

PROFESSIONAL SERVICES AGREEMENT

THIS Professional Services Agreement is made this ____ day of _____, 2018, by and between the City of Lawrence, Kansas, a municipal corporation, and Resource Exploration, L.L.C., an Idaho corporation.

RECITALS

- A.** The City of Lawrence, Kansas (“City”), a municipal corporation, is in need of certain professional services, specifically priority based budgeting implementation training, ongoing support, and online computer program license and hosting services, more fully described in Exhibit A and incorporated by reference as if fully set forth herein.
- B.** Resource Exploration, L.L.C. (“Consultant”), has proficiency in such projects, services, and products as described in Exhibit A.
- C.** The City wishes to engage Consultant as an independent contractor to perform the needed services, which are described in detail in the document entitled “Scope of Services” (set forth in Section II of Exhibit A).
- D.** The Consultant is willing and able to provide the services for which the City wishes to engage it and agrees to perform those services in accordance with the terms and conditions of this Professional Services Agreement, as set forth below.

AGREEMENT

NOW, THEREFORE, in light of the mutual promises and obligations contained herein, and in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

SECTION 1. Engagement. The City hereby engages Consultant as an independent contractor to perform the services hereinafter described and Consultant hereby accepts that engagement.

SECTION 2. Services.

- (a) Scope of Services.** Consultant shall perform those services (“Contract Services”) specifically described in the Scope of Work (Section II of Exhibit A). The parties may agree at any time to expand or modify the scope of the Contract Services. Such agreement shall be in writing and shall be attached to this Professional Services Agreement as an Addendum.

- (b) **Subcontracting Services.** Consultant may not, without first obtaining written consent of the City, subcontract any of the Contract Services.
- (c) **Time of Performance.** Time is an important element of this Agreement. Consultant shall perform the Contract Services in accordance with the time-table established by the City's Project lead, in coordination with Consultant. The timeline shall be reduced to writing and attached to this Agreement as Exhibit B.
- (d) **Expiration.** The "Initial Term" of this Professional Services Agreement shall expire at midnight on June 30, 2019. The provisions regarding indemnity and insurance shall survive the expiration of this Professional Services Agreement.
- (e) **Software Renewal Period.** Unless either party terminates this agreement in accordance with Section 4, the software subscription period shall annually renew at the rate set forth in Section three, for up to three years (expiring June 30, 2022).
- (e) **Qualified Personnel.** Consultant shall provide sufficient qualified personnel to perform the Contract Services. Additionally, Consultant agrees to provide qualified personnel to perform training, ongoing support services, and consulting services.
- (f) **Performance.** In performing the Contract Services, Consultant agrees to take all steps necessary for the full and effective performance of those tasks.

SECTION 3. Compensation and Reimbursement of Expenses.

- (a) **Compensation.** City shall pay Consultant \$65,000 for the software licenses and one-time implementation services. Unless either party terminates this agreement in accordance with Section 4, the fixed annual software renewal rate for each of the three (3) one-year renewal periods shall be \$35,000. Upon payment of the annual software renewal rate, the City shall have continued access to the Online Priority Based Budgeting tools, subject to the End User License Agreement attached hereto as Exhibit C and incorporated herein by reference. If the City in its sole discretion desires to renew the software subscription period beyond the initial three-year renewal period, the parties agree to negotiate in good faith the annual software renewal rate for the period commencing July 1, 2022.

- (b) **Payment Terms.** For the software renewal(s), Consultant shall send an invoice on or before July 1st to the City for the next renewal term. All invoices are payable by the City by July 31st. If payment is not received within thirty (30) days from the due date of such payment, Consultant may suspend further performance under until payments are current.

SECTION 4. Termination of Professional Services Agreement. The parties may terminate this Agreement at any time, for convenience or for cause, upon thirty (30) days written Notice to the other party. Under no circumstance, in the event of termination of this Professional Services Agreement, will the Consultant be entitled to recover anticipated profits or consequential damages. The provisions regarding indemnity and insurance shall survive the termination of this Professional Services Agreement.

SECTION 5. Reports and Documents.

- (a) **Property and Possession.** All reports, studies, analyses, memoranda, and related data and material, as may be developed during the performance of the Contract Services, shall be submitted to and shall be the exclusive property of the City, which shall have the right to use the same for any purpose without further compensation or liability to Consultant. Consultant may use its own proprietary software for the purposes of generating the data required by this Professional Services Agreement. The parties agree that the City shall retain all rights to the data generated, but that the Consultant shall retain all rights to the proprietary software.
- (b) **Status of Documents upon Expiration or Termination.** If this Professional Service Agreement expires or is terminated for any reason, including cause, all finished or unfinished documents prepared as part of the Contract Services shall immediately be transmitted to the City by Consultant, with the exception of the Consultant's proprietary software, as noted in Section 5(a).
- (c) **Confidentiality.** Consultant shall not release to any person except the City and its authorized agents any reports or related materials prepared for the City by the Consultant as the Contract Services and maintained confidentially by the City. This Professional Services Agreement, however, does not preclude Consultant from providing any service (whether or not similar in nature to the Contract Services hereunder) in behalf of other clients in the City of Lawrence, Kansas, or elsewhere.

SECTION 6. Compliance with Equal Opportunity Laws, Regulations, and Rules

Consultant agrees that it shall comply with all provisions of the Kansas Acts Against Discrimination of 1953 (“KAAD”), codified as amended at K.S.A. 44-1001 *et seq.*, and the Kansas Age Discrimination in Employment Act of 1983 (“KADEA”), codified as amended at K.S.A. 44-1111 *et seq.* and shall not discriminate against any person, in the course of performing under this Professional Services Agreement, because of that person’s race, religion, sex, disability, national origin, ancestry, sexual orientation, gender identity, familial status, or age.

SECTION 7. Insurance.

