

PROFESSIONAL SERVICES AGREEMENT

Contractor: CGI TECHNOLOGIES AND SOLUTIONS INC.

Regarding: FMS 2.0 PROJECT (SMS REPLACEMENT)

Agreement Number:

TABLE OF CONTENTS

1.	PARTIES TO THE AGREEMENT AND REPRESENTATIVES	1
2.	ACCEPTANCE OF DELIVERABLES BY CITY	2
3.	ASSIGNMENT	6
4.	AUDIT	6
5.	CHOICE OF LAW AND VENUE; DISPUTES	7
6.	COMPLIANCE WITH LAW	7
7.	CONFIDENTIALITY	7
8.	DATA OWNERSHIP	9
9.	DELIVERY	9
10.	EFFECT OF DISPUTE AND DISPUTE RESOLUTION	10
11.	FORCE MAJEURE	11
12.	INDEMNITY	11
13.	LIMITATION OF LIABILITY	12
14.	IP OWNERSHIP	12
15.	LICENSE TERMS (ENTERPRISE).....	13
16.	MAINTENANCE AGREEMENT ISSUES	13
17.	PAYMENT TERMS	13
18.	PROJECT STAFFING – CITY APPROVAL RIGHT FOR KEY STAFF	15
19.	PUBLIC STATEMENTS	17
20.	REDUCTION IN SCOPE	17
21.	TECHNOLOGICAL CHANGE	17
22.	TERM/TERMINATION	18
23.	TRANSITION ON TERMINATION	20
24.	USE OF SUBCONTRACTORS	21
25.	WARRANTY	21
26.	INCORPORATION OF EXHIBITS	31
27.	ORDER OF PRECEDENCE	32
28.	DEFINITIONS	32
29.	CHANGE NOTICES AND AMENDMENTS	37
30.	SOLICITATION FOR EMPLOYMENT	38
31.	RATIFICATION	39

AGREEMENT NUMBER _____
BETWEEN THE CITY OF LOS ANGELES
AND
CGI TECHNOLOGIES AND SOLUTIONS INC.
FOR THE FMS 2.0 PROJECT

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, California, a municipal corporation (hereinafter referred to as the "City"), and CGI Technologies and Solutions Inc. (hereinafter referred to as "Contractor" or "CGI").

WHEREAS, Contractor has submitted a proposal to upgrade, install, and implement CGI's Advantage Procurement, Inventory, and Vendor Self Service solution as part of the City's Financial Management System; and

WHEREAS, Contractor has extensive experience in the provision of licensing and implementation services associated with state and local government Procurement Systems;

WHEREAS, the parties hereto wish to enter into an agreement pursuant to which Contractor shall perform the work and furnish the deliverables as described herein for consideration and upon the terms and conditions as hereinafter provided; and

NOW THEREFORE, in consideration of the above premises and of the terms, covenants and considerations set forth herein, the parties agree as follows:

1. PARTIES TO THE AGREEMENT AND REPRESENTATIVES

1.1 Parties to the Agreement

The parties to this Agreement are:

City – The City of Los Angeles, a municipal corporation, having its principal office at 200 North Spring Street, Los Angeles, California, 90012.

and

Contractor – CGI Technologies and Solutions Inc., 11325 Random Hills Road, Fairfax, Virginia 22030.

1.2 Representatives of the Parties

The representatives of the parties who are authorized to administer this Agreement and to whom formal notices, demands and communications will be given are as follows:

The City's representative is, unless otherwise stated in this Agreement:

Mr. Steve Reneker
General Manager and Chief Technology Officer
Information Technology Agency
200 N. Main Street, 14th Floor

Los Angeles, CA 90012-4116
(213) 978-3311 Phone Number
(213) 978-3310 Facsimile Number

Contractor's representative is, unless otherwise stated in this Agreement:

Dave Delgado
Senior Vice-President
707 Wilshire Boulevard, Suite 4325
Los Angeles, CA, 90017
(213) 239-5300 Phone Number
(213) 239-5301 Facsimile Number

With copies to:

Office of General Counsel
11325 Random Hills Road
Fairfax, Virginia 22030
(703) 267-8000 Phone Number
(703) 267-5111 Facsimile Number

Formal notices, demands and communications to be given hereunder by either party must be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice will be given in accord with this Section, within five (5) working days of said change.

2. ACCEPTANCE OF DELIVERABLES BY CITY

2.1 ACCEPTANCE

2.1.1 Unless otherwise agreed in writing by City, the City's Project Manager, on behalf of City, shall have the right to review each Deliverable to be provided by Contractor under this Agreement, upon written notification by Contractor to City that such Deliverable is ready for review, and shall have the right to either accept or reject such Deliverable in accordance with the criteria for acceptance and process for review of Deliverables that are mutually agreed to and made part of the Project Control Document. Payment for any such Deliverables will be made, as specified in Section 17 (Payment Terms), in arrears after City's Acceptance of such Deliverable.

2.2 SYSTEM USER ACCEPTANCE TESTING

2.2.1 User Acceptance of System Deliverables

Upon Contractor's notification to City that the System is ready for user acceptance testing, City will begin testing the System in a non-production environment using the testing procedures, timeframes, and standards set forth in this Section 2.2, Exhibit A (Statement of Work), the Project Control Document, and/or such other standards and procedures as are mutually agreed upon in writing ("User Acceptance Test Procedures"), to determine whether the System meets, all applicable Specifications and acceptance criteria set forth in User Acceptance Test Procedures without Deficiencies ("Pre-Live Testing"). The Pre-Live Testing period for the System will be thirty (30) days unless otherwise stated in the Statement of Work or mutually agreed upon Project Plan ("Acceptance Period"). During the Acceptance Period City will promptly notify Contractor of any Deficiencies in the System. After City has completed the Pre-Live Testing for the System, City will either notify Contractor in writing of its "Final Acceptance" of the System, or if City determines (as a result of the foregoing testing or in any other manner) that the System has remaining Deficiencies, then City will deliver to Contractor a report describing the Deficiencies remaining at the end of the Acceptance Period ("Outstanding Deficiency Notice"). Contractor shall correct each such Deficiency within fifteen (15) calendar days after receiving such notice, or if any Deficiency is one that is not capable of being corrected within the fifteen (15) day period, then within such longer period of time as mutually agreed to by the parties, and thereafter City may re-test the System in accordance with Subsection 2.3 (Failed System Testing). If City fails to provide written notice of Final Acceptance or an Outstanding Deficiency Notice within the requisite Acceptance Period or any Retest Period (as defined in Subsection 2.3 below), as the case may be, Contractor will provide City with a notice reminding City that the Acceptance Period or Retest Period, as the case may be, has expired ("Reminder Notice") and City shall then have three (3) additional business days to provide the required notice, failing which, a "Provisional Acceptance" will be deemed to have occurred. In the event of any Provisional Acceptance, Contractor shall be entitled to consider the Deliverable Conditionally Accepted solely for the purpose of invoicing City for completed Milestones. However, if City subsequently rejects such Deliverable: (i) Contractor shall be required to correct the identified Deficiencies pursuant to Subsection 2.3; and (ii) Contractor may, within ten (10) business days after Contractor's receipt of the City's written notice of rejection, prepare and submit a written proposal for a Change Notice to account for any impact on the Project Price and/or on the Project Schedule that has resulted from City's delayed rejection of the subject Deliverable. The City agrees that, upon completion of the Pre-Live Testing of the System as a whole, Go-Live will occur, provided there remains no uncorrected Severity Level 1 or Severity Level 2 Deficiency (and no combination of lower level Deficiencies that in the aggregate can be Severity Level 1 or Severity Level 2 Deficiency). Use of the System Go-Live shall be deemed Final Acceptance and if there remain any

Deficiencies upon Go-Live, Contractor shall diligently work to correct such errors in accordance with Section 25 (Warranty).

2.2.2 Deficiency Corrections

Contractor shall correct any Deficiencies not corrected at the expiration of the applicable Warranty Period in accordance with the timeframes specified in the Proprietary Software Maintenance Agreement entered into between the City and CGI dated on or about September 1, 2008 ("Maintenance Agreement"). Whenever this Agreement contains a reference to a correction that is not being made to the Baseline Software, such correction shall be made not later than when a Deficiency at the same severity level in the Baseline Software would be required to be made under the Maintenance Agreement.

2.2.3 Test Criteria

Test criteria shall be as mutually agreed in the Statement of Work and/or the Project Control Document.

2.2.4 Software Versions

For purposes of Acceptance of the System, the System will be implemented with the most current version of the Baseline Software as of the Freeze Date. The parties acknowledge and agree that Contractor may apply emergency software patches and/or sub-releases during the time period between the Freeze Date and Go-Live.

