City of Sacramento
City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: **1/25/2011** **Report Type:** Consent

Title: Agreement: Digital Sandbox

Report ID: 2011-00093

Location: Citywide

Recommendation: Adopt a Resolution 1) authorizing the Intermin City Manager or the Interm City Manager's designee to execute a professional services agreement with Digital Sandbox, Inc. for a comprehensive Homeland Security Risk Analysis Assessment of the Sacramento Urban Area in an amount not to exceed $125,000.

Contact: Stephen Quinn, Lieutenant, 916.874.2172

Presenter: None.

Department: Police
Division: OES/HS
Dept ID: 11001411

Attachments:

1-Description/Analysis
2- Background Digital Sandbox
3- Resolution Digital Sandbox
4- Exhibit A -Agreement
5- Attachment 1 to Exhibit A Scope of Services
6- Attachment 2 to Exhbit A - Subsection B of PSA
7- Attachment 3 to Exhibit A (Liability Insurance)

City Attorney Review
Approved as to Form
Lan Wang
1/20/2011 1:37:49 PM

City Treasurer Review
Prior Council Financial Policy Approval or Outside City Treasurer Scope
Rusell Fehr
1/18/2011 1:42:37 PM

Approvals/Acknowledgements

Department Director or Designee: Rick Braziel - 1/19/2011 3:24:05 PM

Assistant City Manager: Patti Bisharat - 1/20/2011 11:13:58 AM

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Description/Analysis:

Issue: On September 2, 2008, City Council adopted Resolution #2008-605 authorizing the acceptance of FY08 Homeland Security Urban Area Security Initiative (UASI) funding from the California Emergency Management Agency (CalEMA) to implement the goals and objectives of the Sacramento Region's Homeland Security Program. Consistent with this purpose, staff recommends the use of grant funding to enter into a professional services agreement with Digital Sandbox, Inc. to complete a comprehensive Homeland Security Risk Assessment of the Sacramento Urban Area.

Policy Considerations:
The recommendation in this report is in accordance with Sacramento City Code Chapter 3.64 and Resolution #2010-346, which prohibits the City from entering into any contract to purchase goods or services from any business or entity headquartered in Arizona.

This recommendation is also consistent AP-4102. The best interests of the city support an exception to the policy requirement of a RFP (or competitive selection) process. The contractor, Digital Sandbox, Inc., is a nationally recognized company that specializes in risk management, assessment, and analysis. Digital Sandbox, Inc. has proprietary and protected algorithms used in risk management and holds three United States patents for methods and tools used in risk management. Digital Sandbox, Inc. has a unique Risk Analysis Center that is used specifically for Homeland Security risk analysis. Clients of Digital Sandbox, Inc. include the Federal Department of Homeland Security, as well as other State and Urban Area Homeland Security organizations throughout the United States. Digital Sandbox, Inc. currently provides risk analysis to Homeland Security urban areas in San Diego, Long Beach, and the San Francisco Bay Area. In order to ensure the most efficient, consistent, and cost-effective threat analysis possible for the Sacramento region, the use of consulting services provided by Digital Sandbox, Inc. is necessary.

Finally, this recommendation is consistent with Sacramento City Code section 3.64.020 and AP-4102 requiring City Council authorization for agreements where the expenditure equals or is greater than $100,000.

Committee/Commission Action: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): This recommendation is exempt from the requirements of CEQA, under Section 15061(b)(3) of the CEQA Guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Sustainability Considerations: None.

Rationale for Recommendation: Entering into an agreement with a consultant to complete a Homeland Security Risk Analysis Assessment of the Sacramento Urban Area is consistent with FY08 Homeland Security funding priorities and guidelines, as well as with City Council Resolution #2008-605. This terrorism assessment by Digital Sandbox, Inc. will focus on critical infrastructure, threat analysis, vulnerability, and risk analysis. The analysis will include a baseline terrorism profile providing a region-specific risk picture. The baseline will also rank risk assessment by critical infrastructure, key resources, geography, and individual assets. The project's final report will provide the Sacramento Urban Area with a comprehensive, data-driven document which will identify the Sacramento region's risks and capabilities. This risk report and profile will provide strategy evaluation for decision-making, resource allocation, and long-term strategy formulation. The strategic goals and objectives will outline region-specific capabilities to reduce overall risk.

Financial Considerations: The cost of service, provided by Digital Sandbox, Inc., will not exceed $125,000. This expense will be funded entirely from Homeland Security grant funding (#G11006500) previously approved by City Council (Resolution #2008-605). No matching funds are required and this contract is an allowable grant cost, authorized by CalEMA. There will be no impact to the General Fund.

Emerging Small Business Development (ESBD): Digital Sandbox, Inc. is not certified as an emerging/small business with the City of Sacramento.

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Background

On September 2, 2008, City Council adopted Resolution #2008-605 authorizing the acceptance of FY08 Homeland Security Urban Area Security Initiative (UASI) funding from the California Emergency Management Agency to implement the goals and objectives of the Sacramento Region's Homeland Security Program. The Sacramento Region has previously accepted Homeland Security grant funding to implement programs to prevent, deter, respond and recover from critical incidents. Regional Homeland Security funding has been previously received and approved through the following City Council Resolutions: #2009-459 on July 14, 2009; #2008-605 on September 2, 2008; #2007-796 on November 6, 2007; #2006-684 on September 12, 2006; #2005-406 on May 31, 2005; #2004-855 on November 4, 2004; and #2003-792 on November 13, 2003.

To enhance Sacramento's Urban Area Homeland Security Strategy, staff is requesting City Council authorize a professional services agreement with Digital Sandbox, Inc. for the development of a consolidated catalog of regional Critical Infrastructure and Key Resources (CI/KR) and a baseline assessment of regional risk. The results of this risk assessment and analysis will be used to evaluate the Sacramento region's Homeland Security strategic plan to improve regional preparedness and response. The project's scope of work will include customized asset and threat baseline analysis, risk baseline analysis, and a Homeland Security strategic plan. The project's final report will provide the Sacramento UASI with a comprehensive, data-driven document that outlines the region's risk, capabilities, goals and objectives. This risk baseline will rank regional risk according to CI/KR, geography and individual asset. The Homeland Security strategy will detail the region's Homeland Security Program mission areas of prevention, protection, response and recovery by providing an overall strategy that is in accordance with the Department of Homeland Security guidelines.

The proposed contractor, Digital Sandbox, Inc., is a nationally recognized company that specializes in risk management, assessment, and analysis. Digital Sandbox, Inc. has proprietary and protected algorithms used in risk management and holds three United States patents for methods and tools used in risk management. Digital Sandbox, Inc. has a unique Risk Analysis Center that is used specifically for Homeland Security risk analysis. Clients of Digital Sandbox, Inc. include the Federal Department of Homeland Security, as well as other State and Urban Area Homeland Security organizations throughout the United States. Digital Sandbox, Inc. currently provides risk analysis to Homeland Security urban areas in San Diego, Long Beach, and the San Francisco Bay Area. In order to ensure the most efficient, consistent, and cost-effective threat analysis possible for the Sacramento region, the use of consulting services provided by Digital Sandbox, Inc. is necessary. Given the foregoing, this recommendation is consistent with AP-4102; that is, the best interests of the city support an exception to the policy requirement for a RFP (or competitive selection) process.

RESOLUTION NO.

Adopted by the Sacramento City Council

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January 25, 2011

Professional Services Agreement

BACKGROUND

A. On September 2, 2008, the City Council adopted Resolution #2008-605 authorizing the acceptance of FY08 Homeland Security Urban Area Security Initiative (UASI) funding from the California Emergency Management Agency to implement the goals and objectives of the Sacramento Region's Homeland Security Program.

B. The proposed contractor, Digital Sandbox, Inc., is a nationally recognized company that specializes in risk management, assessment, and analysis. Digital Sandbox, Inc. has proprietary and protected algorithms used in risk management and holds three United States patents for methods and tools used in risk management. Digital Sandbox, Inc. has a unique Risk Analysis Center that is used specifically for Homeland Security risk analysis. Clients of Digital Sandbox, Inc. include the Federal Department of Homeland Security, as well as other State and Urban Area Homeland Security organizations throughout the United States. Digital Sandbox, Inc. currently provides risk analysis to Homeland Security urban areas in San Diego, Long Beach, and the San Francisco Bay Area. In order to ensure the most efficient, consistent, and cost-effective threat analysis possible for the Sacramento region, the use of consulting services provided by Digital Sandbox, Inc. is necessary. Given the foregoing, this recommendation is consistent with AP-4102; that is, the best interests of the city support an exception to the policy requirement for a RFP (or competitive selection) process.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Interim City Manager or Interim City Manger's designee is authorized to execute a professional services agreement with Digital Sandbox, Inc. for a comprehensive Homeland Security Risk Analysis Assessment of the Sacramento Urban Area in an amount not to exceed $125,000.

PROJECT #:
PROJECT NAME:
DEPARTMENT:
DIVISION:

CITY OF SACRAMENTO

PROFESSIONAL SERVICES AGREEMENT *

THIS AGREEMENT is made at Sacramento, California, as of _____, by and between the **CITY OF SACRAMENTO,** a municipal corporation ("CITY"), and

Digital Sandbox, Inc.
8260 Greensboro Drive, Suite 450
McLean, VA 22102
(P) 571.297.3800
(F) 703.442.4750

("CONTRACTOR"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, CONTRACTOR shall provide to CITY the services described in Exhibit A. CONTRACTOR shall provide said services at the time, place, and in the manner specified in Exhibit A. CONTRACTOR shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of such services: (a) CONTRACTOR notifies CITY and CITY agrees that such services are outside the scope of Exhibit A; (b) CONTRACTOR estimates the additional compensation required for these additional services; and (c) CITY, after notice, approves in writing a Supplemental Agreement specifying the additional services and amount of compensation therefore. CITY shall have no obligations whatsoever under this Agreement and/or any Supplemental Agreement, unless and until this Agreement or any Supplemental Agreement is approved by the Sacramento City Manager or the City Manager's authorized designee, or by the Sacramento City Council, as required by the Sacramento City Code.

