

**SERVICE AGREEMENT**

**THIS ON-LINE SERVICES AGREEMENT** (this "Agreement") is made and entered into this 12<sup>th</sup> day of September, 2006, by and between **GenSource**, a division of StrataCare, Inc., a Delaware corporation ("CONTRACTOR"), and the **City of Sacramento**, a municipal corporation ("CITY").

**1. Description of Services.**

- A. 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. CITY will promptly submit this Agreement and any Supplemental Agreement for approval to the City Manager or City Counsel, as applicable.
- B. Each party shall at all times during the term of this Agreement designate an individual to serve as its project manager, who shall have authority to make decisions on behalf of such party with respect to this Agreement. Each party shall fully cooperate with the other party in connection with the other party's performance of its obligations hereunder.

**2. Term and Termination.**

- A. This Agreement shall commence as of the date it is approved by both parties and remains in effect for thirty-six (36) months unless terminated by either party as set forth herein.
- B. This Agreement may be renewed for two (2) 12-month terms upon mutual agreement of the parties, including mutual agreement on the monthly service fees for any such renewals.
- C. Either party reserves the right to terminate this Agreement immediately if the Services provided hereunder become illegal or contrary to any applicable law, rule, regulation or public policy. Except as provided in the preceding sentence for illegality or as provided below in this Section 2(c) for material breach, neither party may terminate this Agreement during the initial 3-year term. Thereafter, each party shall have the right to terminate this Agreement without cause upon sixty (60) days prior written notice to the other party.

CITY may terminate this Agreement upon thirty (30) days prior written notice based upon a material breach by CONTRACTOR and provided CONTRACTOR has not cured the material breach within such thirty-day period. CONTRACTOR may terminate this Agreement upon thirty (30) days prior written notice based upon a material breach by CITY (or fifteen (15) days in the case of non-payment of any monthly fees or other sums due hereunder) and provided CITY has not cured the material breach within such thirty-day period (or within such fifteen-day period in the case of non-payment).

CITY  
AGREEMENT NO. 2006-1002

D. Within sixty (60) days of termination of this Agreement, CONTRACTOR shall provide CITY with a standard flat text data file comprised of CITY's data contained in CONTRACTOR'S system with a corresponding data dictionary.

E. If CITY terminates this Agreement:

CITY shall pay CONTRACTOR the reasonable value of Services rendered by CONTRACTOR prior to termination based on the contract rates set forth in Exhibit B to Agreement; provided, however, CITY shall not in any manner be liable for lost profits which 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 which CITY may have in law or equity.

### 3. Payments.

A. 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. The total of all fees paid to the CONSULTANT for the performance of all services shall not exceed the total sum of \$367,205; *subject, however,* to any annual price adjustments as permitted by the last sentence of Section 3(B) and as provided in Exhibit B under the heading "Set Up/Transaction & Maintenance Fees."

B. For each Renewal Term beyond the initial 36-month term specified in Section 2A, CONTRACTOR will continue to provide CITY with the Services, and will provide maintenance and support services as described herein, provided CITY pays CONTRACTOR in manner specified in Exhibit B. If there is an increase in annual maintenance and support charges beyond the initial 36-month term specified in Section 2A, CONTRACTOR shall give CITY written notice of such increase at least thirty (30) days prior to the expiration of the applicable term.

### 4. Ownership, Protection and Security.

A. Ownership of any graphics, text, data or other information or content materials and all records and databases supplied or furnished by CITY hereunder for incorporation into or delivery through the application(s) described in the System Overview shall remain with CITY, and CONTRACTOR shall cease use of all such material upon termination of this Agreement.

B. CITY acknowledges and agrees that nothing in this Agreement or any other agreement grants CITY any licenses or other rights with respect to CONTRACTOR's software system (source code or object code) other than the right to receive Services as expressly provided herein. CONTRACTOR shall retain all ownership in the intellectual property and all other proprietary rights and interests associated with CONTRACTOR's software system and Services and all components thereof and associated documentation, except as expressly provided herein.

**5. Insurance Requirements.**

During the entire term of this Agreement, CONSULTANT shall maintain the insurance coverage described in this Section 5.

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

It is understood and agreed by the CONSULTANT 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 CONSULTANT 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 CONSULTANT.
  
- (3) Workers' Compensation Insurance with statutory limits, and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000).
  
- (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 by selecting the option below:

Professional liability insurance is required and must be continued for at least 1 year(s) following the completion of all Services and Additional Services under this Agreement.

**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 CONSULTANT, products and completed operations of CONSULTANT, and premises owned, leased or used by CONSULTANT.

- (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, CONSULTANT'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 CONSULTANT'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 CONSULTANT'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) CONSULTANT 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 CONSULTANT and/or cancel the Agreement if the insurance is canceled or CONSULTANT otherwise ceases to be insured as required herein.

F. Subcontractors

CONSULTANT 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.

**6. Indemnification.**

CONTRACTOR shall fully indemnify and save harmless, CITY, its officers and employees, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, judgments, penalties 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"), to which any or all of them may be subjected, to the extent such Liabilities are caused by or result from any negligent act or omission or willful misconduct of CONTRACTOR, its subconsultants, subcontractors or agents, and their respective officers and employees, in connection with the performance or nonperformance of this Agreement, whether or not the CITY, its officers or employees reviewed, accepted or approved any service or work product performed or provided by the CONTRACTOR, and whether or not such Liabilities are litigated, settled or reduced to judgment. 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.

**7. Publicity.**

Following execution of this Agreement, the parties hereto may issue a press release, the form and substance of which shall be mutually agreeable to the parties, announcing the relationship created by this Agreement. Except as expressly contemplated herein, neither party shall issue any additional press release which mentions the other party or the transactions contemplated by this Agreement without the prior consent of the other party, which consent shall not be unreasonably withheld.

**8. Nondisclosure.**

Contractor Information.

