



**SAN FRANCISCO  
HUMAN SERVICES AGENCY**

Department of Benefits  
and Family Support

Department of Disability  
and Aging Services

Office of Early Care  
and Education

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**London Breed**  
Mayor

**Trent Rhorer**  
Executive Director

**MEMORANDUM**

**TO:** HUMAN SERVICES COMMISSION

**THROUGH:** TRENT RHORER, EXECUTIVE DIRECTOR

**FROM:** INGRID MEZQUITA, EXECUTIVE DIRECTOR , OECE  
ESPERANZA ZAPIEN, DIRECTOR OF CONTRACTS DS  
JG

**DATE:** JUNE 18, 2021

**SUBJECT:** CONTRACT RENEWAL: **SUBVERTICAL LLC** (FOR -  
PROFIT) TO PROVIDE EARLY CARE AND  
EDUCATION ENROLLMENT DATABASE 21-23

<b>CONTRACT TERM:</b>	<u>Current</u> 4/1/2020 – 6/30/2021	<u>Renewal</u> 7/1/2021 – 6/30/2023			
<b>CONTRACT AMOUNT:</b>	<u>Current</u> \$500,115	<u>Renewal</u> \$982,500	<u>Contingency</u> \$0	<u>Total</u> \$982,500	
<b>ANNUAL AMOUNT:</b>	<u>FY21-22</u> \$535,500	<u>FY22-23</u> \$447,000			
<b><u>Funding Source</u> FUNDING: PERCENTAGE:</b>	<u>County</u> \$746,700 76%	<u>State</u> \$235,800 24%	<u>Federal</u> \$0 0%	<u>Contingency</u> \$0	<u>Total</u> \$982,500 100%

The Office of Early Care and Education (OECE) through the Department of Benefits and Family Support requests authorization to renew the contract with Subvertical, LLC for the period of July 1, 2021 to June 30, 2023 for a total amount not to exceed \$982,500. The purpose of the contract is to provide an early care and education (ECE) enrollment and quality rating and improvement system (QRIS) database for OECE.

## **Background**

OECE contracts with two agencies that administer federal, state, and local childcare subsidies. Currently, data on these subsidies and the families they serve are tracked in three different, unconnected data systems; OECE only has direct access to one of these three systems. This lack of direct access to data on families and subsidies hinders OECE's ability to communicate with the public, answer data questions from state and local leaderships, and make planning decisions.

For instance, compiling monthly enrollment counts requires an involved process of downloading, merging, de-duplicating, cleaning, cross-referencing, and correcting data from these sources. This makes it either exceedingly difficult or impossible to obtain the data necessary to answer any unanticipated business questions that come from OECE/HSA leadership, the ECE community, City Hall, or the general public.

For the last year, Subvertical, LLC has been developing and refining a new data system ("Mocha") that will replace at least three longstanding data systems (Cocoa, Care Control 3, and WELS) as of July 1, 2021. The new system not only stores information in an organized, accessible way, and allows OECE's partners and contracted service providers to efficiently record and report child enrollment, attendance, assessment, and payment, among other things. The system also tracks various measures related to classroom quality, including independent assessments, ratings, and improvement plans. Mocha has an open architecture that allows it to exchange data with other popular data systems in use in San Francisco, including the Early Care and Education Workforce Registry and the Early Learning San Francisco centralized child care eligibility list. Two of three cohorts of City-funded ECE programs have already migrated from the old systems to the new ones in February and April, and the last cohort will transition at the end of June.

## **Services to be Provided**

Subvertical, LLC will license Mocha for continued use by OECE and its grantees and partners, as well as continue to design, develop, maintain, and refine Mocha during the proposed two-year project period beginning July 1, 2021. In the course of building Mocha during this past year and taking feedback from City-funded ECE programs, Subvertical has received many suggestions for new features and improvements, some of which were accepted immediately and prioritized for development over certain lower-priority items under its current scope. The next project

period will entail addressing a number of deferred deliverables as well as continuing to take feedback from OECE and end users to refine, improve, and expand the capabilities of Mocha.

**Selection**

Contractor was granted a Sole Source Waiver which was approved by the Office of Contract Administration on June 1, 2021.

**Funding**

Funding for this contract is provided by a mix of local Public Education Enrichment Fund (PEEF) and State funding.