2. **Payment.** CITY shall pay CONTRACTOR for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to CONTRACTOR for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, CITY approves additional compensation for additional services. CONTRACTOR shall submit all billings for said services to CITY in the manner specified in Exhibit B, or, if not specified in Exhibit B, according to the usual and customary procedures and practices that CONTRACTOR uses for billing clients similar to CITY.

3. **Facilities and Equipment.** Except as set forth in Exhibit C, CONTRACTOR shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. CITY shall furnish to CONTRACTOR only the facilities and equipment listed in Exhibit C according to any terms and conditions set forth in Exhibit C.

4. **General Provisions.** The General Provisions set forth in Exhibit D, that include indemnity and insurance requirements, are part of this Agreement. In the event of any conflict between the General Provisions and any terms or conditions of any document prepared or provided by

* **This form to be used for all professional services, except professional services related to a construction project and professional services performed by licensed architects, landscape architects or professional land surveyors or registered professional engineers.**

CONTRACTOR and made a part of this Agreement, including without limitation any document relating to the scope of services or payment therefor, the General Provisions shall control over said terms or conditions.

5. **Non-Discrimination in Employee Benefits.** This Agreement is subject to the provisions of Sacramento City Code Chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. The requirements of Sacramento City Code Chapter 3.54 are summarized in Exhibit E. CONTRACTOR is required to sign the attached Declaration of Compliance (Equal Benefits Ordinance), to assure compliance with these requirements.

6. **Authority.** The person signing this Agreement for CONTRACTOR hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR to the performance of its obligations hereunder.

7. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated as if set forth fully herein.

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By:_____

Print name:_____

Title:_____

For: Gustavo F. Vina, Interim City Manager

APPROVED TO AS FORM:

_____
City Attorney

ATTEST:

_____
City Clerk

Attachments

Exhibit A - Scope of Service
Exhibit B - Fee Schedule/Manner of Payment
Exhibit C - Facilities/Equipment Provided
Exhibit D - General Provisions
Exhibit E - Non-Discrimination in Employee Benefits

CONTRACTOR:

Digital Sandbox, Inc.
NAME OF FIRM

54-1924108
Federal I.D. No.

State I.D. No.

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY *(check one)*:

_____ Individual/Sole Proprietor
_____ Partnership
_____ Corporation *(may require 2 signatures)*
_____ Limited Liability Company
_____ Other (*please specify: _____)*

Signature of Authorized Person

Print Name and Title

Additional Signature *(if required)*

Print Name and Title

DECLARATION OF COMPLIANCE
Equal Benefits Ordinance

Name of Contractor: Digital Sandbox, Inc.

Address: 8260 Greensboro Drive, Suite 450, McLean, VA 22102

The above named Contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") attached hereto as Exhibit E.

2. As a condition of receiving this Agreement, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Non-Discrimination In Employee Benefits Code codified at Chapter 3.54 of the Sacramento City Code (the AOrdinance@).

3. Contractor understands, to the extent that such benefits are not preempted or prohibited by federal or state law, employee benefits covered by the Ordinance are any of the following:

   a. Bereavement Leave
   b. Disability, life, and other types of insurance
   c. Family medical leave
   d. Health benefits
   e. Membership or membership discounts
   f. Moving expenses
   g. Pension and retirement benefits
   h. Vacation
   i. Travel benefits
   j. Any other benefit offered to employees

   Contractor agrees that if Contractor offers any of the above-listed employee benefits, Contractor will offer those benefits, without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouses and domestic partners of such employees.

4. Contractor understands that Contractor will not be considered to be discriminating in the provision or application of employee benefits under the following conditions or circumstances:

   a. If the actual cost of providing a benefit to a domestic partner or spouse exceeds the cost of providing the same benefit to a spouse or domestic partner of an employee, Contractor will not be required to provide the benefit, nor shall it be deemed discriminatory, if Contractor requires the employee to pay the monetary difference in order to provide the benefit to the domestic partner or to the spouse.

   b. If Contractor is unable to provide a certain benefit, despite taking reasonable measures to do so, if Contractor provides the employee with a cash equivalent Contractor will not be deemed to be discriminating in the application of that benefit.

   c. If Contractor provides employee benefits neither to employee's spouses nor to employee's domestic partners.

   d. If Contractor provides employee benefits to employees on a basis unrelated to marital or domestic partner status.

   e. If Contractor submits written evidence of making reasonable efforts to end discrimination in employee benefits by implementing policies that will be enacted before the first effective date after the first open enrollment process following the date this Agreement is executed by the City of Sacramento ("City"). Contractor understands that any delay in the implementation of such

policies may not exceed one (1) year from the date this Agreement is executed by the City, and applies only to those employee benefits for which an open enrollment process is applicable.

f. Until administrative steps can be taken to incorporate nondiscrimination in employee benefits. The time allotted for these administrative steps will apply only to those employee benefits for which administrative steps are necessary and may not exceed three (3) months from the date this Agreement is executed by the City.

g. Until the expiration of a current collective bargaining agreement(s) if employee benefits are governed by such collective bargaining agreement(s).

h. Contractor takes all reasonable measures to end discrimination in employee benefits by either requesting that the union(s) involved agree to reopen the agreement(s) in order for Contractor to take whatever steps are necessary to end discrimination in employee benefits or by ending discrimination in employee benefits without reopening the collective bargaining agreement(s).

i. In the event Contractor cannot end discrimination in employee benefits despite taking all reasonable measures to do so, Contractor provides a cash equivalent to eligible employees for whom employee benefits are not available. Unless otherwise authorized in writing by the City Manager, Contractor understands this cash equivalent must begin at the time the union(s) refuse to allow the collective bargaining agreement(s) to be reopened or not longer than three (3) months after the date this Agreement is executed by the City.

5. Contractor understands that failure to comply with the provisions of Section 4(a) through 4(i), above, will subject Contractor to possible suspension and/or termination of this Agreement for cause; repayment of any or all of the Agreement amount disbursed by the City; debarment for future agreements until all penalties and restitution have been paid in full and/or for up to two (2) years; and/or the imposition of a penalty, payable to the City, in the sum of $50.00 for each employee, for each calendar day during which the employee was discriminated against in violation of the provisions of the Ordinance.

6. Contractor understands and agrees to provide notice to each current employee and, within ten (10) days of hire, to each new employee, of their rights under the Ordinance. Contractor further agrees to maintain a copy of each such letter provided, in an appropriate file for inspection by authorized representatives of the City. Contractor also agrees to prominently display a poster informing each employee of these rights.

7. Contractor understands that Contractor has the right to request a waiver of, or exemption from, the provisions of the Ordinance by submitting a written request to the City's Procurement Services Division prior to Agreement award, which request shall identify the provision(s) of the Ordinance authorizing such waiver or exemption and the factual basis for such waiver or exemption. The City shall determine in its sole discretion whether to approve any such request.

8. Contractor agrees to defend, indemnify and hold harmless, the City, its officers and employees, against any claims, actions, damages, costs (including reasonable attorney fees), or other liabilities of any kind arising from any violation of the Requirements or of the Ordinance by Contractor.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that he or she is authorized to bind the Contractor to the provisions of this Declaration.

_____ _____

Signature of Authorized Representative Date

_____

Print Name

_____

Title

EXHIBIT A

PROFESSIONAL SERVICES AGREEMENT

SCOPE OF SERVICES

1. Representatives.

The CITY Representative for this Agreement is:

Steve Quinn, Lieutenant
5770 Freeport Blvd., Sacramento, California 95822
916.874.2172

All CONTRACTOR questions pertaining to this Agreement shall be referred to the CITY Representative or the Representative's designee.

The CONTRACTOR Representative for this Agreement is:

Brad Fehnel, Director of State and Local Accounts, Digital Sandbox
8260 Greensboro Drive, Suite #200
McLean, Virginia 22102
703.673.8979; bfehnel@dsbox.com

All CITY questions pertaining to this Agreement shall be referred to the CONTRACTOR Representative. All correspondence to CONTRACTOR shall be addressed to the address set forth on page one of this Agreement. Unless otherwise provided in this Agreement, all correspondence to the CITY shall be addressed to the CITY Representative.

2. Professional Liability Insurance. Professional Liability (Errors and Omissions) insurance is __ is not **X** *[check one]* required for this Agreement. If required, such coverage must be continued for at least _____ year(s) following the completion of all Services and Additional Services under this Agreement. (See Exhibit D, Section 11, for complete insurance requirements.)

3. Conflict of Interest Requirements.

A. **Generally.** Under the California Political Reform Act, Government Code §§ 81000 et seq., designated employees of the CITY are required to comply with the CITY's Conflict of Interest Code. The term Adesignated employees@ is a term of art and includes individuals who are working for contractors who are providing services or performing work for the CITY and who are considered to be Aconsultants@ under the Political Reform Act. The term Aconsultant@ generally includes individuals who make, or participate in making, governmental decisions or who serve in a staff capacity. Individuals who perform work that is solely clerical, ministerial, manual or secretarial are not "consultants."