- A. Through the exercise of CITY's rights under this Agreement, CITY may be exposed to CONTRACTOR's technical, financial, business, marketing, planning, and other information and data, in written, oral, electronic, magnetic, photographic and/or other forms, including but not limited to (i) oral and written communications of CONTRACTOR with the officers and staff of CITY which are marked or identified as confidential or secret or similarly marked or identified and (ii) other communications which a reasonable person would recognize from the surrounding facts and circumstances to be confidential or secret ("Confidential Information") and trade secrets. In recognition of CONTRACTOR's need to protect its legitimate business interests, CITY hereby covenants and agrees, except as expressly provided in subsection b, below, that it shall regard and treat each item of information or data constituting a trade secret or Confidential Information of the other party as strictly confidential and wholly owned by such other party and that it will not, without the express prior written consent of the other party redistribute, market, publish, disclose or divulge to any other person, firm or entity, or use or modify for use, directly or indirectly in any way for

any person or entity: (i) any of CONTRACTOR's Confidential Information during the term of this Agreement and for a period of three (3) years after the termination of this Agreement or, if later, from the last date Services (including any warranty work) are performed by CITY hereunder; and (ii) any of CONTRACTOR's trade secrets at any time during which such information shall constitute a trade secret under applicable law.

B. Exception for Public Records Act Requests.

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.

C. 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 b, 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.

D. 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, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "CITY Information") which 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. A violation by CONTRACTOR of this Section shall be a material violation of this Agreement and shall justify legal and/or equitable relief.

9. **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 by the Services agreed to be rendered and performed 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 9 shall survive any expiration or termination of this Agreement. Nothing in this Agreement shall be construed as to create an exclusive relationship between CITY and CONTRACTOR.

**10. Licenses; Permits, Etc.**

CONTRACTOR represents and warrants that CONTRACTOR has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatsoever nature which are legally required for CONTRACTOR to 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 which are legally required for CONTRACTOR to provide such Services. Without limiting the generality of the foregoing, if CONTRACTOR is an out-of-state corporation, CONTRACTOR warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.

**11. Time.**

CONTRACTOR shall devote such time to the performance of Services pursuant to this Agreement as may be commercially reasonable for satisfactory performance of CONTRACTOR's obligations under this Agreement. CONTRACTOR'S obligation is also subject to the reasonable cooperation

and support from CITY, including, without limitation, CITY securing and maintaining at its cost a suitable broadband internet connection to access CONTRACTOR'S dedicated server. Neither party shall be considered in default of this Agreement, nor be entitled to additional compensation, to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

**12. 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.

**13. 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: To the extent applicable to it, 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 in its employment of personnel providing Services under this Agreement on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- 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 a 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 a final determination of material 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.

**14. 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.

**15. 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.

**16. 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.

**17. 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.

**18. 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; provided, however, in the event that CONTRACTOR transfers substantially all of its assets or stock to a third party, CONTRACTOR may assign its obligations and rights under this Agreement to such third party. Subject to the foregoing, any attempted or purported assignment without CITY's written consent shall be void and of no effect.

19. **Binding Effect.**

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

20. **Living Wage Requirements.**

This Agreement may be subject to the provisions of Sacramento Municipal Code Chapter 3.58, Living Wage. The requirements of Sacramento Municipal Code Chapter 3.58 are summarized in Exhibit C. The CONTRACTOR is required to sign the attached Declaration of Compliance (Living Wage Ordinance) to assure compliance with these requirements.

21. **Non Discrimination in Employment Benefits**

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

22. **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.

23. **Exhibits.**

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

**CITY OF SACRAMENTO**  
A Municipal Corporation

By: [Signature]

Gustavo F. Vina, Assistant City Manager  
For: Ray Kerridge, City Manager

**APPROVED TO AS FORM:**

[Signature]  
Asst City Attorney

**ATTEST:**

[Signature] 9.15.06  
ASST. City Clerk

**CONTRACTOR:**

GenSource, a division of StrataCare, Inc.  
NAME OF FIRM

33-0894977  
Federal I.D. No.

C2220174  
State I.D. No.

N.A.  
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]  
Signature of Authorized Person

Greg Fisher, President and Chief Operating Officer  
Print Name and Title

\_\_\_\_\_  
Additional Signature (if required)

[Signature]  
Print Name and Title

CITY  
AGREEMENT NO. 2006-1002

**Attachments**

- Exhibit A - Scope of Service
- Exhibit B - Fee Schedule/Manner of Payment
- Exhibit C - Living Wage Requirements
- Exhibit D - Non-Discrimination in Employee Benefits

**DECLARATION OF COMPLIANCE  
Living Wage Ordinance**

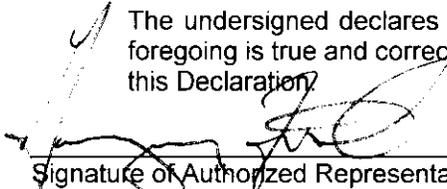
Name of Contractor: Gensource

Address: \_\_\_\_\_

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

1. Contractor has read and understands the Living Wage Requirements (the "Requirements") attached hereto as Exhibit C.
2. As a condition of receiving this Contract, Contractor agrees to fully comply with the Requirements, as well as any additional requirements that may be specified in the City of Sacramento's Living Wage Ordinance codified at Chapter 3.58 of the Sacramento Municipal Code (the "Ordinance"). If required by the Ordinance, Contractor will pay not less than the minimum compensation specified in the Ordinance to Contractor's employees, for all time spent performing any work under this Contract.
3. If the amount of this Contract is less than \$100,000, as a condition of receiving this Contract, Contractor will notify the City of Sacramento ("City") in writing if the aggregate value of this Contract and of any other Nonprofessional Services contract(s) covered by the Ordinance that the City has awarded to Contractor within the previous 12 months, is \$100,000 or more.
4. Contractor acknowledges and agrees that the Requirements, the Ordinance and this Declaration shall constitute part of this Contract, and that these provisions shall govern in the event of any conflict with any other provisions of the Contract.
5. Contractor further acknowledges and agrees that any violation of the Requirements or the Ordinance constitutes a material breach of this Contract, and that, if such a breach occurs, the City will be authorized to terminate the Contract, and pursue all available legal and equitable remedies.
6. If requested by the City, Contractor will promptly submit certified payroll records to the City, for itself and/or for Contractor's subcontractor(s), as requested by the City, and Contractor will take any other steps as may be required by the City to determine whether Contractor's subcontractor(s) or Contractor have complied with the Requirements and the Ordinance.
7. Contractor will require all of its subcontractors who are covered by these requirements to comply with the Requirements and any additional requirements that may be specified in the Ordinance, and Contractor will include these requirements in all subcontracts covered by the Ordinance.
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 the Ordinance by Contractor or by any subcontractor retained to perform work or provide services under this Contract.