**ATTACHMENTS**

Appendix A – Saas Implementation and Training Services

Appendix B – Saas Application & Hosting Services

Appendix C – Calculation of Charges

**Appendix A**  
**SaaS Implementation/Post Implementation Support & Training Services**  
**July 1, 2021 through June 30, 2023**

I. **SaaS Implementation/Post Implementation & Training Services** - Implementation and Training Services includes the following which are described in detailed in the following corresponding sections:

- a. User Accounts, Configuration, Development of Test Scenario/User Stories, and User Testing and Acceptance
- b. Premium Support
- c. Report Writing
- d. Administrative User Training
- e. Feature Development and Integrations
- f. Travel

Estimated Completion Date is the target month in which we expect the work to be completed. Actual completion dates for implementation and training may vary depending on the availability of stakeholders, suggestions or requests from City and other factors. The work itself may be started and billed for in previous months.

- a. **User Accounts, Ongoing Configuration, Imports, Training, and Specialized Support**  
 Contractor will assist City's Authorized Users in creating user accounts that will allow them access to SaaS Software through City's subscription. The subscription includes the features referenced in Appendix B.

This section includes the implementation work required to set up and configure VerticalChange using existing and new capabilities and features as they are developed to best fit the needs of the project and stakeholders. This configuration and support work, including the development of test scenarios/user stories, user testing and acceptance, imports and workflow creation, will take place in an iterative fashion with weekly client feedback.

<b>Item</b>	<b>Description</b>	<b>Est. Completion</b>
Complete configuration of specialized Title 5 Need and Eligibility Module	Configure forms with calculations that will determine and track Title 5 need and eligibility information for families and children participating in these specific programs	July – December 2021

Complete configuration of specialized Head Start Health and Family services and Eligibility Module	Configure forms with calculations that will determine and track Head Start health and support services, and eligibility information for families and children participating in these specific programs	July – December 2021
Complete configuration of QRIS Module	Copy over forms, reports, and workflows for QRIS from a current system template and customize as needed	July – December 2021

Complete configuration of Staff/Teacher Contact Module	Allow ECE program users, ECE teaching staff users, and administrative users to enter and update Staff/Teacher forms to track ECE programs' administration and teaching staff information for individual staff	July – December 2021
Create Workflow Visuals	Throughout the configuration process, including for adaptations and new elements, use feedback from partners to create clarifying process and workflow visualizations to aid in configuration.	July – December 2021
Continue to Create User Accounts	Maintain process of creating User Accounts by request until Agency-level access to Staff/Users is secure	July – December 2021
Create and Assign User Roles and Permissions	Maintain process of creating and tuning Permission Sets and Roles by request from OECE and/or Users' Agencies	through June 2023
Complete Legacy Data Import - Cocoa	Completion of ongoing legacy family, child, eligibility, payment, and attendance data from Cocoa for Users' Agencies into VerticalChange. Validate that the data was imported correctly.	July – December 2021

Complete Legacy Data Import – Care Control 3	Import legacy family, child, eligibility, payment, and attendance data from Care Control 3 for Wu Yee Children's Services into VerticalChange. Validate that the data was imported correctly.	July – December 2021
Create Feature Mockups	Throughout the development process during term of this agreement, create mockups of planned and new development to ensure it meets all requirements and receive partner feedback. SF OECE will filter which feedback is appropriate to include in development plans.	through June 2023

Quarterly Trainings and Feedback Sessions	Throughout the term of this agreement, Customer Team will host quarterly trainings and feedback sessions for the purpose of both onboarding new Users' Agencies; and, for ongoing feedback by existing Users' Agencies, to support configuration improvements and prioritize new development.	through June 2023
Regular Feedback and Support Sessions	Throughout the term of this agreement, Customer Team will host regular feedback and support sessions to hear input from the system administrators -- OECE and ISA staff, and others as delegated by OECE -- with frequency determined by mutual agreement.	through June 2023

**b. Premium Support**

All Administrative user accounts will have access to Technical and User Support services as described below. The Premium Support details described below will control if there is any conflict between these details and any conflicting requirements in the Agreement, including Appendices.

- a. Live in-app chat support is available Monday-Friday, 8 a.m. - 5 p.m. PST
- b. Additional support is provided via email, phone, and/or remote screen-sharing
- c. Online help articles and videos
- d. One hour (60 minute) response time for critical issues
- e. 24-hour system monitoring and uptime alerts
- f. Regular system updates and improvements

**c. Report Writing Detail**

The following table includes the items of work required to outline, build, and implement the various reports

Report Type	Description	Hours
End user formula-based reports	10-15 custom SQL reports including: the aggregation of enrollment information based on child attribute data (age, eligibility, etc.). Custom report specifics to be determined in collaboration with SF OECE and partners.	through June 2023