The CITY's Conflict of Interest Code requires designated employees, including individuals who qualify as "consultants", to file the following statements of economic interests:

(1) An "assuming office" statement of economic interests to be filed within 30 days after execution of the agreement between the City and the contractor;

(2) Annual statements of economic interests while the agreement remains in effect, to be filed not later than April 30 of each year; and

(3) A "leaving office" statement of economic interests to be filed within 30 days of completion of the contract.

The above statements of economic interests are public records subject to public disclosure under the California Public Records Act.

The CITY's Conflict of Interest Code also requires individuals who qualify as "consultants" under the Political Reform Act to comply with the conflict of interest provisions of the Political Reform Act, which generally prohibit individuals from making or participating in the making of decisions that will have a material financial effect on their economic interests.

B. **Conflict of Interest Statements.** The individual(s) who will provide services or perform work pursuant to this Agreement are "consultants" within the meaning of the Political Reform Act and the CITY's Conflict of Interest Code: ____ yes X_ no *[check one]*

If "yes" is checked above, CONTRACTOR shall cause the following to occur within 30 days after execution of this Agreement:

(1) Identify the individuals who will provide services or perform work under this Agreement as "consultants";

(2) Cause these individuals to file with the CITY Representative the Aassuming office@ statements of economic interests required by the CITY's Conflict of Interest Code.

Thereafter, throughout the term of the Agreement, CONTRACTOR shall cause these individuals to file with the CITY Representative annual statements of economic interests, and "leaving office" statements of economic interests, as required by the CITY's Conflict of Interest Code. The CITY may withhold all or a portion of any payment due under this Agreement until all required statements are filed.

4. Scope of Services.

The services provided shall be as set forth in Attachment 1 to Exhibit A, attached hereto and incorporated herein.

5. Time of Performance. The services described herein shall be provided during the period, or in accordance with the schedule, set forth in the scope of services.

EXHIBIT B

PROFESSIONAL SERVICES AGREEMENT

FEE SCHEDULE/MANNER OF PAYMENT

1. **CONTRACTOR's Compensation.** The total of all fees paid to the CONTRACTOR for the performance of all services set forth in Exhibit A, including normal revisions (hereafter the "Services"), and for all authorized Reimbursable Expenses, shall not exceed the total sum of $125,000.00**.**

2. **Billable Rates.** CONTRACTOR shall be paid for the performance of Services on an hourly rate, daily rate, flat fee, lump sum or other basis, as set forth in Attachment 1 to Exhibit B, attached hereto and incorporated herein.

3. **CONTRACTOR's Reimbursable Expenses.** Reimbursable Expenses shall be limited to actual expenditures of CONTRACTOR for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by CITY.

4. **Payments to CONTRACTOR.**

A. Payments to CONTRACTOR shall be made within a reasonable time after receipt of CONTRACTOR's invoice, said payments to be made in proportion to services performed or as otherwise specified in Attachment 1 to Exhibit B. CONTRACTOR may request payment on a monthly basis. CONTRACTOR shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of CITY.

B. All invoices submitted by CONTRACTOR shall contain the following information:

(1) Job Name
(2) Description of services billed under this invoice, and overall status of project
(3) Date of Invoice Issuance
(4) Sequential Invoice Number
(5) CITY's Purchase Order Number
(6) Total Contract Amount
(7) Amount of this Invoice (Itemize all Reimbursable Expenses)
(8) Total Billed to Date
(9) Total Remaining on Contract
(10) Updated project schedule. This shall identify those steps that shall be taken to bring the project back on schedule if it is behind schedule.

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to CONTRACTOR for correction. CITY shall not be responsible for delays in payment to CONTRACTOR resulting from CONTRACTOR's failure to comply with the invoice format described below.

D. Requests for payment shall be sent to:

8260 Greensboro Drive, Suite #200
McLean, Virginia 22102
703.673.8979
Attn: Brad Fehnel, Director of State and Local Accounts, Digital Sandbox

5. **Additional Services.** Additional Services are those services related to the scope of services of CONTRACTOR set forth in Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when a Supplemental Agreement authorizing such Additional Services is approved by CITY in accordance with CITY's Supplemental Agreement procedures. CITY reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform said Additional Services.

6. **Accounting Records of CONTRACTOR.** During performance of this Agreement and for a period of three (3) years after completing all Services and Additional Services hereunder, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's Reimbursable Expenses, in accordance with generally accepted accounting practices, and shall keep and make such records available for inspection and audit by representatives of the CITY upon reasonable written notice.

7. **Taxes.** CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payment upon request. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section 7.

EXHIBIT C

PROFESSIONAL SERVICES AGREEMENT

FACILITIES AND EQUIPMENT TO BE PROVIDED BY CITY

CITY shall [*check one*]	X	Not furnish any facilities or equipment for this Agreement; or
	____	furnish the following facilities or equipment for the Agreement; [*list, if applicable*]

EXHIBIT D
PROFESSIONAL SERVICES AGREEMENT

GENERAL PROVISIONS

1. **Independent Contractor**.

A. It is understood and agreed that CONTRACTOR (including CONTRACTOR's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither CONTRACTOR nor CONTRACTOR's assigned personnel shall be entitled to any benefits payable to employees of CITY. CITY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of this Agreement, and CONTRACTOR shall be issued a Form 1099 for its services hereunder. As an independent contractor, CONTRACTOR hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of CONTRACTOR's employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any Services under this Agreement. (As used in this Exhibit D, the term "Services" shall include both Services and Additional Services as such terms are defined elsewhere in this Agreement.)

B. It is further understood and agreed by the parties hereto that CONTRACTOR, in the performance of its obligations hereunder, is subject to the control and direction of CITY as to the designation of tasks to be performed and the results to be accomplished under this Agreement, but not as to the means, methods, or sequence used by CONTRACTOR for accomplishing such results. To the extent that CONTRACTOR obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Agreement, this use shall be at the CONTRACTOR's sole discretion based on the CONTRACTOR's determination that such use will promote CONTRACTOR's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the CITY does not require that CONTRACTOR use CITY facilities, equipment or support services or work in CITY locations in the performance of this Agreement.

C. If, in the performance of this Agreement, any third persons are employed by CONTRACTOR, such persons shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by CONTRACTOR. It is further understood and agreed that CONTRACTOR shall issue W-2 or 1099 Forms for income and employment tax purposes, for all of CONTRACTOR's assigned personnel and subcontractors.

D. The provisions of this Section 1 shall survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed to create an exclusive relationship between CITY and CONTRACTOR. CONTRACTOR may represent, perform services for, or be employed by such additional persons or companies as CONTRACTOR sees fit provided that CONTRACTOR does not violate the provisions of Section 5, below.

2. **Licenses; Permits, Etc.** CONTRACTOR represents and warrants that CONTRACTOR has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatsoever nature that are legally required for CONTRACTOR to practice its profession or provide any services under the Agreement. CONTRACTOR represents and warrants that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals that are legally required for CONTRACTOR to practice its profession or provide such Services.

3. **Time. CONTRACTOR shal**l devote such time and effort to the performance of Services pursuant to this Agreement as is necessary for the satisfactory and timely performance of CONTRACTOR's obligations under this Agreement. Neither party shall be considered in default of this Agreement, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

4. **CONTRACTOR Not Agent.** Except as CITY may specify in writing, CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to act on behalf of CITY in any capacity whatsoever as an agent. CONTRACTOR and CONTRACTOR's personnel shall have no authority, express or implied, to bind CITY to any obligations whatsoever.

5. **Conflicts of Interest.** CONTRACTOR covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, that would conflict in any manner with the interests of CITY or that would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, without the written consent of CITY. CONTRACTOR agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY at all times during the performance of this Agreement. If CONTRACTOR is or employs a former officer or employee of the CITY, CONTRACTOR and any such employee(s) shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any CITY department, board, commission or committee.

6. **Confidentiality of CITY Information.** During performance of this Agreement, CONTRACTOR may gain access to and use CITY information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special and unique assets of the CITY. CONTRACTOR agrees to protect all City Information and treat it as strictly confidential, and further agrees that CONTRACTOR shall not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. Notwithstanding the

foregoing, CONTRACTOR may use certain generic, non-specific CITY information that CONTRACTOR compiles as a result of any Services under this Agreement for the purpose of preparing and distributing statistical reports relative to security trends and data patterns so long as any such use in no way identifies the CITY or any CITY Information. In addition, CONTRACTOR shall comply with all CITY policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by CONTRACTOR of this Section 6 shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

7. CONTRACTOR Information.

A. Under this Agreement CONTRACTOR will create a risk baseline report and strategic plan (the "Custom Reports") for use by the CITY. The parties agree and understand that the form, arrangement, presentation and methods used to analyze the CITY Information within the Custom Reports has been developed and refined by the CONTRACTOR prior to the Effective Date of this Agreement and such form of Custom Reports and the methodologies underlying the Custom Report are the valuable intellectual property of the CONTRACTOR. Accordingly, the Custom Reports delivered to the CITY under this Agreement shall remain the intellectual property of Digital Sandbox, and, Customer is hereby granted a perpetual, non-exclusive, non-transferable, non-sublicenseable right to use and view the Custom Reports identified in Exhibit A, Attachment 1.

The right to use will be limited all reasonable uses as identified in this Agreement. Reasonable uses will include homeland security, risk management, and public safety purposes or any other purposes for which funds under the federal Urban Area Security Initiative grant program or other homeland security grant program may be used, as determined by the CITY. The CITY may make and distribute an unlimited number of copies and/or provide access to the Custom Reports and the information in those reports to an unlimited number of officers, employees, or agents of the CITY whom the CITY consider necessary for the purposes stated above. The CITY may share the results of the Custom Reports with other public jurisdictions and other entities supporting the CITY for the purposes stated above.