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: 8-31-06

Print name: GREGORY FISHOFF  
Title: PRESIDENT/CEO

**DECLARATION OF COMPLIANCE  
Equal Benefits Ordinance**

Name of Contractor: GenSource

Address: \_\_\_\_\_

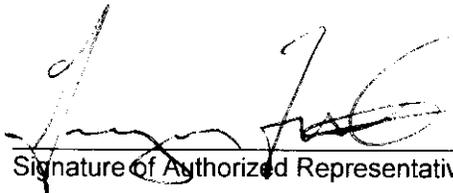
The above-named Contractor ("Contractor") hereby declares and agrees as follows:

1. Contractor has read and understands the Requirements of the Non-Discrimination In Employee Benefits Code (the "Requirements") attached hereto as Exhibit D.
2. As a condition of receiving this Contract, 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 Municipal Code (the "Ordinance").
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 Contract 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 Contract 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 Contract 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 Contract 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 Contract for cause; repayment of any or all of the Contract amount disbursed by the City; debarment for future contracts 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 Contract 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

8-31-06  
Date

GREGORY FISHER  
Print Name

PRESIDENT / COO  
Title

EXHIBIT A

SCOPE OF SERVICES

Representatives.

The CITY Representative for this Agreement is:

Patrick Flaherty  
Human Resources – Risk Management  
915 I Street, Fourth Floor  
Sacramento, CA 95814  
916-808-8171

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:

Gregory Fisher  
GenSource  
25572 Avenue Stanford  
Valencia, CA 91355  
(661) 294-1300

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.

Scope of Services/Special Conditions.

**1. CONTRACTOR Responsibilities**

In connection with the performance of this Agreement, CONTRACTOR shall be responsible for the following:

- A. CONTRACTOR shall convert the City's existing GenIRIS system and data to the CONTRACTOR's ASP GenIRIS system.
- B. CONTRACTOR shall provide all required hosting and operations support for the GenIRIS ASP system in a centralized facility.

- C. CONTRACTOR will install and maintain a server on which the Covered Programs will be loaded and to which Customer will have electronic access during the Term of this agreement for use by Customer for the Covered Programs to the extent of its rights under the Existing Licenses.
- D. CONTRACTOR will install and maintain all programs necessary for the operation of the system on CONTRACTOR'S server, including third party software (Covered Programs).
- E. CONTRACTOR will perform all installation and configuration of software including:
- -Requirements Analysis for Initial Implementation
  - -Set-up of "CONFIG" (table driven system options)
  - -Set-up of Hosted Hardware, OS, and DBMS configuration
  - -Set-up of Bill Review interface (BRVI)
  - -Set-up of Genrate net interface (previously known as PDRS)
  - -Set-up electronic State reporting system (electronic data interchange)
- F. CONTRACTOR agrees to provide Customer with, or arrange for, the following support services:

In response to request by one of the persons designated on 10 days' written notice by CITY as its Designated Representative(s), CONTRACTOR will perform remedial maintenance services to keep each Covered Program properly performing each of its material functions substantially in accordance with that Covered Program's standard specifications (any failure so to perform, an "**Error**"). In critical emergency situations where CITY's Designated Representative(s) cannot reasonably be made available, CONTRACTOR will work with other reasonably designated representatives of CITY.

**Hours of Availability.** The Basic Monthly Maintenance Charge entitles CITY to request Remedial Maintenance to be performed during the hours of 8:00 a.m. and 5:00 p.m. (based on a single local time within the continental United States designated in the Inclusion Schedule by CITY) daily, Monday through Friday, excluding company holidays. From time to time, CONTRACTOR may offer Extended Maintenance Hours with respect to one or more Covered Programs in exchange for specified Extended Maintenance Charges. CITY may elect to take advantage of any such offer effective as of the beginning of any month on at least 30 days' written notice (which election may be terminated by either party as of the end of a month on at least 30 days' written notice). Payment of the Extended Maintenance Charge entitles CITY to request Remedial Maintenance during the applicable Extended Maintenance Period. In addition, a Designated Representative may request that CONTRACTOR provide Remedial Maintenance service at other times, but the scheduling of such Remedial Maintenance shall be contingent on availability and on the receipt of CITY's approval to incur additional charges at CONTRACTOR's then published rates.

**Procedure.** CITY's Designated Representative will report to CONTRACTOR any Errors it discovers by fax, phone or email. CITY will include all available information reasonably required to reproduce the Error. Upon proper submittal of an Error report, CONTRACTOR will acknowledge, investigate and use reasonable efforts to resolve the Error. CITY's Designated Representative may escalate its request for Remedial Maintenance to CONTRACTOR's

Customer Service supervisor if appropriate.

- G. CITY shall receive on a bi-annual basis all product updates to purchased package. "Update" means a routinely-issued revision of the Covered Program, generally issued for the purpose of correcting discovered errors, improving efficiency or overall performance and incorporating enhancements or statutory changes that Contractor makes generally available to its licensees of that Covered Program but does not include upgrades that include departures from the standard specifications with regard to functionality or enhancements or added features or functions. CONTRACTOR will perform all installation tasks and there shall be no installation charge for any Update. Product updates are automatic and available upon the next login following a product upgrade rollout. Customer will cooperate as necessary to allow installation of any Update.

2. **Duties of the CITY**

In connection with the performance of this Agreement and the provision of the Services, CITY shall be responsible for the following:

- A. CITY shall provide, at no cost to the CONTRACTOR, all communications equipment, telephone and communication lines, power, telephone service and other utilities at CITY'S facilities and any connections to CONTRACTOR'S facilities as may be necessary or reasonably desirable to perform the Services and accomplish the purposes of this Agreement.
- B. CITY shall be responsible for providing, at no cost to the CONTRACTOR, the necessary personnel and facilities to meet CITY's obligations hereunder.
- C. CITY shall follow those procedures for first-line support, maintenance and other services more fully described in this Agreement and such other procedures and services as the parties may establish from time to time.
- D. CITY shall be responsible for ensuring that CITY's use of the Services and the performance of CITY's obligations hereunder comply with all laws applicable to the CITY.
- E. CITY personnel are responsible for performing daily, weekly and monthly operational tasks using the CONTRACTOR'S GenIRIS system. These tasks include electronic data interfaces (EDI's), import of data, export of data and generating any desired reports.

