19-1607 **Agenda Date: 2/19/2019**

REPORT TO COUNCIL

SUBJECT
Action on an Agreement for Services with Packet Fusion, Inc. to provide Support and Maintenance on the City's Telephony System.

BACKGROUND
The Information Technology Department (ITD) maintains a 1,000+ end user telephone system serving all City locations. The Voice over Internet Protocol (VoIP) telephone platform for the City includes telephones, voice mail, automated call distribution, call recording capabilities and enhanced features for the utility billing enterprise contact center. The system requires regular software upgrades, support and warranty maintenance from a certified licensed telephony vendor.

DISCUSSION
On October 29, 2018, the City issued a Request for Proposals (RFP) to select a qualified firm to provide VoIP Telephony service, support and warranty maintenance for the citywide ShoreTel/Mitel equipment, licenses and system platform. Staff conducted industry research and did outreach to 6 firms that perform telephony services to notify them of the RFP, and two proposals were received by the proposal deadline from Packet Fusion Inc. and Xtelesis Corporation.

The proposals were evaluated and scored by an evaluation team consisting of ITD and Finance department staff. The proposals were evaluated based on the firm's qualifications and relevant experience; overall planned service responsiveness; quality and completeness of the proposal; and pricing competitiveness. Based on staff's evaluation of the proposals, Packet Fusion, Inc. is being recommended having submitted the best value proposal to provide the VoIP telephony service, support and warranty maintenance citywide. A five-year agreement is recommended to provide continuity and consistency of support, resulting in a cost savings of $20,775 over the five-year term of the agreement.

The proposed agreement is for an estimated amount not to exceed $326,670 inclusive of $226,670 for basic support services and $100,000 contingency costs for any future technology enhancements, replacement equipment, or additional licenses or services that may be required over the five year agreement term to accommodate the City's needs.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT
Funding for the current year of this agreement was included in the 2018/19 Operating Budget. Future years of this agreement will be included as part of the budget development process.

COORDINATION
This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Authorize the City Manager to execute a five-year agreement for Telephone System Support and Maintenance Services with Packet Fusion, Inc. for a maximum compensation amount not-to-exceed $326,670 and subject to the appropriation of funds over the five year term of the agreement.

Reviewed by: Gaurav Garg, Director/CIO, Information Technology Department
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS
1. Agreement for Services 2018 PFI

EBIX Insurance No. S200002788

AGREEMENT FOR SERVICES BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA, AND PACKET FUSION, INC.

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Packet Fusion, Inc., a California Corporation, (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. City desires to secure the services more fully described in this Agreement, at Exhibit A, entitled "Scope of Services";

B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,

C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Addendum (if applicable)

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings,

whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on March 1, 2019 and terminate on February 28, 2024.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is Three Hundred and Twenty-Six Thousand, Six Hundred and Seventy Dollars ($326,670.00), subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum

compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.

B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.

C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed

or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner

arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Information Technology Department
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at ITDepartment@santaclaraca.gov, and
manager@santaclaraca.gov

And to Contractor addressed as follows:

Packet Fusion, Inc.
4637 Chabot Drive, Suite 350
Pleasanton, California 94588
and by e-mail at tpeterson@packetfusion.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City's Ethical Standards (http://santaclaraca.gov/home/showdocument?id=58299).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and

following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

for BRIAN DOYLE
City Attorney

Dated: 2/28/19

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

PACKET FUSION, INC.
a California corporation

Dated: 2-4-19
By (Signature):
Name: W. Todd Peterson
Title: President
Principal Place of Business Address: 4637 Chabot Drive, Suite 350
Pleasanton, CA 94588
Email Address: tpeterson@packetfusion.com
Telephone: (925) 701-2053
Fax: (925) 701-2030

"CONTRACTOR"

EXHIBIT A
SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are set forth below.

The City of Santa Clara has a ShoreTel/Mitel Voice over IP (VoIP) unified communications solution to best meet the City's needs. The City maintains a 1100+ end user telephone system serving all City office locations and includes telephones (physical and soft-phones), voice mail, automated call distribution, call recording capabilities and enhanced features for the utility billing enterprise contact center. The City operates the VoIP system in a virtualized environment, namely VMWare 6.5 (current). The system is SIP based with redundancy and failover.

The primary objective of this Scope of Service is to outline a customer focused Issue Resolution and Support Service Delivery Process. Packet Fusion, Inc. (PFI) will provide remote monitoring services of citywide ShoreTel/ Mitel equipment, licenses, call center and system platform, a Customer Support Process for identified issues and a method for determining additional services needs and upgrade paths to the existing equipment and software. The detailed scope of services is more completely defined below.

Issue Resolution and Support Service Delivery Process

1. Monitoring - Proactive Full Time Monitoring

A. Proactive monitoring using Kaseya management monitoring software will be provided on a 24 hour a day, 7 days a week, 365 days a year basis.