The CITY shall not make copies or provide access to the Custom Reports to third parties not authorized under this Agreement without the prior written authorization of the Contractor. The parties agree that the CONTRACTOR may take any steps it deems necessary to limit or stop release or disclosure of the Custom Reports to unauthorized third parties.

All rights in the Customized Reports (and related intellectual property rights) remain in and/or, if necessary, are hereby assigned to the CONTRACTOR; provided however, that CITY shall retain ownership of any information or property provided by the CITY, including the CITY Information, that may be incorporated into the Customized Reports and CONTRACTOR shall have no ownership rights in such information or property. CONTRACTOR shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by CITY.

B. CONTRACTOR shall fully defend, indemnify and hold harmless CITY, its officers and employees, and each and every one of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information

prepared, produced, or provided by CONTRACTOR pursuant to this Agreement infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. CITY shall make reasonable efforts to notify CONTRACTOR not later than ten (10) days after CITY is served with any such claim, action, lawsuit or other proceeding, provided that CITY's failure to provide such notice within such time period shall not relieve CONTRACTOR of its obligations hereunder, which shall survive any termination or expiration of this Agreement.

C. All proprietary and other information received from CONTRACTOR by CITY, whether received in connection with CONTRACTOR's proposal to CITY or in connection with any Services performed by CONTRACTOR, will be disclosed upon receipt of a request for disclosure, pursuant to the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to CITY, CITY shall give notice to CONTRACTOR of any request for the disclosure of such information. The CONTRACTOR shall then have five (5) days from the date it receives such notice to enter into an agreement with the CITY, satisfactory to the City Attorney, providing for the defense of, and complete indemnification and reimbursement for all costs (including plaintiff's attorney fees) incurred by CITY in any legal action to compel the disclosure of such information under the California Public Records Act. The CONTRACTOR shall have sole responsibility for defense of the actual "trade secret" designation of such information.

D. The parties understand and agree that any failure by CONTRACTOR to respond to the notice provided by CITY and/or to enter into an agreement with CITY, in accordance with the provisions of subsection C, above, shall constitute a complete waiver by CONTRACTOR of any rights regarding the information designated "trade secret" by CONTRACTOR, and such information shall be disclosed by CITY pursuant to applicable procedures required by the Public Records Act.

8. Standard of Performance. CONTRACTOR shall perform all Services required pursuant to this Agreement in the manner and according to the standards currently observed by a competent practitioner of CONTRACTOR's profession in California. All products of whatsoever nature that CONTRACTOR delivers to CITY pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in CONTRACTOR's profession, and shall be provided in accordance with any schedule of performance specified in Exhibit A.

CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT, WITH RESPECT TO THE SERVICES AND THE PRE-EXISTING WORKS. CITY ACKNOWLEDGES AND AGREES THAT THE SERVICES AND ARE DESIGNED TO BE TOOLS TO ASSIST IT IN EVALUATING VULNERABILITIES, THREATS AND RISKS TO ITS ASSETS, INFRASTRUCTURE AND SYSTEMS. CONTRACTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY, ADEQUACY, TIMELINESS OR COMPLETENESS OF ANY OF THE SERVICES OR THAT THE SERVICES WILL OPERATE ERROR FREE OR UNINTERRUPTED OR WILL ACCURATELY PREDICT OR IDENTIFY ALL VULNERABILITIES, THREATS OR THE RISK EXPOSURE OF CITY'S ASSETS, INFRASTRUCTURE OR SYSTEMS OR PROPERLY CHARACTERIZE THE SEVERITY OF SUCH VULNERABILITY, THREAT OR RISK. CITY IS SOLELY RESPONSIBLE AND LIABLE FOR VERIFYING THE SECURITY, ACCURACY AND

ADEQUACY OF ANY OUTPUT FROM THE SERVICES, AND FOR ANY RELIANCE THEREON.

CONTRACTOR shall assign only competent personnel to perform Services pursuant to this Agreement. CONTRACTOR shall notify CITY in writing of any changes in CONTRACTOR's staff assigned to perform the Services required under this Agreement, prior to any such performance. In the event that CITY, at any time during the term of this Agreement, desires the removal of any person assigned by CONTRACTOR to perform Services pursuant to this Agreement, because CITY, in its sole discretion, determines that such person is not performing in accordance with the standards required herein, CONTRACTOR shall remove such person immediately upon receiving notice from CITY of the desire of CITY for the removal of such person.

9. Term; Suspension; Termination.

A. This Agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the Agreement, and shall continue in effect until both parties have fully performed their respective obligations under this Agreement, unless sooner terminated as provided herein.

B. CITY shall have the right at any time to temporarily suspend CONTRACTOR's performance hereunder, in whole or in part, by giving a written notice of suspension to CONTRACTOR. If CITY gives such notice of suspension, CONTRACTOR shall immediately suspend its activities under this Agreement, as specified in such notice.

C. CITY shall have the right to terminate this Agreement at any time by giving a written notice of termination to CONTRACTOR. If CITY gives such notice of termination, CONTRACTOR shall immediately cease rendering Services pursuant to this Agreement. If CITY terminates this Agreement:

(1) CONTRACTOR shall, not later than five days after such notice of termination, deliver to CITY copies of all information prepared pursuant to this Agreement.

(2) CITY shall pay CONTRACTOR the reasonable value of Services rendered by CONTRACTOR prior to termination; provided, however, CITY shall not in any manner be liable for lost profits that might have been made by CONTRACTOR had the Agreement not been terminated or had CONTRACTOR completed the Services required by this Agreement. In this regard, CONTRACTOR shall furnish to CITY such financial information as in the judgment of the CITY is necessary for CITY to determine the reasonable value of the Services rendered by CONTRACTOR. The foregoing is cumulative and does not affect any right or remedy that CITY may have in law or equity.

10. Indemnity.

Indemnity: CONTRACTOR shall defend, hold harmless and indemnify CITY, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees and/or costs reasonably

incurred by CITY's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Agreement by CONTRACTOR, any sub-consultant, subcontractor or agent, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of CITY, its agents, servants, or independent contractors who are directly responsible to CITY, except when such agents, servants, or independent contractors are under the direct supervision and control of CONTRACTOR.

A. Insurance Policies; Intellectual Property Claims: The existence or acceptance by CITY of any of the insurance policies or coverages described in this Agreement shall not affect or limit any of CITY's rights under this Section 10, nor shall the limits of such insurance limit the liability of CONTRACTOR hereunder. This Section 10 shall not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of Section 7.B., above. The provisions of this Section 10 shall survive any expiration or termination of this Agreement.

11. Insurance Requirements. During the entire term of this Agreement, CONTRACTOR shall maintain the insurance coverage described in this Section 11.

Full compensation for all premiums that CONTRACTOR is required to pay for the insurance coverage described herein shall be included in the compensation specified for the Services provided by CONTRACTOR under this Agreement. No additional compensation will be provided for CONTRACTOR's insurance premiums.

It is understood and agreed by the CONTRACTOR that its liability to the CITY shall not in any way be limited to or affected by the amount of insurance coverage required or carried by the CONTRACTOR in connection with this Agreement.

A. Minimum Scope & Limits of Insurance Coverage

(1) Commercial General Liability Insurance, providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

(2) Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide

coverage for owned, non-owned and/or hired autos as appropriate to the operations of the CONTRACTOR.

No automobile liability insurance shall be required if CONTRACTOR completes the following certification:

> "I certify that a motor vehicle will not be used in the performance of any work or services under this agreement." _____ (CONTRACTOR initials)

(3) Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Worker's Compensation policy shall include a waiver of subrogation for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

> _____ Workers' Compensation waiver of subrogation in favor of the City is required for all work performed by the CONTRACTOR.

No Workers' Compensation insurance shall be required if CONTRACTOR completes the following certification:

> "I certify that my business has no employees, and that I do not employ anyone. I am exempt from the legal requirements to provide Workers' Compensation insurance." _____ (CONTRACTOR initials)

(4) Professional Liability Insurance providing coverage on a claims made basis for errors, omissions or malpractice with limits of not less than one million ($1,000,000) dollars if required by the CITY under Exhibit A, Section 2.

B. Additional Insured Coverage

(1) Commercial General Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of activities performed by or on behalf of CONTRACTOR, products and completed operations of CONTRACTOR, and premises owned, leased or used by CONTRACTOR. The general liability additional insured endorsement must be signed by an authorized representative of the insurance carrier for contracts involving construction or maintenance, or if required by the CITY by selecting the option below:

> _____ Additional insured endorsement must be signed by an authorized representative of the insurance carrier.

If the policy includes a blanket additional insured endorsement or contractual additional insured coverage, the above signature requirement may be fulfilled by submitting that document with a signed declaration page referencing the blanket endorsement or policy form.

(2) Automobile Liability Insurance: The CITY, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

C. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

(1) Except for professional liability, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officials, employees and volunteers. Any insurance or self-insurance maintained by CITY, its officials, employees or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

(2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to CITY, its officials, employees or volunteers.

(3) Coverage shall state that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) CITY will be provided with thirty (30) days written notice of cancellation or material change in the policy language or terms.

D. Acceptability of Insurance

Insurance shall be placed with insurers with a Bests' rating of not less than A:V. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Section 11 must be declared to and approved by the CITY Risk Management Division in writing prior to execution of this Agreement.

E. Verification of Coverage

(1) CONTRACTOR shall furnish CITY with certificates and required endorsements evidencing the insurance required. The certificates and endorsements shall be forwarded to the CITY representative named in Exhibit A. Copies of policies shall be delivered to the CITY on demand. Certificates of insurance shall be signed by an authorized representative of the insurance carrier.