- (a) **General.** Consultant shall secure and maintain, throughout the duration of this Professional Services Agreement, Insurance (on an occurrence basis unless otherwise agreed in writing) of such types and in at least such amounts as required herein. Consultant shall provide certificates of insurance and renewals thereof on forms approved by the City. The City shall be notified by receipt of written notice from the insurer at least thirty days prior to material modifications or cancellation of any policy listed on the certificate.
- (b) **Notice of Claim.** Consultant, upon receiving notice of any claim in connection with its performance of Contract Services under this Professional Services Agreement, shall promptly notify the City, providing full details thereof, including an estimate of the amount of loss or liability.
- (c) **Reduction of Policy Limits.** Consultant shall monitor and promptly notify the City of any reduction in limits of protection afforded under any policy listed in the Certificate (or otherwise required by this Professional Services Agreement) if the Consultant’s limits of protection have been impaired or reduced to such extent that the limits fall below the minimum amounts required hereunder. In that event, Consultant shall promptly reinstate the original limits of liability required hereunder and shall furnish evidence thereof to the City.
- (d) **Insurance Required.** Consultant agrees to secure and maintain the following insurance:
 - (i) **General Liability:**

General Aggregate: \$500,000.00

Personal and Advertising Injury: \$500,000.00
Each Occurrence: \$500,000.00

Additionally, the policy must include the following:

- (A) Broad Form Contractual/Contractually Assumed Liability;
- (B) Independent Contractors
- (C) Name the City of Lawrence, Kansas, as an additional insured.

(ii) **Automobile Liability:**

The Policy shall protect Consultant against claims for bodily injury and/or property damage arising out of the ownership or use of all owned, hired, or non-owned vehicles and must include protection for either (A) any automobile or (B) all owned automobiles and all hired and non-owned automobiles. (C) The Policy must also name the City of Lawrence, Kansas, as an additional insured.

Limits:

Each Accident, Combined Single Limits
Bodily Injury and Property Damage: \$500,000.00

(iii) **Workers' Compensation:**

Bodily Injury by Accident: \$100,000.00 each accident
Injury by Disease: \$500,000.00
Bodily Injury by Disease: \$100,000.00 each employee

If Consultant has no employees, it must execute a waiver on a form provided by the City.

(iv) **Professional Liability:**

The Consultant shall maintain through the duration of the Professional Services Agreement, Professional Liability Insurance in an amount not less than One Million Dollars (\$1,000,000.00) and shall provide the City with certification thereof.

(v) **Cyber Insurance:**

The Consultant shall maintain through the duration of the Professional Services Agreement, cyber insurance in an amount of not less than One Million Dollars (\$1,000,000.00) and shall provide the City with certification thereof.

- (e) **Insurance Ratings.** For the purposes of this Professional Services Agreement, the City will only accept coverage from an insurance carrier that offers proof:
- (i) (A) that it is licensed to do business in the State of Kansas;
(B) that it carries a Best's policyholder rating of A- or better; and
(C) that it carries at least a Class VIII financial rating. **OR**
 - (ii) that it is a company mutually agreed upon by the City and Consultant.
- (f) **Certificate of Insurance Forms.** The parties agree that certification of insurance coverage under this Professional Services Agreement shall be on the City's standard Certificate of Insurance Form or on other forms acceptable to the City.

SECTION 8. Indemnification. Consultant agrees to defend, indemnify, and otherwise hold harmless the City, its commissioners, officers, employees, and agents from claims, actions, damages, costs, liabilities, settlements, judgments, expenses, or lawsuits, including reasonable attorneys' fees, but only to the extent that such are caused by Consultant's non-performance under this Professional Services Agreement or by Consultant's negligence in performing any action necessary for the performance under this Professional Services Agreement. (For the purposes of this Section, Consultant means Consultant or any person acting in behalf of Consultant or for whom Consultant is responsible). Neither party shall be liable to the other party for incidental, indirect, special, or consequential damages.

SECTION 9. Quality Assurance. Consultant agrees that it shall perform its work and services under this Professional Services Agreement in accordance with recognized professional standards. Further, Consultant agrees that it shall perform its work and service under this Professional Services Agreement with professional expertise, skills, and knowledge of proficient industry procedures and techniques in all relevant subject matters. Consultant agrees that, accordingly, it shall be capable of performing the necessary consulting and other services required by the City and possesses the ready comprehension of the required subject matter and the expertise to provide citizen participation and transportation planning for the City. Consultant's liability to the City for any non-conforming Services shall be to re-perform the non-conforming or defective Services, written notice of which must be given within a reasonable time by the City to Consultant. Consultant's obligation for re-performance of non-conforming Services, as described in the preceding sentence, shall extend for a term commencing at the substantial completion of such Services under a Work Authorization and ending one year later.

SECTION 10. Entire Agreement.

- (a) This Professional Services Agreement, and Exhibits A and B, represent the entire and integrated agreement between the City and Consultant and supersedes all prior negotiations, representations, or agreements between the parties, whether written or oral. This Professional Services Agreement may be amended only by a written instrument signed by both the City and the Consultant. Written and signed amendments shall automatically become a part of this Professional Services Agreement and shall supersede any inconsistent provision herein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.
- (b) No oral orders, objections, claims, or notices by any party to the other shall affect or modify any of the terms or obligations set forth in this Professional Services Agreement; and none of its provisions shall be deemed waived or modified by reason of any act whatsoever, other than by a definitely agreed waiver, modification, or amendment made in writing and signed by both parties. No evidence of notice, waiver modification, or amendment, other than evidence of such in writing, shall be introduced as evidence at any proceeding, either legal or administrative.

SECTION 11. Assignment. This Professional Services Agreement is non-assignable by the Consultant and any subcontractor of Consultant approved by the City in accordance with Section 2(b).

SECTION 12. Notices. All notices, demands, or other communications, which may be or are required to be given by any party to any other party under this Professional Services Agreement, shall be in writing and shall be hand-delivered, mailed by first class mail, registered or certified mail, return receipt requested, postage prepaid, or sent by overnight express mail, postage prepaid, return receipt requested, to the following addresses:

(a) **If to Consultant:**

Resource Exploration
4603 W 33rd Ave
Denver, CO 80203
Attn: Chris Fabian

(b) **If to the City:**

City of Lawrence, Kansas
6 East 6th Street

P. O. Box 708
Lawrence, Kansas 66044
Attn: Casey Toomay, Assistant City Manager

SECTION 13. Authorizations. Each person executing this Professional Services Agreement in behalf of the City and Consultant hereby represents and warrants that he or she has the authority to bind his or her respective party hereto and that all acts requisite to confer authorization to enter into this Professional Services Agreement have been taken and completed.

SECTION 14. Independent Contractor. In no event, while performing under this Professional Services Agreement, shall Consultant be deemed to be acting as an employee of the City; rather, Consultant shall be deemed to be an independent contractor. Nothing expressed herein or implied herein shall be construed as creating between Consultant and the City the relationships of employer and employee, principal and agent, a partnership, or a joint venture.