B. All alarms from the ShoreTel communication system will be sent to PFI's Network Operations Center (NOC) and treated in the following manner:

   a. PFI will attempt to fix the problem remotely and then notify the City of the outcome.
   b. If the problem is not fixed remotely, the issue will be considered a Service Restoration Issue and the City will notified within the timeframe laid out in the SLA in the Service Restoration section below.
   c. Root Cause Analysis (RCA) will be done to establish the true cause of problem(s), and develop an error record, to record the known errors, which is issued to inform relevant personnel of identified errors(s) and fault isolation activities for continuous improvement relating to the environment. An initial RCA within be provided to the City within 48 hours and the final review will be submitted within 5 business days.

2. Service Restoration

A. Unlimited Support Services upon request by the City to restore malfunctioning operating component parts of the Equipment to proper working order for the equipment listed below in Appendix A, "Schedule of Equipment" and restoration of malfunctioning system platform component parts, and licensing to proper working order for services listed in Appendix B, "Systems and Licensing". Hours of coverage to be provided shall be 24 hours a day, 7 days a week and 365 days a year.

B. With respect to on-site and remote response times for Outage of Equipment (classified as a Priority 1, 2, or 3 failures as defined below), PFI will use its best efforts as follows:

Priority	Definition	Response Time	Target Resolution Time
P1	Emergency issue impacting an entire site or customer's business is severely affected. (System Down / Loss of Call Center / Loss of Voice Mail / Call processing has ceased) RCA documented and shared.	Immediate (within 15 mins)	1 Hour
P2	Urgent issue impacting peripheral application or an escalated service or call quality issue impacting an individual person. (Loss of call capability of 25% or more / System degradation of 25% or more Less than 25% system outage) RCA documented and shared.	4 Hours	2 business days
P3	Standard issues not impacting the ability to make or receive phone calls. (Intermittent call quality issues / Static on lines / Peripheral application – equipment malfunctioning / All other issues not covered in P1/P2) RCA documented and shared.	24 Hours	1 business week

C. Note, any on-site labor performed for major malfunctions is covered in this agreement and provided free of charge to the City.

D. Any remote phone or remote access services that is not support related, which lasts less than 30 minutes, shall not be billed.

3. Enterprise Call Center Support

Palitto Consulting
PFI working with Palitto Consulting Services (PCS) will provide the following:

a. Enterprise Contact Center (ECC) integration of the current Harris Web Services, ACD and IVR flow;
b. Create Web Service Integration into ECC via SQL;
c. Installation of Integration onto ECC server with associated software, maintaining PCI compliant integration of the payment functions;
d. Testing and Training of web service integration including maintaining, upgrading and support of a test system;
e. Documentation to detail installation, maintenance and high-level overview of integration;
f. Configure, test and implement City call flows including each script to interact with the SQL linked Harris Web Services;
g. Future needed integration to the SEW payment service – First Billing;
h. Create all call profile variables needed;
i. Work with the City and PFI in the testing and implementation phases of this project;
j. PFI to provide Advanced ShoreTel & Contact Center Reporting via Brightmetrics; and,
k. Call Flow Design and Script review

4. Training

PFI will make training available for city users including

a. End User Training - Mitel training webinars, End-User Refresher Training via Webinar
b. Administrator Training

5. Health checks, upgrades, value add services

A. PFI & City to participate in a monthly support / TAC review call. This is a remote conference call to review all outstanding tickets, issues and situations

B. PFI to perform a yearly health check / system audit in the first quarter of each calendar year and present findings and recommendations to the City. The audit shall include information relating to Mitel Configuration, Server Configuration, LAN/WAN, Mitel Compliance, Best Practices, Contact Center Review, etc.

C. PFI and City to participate in a bi-annual business review meeting to review findings from above health check and TAC review calls, present Product Enhancements for Mitel Core UC, ECC, Palitto, Oaisys, etc. Provide an

overview of industry trends in UC / UCaaS / CCaaS, new technologies and future roadmap.

D. Remote labor for 1 voluntary upgrade per year is included in PFI's annual support services. If the upgrade is required due to a service affecting situation, then there is no labor charged for the upgrade and does not count towards the 1 included voluntary upgrade. For each of these upgrade scenarios, if the upgrade requires on-site assistance due to service affecting problems caused by the upgrade, there is no charge for on-site labor.

E. PFI to provide 20 additional professional service labor hours per year to be used at City's discretion.

Appendix A, "Schedule of Equipment"

Type	Serial Number
SG-30	S30F1425xxxxx
SG-220T1	ST1F1619xxxxx
SG-24A	2AFA1440xxxxx
SG-220T1	ST1F1225xxxxx
SA-100 Collab	UCBd4ae5xxxxx
SG-220T1	ST1F1451xxxxx
SG-220T1A	T1AF1324xxxxx
SG-24A	2AFA1443xxxxx
SG-24A	2AFA1440xxxxx
SG-24A	2AFA1440xxxxx
SG-90	S90F1442xxxxx
SG-30	S30F1424xxxxx
SG-30	S30F1320xxxxx
SG-90	S90F1547xxxxx
SG-30	S30F1425xxxxx
SG-90	S90F1536xxxxx
SG-90	S90F1442xxxxx
SG-90	S90F1442xxxxx
SG-30	S30F1425xxxxx
SG-30	S30F1425xxxxx
SG-30	S30F1425xxxxx