Standard reports	10-20 custom SQL reports including: mathematical operations such as summation, averaging, weighted averaging and use of multipliers, and can include if/then logic to set maximum limits. Custom report specifics to be determined in collaboration with SF OECE and partners.	through June 2023
Complete Custom State-Required Reports	Notice of Actions (NOA) (CDE 7617) Confidential Application Child Development Services & Certification of Eligibility (CDE 9600) 801A Monthly Report 8501 Attendance and Fiscal Quarterly Report 8501 SF Attendance and Fiscal Quarterly Report 9400 Enrollment and Attendance Register 9500 Attendance and Fiscal Report Desired Results Developmental Profile Tech Export Custom report specifics to be determined in collaboration with SF OECE and partners.	July – December 2021
Repository with monthly snapshot of production data	Develop custom monthly repository of SF OECE data in SQL tables, accessible by SF OECE Specific format needed to be determined in collaboration with SF OECE and partners.	through June 2023

**d. Administrative User Training Items**

The following table describes the trainings available and the total hours agreed upon in the proposal. Training requirements will be decided by OECE ongoing and billed for services provided. Estimated hours provide for the training outlined in the attached Implementation Checklist.

Item	Description	Timeline
Documentation	Custom documentation for specific workflows, including in-app tutorials and user guides.	through June 2023
In Person Training	VerticalChange staff provide in-person training, as needed, including in-app workflow walkthroughs and hands on practice sessions	through June 2023
Remote Training	VerticalChange staff provide remote training over Zoom, including in-app workflow walkthroughs and hands on practice sessions for agencies coming on during soft-launch	through June 2023

### e. Feature Development and Integrations

This section includes all of the proposed development and integration work.

Deliverable	Description	Timeline
Attendance/ Sessions/ Registration Improvements V2	Version 2 of improvements to the Attendance module, Sessions and Registrations workflow to fit SF OECE and ISA workflows, including weekly view on Attendance page	July – December 2021
Permissions Improvements	Permissions by Location, improvements for Agency Staff/Users to assign permissions and manage staff	July – December 2021
Advanced Validations	SQL for validating attendance form fields, subsidy certification fields, and contact form fields	July – December 2021

Complete Advanced Duplicate Checker	Feature for checking for duplicates across the system for admins, and capabilities to merge duplicates	July – December 2021
SFUSD import templates	Establish process for SFUSD user/s to share required data by auto-run imports and/or import templates provided to SFUSD for use with their external system formatted data	July – December 2021
Head Start and to be determined ECE programs integration (different systems)	Integrate data from up to 3 Head Start agencies with different systems and/or additional ECE programs	through June 2023
Complete Children's Council Special State Subsidy Integration	Finish new process to send Attendance in readable format to CC3 as workaround to immediate adoption of Mocha payment module	July – December 2021
Complete Children's Council CC3 Integration	One-way integration (ingest) with MCT Care Control 3	July – December 2021
Complete Integration with OECE-funded central eligibility and waiting list	July – December 2021	July – December 2021
Enhancements to payment processing and invoicing tools	Develop custom invoicing tools as per SF OECE specifications. Create specialized exports from VerticalChange for use by ACH bank transactions to facilitate full ISA adoption of Mocha invoice and payment workflows.	through June 2023
Advanced Messaging functionality	Expanding existing email functionality to include text messaging and robocalling.	July – December 2021



Advanced In-App Notifications and Tasks Management	Expanding in-app Tasks v2 notifications for reminders, deadlines, etc.	July – December 2021
Enhancements to multi-factor authentication (MFA) for user accounts	Enhance user account management to handle MFA, as per specific requirements of SF OECE (enabling email alternative; including U.S. territories' area code/s to capture excluded users)	July – December 2021
Integration with California Workforce Registry	Integrate data related to staff qualifications and professional development.	July – December 2021
Complete Translation of VerticalChange	Develop language translation into Spanish and Chinese for only the areas of the system accessed by Site Users.	July – December 2021

Mobile-friendly VC application improvements	Completion of Mobile access improvements and user interface updates to allow for accessing the system on mobile devices.	through June 2023
API-based data exports	Ability to generate export reports easily either manually or automatically using an API to several other data systems	through June 2023
Ongoing Development Improvements from Feedback	Changes and improvements to existing scoped development projects and features based on user feedback throughout term of agreement, especially focusing on user interface (UI) and navigation improvements	through June 2023

#### e. Travel

Staff travel to San Francisco for partner meetings and trainings is anticipated to occur on average once a month through June 2020. Based on past trips, we estimate a single-day trip for one staff person will cost \$500 round trip for airfare and \$100 per diem for food and ground travel for a total of \$600. A multi-day trip would add \$200 per night for hotel accommodations to this total.