(2) The CITY may withdraw its offer of contract or cancel this Agreement if the certificates of insurance and endorsements required have not been provided prior to execution of this Agreement. The CITY may withhold payments to CONTRACTOR and/or cancel the Agreement if the insurance is canceled or CONTRACTOR otherwise ceases to be insured as required herein.

F. Subcontractors

CONTRACTOR shall require and verify that all sub-consultants and subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance

coverage specified in subsection A, above.

12. Equal Employment Opportunity. During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

A. Compliance With Regulations: CONTRACTOR shall comply with the Executive Order 11246 entitled "Equal Opportunity in Federal Employment", as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations".

B. Nondiscrimination: CONTRACTOR, with regards to the work performed by it after award and prior to completion of the work pursuant to this Agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. CONTRACTOR shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by CONTRACTOR for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by CONTRACTOR of CONTRACTOR's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.

D. Information and Reports: CONTRACTOR shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the CITY to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of CONTRACTOR is in the exclusive possession of another who fails or refuses to furnish this information, CONTRACTOR shall so certify to the CITY, and shall set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of noncompliance by CONTRACTOR with the nondiscrimination provisions of this Agreement, the CITY shall impose such sanctions as it may determine to be appropriate including, but not limited to:

(1) Withholding of payments to CONTRACTOR under this Agreement until CONTRACTOR complies;

(2) Cancellation, termination, or suspension of the Agreement, in whole or in part.

F. Incorporation of Provisions: CONTRACTOR shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. CONTRACTOR shall take such action with respect to any subcontract or procurement as the CITY may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event

CONTRACTOR becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, CONTRACTOR may request CITY to enter such litigation to protect the interests of CITY.

13. Entire Agreement. This document, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement shall be valid unless approved in writing by CONTRACTOR, and by CITY, in accordance with applicable provisions of the Sacramento City Code.

14. Severability. If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

15. Waiver. Neither CITY acceptance of, or payment for, any Service or Additional Service performed by CONTRACTOR, nor any waiver by either party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

16. Enforcement of Agreement. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

17. Assignment Prohibited. The expertise and experience of CONTRACTOR are material considerations for this Agreement. CITY has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on CONTRACTOR under this Agreement. In recognition of this interest, CONTRACTOR shall not assign any right or obligation pursuant to this Agreement without the written consent of the CITY. Any attempted or purported assignment without CITY's written consent shall be void and of no effect.

18. Binding Effect. This Agreement shall be binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 17, above.

19. Use Tax Requirements. During the performance of this Agreement, CONTRACTOR, for itself, its assignees and successors in interest, agrees as follows:

A. Use Tax Direct Payment Permit: For all leases and purchases of materials, equipment, supplies, or other tangible personal property used to perform the Agreement and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit from the California State Board of Equalization ("SBE") in accordance with the applicable SBE criteria and requirements.

B. Sellers Permit: For any construction contract and any construction subcontract in the amount of $5,000,000 or more, Contractor and the subcontractor(s) shall obtain sellers permits from the SBE and shall register the jobsite as the place of business for the

purpose of allocating local sales and use tax to the City. Contractor and its subcontractors shall remit the self-accrued use tax to the SBE, and shall provide a copy of each remittance to the City.

C. The above provisions shall apply in all instances unless prohibited by the funding source for the Agreement.

EXHIBIT E

REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento City Code Chapter 3.54, prohibits City contractors from discriminating in the provision of employee benefits between employees with spouses and employees with domestic partners, and between the spouses and domestic partners of employees.

APPLICATION

The provisions of the Ordinance apply to any contract or agreement (as defined below), between a Contractor and the City of Sacramento, in an amount exceeding $25,000.00. The Ordinance applies to that portion of a contractor's operations that occur: (i) within the City of Sacramento; (ii) on real property outside the City of Sacramento if the property is owned by the City or if the City has a right to occupy the property; or (iii) at any location where a significant amount of work related to a City contract is being performed.

The Ordinance does not apply: to subcontractors or subcontracts of any Contractor or contractors; to transactions entered into pursuant to cooperative purchasing agreements approved by the Sacramento City Council; to legal contracts of other governmental jurisdictions or public agencies without separate competitive bidding by the City; where the requirements of the ordinance will violate or are inconsistent with the terms or conditions of a grant, subvention or agreement with a public agency or the instructions of an authorized representative of any such agency with respect to any such grant, subvention or agreement; to permits for excavation or street construction; or to agreements for the use of City right-of-way where a contracting utility has the power of eminent domain.

DEFINITIONS

As set forth in the Ordinance, the following definitions apply:

"Contract" means an agreement for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided, at the expense of the City or to be paid out of moneys deposited in the treasury or out of the trust money under the control or collected by the City. "Contract" also means a written agreement for the exclusive use ("exclusive use" means the right to use or occupy real property to the exclusion of others, other than the right reserved by the fee owner) or occupancy of real property for a term exceeding 29 days in any calendar year, whether by singular or cumulative instrument, (i) for the operation or use by others of real property owned or controlled by the City for the operation of a business, social, or other establishment or organization, including leases, concessions, franchises and easements, or (ii) for the City's use or occupancy of real property owned by others, including leases, concessions, franchises and easements.

"Contract" shall not include: a revocable at-will use or encroachment permit for the use of or encroachment on City property regardless of the ultimate duration of such permit; excavation, street construction or street use permits; agreements for the use of City right-of-way where a contracting utility has the power of eminent domain; or agreements governing the use of City property that constitute a public forum for activities that are primarily for the purpose of espousing or advocating causes or ideas

and that are generally protected by the First Amendment to the United States Constitution or that are primarily recreational in nature.

"Contractor" means any person or persons, firm partnership or corporation, company, or combination thereof, that enters into a Contract with the City. "Contractor" does not include a public entity.

"Domestic Partner" means any person who has a currently registered domestic partnership with a governmental entity pursuant to state or local law authorizing the registration.

"Employee Benefits" means bereavement leave; disability, life, and other types of insurance; family medical leave; health benefits; membership or membership discounts; moving expenses; pension and retirement benefits; vacation; travel benefits; and any other benefit given to employees. "Employee benefits" shall not include benefits to the extent that the application of the requirements of this chapter to such benefits may be preempted by federal or state.

CONTRACTOR'S OBLIGATION TO PROVIDE THE CITY WITH DOCUMENTATION AND INFORMATION

Contractor shall provide the City with documentation and information verifying its compliance with the requirements of the Ordinance within ten (10) days of receipt of a request from the City. Contractors shall keep accurate payroll records, showing, for each City Contract, the employee's name, address, Social Security number, work classification, straight time pay rate, overtime pay rate, overtime hours worked, status and exemptions, and benefits for each day and pay period that the employee works on the City Contract. Each request for payroll records shall be accompanied by an affidavit to be completed and returned by the Contractor, as stated, attesting that the information contained in the payroll records is true and correct, and that the Contractor has complied with the requirements of the Ordinance. A violation of the Ordinance or noncompliance with the requirements of the Ordinance shall constitute a breach of contract.

EMPLOYER COMPLIANCE CERTIFICATE AND NOTICE REQUIREMENTS

(a) All contractors seeking a Contract subject to the Ordinance shall submit a completed Declaration of Compliance Form, signed by an authorized representative, with each proposal, bid or application. The Declaration of Compliance shall be made a part of the executed contract, and will be made available for public inspection and copying during regular business hours.

(b) The Contractor shall give each existing employee working directing on a City contract, and (at the time of hire), each new employee, a copy of the notification provided as Attachment "A."

(c) Contractor shall post, in a place visible to all employees, a copy of the notice provided as Attachment "B."

Attachment A

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

On …….. (date), your employer (the "Employer") entered into a contract with the City of Sacramento (the "City") for …….. (contract details), and as a condition of that contract, agreed to abide by the requirements of the City's Non-Discrimination In Employee Benefits Code (Sacramento City Code Section 3.54).

The Ordinance does not require the Employer to provide employee benefits. The Ordinance does require that if certain employee benefits are provided by the Employer, that those benefits be provided without discrimination between employees with spouses and employees with domestic partners, and without discrimination between the spouse or domestic partner of employees.

The Ordinance covers any employee working on the specific contract referenced above, but only for the period of time while those employees are actually working on this specific contract.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

(Employee Benefits does not include benefits that may be preempted by federal or state law.)

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, or in the application of these employee benefits, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of the Ordinance, and after having exhausted all remedies with your employer,

You May . . .

- Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

  City of Sacramento
  Procurement Services Division
  5730 24th Street, Bldg. 1
  Sacramento, CA 95822

- Bring an action in the appropriate division of the Superior Court of the State of California against the Employer and obtain the following remedies:

  - Reinstatement, injunctive relief, compensatory damages and punitive damages

  - Reasonable attorney's fees and costs

Attachment B

YOUR RIGHTS UNDER THE CITY OF SACRAMENTO'S NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE

If your employer provides employee benefits, they must be provided to those employees working on a City of Sacramento contract without discriminating between employees with spouses and employees with domestic partners.

The included employee benefits are:

- Bereavement leave
- Disability, life and other types of insurance
- Family medical leave
- Health benefits
- Membership or membership discounts
- Moving expenses
- Pension and retirement benefits
- Vacation
- Travel benefits
- Any other benefits given to employees

If you feel you have been discriminated against by your employer . . .

You May . . .

