

**EXHIBIT 1**  
**DRAFT AGREEMENT**



**AGREEMENT PURSUANT TO SOLICITATION**

**CITY OF MESA AGREEMENT NUMBER 2020051  
HOSTED THIRD PARTY REVERSE AUCTION SERVICE PROVIDER**

**CITY OF MESA, Arizona (“City”)**

Department Name	City of Mesa – Purchasing Division
Mailing Address	P.O. Box 1466 Mesa, AZ 85211-1466
Delivery Address	20 East Main St, Suite 450 Mesa, AZ 85201
Attention	Ted Stallings, Procurement Officer II
E-Mail	<a href="mailto:Ted.Stallings@MesaAZ.gov">Ted.Stallings@MesaAZ.gov</a>
Telephone	(480) 644-2815
Facsimile	(480) 644-2655

**AND**

**EASiBuy LLC (“Contractor”)**

Mailing Address	265 West Main Street, Suite 203 Kent, OH 44240
Remit to Address	265 West Main Street, Suite 203 Kent, OH 44240
Attention	Scott Patterson
E-Mail	<a href="mailto:scott@eauctionservices.com">scott@eauctionservices.com</a>
Telephone	330-931-4686

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**CITY OF MESA AGREEMENT PURSUANT TO SOLICITATION**

This Agreement pursuant to solicitation ("Agreement") is entered into this 9th day of March 2020, by and between the City of Mesa, Arizona, an Arizona municipal corporation ("City"), and EASiBuy LLC, an OH corporation ("Contractor"). The City and Contractor are each a "Party" to the Agreement or together are "Parties" to the Agreement.

**RECITALS**

- A. The City issued solicitation number **2020051** ("Solicitation") for **HOSTED THIRD PARTY REVERSE AUCTION SERVICE PROVIDER**, to which Contractor provided a response ("Response"); and
- B. The City Selected Contractor's Response as being in the best interest of the City and wishes to engage Contractor in providing the services/materials described in the Solicitation and Response.

In consideration of the reciprocal promises contained in the Agreement, and for other valuable and good consideration, which the Parties acknowledge the receipt and sufficiency of, the Parties agree to the following Terms & Conditions.

**TERMS & CONDITIONS**

- 1. **Term**. This Agreement is for a term beginning on **June 1, 2020** and ending on **May 31, 2023**. The use of the word "Term" in the Agreement includes the aforementioned period as well as any applicable extensions or renewals in accordance with this Section 1.
  - 1.1 **Renewals**. On the mutual written agreement of the Parties, the Term may be renewed up to a maximum of two (2) years. Any renewal(s) will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
  - 1.2 **Extension for Procurement Processes**. Upon the expiration of the Term of this Agreement, including any renewals permitted herein, at the City's sole discretion this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the City's procurement processes in the selection of a vendor to provide the services/materials provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension under this Subsection 1.2 will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
- 2. **Scope of Work**. The Contractor will provide the necessary staff, services and associated resources to provide the City with the services, materials, and obligations attached to this Agreement as **Exhibit A** ("Scope of Work") Contractor will be responsible for all costs and expenses incurred by Contractor that are incident to the performance of the Scope of Work unless otherwise stated in **Exhibit A**. Contractor will supply all equipment and instrumentalities necessary to perform the Scope of Work. If set forth in **Exhibit A**, the City will provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out the Scope of Work.

The Agreement is based on the Solicitation and Response which are hereby incorporated by reference into the Agreement as if written out and included herein. In addition to the requirements specifically set forth in the Scope of Work, the Parties acknowledge and agree that the Contractor shall perform in accordance with all terms, conditions, specifications and other requirements set forth within the Solicitation and Response unless modified herein.

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3. **Orders.** Orders be placed with the Contractor by either a: (i) Purchase Order when for a one-time purchase; (ii) Notice to Proceed, or (iii) Delivery Order off of a Master Agreement for Requirement Contract where multiple as-needed orders will be placed with the Contractor. The City may use the Internet to communicate with Contractor and to place orders as permitted under this Agreement
4. **Document Order of Precedence.** In the event of any inconsistency between the terms of the body of the Agreement, the Exhibits, the Solicitation, and Response, the language of the documents will control in the following order.
- a. Agreement
  - b. Exhibits
    - 1. Mesa Standard Terms & Conditions
    - 2. Scope of Work
    - 3. Other Exhibits not listed above
  - c. Solicitation including any addenda
  - d. Contractor Response

5. **Payment.**

5.1 **General.** Subject to the provisions of the Agreement, the City will pay Contractor the sum(s) described in **Exhibit B** ("Pricing") in consideration of Contractor's performance of the Scope of Work during the Term.

5.2 **Prices.** All pricing shall be firm for the Term and all extensions or renewals of the Term except where otherwise provided in this Agreement, and include all costs of the Contractor providing the materials/service including transportation, insurance and warranty costs. No fuel surcharges will be accepted unless allowed in this Agreement. The City shall not be invoiced at prices higher than those stated in the Agreement.

The Contractor further agrees that any reductions in the price of the materials or services covered by this Agreement will apply to the undelivered balance. The Contractor shall promptly notify the City of such price reductions.

No price modifications will be accepted without proper request by the Contractor and response by the City's Purchasing Division.

5.3 **Price Adjustment.** Any requests for reasonable price adjustments must be submitted in accordance with this Section 5.3. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. There is no guarantee the City will accept a price adjustment therefore Contractor should be prepared for the Pricing to be firm over the Term of the Agreement. The City is only willing to entertain price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services/materials under the Agreement. If the City agrees to the adjusted price terms, the City shall issue written approval of the change.

During the sixty (60) day period prior to Contract expiration date of the Agreement, the Contractor may submit a written request to the City to allow an increase to the prices in an amount not to exceed the twelve (12) month change in the **Consumer Price Index for All Urban Consumers** (CPI-U), US City Average, All Items, Not Seasonally Adjusted as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>). The City shall review the request for adjustment and respond in writing; such response and approval shall not be unreasonably withheld.

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- 5.4 **Renewal and Extension Pricing.** Any extension of the Agreement will be at the same pricing as the initial Term. If the Agreement is renewed in accordance with Section 1, pricing may be adjusted for amounts other than inflation that represent actual costs to the Contractor based on the mutual agreement of the parties. The Contractor may submit a request for a price adjustment along with appropriate supporting documentation demonstrating the cost to the Contractor. Renewal prices shall be firm for the term of the renewal period and may be adjusted thereafter as outlined in the previous section. There is no guarantee the City will accept a price adjustment.
- 5.5 **Invoices.** Payment will be made to Contractor following the City's receipt of a properly completed invoice. No terms set forth in any invoice, purchase order or similar document issued by Contractor will be deemed accepted by the City; the terms of the contractual relationship between the Parties are as set forth in this Agreement. Any issues regarding billing or invoicing must be directed to the City Department/Division requesting the service or material from the Contractor. A properly completed invoice should contain, at a minimum, all of the following:
- a. Contractor name, address, and contact information;
  - b. City billing information;
  - c. City contract number as listed on the first page of the Agreement;
  - d. Invoice number and date;
  - e. Payment terms;
  - f. Date of service or delivery;
  - g. Description of materials or services provided;
  - h. If materials provided, the quantity delivered and pricing of each unit;
  - i. Applicable Taxes
  - j. Total amount due.
- 5.6 **Payment of Funds.** Contractor acknowledges the City may, at its option and where available use a Procurement Card/e-Payables to make payment for orders under the Agreement. Otherwise; payment will be through a traditional method of a check or Electronic Funds Transfer (EFT) as available.
- 5.7 **Disallowed Costs, Overpayment.** If at any time the City determines that a cost for which payment was made to Contractor is a disallowed cost, such as an overpayment or a charge for materials/service not in accordance with the Agreement, the City will notify Contractor in writing of the disallowance; such notice will state the means of correction which may be, but is not limited to, adjustment of any future claim/invoice submitted by Contractor in the amount of the disallowance, or to require repayment of the disallowed amount by Contractor. Contractor will be provided with the opportunity to respond to the notice.
6. **Insurance.**
- 6.1 Contractor must obtain and maintain at its expense throughout the term of Contractor's agreement, at a minimum, the types and amounts of insurance set forth in this Section 6 from insurance companies authorized to do business in the State of Arizona; the insurance must cover the materials/service to be provided by Contractor under the Agreement. For any insurance required under the Agreement, Contractor will name the City of Mesa, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured, as evidenced by providing either an additional insured endorsement or proper insurance policy excerpts.
- 6.2 Nothing in this Section 6 limits Contractor's responsibility to the City. The insurance requirements herein are minimum requirements for the Agreement and in no way limit any indemnity promise(s) contained in the Agreement.

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- 6.3 The City does not warrant the minimum limits contained herein are sufficient to protect Contractor and subcontractor(s) from liabilities that might arise out of performance under the Agreement by Contractor, its agents, representatives, employees, or subcontractor(s). Contractor is encouraged to purchase additional insurance as Contractor determines may be necessary.
- 6.4 Each insurance policy required under the Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the term of the Agreement.
- 6.5 Prior to the execution of the Agreement, Contractor will provide the City with a Certificate of Insurance (using an appropriate "ACORD" or equivalent certificate) signed by the issuer with applicable endorsements. The City reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating thereto required under the Agreement.
- 6.6 When the City requires a Certificate of Insurance to be furnished, Contractor's insurance is primary of all other sources available. When the City is a certificate holder and/or an additional insured, Contractor agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.
- 6.7 The policies required by the Agreement must contain a waiver of transfer rights of recovery (waiver of subrogation) against the City, its agents, representatives, officials, volunteers, officers, elected officials, and employees for any claims arising out of the work of Contractor.
- 6.8 All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Management Division.
- 6.9 **Types and Amounts of Insurance.** Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
- 6.9.1 Worker's compensation insurance in accordance with the provisions of Arizona law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
  - 6.9.2 The Contractor shall maintain at all times during the term of this contract, a minimum amount of \$2 million per occurrence/\$2 million aggregate Commercial General Liability insurance, including Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
  - 6.9.3 Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence including owned, hired and non-owned autos.
7. **Requirements Contract.** Contractor acknowledges and agrees the Agreement is a requirements contract; the Agreement does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when the City identifies a need and issues a purchase order or a written notice to proceed. The City reserves the right to cancel purchase orders or a notice to proceed within a reasonable period of time of issuance; any such cancellation will be in writing. Should a purchase order or notice to proceed be canceled, the City agrees to reimburse Contractor for any actual and documented costs incurred by Contractor. The City will not reimburse Contractor for any avoidable costs incurred after receipt of cancellation including, but not limited to, lost profits, shipment of product, or performance of services.

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8. **Notices.** All notices to be given pursuant to the Agreement will be delivered to the Contractor as listed on Page 1 of this Agreement. Notice will be delivered pursuant to the requirements set forth the Mesa Standard Terms and Conditions that is attached to the Agreement as **Exhibit C**.
9. **Representations of Contractor.** To the best of Contractor's knowledge, Contractor agrees that:
- a. Contractor has no obligations, legal or otherwise, inconsistent with the terms of the Agreement or with Contractor's undertaking of the relationship with the City;
  - b. Performance of the services called for by the Agreement do not and will not violate any applicable law, rule, regulation, or any proprietary or other right of any third party;
  - c. Contractor will not use in the performance of Contractor's responsibilities under the Agreement any proprietary information or trade secret of a former employer of its employees (other than City, if applicable); and
  - d. Contractor has not entered into and will not enter into any agreement, whether oral or written, in conflict with the Agreement.
10. **Mesa Standard Terms and Conditions.** **Exhibit C** to the Agreement is the Mesa Standard Terms and Conditions as modified by the Parties, which are incorporated by reference into the Agreement as though fully set forth herein. In the event of any inconsistency between the terms of the Agreement and the Mesa Standard Terms and Conditions, the language of the Agreement will control. The Parties or a Party are referred to as a "party" or "parties" in the Mesa Standard Terms and Conditions. The Term is referred to as the "term" in the Mesa Standard Terms and Conditions.
11. **Counterparts and Facsimile or Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement. A facsimile or other electronically delivered signature to the Agreement will be deemed an original and binding upon the Party against whom enforcement is sought.
12. **Incorporation of Recitals and Exhibits.** All Recitals and Exhibits to the Agreement are hereby incorporated by reference into the Agreement as if written out and included herein. In the event of any inconsistency between the terms of the body of the Agreement and the Exhibits, the language of the Agreement will control.
- Exhibits to this Agreement are the following:
- o (A) Scope of Work
  - o (B) Pricing
  - o (C) Mesa Standard Terms and Conditions
13. **Attorneys' Fees.** The prevailing Party in any litigation arising out of the Agreement will be entitled to the recovery of its reasonable attorney's fees, court costs, and other litigation related costs and fees from the other Party.
14. **Additional Acts.** The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of the Agreement.
15. **Headings.** The headings of the Agreement are for reference only and will not limit or define the meaning of any provision of the Agreement.

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By executing below, each Party acknowledges that it understands, approves, and accepts all of the terms of the Agreement and the attached exhibits.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**CITY OF MESA, ARIZONA**

**CONTRACTOR NAME**

By: \_\_\_\_\_

By:  \_\_\_\_\_

\_\_\_\_\_  
Printed Name

Scott Patterson  
\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

COO  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

04/14/2020  
\_\_\_\_\_  
Date

REVIEWED BY:

By:  \_\_\_\_\_  
Ted Stallings, CPPB  
Procurement Officer II

**EXHIBIT A  
SCOPE OF WORK**

1. **REVERSE AUCTION SOLUTION REQUIREMENTS:**

- a. Solution requirements will have, but are not limited to, the following abilities:
  - i. Allow bidders/proposers to register and submit pricing responses through the proposed solution electronically.
  - ii. Allow bidders/proposers to pay the contractor directly for any fees associated with participating in the reverse auction.
  - iii. Evaluate pricing off of individual item price, group of items, percentage discount, or catalog pricing.
  - iv. Ability to extend the reverse auction during the auction event to allow for counter offers. Example: a bid coming in within five minutes of the closing time of the reverse auction will extend the auction for another five (5) minutes until all bidding ceases.
  - v. Ability to accept and for the City to identify the minimum bid decrements. Proposed solution should allow for pricing to be modified up to one, ten-thousandth of a dollar. (\$0.0000).
  - vi. Ability to group items into lots or groups of items and the ability to allow for auctions with thousands of line items and responses within one solicitation.
  - vii. Ability to rank and show current low prices for the low bidder/proposer during the auction event.
  - viii. Ability to keep the bidder/proposer information anonymous during the live bidding event and allow for the bidders/proposers to see the bid tabulation after the completion of the auction (after City approval).
  - ix. Ability to provide the City with a tabulation of the results of the auction in an excel format.
  - x. Ability to load items awarded directly into the City's financial solution through CGI Advantage Version 3.11.

2. **MINIMUM REQUIRED REVERSE AUCTION SERVICE REQUIREMENTS:**

- a. The services of the Contractor will consist of, but are not limited to:
  - i. Reverse auction opportunity selection consisting of; assisting with expiring contract analysis and selection, existing contract price benchmarking and targeted market research.
  - ii. Upon selection of solicitations and contracts suitable for reverse auction the Contractor will provide solicitation preparation consulting consisting of; bid/proposal and pricing strategy, sourcing strategy and requirements, and solicitation project timeline development.
  - iii. Upon completion of the solicitation preparation phase the Contractor will provide strategic sourcing services in order to encourage a competitive pool of responsive and qualified bidders/proposers.
  - iv. Upon receipt of the list of pre-qualified bidders/proposers, approved to participate in the reverse auction pricing event, the Contractor will configure the reverse auction solution with the required discounts, weighting, lot or line item exclusions and bidding parameters and train all approved bidders/proposers on the reverse auction platform and bidding parameters.
  - v. On the day of the reverse auction event, the Contractor will proctor the live event providing a real-time view and act as a dedicated resource to the Procurement Officer to evaluate solution performance and explain any bidder/proposer or technology issues that arise during the live event requiring Procurement Officer input. The contractor will also provide real-time support services to all bidders/proposers.
  - vi. Following the reverse auction event, the Contractor will provide bid tabulations of the reverse auction pricing event in Excel format (Microsoft Office 16 or newer). The bid tabulations will provide event, lot and line item summaries and

## EXHIBIT A SCOPE OF WORK

- details as well as an auditable time-stamped log of every bid placed on the platform.
- vii. Upon award notification the Contractor will be responsible to contact the awarded bidder/proposer to arrange for collection of its fee for the services.
- b. Tasks to be performed by the Contractor will include, but are not limited to, the following:
- i. Identify Opportunities for Reverse Auction:
    - 1. Reviewing Procurement Officers list of expiring contracts to select commodities and services that are good candidates for reverse auction.
    - 2. Requesting supporting program and contract documentation from the Procurement Officer and evaluating information provided to determine viability of reverse auction tool for effectively and efficiently establishing true-market pricing for program.
      - a. Prior bid documents
      - b. Prior bid tabulations
      - c. Bidder/Proposer dispatch list
    - 3. Providing a list of identified bid opportunities for reverse auction from Procurement Officer's expiring contract list.
    - 4. Assign dedicated Bid Manager for each identified opportunity.
  - c. Market Research:
    - i. Bid Manager will create a bid workbook that effectively registers the event in the Contractor's project management systems and provides a beginning to end tracking document for activities associated with each bid/proposal.
    - ii. Check market conditions for establishing a qualified pool of competitive bidders/proposers for each bid based on bid/proposal specifications and existing contract pricing.
    - iii. Confirm that market conditions are suitable to provide a reasonable confidence that a competitive pool of qualified bidders/proposers would respond to the bid opportunity.
  - d. Reverse Auction Bid Kick-Off:
    - i. Bid Manager will coordinate a call/meeting with Procurement Officer and/or analyst.
    - ii. Define bid model pricing strategy.
    - iii. Define sourcing strategy.
    - iv. Create the tentative bid/proposal milestone calendar.
    - v. Receive and review bid/proposal documents and specifications.
    - vi. Call/Meeting notes logged in bid/proposal workbook.
  - e. Strategic Sourcing:
    - i. Execution of defined sourcing strategy.
    - ii. Deliver communications to identified vendors.
    - iii. Initial bid release announcement.
    - iv. Milestone dates reminder communications.
    - v. Bid/Proposal review communications.
    - vi. Review platform bid/proposal structure.
    - vii. Maintain sourcing strategy key performance indicators in bid/proposal workbook.
  - f. Pre-Event & Approvals:
    - i. Send official reverse auction invites to approved bidders/proposers.
    - ii. Review final bid layout and parameters with Buyer/Analyst

**EXHIBIT A  
SCOPE OF WORK**

- 1. Baselines
- 2. Minimum bid decrements
- 3. Starting Price
- 4. Weighting
- 5. Discounts
- iii. Train all invited bidders/proposers on platform and bid parameters.
- iv. Send placeholder and event reminder to approved bidders/proposers.
- g. Event:
  - i. Provide a dedicated representative to proctor the event.
  - ii. Provide bidder/proposer support services.
  - iii. Provide bidding platform to accept bidder/proposer pricing per the specifications, bid model and bid strategy to approved bidders/proposers.
- h. Post Event Pricing Analysis:
  - i. Provide bid tabulations.
    - 1. Lot Summary and Detail
    - 2. Line Item Summary and Detail
    - 3. Auditable time stamped bid log of all bids placed during event

**3. CITY RESERVATIONS:**

- a. The City reserves the right to make the final determination on whether or not to initiate a reverse auction.
- b. The City reserves the right to utilize its own ERP solution for reverse auctions if it deems it in the best interests to do so.
- c. The City reserves the right to cancel the reverse auction at any point during the auction event at no cost to the City.
- d. There are no direct fees to the City and no one time start-up fees as this is awarded bidder/proposer transaction fee model. The bidder/proposer with whom the City enters into a contract will agree to, and is required to pay, a transaction fee to the reverse auction solution contractor. If the solicitation is not awarded, the submitting bidder/proposer and City will not be responsible for any fees incurred by the reverse auction solution contractor through the process. If the City's contract with the awarded bidder/proposer is cancelled during the term of the agreement, the contractor is only charged for fees relating to purchases up to the time of cancellation.
- e. The City reserves the right to utilize a City pay model and run the auction/direct use.

**Proposed Hosted Third-Party Reverse Auction Solution and Services**

**Mandatory Minimum Required Reverse Auction Services (PASS/FAIL)**

The following requirements have been identified as mandatory minimums for this procurement (Questions one (1) through ten (10)).