In order to preserve the Go-Live date, the parties will mutually agree on a Freeze Date to be identified in the Project Plan. The "Freeze Date" is the date after which the City may not request any additional modifications to the Software or related materials as well as the date that will determine the exact version of the CGI Advantage software to be placed into live production operations. Notwithstanding anything contained in this Agreement to the contrary, if CGI issues a new release of the Software after the Freeze Date but prior to Final Acceptance, CGI will provide the update to the City following Final Acceptance; provided, however, implementation of any such update after the Freeze Date shall be pursuant to the Change Management Process.

2.3 FAILED SYSTEM TESTING:

If the System has not successfully completed User Acceptance Testing (as detailed in Exhibit A), City's Project Manager (or his designee) will notify Contractor, of such failure, specifying with as much detail as possible the manner in which the System failed to pass such testing. Contractor shall immediately

commence and diligently proceed to correct as quickly as possible the identified Deficiencies and to permit the System to be ready for retesting. In any event, such corrections shall be completed within fifteen (15) calendar days, except where the corrections are not capable of being made within such 15-day period, in which case Contractor will develop and submit, as promptly as possible but in any event within such 15-day period, for City's written approval, a plan for correction. Such plan shall include a deadline for completing the corrections, and City's approval of such plan will not be unreasonably withheld. In the event that City approves Contractor's plan, Contractor shall diligently proceed with corrections in accordance with the approved plan and shall complete such corrections by the deadline specified therein. Contractor shall promptly notify City's Project Manager, in writing, when such corrections, repairs and modifications have been completed, and the applicable testing shall begin again, provided that in the event any such retesting is to be performed City shall have the right to modify or supplement such testing as it deems appropriate to ensure that any Deficiencies in the System have in fact been corrected, both for the failed scenario and for use in scenarios beyond any presented in the previously failed testing. The amount of time during which City may retest the System (the "Retest Period") shall be mutually determined by the parties based on the nature of the Deficiencies that were to have been corrected, the possibility that the corrections may have affected other functionality or performance of the System and similar considerations, but in any event will not exceed the initial testing period. If, after such retesting (including any such modifications or supplements) has been completed for a second time, City's Project Manager makes a good faith determination that the System or System component again fails to pass the subject testing, City's Project Manager (or his designee) will notify Contractor, specifying with as much detail as possible the manner in which the System failed to pass the retesting. Such procedure shall continue for a reasonable period of time, subject to City's rights under Section 22 (Term/Termination), until such time as City notifies Contractor in writing either: (i) of the successful completion of such testing; or (ii) that City has concluded in its sole and reasonable judgment that satisfactory progress toward correction of outstanding Deficiencies in the System is not being made, in which latter event City shall have the right to make a determination that a material default has occurred and to terminate this Agreement in accordance with Subsection 22.5 (Termination for Change in Control) on the basis of such default. Such a termination by City may be, in City's sole judgment, either: (i) a termination with respect to one or more System components or (ii) if City believes that the failure to pass the applicable testing affects the functionality, performance or desirability to City of the System as a whole, the entire Agreement. The foregoing is without prejudice to any other rights that may accrue to City or Contractor under the terms of this Agreement or by law. Notwithstanding anything to the contrary, no expiration of this Agreement, or termination of this Agreement or any portion thereof by either party, shall affect any of the software licenses granted to or obtained by City under the Amended and Restated Proprietary Software License Agreement entered into between the City and CGI dated on or about September 1, 2008 ("License Agreement") or for

any other System software that has been Accepted and paid for in the event of a termination by City under Subsections 22.6 (Termination for Bankruptcy) or 22.4 (Termination for Breach) hereunder.

2.4 ACCEPTANCE OF NON-SYSTEM DELIVERABLES

Unless otherwise agreed in writing by City, upon written notification from Contractor that any Non-System Deliverable is complete and ready for review, City's Project Manager, on behalf of the City, shall have the right to review such Non-System Deliverable for a period set forth in the Project Control Document, and to either accept or reject such Non-System Deliverable based on the acceptance criteria for such Deliverable set forth in Exhibit A (Statement of Work), the Project Control Document, or otherwise in this Agreement. If a Deliverable is rejected by City, City will deliver to Contractor a report describing in reasonable detail the reasons for rejection. Contractor shall correct the errors or defects within ten (10) calendar days after receiving such report, and City may then re-examine the Deliverable and to either accept or reject such Non-System Deliverable as set forth above. In the event that such Non-System Deliverable is again rejected, the process described in this Subsection 2.4 shall be repeated, subject to City's rights under Section 22 (Term/Termination).

3. ASSIGNMENT

Unless the Contractor obtains the advance written consent of the City, which may be granted or withheld in its discretion, the Agreement may not be assigned by Contractor. Assignment of the Agreement by operation of law or the merger or acquisition of Contractor shall be deemed to be an assignment requiring consent of the City under this Section. Any assignment in contravention of this provision shall be void and no assignment shall relieve the assignor of any obligations under the Agreement. This Agreement shall be binding upon the Parties hereto their any respective successors and assigns.

4. AUDIT

4.1 The Contractor shall maintain, and the City shall have the right to examine and audit, all the books, records, documents, accounting procedures and practices and other evidence regardless of form (e.g., machine-readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to properly reflect all costs claimed to have been incurred, or anticipated to be incurred, in performing the Agreement.

4.2 The Contractor shall make said evidence (or to the extent accepted by the City, photographs, micro-photographs, or other authentic reproductions thereof) available to the City at the City's or the Contractor's offices (to be specified by the City) at all reasonable times and without charge to the City. Said evidence/records shall be provided to the City within five (5) working days of a written request from the City. The Contractor shall, at no cost to the City, furnish

assistance for such examination/audit. The Contractor and its Subcontractors and Suppliers shall keep and preserve all such records for a period of at least 3 years from and after final payment or if the Agreement is terminated in whole or in part until 3 years after the final Agreement close-out. The City's rights under this Section shall also include access to the Contractor's offices for the purpose of interviewing the Contractor's employees.

4.3 Any information provided on machine-readable media shall be provided in a format accessible and readable by the City. The Contractor's failure to provide records or access within the time requested shall preclude Contractor from receiving any payment due under the terms of this agreement until such evidence/documents are provided to the City. The Contractor shall obtain from its Subcontractors and Suppliers written agreements to the requirements of this Section and shall, upon the City's request, provide a copy of such agreements.

5. CHOICE OF LAW AND VENUE; DISPUTES

5.1 This Agreement shall be construed in accordance with and governed by the substantive law of the State of California without regard to its conflicts of laws principles.

5.2 The Parties consent to the exclusive personal jurisdiction of the Superior Court of the County of Los Angeles or the United States District Court for the Central District of California for the purpose of any and all judicial proceedings relating to the Agreement.

6. COMPLIANCE WITH LAW

At all times during the term of the Agreement and any Maintenance Agreement, Contractor shall comply with all applicable federal, state, and local laws and regulations. Upon Delivery and at all times during any Maintenance Agreement term, Contractor shall comply with all applicable provisions of federal, state and local laws and regulations respecting the privacy and protection of information related to individuals and that all of its employees and contractors comply individually with all such laws and regulations. Contractor shall also comply with all applicable federal, state and local environmental laws, rules and regulations and all laws, rules and regulations regarding the handling, storage and disposition of hazardous substances. Contractor agrees that it and all Contractor Personnel shall at all times comply with all security regulations in effect from time to time at City's premises and shall comply with City's security policies and procedures if granted access to City's computer or communications networks.

7. CONFIDENTIALITY

7.1 Each Party ("Receiving Party") agrees that it shall not disclose the Proprietary Information of the other Party ("Disclosing Party") to any Person, except to (a) Receiving Party's employees with a need to know who are bound by agreements or employment policies restricting the right of such employees to use or disclose such Proprietary Information for any purpose other than the Project, and (b) Receiving Party's contractors who shall have executed either a Contractor standard (i) CGI Confidentiality Agreement or (ii) Third Party Software

Access Agreement. As a means of clarification and not as a limitation, those subcontractors who are independent contractors hired by the City to augment its staff shall be required to execute only the CGI Confidentiality Agreement attached to the License Agreement as Appendix 1; all other contractors employed by the City shall execute the Third Party Software Access Agreement attached to the License Agreement as Appendix 2. Each Party agrees to preserve the confidentiality of the Proprietary Information of the other Party with the same level of care it uses with respect to its own Proprietary Information of a similar character, but in no event less than a reasonable level of care. The foregoing obligation does not apply to Proprietary Information (other than information regarding the City's past or present administration, employees, or constituents) which is (a) already known to the Receiving Party at the time of its receipt from the Disclosing Party, (b) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions, (c) is, or through no fault of the Receiving Party, has become generally available to the public, or (d) is independently developed by the Receiving Party without access to, or use of, the Disclosing Party's Proprietary Information. Notwithstanding the foregoing, the Receiving Party may disclose Proprietary Information of the Disclosing Party to the extent that such disclosure is (i) necessary for the Receiving Party to enforce its rights under the Agreement, or (ii) required by law, including the Public Records Act, or by the order of a court or similar judicial or administrative body. In the event either Party receives a third party subpoena, notice to produce or other judicial or administrative request for disclosure, such Party shall notify the other as soon as is reasonably practicable after the receipt of such request in order to permit it to take such action as it sees fit to obtain protective orders or other relief from such disclosure. In the event that either Party breaches any obligation involving City Confidential Information or Contractor Confidential Information as described forth in this Section, the other Party shall be entitled to seek injunctive and other equitable relief to protect, maintain, defend, enforce, and preserve its rights, in addition to any other remedies that may be available. If any provision of this Section is deemed overbroad, unreasonable, or to create such a burden that a court would otherwise find such provision unenforceable, the Parties agree that such court shall be authorized to modify such provision to the extent it believes reasonable so as to best carry out the intention of the Parties to the fullest extent allowed. The provisions of this Section shall survive the expiration or earlier termination of the Agreement.