○ Submit a written complaint to the City of Sacramento, Contract Services Unit, containing the details of the alleged violation. The address is:

City of Sacramento
Procurement Services Division
5730 24th Street, Bldg. 1
Sacramento, CA 95822

○ Bring an action in the appropriate division of the Superior Court of the State of California against the employer and obtain reinstatement, injunctive relief, compensatory damages, punitive damages and reasonable attorney's fees and costs.

Discrimination and Retaliation Prohibited.

If you feel you have been discriminated or retaliated against by your employer in the terms and conditions of your application for employment, or in your employment, because of your status as an applicant or as an employee protected by the Ordinance, or because you reported a violation of this Ordinance . . .

You May Also . . .

Submit a written complaint to the City of Sacramento, Contract Services Unit, at the same address, containing the details of the alleged violation.

Attachment 1 to Exhibit A – Statement of Work Summary

The Sacramento Urban Area Security Initiative (UASI) seeks to enhance its current urban area homeland security strategy by developing a consolidated catalog of regional Critical Infrastructure and Key Resources (CIKR) and a baseline assessment of risk to help drive a homeland security strategic plan to enhance preparedness and security across the entire region. At the conclusion of this project, which is estimated to take six months, the Digital Sandbox, Inc. Team will deliver the following:

- Deliverable 1 - Risk Baseline Analysis Report
- Deliverable 2 – Homeland Security Strategic Plan

To develop the Risk Baseline Analysis Report, Digital Sandbox, Inc. will complete the following tasks:

Task 1: Conduct Project Briefing & Review of Sacramento Plans and Documentation

To initiate the project, Digital Sandbox, Inc. will conduct a project briefing for Sacramento Urban Area stakeholders to present the goals and objectives of the project.

Task 2: Prepare CIKR List

Using an input form provided by Digital Sandbox, Inc.,the Sacramento UASI will provide CIKR data directly to Digital Sandbox, Inc.

Task 3: Refine Risk Inputs

Through an onsite Vulnerability and Consequence Assessment workshop and follow on discussion, the Digital Sandbox, Inc. Team will work closely with Sacramento stakeholders to refine the risk inputs that drive the analysis

Task 4: Provide final Risk Baseline Report and Outbriefing

A preliminary Risk Analysis Report will be presented to key stakeholders to ensure local expert input is factored into the final analysis. After receiving input to incorporate into the analysis, Digital Sandbox Inc. will provide the final Risk Analysis Report.

To develop the Homeland Security Strategic Plan, the Digital Sandbox, Inc. Team will complete the following tasks:

Task 1: Homeland Security Strategy

The Digital Sandbox, Inc. Team will design a strategy blueprint with the Sacramento UASI that meets all the Department of Homeland Security (DHS) strategy guidelines, including the 2005 DHS Guidance on Aligning Strategies with the National Preparedness Goal; the National Preparedness Goal/National Preparedness Guidelines; Homeland Security Presidential Directives No. 5 (NIMS/NRF), No. 7 (NIPP) and No. 8 (National Preparedness Goal), etc. The Digital Sandbox, Inc. Team will use its subject matter expertise and experience in aligning strategies and investments to develop a strategy for the Sacramento that serves as a clear guide for resource allocation and Homeland Security strategy formulation.

Task 2: Strategy Outline & Approach

Consistent with DHS guidance, the Digital Sandbox, Inc. Team will deliver a Homeland Security strategy that will lay out the region's complete homeland security program, including:

1. Purpose

2. Vision
3. Focus/Mission
4. Coordination/UASI Structure
5. Jurisdiction Description and Risk Overview
6. Goals and Objectives
7. Management and Investment Justifications
8. Metrics and Evaluation
9. Sustainment

Task 3: Incorporating the Risk Analysis
The strategy will be based on the developed risk baseline analysis (Deliverable 1) and will outline the specific resource capabilities that must be developed or enhanced to reduce risk.

Task 4: Setting Goals & Objectives
Based upon the risk analysis, the core of the strategy will outline a series of goals and objectives designed to reduce risk through enhanced capabilities. Those goals and objectives will be based on alignment with the National Homeland Security Priorities, State of California Priorities and capabilities from the DHS Target Capabilities List.

Task 5: Implementation & Investment Justifications
The Homeland Security strategy will also cover topics such as grants administration/investment justifications and overall human capital investments that will be needed to fully and effectively implement the UASI regional strategy. This will include assigning a program manager or group of managers depending on the strategic goal as the lead entity responsible for overseeing implementation of that strategic goal.

Task 6: Metrics & Evaluation
The strategy will outline a vision to track and measure the effectiveness of investments in order to provide policy makers with Homeland Security risk assessment and three-year strategic plan.

Professional Services Budget

Attachment 1 to Exhibit B

Deliverable	Task Descriptions	Pricing	Invoicing Schedule

Risk Baseline Analysis	• Task 1 - Project Briefing
	• Task 2 – Prepare Initial CIKR List
	• Task 3 – Refine Risk Inputs
	  ○ Vulnerability and Consequence Assessment
	• Task 3 – Outputs
	  ○ Risk Analysis Report
	  ○ On-site Briefing
	• Other Deliverables/Costs (ODCs)
	  ○ Travel (3 trips)
	  ▪ Project Briefing (1 person)
	  ▪ Assessment (2 people)
	  ▪ Out-brief (1 person)
		$75,000	Upon Completion:
			Estimated at 3 Months

Strategic Plan	• Task 1 – Homeland Security Strategy
	• Task 2 – Strategy Outline & Approach
	• Task 3 – Incorporate Risk Analysis
	• Task 4 – Setting Goals and Objectives
	• Task 5 – Implementation & Investment Justifications
	• Task 6 – Metrics & Evaluation
	• Final Three Year Strategic Plan
	• Other Deliverables/Costs (ODCs)
	  ○ Travel (2 trips)
	  ▪ Project Briefing (1 person)
	  ▪ Out-brief (1 person)
		$50,000	Upon Completion:
			Estimated at 3 Months

Grand Total		**$125,000**	**Total Project (Estimated at 6 Months)**

Budgeted tasks are further clarified in Agreement Proposal Attachment 1 to Exhibit A

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RISK ANALYSIS AND THREE-YEAR STRATEGIC PLAN

PROPOSAL

FOR THE:

SACRAMENTO URBAN AREA SECURITY INITIATIVE

JANUARY 5, 2010

Proposal Submitted by:

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Executive Overview

The Sacramento Urban Area Security Initiative (UASI) seeks to enhance its current urban area homeland security strategy by developing a consolidated catalog of regional CIKR and a baseline assessment of risk, the results of which will help drive a homeland security strategic plan to enhance preparedness and security across the entire region. The Digital Sandbox/Filler Security Strategies Team (DSB/FSS Team) has the unique knowledge and experience necessary to assist the Sacramento UASI in achieving this critical goal. The DSB/FSS Team is made up of nationally recognized experts in the field of homeland security planning and risk management, whose experience includes assisting in the creation of the UASI grant program and the risk formulas used to drive it.

Three components that will drive the risk analysis are threat, vulnerability, and consequence. Each component will be analyzed, as it applies to the critical infrastructure and population within the Sacramento UASI. The culmination of this data will then be used to determine goals and objectives that will inform homeland security priorities and investments within a three-year strategic plan for the Sacramento UASI.

The DSB/FSS Team has supported other urban areas in California on risk-based planning initiatives such as Long Beach, Bay Area, and San Diego UASIs and continues to support CalEMA, FEMA, maritime ports, and mass transit entities throughout the State and across the nation on planning, investment justifications, and other related homeland security issues. This experience will ensure that the Sacramento UASI's efforts under this proposal are linked to State and federal level initiatives, which will further enhance the UASI's standing in the competition for limited homeland security funds.

Purpose

The purpose of conducting a risk baseline analysis and homeland security strategic plan is to ensure that the Sacramento UASI has a single, data driven document that outlines the UASI's risks, vision, goals, and objectives for homeland security over a three-year period. Having such a document will ensure the Sacramento UASI is in the best possible position to clearly articulate its risk environment and needs to the State of California and DHS when seeking funding to reduce that risk and satisfy those needs.

Summary of Scope

This proposal will include two primary deliverables:

- **Deliverable 1 - Risk Baseline Analysis** – Establish a current baseline understanding of risk for the Sacramento UASI
- **Deliverable 2 - Strategic Plan** – Develop a comprehensive three-year security plan for the Sacramento UASI based on risk

The tasks will be performed by subject matter experts in the field of risk management, risk assessment and homeland security planning. The project will be led by a project coordinator, Mr. Joshua Filler of FSS. A summary of Mr. Filler's qualifications and resume are attached as an appendix to this proposal.

Analytic Approach

Digital Sandbox has developed the Risk Analysis Center (RAC) software platform to help State and local public safety managers understand and manage their jurisdiction's risk. The analytic capabilities within the RAC will be utilized by the DSB/FSS Team to develop the outputs for the Sacramento UASI risk analyses. As illustrated in Figure 1, the RAC platform will support: data collection (inputs), performing analysis (through the analytic framework), and returning results that help inform planning and operations (outputs).