1.	Allow bidders/proposers to register and submit responses through the proposed system electronically.	Yes	<b>X</b>	No	
2.	Allow bidders/proposers to pay the contractor directly for any fees associated with participating in the reverse auction.	Yes	<b>X</b>	No	
3.	Evaluate pricing off of individual item price, group of items, percentage discount, or catalog pricing.	Yes	<b>X</b>	No	
4.	Ability to extend the reverse auction during the auction event to allow for counter offers. Example: a bid coming in within five minutes of the closing time of the reverse auction will extend the auction for another five minutes until all bidding ceases.	Yes	<b>X</b>	No	
5.	Ability to accept and for the City to identify the minimum bid/proposal decrements.	Yes	<b>X</b>	No	

**EXHIBIT A  
SCOPE OF WORK**

	Proposed system should allow for pricing to be modified up to one, ten-thousandth of a dollar. (\$0.0000).			
6.	Ability to group items into lots or groups of items and the ability to allow for auctions with thousands of line items and responses within one solicitation.	Yes	<b>X</b>	No
7.	Ability to rank and show current low prices for the low bidder/proposer during the auction event.	Yes	<b>X</b>	No
8.	Ability to keep the bidder/proposer information anonymous during the live bidding event and allow for the bidders/proposers to see the bid tabulation after the completion of the auction (after City approval).	Yes	<b>X</b>	No
9.	Ability to provide the City with a bid tabulation of the results of the auction in an excel format.	Yes	<b>X</b>	No
10.	<del>Ability to load items awarded directly into the City's financial solution through CGI Advantage Version 3.11.</del>	Yes		No <b>X</b>

**Required Services of the Contractor will consist of, but are not limited to:**

11.	Reverse auction opportunity selection consisting of; assisting with expiring contract analysis and selection, existing contract price benchmarking and targeted market research.	Yes	<b>X</b>	No
12.	Upon selection of solicitations and contracts suitable for reverse auction the Contractor will provide bid preparation consulting consisting of; bid/proposal and pricing strategy, sourcing strategy and requirements, and bid project timeline development.	Yes	<b>X</b>	No
13.	Upon completion of the solicitation preparation phase the Contractor will provide strategic sourcing services in order to encourage a competitive pool of responsive and qualified bidders.	Yes	<b>X</b>	No
14.	Upon receipt of the list of pre-qualified bidders/proposers, approved to participate in the reverse auction pricing event, the Contractor will configure the reverse auction system with the required discounts, weighting, lot or line item exclusions and bidding parameters and train all approved bidders/proposers on the reverse auction platform and bidding parameters.	Yes	<b>X</b>	No
15.	On the day of the reverse auction event, the Contractor will proctor the live event providing a real-time view and act as a dedicated resource to the Procurement Officer to evaluate bid performance and explain any bidder/proposer or technology issues that arise during the live event requiring Procurement Officer input. The contractor will also provide real-time support services to all bidders/proposers.	Yes	<b>X</b>	No
16.	Following the reverse auction event, the Contractor will provide tabulations of the reverse auction pricing event in Excel format (Microsoft Office 16 or newer). The bid tabulations will provide event, lot and line item summaries and details as well as an auditable time-stamped log of every bid placed on the platform.	Yes	<b>X</b>	No
17.	Upon award notification the Contractor will be responsible to contact the awarded bidder/proposer to arrange for collection of its fee for the services.	Yes	<b>X</b>	No

**Identify Opportunities for Reverse Auction:**

18.	Reviewing Procurement Officers list of expiring contracts to select commodities and services that are good candidates for reverse auction.	Yes	<b>X</b>	No
19.	Request supporting program and contract documentation from the Procurement Officer and evaluating information provided to determine viability of reverse auction tool for effectively and efficiently establishing true-market pricing for program.	Yes	<b>X</b>	No
	• Prior bid documents	Yes	<b>X</b>	No
	• Prior bid tabulations	Yes	<b>X</b>	No
	• Bidder/Proposer dispatch list	Yes	<b>X</b>	No
20.	Providing a list of identified bid opportunities for reverse auction from Procurement Officer's expiring contract list.	Yes	<b>X</b>	No

**EXHIBIT A  
SCOPE OF WORK**

21.	Assign dedicated Bid Manager for each identified opportunity.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	<b>Market Research:</b>				
22.	Bid Manager will create a bid workbook that effectively registers the event in the Contractor's project management systems and provides a beginning to end tracking document for activities associated with each bid/proposal.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
23.	Check market conditions for establishing a qualified pool of competitive bidders/proposers for each bid based on bid/proposal specifications and existing contract pricing.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
24.	Confirm that market conditions are suitable to provide a reasonable confidence that a competitive pool of qualified bidders/proposers would respond to the solicitation opportunity.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	Reverse Auction Bid Kick-Off:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
25.	Bid Manager will coordinate a call/meeting with Procurement Officer and/or analyst.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
26.	Define solicitation model pricing strategy.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
27.	Define sourcing strategy.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
28.	Create the tentative bid/proposal milestone calendar.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
29.	Receive and review bid/proposal documents and specifications.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
30.	Call/Meeting notes logged in bid/proposal workbook.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	<b>Strategic Sourcing:</b>				
31.	Execution of defined sourcing strategy.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
32.	Deliver communications to identified vendors.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
33.	Initial solicitation release announcement.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
34.	Milestone dates reminder communications.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
35.	Bid/Proposal review communications.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
36.	Review platform bid/proposal structure.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
37.	Maintain sourcing strategy key performance indicators in bid/proposal workbook.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	<b>Pre-Event &amp; Approvals:</b>				
38.	Send official reverse auction invites to approved bidders/proposers.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
39.	Review final bid layout and parameters with Buyer/Analyst:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
40.	• Baselines	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	• Minimum bid decrements	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	• Starting Price	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	• Weighting	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	• Discounts	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
41.	Train all invited bidders/proposers on platform and bid parameters.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
42.	Send placeholder and event reminder to approved bidders/proposers.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	<b>Event:</b>				
43.	Provide a dedicated representative to proctor the event.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
44.	Provide bidder/proposer support services.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
45.	Provide bidding platform to accept bidder/proposer pricing per the specifications, bid model and bid strategy to approved bidders/proposers.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	<b>Post Event Pricing Analysis:</b>				
46.	Provide bid tabulations.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
47.	Provide lot Summary and Detail	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
48.	Provide line Item Summary and Detail	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
49.	Provide auditable time stamped bid log of all bids placed during event	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
50.	Name of the solution/product proposed.				
	Response: EASI's eSourcing and Reverse Auction Solution (the "Solution") including EASI's Software Platform which is web-based and fully managed.				

**EXHIBIT A  
SCOPE OF WORK**

51. Please explain in detail how the proposed solution will ensure each bidder/proposer comply and agree to the contractual terms and conditions prior to the start of each auction to the award of the contract.

**Response:** The implementation of the EASi solution has very minimal impact on the way the Buyer issues. The Buyer will complete their bid documents and work with the End User on dates, sample requirements, and any final bid requirements as they normally would. The Buyer then sends the draft bid documents to EASi for review. EASi will provide the Buyer with Reverse Auction language to be inserted into the solicitation. In order for a seller to be qualified to participate in a bid, they must execute EASi's Supplier Agreement Terms and Conditions contract as well as the Buyer's Bidder Terms and Conditions contract, which will both be included in the solicitation packet as mandatory documents, and submit those documents by the designated submission deadline. Final bid documents will then be released, and the Buyer will send out an announcement to bidder dispatch list and copies EASi. EASi will then reach out to identified prospective vendors to review the bid documents and confirm their intent to participate. The vendors will submit their completed bid packages as they normally would, excluding only their pricing. In this way, the City will be able to determine responsiveness and responsibility of the prospective vendors prior to approving them to participate in any pricing event. Only after EASi receives a list of pre-qualified vendors, will formal bid invitations be sent out along with instructions on where and how to register in the platform and a request for training.

52. Please detail entire solution process; to include the bid/proposal registration process, evaluation process, tabulation process, and the archival of data for audit purposes.

**Response:**

**Workflow**

The Bid workflow consists of multiple phases. EASi is involved in all phases of the bidding process.



Contract Identification and market research is critical to the success of a reverse auction program. Identifying contracts that historically have had multiple responses is the first step. Followed by a market research phase where the result is a go or no-go determination as a reverse auction candidate. We have meaningful conversations with bidders about the current contract to: 1) gauge the interest level in responding to a solicitation if the City released one via reverse auction process, and 2) to make sure the current contract specifications, scope of work, bill of material, etc allow for competition. If there are multiple suppliers who are willing and able to respond to a potential solicitation, and the specification allow for competition, then the identified opportunity should have a high likelihood of success.

The bid process begins when EASi reviews the City's contract list and identifies which opportunities may be successful reverse auction opportunities. The account manager will have an initial call with the City to discuss the identified opportunities and request the required additional information: prior bid documents, bid tabulations, bidder dispatch list. The Account Manager will then assign this opportunity to a Bid Manager.

The Bid manager will create a bid workbook (registering the event), check market conditions, and perform initial sourcing & vendor outreach. If conditions are still good for a reverse auction, the identified opportunity will be moved to the Kick Off Call Phase.

During the Kickoff Call, the Bid Manager and the Buyer will define the bid strategy, identify sourcing requirements, and create the tentative bid calendar, which will include a release date, a pre-bid date, a document close, and a reverse auction date. They will also discuss minority & special requirements. All kick off call notes are entered into the bid workbook created in the market research phase.

EASi will then provide the Buyer with Reverse Auction language to be included in the solicitation. The Buyer will complete the bid documents and work with the End User on dates, sample requirements, and any final bid requirements as they normally would. Buyer will then send a draft of the bid documents to EASi for review. Final bid documents released, and Buyer sends announcement to bidder dispatch list and copies EASi.

## EXHIBIT A SCOPE OF WORK

Once a solicitation has been released to the public, EASi will send out a notification to all identified prospective vendors directing them to where they can obtain copies of the solicitation packet and informing them that an EASi representative will be in contact over the next few days to review the bid documents and confirm their intent to participate. An additional reminder will be sent out one day prior to the bid packet submission date to remind all prospective vendors when bid packets are due.

After the bid packet submission date has closed, the Buyer will evaluate the prospective vendors for responsiveness and responsibility and develop a list of vendors who meet the requirements of the solicitation. This list will be sent to EASi. EASi will then reach out to this list of pre-qualified vendors with a formal invitation to participate, instructions on how to register in the platform and a request to schedule a training session. One-to-two days prior to the event, the EASi sourcing group will train the approved bidders on how to navigate their individual dashboards within the platform and how to place bids. At the conclusion of the training, the EASi Sourcing team will send out instructions to the pre-qualified bidders to enter placeholder bids along with an event date reminder.

EASi proctors every event live, in person with the City. During the live event the identity of the suppliers are anonymized to the City to retain the integrity of the sealed bid process (if required by the City). Our bid operations team has a constant communication line with the proctor on-site with the City to act as the conduit between the buyer and supplier, if necessary. Our bid operations team constantly monitors bidder access, and our price realism module identifies any bids matching configurable thresholds for anomalous price reduction or savings levels. After a short (usually 5 minutes) cooling off period – just to make sure there were no bidder issues – the identity of the bidders are revealed. We record the event for the City so they can have documentation and playback for audit or marketing purposes.

20 minutes prior to the actual pricing event, the EASi Sourcing Team will reach back out to the approved vendors to ensure that they are able to log in and are experiencing no technical issues. An EASi account manager will proctor the event in-person with the Buyer. Bids are viewed in a designated room at The Buyer's offices and can be limited to buyer-only viewing or, depending on the City's policies, can be made into a public event. Our system allows the Buyer to make the names of the vendors anonymous during the live auction viewing, adding a layer of security for all those viewing. Our platform also allows us to pause the bid at any time, and allows us to change any parameter of the bid during a bid. We can also help the Buyer develop reverse auction-related policies specific to their organization/entity. Our Sourcing group handles any vendor issues that may arise during the bid and communicates these to the bid proctor. Once the Reverse Auction has opened, vendors will place bids until they have reached their lowest possible price. The event will close when no more bids are placed within the last extension period, or if the Buyer decides to call for Last Best and Final pricing.

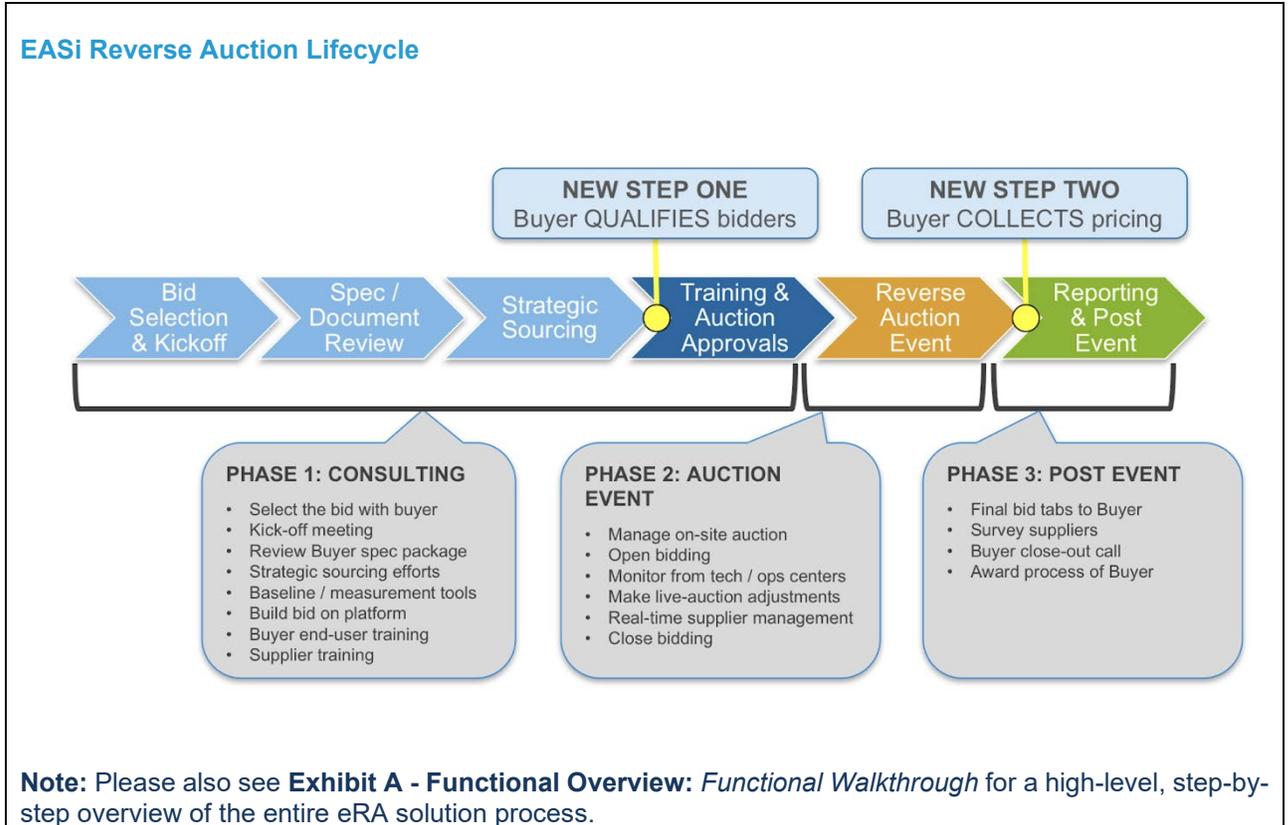
At the conclusion of the event, bid tabulations are immediately available, and an executive summary is produced by the bid manager and delivered to the City. Bid operations can provide custom reports when necessary for additional evaluations.

The Buyer will also have log in credentials and will be able to pull reports at any time. Reports can be tabulated at multiple levels including for the entire event, by individual lots, by individual line items, or by bidder. All data from every pricing event is permanently stored within the platform and can be retrieved at any time. The Buying Agency will then make their award recommendation. Once an award is made, the Buyer will send the final contract to EASi for our records.

The Buying Agency will then make their award recommendation. Once an award is made, the Buyer will send the final contract to EASi for our records.

After an award has been made, EASi will conduct a kickoff call with the awarded vendor explaining the invoicing process and reporting requirements. The awarded vendor is then required to send monthly sales reports to EASi for invoicing.

**EXHIBIT A  
SCOPE OF WORK**



53. Please explain any hardware/software solution requirements for bidders/proposers to use the proposed system.

Response: EASi's software is web-based and runs on any platform with an approved web browser. Approved web browsers are (in order of preference): Google Chrome 25+, Firefox 11+, IE 8+ (IE 9 or newer strongly recommended). The hardware system requirements are minimal. Any computer capable of running Windows XP can interface with our software.

54. Please describe any limitations of proposed solution; such as limitations in the maximum number of contract items, transaction response times, quantity, minimum award amount, etc.

Response: We have developed a dynamic system, which allows us to be flexible and account for a number of different bidding strategies. We have developed strategies that can handle thousands of line items such as office supply bids with core and non-core categories. The reverse auction event hierarchy consists of lots and line items per lot. Through bid strategies we are also able to accomplish relationship bidding. There are no time constraints on the duration per lot/event, nor on the duration and number of extensions or overtime periods. The extension overtime period can have a defined number of acceptable extensions, or it can be limitless. The system can handle currency precision up to 4 decimals.

55. Please explain in detail the auction cancellation process.

Response: Our process is dynamic. The first part of implementing a successful Reverse Auction program is to understand the City's current procurement policies and procedures, then work with the City to insert the appropriate Reverse Auction procedures. Our standard operating procedures for cancelling an event is by the City issuing an addendum canceling the event, and our Bid Operations Team referring any bidders to the appropriate representative at the City to answer any questions. We can, at the City's direction, send an announcement to the pre-qualified list of bidders. We also will not allow any access to the bidding event once it has been cancelled. Again, this is the standard operating procedure, and this can be modified to comply with the City's needs.

**EXHIBIT A  
SCOPE OF WORK**

56. Please explain in detail the advertising process for reverse auctions to increase bidder/proposer awareness in the procurement opportunities.

**Response:** Driving suppliers to respond to City solicitations is critical to the success of a program. EASi works with the City to make sure as many suppliers as possible are aware of any opportunity, and EASi goes further by having meaningful conversations with potential suppliers to gauge their interest and reports back to the City what the market is saying, how many responses we expect and the reasons why someone may not respond. EASi will also be available for all pre-bid conferences to answer any questions about the reverse auction as well as to review the reverse auction process and show potential suppliers what the interface would look like if the City approves the move to a pricing event.

EASi provides complete bid management including focused sourcing and document package development, in addition to all bid management related services. EASi prides itself in bringing motivated, competitive bidders to bids by providing personal communication and aid to each prospective bidder throughout the response process. Our bid development incorporates client-specific requirements with our eSourcing experience to ensure that your specifications are designed to promote as competitive an eRA event as possible.

**Market Research**

Following preliminary opportunity identification, EASi's Bid Operations team checks market conditions and performs initial sourcing exercises, including vendor outreach. If conditions are still good for a reverse auction, with a qualified pool of competitive bidders expressing interest in participating, the opportunity is moved forward to the Kick Off Call Phase.

**Kick Off Call**

EASi, the Buyer, and End-Users review the Market Research findings and the City's procurement goals to define the bid strategy, sourcing requirements, and create a tentative bid calendar. The sourcing strategy consists of the City providing us with the incumbent supplier information, the suppliers who have responded in the past, and the City's bidder dispatch list.

EASi then augments the list, adding any additional suppliers that fit the City's sourcing goals. We then proactively reach out to each organization on the list to make sure we have a good handle on who and how many vendors will be responding to a bid. These call results are logged and are available for the City's review at any time.

When ready to release the bid, the City can utilize our eRFx platform where we can post the solicitation on our public site, or the City can utilize their normal advertising procedures and simply insert the appropriate Reverse Auction language to the solicitation.

**Strategic Sourcing**

EASi executes the defined sourcing strategy. Sourcing group sends initial communication to any identified vendors, providing them directions & highlighting all-important dates. EASi performs follow-up calls to all vendors to review bid dates and determine vendor intentions; all activity is documented in the bid workbook. Local business preference, MBE/WBE, or disadvantaged business sourcing goals are all specialties of our sourcing group.

If there is a pre-bid, EASi's sourcing group sends pre-bid reminder and instructs vendors to direct any questions to the bid Buyer. EASi bid manager reviews the RA process and platform with vendors at the pre-bid (either in person, or via Webex, at every pre-bid meeting, to provide introductory reverse auction information and answer vendor questions). EASi sourcing group sends bid close reminder and requests vendor intentions.

57. Please describe proposed solution reporting features that are available to the City and to bidders/proposers.

**Response:** Bid tabulations are immediately available at the conclusion of every live pricing event and are delivered to the Buyer in Excel format. The City will also have a log in and can pull reports at any time. There are many options for running reports, including line item level, overall ranking, and an auditable and time-stamped report of all bids placed during the reverse auction.

## EXHIBIT A SCOPE OF WORK

Detailed reports are available at an event, lot, and line item level.

### Reporting

All reports generated by the platform are in Excel workbook format. The reports include formatting and open cleanly in Excel without the need to re-save the report in another format. Detailed reports are available at an event, lot, and line item level. There are four categories of reports available through the reports tab of the application:

- Event:** The event report provides valuable bid statistics and summary information about the entire event including bid tabulations, bids per bidder (count), bids per lot (count), lot duration (per lot), line item count (per lot), and number of lead changes (per lot).
- Lot:** Lot reports are run per lot, and provide three tabs: bid tabulations, aggregate bids, and raw bids. Bid tabulations include a listing of line items for the selected lot with the ranked bids for each line item. This report includes columns for weighted and unweighted bids, and includes a lot summary matrix at the end of the line item listing. The aggregate bid tabs contains a chronological listing of bid submissions (all line items grouped by bid submission). The raw bids tab contains a listing of each individual line item price submitted, also in chronological order.
- Line Item:** The line item report contains two tabs: bid tabulations and raw bids. The bid tabulations tab contains the same information as the lot report, but is limited to the selected line item. The raw bids tab contains a listing of each bid submitted for the selected line item.
- Bidder:** The bidder report is the most popular report for analyzing bidder performance. This listing contains a row for each line item, with column sets for each bidder in what we call "side-by-side" format. This format provides the highest information density, and allows for powerful row-based formula calculations on bid data.