## II. Iterative Planning Timeline for System Maintenance and Improvement

The Iterative Planning Timeline includes an outline of the process steps needed to progress from initial hard system universal launch, 7/1/2021, to all ISA's and ECE Program staff, into system maintenance and improvement cycles.

The VerticalChange process utilizes the agile development methodology and structures maintenance and improvement around weekly and bi-weekly work periods (sprints) that rely on regular feedback from partners to identify and make quick progress on project adaptations during its lifecycle.

To make this process work with a project of this size and complexity, it has been broken down into manageable modules that will be worked on in order to simplify collecting detailed requirements, understanding configuration needs, writing reports, and getting user feedback.

Development items will be incorporated into the configuration and testing process as they become available and are relevant for the module in progress. Integrations and reports will be worked on in tandem with each module's configuration and then finalized once the full system is completed and no further changes are expected.

All participating entities will be referred to using their acronyms for the purpose of space.

<b>Task</b>	<b>Participants</b>	<b>Timeline</b>
Weekly to bi-weekly review for iterative planning meetings (IPMs) to maintain system and improve configuration based on user input and feedback from support	VC; SF-OECE; ISAs as-needed	through June 2023

<b>Make Adjustments to Features and Fix Bugs as Needed</b>		
Gather feedback on additional requests, changes, bug fixes needed and other updates, and prioritize requests based on severity level: <ol style="list-style-type: none"> <li>1. Critical - functionality is blocked, prevents users from urgent work, security or data integrity issues</li> <li>2. High – functionality is not usable as it's supposed to be, data integrity issues not blocking user from work</li> <li>3. Medium - functionality is not as expected, possible cosmetic issues</li> <li>4. Low - cosmetic errors, annoying bugs with workarounds</li> </ol>		
All ISA staff and ECE Program staff are using VerticalChange (except for Children's Council due to the CC3/4 integration)	VC, SF OECE, Partners	
VerticalChange will provide ongoing support, remote trainings, and feedback sessions as needed after hard launch		

Feedback leading to additional development will be triaged by SF OECE to direct development plans		
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**Appendix B**  
**SaaS Application, Hosted Services, and Maintenance**  
**July 1, 2021 through June 30, 2023**

- I. Description of the SaaS Application and Hosted Services**
- II. SaaS Data Centers**
- III. SaaS Maintenance Services.**
- IV. City Responsibilities**
- V. Technical Support & Training**

**Description of the SaaS Application and Hosted Services:** “SaaS Application and Hosted Services” will also provide the specific capabilities described in the Response to RFQ 829 and incorporated by reference into this agreement as specified in this agreement in section 11.13 Order of Precedence.

**I.**

**A. Software :** Access to and use of Contractor’s SaaS Software operating on hosted equipment located at Contractor’s facility and/or any Data Center as further outlined under Section II (SaaS Data Centers) of this Appendix B. This includes:

- 1. VerticalChange, available at [verticalchange.com](http://verticalchange.com)

**B. Remote Software :** Contractor shall provide access to and use of a remote software tool for City management of Authorized Users, access rights and other similar role- based controls as they pertain to the SaaS Services. Method will be published through Contractor portal and be made available to Authorized Users with elevated privileges.

1. **Back-Up of City’s Data:** Contractor shall provide up to thirty-six (36) months of on-line hourly data retention for SaaS Software operation and functionality.

2. Contractor shall provide incremental City Data backups at a minimum of every four (4) hours to an off-site location other than the primary hosting center.

3. Contractor shall provide weekly, off-site backups with a duration that matched the agreed upon backup schedule and retention to a location other than the primary hosting center. Off-site backups to include previous eight (8) weeks.

**C. SaaS Environments:** The SaaS Application and Hosted Services shall be hosted in a certified and secure Tier-3 data hosting center.

- 1. A single Backup Environment available as needed to serve as the

backup or “failover” environment for the SaaS and Hosted Services

2. A single Test Environment available to the City and Contractor for the evaluation and eventual promotion of SaaS Software updates, patches, fixes or otherwise deemed tests. Test Environment shall perform at 50% or better of Production Environment.

**D. Reporting:** Contractor shall provide electronic notification within 2 hours of discovery and subsequent monthly reporting of any incidents or breaches that had occurred within the environment or to the hosted application. In the event of a breach, Contractor shall follow the procedures set forth in Section 13.1.5 of the Agreement.

**E. Availability of SaaS Services:** Contractor (or its Hosting Service contractor) shall host the **SaaS Services** on computers owned or controlled by the Contractor (or its contractor) and shall provide the City with access to both a Production Environment with SaaS Application and data and a Test Environment with SaaS Application via Internet-access to use according to the terms herein.

