AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this 29th day of March, 2021, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and AdastraGov, Inc., a Delaware Corporation, whose address of record is 32007 Sea Ridge Circle, Rancho Palos Verdes, California 90275 (hereinafter referred to as "Consultant").

WHEREAS, City is undertaking a project for labor costing; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide software solutions and consulting services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. SCOPE OF SERVICES. The Consultant shall furnish the following services: Consultant shall provide the software solutions and consulting services described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Finance Officer or designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. TIME OF PERFORMANCE. All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit "A" attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. TERM OF AGREEMENT. The term of this Agreement shall commence upon the day first above written and end on March 31, 2023.

4. COMPENSATION. Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an invoice detailing services performed under the Scope of Services, in accordance

with the fee schedule set forth in Exhibit "B" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "B". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Thirty-Three Thousand Dollars ($33,000.00).

5. METHOD OF PAYMENT. Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. RECORDS. It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. CONSULTANT'S BOOKS AND RECORDS. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. INDEPENDENT CONTRACTOR. It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System

(PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of Consultant to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars ($100,000) for any one person and as required by law, including Employer's Liability limits of $1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

(i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.

(ii) Consultant shall maintain limits of no less than One Million Dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage.

(iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.

(iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

(v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

(i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

(ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

(iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars ($1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

(i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,

(ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. TERMINATION FOR CONVENIENCE OF CITY. The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. CONFORMANCE TO APPLICABLE LAWS. Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. WAIVER. In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS. In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. AMBIGUITIES. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. VENUE. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal Corporation

BY: Stephanie Dietz
City Manager

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

CITY of MERCED, CALIFORNIA
INCORPORATED APRIL 1, A.D. 1889

APPROVED AS TO FORM:

BY: Rudia A Mh 3/23/21
City Attorney Date

301530 PO# 141232
ACCOUNT DATA:

BY: _____
Verified by Finance Officer V-18715
Funds available. 3/29/21
FL 3/30/21

FY 20/21
001-0701-512-17-00
$8,250.00
672-0402-512-17-00
$8,250.00
FY 21/22
001-0701-512-17-00
$8,250.00
672-0402-512-17-00
$8,250.00

CONSULTANT
ADASTRAGOV, INC.,
A Delaware Corporation

BY: _____
(Signature)

Ted Price
(Typed Name)

Its: CEO
(Title)

BY: _____
(Signature)

Jason Huck
(Typed Name)

Its: Director of Sales
(Title)

Taxpayer I.D. No. 82-4366147

ADDRESS: 32007 Sea Ridge Circle
Rancho Palos Verdes, CA
90275

TELEPHONE: 310-371-7106
FAX: _____
E-MAIL: INFO@GovInvest.com

AdastraGov - Scope of Work

AdastraGov's Labor Negotiations software solution services shall enable, at a minimum, the Customer to instantly cost out proposals, analyze bargaining units, and measure changes in the workforce that include salary increases, paid leave, benefit changes, and new special pays. This service shall feature real-time ad- hoc assumption changes and the ability to accurately plan and forecast costs.

Customer:

Venus Rodriguez, Finance Officer
City of Merced, CA

Services:

Service Capacity: Use of the Labor Costing Module (the "Service(s)").

Initial Term: Two-Years from the Effective Date.

City has elected option #2 based off the proposal dated March 1, 2021 for the discounted fees and flexible payment schedule.

Option #2: Minimum Two-Year Agreement with Upfront Payment

LABOR COSTING MODULE

Onboarding Fee ..... *WAIVED*

Annual Fee (CPI Waived) *$16,500*

**Protect against inflation waived with upfront payment for multi-year contract*

Total Savings *$10,000*

Total Contract Value *$33,000*

Option #2 Payment Schedule:

**City can make Option #2 Payment in two installments:*

Fee Schedule:

1. 50% ($16,500) paid on contract signing.