Additionally, in reference to Mandatory Minimum Required Reverse Auction Services (PASS/FAIL) #10 (updated by the City in Addendum 4, "The City will not require integration with the City's CGI Advantage Solution"), please note, while this is not a standard operating practice currently, EASi is willing to work with the City to implement the functionality if so desired in the future.

**NOTE:** Please also see **Exhibit A - Functional Overview: Award** for additional detailed reporting information.

58. Please explain solution capabilities for calculating discounts and displaying the bidder's bid price and the price with the percentage of discount applied?

Response:

### Weighting

In addition to simple lots and line items, our software provides a weighting system that allows for advanced bidding scenarios that incorporate non-price-factors, pack size discrepancies, and markup/discount bidding for hybrid bid scenarios. The weighting system takes an entered bid amount, passes it through a weighting algorithm, and ranks bids based on the results. This weighting works in real-time during a live bidding event, giving you immediate insight into the effective outcome of bidders' adjustments to their pricing, without the need for after-the-fact application of weighting factors.

There are three types of weighting available:

- Adjustment:** Adds a fixed amount (can be negative) to the placed bid.
- Percentage:** Multiplies the bid by a percentage factor.

## EXHIBIT A SCOPE OF WORK

**Markup:** The bid is treated as a percentage markup/discount against a configured base value.

In all cases above, the weighting value is unique to each line item and bidder. This allows for tremendous flexibility in available bidding scenarios.

### **Weight - Non-Price Factor**

The EASi Solution allows us to apply weighted factors based on price and non-price factors.

### **Pack Size Deviations**

If a vendor's pack size is different from the specification, we can apply a weighting factor, allowing the vendor to bid their pack-size, and our system accounts for the differential. This allows all bidders to bid their own pack size, while the rank will be tabulated as if they were bidding the specified pack size.

### **RFP Evaluation Factors**

If there is an RFP evaluation metric for scoring of price and non-price factors, these scores can be included as a weight in the reverse auction pricing event. When these weights are applied the bidders rank reflect the overall value, including all price and non-price factors during live bidding. Utilizing these factors in a live pricing event can expedite the time to award and contracting.

### **Cash or Payment Term Discounts**

If a bidder offers a cash or payment term discount that is acceptable to the City, and is part of the evaluation of an overall bid, this can be included as a weight during the pricing event. These weights can be applied as a percentage or as an amount. For example, if a bidder is offering 2% net 20, we can account for this, or if a bidder offers \$500 net 20 per unit (often offered in vehicle purchases), these both can be accounted for in ranking calculations during the live bid.

### **Local Preference**

If the City allows for a local vendor preference when evaluating the overall lowest and responsive bidder this can be included as a weight during the live event and the rank will be reflective of that preference in real-time.

### **Net Price**

Bidder enters a net amount that is extended to the City. This can be on an individual line item basis or a lump sum. Line items can range from a single line item to multiple line items and multiple lots. We are able to display extended quantities where a bidder enters their unit price, and the platform calculates the extended amount based on the extended quantity and any weighting factors. The solution has the ability to display ranks to bidders in the following configurations: line item only, lot only, line item & lot, or no rank. Rank options are discussed during the kick off call and are configured based on the award parameters Utilizing the no-rank option allows for static or best-and-final price submissions when there is only one bidder submitting pricing for a line item.

### **Catalog**

Our platform also allows for catalog-based bids. In a catalog bid, the bidder enters a percentage, rather than an amount. The percentage is applied to a base price amount or list price workbook. When catalog pricing is utilized EASi bid operations staff will assist the City in creating catalog workbooks. With this method we are able to run unlimited line items in a way that makes the vendor experience realistic. Our bid operations team directs the management, reconciliation, and import of catalogs, the City is only responsible for approving equivalents or alternates.

### **Hybrid**

This strategy combines both the net price and catalog collection strategies. An example of a hybrid bid is when there is a core list of items that are bid as a net price and the low volume items are bid in catalog format.

**EXHIBIT A  
SCOPE OF WORK**

59. Please explain any variables in the proposed solution to adjust the closing date, time, or bid decrement.
- Response: Our platform allows us to pause a bid at any time, and allows us to change any parameter of a bid during a live auction event. We can also help you develop reverse auction-related policies specific to the City. The Buyer reserves the right to, at any time, change the closing date and time of a bidding event, and either increase or decrease the required bid decrement to ensure that the Buyer receives the best pricing possible; however, it is recommended that the EASi Account Manager and/or Proctor be consulted prior to making any of the aforementioned adjustments as such changes have an impact on the previously agreed upon bid strategy.
60. Please describe the initial training required to use the proposed solution and how your firm will make said training available to the City, agencies, governing authorities, and bidders/proposers.
- Response: Once the pre-qualification date on a solicitation has passed and the Buyer sends a list of pre-qualified vendors to their assigned Bid Manager, the EASi Bid Operations team will send an official bid invite to pre-qualified vendors along with a request for training. Only those vendors on the approved list will be given access to the bid through a secure log in. The EASi sourcing group will then train the approved bidders on how to navigate their individual dashboards within the platform, and place bids 1-2 days prior to the event. At the conclusion of the training, the EASi Sourcing team will send out instructions to the pre-qualified bidders to enter placeholder bids along with an event reminder.
- An individual training for all interested City purchasing staff members will be offered and scheduled upon execution of a contract. Help Desk for vendors and employees is available for every bid throughout the duration of the process as well.
61. How will your firm ensure that the bidder/proposers are anonymous of each other?
- Response: Bids are viewed in a designated room at the City and can be buyer-only viewing or, depending on the City's policies, can be a public event. Our system allows the City to make the names of the vendors anonymous during the live auction viewing, adding a layer of security for all those watching.
- Bidders cannot identify the number or identity of its competitors during a Reverse Auction. Participating bidders only see their price offer and their rank as a numeric value. Bidder interface elements including lot rank, line item rank, line item extended quantity column, and a footer row containing the sum of all line item values, can be switched on or off for the City at any time.
- When a bidder logs on to the platform and enters into a pricing event, they will be unable to see how many other vendors are participating, who else is participating, or what bids have been placed. The only information they will have is their own rank, the line items they are bidding on, and how much time is left in the pricing event.
62. Please explain how your firm verifies that the Procurement Officer conducting the purchase only has access to view the bidder/proposer identity.
- Response: Our system allows the City to make the names of the vendors anonymous during the live auction viewing, adding a layer of security for all those watching. The buyer view allows buyers that ability to see or not see the identity of the bidders. This will be discussed during the implementation on access levels.
- NOTE:** Please also see **Exhibit A - Functional Overview: Access to Event Data** for additional access configuration settings.
63. Please explain how your firm will address bidder/proposer concerns and customer service/questions.
- Response: It is important to note that with dynamic events such as the ones conducted by EASi, it is not unusual for bidders to experience technical difficulties (internet connectivity outages, computer failure, etc). EASi's strength is in responding quickly and actively to all technical issues.
- The bidding interface displays a help desk contact number in a prevalent location, providing easy access to support should an issue arise. The support phone number is always directly within the bidder's view, including during the live event, should they encounter questions. This phone number is configurable per-

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SCOPE OF WORK**

event, so calls can be routed to specific teams.

Help desk support is provided for vendors and buyers for every bid throughout the duration of the process all the way from sourcing, to the live event, and through post-event analysis. Specialized resources are available to provide immediate support during live bidding events as well.

EASi's Sourcing group and Bid Support team handle any vendor issues that may arise during the bid and communicate these to the bid proctor. EASi's staff is in constant contact with the Buyer's staff throughout the entire bid process.

Additionally, our platform allows us to pause the bid at any time, allowing us the chance to change any parameter of the bid during a bid. Pausing a lot stops the timer so any issues can be addressed, such as allowing a bidder time to navigate back into the Reverse Auction event.

Finally, EASi offers to act as a third party Proxy if a bidder is unable to participate during a live bid (pending bidder's ability to provide sufficient written documentation of intent to provide pricing by surrogate due to an interruption in service from their ISP or scheduling conflict with the online auction).

64. Please explain how no-response bid/proposals and non-responsive bidders/proposers are handled.

**Response:** Buyer sends the EASi Bid Manager all contact information for the pre-qualified bidders, including any discounts/preferences to be applied on the platform, prior to the live event. The EASi Sourcing Group then sends official invitations to pre-qualified vendors, including a request for training. Only those vendors on the approved list have access to the bid through a secure log in.

Although it is not currently a standard operating practice for public clients, we are more than happy to develop a plan with the City in which the EASi Sourcing Group would also be able to send disqualification notices as well.

EASi staff are trained to encourage bid participation as a high priority. EASi's primary goal, as it relates to vendors, is to guide them through the process in a way that maximizes participation. A no-response bid from a vendor is tracked through the bid workbook Sourced Vendors tab for future reference.

Additional detailed milestones are tracked and reported also, including, but not limited to:

- Specs Reviewed (Date)
- Able to Meet Spec (Y/N)
- Pricing Reviewed (Date)
- Able to Meet Pricing (Y/N)
- Intends to Participate (Y/N)

65. Please explain how catalog-based bid/proposals are managed and auctioned.

**Response:** Our platform allows for catalog-based bids. In a catalog bid, the bidder enters a percentage, rather than an amount. The percentage is applied to a base price amount or list price workbook. When catalog pricing is utilized, EASi Bid Operations staff will assist the City in creating catalog workbooks. With this method, we are able to run unlimited line items in a way that makes the vendor experience realistic. Our bid operations team directs the management, reconciliation, and import of catalogs. The City is only responsible for approving equivalents or alternates.

66. Please explain if you would use partners in the project, who are those partners and how your firm typically uses them for a project such as this.

**Response:** We are confident that we are uniquely qualified to provide fully managed reverse and forward auction services and a dynamic pricing engine robust enough for even your most complicated contracts. As such, we do not intend to use partners over the course of this project.

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SCOPE OF WORK**

We have developed a platform and process to specifically address the unique challenges of government procurement's sealed bid process. Our track record is one of consistent success, driving cost savings by providing the tools needed to streamline the acquisition process, while maintaining regulatory compliance at all times.

EASi prides itself in bringing motivated vendors to bids by providing personal communication and assistance to each prospective bidder throughout the response process. Our bid management incorporates client-specific requirements with our eSourcing expertise to ensure your solicitations are designed to maximize competition in a concentrated, dynamic bidding event with a proven record of achieving savings in spend categories not normally considered for reverse auction.

67. Please to explain how your solution would manage a solicitation with several thousand-line items being auctioned at once. For example, the City is considering using a reverse auction for office supplies. How would your firm assist the City with such an endeavor? Has your firm ever conducted a reverse auction for office supplies?

**Response:** Working with the City purchasing and end user departments to develop specifications and a bid model (consumption data analysis) that allows for the highest level of competition, along with delivering what the end user agencies expect is critical. Early involvement with end user agency can make for a better all-around experience and lead to much greater success. EASiBuy, in coordination the City, will analyze consumption data, consolidate reports and build draft bid models that City purchasing and end users will ultimately approve. We can be as intimately involved in the process as you like.

Solicitations containing thousands of line-items are managed by working with the Buyer to divide those line items into one of two categories: core items and non-core items. Core items are specific line items that are bought frequently in large volume. These items will be bid at a net price. Non-core items, on the other hand, are specific line items that, individually, are bought in relatively low volume. These items are instead divided into larger general categories such as "Paper," "Toner," "Adhesives," etc, and are bid in catalog format.

In a catalog bid, bidders enter a percentage, rather than an amount. The percentage is applied to a base price amount or list price workbook. When catalog pricing is utilized, EASi Bid Operations staff will assist the City in creating catalog workbooks. With this method, we are able to run unlimited line items in a way that makes the vendor experience tenable. Our Bid Operations team directs the management, reconciliation, and import of catalogs. The City is only responsible for approving offered equivalents or alternate products.

This strategy of combining both the net price and catalog collection strategies is known as a Hybrid Strategy. This method has proved highly successful for the City, the City of Los Angeles, and the States of New York, Connecticut, Michigan, Maine, and Rhode Island, all of whom have used EASi to facilitate multimillion-dollar office supply solicitations in the past, regularly resulting in savings percentages in excess 20%.

**NOTE:** Please also see **Exhibit A - Functional Overview: Phase II – Price Collection [ Weighting]** for additional configuration settings for advanced bidding scenarios.

68. Please share or explain any other solution functionality not addressed in this Proposal Questionnaire and any value-added services.

Other Solution Functionality Response:

**Forward Auctions**

Buyers compete to purchase goods or services by offering increasingly higher prices

- Surplus bids, including buildings and land

**English Auctions**

Bids are only accepted if they beat the current 1<sup>st</sup> place bid

**Sealed Bidding**

Emulates the paper sealed bid process used by municipalities

- Prevents buyers from seeing bids and pricing submitted by suppliers before a specific date and time

## EXHIBIT A SCOPE OF WORK

- Designed to increase confidence that a government procurement event has retained its sealed bid integrity

### **Anomaly Detection / Price Realism**

Provides real-time monitoring of bid activity to identify “bad” bids placed during a live pricing event

- Allows Bid Operations / Bid Support teams monitoring an event to quickly identify any potential pricing issues

### **Platform Notifications**

Notifies users of the software about events related to document packages

- Document published
- Document due in 24 hours
- Document updated
- Originator flags a task

Some notifications happen automatically on a schedule, while others are triggered by specific actions taken in the software

- These “triggered” notifications include the option to draft custom messaging

Messages sent through the Platform can be seen in the software

- Provides audit trail for recordkeeping purposes
- No emails are actually sent

Value-Added Response: All services, implementation, and execution are at no direct cost to the City:

### **Opportunity Evaluation**

- Spend analysis
- Expiring contract list review
- Category identification

### **Program Development**

- Event scheduling (Bid Calendar)
- Savings plan
- Buyer training

### **Execution**

- Bid management
- Results reporting
- Performance tracking

### **Bid Model Development**

- Including detailed consumption report analysis

### **Platform Branding**

- City seal/logo and custom URL to make the platform feel more like an extension of the City’s systems

### **TruTender Integrity Toolset**

- Sanction List Search Tool
  - Search debarred vendor lists from UN, WorldBank, US Federal Government, and EU
- Corruption Risk Analytics
  - Automatically analyzes bid results to identify 11 risk indicators for corruption and collusions and provides dashboard that identifies high risk results

## EXHIBIT A SCOPE OF WORK

### **On-Site Bid Manager and Bid Execution**

- EASi will provide regular on-site workshops at the City's Purchasing Department
- The purpose of these regular on-site hours is to continue to drive identification and market research of opportunities; think of us as an extension of the City's Purchasing Team
- The primary differentiator is our active involvement in bid strategy and focused sourcing efforts
- If we do not meet the City's expectations, we will not charge the awarded supplier fee

### **REBATE PROGRAM**

In addition to the terms of the cost proposal, and at no direct cost to the City, EASi will provide a 10% Administration Rebate to the City, based on revenue actually received by EASi from Vendors associated with purchases from any eligible political subdivisions, municipalities, quasi-agencies, and other non-City organizations.

## **Solution Security and Data / Disaster Recovery (DDR)**

1. Does your solution support number of fail login or access attempts that triggers account or data lockout? If so, please explain.

Response: Yes, the Solution supports a password policy based on the NIST (National Institute of Standards and Technology) Special Publication 800-63B, §5.1.1.2. Memorized Secret Verifiers as of Dec 19th, 2016.

### **Password Policy**

Passwords shall be verified based on the following attributes:

- Minimum of 8 characters in length
- Permit as many as 128 characters
- All printing ASCII characters and spaces should be permitted
- Unicode characters should be permitted
- Each Unicode code point should be treated as one character
- No restrictions on composition
- No requirement for rotation

### **Authentication Mechanism Policy**

- No "hint" system should be provided
- Additional login attempts should be suspended for a period of 60 minutes after 100 consecutive failed login attempts within a 30 day period
- Notification of login suspension should be written to the application log
- The failed authentication count should be reset upon successful authentication

A functional description of EASi's Security Overview, providing more detail on how bidders are provided access to events, is available upon request.

**NOTE:** Please also see **Exhibit C – EASiBuy Web Platform: Infrastructure and Security Overview: Password Policy** for additional information about Authentication and Authorization.

2. Describe your physical security including any industry recognized security certifications and how Mesa's data will be protected from intrusion, theft, or corruption.

Response:

### **Information Safeguards**

EASi's Platform uses a role based, secure authentication and authorization system. Authentication is provided by the Devise authentication plug-in from Platformatec. Password information is encrypted using a high-computation-cost hashing library with irreversible encryption and unique salts per-user record.

## EXHIBIT A SCOPE OF WORK

Access to application modules are defined through a unified user role definition format. All areas of the application are filtered through this definition, providing strict global access controls.

Access to records within the system are restricted by the role based authorization system, which uses a centralized schema. The centralization of this authorization data allows for careful auditing of access controls and concise tracking of changes to access definitions. The functional description provides more detail on how bidders are provided access to events.

Access safe-guards include the following:

- SSH key-pair (RSA 1024-bit minimum) authentication is used to access application servers
- No password-based login allowed (strong key-pair required)
- Application deployment uses pass-through ssh-key authentication, avoiding a "global ssh key" exposure to application source code
- Fail2Ban automatically bans network hosts that repeatedly attempt password authentication at an IP firewall
- Servers are built from minimal installations, using only the required software with no superfluous services
- Unneeded web server modules are removed
- All database, system, and user passwords are strong, unique, and randomly generated

### Physical Security and Redundancy

Our primary servers are located in a secure hosting facility in Dallas, TX featuring the following security highlights. Additional facilities in the Asia-Pacific, European, US-West, US-Central, and US-East zones are available. Primary geographic fail-over is located in New York, NY. Both facilities have an outstanding uptime record, achieving 99.9% uptime.

- 24x7x365 on-site staff
- Multiple layers of security & authentication; including card key, PIN, & biometric required for facility entrance
- Intrusion detection systems to prevent unauthorized electronic access
- Firewall management and monitoring services
- Full CCTV surveillance backed by digital recording on file for 90 days
- Remote hands to perform tape rotations and hardware swaps
- Constant management of all environmental systems (power, HVAC, fire, security and IDS)
- Remote monitoring of client equipment
- Motion detection for lighting

### Document Storage and CDN

Document storage and CDN is outsourced to Amazon Web Services' redundant storage service, which meets all major security standards for physical and infrastructure security.

**NOTE:** Please also see **Exhibit C – EASiBuy Web Platform: Infrastructure and Security Overview: Hosting Stack Overview Diagram** for additional information.

3. Describe what storage process you currently use, explain how data is secured at rest and in transit.

Response:

### Document Storage and CDN

Document storage and CDN is outsourced to Amazon Web Services' redundant storage service, which meets all major security standards for physical and infrastructure security.

### Backups and Failover

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes.

## EXHIBIT A SCOPE OF WORK

This means that both the systems and data are backed-up independent of any specific geographic location.

Backup and fail-over procedures are tested monthly and cataloged for success or failure. Failures trigger an immediate post-mortem and reconciliation of failed processes).

On a monthly basis, database backups are loaded into a backup testing environment, which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

4. Have you ever had a security breach? If so, please explain in detail why the breach occurred, the impact to your clients, and what steps you took to prevent further breaches.

Response: EASi has never experienced a security breach.

Describe your firm's capability to recover from natural, human-caused, and electronic disasters (including security compromises) that could interrupt service to the City and the City's Bidders/Proposers. Proposer should detail their recovery solution to include the following:

- 5.
- Procedures for off-site storage of information;
  - Capabilities and availability of alternate processing, communications, and operations facilities;
  - Plans for maintaining business processes, including communications with the City, the City's customers, and suppliers of goods and services.
  - Estimated time to recover from disaster events, and service level expectations for business continuity following a disaster;
  - Cost to the City, if any, for disaster recovery services; and
  - Documented disaster recovery and business continuity plan, including dates of disaster recovery tests and schedule for future tests.

Response:

### Infrastructure Overview

The application is hosted on Linux-based VPS infrastructure. Our hosting stack includes the following components:

- Web server: Apache 2
- Application server: Phusion Passenger
- Database server: MySQL

We choose Ubuntu LTS as our Linux distribution for their rapid release cycle, including security fixes. All software is patched frequently after testing in a staging environment.

Access safe-guards include the following:

- SSH key-pair (RSA 1024-bit minimum) authentication is used to access application servers
- No password-based login allowed (strong key-pair required)
- Application deployment uses pass-through ssh-key authentication, avoiding a "global ssh key" exposure to application source code
- Fail2Ban automatically bans network hosts that repeatedly attempt password authentication at an IP firewall
- Servers are built from minimal installations, using only the required software with no superfluous services
- Unneeded web server modules are removed
- All database, system, and user passwords are strong, unique, and randomly generated

### Backup

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes.

**EXHIBIT A  
SCOPE OF WORK**

This means that both the systems and data are backed-up independent of any specific geographic location.