7.2 For purposes of the Agreement, "Proprietary Information" shall mean information of any nature in any form including without limitation all writings, memoranda, copies, reports, papers, surveys, analyses, drawings, letters, computer printouts, software, specifications, data, graphs, charts, sound recordings and/or pictorial reproductions which have been reduced to written form that refer or relate to the business, methods, affairs, plans, products or prospects of the disclosing Party and are disclosed (i) in confidence, or (ii) in circumstances that would lead a reasonable person to believe that the information is confidential. All Proprietary Information provided by Contractor

shall be marked as proprietary by Contractor with an appropriate legend, marking, stamp or other obvious written identification by Contractor prior to disclosure. In the event Contractor discloses its Proprietary Information to the City other than in writing, Contractor shall promptly inform the City that such information is deemed proprietary, and shall provide the City with a brief written description of such information within thirty (30) days of such disclosure, identifying therein the manner, place, and date of such disclosure and the names of the City's representative to whom such disclosure was made. Notwithstanding the foregoing, all information, the privacy or disclosure of which is protected by applicable law or regulation (such as HIPAA or FERPA or under other applicable California Codes), shall be treated as proprietary information of the person holding the interests so protected, whether or not such information is marked or otherwise identified as confidential or proprietary. The City's Proprietary Information shall include all information concerning City's past or present administration, employees, or constituents, its technology, trade secrets, methods, processes, operations or procedures or any other confidential, proprietary, financial, or business information of City that Contractor learns during the course of its performance of the Agreement. Contractor's Proprietary Information shall include, subject to the requirements of marking and reduction to writing set forth above, all information concerning Contractor's employees, its technology, trade secrets, methods, processes, operations or procedures or any other confidential, proprietary, financial, or business information of Contractor that City learns during the course of the Agreement.

8. DATA OWNERSHIP

The City is and shall remain the owner of all data provided to Contractor by the City pursuant to the Agreement. Contractor shall not use such data for any purpose other than providing Services under the Agreement, nor shall any part of such data be sold, assigned, leased or otherwise disclosed to third parties (other than authorized subcontractors for purposes of performance of the Services) or exploited in any manner by or on behalf of Contractor. Contractor shall not possess or assert any lien or other right against such data. Contractor shall hold all such data in confidence in accordance with Section 7 (Confidentiality) of the Agreement.

9. DELIVERY

All Deliverables of Licensed Software and Documentation required or permitted under the terms of the Agreement shall be delivered from a point of transmission outside of facilities owned or operated by the City by electronic transmission, to the extent possible, via common telecommunications carrier or the public Internet to and for storage within computing hardware and electronic storage devices owned or under the control of the City. Unless otherwise requested by the City, no tangible media, Object Code or Documentation shall be delivered to the possession and/or ownership of the City. All deliveries of the Licensed Software and Documentation shall be transmitted in accordance with the following protocols.

9.1. Contractor shall establish on a computer under its direct control not owned or otherwise controlled by the City, an "FTP Site", in which all of such Deliverables are stored in digital formats.

9.2 The FTP Site shall contain, at the minimum, a repository of the Licensed Software, including error corrections, updates and releases to be delivered under this Agreement, indexed with release dates and other descriptive information, including any Customizations to the Licensed Software.

9.3 Delivery shall be accomplished by causing the City's development environment computing hardware to access the FTP Site over the public Internet, and request the transmission of all applicable modules for storage in the City's development environment, so as to create a duplicate of the repository in the City's development environment.

9.4 Alternately, either persistently or intermittently for the duration of the Project as determined by City, Contractor will be provided remote access to the City Development Environment for the purposes of delivering the software electronically.

10. EFFECT OF DISPUTE AND DISPUTE RESOLUTION

10.1 The Parties agree as follows with respect to any dispute or disagreement concerning the Licensed Software or component thereof or any of the transactions arising out of or contemplated by the Agreement: During such dispute or disagreement under the Agreement or any proceeding to resolve such dispute, pending final resolution of such dispute or disagreement, (i) Contractor shall not interfere with the access or use by the City of the Deliverables and Licensed Software, and (ii) the City shall continue to make the payments for Products and Services that are not the subject of the dispute. In addition, the Parties expressly agree that if any dispute or disagreement arises with respect to the performance of any of either Party's obligations which would otherwise delay the schedule for either Party's performance of any of its subsequent obligations in connection with the Project or the Maintenance Agreement, to the extent technically and operationally feasible, each Party shall proceed to the performance of such subsequent obligations according to the existing schedule as if such dispute or disagreement were non-existent.

10.2 At the written request of either party, the parties will attempt to resolve any dispute arising under or relating to this Agreement through the informal means described in this Subsection 10.2. Each party will appoint a senior management representative who does not devote substantially all of his or her time to performance under this Agreement. The representatives will furnish to each other all non-privileged information with respect to the dispute that the parties believe to be appropriate and germane. The representatives will negotiate in an effort to resolve the dispute without the necessity of any formal proceeding. Formal proceedings for the resolution of the dispute may not be commenced until the earlier of: (i) the designated representatives conclude that resolution through continued negotiation does not appear likely; or (ii) thirty (30) calendar days have passed since the initial request to negotiate the dispute was made; provided,

however, that a party may file earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to apply for interim or equitable relief.

11. FORCE MAJEURE

Neither Party shall be liable for any delay or failure to perform, to the extent caused by a Force Majeure Event provided that such Party complies with the provisions of this Section. Upon occurrence of a Force Majeure Event, the non-performing Party shall be excused from any further performance or observance of the affected obligation(s) for as long as, and to the extent that the Force Majeure Event continues and the non-performing Party (i) continues to perform to the extent practicable; (ii) takes commercially reasonable measures to mitigate the effects of the Force Majeure Event; and (iii) uses commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party whose performance is affected by a Force Majeure Event shall immediately notify the other Party by telephone (to be confirmed in writing within ten (10) Business Days of the inception of such delay) and describe in reasonable detail the circumstances causing such delay.

12. INDEMNITY

12.1 In addition to Contractor's indemnification obligations pursuant to PSC 20 Contractor will defend and hold harmless, at its own expense, any infringement claim, demand, suit or action ("Action") by any third party against City, its departments, officers, directors, agents, employees, and affiliates for any actual or alleged infringement or violation of any United States patent, copyright, trade secret, trademark, or other proprietary rights, based on, arising out of or in any way related to City's actual or intended use, irrespective of timing of the use, of any Deliverable or any Licensed Software or any component or part thereof, any of Contractor's equipment, systems, hardware, software, firmware, device, instrumentation, or matter used, owned or provided by Contractor (collectively, "Contractor Product"), including paying all fees and costs incurred in defending and/or required to defend against such claims, demands, suit or Action.

Contractor also shall indemnify City, its departments, officers, directors, agents, employees, and affiliates against any loss, cost, expense, liability, damages, and attorneys' fees finally awarded and through and including any and all appeals against City or settlement as a consequence of such Action. The provisions of this Section shall survive expiration or termination of this Agreement.

12.2 Further, in the event that an injunction or order is issued by a Court of competent jurisdiction against City's use of any Contractor Product resulting from an infringement Action to which Contractor's defense and indemnity duties apply, Contractor shall, at its own expense either, (i) procure for City's benefit the right to continue using the Contractor Product; or (ii) replace or modify the Product so that it becomes non-infringing unless any such modification or replacement would adversely affect the specifications for the Contractor Product or its use by City. If neither option (i) nor (ii) is commercially feasible, Contractor shall refund to the City all fees paid by the City for the infringing item, less a reasonable

equitable adjustment for prior use. Any such refund, however, will be in addition to Contractor's indemnification obligations under this Agreement.

12.3 Contractor is not responsible for any claimed breaches of the foregoing caused by: (i) modifications made to the item in question by anyone other than Contractor and its subcontractors working at Contractor's direction; (ii) the combination, operation or use of the item with other items Contractor did not supply if such combination, operation or use was not reasonably foreseeable by Contractor; or (iii) the City's failure to use any new or corrected versions of the item made available by Contractor pursuant to Section 12.2.

12.4 This Section states Contractor's entire obligation to the City and the City's exclusive remedy with respect to any claim of infringement, or breach of non-infringement warranties contained in Section 25, and is in lieu of any implied warranties of non-infringement or non-interference with use and enjoyment of information.