2. remaining 50% ($16,500) paid on July 1, 2021

EXHIBIT A

Implementation Services:

Company will use commercially reasonable efforts to provide Customer the services described in accordance with the terms and Scope of Work. Onboarding and implementation of the services included in this agreement, including data integration, data validation, training, and launch shall be completed by Customer with AdastraGov onboarding team support. Implementation moves at pace of customer and their ability to compile appropriate data, understand MOU's and AdastraGov will support in software build out and representation of data.

Annual Fee Includes:

- Unlimited Logins: Credentials to access induvial cloud-based portals.
- Portal Setup: Development of dedicated cloud-based portals.
- Features & Reports: All features and reporting functions available within the cloud-based portal.
- Setup, Support & Training: Dedicated support staff to assist in initial setup and unlimited ongoing training of the product and features. Refer to Implementation Steps below under User Training
- Support Resources: Access to labor costing experts, training tools, webinars and conferences hosted by Company.
- Expert Sessions: Scheduled training hosted by in-house finance, negotiations & budget experts, as well as peergovernment users with extensive experience using the product.
- Internal Presentation Support: In-house finance, negotiations and budget experts to support in developing andreviewing presentations based on product usage.
- Dedicated Customer Success Manager: Specialist assigned to Client to facilitate communication withall available resources.

Implementation Steps

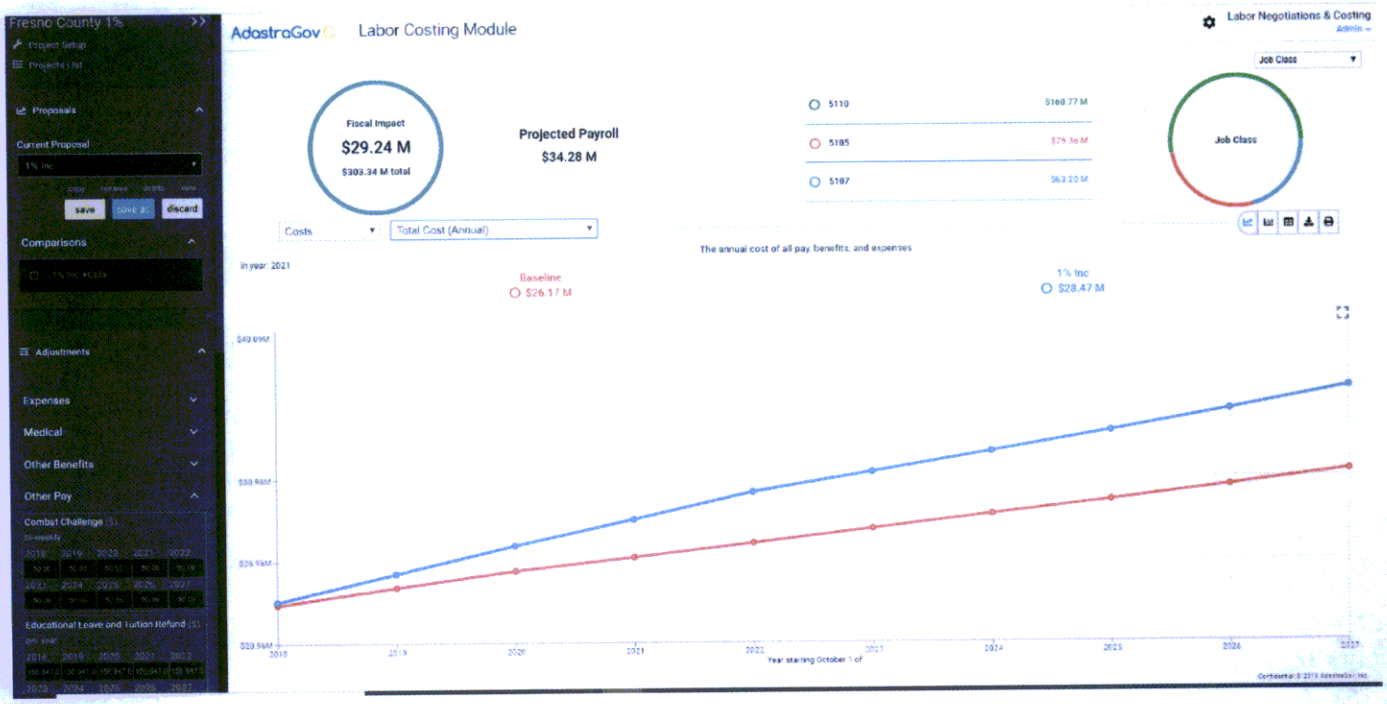
- Introductory 1-on-1 meeting between Customer's project sponsor and AdastraGov onboarding lead
- Optional kick-off meeting with AdastraGov onboarding lead and all customer stakeholders and others that will be involved in the onboarding process
- User training: Digital one-on-one or group sessions focused on setting up projects and using software to support Customer's objectives.
- Project configuration: support the customer in building a cost project for their first bargaining group
- Census building: Support the customer building their census file through development of costing elements built into software and within the validation process.
- Validation: assist the customer in validating their results
- Support: answer customer questions as they come up about modelling or validation