3. **CONTRACTOR Representations and Warranties.**

- A. Service Level Warranty. In the event that CITY experiences any of the service performance issues defined in this section as a result of CONTRACTOR's failure to provide services, CONTRACTOR will, upon CITY's request in accordance with paragraph 5. (a) (vi) below, credit CITY's account as described below (the "Service Level Warranty"). The Service Level Warranty shall not apply to any services other than system availability, and, shall not apply to performance issues (i) caused by factors

outside of CONTRACTOR's reasonable control; (ii) that resulted from any actions or inactions of CITY or any third parties (i.e. actions or inactions of parties other than CONTRACTOR); or (iii) that resulted from CITY's equipment and/or third party equipment (not within the sole control of CONTRACTOR).

- (i) **Service Warranty Definitions.** For purposes of this Agreement, the following definitions shall apply only to the Services (not including Professional Services).
  - (A) "System" shall include the GENIRIS ASP system, such other software and/or software systems utilized by CONTRACTOR for installation, operation and/or maintenance of GENIRIS ASP, and any and all hardware on which CONTRACTOR operates or hosts GENIRIS ASP for purposes of providing Service to CITY whether such hosting is provided directly by CONTRACTOR or by contract with a commercial hosting service.
  - (B) "Downtime" shall mean sustained System unavailability in excess of four (4) consecutive business hours in any one business day due to the failure of CONTRACTOR to provide Service(s) for such period. Business hours mean 8:00 a.m. to 5:00 pm Pacific Time, and business day means any day CITY's offices are legally open to transact business with the public. Downtime shall not include any System unavailability during CONTRACTOR's Scheduled Maintenance of the System, and Services, as described herein.
  - (C) "Scheduled Maintenance" shall mean a period of time where the System is unavailable to CITY, and/or any third party, in order for CONTRACTOR to perform maintenance of the System. System maintenance includes, but shall not be limited to (i) adding, modifying, or upgrading equipment software and/or System source code, and; (ii) adding, modifying, or upgrading equipment.
  - (D) "Service Credit" shall mean an amount equal to the pro-rata annual recurring service charges (i.e., all annual recurring charges) for one (1) day of Service based on a 365 day year.
- (ii) *Downtime Periods.* In the event CITY experiences Downtime, CITY shall be eligible to receive from CONTRACTOR a Service Credit for each Downtime period. Examples: If CITY experiences one Downtime period, it shall be eligible one Service Credit. If CITY experiences two Downtime periods, either from a single event or multiple events, it shall be eligible to receive two Service Credits.
- (iii) *Time to Discover Source of Downtime; Notification of CITY.* Within two (2) hours of discovering or receiving notice of the Downtime, CONTRACTOR will determine whether the source of the Downtime is limited to the System. If CONTRACTOR determines that the System is not the source of the Downtime, CONTRACTOR will attempt to determine the source of the Downtime within an additional two (2) hour period. In any event, CONTRACTOR will notify CITY of

- the source of the Downtime within sixty (60) minutes of identifying the source.
- (iv) *Remedy of Downtime.* If the source of the Downtime is within the sole control of CONTRACTOR, CONTRACTOR will remedy the Downtime within four (4) hours of determining the source of the Downtime. If the source of the Downtime resides outside of the CONTRACTOR System, CONTRACTOR will use commercially reasonable efforts to notify the party(ies) responsible for the source of the Downtime and cooperate with it (them) to resolve such problem as soon as possible.
  - (v) *Failure to Determine Source and/or Remedy.* In the event that CONTRACTOR (A) is unable to determine the source of the Downtime within the time periods described herein and/or, (B) along with any hosting service on which Insight resides is the sole source of the Downtime and is unable to remedy such Downtime within the time period described herein, CONTRACTOR will deliver a Service Credit to CITY for each four (4) consecutive business hour period in excess of the time periods for identification and resolution described above.
  - (vi) *CITY Must Request Service Credit.* In order to receive any of the Service Credits described herein, CITY must notify CONTRACTOR within seven (7) days from the time CITY becomes eligible to receive a Service Credit. Failure to comply with this requirement will forfeit CITY's right to receive a Service Credit.
  - (vii) *Remedies Shall Not Be Cumulative; Maximum Service Credit.* The aggregate maximum number of Service Credits to be issued by CONTRACTOR to CITY for any and all Downtime periods that occur in a single calendar month shall not exceed seven (7) Service Credits. A Service Credit shall be issued in the CONTRACTOR invoice in the year following the Downtime, unless the Service Credit is due in CITY's final year of service. In such case, a refund for the dollar value of the Service Credit will be mailed to CITY. CITY shall also be eligible to receive a pro-rata refund for (A) Downtime periods for which CITY does not receive a Service Credit and (B) any Services CONTRACTOR does not deliver to CITY for which CITY has paid.
  - (viii) *Termination Option for Chronic Problems.* CITY may terminate this Agreement for cause and without penalty by notifying CONTRACTOR within five (5) days following the end of a calendar month in the event either of the following occurs: (A) CITY experiences more than fifteen (15) Downtime periods resulting from three (3) or more nonconsecutive Downtime events during the calendar month; or (B) CITY experiences more than forty-eight (48) consecutive hours of Downtime due to any single event. Such termination will be effective thirty (30) days after receipt of such notice by CONTRACTOR.
  - (ix) the service level warranty set forth herein shall only apply to the system provided by contractor and does not apply to (a) any professional services; (b) any supplemental services; (c) any service(s) that expressly exclude this service level warranty (as stated in the system overview for such services). This section states city's sole and exclusive remedy for any failure by contractor to provide

service(s).

