate this Agreement for convenience without further liability to CUSTOMER, and CUSTOMER shall be obligated to pay HP SERVICES for all Services performed prior to the effective date of termination, and any and all amounts previously invoiced and outstanding, CUSTOMER shall also pay HP SERVICES for: (i) all costs incurred by HP SERVICES in terminating any subcontractor or supplier agreements, including the cost of any third-party products furnished to, or ordered by HP SERVICES, but not delivered to the CUSTOMER as of the date of termination, (ii) HP SERVICES' current list price for any Equipment or Pre-existing Software delivered to CUSTOMER, but not invoiced or paid, (iii) costs associated with relocating HP SERVICES employees to CUSTOMER's work site, and (iv) an amount equal to 10% of the CUSTOMER's unfulfilled purchase orders to HP SERVICES under this Agreement.

1-5. EXPORT STATEMENT OF ASSURANCE

HP SERVICES, Custom Equipment, Custom Software, Custom Documentation, Equipment, Pre-existing Software and Maintenance may include the provision of products or technical data subject to U.S. export control regulations. CUSTOMER is responsible for complying with those regulations if it exports controlled products or technical data provided by HP SERVICES or any product produced directly from the controlled technical data.

1-6. INDEMNITY

Subject to the LIMITATION OF LIABILITY paragraph of this Agreement, HP SERVICES shall indemnify and hold CUSTOMER harmless for any loss, damage, liability, and expense (including reasonable attorney's fees) on account of damage to tangible property and the injury or the death of any person, which is caused by any negligent act or omission of HP SERVICES, and its subcontractors, and is related to their performance under this Agreement. For any such claim for which it expects indemnification, CUSTOMER shall give HP SERVICES prompt written notice of and reasonable assistance in the defense of such claim. After such notice of a claim, HP SERVICES shall retain sole authority to control the defense or settlement, shall defend any suit, or dispose of the claim, paying all expenses, including its attorney's fees, and satisfy any judgment which may be incurred in relation to such claim. Indemnification regarding intellectual property rights shall be covered by the specific paragraphs in Parts 2 and 3 of this Agreement rather than this paragraph.

1-7. LIMITATION OF LIABILITY

EXCEPT FOR CLAIMS FOR PERSONAL INJURY OR DEATH CAUSED BY THE NEGLIGENCE OF HP SERVICES AND ITS SUBCONTRACTORS OR AS PROVIDED UNDER THE INTELLECTUAL PROPERTY INDEMNIFICATION PARAGRAPHS WITHIN PARTS 2 AND 3, HP SERVICES'S TOTAL LIABILITY FOR CLAIMS ARISING UNDER THIS AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED THE TOTAL OF \$2 MILLION DOLLARS TO HP SERVICES UNDER THIS AGREEMENT. For the purposes of this paragraph "HP SERVICES" includes its officers, directors, employees, agents, subcontractors, and suppliers.

1-8 INSURANCE

All insurance in this Agreement is to be maintained by Compaq Computer Corporation ("HP Services") for the duration of the Agreement and shall be primary with respect to the City of Redlands ("Customer") and non-contributing to any insurance or self-insurance maintained by the Customer. HP Services shall provide Customer with Certificate of Insurance and endorsements evidencing such insurance within fifteen (15) days of execution of this Agreement, or prior to commencement of work, whichever occurs first.

Workers' Compensation and Employer's Liability

- A. HP Services shall secure and maintain Workers' Compensation and Employer's Liability insurance throughout the duration of this Agreement in an amount which meets the statutory requirement with an insurance carrier acceptable to the Customer. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by the Customer. The insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to Customer. Certificates of Insurance shall be delivered to Customer within fifteen (15) days of execution of this Agreement or prior to commencement of work, whichever occurs first.
- B. HP Services expressly waives all rights to subrogation against the Customer, its officers, employees and volunteers for losses arising from work performed by HP Services for Customer by expressly waiving HP Services' immunity for injuries to HP Services' employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this Agreement extends to any claim brought by or on behalf of any employee of HP Services. This waiver is mutually negotiated by the parties. This shall not apply to any damage resulting from the sole negligence of Customer, its agents and employees. To the extent any of the damages referenced herein were caused by or resulted from the concurrent negligence of Customer, its agents or employees, the obligations provided herein to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of HP Services, its officers, agents and employees.