SECTION 15. Kansas Cash-Basis Law. This Professional Services Agreement must comply with the applicable provisions of the Kansas Cash-Basis Law of 1933, codified as amended at K.S.A. 10-1101 *et seq.* The City, in its own behalf is obligated only to make payments under this Professional Services Agreement as may be lawfully made from funds budgeted and appropriated for the purposes set forth in this Professional Services Agreement during the City's current budget year. In the event that the City does not so budget and appropriate funds, the parties acknowledge and agree that they shall be relieved of all obligations under this Professional Services Agreement without penalty. To the extent that the City does so budget and appropriate funds for the purposes set forth in this Agreement, the obligations of the parties shall remain as provided herein.

SECTION 16. Conflict of Interest. Consultant is currently unaware of any conflict of interest with any party affected by this Professional Services Agreement and agrees that, if any conflict or potential conflict of interest should arise in the future, it will give notice to the City immediately.

SECTION 17. Legal Action. The parties agree that the appropriate venues for any legal actions arising out of this Professional Services Agreement are the District Court of Douglas County, Kansas, or, if federal jurisdiction exists, the United States District Court for the District of Kansas.

SECTION 18. Force Majeure. Neither party shall be deemed to be at default under this Professional Services Agreement to the extent that any delay in performance results from any cause beyond its reasonable control and without its intentional act or negligence.

SECTION 19. Captions. The Captions of this Professional Services Agreement are for convenience only and are not meant by the parties to define, limit, or enlarge the scope of this Professional Services Agreement or its terms.

SECTION 20. Recitals. The recitals set forth at the beginning of this Professional Services Agreement are adopted and incorporated herein by reference as if set forth in full and shall be effective as if repeated *verbatim*.

SECTION 21. Attachments. All attachments to this Professional Services Agreement are incorporated herein by reference and shall be considered to be a part of this Agreement as if set forth herein in full.

SECTION 22. Governing Law. This Professional Services Agreement, the rights and obligations of the parties, and any claim or dispute arising hereunder shall be construed in accordance with the laws of the State of Kansas.

SECTION 23. Severability. In the event that any provision of this Professional Services Agreement shall be held invalid and unenforceable, the remaining portions of this contract shall remain valid and binding upon the parties.

IN WITNESS WHEREOF, the undersigned have caused this Professional Services Agreement to be executed as of the date noted above.

**CITY OF LAWRENCE, KANSAS, a
municipal corporation**

RESOURCE EXPLORATION, L.L.C.

Chris Fabian

Printed Name: Chris Fabian

Title: Co-Founder

Exhibit A.



Priority Based Budgeting Tools and Implementation

Document Overview:

- I. Agreement Summary, and Contact Information
- II. Scope of Work
- III. Contract Terms, Renewal Period, and Signatures
- IV. Timeline Tracker
- V. Appendix A: End User License Agreement
- VI. Appendix B: Catalogue of Products and Services Available

I. Agreement Summary, Contact Information, and ResourceX Specialists

BASIC INFORMATION	
Organization name:	City of Lawrence, Kansas
Project Lead:	
Telephone number/email:	
Start Date	August 2018
Target Completion Date	
Total Project Cost Year 1.	\$ 65,000
Subsequent Annual Support Cost	\$ 35,000
ResourceX Implementation Specialist	Steve Seman, sseman@resourcecx.net
ResourceX Support Specialist	Phil McEwen, pmcewen@resourcecx.net
ResourceX Contracting and Procurement	Lacey Mathews, lmathews@resourcecx.net

II. Scope of Work

CHOOSE FROM SEVERAL IMPLEMENTATION OPTIONS + BUNDLE YOUR SOFTWARE

WHICH PBB IMPLEMENTATION IS RIGHT FOR YOU?

A. "BOOT CAMP" ON-BOARDING TRAINING (CHOOSE ONE OF THE FOLLOWING)			Fiscal Health	Program Budgeting	Full PBB
	Webinar Training – Fiscal Health ONLY	\$1,000	X		
	Send up to 5 Staff to Englewood, CO (offered once per quarter)	\$5,000		X	X
X	On-site, Regional Host for Your Organization	\$10,000		X	X
	On-site, Dedicated to Your Organization Only	\$15,000		X	X

B. ON-GOING SUPPORT & TRAINING (CHOOSE ANY, OR ALL OF THE FOLLOWING)*			Fiscal Health	Program Budgeting	Full PBB
X	<u>3-month Package of On-going Support</u> One-on-one weekly meetings, help-desk access, training webinars and implementation support	\$15,000	X	X	X
	<u>1-month Package of On-going Support</u> One-on-one weekly meetings, help-desk access, training webinars and implementation support	\$5,000	X	X	X
X	<u>On-going Webinars + Slack</u> Classroom Style Group Webinars of Ongoing Training & Quarterly Contact	Free w/ Project	X	X	X

C. SOFTWARE (ANNUAL RENEWAL RATE)* *			Fiscal Health	Program Budgeting	Full PBB
	Fiscal Health Diagnostic	\$10,000	X		
	Online Priority Based Budgeting	\$25,000		X	X
X	Bundle: Fiscal Health + Online Priority Based Budgeting	\$30,000	X	X	X

D. OPTIONAL SOFTWARE FEATURES			Fiscal Health	Program Budgeting	Full PBB
X	OpenPBBData	\$10,000			X
	Coming Soon in 2018: PBB Budgeter	TBD	X	X	X
	Coming Soon in 2018: Program Metrics	TBD			X

E. OPTIONAL CONSULTING AND TRAINING OPPORTUNITIES			Fiscal Health	Program Budgeting	Full PBB
	On-site Visit for Staff, Council, Citizens (per day)	\$5,000	X	X	X
	Advanced Consulting: Partnerships, Rate Evaluation, Sourcing	TBD***		X	X
	PBB Institute Training	TBD***		X	X

* Per month rate for ongoing support (after Boot Camp). Estimated at 40 hours of support per month.

** Ongoing annual renewal rates are offered at the rate of your software subscription

*** Advanced consulting quotes may be developed for your organization upon request.

III. Renewal Terms and Contract Signatures

COST SUMMARY	
Implementation Set-up Total – Breakdown described in section II	\$65,000
Software Renewal Rate – Fixed for 3 renewals	\$35,000
Subscription Period – Reoccurring annually	August 1 st to July 31 st
Initial Invoice Amount – Software + one-time set up.	\$65,000
Initial Invoice Date – Due net 30 Days	August 1 st , 2018
Renewal Invoice Amount	\$35,000
Renewal Invoice Dates – Due net 30 Days	July 1 st , 2019 July 1 st 2020 July 1 st 2021

Annual Renewal Terms: Annual renewal rate of \$35,000 will be set for 3 years. Each year an invoice will be sent July 1st, due July 31st for continued access to the Online Priority Based Budgeting tools. Either party may terminate this agreement, at any time, with a minimum of a written 30-day notice (with the ability to re-subscribe again at any time, subject to the current subscription rates at that time).