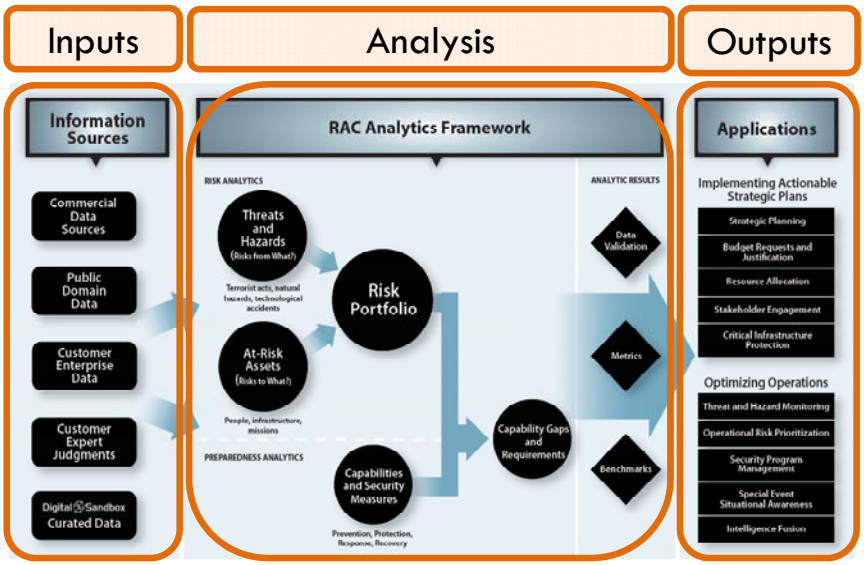

Figure 1: The Risk Analysis Center (RAC) analytic method will be leveraged to perform risk analysis for the Sacramento UASI.

Scope of Work

Deliverable 1 – Risk Baseline Analysis

Task 1 – Conduct Project Briefing and Review of Sacramento Plans and Documentation

To initiate the project, the DSB/FSS Team will conduct a project briefing for Sacramento UASI stakeholders where the team will present the goals and objectives of the project, which will include:

- Presentation of project plan, project timeline, and staffing plans to describe the comprehensive effort, roles, and provide transparency and oversight into the process.
- Description of individual process steps and associated timelines to set expectations for each milestone task.

Task 2 – Inputs

2.1 Prepare Initial CIKR List

The Sacramento UASI will provide Critical Infrastructure Key Resource (CIKR) data directly to Digital Sandbox. Digital Sandbox will combine the provided data into a structured, catalog of asset data. To ensure that data is accurate, analysts will vet and validate the data collected, as well as engage local stakeholder input to further refine the asset information.

2.2 Refine Risk Inputs

Through an onsite Vulnerability and Consequence Assessment (VHEMP) workshop and follow-on discussion, the Digital Sandbox Team will work closely with Sacramento stakeholders to refine the risk inputs that drive the analysis.

The Vulnerability and Consequence Assessment workshop is a critical component of the risk assessment process as it collects direct input from the individuals that are most familiar with the unique factors that influence risk in Sacramento UASI. The process used is designed to make the most efficient use of limited time and resources, without compromising the ability to obtain an expert perspective.

As asset data (asset name, address, sector, sub-sector, and geographic coordinates) are cataloged and the Threat and Hazard baseline is applied, Digital Sandbox will obtain a more localized understanding of vulnerability and consequence risk factors against the collected assets. The DSB/FSS team, staffed by former Homeland Security and Emergency Management professionals, will conduct a two-day, on-site VHEMP workshop with local subject matter experts (SMEs).

Expert inputs from the VHEMP workshop will be captured in the VHEMP Assessment Tool. Our team will use this structured application to capture threat and hazard scenario-based vulnerability and consequence information provided by SMEs.

Focusing on a priority set of assets, SMEs will use the tool to answer a short series of questions with respect to asset vulnerability (the likelihood of succumbing to a threat or hazard) and asset consequence (the measure of human, economic, mission, and psychological impact). The information obtained from this workshop will be utilized to produce the final risk assessment report.

Task 3 – Outputs

3.1 Final Risk Analysis Report and Briefing

A preliminary Risk Analysis Report will be presented to key stakeholders to ensure local expert input is factored into the final analysis. After receiving input to incorporate into the analysis, our team will provide the final Risk Analysis Report. This report will contain the following elements:

Risk Context

- The risk context provides an overview of high profile infrastructure in the region and the impacts this infrastructure has on the region. This context will demonstrate what makes the region unique with respect to hazards.

Threat Likelihood Risk Profile

- This summary will provide a regional interpretation of which threats and hazards incur the most risk to the jurisdiction as well as which are most likely to occur.

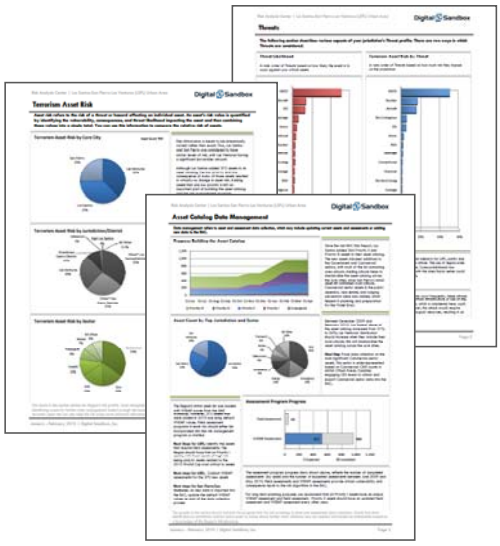

Figure 2: Sample risk findings generated by the Risk Baseline Analysis.

Terrorism Threat Scenarios by Sector

- This summary will examine risk to sectors with respect to threats/hazards to confirm the drivers behind high risk scenarios in the region.

Risk Analysis

- Provides both graphical views of risk-based prioritization and narrative findings at the asset level as well as by sector, sub-sector, and jurisdiction (county, regional). The influence of threats and hazards on risk will also be examined.

Next Steps

- The final element of the Risk Analysis Report will identify opportunities for enhancing preparedness resources by pulling together key findings based on a holistic interpretation of the analysis of risk. The DSB/FSS team of risk analysts will develop a series of conclusions and recommendations regarding the overall risk environment for the Sacramento Region. The conclusions provide meaningful insight into the region's risk environment, in a manner that will support the three year homeland security strategy and inform follow-on investment justifications and resource allocations. The DSB/FSS team will present a detailed assessment of where risks are most prevalent and have the most impact to the Sacramento UASI. The final analysis will also contain summary findings and recommendations on strategic actions that will be used in the development of the three-year strategic security plan for the Sacramento UASI.

  Lastly, the DSB/FSS Team will identify the steps needed to leverage this engagement in order to keep the Sacramento UASI's risk profile current. This will include a path to turn this baseline analysis from a snapshot in time into an enduring risk management capability that will improve, grow, and remain relevant over time.

Deliverable 2 – Strategic Plan

Task 1 – Homeland Security Strategy

The Sacramento homeland security strategy will lay out the region's homeland security program including its goals and objectives across the four homeland security mission areas of prevention, protection, response and recovery. The DSB/FSS Team will design a strategy blueprint with the Sacramento UASI that meets all the DHS strategy guidelines, including the 2005 DHS Guidance on Aligning Strategies with the National Preparedness Goal; the National Preparedness Goal/National Preparedness Guidelines; Homeland Security Presidential Directives No. 5 (NIMS/NRF), No. 7 (NIPP) and No. 8 (National Preparedness Goal), etc. Our team is intimately familiar with these standards and documents through our work helping develop their creation and our support of other urban areas and states in their implementation. The DSB/FSS Team will utilize our expertise in aligning strategies and investments to develop a strategy for the Sacramento UASI that serves as a clear guide for investment justification authors during the DHS grant process.

Task 2 - Strategy Outline and Approach

Consistent with DHS and regional guidance, the DSB/FSS Team will deliver a homeland security strategy that will lay out the region's complete homeland security program, including:

1. Purpose
2. Vision
3. Focus/Mission
4. Coordination/UASI Structure
5. Jurisdiction Description and Risk Overview
6. Goals and Objectives
7. Management and Investment Justifications
8. Metrics and Evaluation
9. Sustainment

Task 3 – Incorporating the Risk Analysis

The strategy will be based upon the developed risk baseline analysis and capabilities assessment and will outline the specific capabilities that must be developed or enhanced to reduce risk, whether from threats, acts of terrorism, natural disasters, or human-generated accidents. These risks will be outlined through a series of scenarios, such as the National Planning Scenarios as developed by DHS, to include vehicle borne improvised explosive device attacks against critical infrastructure, anthrax attacks, earthquakes, chemical spills, etc.

The need for having risk information drive the strategy is critical as DHS requires the use of risk to inform program effectiveness and drive its grant allocations. DHS will continue to demand that urban areas do the same with increasing specificity when asking for federal grant money. The DSB/FSS Team will utilize its nationally recognized expertise in this area to help the Sacramento UASI develop a strategy that outlines its risks, and explains how the UASI can prioritize investments by risk, and how it will specifically buy it down, thus allowing the Sacramento UASI to maintain a competitive edge in seeking DHS funds.

Task 4 – Setting Goals and Objectives

Based upon the risk analysis, the core of the strategy will outline a series of goals and objectives designed to reduce risk through enhanced capabilities. Those goals and objectives will be based on alignment with the National Homeland Security Priorities, State of California Priorities and capabilities from the Target Capabilities List. For example, consistent with the 2005 DHS Guidance on Aligning Strategies with the National Preparedness Goal, each strategic goal will seek to align with one of the seven National Priorities (or State priority from the state strategy or state preparedness report), with each objective under that goal seeking to align with a specific capability or set of capabilities from the TCL depending on the topic.

Prioritization of goals and objectives will be based on the risk analysis and Sacramento SMEs input through a series of meetings and workshops. These meetings and workshops will be conducted by the DSB/ FSS Team with the Sacramento UASI management team and its project managers, with additional input as necessary. These facilitated meetings will also provide a forum for local SMEs to provide key input in determining what activities must be undertaken by the Sacramento UASI to achieve the goals and make up the objectives in order to reduce risk and enhance capabilities. This effort will include a review of training and exercise programs, medical and public health programs, critical infrastructure protection programs, intelligence, information sharing and counter-terrorism programs, procurement of CBRNE equipment, citizen preparedness programs etc.