On a monthly basis, database backups are loaded into a backup testing environment which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

**Disaster Recovery**

EASi uses a proprietary, automated provisioning system that can turn up a production-ready copy of our complete system in 15 minutes. This automation process is verified in virtual environments with each major revision to our software stack, or every 6 months, whichever comes first. Coupled with our backup solution, EASi can replicate our entire production software instance on any infrastructure provider's service offering in under 30 minutes. This gives us flexibility in geography, and in which service provider we use.

**Disaster Recovery Process**

In the event of a major outage, EASi staff evaluate communications from the service provider to assess an ETA for service restoration. The response is dynamic. If an outage impacts a live bidding event, the response is to immediately begin the transition to infrastructure at a separate location.

EASi maintains concurrent infrastructure in Dallas, TX and New York, NY for "hot spare" purposes. This process mirrors the provisioning drills outlined in the disaster recovery section above.

There are no costs to the City for disaster recovery services.

On a monthly basis, database backups are loaded into a backup testing environment, which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

Does your data center(s) include the following environmental safeguards?

6.
  - Fire detection and suppression
  - Uninterruptible power supplies
  - Power generator management
  - Physical security

Response: Yes, our data centers include constant management of all environmental systems. Safeguards covering fire detection and suppression, uninterruptible power supplies, power generator management, and physical security include:

- 24x7x365 on-site staff
- Multiple layers of security & authentication; including card key, PIN, & biometric required for facility entrance
- Intrusion detection systems to prevent unauthorized electronic access
- Firewall management and monitoring services
- Full CCTV surveillance backed by digital recording on file for 90 days
- Remote hands to perform tape rotations and hardware swaps
- Constant management of all environmental systems (power, HVAC, fire, security and IDS)
- Remote monitoring of client equipment
- Motion detection for lighting

7. Provide the state, and country of all data centers that could potentially host the City data and services.

Response: Our primary servers are located in a secure hosting facility in Dallas, TX featuring the following security highlights. Additional facilities in the Asia-Pacific, European, US-West, US-Central, and US-East zones are available. Primary geographic fail-over is located in New York, NY.

**EXHIBIT A  
SCOPE OF WORK**

8. List your actual average program uptime / solution availability over past 12 months and 24 months.

Response: While we cannot guarantee it will never happen, EASi has never had an interruption in an event due to a technical issue or outage on EASi's part. However, it is important to know that with dynamic events such as the ones conducted by EASi, it is not unusual for bidders to experience technical difficulties (internet connectivity outages, computer failure, etc). EASi's strength is in responding quickly and actively to all technical issues.

Our primary servers are located in a secure hosting facility in Dallas, TX, with our primary geographic fail-over located in Newark, NY. Both facilities have an outstanding uptime record, achieving 99.9% uptime over the past 12 and 24 months, respectively.

9. Please describe any unscheduled outages during the past 12 months.

Response: EASi has not experienced any unscheduled outages during the past 12 months.

10. Does your solution have a restore process when data is lost, corrupted, etc.?

Response: EASi uses a proprietary, automated provisioning system that can turn up a production-ready copy of our complete system in 15 minutes. This automation process is verified in virtual environments with each major revision to our software stack, or every 6 months, whichever comes first. Coupled with our backup solution, EASi can replicate our entire production software instance on any infrastructure provider's service offering in under 30 minutes. This gives us flexibility in geography, and in which service provider we use.

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes. This means that both the systems and data are backed-up independent of any specific geographic location.

On a monthly basis, database backups are loaded into a backup testing environment which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

**Implementation, Maintenance, and Support**

Provide a detailed implementation plan. Plan should include the following:

1.
  - Phases
  - Estimated timeline
  - Milestones
  - Tasks
  - Deliverables
  - Hours
  - Days/Months

Response:

**Implementation and Timeline**

Understanding the buyer's current process and procedures around various types of solicitations is the first step in implementation. If a reverse auction process already exists, review the current process and identify if there are any modifications to suggest.

**On-Site Bid Manager and Bid Execution**

EASi will provide regular on-site workshops at the City's Purchasing Department, at a minimum every other week. The purpose of these regular on-site hours is to continue to drive identification and market research of opportunities; think of us as an extension of the City's Purchasing Team

Our primary differentiator is the active involvement in bid strategy and focused sourcing efforts which we find is a major driving factor behind the success of a live bidding event. Additionally, If we do not meet the

## EXHIBIT A SCOPE OF WORK

City's expectations, we will not charge the awarded supplier fee.

We have implemented the reverse auction process in some of the largest government agencies in the United States. EASi is fully confident that we can provide an even better service component for the City moving forward given our current contractual partnership. Based on our experience with the City, specifically, and in the government reverse auction space, generally, the proposed timeline to implement is as follows:

**Step 1: Analysis:** A review of current processes and procedures, solicitation templates, and documents, along with a review of the City's expiring contract list to identify and target opportunities for reverse, 4-6 weeks lead-time

**Step 2: Development:** Workflow including communication plan, reverse auction policies and procedures, bid calendar creation, platform branding, etc., 2-3 weeks lead-time

**Step 3: Execution:** Consists of 10 phases as described in the Workflow section, along with ongoing touchpoints to review progress along the way, (execution timing is based on the bid calendar created with identified targets)

Individual Opportunities (Bids) can have the following tasks – the lists of tasks are for illustration purposes only. The tasks may be revised based on the policies and procedures required by the City. Depending on the complexity of a bid and the City's public purchasing requirements, a bid process can take a few days to a few months. Every Opportunity that is a "Go" for Reverse Auction is time lined out on a case-by-case basis.

Below, please find a sample list of tasks and deliverables:

- ***Program or Purchase Details Meeting (Bid Manager)***
  - EASi meets with Buyer to discuss nuances of purchase and the goals related to the program or processes surrounding the purchase. Goal is to come up with ways to improve the efficiency or effectiveness of the program where possible. Review Buyer Contract Template and desired Terms and Conditions.
  
- ***Market Research (Sourcing Analyst/Technician)***
  - EASi performs market research to aid in sourcing and RFP creation process.
  
- ***Kick Off Call with Current Contract, Updated Specification (including item lists), and Buyer invited vendor contact information (Bid Manager)***
  - Buyer to supply the following items if possible to EASi: copy of existing contract, previous RFP, location list, existing/forecasted volumes, invoice sample for services to be bid, and date when contract needs to be executed or product received. Review Standard Pre-qualification for bid specific added items. Approve contract template and terms and conditions.
  
- ***Milestone Timeline Creation and Approval (Bid Manager)***
  - EASi creates milestone document outlining dates associated with each step in the process necessary to meet contract deadline.
  
- ***Additional Vendor Sourcing and Pre-qualifications (Sourcing Analyst/Technician)***
  - EASi to contact Buyer supplied vendors or source additional suppliers based on the service level agreement.
  
- ***RFP Construction (Bid Manager)***
  - EASi and The City will put together Bid documents that outlines the requirements for submitting a proposal through a reverse auction process as well as specific issues to be addressed in vendors response that will be reviewed with Buyer along the construction and

**EXHIBIT A  
SCOPE OF WORK**

before release.

- **Sourcing List Review** (*Bid Manager*)
  - EASi delivers list of all sourced vendors with EASi Recommended vendors highlighted for Buyer review.
- **RFP Approval** (*Buyer*)
  - City approves RFP for release.
- **RFP Release** (*Bid Technician*)
  - EASi to release RFP to vendors or City through its normal procedures.
- **Vendor Pricing and Auction Prep**
  - Vendors work on reviewing and responding to RFP.
- **Vendor Questions Due**
  - Vendor to submit to City or EASi Bid Manager any questions on the process or specs for which they need clarification.
- **Vendor Questions Answered by EASi or forwarded to Buyer** (*Bid Manager*)
  - Vendor questions that can be answered by EASi will be responded to immediately while questions regarding information not provided to EASi will be forwarded to City contact for addressing.
- **Buyer Answers Due** (*Bid Technician*)
  - City response to vendor questions sent to EASi or posted as an addendum.
- **Online Bid Layout Review** (*Bid Manager*)
  - EASi reviews the pricing structure layout as it will appear online with City.
- **RFP Due**
  - Vendors to submit RFP to City.
- **RFP Response (Matrix) reviewed by Buyer and EASi** (*Bid Manager*)
  - City prepares Bid Response matrix (if applicable) for EASi and City review to determine responsive bidders qualified to participate in the auction component of the process.
- **Vendor Approval and Training** (*Bid Technician*)
  - Approved vendors are trained and prepared by EASi for the reverse auction bid.
- **Reverse Auction Bid** (*Bid Manager/Technician*)
  - Vendors participate in Reverse Auction Bid.
- **Unit Pricing List Due to Buyer (if applicable)** (*Bid Technician*)
  - Vendors supply City with an item list.
- **Bid Tabulations and Reports Sent** (*Bid Technician*)
  - Bid Tabulations Compiled and sent by EASi with summary and reports.
- **Bid Tabulations and Reports Review (if needed)** (*Bid Manager*)
  - Bid manager reviews summary and reports with City.
- **Award Notification and Disqualification Notices** (*Bid Technician*)
  - City chooses awarded vendor and notifies EASi. Contract Package sent to awarded vendor by EASi.

## EXHIBIT A SCOPE OF WORK

- **Contract Execution**
  - City executes agreement with awarded vendor(s)

2. Please provide an expectation regarding the various roles and responsibilities of the City during implementation.

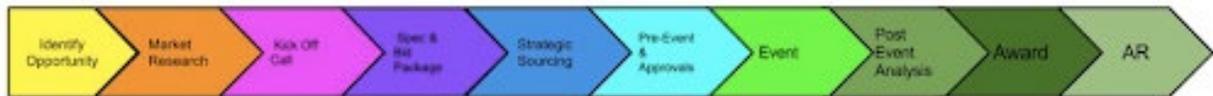
Response:

Our implementation process is dynamic. The first part of the process is to understand the current procurement process and procedures. We will then develop the reverse auction procedures around the current City processes.

Below, please find a sample Bid Workflow, which outlines the responsibility roles of both parties:

### Workflow

The Bid workflow consists of multiple phases. EASi is involved in all phases of the bidding process.



### Identify Opportunity Phase

EASi review contract list and identifies which opportunities may be successful reverse auction opportunities. The account manager will have an initial call with buyer or analyst to discuss the identified opportunities and request the required additional information: prior bid documents, bid tabulations, bidder dispatch list. Account Manager will assign this opportunity to a Bid Manager.

- **Proposed Expectation for the City**
  - Buyer participates in initial call with EASi to provide any required additional information
    - Prior documents, including current contract pricing
    - Bid tabulations
    - Bidder dispatch list

### Market Research Phase

Bid manager will create a bid workbook (registering the event), check market conditions, and perform initial sourcing & vendor outreach. If conditions are still good for a reverse auction, move to the Kick Off Call Phase.

- **Proposed Expectation for the City**
  - Buyer reviews market research findings with EASi

### Kick Off Call Phase

EASi and Buyer kick off call. Bid manager and buyer/analyst will define the bid strategy, sourcing requirement, and create the tentative bid calendar: release date, pre-bid date, doc close, and reverse auction date. Discuss minority & special requirements. All kick off call notes are entered into the bid workbook created in the market research phase.

- **Proposed Expectation for the City**
  - Buyer joins Kick Off Call with EASi
    - Help define bid strategy
    - Identify specific sourcing requirements
    - Confirm proposed bid calendar dates

### Specification & Bid Package

Working with the City purchasing and end user departments to develop specifications and a bid model that allows for the highest level of competition, along with delivering what the end user agencies expect is critical. Early involvement with end user agency can make for a better all around experience and lead to much greater success. EASi at the direction of the City, will analyze consumption data, consolidate reports and

## EXHIBIT A SCOPE OF WORK

build draft bid models that City purchasing and end users will ultimately approve. EASi can be as intimately involved in the process as you like.

- **Proposed Expectation for the City**

- Buyer engages End User to finalize solicitation documents
  - Including detailed specifications, timeline signoff, and any final bid requirements
- Buyer to provide final solicitation document approval to EASi prior to bid release

### **Strategic Sourcing**

EASi executes the defined sourcing strategy. Sourcing group sends initial communication to any identified vendors, providing them directions & highlighting all-important dates. EASi performs follow-up calls to all vendors to review bid dates and determine vendor intentions; all activity is documented in the bid workbook. Local business preference, MBE/WBE, or disadvantaged business sourcing goals are all specialties of our sourcing group. During the kick-off meeting, the City will relay to us the sourcing goals for the event, and our sourcing team will reach out to the vendor community based on the requirements of the City. The sourcing group will provide feedback in the form of key performance indicators relative to the vendor community's interest in the bid. If there is a pre-bid, EASi's sourcing group sends pre-bid reminder and instructs vendors to direct any questions to the bid Buyer. EASi bid manager reviews the RA process and platform with vendors at the pre-bid (either in person, or via Webex, at every pre-bid meeting, to provide introductory reverse auction information and answer vendor questions). EASi- sourcing group sends bid close reminder and requests vendor intentions.

- **Proposed Expectation for the City**

- Buyer reviews KPI reporting from EASi
- Buyer shares vendor questions with EASi, if applicable
- Buyer reviews bid model configuration with EASi prior to pre-bid meeting
- Buyer hosts pre-bid meeting, if applicable

### **Pre-Event & Approvals**

Buyer/analyst informs EASi-bid manager which vendors submitted a response. Buyer/analyst/end user review responses, including samples & compliance docs. Buyer sends EASi-bid manager all contact information for the pre-qualified bidders, including any discounts/preferences to be applied on the platform. EASi-sourcing group sends official invite to pre-qualified vendors and a request for training. Only those vendors on the approved list have access to the bid through a secure log in. EASi and the Buyer review the final bid layout, baseline, minimum decrements, weighting, etc. EASi sourcing group trains the bidders 1-2 days prior to the event. EASi sends placeholder and event reminder to pre-qualified bidders.

- **Proposed Expectation for the City**

- Buyer confirms number / names of initial bid response submissions
  - Buyer identifies potential preference / weightings bidders may be eligible to receive
- Buyer provides Official Invitation to Bid list to EASi in order to schedule training sessions
- Buyer reviews and approves final bid model
  - Bid Layout
  - Baseline figures
  - Minimum bid decrements
  - Event Duration / Extension Duration
  - Preference / Weightings

### **Event**

EASi account manager proctors the event in person with the City. Bids are viewed in a designated room at the City and can be buyer-only viewing or, depending on the Counties policies, can be a public event. Our system allows the City to make the names of the vendors anonymous during the live auction viewing, adding a layer of security for all those viewing. Our platform allows us to pause the bid at any time, and allows us to change any parameter of the bid during a bid. We can also help you develop reverse auction related policies specific to the City. Our Sourcing group handles any vendor issues that arise during the bid and communicates these to the bid proctor.

- **Proposed Expectation for the City**

- Buyer reserves conference room with technology capable of streaming the live bid event

**EXHIBIT A  
SCOPE OF WORK**

- Internet capable television, computer, Smart Board
- Buyer to notify EASi of conference room’s presentation capabilities before bid
- Buyer invites End User(s) / other interested City employees to join
- Buyer hosts live bid event on-site
  - Buyer to remain available for duration of bid to discuss possible vendor issues or to request any changes to bid parameters

**Post Pricing Event Analysis**

Bid tabulations are immediately available at the conclusion of the live pricing event and are delivered in Excel format. The City will also have a log in and can pull reports at any time. There are many options for reports, including line item level, overall ranking, and an auditable and time-stamped report of all bids placed during the reverse auction. At this point the City goes through their normal award procedures.

- **Proposed Expectation for the City**
  - Buyer reviews post-event reporting provided by EASi and confirms info is satisfactory
  - Buyer follows their normal award procedures in preparation for award execution

**Award**

The Buying Agency makes their award recommendation. Once an award is made the City sends the final contract to EASi for our records.

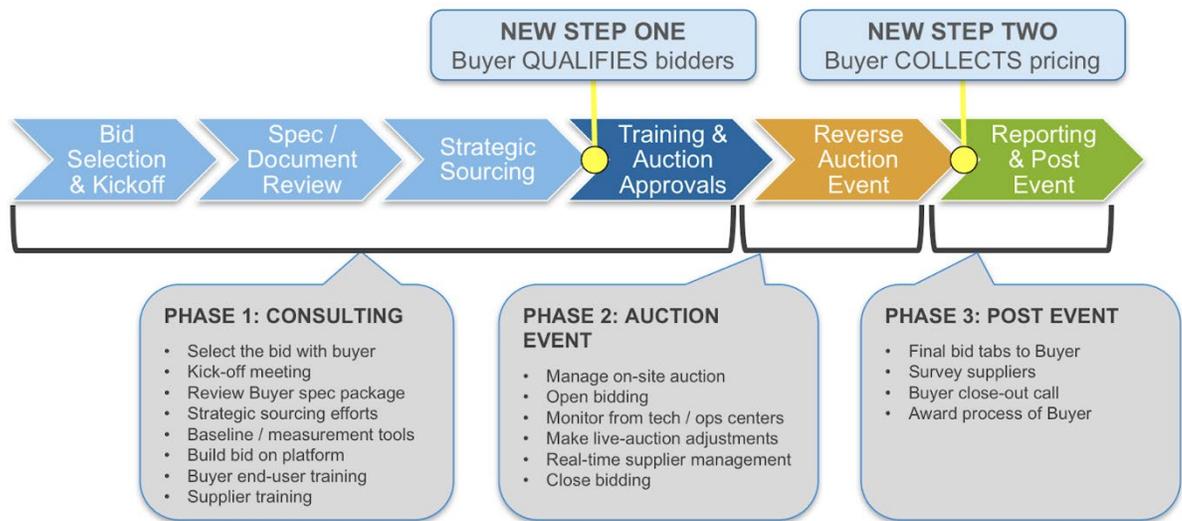
- **Proposed Expectation for the City**
  - Buyer executes award with successful bidder(s)
  - Buyer notifies EASi
    - Buyer forwards copy of final contract to EASi
    - Buyer forwards copy of executed EASi Awarded Supplier Terms and Conditions

**Account Receivables**

EASi has kickoff call with awarded vendor explaining the invoicing process and reporting requirements. The awarded vendor sends monthly sales reports to EASi for invoicing.

- **Proposed Expectation for the City**
  - Buyer confirms preferred reporting procedure with EASi

**EASi Reverse Auction Lifecycle**



**EXHIBIT A  
SCOPE OF WORK**

**NOTE:** Please also see the **Exhibit B – Bid Operations Team & Program Workflow: Workflow Checklist and Event Project Planning Notebook** for additional details regarding the roles and responsibilities of the City during implementation.

3. Discuss the major issues/risks your team has identified on this project and how you intend to address those issues.

**Response:**

The biggest risk in any opportunity is a limited vendor pool. As such we focus source the market up-front to ensure there is a qualified pool of competitive bidders interested in pursuing any opportunity.

We have developed a dynamic system, which allows us to be flexible and account for a number of different bidding strategies. We have developed strategies that can handle thousands of line items such as office supply bids with core and non-core categories. The reverse auction event hierarchy consists of lots and line items per lot. Through bid strategies we are also able to accomplish relationship bidding. There are no time constraints on the duration per lot/event, nor on the duration and number of extensions or overtime periods. The extension overtime period can have a defined number of acceptable extensions, or it can be limitless. The system can handle currency precision up to 4 decimals.

EASi is proud of the successes achieved as the City's current contractor for Hosted Third Party Reverse Auction Services and is motivated to increase the number of solicitations the City releases which utilize reverse auctions. In order to promote the City's goal of releasing more reverse auction solicitations, EASi is prepared, at a minimum, to actively assist in opportunity selection and expiring contract analysis and selection, to provide existing contract price benchmarking, to conduct targeted, focused sourcing market research exercises, and to report all findings and recommendations via regular conference calls and in-person meetings. With the City's Purchasing Division and Individual Procurement Officers.

Maintenance

4. Describe the solution maintenance process such as patching, upgrades and back-up procedures.

**Response:**

All software releases are stress tested using industry standard tools. The results of stress tests are used to identify performance regressions, and are incorporated into our software release QA processes. In addition to release stress tests, server-monitoring tools allow us to ensure that no systems are overloaded. EASi keeps additional capacity online to handle surges in activity. Server provisioning is managed to keep load under 50%, even during peak usage, in order to maintain a responsive application suite.

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes. This means that both the systems and data are backed-up independent of any specific geographic location.

On a monthly basis, database backups are loaded into a backup testing environment, which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

5. Does your proposed solution require a service interruption during scheduled backups?

**Response:**

No, scheduled backups do not require a service interruption.

**EXHIBIT A  
SCOPE OF WORK**

Support Services

6. Is the customer service and help desk function performed in-house, or is it outsourced? If outsourced, provide center location(s).

Response: Customer Service and Help Desk Functions are performed in-house. Furthermore, the City will have a dedicated bid team capable of providing expert reverse auction advice and eSourcing consulting when called upon.

7. What are the days and hours of operation for the Bid Manager, Customer Service unit and Help Desk? Specify the time zone(s) and phone numbers for each.

Bid Manager Response: EASi Bid Managers are available, at the very least, 8:00 AM - 8:00 PM ET, Monday through Friday, to provide first-line technical support for all registered Users and vendors. They can be reached at the following phone number: 330-915-2836.