- B. Service Performance Warranty. CONTRACTOR warrants that it will perform the Services in a manner consistent with industry standards reasonably applicable to the performance thereof.
- C. No Other Warranty. Except for the express warranties set forth in this section 3, the services are provided on an "as is" basis, and City's use of the services is at its own risk. Contractor does not make, and hereby disclaims, any and all other express and/or implied warranties, including, but not limited to, warranties of merchantability, fitness for a particular purpose, noninfringement and title, and any warranties arising from a course of dealing, usage, or trade practice. Contractor does not warrant that the services will be uninterrupted, error-free, or completely secure.

Accordingly, contractor disclaims any and all liability resulting from or related to such events.

**4. CITY'S Specifications.**

- A. CONTRACTOR will provide and use 128-Bit Secure Sockets Layer (SSL) protocol server authentication and encrypted SSL connections for all access to system for CITY. Checks will be printed to a file on a secure ftp site, local to the ASP environment. The City will have access to a published FTP program, which they will run across the 128-Bit encrypted SSL connection to download the file to their site. The file can then be printed locally. This will only work if there is an existing driver for the UniVerse database to control the formatting for the particular printer that the City plans on using for check printing. Other backend printing (including Goodnite reports, benefit notices and certain system reports) can be secured through a VPN tunnel between GenSource and the City.
- B. System access is not limited by IP addresses. CONTRACTOR will supply, and CITY will install, digital certificates for computers used by applicable CITY employees. CITY will establish username and password authentication to access System.
- C. CONTRACTOR will provide as much advance notice as is practicable under the circumstances to designated CITY Human Resources staff prior to implementing any major changes in security protocol, authentication or encryption methods.

Attachment 1 to Exhibit A - Security Overview and System Information

Security Measures

Please provide a brief description or outline of included security measures:

Security Details	Description
<b>Physical Security</b>	CheckPoint NGX, Watchguard V60 Firewall Appliance
<b>Perimeter Defense</b>	CheckPoint NGX, Watchguard V60 Firewall Appliance
<b>Data Encryption</b>	AES-128;SSL-128
<b>User Authentication</b>	Kerberos v.2;RADIUS;SecurID
<b>Reliability and Backup</b>	Fault tolerant, Load Balanced, Redundant Servers and Hardware. Dell PowerVault 132T LTO-3, and Veritas for backups.

Question	Response
Is all access to and from the servers encrypted?	Access to servers is relayed through gateways that encrypt data using 128-bit SSL encryption.
Do you have procedures for identifying security breaches?	Network security scanners and sniffers proactively monitor network traffic and activity then automatically alert security administrators via email, snmp traps and pager of any hostile activity.
Do you have standards for servers & network hardening? Are these resources periodically audited to ensure integrity?	Yes. Best practices checklists are referenced and applied to servers for maximum anti-breach security protection. Quarterly audits of security protocols are performed on all servers and other hardware.
How are firewall, o/s. database, anti-virus, and other security patches kept up to date?	Patch management is automated using WSUS for Windows devices, email notification for firewalls and Symantec Enterprise anti-virus auto-update for virus definitions.
How often are backups performed and are they being stored off site?	Full backups of all systems are performed daily and are stored off-site in a disaster-proof facility.
If a catastrophic event happens to the database server and the entire server is lost, what is the worst case scenario in terms of data recoverability? How much data will be lost in such event?	Data may be recovered up to the time of the last daily backup stored off-site. In a worst case scenario, 1 day of work could be lost.
Do you have procedures for disaster recovery?	Yes. The necessary procedures required to recover from a catastrophic event are in place. Disaster recovery planning meetings are also held once a week with

	bi-annual testing of those procedures.
Do you have a service agreement with multiple ISPs?	No. Our communication lines are provided by SBC but originate from alternate POPS in different regions.
What was your uptime for the past year?	Over 99%
How do you ensure your performance does not degrade as you add new customers?	By performing periodic load and performance evaluations of system resources. The results of the evaluations determine whether existing resources can be scaled to meet the requirements necessary to sustain acceptable response times, or if additional resources are necessary.
How do you ensure performance during peak times	Constant load monitoring and traffic reporting using Citrix Resource Manager and PRTG Traffic analyzer.
How do you schedule downtime for major upgrades to servers?	Clients are given at least 2 weeks notice and maintenance is scheduled after hours.
How do you announce upgrades to your customers before modifying functionality?	Via email and verbal communication. Any changes made to the application itself will not be made until tested and approved by the client in the test environment.

Exhibit B – Fee Schedule/ Manner of Payment



**ASP Proposal**

to  
**City of Sacramento**

for  
**GenSource Claims Software - ASP**  
February 21, 2006

GenSource  
25572 Avenida Stanford  
Valencia, CA 91355-1102

(661) 294 1300  
(661) 294 1310 FAX  
e-mail: sales@gensourcecorp.com  
http://www.gensourcecorp.com

GENSOURCE ASP START-UP COSTS	PRICE
<b>ASP Installation - 27 Users</b>	\$50,000
<b>GCFW - Workers' Compensation</b> Includes: Installation and Configuration of GCFW Software -Requirements Analysis for Initial Implementation -Set-up of "CONFIG" (table driven system options) -Set-up of Hosted Hardware, OS, and DBMS configuration -Set-up of Bill Review interface (BRV) -Set-up of Genrate.net interface (previously known as PDRS) Third Party Software Products -English Wizard Reporting Software -InfoMaker - Report Generator -IBM Database GenSource Hosted Hardware -Database Server and Application Server	
<b>Training</b> GCFW Windows Training ( 5 Days for up to 5 people) Optional SQL Data Warehouse Training ( 3 Days for up to 5 people)	\$10,000 \$6,000
<b>TOTAL</b>	<b>\$66,000</b>

Minimum term for GenSource ASP Program is three years from date of installation of GCFW software.  
Training covers up to 5 students. Additional students will be at an extra cost of \$400 per student per day.  
All T&M labor, (if applicable) will be performed at GS's then prevailing published labor rate.  
Ad hoc reporting training is optional and available upon request.  
Pricing shown is based on normal business working hours; after-hours or weekend work if/as requested by the client will be charged at a higher hourly rate.  
Prices do not include freight, insurance and sales tax.  
All travel and "per diem" to be borne by the customer.  
Prices of third party products are subject to change at any time without notice.