1. **Hosted System Uptime:** Other than Scheduled SaaS Maintenance Services as outlined in Section III, emergency maintenance described below, Force Majeure as described in the Agreement and lack of Internet availability as described below, Contractor shall provide uptime to the SaaS Application and Hosted Service to achieve a 99.9% Service Level Availability.

2. **Scheduled SaaS Maintenance**

A. Scheduled SaaS Maintenance will be conducted during the following hours: Saturdays between 12 AM (Pacific Time) and 8 AM (Pacific Time). With the same exclusions as noted above.

B. Scheduled SaaS Maintenance shall not exceed an average of 4 hours per month over a twelve (12) month period except for major scheduled upgrades.

3. **Unscheduled SaaS Maintenance.** Contractor will use commercially reasonable efforts to prevent more than one (1) hour of continuous down time during Business Hours in any month for which Unscheduled SaaS Maintenance is required. In the event Contractor fails to meet this obligation for a period of three successive calendar months, City shall be due a Performance Credit in the amount of 10% of the Services Fees (as calculated on a monthly basis for the reporting month).

4. **Emergency Maintenance.** In the event that Force Majeure or emergencies arise or continue, Contractor shall be entitled to take any actions that Contractor, in good faith, determines is necessary or advisable to prevent, remedy, mitigate, or otherwise address actual or potential harm, interruption, loss, threat, security or like concern to any of the SaaS systems or the SaaS Software. Such emergency maintenance may include, but is not limited to: analysis, testing, repair, maintenance, re-setting and other servicing of the hardware, cabling, networks, software and other devices, materials and systems through which access to and/or use of the SaaS Software by City is made available. Contractor shall endeavor to

provide advance written notice of such emergency maintenance to City as soon as is reasonably possible.

5. **Notice of Unavailability:** In the event there will be more than thirty (30) minutes down time of any SaaS or Hosted Service components for any reason, including but not limited to Scheduled SaaS Maintenance or emergency maintenance, Contractor will provide notice to users by posting a web page that indicates that the site is temporarily unavailable and to please come back later. Contractor will also provide advanced e-mail notice to anthony.tyson@sfgov.org which will include at least a brief description of the reason for the down time and an estimate of the time when City can expect the site to be up and available.

**F. Changes in Functionality.** During the term of this Agreement, Contractor shall not reduce or eliminate functionality in SaaS Services. Where Contractor has reduced or eliminated functionality in SaaS Services, City, at City's sole election and in City's sole determination, shall: (a) have, in addition to any other rights and remedies under this Agreement or at law, the right to immediately terminate this Agreement and be entitled to a return of any prepaid fees; or, (b) determine the value of the reduced or eliminated functionality and Contractor will immediately adjust the Services fees accordingly on a prospective basis. Where Contractor has introduced like functionality in other services, where Contractor increases functionality in the SaaS Services, such functionality shall be provided to City without any increase in the Services fees.

## II. SaaS Data Centers

**A. Control:** The method and means of providing the Services shall be under the exclusive control, management, and supervision of Contractor, giving due consideration to the requests of City. The Services (including data storage), shall be provided by Contractor or any previously approved subcontractor, solely from within the continental United States and on computing and data storage devices residing therein.

**B. Location:** The location of the Data Centers that will be used to host the SaaS Application is as follows:

**Primary data center:**

Amazon Web Services  
AWS US West Region  
Availability Zone A

**Back-up data center:**

Amazon Web Services  
AWS US West Region  
Availability Zone C

**C. Replacement Hosted Provider:** In the event Contractor changes the foregoing Hosted Provider, Contractor shall provide City with prior written notice of said change and disclose the name and location of the replacement Hosted Provider. The replacement Hosted

Provider shall be a reputable Hosted Provider comparable to Contractor's current Hosted Provider, and said replacement Hosted Provider shall be located within the United States. The replacement Hosted Provider shall perform a SSAE 16, SOC 1 and/or SOC 2/SOC 3 Audit Report at least annually and said audit shall be provided to City in accordance with this Agreement.

**D. Notice of Change:** In the event that the location of the Data Center used to host the SaaS Application is changed, Contractor shall provide City with prior written notice of said change and disclose the address of the new facility. Notification shall be provided to City by Contractor within sixty (60) days of any such change taking place. Any such new primary facility shall be located within the United States. The Data Centers referenced above are subcontractors that are approved by City.

**E. Subcontractors.** Contractor shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without City's prior written consent and any attempt to do so shall be void and without further effect and shall be a material breach of this Agreement. Contractor's use of subcontractors shall not relieve Contractor of any of its duties or obligations under this Agreement.