THIS AGREEMENT is made and effective as of **April 1, 2018**, between **City of Lawrence, Kansas and Resource Exploration, LLC**. The parties agree as follows:

Resource Exploration

City of Lawrence, Kansas

Michael Seman Date: 3-8-2018
By: Mike Seman
Co-Founder

Chris Fabian Date: 3-8-2018
By: Chris Fabian
Co-Founder

_____ Date: _____
By: _____
Title: _____

_____ Date: _____
By: _____
Title: _____

IV. Timeline Tracker

One of the primary project management tools that will guide your implementation is the “Timeline Tracker.” Upon project kick-off, ResourceX will lead you through a detailed discussion of your project timeline, and fill in the blanks to ensure a successful implementation.

Milestone	Training Time	Audience	Date
Kick-Off Meeting	1 hour	Super Users	TBD
“Boot Camp” On-boarding	1-2 days	Super Users, Department Heads, Elected Officials, other	TBD
Gathering Costs	1-2 hours	Super Users	TBD
Program Inventory	1-2 hours	Super Users	TBD
Results (and Definitions)	1-2 hours	Super Users	TBD
Program Scoring (and Peer Review)	1-2 hours	Super Users	TBD
Model Completion	1-2 hours	Super Users	TBD

Timeline Considerations

Your organization’s timeline for implementation is in your control. ResourceX will help you design your timeline to meet the needs of the organization. Overall, your PBB training and roll-out can be completed in a 3-month period, from beginning to end. If you have a more pressing need to implement PBB in less time, please let us know and our team will help design a path that will accommodate your schedule.

Ideally, your organization will want to set a goal for Model Completion that synchs with your budget process. ResourceX will bring our timeline discussion by asking: “by when do you want your PBB model complete, in order to influence budget decisions?”

Identifying Super Users

One of the key objectives of our first meeting will be to identify the “Super User(s)” in your organization who will be the primary resource to coordinate with our team for the management of the project. The Super User(s) will gain the benefit of being trained on all aspects of the OnlinePBB software, and achieve mastery of Priority Based Budgeting concepts, sufficient to lead the process in future years.



Appendix A

End User License Agreement

V. Appendix A: End User License Agreement

ONLINEPBB® LICENSE AND HOSTING AGREEMENT

IMPORTANT - BY UTILIZING ONLINEPBB SOFTWARE, YOU ARE ACCEPTING THE TERMS AND CONDITIONS OF THIS AGREEMENT. PLEASE READ THE FOLLOWING CAREFULLY BEFORE PROCEEDING.

This Agreement is a legal agreement between you (City of Lawrence, Kansas) and Resource Exploration, LLC, the licensor of OnlinePBB software and associated on-line documentation that you access using this internet website (together referred in this Agreement as "OnlinePBB").

1. OnlinePBB License. Subject to the terms of this Agreement, Resource Exploration, LLC, grants you a non-exclusive, non-transferable license to access OnlinePBB remotely via browser on the server used by Resource Exploration, LLC, to operate this website (the "Server") solely for purposes of creating and maintaining on the Server any interactive website developed using this website and with respect to which all required fees payable under this Agreement have been paid by you (each, a "Website").

2. Restrictions. You may not download or otherwise copy all or any portion of OnlinePBB software. You may not sell, rent, license, lend, transfer or otherwise grant access to OnlinePBB to any other person or entity except as contemplated by the license granted to you above. You must comply with all applicable laws and regulations in your use of OnlinePBB. You may not modify, translate, reverse engineer, decompile disassemble or otherwise attempt to obtain or derive source code from all or any portion of OnlinePBB.

3. Proprietary Rights. Resource Exploration, LLC and its supplier's reserve all rights to OnlinePBB not expressly granted in this Agreement. Resource Exploration, LLC and its suppliers own OnlinePBB and all associated patent, copyright, trade secrets and other proprietary rights in OnlinePBB. No title or ownership of OnlinePBB or any associated proprietary rights are transferred to you or any other person by this Agreement.

4. Disclosure and Ownership of Data. a.) All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by your organization or at its expense, will be kept confidential by Resource Exploration, LLC and will not be disclosed to any other party without your organization's prior written consent. b.) The materials used by Resource Exploration, LLC for work performed under this Agreement are specific and unique methods of fiscal management and budget prioritization. As such, these materials are protected by copyright. You agree and understands that these materials and all methods, models and applications resulting from the use of said materials are the sole, complete and absolute property of Resource Exploration, LLC. As such, any use, future use or application or any publication (either oral or written) of these materials by your organization will be at the discretion of Resource Exploration, LLC and in any event will not occur without the express and prior written permission of Resource Exploration, LLC. All legal rights and protections afforded by copyright and Resource Exploration, LLC's ownership of all the

underlying intellectual property associated with these fiscal management and budget prioritization materials are retained and reserved exclusively by Resource Exploration, LLC, reserving all legal rights and remedies incident to its ownership of these materials. It is understood that your organization may utilize these methods, models and applications for their own specific use but are not free to share these methods, models and applications with other individuals or entities.

5. U.S. Government Restricted Rights. If OnlinePBB is accessed or used by any agency or other part of the U.S. Government, the U.S. Government acknowledges that (i) OnlinePBB and accompanying materials constitute "commercial computer software" or "commercial computer software documentation" for purposes of 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-3, as applicable, and (ii) the U.S. Government's rights relating to OnlinePBB and accompanying materials are limited to those specifically granted in this Agreement.

6. Data - Data Security. The OnlinePBB web-application provides data security via SSL encryption, and is accessed via https - this protects and secures the client's data from outside the organization, protecting the client and CPBB. Additionally, data is protected within the client's organization by way of individual user accounts and user passwords, and varying levels of permission and access, to give the client control over data accessibility.

7. Data - Data Storage. The OnlinePBB web-application utilizes Amazon Web Services (AWS) for best-in-class data storage.

8. Data - Data Protection/backups. Resource Exploration performs complete back-ups of all OnlinePBB data at a frequency of once per night.

9. Service Availability - Disaster recovery/business continuity. To support the organization in the case of disaster, Resource Exploration performs complete back-ups of all OnlinePBB data at a frequency of once per night. The organization may also download their own data files on a more frequent basis, in order to perform complete data restoration - restoring from any point in time, from previously saved data, completely in control of the City. Data files are stored in DropBox, as well as Resource Exploration headquarters to provide additional redundancy.