MONTHLY SERVICE FEES	PRICE
ASP Subscription Fee - GCFW <sup>1</sup>	\$6,200 / mo.
IBM Universe Maintenance Fees <sup>2</sup>	\$2,835 / an.
<b>MONTHLY FEES</b>	<b>\$6,200</b>

<sup>1</sup> ASP Subscription fees subsidize numerous ongoing costs including administrative support services (backups, nightly operations routines, etc.), third party maintenance costs, bi-annual upgrades of the database and application software, and computer hardware and overhead costs.

<sup>2</sup> IBM Universe Licenses(27) are owned by the City and will be used in the ASP center. Annual maintenance fees for the 27 licenses will be the responsibility of the City and invoiced accordingly. Any additional licenses purchased will be owned and paid for by Gensource and rented to the city as stipulated above.

Monthly maintenance fees begin the first of the month after installation of the GCFW software.  
This proposal is valid 45 days from date listed above.



**Payment Terms**

to

**City of Sacramento**

for

**GenSource Claims Software - ASP**

February 21, 2006

*GenSource*

*25572 Avenue Stanford  
Valencia, CA 91355-1102*

*(661) 294 1300*

*(661) 294 1310 FAX*

*e-mail: sales@gensourcecorp.com*

*http://www.gensourcecorp.com*

<b>PAYMENT SCHEDULE</b>	<b>PAYMENTS</b>
<u>Payment 1</u> Due Upon Contract Execution	\$50,000
<u>Payment 2</u> Due Upon Completion of GCFW Training	\$10,000
Due Upon Completion of data warehouse training- if accepted	\$6,000
<b>TOTAL</b>	<b>\$66,000</b>

Notes

Prices do not include freight, insurance, and sales tax.

ASP monthly subscription fees not included in payment schedule.

Training fees will be invoiced in the month the training occurs.

Failure by Customer to pay agreed upon sums within 30 days of GS's invoice date will cause GS to charge the Customer a late fee of 1.5% per month of the unpaid balance due.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



**Proposal**  
 to  
**CITY OF SACRAMENTO**  
 for  
**HealthTech EDI Software and GenSource Interface**  
**FROI/SROI State Reporting**  
 May 5, 2006

SOFTWARE PRODUCT & SERVICES DESCRIPTION	PRICE
<b>HealthTech State Reporter Software and GenSource Interface Fees</b>	
FROI Setup per state 1 x \$1,000 each	\$1,000.00
SROI Setup per State 1 x \$1,000 each	\$1,000.00
Periodic Setup per State 1 x \$1,000 each	\$1,000.00
FROI'S & States to be added: CA	
SROI'S & States to be added: CA	
Periodic & States to be added: CA	
<b>Initial end-user training (over the phone)</b>	<b>INCLUDED</b>
<b>Historical conversion of customer's database to Healthtech</b>	
One-time conversion fee for all States	
1 x \$2,500	\$2,500.00
States to be converted:	
<b>CA Historic 'catch-up' fee:</b>	<b>\$3,000.00</b>
<b>TOTAL SET UP FEES:</b>	<b>\$8,500.00</b>
<b>TRANSACTION &amp; MAINTENANCE FEES</b>	
	<b>PRICE</b>
<b>Transmission and Maintenance Fees for all States includes:</b>	
EDI to and from the jurisdiction	
First Report of Injury and/or Subsequent Reports of Injury (e.g., ANSI 148 & 149)	
Acknowledgements (eg., ANSI 824) and Error Reporting	
<b>Annual volume of expected transmissions: 1,000 - 3,000</b>	
<b>Annual fees based on expected transmissions:</b>	<b>\$7,000.00</b>
<b>Monthly fees based on expected transmissions:</b>	<b>\$583</b>

HealthTech Transmitter software needs to be loaded on at least one client (Windows-based) PC.  
 GSC customers on older releases of GenCOMP software may be required to upgrade to the latest release of GenCOMP.  
 This proposal is valid for 60 days from date listed above.  
 Quoted prices are subject to change without notice.

Payment Terms:

- 1) Set up fees due upon contract execution.
- 2) Historical data conversion fee due when client goes "live".
- 3) Transaction and Maintenance fees will be billed by GenSource on a monthly basis.
- 4) Final payment must be made within 30 days after installation into the client's test account.  
 Late payments may incur an interest fee of 1.5% on the unpaid balance, per month, prorated.

Approval Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

GS Track#: 126549	Proj#:	Quote Prepared By: J.Kubota for G.Fisher	Hours:
Billing: Full \$:	Init Paym: \$:	Init Paym Date:	Interim \$:
			Final \$:

**PROJECTED COST FOR GENSOURCE PROGRAM**

<b>COST ITEM</b>	<b>Particulars</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Upgrade Maintenance	See 02-21-06 GS proposal	\$ 50,000	\$ -	\$ -
GCFW	\$6200 x 12 mo + \$2835	\$ 77,235	\$ 77,235	\$ 77,235
SROI- FROI (1)	See 05-26-05 GS proposal	\$ 15,500	\$ 7,000	\$ 7,000
Staff Training	See 02-21-06 GS proposal	\$ 16,000	\$ 5,000	\$ 5,000
State Mandated Programming & Customization		\$ 10,000	\$ 10,000	\$ 10,000
Total		\$ 168,735	\$ 99,235	\$ 99,235

Note 1 – Subject to adjustment based on historical usage. See “Set Up / Transaction & Maintenance Fees” below under Payments.

## **Payments**

**Monthly Maintenance Charges.** The Basic Monthly Maintenance Charge and, if applicable, the Extended Monthly Maintenance Charge. During the Term, CONTRACTOR may provide CITY with not less than 90 days' written notice of any general price increase in the Basic Monthly Maintenance Charge or the Extended Monthly Maintenance Charge for any Covered Program. Such notice will only be effective on anniversary of the commencement date except in the case of passing through increases in costs of third party programs or databases. After the effective date of the Notice, the charges hereunder will be revised to reflect such change unless not less than 30 (thirty) days prior to the effective date CITY provides written notice to CONTRACTOR electing to terminate the Term for any Covered Program affected thereby.