### **III. SaaS Maintenance Services.**

**A.** The SaaS Software maintained under this Agreement shall be the SaaS Software set forth in Appendix B to this Agreement.

**B.** The following SaaS Maintenance Services are included as part of this Agreement:

**1. Contractor Software Version Upgrades, Software Revisions and Patches.** Contractor shall provide and implement ALL SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software Patches to ensure: (a) the functionality of the SaaS Software and SaaS Services, as described in the Documentation, is available to Authorized Users; (b) the functionality of the SaaS Software and SaaS Services in accordance with the representations and warranties set forth herein, including but not limited to, the SaaS Software and SaaS Services conforming in all material respects to the specifications, functions, descriptions, standards, and criteria set forth in the Documentation; (c) the Service Level Standards can be achieved; and, (d) the SaaS Software and SaaS Services work with the non-hosted browser version.

i. Deployment of these revisions will be mutually agreed upon between Contractor and City.

ii. Release of software revisions as defined will be conducted on a schedule as determined by Contractor. Contractor shall provide no less than a thirty (30) calendar day prior written notice of when any such revision is scheduled to be released. City will be granted a fifteen (15) calendar day evaluation window to review release documentation regarding software modules being impacted and general revision changes.

iii. After the evaluation period, Contractor will conduct a deployment of the revision to the City Test Environment. The software deployment will be

scheduled in writing five (5) calendar days prior to actual deployment activities. As part of the upgrade activities within the Test Environment, Contractor may provide nominal testing to ensure all systems are functional and the revision deployment was successful. Post deployment activities include an e-mail or portal post to serve as written notification that this service has been completed. City will be allowed a forty-five (45) calendar day test window in which City has ability to test and raise issues with Contractor. Issue resolution will be managed per the process as described here within. Test Environment deployment activities will be conducted during a mutual agreed to time window and may not necessarily align with the production maintenance windows as described within this document.

iv. In the event a SaaS Severity Level 1 or Severity Level 2 Issue has been identified and appropriately triaged and classified by both Contractor and City during the Test Environment deployment test window, Contractor will be required to correct the SaaS Issue. If the SaaS Issue can be corrected and can be redeployed within the remainder of the deployment test window, City will have an additional five (5) testing days in which to evaluate and further test for the SaaS Issue resolution. If the SaaS Issue cannot be corrected within the remainder of the test window, Contractor will deploy immediately upon availability with as much notice as practicable. City will be allowed an additional five (5) testing days to evaluate the correction post the test window if desired.

v. If at any time during the testing window City identifies the presence of multiple SaaS Severity Level 1 or Severity Level 2 Issues that can be shown to materially impact City ability to continue testing, City may in writing elect to suspend testing until corrections for the SaaS Issues can be provided. Contractor will deploy corrections immediately upon availability with as much notice as practicable. Upon release of corrections, City will have five (5) calendar days to commence the testing within the then available remaining testing window.

vi. Unless exists outstanding circumstances as described here within, Contractor will promote revision from Test Environment to Production and Back-up environments after the provided test window has elapsed. The software promotion will be scheduled in writing five (5) calendar days prior to actual deployment activities. As part of the promotion activities within the Production and Back-up environment, Contractor may provide nominal testing to ensure all systems are functional and the revision promotion was successful. Post promotion activities include an e-mail or portal post to serve as written notification that this service has been completed. At the point of e-mail or portal posting, the new revision will be considered “in production” and supported under the maintenance service terms described here within.

2. In support of such SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software Patches, Contractor shall provide updated user technical documentation reflecting the SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software Patches as soon as reasonably practical after the SaaS Software Version upgrades, SaaS Software Revisions and SaaS Software Patches have been released. Updated user technical documentation that corrects Errors or other minor discrepancies will be provided to Contractor’s customers when available. **Third-Party Software Revisions.** At the option of



Contractor, periodic software revisions of Third-Party Software included with the SaaS Software will be provided by Contractor at its discretion without further charge provided the following conditions are met: (i) the Third-Party Software revision corrects a malfunction or significant publicly disclosed security threat in the Third-Party Software that affects the operation or ability to provide secure use of the SaaS Software; and (ii) the Third-Party Software Revision has, in the opinion of Contractor, corrected malfunctions or significant security threat identified in the Contractor Technology System and has not created any additional malfunctions; and (iii) the Third-Party Software revision is available to Contractor. City is responsible for obtaining and installing or requesting install of the Third-Party Software revision if the Third-Party Software was not licensed to City by or through Contractor. Contractor Software revisions provided by Contractor are specifically limited to the Third-Party Software identified and set forth in Appendix B to this Agreement.