13. LIMITATION OF LIABILITY

13.1 Except as set forth in Subsection 13.2 below, CGI's total liability for failing to meet any or all of its obligations under this Professional Services Agreement shall be limited to one time (1X) the value of this Contract (Professional Services Agreement) or Seventeen Million Six Hundred Thousand Dollars (\$17,600,000), whichever is greater.

13.2 Notwithstanding anything to the contrary, the liability limitations set forth in Subsection 13.1 above shall not apply to: (i) losses arising out of the gross negligence or willful misconduct of Contractor or any of its agents or subcontractors; (ii) any injury, death or damage to tangible personal property caused by the negligence of CGI or any of its agents or subcontractors; or (iii) any claims or demands of third parties related to CGI's indemnification obligations as set forth in Section 12 above.

14. IP OWNERSHIP

14.1 CGI shall own all rights, title and interest in and to the Modifications developed hereunder. CGI hereby grants to the City a perpetual, worldwide, irrevocable, nonexclusive license to use such Modifications for its internal business purposes; provided, however, any Modifications developed hereunder which are made part of the Baseline Software shall be governed by the terms of the License Agreement. CGI will provide the City all updated copies of Source Code for such Modifications.

14.2 Except as otherwise provided in the Agreement, the City shall own all rights, title and interest in and to all Deliverables developed hereunder, exclusive of Licensed Software, Third Party Products, Documentation, Modifications and CGI Proprietary and Confidential Information. The City hereby grants to CGI a perpetual, worldwide, irrevocable, assignable, sub-licensable, nonexclusive license to use the Deliverables exclusive of the City's Proprietary and Confidential Information.

15. LICENSE TERMS (ENTERPRISE)

CGI grants to the City a license to use the Licensed Software, Third Party Products and Documentation as set forth in the License Agreement.

16. MAINTENANCE AGREEMENT ISSUES

CGI will provide the Maintenance Services described in the Maintenance Agreement.

17. PAYMENT TERMS

17.1 The City's payment obligations will be based upon the completion and Acceptance of Deliverables or events set forth as payment milestones in the Pricing Schedule (Exhibit L). The City will make payment within thirty (30) calendar days after receipt of written invoice from Contractor. All invoices submitted by Contractor must include, at a minimum, the following information, where applicable:

1. Name and address of CGI.
2. Date of the invoice and period covered.
3. Reference to City Contract Number for this Agreement.
4. Description of work performed and amount due for each Milestone, along with back up documentation for all items where cost reimbursement is sought.
5. Copy of written approval from City authorizing on-site work to be performed.
6. Payment terms, total due and due date.
7. Certification by CGI that all invoiced items are true and correct.
8. Remittance address (if different from CGI's address).

17.2 The City will pay in accordance with the pricing schedule in Exhibit L.

17.3 The City may withhold payments that are subject to a good faith dispute hereunder.

17.4 PROJECT PRICE; CONTRACT SUM

17.4.1 General

The Project Price shall be the total fixed monetary amount payable by City to Contractor for supporting all of the, tasks, subtasks, Deliverables, Services and other work required under this Agreement, provided that nothing herein shall be deemed to preclude City from unilaterally increasing the Project Price in connection with any executed Change Notices under Section 29 or any Other Professional Services under Subsection 17.4.3 (Other Professional Services). All Deliverables completed by Contractor must be Accepted in writing by City. If City does not Accept a Deliverable in writing or Provisionally Accept such Deliverable, no

payment shall be due to Contractor for that Deliverable or any associated Milestone. The Project Price, which includes all applicable taxes, transportation and other charges hereunder, authorized by city hereunder is Seventeen Million Six Hundred Thousand One Hundred and Eighty Two Dollars (\$17,600,182). Except in accordance with a properly executed Change Notice, the Project Price shall not be adjusted for any costs or expenses whatsoever of Contractor. Except in accordance with a properly executed Change Notice, City shall have no other financial obligation to Contractor hereunder or arising herefrom. Notwithstanding anything to the contrary, the Project Price may not be increased (e.g., pursuant to one or more Change Notices) beyond the Contract Sum without authorization from the Awarding Authority and any purported increase beyond the Contract Sum shall be deemed void and of no force or effect. As used herein, the term "Contract Sum" shall mean Nineteen Million Eight Hundred Thousand One Hundred and Eight Two Dollars (\$19,800,182). The contingency amount, against which the City will write Change Notices, will be Two Million Two Hundred Thousand Dollars (\$2,200,000).

Notwithstanding any provision of the Subsection 17.3.1, Contractor shall fully perform and complete all work required of Contractor in exchange for the amounts to be paid to Contractor as set forth in the Agreement.

17.4.2 City's Obligation for Future Fiscal Years

Notwithstanding anything to the contrary, (i) City's obligations hereunder are payable only from funds specifically appropriated by the City Council; and (ii) City shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of City's future fiscal Years unless and until the City Council appropriates funds for this Agreement in City's budget for each such future Fiscal Year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of the last day of the last Fiscal Year for which funds were appropriated. City will make a good faith effort to notify Contractor in writing of any such non-appropriation of funds at the earliest possible date.

17.4.3 Other Professional Services

Upon City's written request for Other Professional Services, made at any time and from time to time during the term of this Agreement, Contractor shall, within ten (10) days after receipt of City's request, prepare a written proposal in accordance with: (i) specific details

regarding any Third-Party Products and additional System hardware, that will be required to implement the request; (ii) a fixed price; (iii) a schedule for implementation; (iv) Contractor's proposed staffing and anticipated number of hours for each staff member for work being completed on a time and materials basis, and (v) any other information reasonably requested by City, provided that any of or all the foregoing items may be omitted to the extent that they are not capable of being provided or are not applicable to the requested Other Professional Services. Contractor's written proposal shall be valid for sixty (60) days from submission and, at City's discretion, shall be negotiated in accordance with the provisions of this Agreement. In the event that agreement is not reached, an additional statement of work, which provides for the performance of the requested Other Professional Services and incorporates the agreed-upon terms, will be prepared and executed by City and Contractor, and the requested Other Professional Services thereafter shall be implemented in accordance with such additional statement of work.

18. PROJECT STAFFING – CITY APPROVAL RIGHT FOR KEY STAFF

18.1 Contractor's Project Manager

18.1.1 On or before the start date for the Project as mutually determined by the City and Contractor, Contractor shall designate in writing and communicate to City, an individual as its project manager ("Contractor Project Manager"), who shall serve as a single authoritative point of contact for the Contractor during the course of its activities pursuant to the Agreement. The Contractor Project Manager shall be experienced in the customization, integration, installation and testing of the Baseline Software and project management. The Contractor Project Manager will be required to be on site at the City and engaged full time on the Project during the installation phase of the Project.

18.1.2 The selection of Contractor's Project Manager or any replacement, shall be subject to the City's prior and written approval. Such prior written approval shall be provided within seven (7) Business Days after the City receives all background information and interviews requested with respect to such individual. Contractor shall provide the City with the resume and credentials in support of the City's review of the proposed candidate. If the City does not approve the candidate suggested by Contractor, Contractor shall propose a qualified alternate(s) who shall be subject to the same approval process. Changes in Contractor's Project Manager shall be subject to the provisions of Subsection 18.2.2 of the Agreement. The Contractor Project Manager shall have authority to negotiate all Change Notices in accordance with the Change Management Process, and shall be authorized to make reasonable staff re-assignments (subject to the provisions of Subsection 18.2.2 and to make all communications to the

City and its designated Project Manager as are required or convenient to the efficient progress of the Project. Nothing herein, however, shall be construed as precluding communication between subordinate persons for the purpose of consultation and cooperation, provided that no such subordinate shall have actual or ostensible authority to authorize Change Notices, except as expressly provided in the Change Management Process. The Contractor Project Manager shall be dedicated full time and on site to the Project and have the duties set forth on the Project Plan.

18.2 Other Staffing

18.2.1 Key Contractor personnel to be assigned to this Agreement are identified in the list of Key Contractor Personnel set forth in Exhibit M which is attached hereto and made a part hereof. Exhibit M (List of Key Contractor Personnel) also contains a description of the location, position within the Contractor's project organizational hierarchy, and special expertise of each person identified in Exhibit M. Key personnel will be available: 1) to perform under the terms and conditions of this Agreement immediately upon commencement of the term of this Agreement; and 2) during the go live and post implementation periods.

18.2.2 The City considers the Services of the Contractor's key personnel listed in Exhibit M (List of Key Contractor Personnel), essential to the Contractor's performance under this Agreement. The Contractor will not reassign any key personnel without the city's prior consent. The City will have the right to approve or disapprove the reassignment of Contractor key personnel listed in Exhibit M for any reason at its sole discretion.