**Expenses.** Any expenses actually incurred by CONTRACTOR in providing the services hereunder, including Telecommunications Charges and Travel Expenses. "Travel Expenses" means actual and reasonable charges incurred by CONTRACTOR for travel to any outside site.

**Other Charges.** Any additional charges set out in the Inclusion Schedule, as well as charges based on CONTRACTOR's then published rates and expenses for all work requested by CITY which is not covered by those charges, the Basic Monthly Maintenance Charge and, if applicable, the Extended Monthly Maintenance Charge, including Remedial Maintenance which did not result from Errors or was requested during times not covered by CITY's plan, travel, customization, and training of CITY personnel.

**Taxes.** Any taxes imposed on CONTRACTOR as a result of this Agreement, other than those based on its net income.

**Invoices and Payments.** CONTRACTOR shall render invoices monthly (i) in advance for the monthly maintenance charges and (ii) in arrears for all other charges. Any monthly maintenance charges for a period of less than a month shall be prorated on the basis of a thirty (30) day month. CITY shall pay each invoice in full within thirty (30) days after receipt. Subject to any contractual right on the part of CONTRACTOR to terminate for nonpayment, if any charges are not paid when due, CONTRACTOR may discontinue providing services under this Agreement until the account is brought current, and/or charge CITY a late charge in the amount of 1.5% per month of any past due amount(s).

**Set Up / Transaction & Maintenance Fees.** CONTRACTOR agrees that the total set up fees identified in Exhibit B have been paid in full. Annual fees for Transmission and Maintenance will be paid based upon annual volume of transmissions. These fees will be reviewed annually and adjusted based on historical usage effective November of each year to reflect the expected future volume of transmissions. Payments will be made monthly based on the volume of expected transmissions. Monthly payments will begin on transmission of data.

## EXHIBIT C

### LIVING WAGE REQUIREMENTS (Nonprofessional Service Agreement)

#### The Living Wage Ordinance

On December 9, 2003, the Sacramento City Council enacted a Living Wage Ordinance (the ALWO), adopted as Amended Ordinance No. 2003-082 and codified as Chapter 3.58 of the Sacramento Municipal Code. The LWO requires certain firms that enter into agreements or contracts (all subsequent references to a Acontract or Acontracts will refer to both contracts and agreements) to provide certain services to or for the CITY, to pay a specified minimum level of compensation to their employees for time spent performing any work on the CITY contract. The LWO also applies to certain subcontractors.

The LWO applies to contracts entered into, amended, or renewed or extended at the CITY=s discretion, on or after March 1, 2004 (the ALWO Effective Date).

#### Contracts and Contractors Covered by the LWO

Determining whether the LWO applies to a specific CITY contract, contractor or subcontractor, depends on whether the contract, contractor and/or subcontractor meet the criteria specified in the LWO for contract type, contract amount, contractor size (# of employees), subcontract amount and subcontractor size (# of employees). These criteria are summarized below.

##### Contract Type

The LWO applies only to contracts for Nonprofessional Services. Under the LWO, this includes contracts for any services of a nonprofessional character, including but not limited to tree trimming services, repair services for motor vehicles and office equipment, vehicle towing, and security services.

The LWO does not apply to: (1) Incidental services, such as delivery, installation or maintenance, that are provided under contracts for the purchase or lease of equipment, supplies, or other personal property; (2) contracts that are subject to CITY, state, or federal prevailing-wage requirements; (3) contracts for professional services (including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries and attorneys); and (4) contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.

##### Contract Amount

The LWO applies to contracts entered into or amended after the LWO Effective Date that provide compensation from the CITY of \$100,000 or more. In addition, the LWO applies to a contract entered into or amended after the LWO Effective Date that, by itself, does not reach this amount, if the aggregate value of that contract and of any other Nonprofessional Services contracts covered by the LWO that the CITY has awarded to the same person or firm within the previous 12 months, is \$100,000 or more. IT IS THE CONTRACTOR=S RESPONSIBILITY TO DETERMINE WHETHER THIS AGGREGATE VALUE IS \$100,000 OR MORE, AND TO NOTIFY THE CITY IN WRITING WHENEVER THIS IS THE CASE.

### Contractor Size

The LWO only applies to a contractor that has at least 25 employees, working either full or part time. The number of employees that a contractor has is determined by adding the contractor=s employees and the employees of any other person or entity deemed to be a Related Person under the LWO.<sup>1</sup>

### Subcontract Amount

The LWO applies to a subcontractor providing services under a covered contract if the amount of the subcontract is at least 25 % of the contract amount, without regard to the number of employees the subcontractor has.

### Subcontractor Size

The LWO also applies to a subcontractor providing services under a covered contract if the subcontractor has at least 25 employees, working either full or part time, whether or not the amount of the subcontract is at least 25 % of the contract amount.

## **Payment of Living Wage to Covered Employees**

If a contractor or subcontractor meets the criteria specified in the LWO for contract type, contract amount, contractor size, subcontract amount and/or subcontractor size, the contractor or subcontractor is deemed to be a Covered Employer under the LWO. The LWO requires a Covered Employer to provide specified minimum compensation to its employees who perform work directly related to the CITY contract (these employees are called Covered Employees under the LWO), for all hours the Covered Employees perform under the CITY contract.<sup>2</sup>

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<sup>1</sup> The LWO provides that a person or entity is a Related Person when any of the following circumstances exists:

- (1) The person or entity and the contractor are both corporations, and (i) share a majority of members of their governing boards, or (ii) have two or more officers in common, or (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the corporation=s voting power), or (iv) are in a parent-subsidiary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation=s voting power); or
- (2) The person or entity otherwise controls and directs, or is controlled and directed by, the contractor, as determined by the City Manager.

<sup>2</sup> A Covered Employee includes full-time, part-time, contingent, contract and temporary employees, but does not include: (1) individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment; (2) student interns; (3) individuals participating in specialized-training programs; and (4) an employee whose term and conditions of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of the LWO.

The minimum compensation required is as follows:

- (1) If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least \$1.50 for each hour, then the rates are as follows:
  - (a) During 2004, \$9.00 per hour.
  - (b) During 2005, the greater of \$9.33 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
  - (c) During 2006, the greater of \$9.67 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
  - (d) During 2007, the greater of \$10.00 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- (2) If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than \$1.50 for each hour, then the rates are as follows:
  - (a) During 2004, \$10.50 per hour.
  - (b) During 2005, the greater of \$10.87 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
  - (c) During 2006, the greater of \$11.17 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
  - (d) During 2007, the greater of \$11.50 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco-Oakland-San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.