Customer Service Response: EASi maintains an ongoing 8:00 AM - 8:00 PM ET Bid Support Team, Monday through Friday, to provide first-line technical support for all registered Users and vendors. The Bid Support Team can be reached at the following phone number: 855-405-2253.

Help Desk Response: EASi maintains an ongoing 8:00 AM - 8:00 PM ET Help Desk, Monday through Friday, to provide first-line technical support for all registered Users and vendors. The Help Desk can be reached at the following phone number: 772-532-6019.

8. Describe the responsibilities of the Customer Service personnel and Help Desk, including the escalation process for problem resolution.

Response: It is important to note that with dynamic events such as the ones conducted by EASi, it is not unusual for bidders to experience technical difficulties (internet connectivity outages, computer failure, etc). EASi's strength is in responding quickly and actively to all technical issues. EASi's Bid Support team handles any vendor issues that may arise during the bid and communicate these to the City bid proctor.

**Bid Training**

Bidders receive thorough one-on-one training from EASi to familiarize themselves with the Platform and Reverse Auction procedures. Training sessions typically last 30 minutes, are conducted 1 to 2 days before the Reverse Auction, and cover topics including: final event configuration; placing bids; and Help Desk Escalation.

**Bid Support Team**

All Reverse Auctions are monitored in real-time, by a dedicated EASi team, to identify any technical issues that may occur, including internet connectivity issues or blatant decimal point errors.

**Help Desk Escalation**

Bidders may also contact the Help Desk directly if they experience any issues during the Reverse Auction. The support phone number is always directly within the bidder's view, including during the live event, should they encounter questions. This phone number is configurable per-event, so calls can be routed to specific teams. The bidding interface displays the help desk contact number in a prevalent location, providing easy access to support should an issue arise. Help desk support is provided for vendors and buyers for every bid throughout the duration of the process all the way from sourcing, to the live event, and through post-event analysis. EASi's staff are in constant contact with the City's staff during the entire bid process.

Additionally, our platform allows us to pause the bid at any time, and allows us to change any parameter of the bid during a bid. Pausing a lot stops the timer so any issues can be addressed, such as allowing a bidder time to navigate back into the Reverse Auction event.

EASi also offers to act as a third party Proxy if a bidder is unable to participate during a live bid (pending bidder's ability to provide sufficient written documentation of intent to provide pricing by surrogate due to an interruption in service from their ISP or scheduling conflict with the online auction).

**EXHIBIT A**  
**SCOPE OF WORK**

9. Describe the responsibilities of the Bid Manager, including the escalation process for problem resolution.

Response: Below, please find a list of roles and responsibilities for EASi's Bid Operations team:

- **Account Manager**
  - *Role*
    - Holds ultimate responsibility for the account
  - *Responsibilities*
    - Handles bid selection, strategy, and bid-day proctoring
- **Senior Bid Manager**
  - *Role*
    - Reports directly to the COO and provides opportunity status updates to the Account Manager / City
  - *Responsibilities (in addition to Bid Manager responsibilities)*
    - Managing Bid Operations Resources
    - Grading Bid Operations Resources
    - Staffing and Sizing Bid Operations Resources
- **Bid Manager**
  - *Role*
    - Reports to the Senior Bid Manager
    - Has overall responsibility for the success of bids being managed
    - Oversees the procurement process and is responsible for the day-to-day interactions with the buyer/stakeholder for a specific opportunity
  - *Responsibilities*
    - Manages the bid timeline, bid layout, and sourcing strategy for an individual opportunity, including assigning roles and responsibilities to the sourcing group and bid technicians, including, but not limited to:
      - Market Analysis
      - Strategic Sourcing
      - Vendor Training and Management
    - Conducts Kick-Off Meeting
      - Understanding and messaging commodity or service program nuances
      - Understanding and messaging bid strategy
      - Understanding and messaging sourcing strategy
    - Documents Customer Sign-off on Bid Strategy and Structure
      - Quality Control
      - Manages Sourcing Strategy and Resources
      - Workflow project management system updates
      - Reports to the Senior Bid Manager
- **Bid Technician**
  - *Role*
    - Reports to Bid Manager
    - Handles vendor communications, training of approved bidders, and is the primary contact for vendors during the pricing event
  - *Responsibilities*
    - RFP Review
    - Milestone Management
    - Bid Platform Construction
    - RFP Analysis Reporting
    - Bidder Training
- **Sourcing Technician**
  - *Role*
    - Reports to Bid Manager
    - Completes Initial Market Research Phase 1 & 2 and hands off results to Bid Manager for Go-No Go Decision
  - *Responsibilities*

## EXHIBIT A SCOPE OF WORK

- Updates workbook with detailed notes from initial conversations with bidders determining interest and ability to competitively participate in a bid based on current pricing
- Delivers a qualified pool of competitive bidders to the Bid Technician for assigned bid from pre-qualification criteria provided by the Bid Manager and sourcing list provided by Sourcing Analyst
- **Sourcing Analyst**
  - *Role*
    - Reports to Bid Manager
    - Develops list of potential suppliers in the marketplace based on the requirements from the Bid Manager
      - List is populated into the bid workbook and handed off to the Sourcing Technician
  - *Responsibilities*
    - Grading Criteria
      - Meeting Timelines
        - 2-3 hours of work to be completed within 48 hour period
      - Providing a complete list (minimum expectation set by Bid Manager)
        - List complies with Bid Manager criteria

EASi proctors every managed event live and in person with the City. During the live event the identity of the suppliers are anonymized to the City to retain the integrity of the sealed bid process (if required by the City). Our bid operations team has a constant communication line with the proctor on-site with the City to act as the conduit between the buyer and supplier, if necessary. Our bid operations team constantly monitors bidder access, and our price realism module identifies any bids matching configurable thresholds for anomalous price reduction or savings levels. After a short (usually 5 minutes) cooling off period – just to make sure there were no bidder issues – the identity of the bidders are revealed. We record the event for the City so they can have documentation and playback for audit or marketing purposes.

EASi's Bid Operations Team and Bid Managers will be in constant contact with the City during the entire bid process. EASi proctors every event live, in-person with the City. Our Bid Operations Team has a communication line with the proctor on-site with the City to act as the conduit between the City and Supplier, if necessary, to resolve any problems.

We will work with the City to develop reverse auction-related policies specific to the City's needs, including additional escalation processes, as necessary.

10. Describe the availability and types of ongoing training for new employees and existing employees.

Response: The City will receive administrator training (ongoing for new employees) upon execution of this contract and subsequent updates or extensions to ensure the City fully understands available functionality in order to properly leverage the Solution to gain valuable intelligence and competitive pricing results through its reverse auction capabilities. Available technical training offerings include:

- Accessing the Solution
  - EASi will provide training on accessing the software platform and creating user accounts for additional users
- Creating bid events that allow bidders to anonymously compete for a requirement by submitting successively lower bids
  - Defining Bid Event Details
    - Building Lots
    - Building Line Items
  - Adding Participants
    - Client Participants
    - Bidder Participants
  - Returning Bid Reports and Tabulations following the conclusion of a live bidding event

## EXHIBIT A SCOPE OF WORK

- Setting specified start and end dates for each individual auction
- Inputting detailed descriptions at the line item level to highlight important clarifications, reminders, or language (such as including terms and condition information)
- Granting or restricting vendor access from document packages or live bidding events based on internally established criteria
- Manipulating bid parameters such as through the inclusion of opening amounts (i.e. a price ceiling) or target award prices (i.e. reserve amounts)
- Retaining the option of manually selecting a vendor for award purposes at the conclusion of an event (i.e. if awarding a contract to the low bidder was not in the best interest of the City)
- Trouble Shooting
  - User Access
  - Bid Performance
  - Browser Support

The City will have access to EASi's Knowledge Base, which contains reference materials explaining how to complete common tasks within the Platform. Furthermore, City employee's will also have access to a Software Overview primer within Knowledge Base to help introduce key concepts used throughout our software, which may be used as a sort of self-guided tour employees can use as they familiarize themselves with our software and service offerings.

EASi provides complete bid management including focused sourcing and document package development, in addition to all bid management related services. EASi prides itself in bringing motivated, competitive bidders to bids by providing personal communication and aid to each prospective bidder throughout the response process. Our bid development incorporates client-specific requirements with our eSourcing experience to ensure that your specifications are designed to promote as competitive a bidding event as possible.

11. Describe your process for expiration or mutual termination of resulting contract that would allow for a minimum of ninety (90) days' notice on both parties so as to allow for proper preparation and accommodation of the receipt City data and/or data that is being stored in your firm's database. City shall receive any and all data including metadata back in industry standard usable format (e.g., XML, JSON, native database format).

**Response:** All data from every pricing event is permanently stored within the Platform and can be retrieved at any time. As such, EASi can, and will, effectively maintain all reverse auction and electronic bid data indefinitely.

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes.

Backup and fail-over procedures are tested monthly and cataloged for success or failure. Failures trigger an immediate post-mortem and reconciliation of failed processes.

At the expiration or mutual termination of this resulting contract, EASi is willing to work with the City to accommodate a possible request for EASi to continue storing the City's data for ninety (90) or more days, until the City is prepared to receive all data. EASi will deliver all data, including metadata, back to the City in an industry standard usable format.

## EXHIBIT A SCOPE OF WORK

### TAB D – PROPOSAL QUESTIONNAIRE EXHIBIT(S)

#### Exhibit A - Functional Overview

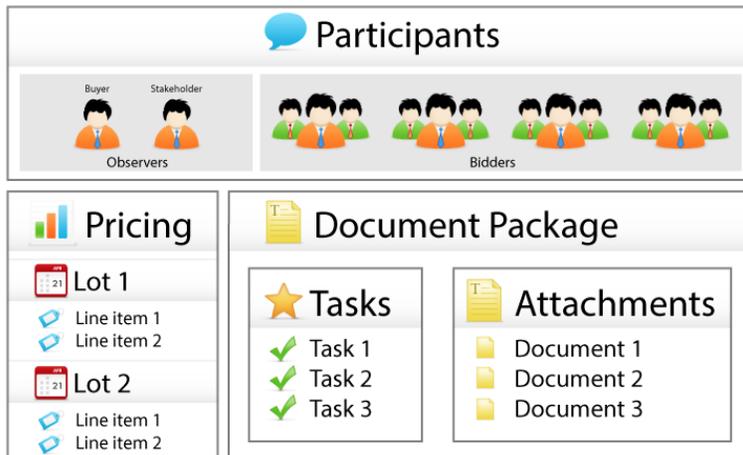
##### Software Overview

EASi's platform is web-based and fully managed. This allows us to roll out updated features and patches to the software without encumbering the buying organization's IT resources. A full overview of the infrastructure used to host the application is provided in the Application Security Overview: Hosting Stack Overview Diagram.

##### Organization of Purchasing Event Information

Purchases are organized at the highest level using events. Events are the pivot point, around which all the objects and relationships within a purchase revolve. The illustration below provides a visual overview an event's structure.

### Event Structure



##### Functional Walkthrough

The easiest way to understand how the software functions is through the lens of a hypothetical purchasing event. Please keep in mind that because of EASi's strong service component many of the functions outlined in this section are handled by EASi staff. We are the primary users of our software, which gives us unique insight into the challenges of building flexible, but still easy-to-use software.

##### Phase I – Solicitation and Bidder Communication

All purchases begin with a definition of the purchase. This means establishing an event, within which we will define the what, who, and when of the purchase. EASi keeps things simple at the event level. You input a name for the event, a support phone number, a close date, and you're ready to go. The support phone number is an important feature. This phone number appears in the bidder interface during the live event, so that bidders have a contact number at their fingertips at all times. This phone number is configurable per-event, so calls can be routed to specific bid teams.

##### [Access to Event Data](#)

Once an event has been established, you'll probably want to provide access to the event within your organization. This is handled through the participants tab of the event. There are two main types of participants:

- **Observer** – Members of your team who will need to see the event.
- **Bidder** – Suppliers who will respond to requests for information and participate in the pricing event.

## EXHIBIT A SCOPE OF WORK

Within your organization, users can be configured as *managers*. These users can view all of your events. Non-manager users can only see events in which they have been explicitly added as participants.

A bidder's view into an event is more subtle. All bids begin with communications to the bidder. Within our system, these communications are called Document Packages. Document packages have a name, a formatted description, a release date, a due date, and an access level. The access level is what defines a bidder's progress within an event, as well as the items they can see. Access levels are:

- Public:** Visible to all registered users of our software. This allows you to post a solicitation that anyone can view or respond to.
- Pending:** Suppliers who respond to public document packages are put into a pending stage where they are reviewed before moving on to the next stage of the process. This is an access safeguard. Think of it as a waiting room.
- Identified:** Identified bidders have been reviewed and moved on past the pending stage. This access level is where Q&A typically occurs.
- Prequalified:** Suppliers who have met the required criteria move on to the prequalified stage. This access level might include documents that are only appropriate for suppliers who will actually submit pricing.
- Proposer:** At the proposer level, suppliers are able to access the pricing event, whether it be an eRA or eRFX purchase type.
- Shortlisted:** Shortlisted suppliers have submitted pricing, which has been reviewed and selected for final questions and clarifications.
- Awarded:** At the awarded level, pricing submitted by suppliers has been associated with an award object within the system, and can access documents that only awarded suppliers should see.
- Client:** Depending upon how your organization interacts with our system, it may be desirable for EASi to publish document packages that you will respond to as the client. The client access level is used for this purpose.

### *Communicating with Participants*

As mentioned above, document packages are the conduit through which supplier communication occurs. Purchasers post document packages to the system, and suppliers respond. In addition to the basic fields mentioned before, buyers can add tasks and attachments to a document package. Attachments provide relevant documents, and tasks provide a clear path to compliance.

Bidders respond by checking off tasks and uploading response attachments to the document package. The support phone number is always directly within the bidder's view, should they encounter questions.

As bidders respond to document packages, their progress is reported to observers at the document package level. A matrix of bidders with their number of uploaded attachments, task completion progress, and a last-updated date is provided for at-a-glance insight into their progress.

Should a vendor's submission contain deficiencies, buyers are able to flag specific tasks for resubmission.

### *Tailored to Your Process*

EASi's software is "un-opinionated" about the steps that are required during the communications that occur with suppliers. Bidders can progress through the access levels at any rate you see fit. The system can skip steps, or bypass the document transaction phase altogether, jumping straight to the price collection phase outlined below. Our software is built upon the philosophy that simplicity provides flexibility. Where possible, we eliminate constraints within the software in order to provide the flexibility to match your process.

#### **Phase II – Price Collection**

At the most granular level, prices are collected for line items. These line items are grouped into lots. The timing of an eRA event is associated with the lot. An eRA event run on our software has a large number of configurable parameters that can be used to:

## EXHIBIT A SCOPE OF WORK

- Show or hide ranks at a line item and lot level
- Show or hide a lot level sum of all bids
- Configure lot level ranking to evaluate based on sum of bids or sum of extended bid (factors in extended quantity)
- Require bids for specific (or all) line items
- Require that bidders lower their price in subsequent bids by a minimum decrement (at a line item level)
- Evaluate savings in real-time against a baseline amount at the line item and lot level
- Extend the bid by a configurable interval when a valid bid is received
- Optionally limit the total duration of the extension period
- "Anonymize" bidders in the observer interface (useful for scenarios where the live bid is also the public bid opening)

Establishing the price collection portion of the event can be done through a web GUI, or by downloading, and subsequently uploading, an Excel workbook template. The benefit of the Excel template cannot be understated. Our software uses a sophisticated software component for generating Excel workbooks that are highly compatible, and leverage advanced features like Excel data validations to prevent easily corrected errors.

### *Weighting*

In addition to simple lots and line items, our software provides a weighting system that allows for advanced bidding scenarios that incorporate non-price-factors, pack size discrepancies, and markup/discount bidding for hybrid bid scenarios. The weighting system takes an entered bid amount, passes it through a weighting algorithm, and ranks bids based on the results. This weighting works in real-time during a live bidding event, giving you immediate insight into the effective outcome of bidders' adjustments to their pricing, without the need for after-the-fact application of weighting factors.

There are three types of weighting available:

**Adjustment:** Adds a fixed amount (can be negative) to the placed bid.

**Percentage:** Multiplies the bid by a percentage factor.

**Markup:** The bid is treated as a percentage markup/discount against a configured base value.

In all cases above, the weighting value is unique to each line item and bidder. This allows for tremendous flexibility in available bidding scenarios.

### *Participant Filters*

Sometimes a bidding scenario is encountered where all bidders cannot bid all line items. Normally, this would necessitate splitting line items into groups that are common between sets of vendors. This has the drawback of increasing the amount of time required to collect pricing, and fatiguing bidders. The software provides a means to "filter" specific line items from individual bidders' views.

### *Observing a Bid*

Once all lots, line items, filters (optional), and weighting (optional) values have been configured, the "live bidding event" occurs. The "live" nomenclature is used to indicate that, in contrast to some other eRA methodologies, events run on our software are meant to be conducted with all suppliers and buyers logged into the systems at the same time.

Buyers login to the platform and drill down to the observer interface of the pricing event. The observer interface has four main components, and three views:

## EXHIBIT A SCOPE OF WORK

### Components

- Timer bar:** The timer bar provides timing information, as well as an active bidder count and the ability to pause the live bid. Pausing a lot stops the timer so any issues can be addressed.
- Bid Graph:** Provides a graphical representation of bid data.
- Incoming Bid Stream:** A chronological listing of all bids, with the ability to strike any bid after confirmation.

### Views

- Bidder Overview:** Provides a roll-up view of all pricing for a lot, ranked by bidder.
- Line Item Overview:** Lists all line items, with the 1st place bidder for each line item.
- Line Item Detail:** Similar to the bidder overview, but for a single line item.

The bid facilitator watches for bid errors and fields calls from bidders, using this interface as their window into bidding activity. When the timer expires on all lots, it's time to collect the results and establish an award.

### Phase III – Assessing Results

#### Reporting

All reports generated by the platform are in Excel workbook format. The reports include formatting and open cleanly in Excel without the need to re-save the report in another format. There are four categories of reports available through the reports tab of the application:

- Event:** The event report provides summary information about the entire event including bid tabulations, bids per bidder (count), bids per lot (count), lot duration (per lot), and line item count (per lot).
- Lot:** Lot reports are run per lot, and provide three tabs: bid tabulations, aggregate bids, and raw bids. Bid tabulations includes a listing of line items for the selected lot with the ranked bids for each line item. This report includes columns for weighted and unweighted bids, and includes a lot summary matrix at the end of the line item listing. The aggregate bid tabs contains a chronological listing of bid submissions (all line items grouped by bid submission). The raw bids tab contains a listing of each individual line item price submitted, also in chronological order.
- Line Item:** The line item report contains two tabs: bid tabulations and raw bids. The bid tabulations tab contains the same information as the lot report, but is limited to the selected line item. The raw bids tab contains a listing of each bid submitted for the selected line item.
- Bidder:** The bidder report is the most popular report for analyzing bidder performance. This listing contains a row for each line item, with column sets for each bidder in what we call "side-by-side" format. This format provides the highest information density, and allows for powerful row-based formula calculations on bid data.

#### Award

With reports in hand, and the analysis complete, an award is made. Using the awards tab in the web interface awards can be created for bidders. The software allows for single-award, or multi-award, with assignment of contract (or document reference) number, start date, term, term extensions, number of renewals, and maximum contract amounts.

The award interface provides tools for specifying awarded line items per bidder. There are utilities for quickly selecting line items to be awarded, and for overriding prices in the event that an adjustment was required after price collection occurred.

Once awards have been completed, the platform provides a summary view of savings, awarded line items, and detail on a per-bidder basis.

## **EXHIBIT A SCOPE OF WORK**

### **Weight – Non-Price Factor**

The EASi Solution allows us to apply weighted factors based on price and non-price factors.

#### *Pack Size Deviations*

If a vendors pack size is different from the specification, we can apply a weighting factor, allowing the vendor to bid their pack-size, and our system accounts for the differential. This allows all bidders to bid their own pack size, while the rank will be tabulated as if they were bidding the specified pack sizes.

#### *RFP Evaluation Factors*

If there is an RFP evaluation metric for scoring of price and non-price factors, these scores can be included as a weight in the reverse auction pricing event. When these weights are applied to the bidder's rank, it reflects the overall value, including all price and non-price factors during live bidding. Utilizing these factors in a live pricing event can expedite the time to award and contracting.

#### *Cash or Payment Term Discounts*

If a bidder offers a cash or payment term discount that is acceptable to the City and is part of the evaluation of an overall bid this can be included as a weight during the pricing event. These weights can be applied as a percentage or as an amount. For example, if a bidder is offering 2% net 20, we can account for this, or if a bidder offers \$500 net 20 per unit (often offered in vehicle purchases), these both can be accounted for in ranking calculations during the live bid.

#### *Local Preference*

If the City allows for a local vendor preference when evaluating the overall lowest and responsive bidder this can be included as a weight during the live event and the rank will be reflective of that preference in real-time.

During the bid strategy discussion at the kick-off meeting we will provide feedback on best practices for collecting pricing. We pride ourselves on the ability to run not only non-complex but also complex bid strategies. This can include 1) Net Pricing 2) Catalog and 3) Hybrid bids.