10. Service Levels - System Availability / performance. The OnlinePBB web-application is provided and available 24 hours per day, 7 days per week. Resource Exploration reserves the right to perform regularly scheduled updates and maintenance, during which time the organization may experience brief periods of downtime for server restarts to make updates available. Scheduled updates take place after 6pm EST Monday-Friday, and the organization will be made aware ahead of schedule, to the greatest extent possible. It should be noted that Resource Exploration reserves the right to restart the web server at any time, but will provide the organization as much advanced awareness as possible. Resource Exploration uses all reasonable business means to ensure the application is available for the organization's use.

11. Insurance - Vendor insurance and liability. Resource Exploration agrees to procure and maintain in force during the term of this Agreement, at its own cost, cyber insurance coverage.

12. Completeness of Agreement. This Agreement constitutes the entire agreement between your organization and Resource Exploration regarding OnlinePBB, the hosting of the Website and your use of the website. Resource Exploration will not be bound by any provision in any purchase order, receipt, acceptance, confirmation, correspondence or otherwise unless Resource Exploration specifically agrees in writing to such provision.

Appendix B

Catalogue of Products and Services

“BOOT CAMP” PBB On-boarding Training



The PBB "Bootcamp" is an intensive two-day workshop designed to help your organization efficiently implement PBB. Attendees will use your own organization's data to develop program inventories, allocate costs, and prioritize programs.

In a small group setting we will walk through all of the steps of implementing Priority Based Budgeting. In each session we will discuss the material and then work toward practicing what we learn.

"I loved the opportunity to network with other cities and the very clear effort the ResourceX team made to connect with all the cities and make sure everyone is getting personalized attention and resources." - 2017 Summit Attendee

"I learn something new from the group each time I go." - 2017 Summit Attendee

"I liked being able to work through the entire process, as well as, hearing applications of how the overall process is used in real life examples."

- 2017 Bootcamp Attendee

"Loved the hands on exercises, the explanations and the high energy pace."



- 2017 Bootcamp Attendee

Which Bootcamp is right for your organization?

- **Regional Bootcamp in Colorado** – send up to 5 staff to Colorado, where Bootcamp training is offered every 3-months of the year.
- **On-site, Regional Host for Your Organization and Others** – open up your training to other organizations in your region, and learn together. This opens up the doorways to future partnerships, and lowers your cost for training.
- **On-site, Limited to Your Organization and No Others** – receive one-on-one training for your organization alone, ideal for intensive training.

By experiencing all the steps in just two days you will have the knowledge of what will work best for your organization. You will also have a chance to meet a group of your peers going through the same process and you will be able to benefit from their questions and experience during Bootcamp, and hopefully afterwards. This intense training will cover many different options throughout the process including different costing and scoring methods. **Plus**, for those who choose to use their own data, they will gain experience updating and making changes that they can directly carry back to their organization.

The following is illustrative of what a 2-day “Boot Camp” on-boarding agenda would look like:

BOOTCAMP AGENDA		
Monday	 Learn	 Practice
8:00	Intro and Welcome by Chris Fabian	
	How to introduce PBB to your team	
9:30	Overview of Online Applications	How to provision users to access OnlinePBB
	How to engage your audience with PBB	
10:30	Benefits of Program Budgeting	Create your department program inventory
	<u>How to train</u> on identifying programs	
1:00	Exercise: Line Items to Programs	Update costs and download Program Costing template in DashPBB
	Lessons Learned on managing different types of costs	
2:00	Scenarios and Case Studies in Costing	Milestone - Validate Inventory and Costs for your department
	Best practices for distributing costs, revenue	
3:30	Program Costing Exercise	Milestone - Allocate costs for your department
	<u>How to train</u> on program costing	
Tuesday		
8:00	Group Activity: Identifying Results and Defining Results	Upload results and definitions
	How to define results for your community	
9:30	Prioritizing Programs	Create and upload a department scorecard
	<u>How to train</u> on self-assessment	
10:30	Group Activity: Peer Review	Create a peer review scorecard
	<u>How to train</u> on peer review	
1:00	Scenarios and Case Studies in Scoring	Milestone - Score all the programs for your department
	How and why to use different scoring methodologies	
3:00	Introduction to Model Maker	Milestone - Complete the model
	How to manage PBB from budget cycle to budget cycle	
4:00	Practice Presentation	Demonstrate a walkthrough to your Council/Board using PresentPBB
	How to explain PBB	

Ongoing Support and Implementation Training

ResourceX provides an ongoing series of training webinars throughout your project implementation. For each milestone in your implementation process, ResourceX will provide you with the training and templates to ensure the successful completion of PBB.

The following are examples of the ongoing training webinars that ResourceX staff will lead your organization through during your implementation:

Gathering Financial Data + Financial Forecasting

To launch your implementation, ResourceX will work with your organization to pull data from your financial system, ERP, budget module and/or human resources systems in order to centralize this data and connect it to your PBB process.

One of the unique qualities of OnlinePBB is that it connects potentially disparate data sets that exist throughout your organization, and unifies them through the lens of resource allocation by way of Priority Based Budgeting. ResourceX will assess the data sets you currently maintain, as well as your systems for maintaining your data, and work with your team to leverage any and all available data towards your PBB efforts.

Program Inventory Development + Program Cost/Revenue Allocation

ResourceX provides a “starter program inventory” for the departments to work from and a training on how to identify “programs” at a level most effective for PBB. The “starter program inventory” is built from the PBB Database of over 90,000 programs, customized to match with their department, and significantly easing the workload for departments to complete this first task. Each department will be responsible for refining and completing their Program Inventory and submitting this to ResourceX.

ResourceX will provide a Program Costing training session to staff who will be responsible for filling in the data into the Program Costing Template. ResourceX will provide customized Program Costing templates for each of the City's departments (or divisions), as well as a recorded version of the webinar the City can refer to.

Results Setting & Result Definitions, Program Scoring + Peer Review

ResourceX works with the organization's elected officials and/or staff to identify, or to validate “Results” that the organization has already established. Priorities establish the foundation for Priority Based Budgeting.

ResourceX launches an online exercise typically through a web-based workshop with staff (usually department heads and key staff, up to around 30 participants is best) to begin to identify all the ways the organization “achieves” each of the stated Priorities. ResourceX leads the workshop, addressing each Result, one-by-one, soliciting feedback from the participants, which form the

basis for the creation of Results Definitions. Staff are given several weeks after the launch of the exercise to contribute responses that ResourceX ultimately synthesizes for use in Results Definitions.