### **Notification to Covered Employees**

The LWO requires a Covered Employer to give each existing employee and (at the time of hire) each new employee a copy of the following written notification:

**This company may enter into a contract to perform services for the City of Sacramento. If you work on such a contract, then you are entitled to be paid a living wage for each hour so worked. In 2004, the living wage is \$9.00 an hour with health benefits and \$10.50 an hour without health benefits. In 2005, the living wage is at least \$9.33 an hour with health benefits and \$10.87 an hour without health benefits. In 2006, the living wage is at least \$9.67 an hour with health benefits and \$11.17 an hour without health benefits. And in 2007, the living wage is at least \$10.00 an hour with health benefits and \$11.50 an hour without health benefits. For more**

information, see chapter 3.58 of the Sacramento Municipal Code, which can be viewed at [www.cityofsacramento.org](http://www.cityofsacramento.org).

The LWO requires the above notification to be provided in each language spoken by 10% or more of the Covered Employer=s workforce.

The LWO also requires a Covered Employer to inform all employees who earn less than \$12 an hour of their possible right to the federal Earned Income Credit (EIC), and to make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

### **Subcontractor Compliance**

A contractor is responsible for requiring all of its subcontractors who are covered by these requirements to comply with the provisions of the LWO, by including these requirements in all subcontracts covered by the LWO.

### **Other Provisions of the LWO**

#### Use of Funds Paid Under CITY Contracts

Under the LWO, Covered Employers may not directly use CITY funds to persuade Covered Employees to support or oppose unionization, and Covered Employers may not directly use CITY funds to schedule or hold meetings related to union representation during the Covered Employees= working hours. These restrictions do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

#### No Reduction in Non-Wage Benefits

Under the LWO, Covered Employers may not fund any wage increases required by the LWO, nor shall Covered Employers otherwise respond to the enactment of the LWO, by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

#### No Retaliation

The LWO prohibits a Covered Employer from taking any adverse action against a Covered Employee because the Covered Employee does any of the following: (1) exercises or asserts his or her rights under the LWO; (2) informs or assists other Covered Employees concerning their rights and the Covered Employer=s obligations under the LWO; (3) complains about the Covered Employer=s failure to comply with the LWO; or (4) seeks to enforce the LWO.

#### No Reduction in Collective-Bargaining Wage Rates

The LWO does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

### **Violations and Monitoring**

The LWO provides that any violation of the LWO by a CITY contractor constitutes a material breach of the contract, and authorizes the CITY to terminate the contract and pursue all available legal and equitable remedies. In order to monitor compliance, the LWO authorizes the CITY to require Covered Employers to verify their compliance with the LWO by submitting certified payroll records to the CITY, and to take such other steps as may be necessary for the CITY to determine whether the requirements of the LWO have been satisfied.

The LWO also includes provisions authorizing an employee or interested person to file a judicial action against a contractor or subcontractor for violation of the LWO.

### **Declaration of Compliance**

To assure compliance with the LWO, any person or entity entering into a contract to provide Nonprofessional Services to or for the CITY, on or after March 1, 2004, is required to provide the CITY with a signed Declaration of Compliance in the form required by the CITY, prior to the CITY's execution of the contract. The Declaration of Compliance shall be signed by a duly authorized representative of the person or entity entering into the contract, and, when accepted by the CITY, shall constitute part of the contract.

### **Additional Information**

- X For a complete description of the LWO's provisions, refer to the LWO codified at Sacramento Municipal Code Chapter 3.58. The Sacramento Municipal Code is available on the internet at [www.cityofsacramento.org](http://www.cityofsacramento.org).
- X For more information on the LWO requirements and the CITY'S LWO program, contact the Department of Finance, Procurement Services Division, (916) 808-6240.

## EXHIBIT D

### REQUIREMENTS OF THE NON-DISCRIMINATION IN EMPLOYEE BENEFITS CODE INTRODUCTION

The Sacramento Non-Discrimination In Employee Benefits Code (the "Ordinance"), codified as Sacramento Municipal 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 Municipal 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,

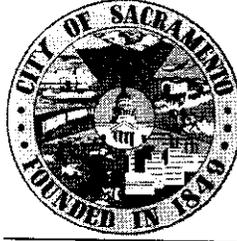
**You May . . .**

- 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  
Contract Services Unit  
915 I Street, 2<sup>nd</sup> Floor  
Sacramento, CA 95814-2714

- 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  
Contract Services Unit  
915 I Street, 2<sup>nd</sup> Floor  
Sacramento, CA 95814-2714

- 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.

**RESOLUTION NO. 2006-675**

Adopted by the Sacramento City Council

September 12, 2006

**AUTHORIZING WORKERS' COMPENSATION  
CLAIMS SOFTWARE UPGRADE**

**BACKGROUND**

- A. The City of Sacramento currently owns a GenSource Workers' Compensation Claims Management System License which staff utilizes to process the City's workers' compensation claims. The system is eight years old and is outdated, difficult to maintain, will soon become obsolete, and needs to be upgraded. As this is a GenSource system, only Gensource is capable of upgrading and maintaining it.
- B. It is in the best interest of the City of Sacramento to upgrade the current system.

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

- Section 1. In the best interests of the City, competitive bidding is suspended for workers' compensation software program upgrade and maintenance.
- Section 2. The City Manager is authorized to execute an agreement with GenSource, a division of StrataCare for a workers' compensation software program upgrade and maintenance term of thirty six (36) months with the City's option to renew for two (2), twelve (12) month periods at a cost not to exceed \$367,205 for the initial three (3) years.

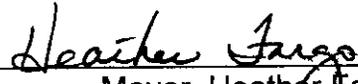
Adopted by the City of Sacramento City Council on September 12, 2006 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmember McCarty.

  
\_\_\_\_\_  
Mayor, Heather Fargo

Attest:   
\_\_\_\_\_  
Shirley Concolino, City Clerk