Service Level Terms

The Services shall be available 99% of the time, measured monthly, excluding holidays and weekends and scheduled maintenance. If Customer requests maintenance during these hours, any uptime or downtime calculation will exclude periods affected by such maintenance. Further, any downtime resulting from outages of third party connections or utilities or other reasons beyond Company's control will also be excluded from any such calculation. Customer's sole and exclusive remedy, and Company's entire liability, in connection with Service availability shall be that for each period of downtime lasting longer than 12 hours, Company will credit Customer 1% of Service Fees for each period of 30 or more consecutive minutes of downtime; provided that no more than one such credit will accrue per day. Downtime shall begin to accrue as soon as Customer (with notice to Company) recognizes that downtime is taking place, and continues until the availability of the Services is restored. In order to receive downtime credit, Customer must notify Company in writing within 12 hours from the time of downtime, and failure to provide such notice will forfeit the right to receive downtime credit. Such credits may not be redeemed for cash and shall not be cumulative beyond a total of credits for one (1) week of Service Fees in any one (1) calendar month in any event. Company will only apply a credit to the month in which the incident occurred. Company's blocking of data communications or other Service in accordance with its policies shall not be deemed to be a failure of Company to provide adequate service levels under this Agreement.

Implementation Fee Includes	Annual Fee Includes
Initial Logins	Additional Logins
Initial Portal Setup	Ongoing Maintenance
Current Features & Reports	Future Features & Reports
Initial Setup & Training	Future Support & Training
Current Support Resources	Future Support Services
Expert Training Session	Annual Expert Sessions
Internal Presentation Review (By Appointment)	Ongoing Presentation Support (By Appointment)
Dedicated Customer Success Manager	Dedicated Customer Success Manager
Cloud Based	Downloads
Total Cost (Annual)	Employee Results
Total Cost (Cumulative)	Employees by Funding Source
Payroll (Annual)	Cost by Funding Source
Difference from the Baseline (Annual)	Accounts by Cost
Difference from Baseline (Cumulative)	Accounts by Cost Accounting ID
Cost Breakdown (Cumulative)	Accounts by Employee Accounting ID
Cost Detail (Annual)	Accounts by Funding Source
Cost Category Breakdown (Cumulative)	Employees by Account

Sample Dashboard for Agency Labor Module



Sample Dashboard for Agency Labor Module

Compensation

Schedule of Fees (#-year Contract Advanced Payments for Discounted Pricing)

Fee Schedule:

1. 50% ($16,500) paid on contract signing.

2. remaining 50% ($16,500) paid on July 1, 2021

Total Contract Value: $33,000

EXHIBIT B