Humboldt PBB
Humboldt Establishes Results

Humboldt Establishes Results - PBB 2015

Establishing Results - "Why" Does our Local Government Exist:

Thank you for taking part in this unique "budgeting" experience. Through Priority Based Budgeting, we are presenting you an opportunity to directly influence the way dollars are spent in this community. Your input will lead directly to the prioritization of Results, and these Results will serve as the basis against which our community's resources are evaluated and allocated.

1. In this exercise, you are being asked to help identify the *RESULTS* that the City of Humboldt strives to achieve for its residents, businesses and visitors. These Results will then be used as the City implements its PRIORITY BASED BUDGETING process. The sample Results shown below come from the "VALUES" identified in the City's Strategic Plan ([click here](#) to refer to the City's Strategic Plan, and read further on the Values).

For this exercise, imagine that you have **500 votes to allocate** in identifying the City's Results. Where would you allocate your votes? You can distribute these 500 votes to any of the Results identified from the Strategic Plan if you feel these reflect what is expected by your community. You may also list any additional Results that are not reflected in the offered examples if you feel they describe why the City of Humboldt "exists" in the eyes of the community. Results assigned "0 votes" represent a belief that this is NOT one of the reasons the City of Humboldt offers programs and services to the community. Allocate your 500 points using the box to the right of the Results column until you have allocated your full allotment of points.

Walkable, Active and Healthy Community (ACTIVE)	<input type="text" value="100"/>
Sustainable and Connected Community with Reliable Infrastructure (SUSTAINABLE; CONNECTED)	<input type="text" value="25"/>
Inclusive and Accessible Community (WELCOMING; CONNECTED)	<input type="text" value="75"/>

ResourceX will provide a Program Scoring training session to those participating in scoring, instructing departments how to assign appropriate scores. ResourceX will provide customized "Program Scorecards" for each department, including the department's program inventory, and the appropriate scoring criteria. ResourceX will also provide the recorded webinar.

ResourceX will provide a Peer Review training session for those who are participating on Peer Review teams. ResourceX will help the City identify who the most effective Peer Review team members could be, and then train each team as to how to evaluate scores from other departments (this will include: how to ask departments for more info, and how to complete the Peer Review template).

Ongoing Webinar Training

Throughout your implementation, ResourceX hosts several monthly webinars for additional training to your super users and others in your organization to ensure widespread access to PBB insights. The following is illustrative of the webinar training series open to your organization on a rolling, monthly basis:

Identifying and Defining Results



Friday, October 27, 11:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157



Friday, December 1, 11:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157

Program Costing



Monday, October 30, 3:00pm
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157



Wednesday, November 8, 11:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157

Gathering Costs



Monday, November 6, 10:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157



Tuesday, November 14, 10:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157

Taking Action on the Data: Present PBB and Dash PBB



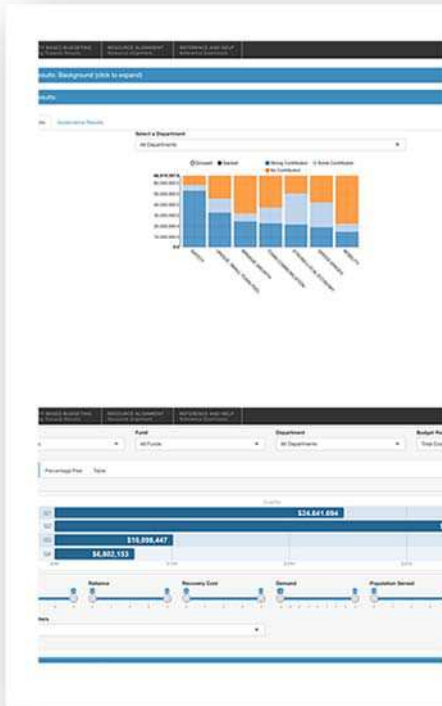
Monday, November 20, 12:00pm
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157



Wednesday, December 13, 11:00am
Webex Link: Click Webex icon or click [here](#)
Phone Number: 415-655-0001
Meeting ID: 195 910 157

OnlinePBB

The flagship tool suite of Priority Based Budgeting is OnlinePBB. With modules built for your Super Users, customized specially to drive action from your departments, and tailored to frame context for your elected officials and community, the OnlinePBB tool suite is designed to optimize your organization's use of resources towards the Results your community needs.

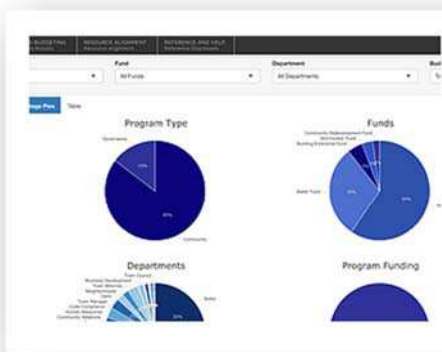


OnlinePBB

Take your organization to the next level and best practice in budgeting. Centralize and standardize all data and streamline the process of converting your line item budget into a program based budget. Build a program inventory and allocate your costs to programs. Define your community's results and add scoring. Analyze the data, identify programs for review, and drill into the line item level to make changes that drive toward achieving your results.

DashPBB

The user interface for the department level decision maker, this has been designed for department heads within an organization to analyze, track, and update their budget model. Identify and add comments to specific programs for review. Then create program-specific metrics that can be tracked across budget cycles to demonstrate progress toward results. This tool is customizable so that it can function as a standalone product enabling a single department to implement priority based budgeting.



PresentPBB

Engage your elected officials like never before, this tool simplifies the message of priority based budgeting through powerful visuals and dynamic charts. Explain the immediate benefits of adopting a priority based budget and relay that in terms of the community's results. The dynamic charts allow users to drill down and quickly view program level detail.