Comprehensive General Liability Insurance

HP Services shall secure and maintain in force throughout the duration of the Agreement comprehensive general liability insurance with carriers acceptable to Customer. Minimum coverage of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. Customer shall be named as an additional insured and the insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to the Customer. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by Customer. Certificates of insurance and endorsements shall be delivered to Customer within fifteen (15) days of execution of this Agreement or prior to commencement of work, whichever occurs first.

Professional Liability Insurance

HP Services shall secure and maintain professional liability insurance throughout the duration of this Agreement in the amount of one million dollars (\$1,000,000) per claim

made. Certificates of liability insurance shall be delivered to Customer within fifteen (15) days of execution of this Agreement or prior to commencement of work, whichever occurs first.

Business Auto Liability Insurance

HP Services shall have business auto liability coverage, with minimum limits of one million (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all consultant owned vehicles used on the project, hired and non-owned vehicles, and employee non-ownership vehicles. The Customer shall be named as an additional insured and a certificate of insurance shall be delivered to Customer within fifteen (15) days of execution of this Agreement or prior to commencement of work, whichever occurs first.

1-9. FORCE MAJEURE

Neither CUSTOMER nor HP SERVICES shall be liable for delay or failure to perform any of its obligations under this Agreement due to causes beyond its reasonable control.

1-10. GENERAL

This Agreement in its three Parts and the Task Description in Exhibit A (a) sets forth the entire understanding of the parties as to the subject matter, (b) supersedes all prior understandings, agreements, documentation, and the terms of any CUSTOMER purchase order relating hereto, and (c) may not be modified except in a written amendment executed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to that body of laws controlling conflicts of law.

PART 2 - TERMS FOR TIME AND MATERIALS (T&M) EFFORTS

2-1. DEFINITIONS SPECIFIC TO TIME AND MATERIALS (T&M) EFFORTS

2-1-1. Task Description

“Task Description” shall mean the more detailed description of the Services to be performed under this Agreement included under Exhibit A of this Agreement.

2-1-2. Work Product

“Work Product” shall mean the tangible results of the Services that are performed by HP SERVICES and its subcontractors for CUSTOMER under this Agreement.

2-2. INVOICES, PAYMENT AND TAXES

Invoices for Services rendered per paragraph 4 will be sent monthly. Invoices shall be payable within 30 days of receipt. CUSTOMER also agrees to pay all reasonable and documented expenses incurred by HP SERVICES in connection with the Services including but not be limited to travel, lodging and meals as per Paragraph 4, “Pricing for Services.” CUSTOMER also agrees to pay any tax HP SERVICES becomes obligated to pay by virtue of the rendering of Services under this Agreement exclusive of taxes based on the HP SERVICES’ net income.

2-3. INTELLECTUAL PROPERTY RIGHTS

All Work Products (to include all reports, specifications, Custom Documentation, Custom Software and revisions, modifications, and enhancements) provided or first developed under this Agreement shall be owned by HP SERVICES or its subcontractors, and shall only be utilized by CUSTOMER as permitted hereunder. HP SERVICES and its subcontractors grant to CUSTOMER: (a) for any Work Product which is Custom Software, a non-exclusive, non-transferable, royalty-free license to use, copy, load, and modify such software on processors under the control of CUSTOMER; and (b) for all other Work Products, a non-exclusive, non-transferable, royalty-free license to use such Work Products for CUSTOMER’s own internal business use. CUSTOMER shall include in all copies of the Work Products the copyright and other proprietary notices of HP SERVICES and its subcontractors. No copy shall be furnished to any third-party unless acting as CUSTOMER’s employee or agent and under limitations consistent with these provisions. Except as expressly provided hereunder, no right, license, title to, or ownership of, such Work Products shall pass to CUSTOMER. Other than the Custom Software provided under the above license, any software provided under this Agreement, which is not licensed directly to CUSTOMER from a third-party, will only be licensed to CUSTOMER under HP Services’ Standard Software License, included in Part 3 of this Agreement. HP SERVICES remains the exclusive owner of HP SERVICES Tools.

2-4. WARRANTY

HP SERVICES warrants that Services will be performed in a workmanlike manner in accordance with standards generally accepted in the industry. HP SERVICES will re-perform, at no charge, any Service which fails to materially conform to this Services warranty provided HP SERVICES is notified in writing of the non-conformance within thirty (30) days of the performance of the non-conforming Service. If Customer is not satisfied Customer may enforce performance by any other method and receive any damages allowed by law.