**C. Response to SaaS Issues.** Contractor will provide verbal or written responses to SaaS Issues identified by City in an expeditious manner. Such responses shall be provided in accordance with the Target Response Times as defined under Section VI.

**D. SaaS Software Maintenance Acceptance Period.** Unless as otherwise agreed to by City on a case-by-case basis, for non-emergency maintenance City shall have a twenty (20) business day period to test any maintenance changes prior to Contractor introducing such maintenance changes into production. In the event that City rejects, for good cause, any maintenance changes during the SaaS Software Maintenance Acceptance Period, Contractor shall not introduce such rejected maintenance changes into production. At the end of the Maintenance Acceptance Period, if City has not rejected the maintenance changes, the maintenance changes shall be deemed to be accepted by City and Contractor shall be entitled to introduce the maintenance changes into production.

**E. SaaS Hardware :** Contractor will use commercially reasonable efforts to ensure that all hardware (including servers, routers, and other related equipment) on which the applications are deployed are attached to backup power systems sufficient to maintain the site's availability for so long as any power outage could reasonably be expected to occur, based on the experience of Contractor at its deployment location and consistent with the Tier rating of the datacenter.

#### **IV. City Responsibilities**

**A.** Contractor shall provide technical support for SaaS Severity Level 1 and Severity Level 2 Issues, 24 hours per day; seven (7) days per week; 365 days per year.

**B.** City shall provide Contractor with timely notification of any SaaS Issues by either of these methods:

1. **Contacting Contractor's Customer Support at 1-888-639-9717.**

2. **By entering the problem on the Contractor Support Chat available directly in the VerticalChange application or on the Vertical Change website. If City cannot readily access the Contractor portal, City may contact Contractor at the "800" number listed above.**

**C. Support for Problem Investigation.** City shall support all reasonable requests by Contractor as may be required in problem investigation and resolution.

**D. Designation of Point of Contact.** City shall assign an individual or individuals to serve as the designated contact(s) for all communication with Contractor during SaaS Issue investigation and resolution.

**E. Discovery of Errors.** Upon discovery of an Error, City agrees, if requested by Contractor, to submit to Contractor a listing of output and any other data that Contractor may require in order to reproduce the Error and the operating conditions under which the Error occurred or was discovered.

## V. Technical Support

**A. 24x7 Technical Support:** Authorized Users will make Technical Support requests by calling or emailing Contractor's Technical Support staff or by submitting a request via Contractor's customer service web portal. The Technical Support staff shall assign to the request the SaaS Severity Level (as defined herein) indicated by the requestor. SaaS Severity Level 1 and 2 items will be addressed 24/7. SaaS Severity Level 3 and 4 items will be addressed during the standard business hours of 8:00am-5:00pm US Pacific Time.

1. **Business Hours:** Technical Support is available between the business hours of 8:00am to 5:00 pm US Pacific Time by accessing the Contractor's subscriber Portal (or Toll-free at **1-888-639-9717** or by emailing support@verticalchange.com if access to the Contractor's subscriber Portal is not readily available to City).

**After hours:** On-call technical support is available after 6pm and before 6:00am Pacific Time 24-hours a day/7 days a week/365 days a year, including Service Provider Holidays and weekends by accessing the Contractor's subscriber Portal or calling Contractor's Toll-free number **1-888-639-9717**.

<b>SaaS Severity Level</b>	<b>Target Response Time</b>
<b>SaaS Severity Level 1:</b> <i>Requires immediate attention—Critical production functionality is not available or a large number of users cannot access the SaaS Application. Causes a major business impact where service is lost or degraded and no workaround is available, therefore preventing operation of the business.</i>	<i>Request Response Time: 30 minutes. Request Resolution Time Target: &lt; 2 hours. Maximum Permitted Request Resolution Time: &lt; 48 hours</i>

<b>SaaS Severity Level</b>	<b>Target Response Time</b>
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<p><b>SaaS Severity Level 2:</b> Requires priority attention - Some important production functionality is not available, or a small number of users cannot access the system. Causes significant business impact where service is lost or degraded and no workaround is available, however the business can continue to operate in a limited fashion.</p>	<p><i>Request Response Time: 1 hr.</i>  <i>Request Resolution Time Target: &lt; 4 hours</i>  <i>Maximum Permitted Request Resolution Time: &lt; 96 hours</i></p>
<p><b>SaaS Severity Level 3:</b> Requires attention –There is a problem or inconvenience. Causes a business impact where there is minimal loss of service and a workaround is available such that the system can continue to operate fully and users are able to continue business operations.</p>	<p><i>Request Response Time: 1 hr.</i>  <i>Request Resolution Time Target: &lt; 6 hours</i>  <i>Maximum Permitted Request Resolution Time: &lt; 7 days</i></p>
<p><b>SaaS Severity Level 4:</b> There is a problem or issue with no loss of service and no business impact.</p>	<p><i>Request Response Time: 1 hr.</i>  <i>Request Resolution Time Target: &lt; 24 hours</i>  <i>Maximum Permitted Request Resolution Time: &lt; 7 days</i></p>