Online Fiscal Health Diagnostic

Fiscal Health is a concept promoted and highlighted by such associations as the Government Finance Officers Association (GFOA), ICMA and the Alliance for Innovation. With the “*Fiscal Health Diagnostic Tool*”, you will have the capacity to:

- Communicate your “*picture of fiscal health*” to Elected Officials, administration, staff, bargaining units, residents and other community stakeholders.
- Graphically depict the alignment of “*one-time*” and “*ongoing*” funding sources with the “*one-time*” and “*ongoing*” expenditure needs of the organization.
- Effectively monitor your *Fiscal Health* position to ensure that decisions made do not impact the level of financial health achieved.
- Access the impact of capital decisions on your financial position, including the evaluation of the impacts of “*ongoing*” operational costs associated with those “*one-time*” expenditures.
- Model financial forecasts and document the assumptions on which they are based.
- Engage in interactive and “*real-time*” scenario planning.
- Demonstrate the impact of “*today’s*” decisions on your five to ten year forecasts



The screenshot shows a web-based interface for the Fiscal Health Diagnostic Tool. The header includes the logo and title 'Fiscal Health Diagnostic Tool'. Below the header, there is a navigation menu with options like 'Dashboard', 'Setup', 'Training', 'Control Panel', and 'Settings'. The main content area displays two charts: a line chart on the left showing 'Funding Alignment' with 'Primary Revenue' (blue) and 'Special Revenue' (red) over time, and a bar chart on the right showing 'Use of Revenue' with 'Revenue' (blue), 'Expenses' (red), and 'Reserves' (green) over time. The interface is displayed on an Apple iMac monitor.

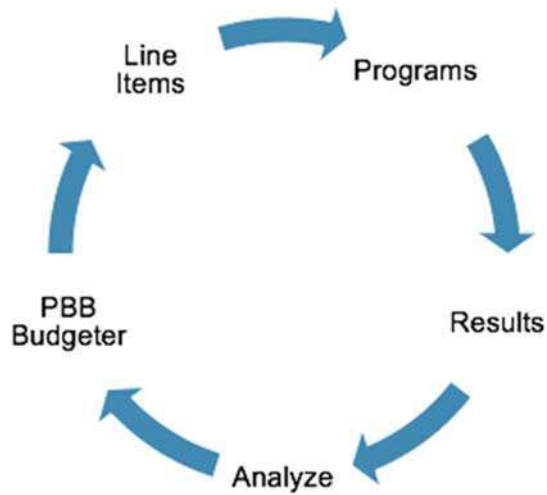
Fiscal Health Diagnostic Tool

The most effective and affordable local government fiscal tool available

Profoundly changing the conversation between local government managers, finance professionals and elected officials. These are but a few of the powerful ways Fiscal Health has been used to help local government leaders achieve long-term financial sustainability.

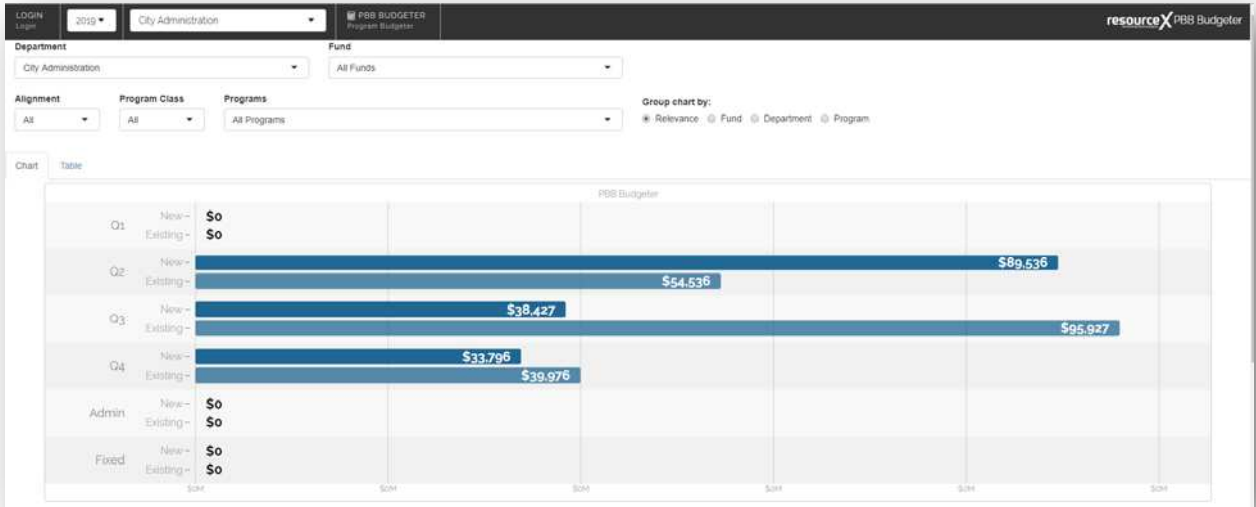
PBB Budgeter

ResourceX equips your organization with a best-practice budgeting solution, allowing your organization to budget within the OnlinePBB user-interface, and produce a recommended budget for each program, and each line-item, uploadable back into your financial system or ERP.



PBB Budgeter Features:

- Synch data from your financial system, ERP, budget module and/or human resources systems in order to centralize this data and connect it to your PBB process.
- Year-to-year comparison of resource-allocation progress
- Breakdown of Program/Services budget by line-item, for annual comparison
- Quality Control mechanisms for direct tie-back to your chart of accounts
- Revenue allocation to programs, producing a “rate study” for every service
- Online allocator to reposition staff, and maximize the allocation of resources