18.2.3 In the event individual key personnel listed in Exhibit M are terminated either by the Contractor or the individual, with or without cause, or if individual key personnel are otherwise unavailable to perform Services for the Contractor, the Contractor will provide to the City written notification detailing the circumstances of the unavailability of the individual key personnel and designating replacement personnel prior to the effective date of individual key personnel termination or unavailability date, to the maximum extent feasible, but no later than three (3) business days after the effective date of the individual key personnel termination or unavailability.

18.2.4 The Contractor recognizes and agrees that early notification of key staff unavailability and proposed replacement personnel is essential to avoiding delays in completing the Services, tasks, and Deliverables established in this Agreement. The City has the right to review and approve or disapprove any personnel who are designated as key personnel. The City will act reasonably in exercising its discretion to approve or disapprove any key personnel.

18.2.5 The Contractor agrees to remove personnel from performing work under this Agreement if reasonably requested to do so by the City.

18.2.6 Notwithstanding the foregoing, upon request by the City for a change in Key Contractor Personnel, Contractor shall use commercially reasonable efforts to remove and replace such Key Contractor Personnel assigned to the Project in a timely fashion. The selection of Key Contractor Personnel, or any replacement, shall be subject to the City's prior written approval. Contractor shall provide the City with the resume and credentials in support of the City's review of the proposed candidate. If the City does not approve the candidate suggested by Contractor, Contractor shall propose a qualified alternate(s) who shall be subject to the same approval process.

19. PUBLIC STATEMENTS

Contractor agrees that without the City's written consent neither it nor any of its employees, agents or contractors shall use the name, service marks, or trademarks of the City or of any Affiliate of the City or reveal the existence or make any public statement regarding of the Agreement, or the terms or conditions hereof or the Services or Deliverables provided hereunder, including, but not limited to in any written advertising, publicity, press release, or sales presentation. Either Party shall be entitled to make such reasonable disclosures as are required by law, including without limitation any disclosures required for compliance with the Securities Laws of the United States or any state.

20. REDUCTION IN SCOPE

To the extent that the Pricing Schedule identifies any Services or Deliverables as being subject to the City's discretion, the City may determine to eliminate one or more of such Services or Deliverables from the scope of the Project on written notice from the City within the time period, if any, set forth in the Pricing Schedule. In such event, the line item in the Pricing Schedule for such eliminated Services or Deliverables shall be automatically deemed to be deleted.

21. TECHNOLOGICAL CHANGE

As part of the Services, Contractor shall provide City access to new software or improvements to existing software (or other Contractor products), to the extent made available to Contractor's customers, that could reasonably be expected to have a favorable impact on City's business for City's evaluation and testing ("Improved Technology"). In addition, Contractor shall meet with City at least once during every 180 day period during the period in which the Agreement or any Maintenance Agreement is in force to (i) inform City of any new software or improvements to existing software information processing technology Contractor is developing or considering developing or is otherwise aware of that may be relevant to the City; and (ii) provide the City with an opportunity to provide input on technical aspects or functionality of Contractor's products.

22. TERM/TERMINATION

22.1 The term of this Agreement shall be four (4) years, effective September 1, 2014, and expiring no later than August 30, 2018 unless terminated sooner in

accordance with the terms of this Agreement. The parties may elect to extend the term through a written amendment to the Agreement.

22.2 Termination for Funding Restriction

If the City is not appropriated adequate funds for or to continue Services under the Agreement, the City shall provide written notification to Contractor of non-appropriation of funds (the "Non-Appropriation Notice"). In such event, the City shall have no further liability hereunder except with respect to payment for Services rendered and Products delivered up to the date of Contractor's receipt of the Non-Appropriation Notice. This Agreement shall terminate effective as of the date of the Non-Appropriation Notice unless the Non-Appropriation Notice specifically provides otherwise.

22.3 Termination for Convenience

The City may terminate the Agreement at any time without cause upon a minimum thirty (30) days' notice to Contractor, in which case the following provisions shall apply:

22.3.1 The notice may be effective as of a date certain or may apply only after the delivery of certain enumerated Deliverables.

22.3.2 The City shall pay to Contractor upon receipt of an invoice from Contractor otherwise complying with the Agreement, for any Services in respect of a Deliverable not yet Delivered which have actually been performed by Contractor, pro-rated on a percentage completion basis based on Contractor's reconciliation of labor actually expended compared to labor originally estimated by Contractor in constructing its bid.

22.3.3 The City shall pay to Contractor upon receipt of an invoice from Contractor otherwise complying with the Agreement, upon Delivery of any Deliverable specified to be Delivered under the notice.

22.3.4 The City shall retain the right to pay any License Fees not yet paid, in order to retain Source Code and/or Object Code license rights as provided herein.

22.3.5 No other payments shall be due to Contractor.

22.3.6 Any payments made by City to Contractor for Services that Contractor did not actually perform for City or Deliverables the City has not yet received or accepted, shall be immediately refunded to City.

22.3.7 Contractor will be paid for Out-of-Pocket Expenses incurred through the effective date of termination. In addition, unless City is terminating the Agreement for cause, Contractor will be reimbursed for the costs and expenses reasonably incurred by Contractor to terminate its performance of the Services earlier than anticipated, including without limitation costs to relocate any Contractor personnel from City's site, and costs to terminate any special contracts or leases entered into for the purpose of performing the terminated Services. Contractor will use commercially reasonable efforts to minimize City's termination costs.

22.4 Termination for Breach

22.4.1 In the event that Contractor: (a) commits a material breach of the Agreement, that, if capable of being cured within thirty (30) days, is not cured within thirty (30) days after notice of breach from the City to Contractor; (b) commits a material breach of the Agreement which is not capable of being cured within thirty (30) days and fails to (i) proceed promptly and diligently to correct the breach, and (ii) cure the breach pursuant to an approved corrective action plan; or (iii) commits a material breach of the Agreement which, by its nature, cannot be cured, then the City may (without limitation on other remedies that may be available to it under the Agreement, at law or in equity), by giving written notice to Contractor, terminate the Agreement, in whole or as to selected Deliverables or Services, as of a date specified in the notice of termination.

22.4.2 For the purposes of the foregoing provision "material breach" shall mean the failure of Contractor to perform any material obligation, including without limitation, the following:

22.4.2.1 Chronic failures to deliver Deliverables on a timely basis, without such failures being materially caused by fault of the City, a third party over which Contractor does not have the legal right to control, or a Force Majeure Event.

22.4.2.2 Breach of any warranty given pursuant to Section 25 [Warranty], which breach materially affects the ability of the City to deploy and/or use the Licensed Software.

22.5 Termination for Change in Control

In the event of a sale of all or substantially all of the assets of Contractor or sufficient equity of Contractor to effect a change in control of Contractor (such as, for example, the sale of more than fifty percent (50%) of the equity of Contractor or a transaction that results in the change in voting control), the City may terminate the Agreement on at least 60 days' notice to Contractor at any time after such change in control is effected.

22.6 Termination for Bankruptcy

If either Party ceases conducting business in the normal course, becomes insolvent, makes a general assignment for the benefit of creditors, suffers or permits the appointment of a receiver for its business or assets or, as debtor, shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of rights of creditors, then (at the option of the other Party) the Agreement and any and all Project Agreements shall terminate and be of no further force and effect. The City shall not be deemed to have ceased conducting business in the normal course in the event of a restructuring of the City.

22.7 Payment on Termination

In the event that the City terminates the Agreement or any portion thereof prior to its expiration due to Contractor's material breach, change in control or Failure to Progress, the City shall pay Contractor for all Deliverables Delivered and Accepted prior to the effective date of termination and for partially completed Deliverables provided in compliance with the Scope of Work on a percentage completion basis. In the case of a termination for material breach by Contractor, the City shall not be liable for any payments on account of Deliverables not Delivered as of the effective date of such termination resulting in such breach. In no event shall the City be liable for any future payments, costs or expenses of Contractor, incurred with respect to Services not actually performed or lost profits. Any payments made by City to Contractor for Services that Contractor did not actually perform for City or Deliverables the City has not yet received or accepted, shall be immediately refunded to City.

22.8 Suspension

22.8.1 City's Right to Suspend

The performance of work under this Agreement may be suspended by the City, in whole or in part, for material failure of Contractor to comply with the terms and conditions of this Agreement.

22.8.2 Notice of Suspension

Any such suspension will be affected by delivery to Contractor of a written Notice of Suspension. The notice shall set forth the specific conditions of noncompliance and a reasonable period provided for corrective action, if applicable.

22.8.3 Response to Notice of Suspension

Within five (5) working days of Contractor's receipt of a written Notice of Suspension, Contractor shall reply in writing setting forth the corrective action that will be undertaken, if applicable, subject to approval by the City in writing within five (5) working days. If the City approves corrective action, the suspension will be deemed to be lifted. If the City rejects the corrective action, the parties may work together until such time as a corrective action will be approved by the City or the Agreement may be terminated pursuant to Section 22.3 (Termination for Convenience).