THE FOREGOING WARRANTIES ARE THE SOLE AND EXCLUSIVE WARRANTIES AND NO OTHER WARRANTIES, EXPRESS OR IMPLIED, SHALL APPLY INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The stated express warranties are in lieu of all other obligations or liabilities arising out of or in connection with this Agreement.

2-5. INTELLECTUAL PROPERTY INDEMNIFICATION

HP SERVICES shall defend, at its expense, any claim brought against CUSTOMER alleging that the Services furnished under this Agreement infringe a patent, copyright, or mask work right (the "Claim"). HP SERVICES shall pay all costs and damages finally awarded to the third party claimants or agreed to by HP SERVICES in settlement of the Claim, provided that CUSTOMER furnishes HP SERVICES with prompt written notice of the Claim, and provides HP SERVICES with reasonable assistance and sole authority to defend or settle the Claim. HP SERVICES, at its option and expense, may re-perform the Services for CUSTOMER or provide replacement Services to become non-infringing. Wants this out HP SERVICES shall have no liability for any Claim resulting from information, instructions, or specifications furnished by the CUSTOMER, or for infringing Services performed under the supervision of the CUSTOMER. This paragraph states the entire liability of HP SERVICES for Claims for infringing Services.

2-6. TERMINATION

2-6-1. In addition to Termination due to solicitation of employees under paragraph 1-4 of Part 1 of the Agreement, either party may terminate this Agreement for cause if the other fails to perform any of its material obligations and such failure continues for a period of thirty (30) days following receipt of written notice.

2-6-2. CUSTOMER may terminate this Agreement for its convenience, after giving HP SERVICES thirty (30) days' prior written notice. In the event of termination for convenience, CUSTOMER shall pay HP SERVICES for: (i) all Services performed prior to termination, and (ii) all costs reasonably incurred by HP SERVICES as a result of termination.

PART 3 - EQUIPMENT, PRE-EXISTING SOFTWARE AND MAINTENANCE

3-1. SCOPE

No Equipment Pre-existing Software, or Maintenance are to be purchased under this Agreement

Compaq Computer Corp (New HP Services)

ADDENDUM A - CHANGE REQUEST FORM

CHANGE REQUEST - PART I	
Customer Name: >	
Project Name:	> Project: >
Project Phase:	> Date Issued: >
Project Manager:	> Date Due: >
Request Name:	> Request #: >
Reason for Change -	Prepared by: >
>	
Description of Change -	Prepared by: >
>	
Price Amount -	Prepared by: >
>	
Ramifications (e.g., schedule and staffing) -	Prepared by: >
>	
(A)pproved/(R)ejected/(C)ancelled	(A)pproved/(R)ejected/(C)ancelled
Delivery Organization	Customer

Name: >	Name: >
Signature >	Signature >
:	:
Date: >	Date: >

CHANGE REQUEST - PART III	
Project Name:	Project:
Request Name:	Request #:
Price Item	Amount
Updating baselined formal document deliverables (prepare a detailed list).	
Updating internal documents such as Unit Test Plans (prepare a detailed list).	
Changing software configuration items such as source code, database schema, screen maps/images (prepare a detailed list).	
Configuration Management (demotion and promotion)	
Testing (inc. Unit, Integration, System, Acceptance)	
Walkthroughs and Reviews	
Database Modifications	
Data Correction	
Orientation Time	
Team Leadership and Project Management	
Travel and Living Expenses	
Cost of preparing this Change Request	
Hardware and Software licence carrying costs	
Architectural Implications (disk space, CPU, etc.)	
Facility rental costs	
Payment Schedule Impact	
Other	
Contingency	

TOTAL Price (carry over to Price Amount)	
Estimate Prepared By:	
Estimate Reviewed By:	

ADDENDUM B – ISSUE RESOLUTION FORM

Issue Number: _____

Issue Originator: _____ Issue Investigator: _____

Position/Title: _____ Position/Title: _____

Organization: _____ Organization: _____

Date Created: _____ Date Received: _____

Issue Description:

Proposed Solution:

Investigation Results:

Recommended Change Proposal Created? ☐ Yes ☐ No

Change Proposal Number: _____

Date Returned To Originator: _____

Investigator's Signature: _____