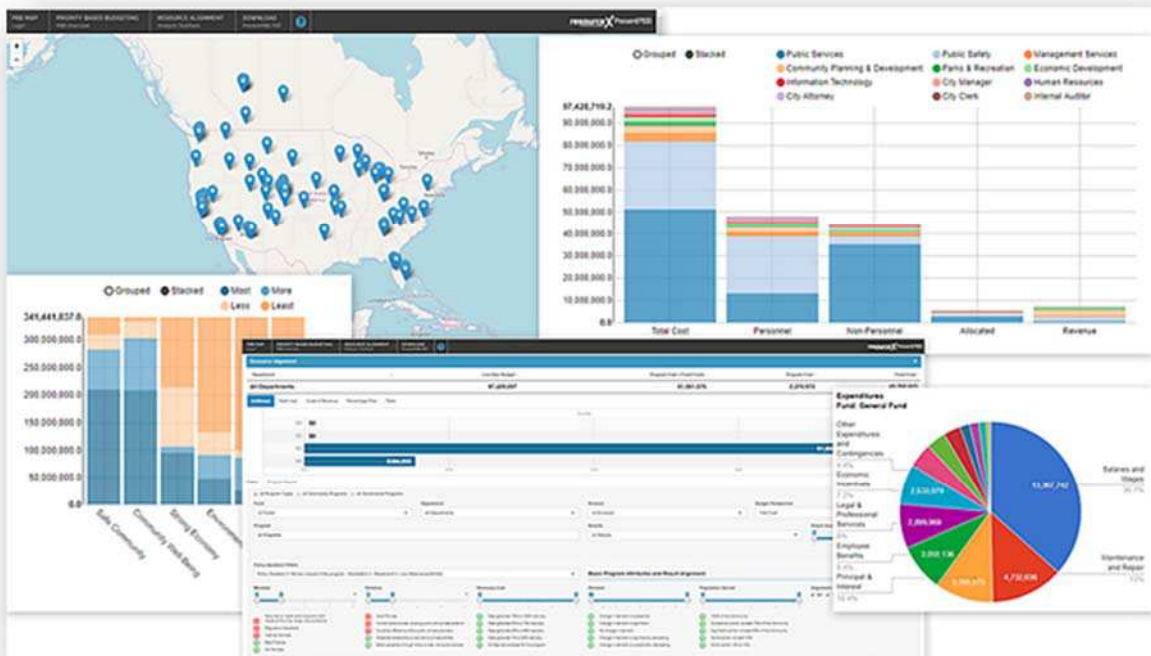


OpenPBB Data

Open PBB Data is specifically designed to transparently share all the city's priority based budgeting data with your public – residents, businesses and visitors.

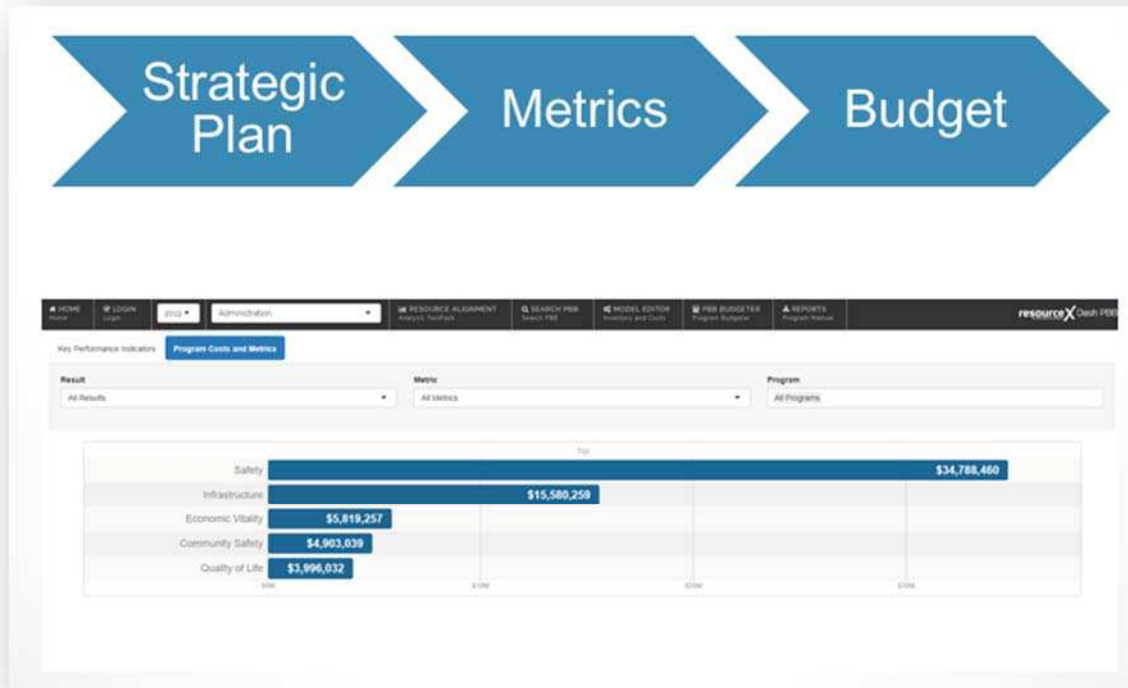
Open PBB Data Features:

- Translates the city's line-item budget into a program budget
- Reveals the prioritization of every program in the city budget
- Show exactly how much it costs the city to deliver every program (service)
- Demonstrate exactly how much city staff support is required to deliver every program (service)
- Exhibit the relevance of each program (service) in relation to community results
- Show if a program is mandated (by Federal, State or local government) to be delivered
- Demo if the city is a sole provider of a program or if others (public or private entity) are delivering similar programs
- Present the level of reliance on the city citizens have for program delivery
- Reveal program level revenue and if fee-based programs pay for themselves
- Demonstrate the level in which every single city program impacts community results



Program Metrics

Driving many organizations in their use of PBB data is their pursuit of improvement and achievement from the programs they invest in. PBB Program Metrics offers a platform to connect your program performance, to the Results you're investing in, and an ability to visualize, analyze and inform resource allocation decisions within your OnlinePBB environment.



As your organization begins to see PBB for what it is, a tool to free up resources and dramatically realign them towards the Results that will create a better future for your community, you'll notice that attention ultimately goes back to the policy-makers. And the question in front of them centers entirely on "what Results" matter most for the success of your society? What Result do we need to align our resources with, in order to bring about the future that we dream of? If PBB is a tool to churn up substantial amounts of resources to redirect towards the services you wish you could start ("if only we had the money"), or enhance the services that are so desperately needed; then towards what end goals are we going to point these abundant resources you've discovered?

PBB Program Metrics is the driver to this vital conversation.

Optional Consulting and Training Opportunities

On-Site Support

ResourceX staff are available for on-site support as necessary. Often this support takes the form of presenting to elected officials, department heads and staff for PBB education, whether in preparation to implement PBB, coaching newly hired or elected officials in orientation, or facilitating action on your PBB data.

Advanced Consulting

The ultimate goal in priority based budgeting is to move beyond implementation to application. While the implementation training and OnlinePBB tools already provide the guidance to successfully implement and apply PBB, every community is unique and some organizations desire additional consulting support.

ResourceX offers consulting services to help your organization take action on your data. Most popular among the variety of consulting engagements include:

- Rate Studies, Cost of Service Analysis
- Internal Service Fund Design, Full Cost Allocation Planning (OMB A-87)
- Public Sector Partnerships, Mergers, Consolidations
- Private Sector Partnerships, Mergers, Consolidations
- Workforce Analysis and Succession Planning
- Strategic Planning, Business Planning, Comprehensive Plan Development
- Benchmarking Analysis (comparative program analysis w/90,000+ programs)



Exhibit B. Timeline

Milestone	Estimated Completion Date
Kick-Off Meeting	August 15
"Boot Camp" On-boarding	August 15
Gathering Costs	September 15
Program Inventory	September 30
Cost Allocations	November 15
Results (and Definitions)	November 15
Program Scoring (and Peer Review)	January 27
Model Completion	February 15