23. TRANSITION ON TERMINATION

23.1 In the event of a termination of the Agreement for whatever reason:

23.1.1 The City shall nonetheless continue to have all rights to use and maintain for its own benefit any and all Deliverables completed and Delivered as if no termination had taken place, subject to payment for such Deliverables;

23.1.2 If the Agreement is to be terminated by City, the City may request that Contractor provide Services for the transition of the Project to the City or a new contractor. The City shall pay for such Services at the hourly rates set forth in the Exhibit N (Services Rates), which Services will be specifically described in a separate Statement of Work to be attached to and form a part of this Agreement.

23.2 In the event of a termination, the City may thereafter engage such contractor or contractors as it determines in its sole discretion to provide any of the Services not yet provided by Contractor to the City or any other services the City determines in its sole discretion to be necessary or convenient.

24. USE OF SUBCONTRACTORS

24.1 The City will have the right to approve the Contractor's utilization of subcontractors in the event that subcontractors are proposed by the Contractor. This applies to both individuals and corporations.

24.2 The City has no obligation to any subcontractor and nothing herein is intended to create any privity between the City and the Contractor's subcontractors.

24.3 Notwithstanding the fact that the Contractor is utilizing subcontractors, the Contractor will remain responsible for performing all aspects of this Agreement and for ensuring that all work is performed in accordance with the terms and conditions of this Agreement.

24.4 No subcontractor may be engaged unless such subcontractor and each of its employees providing Services on the relevant engagement certifies in writing such certifications and qualifications as are required by the City and under applicable law, and agrees in writing to guard the confidentiality of Proprietary Information of the City to the same standard of care as binds Contractor under the Agreement.

24.5 Unless covered by Contractor's insurance, use of such subcontractors shall also be conditioned on subcontractors' compliance with any insurance requirements otherwise applicable to Contractor. The City may require delivery of reasonable evidence of compliance as a condition of consent.

25. WARRANTY

25.1 WARRANTY SERVICES:

Contractor's warranty Services are set forth in Subsections 25.3 (Warranty Services Response), 25.6 (Notifications of Deficiencies for Warranty Services) and 25.7 (Corrections During Warranty Periods) for the System and each component of the System and shall commence upon, and shall continue until the expiration of, the applicable Warranty Period. Contractor shall provide all maintenance Services as set forth in the Maintenance Agreement throughout the Baseline Warranty Period.

25.2 WARRANTY PERIODS FOR WARRANTY SERVICES:

25.2.1 Contractor hereby warrants to City that the System, together with each component thereof, shall conform to and perform in accordance with the Specifications for the periods described as follows:

25.2.1.1 Contractor hereby warrants to City that the Baseline Software implemented under this Agreement, and each component thereof, shall conform to and perform in accordance with the Specifications without Deficiencies, for the period of time commencing upon Go-Live and continuing until ninety (90) days thereafter, or other mutually agreed period set forth in Exhibit A (the "Warranty Period").

25.2.1.2 Contractor hereby warrants to City that the Customizations, if any, and each component of the foregoing, shall conform to and perform in accordance with the Specifications without Deficiencies during the Warranty Period.

25.2.1.3 During the Warranty Period, Contractor hereby warrants to City that the Conversions shall have been properly converted in accordance with the Specifications and this Agreement. Contractor further warrants that during the Warranty Period the data resulting from the Conversions shall be properly formatted for use in connection with the System, provided that the City has properly performed any and all of its conversion and corresponding data-cleansing responsibilities as set forth in Exhibit A (Statement of Work).

25.3 WARRANTY SERVICES RESPONSE:

25.3.1 For any Deficiency in the System, the parties will classify such Deficiency according to the Severity Levels.

25.3.2 Upon receiving City's report of the Deficiency, Contractor shall commence and work toward corrective measures according to the parameters set forth for the applicable Severity Level. In the event that Contractor fails to correct such Deficiency within a twenty-four (24) hour period, Contractor shall, as soon as possible, provide City with a detailed explanation of the status of the problem(s) and corrective action(s) taken as well as detailed plan(s) for resolution of the problem(s). The correction of Deficiencies shall be at no cost to City during the applicable Warranty Period.

25.4 FURTHER WARRANTIES:

25.4.1 Contractor further warrants and agrees that:

25.4.1.1 Throughout the term of this Agreement, Services shall be performed in a timely and professional manner by qualified personnel.

25.4.1.2 During the Warranty Period, the System shall operate in accordance with this Agreement, Deliverable documentation and the Specifications without Deficiencies.

25.4.1.3 At the time of Delivery, all Documentation developed under this Agreement shall be complete, accurate and adequate to instruct City's personnel in the functionality, use and limitations of the System, and in accordance with industry standards.

25.4.1.4 During the Warranty Period, the System components shall be capable of interconnecting and interfacing with each other, and the System components, when taken together, shall be capable of delivering all of the functionality as set forth in the Specifications.

25.4.1.5 Contractor shall not cause any Unplanned (as defined below) interruption in the operations of, or accessibility to the System or any System component to City or any User. Contractor shall not introduce into the System any software, device, mechanism, or means including, without limitation, any "virus", "lockup", "time bomb", "key lock", or "worm" that has the potential or capability of causing any Unplanned interruption in the operations of, or accessibility of the System or any System component to City or any User, or which could alter, destroy, or inhibit the use of the System, any System component, any data contained therein or utilized thereby, or any other data (collectively referred to for purposes of this Subsection 25.4.1.5 as "Disabling Devices") or that has the potential or capability of compromising the security of City's or any User's confidential or proprietary information (collectively referred to for purposes of this Subsection 25.4.1.5 as "Security-Compromising Devices"). Contractor warrants and agrees that it will not purposely place, and will notify City if it becomes aware of, any Disabling Device or Security-Compromising Device on any System component provided to City under this Agreement. Contractor shall not knowingly permit any subsequently delivered System component to contain any Disabling Device or Security-Compromising Device, and will take all necessary measures to prevent the introduction of any Disabling Device or Security-Compromising Device, other than lock-offs contained on the delivered media which only prevent use of any software contained on such media other than System components. As used in this Subsection 25.4.1.5, "Unplanned" shall mean not previously and specifically

(with regard to scope, time and duration) approved in advance in writing by City.

25.4.1.6 Date-Processing Warranty. All System components licensed pursuant to this Agreement (except Approved Third-Party Software, with respect to which the following warranties are made to Contractor's knowledge only), that as of the date of initial installation at any City facility of any component of the System:

25.4.1.6.1 Each such component of the System is capable of functioning properly when used after the calendar year 2000 A.D. and that it shall operate without error relating to date data, specifically including, without limitation, any error relating to, or the product of, date data which represents or references different centuries or more than one century. Contractor further represents and warrants that as of the date of initial installation at any City facility of any System component, each System component shall be and shall continue to be Year 2000 Compliant according to the definitions set forth below. Except for specific Interfaces as may be selected in the sole judgment of, and identified in writing by, City's Project Manager, all date processing by all System components shall include Four Digit Year Format (defined below) and shall recognize and correctly process dates for Leap Year (defined below). Additionally, except for specific Interfaces as may be selected in the sole judgment of, and identified in writing by, City's Project Manager, all date sorting by all System components that include a "year category" shall be done based on the Four Digit Year Format code.

25.4.1.6.1.1 Four Digit Year Format shall mean a format that allows processing of a four digit year date: the first two digits shall designate the century and the second two digits shall designate the year within the century. As an example, 1996 shall mean the 96th year of the 20th century.

25.4.1.6.1.2 Leap Year shall mean the year during which an extra day is added in February (February 29th). Leap Year occurs in all years (i) divisible by 400 or (ii) evenly divisible by 4 and not evenly divisible by 100. For example, 1996 is a Leap Year because it is divisible by 4 and not evenly divisible by 100. 2000 is a Leap Year because it is divisible by 400.

25.4.1.6.1.3 Year 2000 Compliant shall mean that all date data, whether within or outside of the range 1900-1999, shall be correctly processed in each level of each System component.

25.4.1.6.2 Each System component shall not abnormally end or provide invalid or incorrect results as a result of the date data, specifically including date data which represents or references different centuries or more than one century.

25.4.1.6.3 Each System component has been designed to ensure year 2000 compatibility, including, but not limited to, date data century recognition, calculations which accommodate same century and multi-century formulas, and date values, and date data interface values that reflect the century.

25.4.1.6.4 Each System component includes "year 2000 capabilities". For the purposes of this Agreement, "year 2000 capabilities" means each System component:

25.4.1.6.4.1 Shall properly manage and manipulate data involving dates, including single century formulas and multi-century formulas, and shall not cause an abnormally ending scenario within the application or generate incorrect values or invalid results involving such dates; and

25.4.1.6.4.2 Shall provide that all date-related data interface functionalities include the indication of century. Contractor shall also pass through to City whatever year 2000 and date-data-processing warranties it receives from any manufacturer or publisher of any of the System hardware, any component of the System or any other product or service provided by Contractor hereunder. Contractor acknowledges and agrees that it is of critical importance to City that the System be fully Year 2000 Compliant, demonstrate year 2000 compatibility, and have year 2000 capabilities as set forth in this Subsection 25.4.1.6.4.2, and that any failure of any System component to conform to the warranties and representations made by Contractor pursuant to this Subsection 25.4.1.6.4.2 could result in City having to bring the System into compliance with these warranties and representations or replace the System with a system that complies with these warranties and representations, which would result in substantial monetary loss and other damages to City.