#### *Net Price*

Bidder enters a net amount that is extended to the City. This can be on an individual line item basis or a lump sum. Line items can range from a single line item to multiple line items and multiple lots. We are able to display extended quantities where a bidder enters their unit price, and the platform calculates the extended amount based on the extended quantity and any weighting factors. The solution has the ability to display ranks to bidders in the following configurations: line item only, lot only, line item & lot, or no rank. Rank options are discussed during the kick off call and are configured based on the award parameters Utilizing the no-rank option allows for static or best-and-final price submissions when there is only one bidder submitting pricing for a line item.

#### *Catalog*

Our platform also allows for catalog-based bids. In a catalog bid, the bidder enters a percentage, rather than an amount. The percentage is applied to a base price amount or list price workbook. When catalog pricing is utilized EASi bid operations staff will assist the City in creating catalog workbooks. With this method we are able to run unlimited line items in a way that makes the vendor experience realistic. Our bid operations team directs the management, reconciliation, and import of catalogs, the City is only responsible for approving equivalents or alternates.

## **EXHIBIT A SCOPE OF WORK**

### *Hybrid*

This strategy combines both the net price and catalog collection strategies. An example of a hybrid bid is when there is a core list of items that are bid as a net price and the low volume items are bid in catalog format.

### **Exhibit B – Bid Operations Team & Program Workflow**

#### **Team**

City employees work in partnership with our bid operations team. An individual training for each employee will be scheduled upon execution of a contract. Help desk for vendors and employees are available for every bid throughout the duration of the process. We have three teams assigned to your account and/or bids.

#### *Account Manager*

Handles bid selection, strategy, and bid-day proctoring. Holds ultimate responsibility for the account.

#### *Bid Manager*

Manages the bid timeline, bid layout, and sourcing strategy for an individual opportunity, including assigning roles and responsibilities to the sourcing group and bid technician. This includes, but is not limited to, market analysis, strategic sourcing, and vendor training and management.

#### Senior Bid Manager

- Responsibilities (in addition to Bid Manager Responsibilities):
  - Managing Bid Operations Resources
  - Grading Bid Operations Resources
  - Staffing and Sizing Bid Operations Resources
  - The Sr. Bid Manager reports to the COO and status of opportunity to account manager.

#### Bid Manager

- Responsibilities: Manages the procurement process and is responsible for day-to-day interactions with the buyer/stakeholder for a particular opportunity and has overall responsibility for the success of bids being managed.
  - Kick-Off Meeting
    - Understanding and Messaging Commodity or Service Program Nuances
    - Understanding and Messaging Bid Strategy
    - Understanding and Messaging Sourcing Strategy
  - Customer Sign-off on Bid Strategy and Structure
    - Quality Control
    - Manages Sourcing Strategy and Resources
    - Manages Bid Process and Resources
    - Workflow project management system update
    - Reports to Senior Bid Manager

#### *Bid Technician, Sourcing Technician & Sourcing Analyst*

Perform the tasks assigned by the bid manager. Handle construction of the bid in the platform.

#### Bid Technician

- Responsibilities: Vendor communications, training of approved bidders, and is the primary contact for vendors during the pricing event.
  - RFP Review
  - Milestone Management

## EXHIBIT A SCOPE OF WORK

- Bid Platform Construction
- RFP Analysis Report
- Bidder Training
- Reports to the Bid Manager

### Sourcing Technician

- Responsibilities: Updates workbook with detailed notes from initial conversations with bidders determining interest and ability to competitively participate in a bid based on current pricing
  - Delivers a qualified pool of competitive bidders to the Bid Technician for assigned bid from pre-qualification criteria provided by the Bid Manager and sourcing list provided by Sourcing Analyst
  - Completes Initial Market Research Phase 1 & 2 hand off results to Bid Manager for Go-No Go Decision.
    - Updates workbook with detailed notes from initial conversation with bidders determining interest and ability to competitively participate in bid based on present pricing.
  - Delivers a qualified, pool of competitive bidders to the Bid Technician for assigned bid from pre-qualification criteria provided by Bid Manager and sourcing list provided by Sourcing Analyst.

### Sourcing Analyst

- Responsibilities: Develop a list of potential suppliers in the marketplace based on the requirements from the Bid Manager. List is populated into the bid workbook and handed off to the Sourcing Technician.
  - Grading Criteria:
    - Meeting Timelines
      - 2-3 hours of work to be completed within 48 hours.
    - Provide a complete list (minimum expectation set by Bid Manager)
      - List complying with Bid Manager criteria

### Workflow

The Bid workflow consists of multiple phases. EASi is involved in all phases of the bidding process.



#### *Identify Opportunity Phase*

EASi reviews contract list and identifies which opportunities may be successful reverse auction opportunities. The account manager will have an initial call with buyer or analyst to discuss the identified opportunities and request the required additional information: prior bid documents, bid tabulations, bidder dispatch list. Account Manager will assign this opportunity to a Bid Manager.

#### *Market Research Phase*

Bid manager will create a bid workbook (registering the event), check market conditions, and perform initial sourcing & vendor outreach. If conditions are still good for a reverse auction, move to the Kick Off Call Phase.

#### *Kick Off Call Phase*

EASi and Buyer kick off call. Bid manager and buyer/analyst will define the bid strategy, sourcing requirement, and create the tentative bid calendar: release date, pre-bid date, doc close, and reverse auction date. Discuss minority & special requirements. All kick off call notes are entered into the bid workbook created in the market research phase.

## **EXHIBIT A SCOPE OF WORK**

### *Specification & Bid Package*

EASi provides reverse auction language. Buyer/analyst completes the bid documents and works with End User on dates, sample requirements, and any final bid requirements. Buyer sends draft bid documents to EASi for review. Final bid documents released and Buyer sends announcements to bidder dispatch list, copying EASi.

### *Strategic Sourcing*

EASi executes the defined sourcing strategy. Sourcing group sends initial communication to any identified vendors, providing them directions & highlighting all-important dates. EASi performs follow-up calls to all vendors to review bid dates and determine vendor intentions; all activity is documented in the bid workbook. Local business preference, MBE/WBE, or disadvantaged business sourcing goals are all specialties of our sourcing group. During the kick-off meeting, the City will relay to us the sourcing goals for the event, and our sourcing team will reach out to the vendor community based on the requirements of the City. The sourcing group will provide feedback in the form of key performance indicators relative to the vendor community's interest in the bid. If there is a pre-bid, EASi's sourcing group sends pre-bid reminder and instructs vendors to direct any questions to the bid Buyer. EASi bid manager reviews the RA process and platform with vendors at the pre-bid (either in person, or via Webex, at every pre-bid meeting, to provide introductory reverse auction information and answer vendor questions). EASi-sourcing group sends bid close reminder and requests vendor intentions.

### *Pre-Event & Approvals*

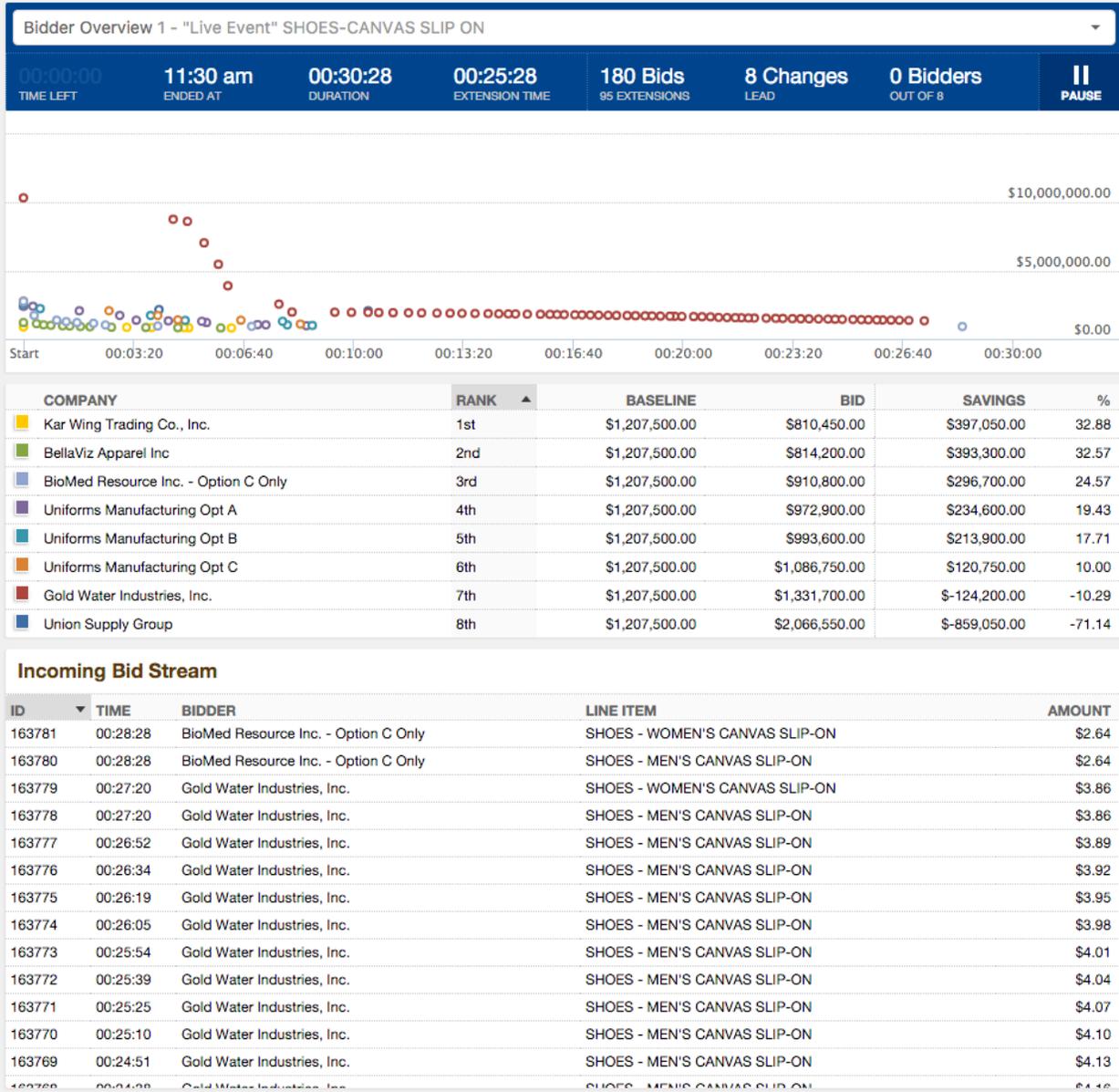
Buyer/analyst informs EASi-bid manager which vendors submitted a response. Buyer/analyst/end user review responses, including samples & compliance docs. Buyer sends EASi-bid manager all contact information for the pre-qualified bidders, including any discounts/preferences to be applied on the platform. EASi-sourcing group sends official invite to pre-qualified vendors and a request for training. Only those vendors on the approved list have access to the bid through a secure log in. EASi and the Buyer review the final bid layout, baseline, minimum decrements, weighting, etc. EASi sourcing group trains the bidders 1-2 days prior to the event. EASi sends placeholder and event reminder to pre-qualified bidders.

### *Event*

EASi account proctors the event in person with the City. Bids are viewed in a designated room at the City and can be buyer-only viewing or, depending on the Counties policies, can be a public event. Our system allows the City to make the names of the vendors anonymous during the live auction viewing, adding a layer of security for all those viewing. Our platform allows us to pause the bid at any time, and allows us to change any parameter of the bid during a bid. We can also help you develop reverse auction related policies specific to the City. Our Sourcing group handles any vendor issues that arise during the bid and communicates these to the bid proctor.

## EXHIBIT A SCOPE OF WORK

### Observer Screen



### Bidder Screen

1 - "Live Event" Pistol, Semi-Automatic		00:00:00 TIME LEFT	00:38:29 DURATION	12:00 pm START TIME	IMPORT BIDS
RANK	ITEM	DETAILS		BID	EXTENDED QTY
n/a	Pistol, Semi-Automatic <small>1/Each   #1.0   <a href="#">Description</a></small>	<input type="text"/> <small>Enter an amount</small>		<input type="text"/> <small>Extended Qty: 1000</small>	
n/a	Service - Repair and maintenance including parts and labor for LAPD inventory of 5200 Glock pistols <small>1/Lot   #2.0   <a href="#">Description</a></small>	<input type="text"/> <small>Enter an amount</small>		<input type="text"/> <small>Extended Qty: 1</small>	
<b>TOTAL:</b>				<input type="text"/>	<input type="text"/>

## EXHIBIT A SCOPE OF WORK

### Post Pricing Event Analysis

Bid tabulations are immediately available at the conclusion of the live pricing event and are delivered in Excel format. The City will also have a log in and can pull reports at any time. There are many options for reports, including line item level, overall ranking, and an auditable and time-stamped report of all bids placed during the reverse auction. At this point the City goes through their normal award procedures.

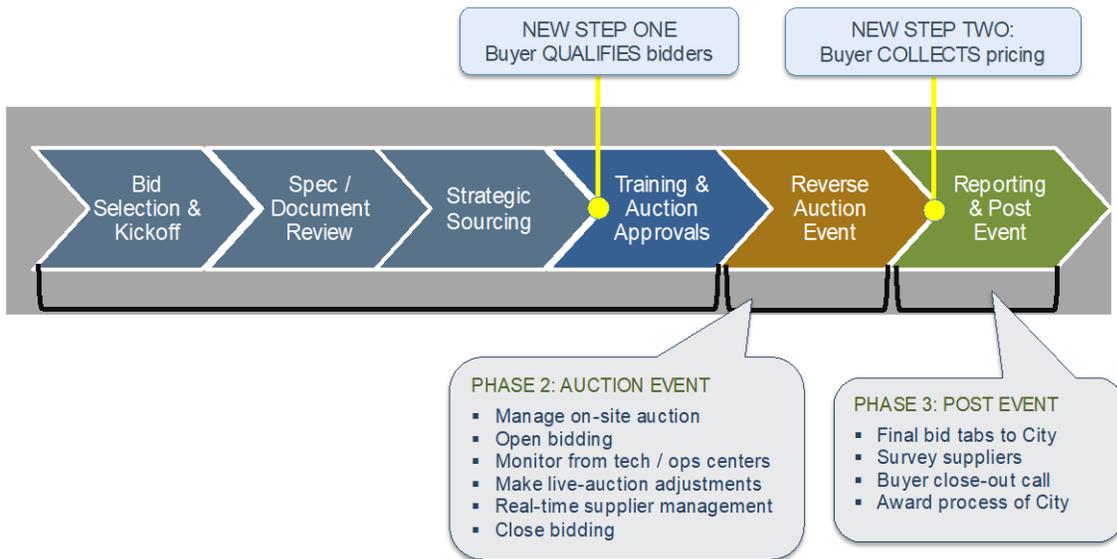
### Award

The Buying Agency makes their award recommendation. Once an award is made, the City sends the final contract to EASi for our records.

### Account Receivables

EASi has a kickoff call with awarded vendor explaining the invoicing and reporting requirements. The awarded vendor sends monthly sales reports to EASi for invoicing.

### EASi Reverse Auction Lifecycle



### Implementation and Timeline

Understanding the buyer's current process and procedures around various types of solicitations is the first step in implementation. If a reverse auction already exists, as it does with the City, review the current process and identify if there are any modifications to suggest.

We have implemented the reverse auction process in some of the largest government agencies in the United States. EASi is fully confident that we can provide an even better service component for the City moving forward given our current contractual partnership. Based on our experience with the City, specifically, and in the government reverse auction space, generally, the proposed timeline to implement is as follows:

#### Step 1: Analysis

Review of current processes and procedures, solicitation templates and documents, along with a review of the City's expiring contract list to identify and target opportunities for reverse auction (4-6 weeks lead-time)

## EXHIBIT A SCOPE OF WORK

**Step 2: Development**

Workflow including communication plan, reverse auction policies and procedures, bid calendar creation, platform branding, etc. (2-3 weeks lead-time)

**Step 3: Execution & Tracking**

Consists of the 10 phases as described in the Workflow section, above, along with ongoing touchpoints to review progress along the way (Execution & Tracking timing is based on the bid calendar created in the identified targets)

*Workflow Checklist*

Our implementation process is dynamic. A large part of the process is understanding the current procurement process and procedures. We will then develop the reverse auction procedures around the current City process. We will build a workflow checklist, which outlines the responsibility roles.

1	Owner	Checklist activity	Active/Complete	Date Completed	Comments
2	EASi	Identify Opportunity (EASi consults Manager/Supervisor)			
3	EASi	EASi gets acceptance from City/Supervisor on Identified Opportunity and informs Manager			
4		Enter 'Identified Opportunity' Gate			
5	EASi	EASi pulls file of identified opportunity (contract only)			
6	City	Send relevant SMS data to EASi (only if needed)			
7	EASi	Create folder In Drive to hold mkt research and relevant reference docs			
8		Enter 'Market Research' Gate			
9	EASi	Create MR Workbook and email City Google Drive link			
10	EASi	Conduct Market Research			
11	EASi	MR reviewed and QAed			
12		Enter 'Go/No-Go' Gate			
13	EASi	Conduct Go/No Go Meeting with City to review Market Research materials			
14		Enter 'Spec and Bid Package' or 'Failed' Gate			
15	EASi	Send MR workbook outputs to City			
16	EASi	Send End user questions to City (only if needed- read notes in KPI tab Market Findings)			
17	City	Build Bid Draft (inform EASi when complete)			
18	City	Conduct Contract Team Meeting (if applicable)- PILOT: ACCT MGR TO ATTEND SILENTLY			
19	City	Conduct kickoff meeting with City, BM. Set Bid Timeline			
20	EASi	Review Bid Draft			
21		Enter 'Bid Release' Gate			
22	City	Release Bid via email and bavn post (cc Acct Mgr and "bids@pggit.com")			
23	City	Book conf room for RA Event and notify PGGI/EASi			
24	EASi	email invite as optional to managers for date/time of RA event(book starting 30min prior until 1.5 hr post event end time)			
25	EASi	Send email to notify potential bidders of bid release			
26	EASi	Review bid document with potential suppliers			
27	EASi	Build Bid and Review with City			

## EXHIBIT A SCOPE OF WORK

### Event Project Planning Notebook

SCHEDULE OF EVENTS		
<b>eRA Solicitation Tasks</b>		
<b>Pre-Release Preparations Timeline</b>		<b>Responsible Party</b>
Project Planning Meeting		EASiBuy / Buyer
Data Gathering		Buyer
Sourcing		EASiBuy
Kick-Off Call		EASiBuy / Buyer
Approval to Proceed		Buyer / EASiBuy
Pre-Solicitation Material Release [OPTIONAL]		EASiBuy
Pre-Solicitation Material DUE [OPTIONAL]		EASiBuy
eRA Solicitation Document Creation Completed		Buyer / EASiBuy
eRA Solicitation Final Review & Approval		Buyer
<b>Strategic Sourcing Timeline</b>		<b>Responsible Party</b>
Publication of eRA Solicitation		Buyer
<i>* Vendor Communication Touchpoint *</i>	<i>Bid Release Notification</i>	EASiBuy
<i>* Vendor Communication Touchpoint *</i>	<i>Pre-Bid Conference Reminder</i>	EASiBuy
Pre-Bid Conference [VOLUNTARY]		EASiBuy / Buyer
<i>* Vendor Communication Touchpoint *</i>	<i>Vendor Questions Due Reminder</i>	EASiBuy
Bidder Questions DUE		EASiBuy / Buyer
Responses to Bidder Questions		EASiBuy / Buyer
Protest [Related to Solicitation] Deadline		Bidders / Buyer
<i>* Vendor Communication Touchpoint *</i>	<i>Bid Close Reminder</i>	EASiBuy
Bid Responses DUE		EASiBuy
<i>* Vendor Communication Touchpoint *</i>	<i>Disqualification Notice</i>	Buyer
<i>* Vendor Communication Touchpoint *</i>	<i>Official Invitation to eRA Event</i>	Buyer
eRA Bid Training Sessions		EASiBuy
<i>* Vendor Communication Touchpoint *</i>	<i>Training Recap &amp; Placeholder Reminder</i>	EASiBuy
eRA Pricing Event		EASiBuy
<b>Post-Event Timeline</b>		<b>Responsible Party</b>
Executive Summary Email & Bid Tabs		EASiBuy
<i>* Vendor Communication Touchpoint *</i>	<i>Supplier Survey Reminder</i>	EASiBuy
Pricing Analysis [UPON REQUEST]		EASiBuy / Buyer
Publication of Intent to Award		Buyer
Protest [Related to Intent to Award] Deadline		Bidders / Buyer
Price Agreement Execution		Buyer / Awarded Vendor
<b>Post-Award Timeline</b>		<b>Responsible Party</b>
Ops to AR Handoff		EASiBuy
<i>* Vendor Communication Touchpoint *</i>	<i>Awarded Vendor Kickoff Call</i>	EASiBuy / Awarded Vendor
<b>Timeline Revision</b>		<b>Responsible Party</b>
Revised Date(s) / Time(s) / Reasoning(s)		EASiBuy / Buyer

### Tasks and Deliverables

Individual Opportunities (Bids) can have the following tasks – the lists of tasks are for illustration purposes only. The tasks may be revised based on the policies and procedures required by the City. Depending on the complexity and the City’s public purchasing requirements, a bid process can take a few days to a few months. Every Opportunity that is a “Go” for Reverse Auction is time lined out on a case- by-case basis.