SG-30	S30F1425 xxxxx
SG-30	S30F1425 xxxxx
SG-30	S30F1425 xxxxx
SG-30	S30F1425 xxxxx
SG-90	S90F1442 xxxxx
SG-30	S30F1425 xxxxx
SG-90	S90F1614 xxxxx
SG-30	S30F1412 xxxxx
SG-30	S30F1650 xxxxx
SG-220T1A	T1AF1345xxxxx
SG-220T1	ST1F1415 xxxxx
SG-30	S30F1425 xxxxx
SG-50	S50F1442 xxxxx
SG-90	S90F1442 xxxxx
SG-30	S30F1648 xxxxx
SG-30	S30F1425 xxxxx
SG-vPhone	VTP00505xxxxx
SG-vPhone	VTP00505xxxxx
SG-vTrunk	VTP00505xxxxx
SG-vTrunk	VTP00505xxxxx
SG-90	S90F1442 xxxxx
SG-30	S30F1425 xxxxx

Call Center Applications & Products	
Oaisys Standard SWA Voice Recording Base - 30 Ports	1
Oaisys Standard SWA Voice Recording Addl Port	1
Contact Center Agent Activity Event Feed license BDL	2
Contact Center Group Activity Event Feed license BDL	2
Contact Center Inbound Voice license bundle	15
Contact Center Inbound Voice license bundle BDL	10
Contact Center IVR license for one concurrent IVR port BDL	45
Contact Center Supervisor license	10
Contact Center Supervisor license BDL	1
Contact Center TAPI App Server license BDL	1
Outbound Campaign IVR Application (add five more calls)	1
Outbound Campaign IVR Application (base package)	1
ECC Base 10 Package for Release 8	1

Appendix B, "Systems and Licensing"

Name	Purchased
Keyed Licenses:	
ShoreTel Additional Language License	0
ShoreTel Additional Site License	31
ShoreTel Audio Conference License	30
ShoreTel Extension License	1300
ShoreTel External Unified Messaging SIP Link	0
ShoreTel High Resolution Video License	0
ShoreTel Mailbox License	1271
ShoreTel Mobile Access License	25
ShoreTel Operator Access License	1
ShoreTel Professional Access License	250
ShoreTel Remote Web Reporting License	0
ShoreTel SIP Phone License	40
ShoreTel SIP Trunk License	75
ShoreTel SoftPhone License	261
ShoreTel Standard Resolution Video License	251
ShoreTel System License (Enterprise Edition)	1
ShoreTel Virtual Switch Phone License	5
ShoreTel Virtual Switch SIP Trunk License	255
ShoreTel Web Conference License	0
ShoreTel Workgroup Agent Access License	0
ShoreTel Workgroup Supervisor Access License	10
Active Directory Import Application	1
Mobility Router 4000 Appliance	1
Self-audited Licenses:	
ShoreTel Personal Access License	1500
ShoreTel Remote Server Software	0
ShoreTel TAPI Application Server	5
ShoreTel Phone API License	0
Phone Product in use	
IP Phone IP485g	1100
IP Phone IP655	1
IP 930D	33
IP930D DECT Repeater	5
IP930D DECT Starter Kit	17
Web Power Switch 7	27

EXHIBIT B
SCHEDULE OF FEES

Contractor will bill City on an invoice and in a format approved by City and subject to verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

1) SUPPORT AGREEMENT:

Term Length (Paid annually)	Service Support coverage costs (excluding phones)
5-year term	$45,334 per year

2) Hourly Time and Materials Billing Rate for items not covered under Exhibit A of this Agreement ("T&M Rates"):

Hourly Rates: $125/hour.
Overtime Hourly Rates: $187.50/hour.

PFI shall provide a 20% Discount off list price for any additional equipment purchased pursuant to this Agreement.

3) Subject to appropriations of funds, a reserve fund of $100,000 for unanticipated project work and needs not covered under standard maintenance and warranty as required shall be included in contract not to exceed amount over the life of this contract.

EXHIBIT C
INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

   $1,000,000 Each Occurrence
   $2,000,000 General Aggregate
   $2,000,000 Products/Completed Operations Aggregate
   $1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.

3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:

   a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;

   b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and

   c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars ($1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars ($2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars ($1,000,000) policy limit Bodily Injury by disease, one million dollars ($1,000,000) each accident/Bodily Injury and one million dollars ($1,000,000) each employee Bodily Injury by disease.

2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other

insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

   a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

   b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of

complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.
City of Santa Clara – IT Department

P.O. Box 100085 – S2	or	1 Ebix Way
Duluth, GA 30096		John's Creek, GA 30097

Telephone number: 951-766-2280
Fax number: 770-325-0409
Email address: ctsantaclara@ebix.com

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.