25.4.1.7 Contractor shall support all System components in their respective then-existing architecture and for their respective then-existing versions any other versions installed at any City facility for the period of time for which the City commits to purchase maintenance Services from Contractor for the then-existing versions installed at the City facility.

25.4.1.8 Provided that City is paying any applicable maintenance fees for the System as set forth in the Maintenance Agreement, then all updates, enhancements, improvements, releases or versions of the System, or any component or module of such System, and all Documentation related thereto shall be provided to City, at no additional cost over and above the sums otherwise payable by City under this Agreement, promptly after the creation thereof, and in no event later than thirty (30) days after City's request therefor.

25.4.1.9 Contractor shall not introduce any viruses in the process of Contractor's loading of the System software, loading of updates and enhancements thereto, or performance of on-line support.

25.4.1.10 Contractor is a corporation duly organized and validly existing under the laws of the State of Delaware. Contractor is qualified to conduct business in California as a foreign corporation and is in good standing with the State of California. Contractor has full corporate power and authority to own, or hold under lease, its assets and to conduct its business as is required by this Agreement. This Agreement has been duly executed and delivered by Contractor and constitutes a valid and legally binding obligation of Contractor and is enforceable against Contractor in accordance with its terms. The execution, delivery and performance of this Agreement by Contractor do not and will not: (i) conflict with, or result in a breach, default or violation of any agreement, license or other obligation of Contractor; (ii) require the consent of any other person or entity; or (iii) violate any law, rule or regulation to which Contractor is subject. Contractor and its personnel have all governmental licenses and permits necessary for the conduct of the Contractor's business, such licenses are in full force and effect, and there are no violations in respect of such licenses and permits. There are no pending adjudications, orders or other circumstances which might have an adverse effect on Contractor's ability to perform its obligations under this Agreement. Contractor has complied, and during the term of this Agreement will comply, with all laws, rules, regulations and orders applicable to the operation of the business conducted by Contractor or to Contractor's specific obligations under this Agreement.

25.5 ADDITIONAL WARRANTIES:

25.5.1 Contractor further warrants and agrees to all of the following in providing the System and Services of Contractor described herein:

25.5.1.1 Subject to City's rights and obligations under the License Agreement, City shall be entitled to use the System and all System components without interruption of System use, subject only to City's obligation to make the required payments under this Agreement. Contractor represents and warrants that this Agreement is neither subject nor subordinate to any right or claim of any third party, including, without limitation, Contractor's creditors. Further, Contractor represents and warrants that during the term of this Agreement, it shall not subordinate this Agreement or any of its rights hereunder to any third party without the prior written consent of City, and without providing in any such subordination instrument for non-disturbance of City's use of the System and System components in accordance with this Agreement.

25.5.1.2 During the term of this Agreement, upon City's request, Contractor promptly shall supply City with then-current versions of any or all (as requested by City) Customizations, which shall include without limitation all source code, customizations, configurations and Documentation, and all other proprietary information related to the foregoing. As part of Final Acceptance, Contractor shall deliver to City the version of the Customizations that were used in the System that passed User Acceptance Testing, together with complete Documentation that is sufficient to instruct City's personnel on how to apply the Customizations and any necessary configurations in connection with the Baseline Software to obtain the System.

25.5.1.3 Contractor represents that it is duly authorized to grant to City all rights, including, but not limited to, license and ownership rights, granted by or under this Agreement with respect to the Licensed Software and all System components.

25.5.1.4 Upon delivery of the Baseline Software and as to Customizations, upon delivery of the Customizations the same shall comply with, and perform in accordance with, all then-applicable laws, rules and regulations. In the event of any change in any applicable Federal law, Federal rule or Federal regulation, Contractor promptly shall modify the Baseline Software, as necessary, at no additional cost to City provided City is current on maintenance, to ensure continued compliance therewith.

25.5.1.5 Subject to any duly executed Change Notices, Contractor can and will perform all of the Services required of it in this Agreement and the aggregate charges by, and payments to, Contractor hereunder will not exceed the Project Price.

25.5.1.6 During the Warranty Period, the components of the System: (i) are compatible and will operate with one another on the System's Technical Architecture, as set forth in Exhibit I; and (ii) when operated together will not cause any impairment in the operation or performance of any of City's other hardware or software beyond a level that would be commercially reasonable in view of the particular operations being performed by the System, provided that the System is configured as set forth in the Specifications and is used within the capacity and sizing requirements set forth in the Technical Architecture, Exhibit I.

25.5.1.7 Contractor represents and warrants that all indications set forth in Exhibit A (Statement of Work) regarding whether particular features or functionality are included in the Baseline Software or need to be addressed by Customizations are true and correct.

25.6 NOTIFICATION OF DEFICIENCIES OR WARRANTY SERVICES

In the event of any Deficiency during the applicable Warranty Period, City's Project Manager will reasonably attempt to notify Contractor in writing of the problem(s) within three (3) working days, but failure by City to notify Contractor within such time period shall not affect Contractor's warranty obligations under this Agreement. Contractor shall undertake corrective action under Subsection 25.7 (Corrections During Warranty Periods) within the applicable time specified in Subsection 25.3 (Warranty Services Response).

25.7 CORRECTIONS DURING WARRANTY PERIODS:

25.7.1 Contractor further warrants and agrees that Contractor shall at no additional cost to City:

25.7.1.1 Correct any and all Deficiencies in the System identified during the applicable Warranty Period, including but not limited to supplying City with corrective code, installing such corrective code if so requested by City, and making such additions, modifications, or adjustments to the System as may be necessary to keep it operating in conformance with Specifications.

25.7.1.2 Correct any and all Deficiencies in any Services provided hereunder.

25.8 BREACH OF WARRANTY OBLIGATIONS:

In the event Contractor fails timely to perform its obligations set forth in this Section 25, then City may, after written notice thereof to Contractor and in the event Contractor, after a reasonable time, has still failed to perform such warranty obligations, perform any required correction, replacement or other work and either invoice or debit Contractor (at City's option) therefor at City's direct actual cost of outside labor and materials and City's burdened (including, without limitation, salary, employee benefits and reimbursement policies) rates for labor. The City is willing to acknowledge its duty to mitigate costs under these circumstances. Any such debit may be made against any amounts owed by City to Contractor under this Agreement or otherwise.

25.9 THIRD-PARTY SOFTWARE:

25.9.1 Contractor shall not incorporate into the Customizations, the System generally, or any other software or documentation provided to City hereunder or in connection herewith any software or other materials owned by any third party (the "Third-Party Software") without City's prior written consent to each specific element of Third-Party Software proposed to be incorporated and to the specific use thereof, which consent may be withheld or conditioned in City's sole and absolute discretion after full disclosure by Contractor of all material information pertaining thereto. In connection with any request for such consent, Contractor shall provide to City in writing all material information pertaining to such proposed Third-Party Software and the incorporation thereof. Contractor hereby represents and warrants that, upon Final Acceptance of the System, no portion of the System, other than any Third-Party Software approved by City in accordance with the preceding sentence ("Approved Third-Party Software"), will be owned by any third party. The parties acknowledge and agree that the Pre-Approved Third-Party Software shall be provided by Contractor pursuant to this Agreement, is Approved Third-Party Software, and shall be utilized in the System.

25.9.2 Except as specifically approved in writing by City with respect to the specific details thereof: (i) Contractor shall use the Baseline Software in the form generally provided by Contractor to its other licensees; (ii) Contractor shall make no modifications or changes to the source code or object code for the Baseline Software that would cause the Baseline Software to differ from the standard software licensed by Contractor (except for Customizations required under this Agreement); (iii) all Customizations and the associated Documentation shall be designed to and shall be capable of allowing City to reapply the Customizations on top of the standard Baseline Software provided by Contractor and any future versions thereof which are implemented by Contractor for City under mutually agreed terms; and (iv) Contractor shall not modify the source

code, object code or other content of any Approved Third-Party Software. In connection with any request for such approval, Contractor shall provide to City in writing all material information pertaining to such request.

25.9.3 In the event City so approves any modification by Contractor to any Approved Third-Party Software, Contractor shall promptly, at no cost to City, either: (1) obtain a license from the appropriate third party which shall enable Contractor to so modify such Third-Party Software, and Contractor shall provide all necessary modifications; or (2) to the extent that Contractor is unable to obtain such a license, provide an upgrade or alternative solution which is functionally equivalent, in City's Project Manager's reasonable determination, in lieu of modifying such Third-Party Software.

25.9.4 Contractor represents and warrants that, to the best of its knowledge after exercise of due diligence, it has delivered to City true, accurate and complete copies of the end user license agreements for the Pre-Approved Third-Party Software, where such end user license agreements are required. The parties acknowledge and agree that the license fees for the Pre-Approved Third-Party Software are included in the Project Price.