**Appendix C**  
**Calculation of Charges**  
**July 1, 2021 to June**  
**30, 2023**

**I. Budget Detail**

The maximum total cost of the contract is calculated by adding the following costs:

- a) Development and QA : up to \$220,500
  - o For required items: see table below for details
  - o Development and QA for desired items: see table below for details
  
- b) Customer Success, Premium Support, and Training: \$162,000 (see Appendix A – SaaS Implementation/Post Implementation Support & Training for details)
  
- c) User Account Subscriptions: \$600,000 (See Appendix B – SaaS Application, Hosted Services, and Maintenance for details)

**The total cost is \$982,500.** The costs for the various professional services provided by Contractor are estimates and may be adjusted by mutual agreement of Contractor and City, so that hours not used for one service may be used to provide another service.

a. Subscription cost detail

Ongoing Subscription Costs

- 2. Up to 1,100 users: 17,500 per month
  - 3. Up to 2,200 users: 27,500 per month
  - 4. Up to 3,300 users: 37,000 per month
- 
- b. Customer Success, Premium Support, and Training– \$9,000 per month in fiscal year 21/22 and 4,500 per month in fiscal year 22/23
    - i. Named Account Manager
    - ii. Administrative User Training and Documentation
    - iii. Configuration
- 
- c. Development, Report Writing, and QA
    - i. Rates
      - 1. Engineering - \$175 per hour

## II. Payment Schedule

The payment schedule below may be adjusted by mutual agreement of the parties to reflect changes in the timing of professional services provided under Appendix A.

### 2021-2022

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	TOTAL
<b>1. Development Costs</b>													
Hourly Rate	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	
Hours	90	90	90	90	90	90	60	60	60	60	60	60	
<b>Monthly Development Cost</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$10,500</b>	<b>\$157,500</b>
<b>2. Customer Success Costs</b>													
Hourly Rate	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	
Hours	100	100	100	100	100	100	100	100	100	100	100	100	
<b>Monthly CS Cost</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$108,000</b>
<b>3. Subscription Costs</b>													
Up to 1,100 users: 17,500	17500	17500	17500	17500	17500	17500							
Up to 2,200 users: 27,500							27500	27500	27500	27500	27500	27500	
Up to 3,300 users: 37,000													
<b>Monthly Subscription Cost</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$17,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$270,000</b>
<b>Total costs</b>													
1. Development	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$15,750	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$157,500
2. Customer Success	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
3. Subscription	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$270,000
3. Variable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL MONTHLY COST</b>	<b>\$42,250</b>	<b>\$42,250</b>	<b>\$42,250</b>	<b>\$42,250</b>	<b>\$42,250</b>	<b>\$42,250</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$535,500</b>
Contingency @ 10%													N/A
<b>TOTAL FY23</b>													<b>\$535,500</b>

### 2022-2023

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTAL
<b>1. Development Costs</b>													
Hourly Rate	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	
Hours	30	30	30	30	30	30	30	30	30	30	30	30	
<b>Monthly Development Cost</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$5,250</b>	<b>\$63,000</b>
<b>2. Customer Success Costs</b>													
Hourly Rate	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	\$90	
Hours	50	50	50	50	50	50	50	50	50	50	50	50	
<b>Monthly CS Cost</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$4,500</b>	<b>\$54,000</b>
<b>3. Subscription Costs</b>													
Up to 1,100 users: 17,500	27500	27500	27500	27500	27500	27500	27500	27500	27500	27500	27500	27500	
Up to 2,200 users: 27,500													
Up to 3,300 users: 37,000													
<b>Monthly Subscription Cost</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$27,500</b>	<b>\$330,000</b>
<b>Total costs</b>													
1. Development	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$5,250	\$63,000
2. Customer Success	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$54,000
3. Subscription	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$330,000
3. Variable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL MONTHLY COST</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$37,250</b>	<b>\$447,000</b>
Contingency @ 10%													N/A
<b>TOTAL FY22</b>													<b>\$447,000</b>

**Total Not to Exceed:**

**\$982,500**