**EXHIBIT A  
SCOPE OF WORK**

Task	Comments
Program or Purchase Details Meeting (Bid Manager)	EASi meets with Buyer to discuss nuances of purchase and the goals related to the program or processes surrounding the purchase. Goal is to come up with ways to improve the efficiency or effectiveness of the program where possible. Review Buyer Contract Template and desired Terms and Conditions.
Market Research (Sourcing Analyst/ Technician)	EASi performs market research to aid in sourcing and RFP creation process.
Kick Off Call with Current Contract, Updated Specification (including item lists), and Buyer invited vendor contact information. (Bid Manager)	Buyer to supply the following items if, possible to EASi: copy of existing contract, previous RFP, location list, existing/forecasted volumes, invoice sample for services to be bid, and date when contract needs to be executed or product received. Review Standard Pre-qualification for bid specific added items. Approve contract template and terms and conditions
Milestone Timeline Creation and Approval (Bid Manager)	EASi creates milestone document outlining dates associated with each step in the process necessary to meet contract deadline.
Additional Vendor Sourcing and Pre-qualifications (Sourcing Analyst/ Technician)	EASi to contact Buyer supplied vendors or source additional suppliers based on the service level agreement.
RFP Construction (Bid Manager)	EASi and The City will put together Bid documents that outlines the requirements for submitting a proposal through a reverse auction process as well as specific issues to be addressed in vendors response that will be reviewed with Buyer along the construction and before release.
Sourcing List Review (Bid Manager)	EASi delivers list of all sourced vendors with EASi Recommended vendors highlighted for Buyer review.
RFP Approval (Buyer)	City approves RFP for release
RFP Release (Bid Technician)	EASi to release RFP to vendors or City through it normal procedures.
Vendor Pricing and Auction Prep	Vendors work on reviewing and responding to RFP.
Vendor Questions Due	Vendor to submit to City or EASi Bid Manager any questions on the process or specs for which they need clarification.
Vendor Questions Answered by EASi or forwarded to Buyer (Bid Manager)	Vendor questions that can be answered by EASi will be responded to immediately while questions regarding information not provided to EASi will be forwarded to City contact for addressing.
Buyer Answers Due (Bid Technician)	City response to vendor questions sent to EASi or posted as an addendum.
Online Bid Layout Review (Bid Manager)	EASi reviews the pricing structure layout as it will appear online with City.
RFP Due	Vendors to submit RFP to City.

**EXHIBIT A  
SCOPE OF WORK**

RFP Response (Matrix) reviewed by Buyer and EASi (Bid Manager)	City prepares Bid Response matrix (if applicable) for EASi and City review to determine responsive bidders qualified to participate in the auction component of the process.
Vendor Approval and Training (Bid Technician)	Approved vendors are trained and prepared by EASi for the reverse auction bid.
Reverse Auction Bid (Bid Manager/Technician)	Vendors participate in Reverse Auction Bid.
Unit Pricing List Due to Buyer (if applicable) (Bid Technician)	Vendors supply City with an item list.
Bid Tabulations and Reports Sent (Bid Technician)	Bid Tabulations Compiled and sent by EASi with summary and reports.
Bid Tabulations and Reports Review (If needed) (Bid Manager)	Bid manager reviews summary and reports with City.
Award Notification and Disqualification Notices (Bid Technician)	City chooses awarded vendor and notifies EASi. Contract Package sent to awarded vendor by EASi.
Contract Executed	Contract execution.

**Exhibit C - EASiBuy Web Platform: Infrastructure and Security Overview**  
**Infrastructure Overview**

*Application Servers*

The application is hosted on Linux-based VPS infrastructure. Our hosting stack includes the following components:

- Web server: Apache 2
- Application server: Phusion Passenger
- Database server: MySQL

We chose Debian as our Linux distribution for their rapid release cycle, including security fixes. All software is patched frequently after testing in a staging environment.

*Document Storage and CDN*

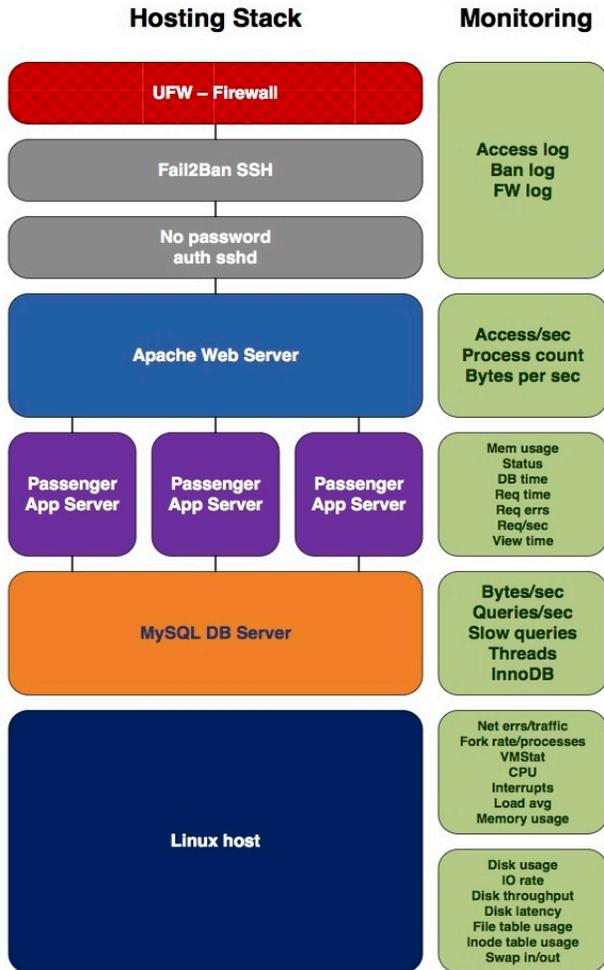
Document storage and CDN is outsourced to Amazon Web Services' redundant storage service, which meets all major security standards for physical and infrastructure security.

(continued next page...)

## EXHIBIT A SCOPE OF WORK

### Hosting Stack Overview Diagram

The diagram below outlines, in detail, the various monitoring and firewall systems implemented in our hosting environment hosting environment.



### Engineering Contacts

For infrastructure and engineering matters, the following contacts are provided:

- Infrastructure, access, security, and associated policies
  - Brad Landers
  - Email: [brad@eauctionservices.com](mailto:brad@eauctionservices.com)
  - Phone: (772) 532-6019
- Application engineering, access, application security, and application policies
  - Nolan Meyers
  - Email: [nolan@eauctionservices.com](mailto:nolan@eauctionservices.com)
  - Phone: (772) 532-2248

### Physical Security and Redundancy

Our primary servers are located in a secure hosting facility in Dallas, TX featuring the following security highlights. Additional facilities in the Asia-Pacific, European, US-West, US-Central, and US-East zones are available. Primary geographic fail-over is located in Newark, NY. Both facilities have an outstanding uptime record, achieving 99.9% uptime.

- 24x7x365 on-site staff

## EXHIBIT A SCOPE OF WORK

- Multiple layers of security & authentication; including card key, PIN, & biometric required for facility entrance
- Intrusion detection systems to prevent unauthorized electronic access
- Firewall management and monitoring services
- Full CCTV surveillance backed by digital recording on file for 90 days
- Remote hands to perform tape rotations and hardware swaps
- Constant management of all environmental systems (power, HVAC, fire, security and IDS)
- Remote monitoring of client equipment
- Motion detection for lighting

### **Application Security**

The application is built using the Ruby on Rails application framework. The Rails framework offers implementation countermeasures that protect the application from many common attack vectors. We use the following:

#### *CSRF / Cross Site Request Forgery*

Unique request forgery token required in all non-GET requests.

#### *Session Fixation*

Authentication system explicitly deletes old session data when new authentication event occurs.

#### *Session Hijacking*

Strong private/public key encryption is used to protect session information.

#### *SQL Injection*

Rails uses an Active Record ORM implementation that provides flexible tools for sanitizing user input, making it easier for programmers to prevent SQL injection attacks.

#### *Authentication and Authorization*

Authentication is provided by the Devise authentication plug-in from Platformatec. Password information is encrypted using a high-computation-cost hashing library with irreversible encryption and unique salts per-user record. Access to application modules are defined through a unified user role definition format. All areas of the application are filtered through this definition, providing strict global access controls.

#### *Disclosure and Privacy Regarding Security Details*

This is an internal document that is shared with trusted partners and clients. Please respect that while security through obscurity is not a strategy we rely on, it is never good practice to lay out your security plans for attackers to review. Please keep this document private and share only with relevant individuals.

#### *Backups and Failover*

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASi's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes.

#### *Uptime Statistics*

While we cannot guarantee it will never happen, EASi has never had an interruption in an event due to a technical issue or outage on EASi's part. However, it is important to know that with dynamic events such as the ones conducted by EASi, it is not unusual for bidders to experience technical difficulties (internet

## **EXHIBIT A SCOPE OF WORK**

connectivity outages, computer failure, etc.). EASi's strength is in responding quickly and actively to all technical issues.

### **Password Policy**

#### *Basis*

This password policy is based on the NIST (National Institute of Standards and Technology) Special Publication 800-63B, §5.1.1.2. Memorized Secret Verifiers as of Dec 19th, 2016.

#### *Password Policy*

Passwords shall be verified based on the following attributes:

- Minimum of 8 characters in length
- Permit as many as 128 characters
- All printing ASCII characters and spaces should be permitted
- Unicode characters should be permitted
- Each Unicode code point should be treated as one character
- No restrictions on composition
- No requirement for rotation

#### *Authentication Mechanism Policy*

- No "hint" system should be provided
- Additional login attempts should be suspended for a period of 60 minutes after 100 consecutive failed login attempts within a 30 day period
- Notification of login suspension should be written to the application log
- The failed authentication count should be reset upon successful authentication

#### *Encryption Policy*

### **Transit**

- All communication should occur over HTTPS
- SSL certifications should use a minimum of 256 bits

### **Secret Storage**

- A computationally expensive hashing mechanism should be used
- A distinct salt value of 32 bits (or more) should be used

### **Application Stability and Performance**

All software releases are stress tested using industry standard tools. The results of stress tests are used to identify performance regressions, and are incorporated into our software release QA processes. In addition to release stress tests, server-monitoring tools allow us to ensure that no systems are overloaded. EASi keeps additional capacity online to handle surges in activity. Server provisioning is managed to keep load under 70%, even during peak usage, in order to maintain a responsive application suite.

### **Monitoring and Logging**

#### *Application Monitoring*

#### **Application Logging**

Application log data is retained for a period of 52 weeks. Application logging configuration includes:

## **EXHIBIT A SCOPE OF WORK**

- Timestamp down to millisecond
- Full request URL
- User identifier
- Unique request identifier
- Any form data submitted (HTTP POST parameters)
- Application performance metrics
- Exception data

### **Web Server Logging**

- Separate logs are maintained for access, referrer, user agent
- Timestamp
- IP address of remote system
- Request duration
- Unique request identifier (linked to application log)
- Full request URL
- User agent

### **Exception Monitoring**

Exception monitoring logs any instance of a generated exception, including timestamp, user ID of the logged in user, application instance information, and environment information. An exception triggers notification through messaging systems and emails. Security personnel are included in these notifications.

### *Infrastructure Monitoring*

### **Security**

All access activity is logged, and automated mechanisms are in place to initiate firewall-level access denial in the event of multiple failed login attempts.

### **Performance**

A centralized monitoring platform is used to monitor and alert for key performance indicators, such as memory usage, disk usage, CPU usage, and network usage.

### **Disclosure and Privacy**

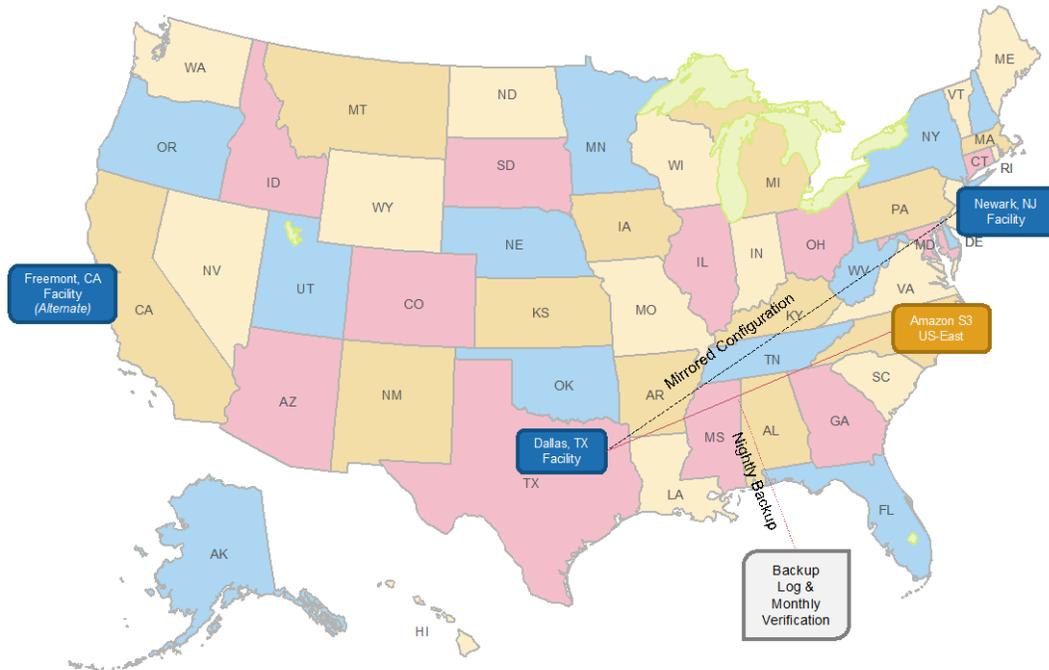
This is an internal document that is shared with trusted partners and clients. Please respect that while security through obscurity is not a strategy we rely on, it is never good practice to lay out your security plans for attackers to review. Please keep this document private and share only with relevant individuals.

### **Backup and Recovery**

#### *Backup*

Databases are backed up nightly to secure, off-site storage on Amazon's highly redundant S3 cloud storage service. In addition, EASI's system provisioning and turn up is entirely automated, allowing for the full turn-up of replacement infrastructure and restoration of data from a full production failure in less than 15 minutes. This means that both the systems and data are backed-up independent of any specific geographic location. On a monthly basis, database backups are loaded into a backup testing environment, which replicates our production systems. The data is physically verified by a staff-member with security clearance to access the relevant data. The results of these checks are cataloged in a records keeping system. Backup restoration failures trigger an immediate post-mortem and reconciliation of failed processes.

## EXHIBIT A SCOPE OF WORK



### *Disaster Recovery*

EASi uses a proprietary, automated provisioning system that can turn up a production-ready copy of our complete system in 15 minutes. This automation process is verified in virtual environments with each major revision to our software stack, or every 6 months, whichever comes first. Coupled with our backup solution, EASi can replicate our entire production software instance on any infrastructure provider's service offering in under 30 minutes. This gives us flexibility in geography, and in which service provider we use.

### **Disaster Recovery Process**

In the event of a major outage at the primary hosting facility, EASi staff evaluate communications from the service provider to assess an ETA for service restoration. The response is dynamic. If an outage impacts a live bidding event, the response is to immediately begin the transition to infrastructure at a separate location in either Newark, NJ or Freemont, CA, depending on conditions.

EASi maintains concurrent infrastructure in Dallas, TX and Newark, NJ for "hot spare" purposes. This process mirrors the provisioning drills outlined in the disaster recovery section above.

### **Escalation Contacts**

In the event of an emergency event in at our primary hosting location, the following notification list is followed:

- Notify Engineering Contacts
- Notify Operations: Kent Colwell (330) 915-2836
- Escalation Contact: Scott Patterson (330) 931-4686

### *Operational Contingency*

EASi has built its business around cloud platforms. Staff can perform their work from any internet connected location. Access to document storage, email, and phone systems are entirely cloud-based. With an office in Northeastern Ohio, staff routinely work from remote locations due to weather impacts.

**EXHIBIT A  
SCOPE OF WORK**

**Escalation Contacts**

In the event of an emergency event in at our primary office location, the following notification list is followed:

- Notify Operations: Kent Colwell (330) 915-2836
- Notify IT: Brad Landers (772) 532-6019
- Escalation Contact: Scott Patterson (330) 931-4686

**EXHIBIT B  
PRICING**

Pursuant to all the contract specifications enumerated and described in this solicitation, we agree to furnish **Hosted Third-Party Reverse Auction Service Provider** to the City of Mesa at the fee(s) stated below.

Proposed Commission for conducting Reverse Auctions. The % Commission is charged by the awarded proposer(s) to the City’s successful bidder(s).

The awarded proposer(s) must bill contractor(s)/supplier(s) based on actual usage throughout contract a monthly invoice.

<b>Item #</b>	<b>Pricing Description</b>	<b>Commissions / Costs</b>
1.	<b>Contractor Transaction Fee (%)</b>	<b>0.98%</b> on Annual Spend \$0 – \$499,999
		<b>0.70%</b> on Annual Spend \$500,000 – \$4,999,999
		<b>0.68%</b> on Annual Spend \$5,000,000 – \$10,000,000
		<b>0.65%</b> on Annual Spend \$10,000,001 – \$15,000,000
		<b>0.45%</b> on Annual Spend \$15,000,001 – \$20,000,000
		<b>0.20%</b> on Annual Spend \$20,000,001 – \$50,000,000
		<b>0.13%</b> on Annual Spend \$50,000,001 - \$100,000,000
		<b>0.10%</b> on Annual Spend greater than \$100,000,001
	<b>Optional</b>	
2.	Reverse Auction for Land/Parcels Contract Transaction Fee – City Pay	<b>\$1,800 / parcel</b>
3.	Cost Per Reverse Auction, Contractor Managed and City Pay	<b>\$ TBD</b>
4.	Cost Per Reverse Auction for City Managed and City Pay	<b>\$ TBD</b>

**DELIVERY:** See Mesa Standard Terms and Conditions.

**ADDITIONAL INFORMATION**

EASiBuy (“EASi”) is pleased to offer a price structure that is awarded vendor pay. Under this model, the vendor with whom the City enters into an agreement or begins to purchase from will be required to pay an Awarded Supplier Transaction Fee (“Fee”) to EASi per EASi’s Supplier Agreement Terms and Conditions. Once the City releases a bid or solicitation on the Solution and has received initial quotes or bids from qualified bidders of which an agreement or purchases have ultimately been consummated, the chosen vendor will be responsible to pay the Fee to EASi. The Fee, due from the awarded vendor, will be a percent of the actual monies received from the City and any authorized affiliates throughout the term and any successive renewals of the agreement established via EASi’s bid process. In the event that no award is made through the Solution or other forms of bids or negotiations, the Buyer may otherwise procure the same goods or services without responsibility or obligation to EASi. Moreover, nothing herein shall obligate the City to purchase any goods or services, in part or in whole or any quantity thereof, which was posted via the Solution.

## **EXHIBIT B PRICING**

### **CITY PAY DISCUSSION POINT**

EASi is open and willing to provide price modeling for items 3 and 4 to the City upon request. If certain vendor pay fee threshold levels are met, the City would be permitted to conduct City Managed events at no cost.

### **REBATE PROGRAM**

In addition to the terms of the cost proposal, and at no direct cost to the City, EASi will provide a 10% Administration Rebate to the City, based on revenue actually received by EASi from Vendors associated with purchases from any eligible political subdivisions, municipalities, quasi-agencies, and other non-City organizations.

**EXHIBIT C**  
**MESA STANDARD TERMS AND CONDITION**

1. **INDEPENDENT CONTRACTOR.** It is expressly understood that the relationship of Contractor to the City will be that of an independent contractor. Contractor and all persons employed by Contractor, either directly or indirectly, are Contractor's employees, not City employees. Accordingly, Contractor and Contractor's employees are not entitled to any benefits provided to City employees including, but not limited to, health benefits, enrollment in a retirement system, paid time off or other rights afforded City employees. Contractor employees will not be regarded as City employees or agents for any purpose, including the payment of unemployment or workers' compensation. If any Contractor employees or subcontractors assert a claim for wages or other employment benefits against the City, Contractor will defend, indemnify and hold harmless the City from all such claims.
2. **SUBCONTRACTING.** Contractor may not subcontract work under this Agreement without the express written permission of the City. If Contractor has received authorization to subcontract work, it is agreed that all subcontractors performing work under the Agreement must comply with its provisions. Further, all agreements between Contractor and its subcontractors must provide that the terms and conditions of this Agreement be incorporated therein.
3. **ASSIGNMENT.** This Agreement may not be assigned, either in whole or in part, without first receiving the City's written consent. Any attempted assignment, either in whole or in part, without such consent will be null and void and in such event the City will have the right, at its option, to terminate the Agreement. No granting of consent to any assignment will relieve Contractor from any of its obligations and liabilities under the Agreement.
4. **SUCCESSORS AND ASSIGNS, BINDING EFFECT.** This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
5. **NO THIRD-PARTY BENEFICIARIES.** This Agreement is intended for the exclusive benefit of the parties. Nothing set forth in this Agreement is intended to create, or will create, any benefits, rights, or responsibilities in any third parties.
6. **NON-EXCLUSIVITY.** The City, in its sole discretion, reserves the right to request the materials or services set forth herein from other sources when deemed necessary and appropriate. No exclusive rights are encompassed through this Agreement.
7. **AMENDMENTS.** There will be no oral changes to this Agreement. This Agreement can only be modified in a writing signed by both parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by the City and Contractor.
8. **TIME OF THE ESSENCE.** Time is of the essence to the performance of the parties' obligations under this Agreement.
9. **COMPLIANCE WITH APPLICABLE LAWS.**
  - a. **General.** Contractor must procure all permits/licenses and pay all charges and fees necessary and incidental to the lawful conduct of business. Contractor must stay fully informed of existing and future federal, state, and local laws, ordinances, and regulations that in any manner affect the fulfillment of this Agreement and must comply with the same at its own expense. Contractor bears full responsibility for training, safety, and providing necessary equipment for all Contractor personnel to achieve compliance throughout the term of the Agreement. Upon request, Contractor will demonstrate to the City's satisfaction any programs, procedures, and other activities used to ensure compliance.
  - b. **Drug-Free Workplace.** Contractor is hereby advised that the City has adopted a policy establishing a drug-free workplace for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor will require a drug-free workplace for all Contractor personnel working under this Agreement. Specifically, all Contractor personnel who are working under this Agreement must be notified in writing by Contractor that they are prohibited from the manufacture, distribution, dispensation, possession, or unlawful use of a controlled substance in the workplace.