Each strategic goal or set of goals will be the equivalent of an investment justification topic, e.g., Strengthen Information Sharing and Collaboration Capabilities, while the objectives under that goal, e.g., Enhance Intelligence/Information Sharing and Dissemination, will drive the projects to be funded within that investment justification in order to enhance capabilities needed to buy down associated risk. This proven model for strategic planning has been used by the DSB/FSS Team for the State of California, which helped drive the State to its highest ever investment justification score in FY 2008 resulting in more funding for California than in FY 2007 despite fewer dollars being available.

The DSB/FSS Team will ensure that the goals and objectives also align as much as possible with the California State Homeland Security Strategy and State Preparedness Report both of which our Team had direct involvement in the development. This will ensure that as the Sacramento UASI strategy drives its investment justifications, national peer reviewers will see a holistic preparedness picture that links the Sacramento UASI not only to its risk and needs, but to the State's overall homeland security program. This too will place the Sacramento UASI at a competitive advantage in the DHS investment justification process.

Task 5 – Implementation and Investment Justifications

In addition to outlining the vision for achieving traditional homeland security capabilities under the four mission areas of prevention, protection, response and recovery to buy down risk in the Sacramento UASI, the strategy will also cover topics such as grants administration, investment justifications, and overall human capital investments that will be needed to fully and effectively implement the strategy. This will include assigning a program manager or group of managers depending on the strategic goal as the lead entity responsible for overseeing implementation of that strategic goal.

The DSB/FSS Team has learned that the best strategy cannot be implemented if the infrastructure, process, and resources to execute it are not available. Based upon our vast experience in working in California,

and our knowledge of the Sacramento UASI's management team, our the DSB/FSS Team will build on the Sacramento UASI's management structure and work with its management team to enhance and solidify a clear plan for the investment justification process so as to ensure alignment directly with the State's efforts.

Task 6 - Metrics and Evaluation

The strategy will outline a vision to track and measure the effectiveness of investments in order to provide policy makers with a better understanding of where the Sacramento UASI is and where it needs to go in implementing its homeland security strategy. The strategy is a living document and will require annual updates followed by a three-year in depth review and analysis. This process will not only support the Sacramento UASI's local planning and investment needs, but, similar to the Sacramento CBRNE gap analysis and plan, will also further link the Sacramento UASI's efforts to the State, particularly the State Metric's project, which seeks to better understand the placement and levels of capability across California.

To report to the Sacramento UASI Approval Authority, the State of California, DHS and the people of the Sacramento UASI on how the urban area is meeting its homeland security goals and objectives, the DSB/FSS Team will outline within the strategy the vision and outline for a preparedness report as a future companion to the homeland security strategy. This preparedness report should ultimately serve as the primary source for strategic information about the implementation of the UASI's homeland security goals and objectives and current levels of preparedness. This element of the strategy will also align with and support FEMA's Target Capabilities List Implementation Project and its Cost-to-Capability initiative, which is designed to demonstrate that grant dollars drive improvements to capabilities, and which will be piloted in California. Our team has been directly involved in both initiatives.

The data produced through the preparedness report will then be used to update and modify as necessary the homeland security strategy's goals and objectives on a yearly basis. In essence, the strategy will serve as the road map and outline where the Sacramento UASI needs to go and why, and the preparedness report will summarize where it is on the path to getting there

Scope of Work/Period of Performance

The period of performance for this engagement is estimated at 6 months. The table below summarizes the deliverables, tasks, pricing, and period of performance.

Deliverable	Task Desriptions	Pricing	Invoicing Schedule

Risk Baseline Analysis	• Task 1 - Project Briefing
	• Task 2 – Inputs
	  o Prepare Initial CIKR List
	• Task 3 Refine Risk Inputs
	  o Vulnerability and Consequence Assessment
	• Task 4 – Outputs
	  o Risk Analysis Report
	  o On-site Briefing
	• Other Deliverable/Costs (ODCs)
	  o Travel (3 trips)
	  ▪ Project Briefing (1 person)
	  ▪ Assessment (2 people)
	  ▪ Out-brief (1 person)
		$75,000	Upon Completion:
			Estimated at 3 Months

Strategic Plan	• Task 1 – Homeland Security Strategy
	• Task 2 – Strategy Outline & Approach
	• Task 3 – Incorporate Risk Analysis
	• Task 4 – Setting Goals and Objectives
	• Task 5 – Implementation & Investment Justifications
	• Task 6 – Metrics & Evaluation
	• Final Three Year Strategic Plan
	• Other Deliverables/Costs (ODCs)
	  o Travel (2 trips)
	  ▪ Project Briefing (1 person)
	  ▪ Out-brief (1 person)
		$50,000	Upon Completion:
			Estimated at 3 Months

Grand Total		**$125,000**	**Total Project (Estimated at 6 Months)**

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Attachment 1 to Exhibit A (PSA); Subsection B

Scope of Work and Period of Performance Budget

The period of performance for this contract is projected at six months. Contract work will begin upon contract approval and no later than February 2011. Milestones and Deliverables are dependent on mutually agreeable scheduling, participation, and acceptance by the parties. The months identified in which deliverables are conducted are estimates and represent ideal time-tables. Progress on each milestone will be an input toward determining the final schedule with the Sacramento UASI throughout the engagement.

Milestones for Risk Baseline Analysis	Deliverables	Project Review & Payment
• Task 1 - Project Briefing • Task 2 – Inputs - Prepare Initial CIKR List • Task 3 Refine Risk Inputs -Vulnerability and Consequence Assessment • Task 4 – Outputs - Risk Analysis Report - On-site Briefing • Other Deliverable/Costs (ODCs) - Travel (3 trips) ▪ Project Briefing (1 person) ▪ Assessment (2 people) ▪ Out-brief (1 person	Month 1 Conduct Project Briefing. (Task 1) Prepare Initial Critical Infrastructure Catalog of Asset Data (collection of assets may continue through Risk Analysis deliverable) (Task 2.1) Month 2 Vulnerability and Consequence Assessment Workshop & Refine Risk Inputs (Task 2.2) Month 3 Complete Preliminary Risk Report (Task 3.1) Project Out-briefing and Deliver final Risk Analysis Report (Task 3.1) Risk Analysis Report Completion	Project Review Task 1 & 2.1 will be reviewed for completeness in order to proceed at end of first month. Assessment will be reviewed for completeness and content in order to proceed at end of second month. Risk Report will be evaluated for thoroughness at end of third month (dependent on progress and mutually agreeable

		scheduling). $75,000 payment upon satisfactory completion of project review.
Milestones for Strategic Plan	**Deliverables**	**Project Review & Payment**
• Task 1 – Homeland Security Strategy • Task 2 – Strategy Outline & Approach • Task 3 – Incorporate Risk Analysis • Task 4 – Setting Goals and Objectives • Task 5 – Implementation & Investment Justifications • Task 6 – Metrics & Evaluation • Final Three Year Strategic Plan • Other Deliverables/Costs (ODCs) -Travel (2 trips) Project Briefing (1 person) -Out-brief (1 person)	<u>Month 4</u> Review of UASI Plans Provide Strategy Briefing & Design Strategy Blueprint (Task 1) Deliver Homeland Security Strategy (Task 2) <u>Month 5</u> Conduct Goals and Objectives Workshop with Subject Matter Experts to Outline Capabilities and Risk Scenarios and Prioritize Goals (Tasks 3 and 4) <u>Month 6</u> Complete Initial Strategic Plan (Task 5) Provide Project Out-briefing and Deliver Final Strategic Plan (Task 6) Strategic Plan completion	<u>Project Review</u> Strategy will be reviewed for completion and content at end of fourth month. Capabilities and goals will be reviewed for accuracy at end of fifth month. Strategic plan will be evaluated for content, accuracy and thoroughness at end of sixth month. Contract balance due upon satisfactory completion of project.
		Total Estimated Project Timeline: 6 Months

Details of each task listed above are described further in Attachment 1 to Exhibit A: Risk Analysis and Three-year Strategy Plan proposal. All deliverables and milestones will be evaluated by City and Contractor to ensure their satisfactory completion prior to any payment. Deliverables will be reviewed and evaluated by monthly completion schedule (that is developed and refined by both parties working together) and each project component must be approved by parties prior to proceeding with the next set of deliverables.

Client#: 9916 DIGISAN

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PRODUCER CUSTOMER ID #:

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INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Digital Sandbox, Inc.
8260 Greensboro Dr., Suite 200
McLean, VA 22102

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	X		42SBAKT8035	10/06/2010	10/06/2011	EACH OCCURRENCE	$2,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$300,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$2,000,000
							GENERAL AGGREGATE	$4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$4,000,000
	POLICY PRO-JECT LOC							$
A	AUTOMOBILE LIABILITY			42SBAKT8035	10/06/2010	10/06/2011	COMBINED SINGLE LIMIT (Ea accident)	$2,000,000
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	X HIRED AUTOS							$
	X NON-OWNED AUTOS							$
A	X UMBRELLA LIAB X OCCUR			42SBAKT8035	10/06/2010	10/06/2011	EACH OCCURRENCE	$1,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$1,000,000
	DEDUCTIBLE							$
	X RETENTION $ 10,000							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N			42WECNJ2142	10/06/2010	10/06/2011	X WC STATU-TORY LIMITS OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N	N/A					E.L. EACH ACCIDENT	$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$500,000
							E.L. DISEASE - POLICY LIMIT	$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

City of Sacramento
Human Resources Dept.
915 "I' Street, 4th Floor
Sacramento, CA 95814-2604

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SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

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