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Contractor agrees to prohibit the use of intoxicating substances by all Contractor personnel and will ensure that Contractor personnel do not use or possess illegal drugs while in the course of performing their duties.

- c. **Federal and State Immigration Laws.** Contractor agrees to comply with the Immigration Reform and Control Act of 1986 (IRCA) in performance under this Agreement and to permit the City and its agents to inspect applicable personnel records to verify such compliance as permitted by law. Contractor will ensure and keep appropriate records to demonstrate that all Contractor personnel have a legal right to live and work in the United States.
- i. As applicable to Contractor, under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter collectively the "Contractor Immigration Warranty").
  - ii. A breach of the Contractor Immigration Warranty will constitute a material breach of this Agreement and will subject Contractor to penalties up to and including termination of this Agreement at the sole discretion of the City.
  - iii. To ensure Contractor and its subcontractors are complying with the Contractor Immigration Warranty, the City retains the legal right to conduct random verification of the employment records of any Contractor or subcontractor employee who works on this Agreement, including the inspection of the papers of such employees. Contractor agrees to assist the City in regard to any random verification performed.
  - iv. Neither Contractor nor any subcontractor will be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274a and 274b of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).
- d. **Nondiscrimination.** Contractor understands and acknowledges that it is the policy of the City of Mesa to promote non-discrimination. As such, Contractor represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, national origin, age, disability, religion, sex, sexual orientation, gender identity and expression, veterans' status, marital status, or genetic information, and represents and warrants that it complies with all applicable federal, state, and local laws and executive orders regarding employment. In performance under this Agreement, Contractor and Contractor's personnel will comply with applicable provisions of the following laws (as amended): Title VII of the U.S. Civil Rights Act of 1964, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*), and any other applicable non-discrimination laws and rules.
- e. **State Sponsors of Terrorism Prohibition.** Per A.R.S. § 35-392, Contractor must not be in violation of section 6(j) of the Federal Export Administration Act and subsequently prohibited by the State of Arizona from selling goods or services to the City.
- f. **Israel Boycott Divestments.** In accordance with the requirements of A.R.S. § 35-393.01, if the Agreement requires Contractor to acquire or dispose of services, supplies, information technology or construction with a value of \$100,000 or more, then, by entering into this Agreement, Contractor certifies that it is not currently engaged in, and agrees for the duration of the Agreement to not engage in, a boycott of goods and services from Israel.

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10. **SALES/USE TAX, OTHER TAXES.**
- a. Contractor is responsible for the payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's services under this Agreement including, by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees, as required. If any taxing authority should deem Contractor or Contractor employees an employee of the City, or should otherwise claim the City is liable for the payment of taxes that are Contractor's responsibility under this Agreement, then Contractor will indemnify the City for any tax liability, interest, and penalties imposed upon the City.
  - b. The City is exempt from paying certain federal excise taxes and will furnish an exemption certificate upon request. The City is not exempt from state and local sales/use taxes.
11. **AMOUNTS DUE THE CITY.** Contractor must be current and remain current in all obligations, whether or not related to the Agreement, due to the City during the performance of services under the Agreement. Payments to Contractor may be offset by any delinquent amounts due the City or fees and charges owed to the City.
12. **PUBLIC RECORDS.** Contractor acknowledges that the City is a public body, subject to Arizona's public records laws (A.R.S. § 39-121 *et seq.*) and any documents related to this Agreement may be subject to disclosure pursuant to state law in response to a public records request or to subpoena or other judicial process.
- a. If Contractor believes documents related to the Agreement contain trade secrets or other proprietary data, Contractor must have notified the City pursuant to Mesa Procurement Rules Section 2.1 or notified the City with a notification statement specifically identifying the trade secrets or other proprietary data that Contractor believes should remain confidential.
  - b. In the event the City determines it is legally required to disclose pursuant to law any documents or information Contractor deems confidential trade secrets or proprietary data, the City, to the extent possible, will provide Contractor with prompt written notice by certified mail, fax, email or other method that tracks delivery status of the requirement to disclose the information so Contractor may seek a protective order from a court having jurisdiction over the matter or obtain other appropriate remedies. The notice will include a time period for Contractor to seek court ordered protection or other legal remedies as deemed appropriate by Contractor. If Contractor does not obtain such court ordered protection by the expiration of said time period, the City may release the information without further notice to Contractor.
13. **AUDITS AND RECORDS.** Contractor must preserve the records related to this Agreement for six (6) years after completion of the Agreement. The City or its authorized agent reserves the right to inspect any records related to the performance of work specified herein. In addition, the City may inspect all payroll, billing or other relevant records kept by Contractor in relation to the Agreement. Contractor will permit such inspections and audits during normal business hours and upon reasonable notice by the City. The audit of records may occur at Contractor's place of business or at City offices, as determined by the City.
14. **BACKGROUND CHECK.** In accordance with the City's current background check policies, the City may conduct criminal, driver history, and all other requested background checks of Contractor personnel who would perform services under the Agreement who will have access to the City's information, data, or facilities. Any officer, employee, or agent that fails the background check must be replaced immediately for any reasonable cause not prohibited by law.
15. **SECURITY CLEARANCE AND REMOVAL OF CONTRACTOR PERSONNEL.** The City will have final authority, based on security reasons: (i) to determine when security clearance of Contractor personnel is required; (ii) to determine the nature of the security clearance, up to and including fingerprinting Contractor personnel; and (iii) to determine whether any individual or entity may provide services under this Agreement. If the City objects to any Contractor personnel for any

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reasonable cause not prohibited by law, then Contractor will, upon notice from the City, remove any such individual from performance of services under this Agreement.

16. **DEFAULT.**

- a. A party will be in default of the Agreement if that party:
  - i. Is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's capability to perform under the Agreement;
  - ii. Is the subject of a petition for involuntary bankruptcy not removed within sixty (60) calendar days;
  - iii. Conducts business in an unethical manner as set forth in the City Procurement Rules Article 7 or in an illegal manner; or
  - iv. Fails to carry out any term, promise, or condition of the Agreement.
- b. Contractor will be in default of this Agreement if Contractor is debarred from participating in City procurements and solicitations in accordance with Article 6 of the City's Procurement Rules.
- c. **Notice and Opportunity to Cure.** In the event a party is in default then the other party will provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from receipt of the notice to cure the default, unless the default is of a nature that it is reasonably anticipated to affect the health, safety or welfare of the public and, in such an event, the non-defaulting party may require a minimum seven (7) days to cure the default from the date of receipt of the notice; the cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide notice of the default does not waive any rights under the Agreement. Failure of the defaulting party to cure the default will entitle the non-defaulting party to the election of remedies specific to the party as set forth in section 17 below.
- d. **Anticipatory Repudiation.** Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event demand is made and no written assurance is given within ten (10) calendar days, the City may treat this failure as an anticipatory repudiation of the Agreement entitling the City to terminate the Agreement in accordance with section 17(a) below.

17. **REMEDIES.** The remedies set forth in this Agreement are not exclusive. Election of one remedy will not preclude the use of other remedies. In the event of default:

- a. The non-defaulting party may terminate the Agreement, and the termination will be effective immediately or at such other date as specified by the terminating party.
- b. The City may purchase the services or materials required under the Agreement from the open market, complete required work itself, or have it completed at the expense of Contractor. If the cost of obtaining substitute services exceeds the contract price in the Agreement, the City may recover the excess cost by: (i) requiring immediate reimbursement by the Contractor to the City; (ii) deduction from an unpaid balance due to Contractor; (iii) collection against the proposal and performance security, if any; (iv) collection against liquidated damages (if applicable); or (v) a combination of the aforementioned remedies or other remedies as permitted by law. Costs in this Subsection (b) include any and all, fees, and expenses incurred in obtaining substitute services and expended in obtaining reimbursement including, but not limited to, administrative expenses, attorneys' fees, and costs.
- c. The non-defaulting party will have all other rights granted under this Agreement and all rights at law or in equity that may be available to it.

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- d. Neither party will be liable for incidental, special, or consequential damages.
18. **CONTINUATION DURING DISPUTES.** Contractor agrees that during any dispute between the parties, Contractor will continue to perform its obligations until the dispute is settled, instructed to cease performance by the City, enjoined or prohibited by judicial action, or otherwise required or obligated to cease performance by other provisions in this Agreement.
19. **TERMINATION FOR CONVENIENCE.** The City reserves the right to terminate this Agreement, in part or in whole, for its sole convenience upon thirty (30) calendar days' written notice. Contractor acknowledges that, as with any termination permitted under this Agreement, in the event of a termination for convenience, Contractor is only entitled to payment in accordance with section 22 (Payment to Contractor Upon Termination); Contractor will not be entitled to any anticipated lost profits had the Agreement been performed to completion.
20. **TERMINATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511).** Pursuant to A.R.S. § 38-511, the City may cancel this Agreement within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Agreement for the City becomes an employee or agent of Contractor.
21. **TERMINATION FOR NON-APPROPRIATION AND MODIFICATION FOR BUDGETARY CONSTRAINT.** The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines it does not have funds to meet its obligations under this Agreement, the City will have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City agrees to provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination date.
22. **PAYMENT TO CONTRACTOR UPON TERMINATION.** Upon termination of this Agreement for any reason, Contractor will be entitled only to payments authorized under the Agreement for those services performed or materials provided in accordance with the Agreement up to the date of termination, and any authorized expenses already incurred up to such date of termination. The City will make final payment within thirty (30) calendar days after the City has both completed its appraisal of the materials and services provided and received Contractor's properly prepared final invoice.
23. **NON-WAIVER OF RIGHTS.** There will be no waiver of any provision of this Agreement unless approved in writing and signed by the waiving party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any services hereunder, will not release the other party of any of the warranties or other obligations of the Agreement and will not be deemed a waiver of any such rights or remedies.
24. **INDEMNIFICATION; LIABILITY.**
- a. To the fullest extent permitted by law, Contractor agrees to defend, indemnify and hold harmless the City, its elected officials, agents, representatives and employees (collectively, including the City, "City Personnel") from and against any and all liabilities, demands, claims, suits, penalties, obligations, losses, damages, causes of action, fines or judgments of any kind, including costs, attorneys', witnesses' and expert witnesses' fees, and expenses incident thereto (all of the foregoing, collectively "Claims") imposed upon or asserted against City Personnel by a third party relating to, arising out of or resulting from, in whole or in part: (i) services or materials provided under this Agreement by Contractor or its officers', agents', or employees' (collectively, including Contractor, "Contractor Personnel"); (ii) negligent acts, errors, mistakes or omissions of Contractor Personnel; or (iii) failure of Contractor Personnel to comply with or fulfill the obligations established by this Agreement. Contractor's indemnification, duty to defend and hold harmless City Personnel in this Subsection (a) will apply to all Claims against City Personnel except Claims arising solely from the negligence or intentional acts of City Personnel.
- b. The City assumes no liability for the actions of Contractor Personnel and will not indemnify or hold Contractor Personnel or any third party harmless for Claims relating to, arising out of or

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resulting from, in whole or in part, this Agreement or use of Contractor Personnel-provided services or materials.

25. **WARRANTY.** Contractor warrants that the services and materials will conform to the requirements of the Agreement. Additionally, Contractor warrants that all services will be performed in a good, workman-like and professional manner. The City's acceptance of services or materials provided by Contractor will not relieve Contractor from its obligations under this warranty. If the City reasonably determines any materials or services are of a substandard or unsatisfactory manner, Contractor, at no additional charge to the City, will provide materials or redo such services until in accordance with this Agreement and to the City's reasonable satisfaction.
- Unless otherwise agreed, Contractor warrants that materials will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year unless otherwise specified, and will perform in accordance with manufacturer's published specifications.
26. **THE CITY'S RIGHT TO RECOVER AGAINST THIRD PARTIES.** Contractor will do nothing to prejudice the City's right to recover against third parties for any loss, destruction, or damage to City property and will, at the City's request and expense, furnish to the City reasonable assistance and cooperation in obtaining recovery, including assistance in the prosecution or defense of suit and the execution of instruments of assignment in favor of the City.
27. **NO GUARANTEE OF WORK.** Contractor acknowledges and agrees: (i) it is not entitled to deliver any specific amount of materials or services, or any materials or services at all, under this Agreement; and (ii) the materials or services will be requested by the City on an as needed basis, at the sole discretion of the City. Any document referencing quantities or performance frequencies represent the City's best estimate of current requirements, but will not bind the City to purchase, accept, or pay for materials or services which exceed its actual needs.
28. **OWNERSHIP.** All deliverables, services, and information provided by Contractor or the City pursuant to this Agreement (whether electronically or manually generated) including without limitation, reports, test plans, and survey results, graphics, and technical tables, originally prepared in the performance of this Agreement, are the property of the City and will not be used or released by Contractor or any other person except with prior written permission by the City.
29. **USE OF NAME.** Contractor will not use the name of the City of Mesa in any advertising or publicity without obtaining the prior written consent of the City.
30. **PROHIBITED ACTS.** Contractor acknowledges the applicability of A.R.S. § 38-504 which prohibits a person who, within the preceding twelve (12) months, is or was a public officer or employee of the City from representing another person (including Contractor) before the City on any matter for which the officer or employee was directly concerned and personally participated in during their service or employment by a substantial and material exercise of administrative discretion. Further, while employed by the City and for two (2) years thereafter, public officers or employees are prohibited from disclosing or using, without appropriate authorization, any confidential information acquired by such person in the course of his or her official duties at the City.
31. **FOB DESTINATION FREIGHT PREPAID AND ALLOWED.** All deliveries will be FOB destination freight prepaid and allowed unless otherwise agreed.
32. **RISK OF LOSS.** Contractor agrees to bear all risk of loss, injury, or destruction of Contractor's goods or equipment incidental to Contractor providing the services and materials under this Agreement and such loss, injury, or destruction will not release Contractor from any obligation hereunder.
33. **SAFEGUARDING CITY PROPERTY.** Contractor will be responsible for any damage or loss to City real or personal property when such property is the responsibility of or in the custody of **Contractor or its personnel.**

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34. **WARRANTY OF RIGHTS.** Contractor warrants it has title to, or the right to allow the City to use, the materials and services being provided and that the City may use same without suit, trouble or hindrance from Contractor or third parties.
35. **PROPRIETARY RIGHTS INDEMNIFICATION.** Without limiting the warranty in section 34, Contractor will without limitation and at its expense defend the City against all claims asserted by any person that anything provided by Contractor infringes a patent, copyright, trade secret or other intellectual property right and must, without limitation, pay the costs, damages and attorneys' fees awarded against the City in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement. If a preliminary or final judgment is obtained against the City's use or operation of the items provided by Contractor hereunder or any part thereof by reason of any alleged infringement, Contractor will, at its expense and without limitation, either: (a) modify the item so that it becomes non-infringing; (b) procure for the City the right to continue to use the item; (c) substitute for the infringing item other item(s) having at least equivalent capability; or (d) refund to the City an amount equal to the price paid, less reasonable usage, from the time of installation acceptance through cessation of use, which amount will be calculated on a useful life not less than five (5) years, plus any additional costs the City may incur to acquire substitute supplies or services.
36. **CONTRACT ADMINISTRATION.** The contract will be administered by the applicable Purchasing Officer and/or an authorized representative from the using department (collectively "Contractor Administrators"); all questions regarding the Agreement will be referred to the Contract Administrators. If authorized by the Contract Administrators, supplements or amendments may be written to the Agreement for the addition or deletion of services. Payment will be negotiated and determined by the Contract Administrators.
37. **FORCE MAJEURE.** Failure by either party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, fire, explosion, legislation, and governmental regulation. The party whose performance is so affected will, within five (5) calendar days of the unforeseeable circumstance, notify the other party of all pertinent facts and identify the force majeure event. The party whose performance is so affected must also take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so or to minimize or eliminate the effect thereof. The delivery or performance date will be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay, provided however, under no circumstances will delays caused by a force majeure extend beyond one hundred-twenty (120) calendar days from the scheduled delivery or completion date of a task unless agreed upon by the parties.
38. **COOPERATIVE USE OF CONTRACT.** The City has entered into various cooperative purchasing agreements with other Arizona government agencies, including the Strategic Alliance for Volume Expenditures (SAVE) cooperative. Under the SAVE Cooperative Purchasing Agreement, any contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of Contractor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

The City currently holds or may enter into Intergovernmental Governmental Agreements (IGA) with numerous governmental entities. These agreements allow the entities, with the approval of Contractor, to purchase their requirements under the terms and conditions of this Agreement.

A contractor, subcontractor or vendor or any employee of a contractor, subcontractor or vendor who is contracted to provide services on a regular basis at an individual school shall obtain a valid fingerprint clearance card pursuant to title 41, chapter 12, article 3.1. A school district governing board shall adopt policies to exempt a person from the requirements of this subsection if the person's normal job duties are not likely to result in independent access to or unsupervised contact

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with pupils. A school district, its governing board members, its school council members and its employees are exempt from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to this subsection unless the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.

Additionally, Contractor will comply with the governing body's fingerprinting policy of each individual school district and public entity. Contractor, subcontractors, vendors and their employees will not provide services on school district properties until authorized by the school district.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City is not responsible for any disputes arising out of transactions made by others.

39. **FUEL CHARGES AND PRICE INCREASES.** No fuel surcharges will be accepted. No price increases will be accepted without proper request by Contractor and response by the City's Purchasing Division.
40. **NOTICES.** All notices to be given pursuant to this Agreement must be delivered to the parties at their respective addresses. Notices may be sent via personally delivery, certified or registered mail with postage prepaid, overnight courier, or facsimile. If provided by personal delivery, receipt will be deemed effective upon delivery. If sent via certified or registered mail, receipt will be deemed effective three (3) calendar days after being deposited in the United States mail. If sent via overnight courier, or facsimile, receipt will be deemed effective two (2) calendar days after the sending thereof.
41. **GOVERNING LAW, FORUM.** This Agreement is governed by the laws of the State of Arizona. The exclusive forum selected for any proceeding or suit, in law or equity, arising from or incident to this Agreement will be Maricopa County, Arizona.
42. **INTEGRATION CLAUSE.** This Agreement, including all attachments and exhibits hereto, supersede all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties with respect to the work to be performed.
43. **PROVISIONS REQUIRED BY LAW.** Any provision required by law to be in this Agreement is a **part of this Agreement as if fully stated herein.**
44. **SEVERABILITY.** If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, which will otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
45. **SURVIVING PROVISIONS.** Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of this Agreement, will survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, termination, or other expiration of this Agreement will not release any party from any liability or obligation arising prior to the date of termination.
46. **A.R.S. SECTIONS 1-501 and 1-502.** Pursuant to A.R.S §§ 1-501 and 1-502, any person who applies to the City for a local public benefit (the definition of which includes a grant, contract or loan) must demonstrate his or her lawful presence in the United States. As this Agreement is deemed a local public benefit, if Contractor is an individual (natural) person or sole proprietorship, Contractor agrees to sign and submit the necessary documentation to prove compliance with the statutes if applicable.
47. **AUTHORITY.** Each party hereby warrants and represents that it has full power and authority to enter into and perform this Agreement, and that the person signing on behalf of each is properly authorized and empowered to enter into the Agreement. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

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48. **UNIFORM ADMINISTRATIVE REQUIREMENTS.** By entering into this Agreement, the Contractor agrees to comply with all applicable provisions of Title 2, Subtitle A, Chapter II, PART 200— UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 C.F.R. § 200 et seq.
49. **PCI DSS COMPLIANCE.** In the event any Contractor engages in payment card transactions as a part of the services provided to the City, Contractor shall comply with the Payment Card Industry Data Security Standards (“PCI DSS”) and any amendments or restatements of the PCI DSS during the Term of this Agreement. Contractor accepts responsibility for the security of the City’s and/or any customer’s credit card data in its possession, even if all or a portion of the services to City are subcontracted to third parties.