25.9.5 City acknowledges that it may have to execute certain third-party license agreements with respect to any additional Approved Third-Party Software that Contractor proposes to use during the course of the Project. To the extent that any such additional Approved Third-Party Software license agreement conflicts with this Agreement as it applies to City's right to use or modify the System, Contractor shall take all necessary action to provide City with all of the rights to use and modify the System afforded by this Agreement under mutually agreeable terms. Any new license terms, or different fee structure, associated with such additional Approved Third Party Software will not impact existing licenses.

25.9.6 Contractor represents and warrants that whether or not any Approved Third-Party Software license agreements are required to be executed or entered into by City, Contractor shall procure for City, under mutually agreeable terms, perpetual licenses of all Approved Third-Party Software that permit the use and modification of the System in accordance with all of the terms of this Agreement.

25.9.7 Contractor acknowledges and agrees that the licenses acquired and delivered to City pursuant to this Subsection 25.9 do not and shall not in any way limit the rights granted to the City pursuant to the License Agreement.

25.10 RESPONSE TIME WARRANTIES:

Contractor warrants that, during the Warranty Period, the System, when operated in accordance with the Specifications and on the Contractor-recommended System hardware as set forth in Exhibit I, Technical Architecture, shall not contain any Deficiencies that would cause the System to exceed the planned response time values agreed to as part of performance test planning in Exhibit A (Statement of Work) . As used herein, the term "Response Time" shall mean the Transaction Processing Response Time, as such term is used in Exhibit A (Statement of Work). The process set forth in Exhibit A (Statement of Work) shall be used to monitor Response Time compliance. If there has been a breach of this warranty, Contractor will correct the Deficiency in accordance with Section 25.7.

25.11 WARRANTY DISCLAIMER:

THE WARRANTIES SET FORTH IN THIS SECTION 25 AND THE WARRANTIES CONTAINED ELSEWHERE IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEGRATION, PERFORMANCE AND ACCURACY AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE.

26. INCORPORATION OF EXHIBITS

Exhibits A through O are incorporated as though fully stated here, with the exception of PSC 10, 23, and 25.

- Exhibit A: Statement of Work
- Exhibit B: Deliverables Definition
- Exhibit C: Project Plan
- Exhibit D: Business Requirements (INTENTIONALLY OMITTED)
- Exhibit E: Software Modifications (INTENTIONALLY OMITTED)
- Exhibit F: Interfaces
- Exhibit G: Conversions
- Exhibit H: Reports and Forms
- Exhibit I: Technical Architecture
- Exhibit J: Training Volumes (INTENTIONALLY OMITTED)
- Exhibit K: Project Assumptions
- Exhibit L: Pricing Schedule
- Exhibit M: List of Key Contractor Personnel
- Exhibit N: Services Rates
- Exhibit O: Standard Provisions for City Contracts (Rev. 3/09)

27. ORDER OF PRECEDENCE

27.1 This Agreement, the Exhibits and Attachments attached hereto, are to be interpreted so that all of the provisions are given as full effect as possible. In the event of a conflict between these documents, the order of precedence shall be:

- i. Agreement
- ii. Standard Provisions for City Contracts (Rev 03/09) (Exhibit O)
- iii. Exhibit A, Statement of Work
- iv. Any other Exhibit or other attachment to the Agreement, exclusive of the Standard Provisions for City Contracts

The parties agree to the following clarifications to Exhibit O:

- PSC-25 (Discounts) is modified as follows:
 - CONTRACTOR agrees to offer the CITY any discount terms that are offered to its best comparable government customers for the comparable goods and services under comparable scope and terms, to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

28. DEFINITIONS

- a. "Acceptance" (and the various tenses of the word): Shall mean the City's written approval of any Deliverables or Services provided by CGI to the City.
- b. "Acceptance Test": Shall mean the conduct of the series of tests and protocols specified in the Statement of Work for a particular Deliverable, the successful completion of which signify the successful delivery of such Deliverable. In the case of a Non-System Deliverable, the Acceptance Test for such Deliverable shall mean the review by the City of such documentary Deliverable and written notice from the City that such Deliverable complies in all material respects with the requirements for such documentary Deliverable.
- c. "Affiliate": Shall mean any entity controlled by, controlling, or under common control with, a Party, where "control" means the possession of the power, directly or indirectly, to direct the management and policies of a Party whether through the ownership of voting securities, contract or otherwise.
- d. "Agreement": Shall mean the text of the definitive agreement that will be the product of the following: (i) the approval by the City of a proposal submitted by the selected Contractor; and (ii) the subsequent negotiations between the parties to conclude an agreement for the Services described and set forth in the Exhibits and Schedules as specified herein.
- e. "Awarding Authority": Shall mean the City Council or any agency, department, or official of the City that is authorized to award or enter into this contract.
- f. "Baseline Software" or "CGI Advantage Software": Shall mean the commercially available versions of the CGI proprietary software identified in Exhibit A to the License Agreement and any upgrades, enhancements, or new versions issued by Contractor from time to time hereafter prior to Project Completion and during the term of the Agreement.

- g. "Business Day": Shall mean a day in which general business operations of the City are conducted, but shall not include any day in which the general business offices of the City are closed. All other references to "days" refer to calendar days.
- h. "Change Notice": Shall mean a modification or clarification of the Statement of Work, Services or Deliverables that is duly adopted by the Parties in accordance with the Change Management Process.
- i. "Change Notice Impact Criteria": As used herein, the term "Change Notice Impact Criteria" shall mean: commercially reasonable efforts to minimize cost and schedule impact of the requested change, with Services to be provided at a blended rate of \$170.00 per hour – inclusive of all travel and living expenses and Out of Pocket expenses.
- j. "Change Management Process": Shall mean the provisions relating to processes for the modification or amendment of the Statement of Work or the Specifications as set forth in the Statement of Work.
- k. "City": Shall mean the City of Los Angeles, each and every subdivision or unit thereof constituted now and in the future (including territories within Los Angeles County, California not currently serviced by the City of Los Angeles, and each and every entity succeeding in the future to the responsibility of the City of Los Angeles.
- l. "City-Supplied Software": Shall mean and include any computer programs specified in the Statement of Work to be supplied by the City other than through Contractor or its agents, either for use during development or after Go-Live.
- m. "Contractor Personnel": Shall mean Contractor's employees and Contractor's approved subcontractors performing the Services.
- n. "Conversions": Shall mean those data conversions required to be performed by CGI under this Agreement and identified in Exhibit G.
- o. "Customizations": Shall mean the modifications to the Baseline Software as identified in Exhibit E, if applicable, which are unique to the City and are not made part of the Baseline Software.
- p. "Deficiency": Shall mean a material deviation of the Licensed Software from its Specifications.
- q. "Deliverable": Shall mean any unit of work or item of work product required to be delivered by Contractor to the City in the Statement of Work.
- r. "Delivery": Shall mean the delivery of a Deliverable shall be deemed to have taken place (or the Deliverable shall have been deemed "Delivered") as follows:
 - i. In the case of items to be delivered in tangible form, upon the transfer of possession of the item to the control of the respective City personnel

- designated to receive such possession at the designated time and place, or if no place is designated at such person's office.
- ii. In the case of items to be delivered by electronic transmission, upon the successful completion of such transmission to the designated City computer and verification of the accuracy of such transmission.
 - iii. In the case of items for which payment is conditioned upon City's review of a Deliverable or User Acceptance Test of the System, then, upon the certification by the designated agent or employee of the City that such review or User Acceptance Test has been completed in accordance with the Project Control Document to the satisfaction of such agent. If Contractor disagrees with the City's determination of whether the Deliverable or System is acceptable, it may submit the matter to dispute escalation pursuant to Section 10.
 - iv. In all other cases, upon the completion of the Services encompassed by such Deliverable in all material respects as set forth in the applicable schedule or Exhibit to the Agreement.
- s. "Documentation": Shall mean all material, other than Object Code and Source Code, that relates to the operation, installation, maintenance, and actual or potential upgrade or modification of the Licensed Software, including without limitation, instruction manuals, technical manuals, specifications, flow charts, templates, forms, software release notes and data dictionaries, regardless of whether such material is visually readable or recorded electronically.
 - t. "End User": Shall mean an individual authorized by the City to access or use the Licensed Software.
 - u. "Force Majeure Event": Shall mean fire, flood, earthquake, elements of nature or acts of God; acts of war, terrorism, riots, civil disorders, rebellions or revolutions; strikes, lockouts, or labor difficulties, equipment failures, computer viruses, malicious acts of third parties, interruption of telecommunications service; or any other similar cause, provided that such cause is beyond the reasonable control of the affected Party, that could not have been prevented by reasonable precautions of the kind ordinarily taken by well-managed firms engaged in such Party's line of business (such as, by way of illustration and not limitation, regular software backups and regular use of commercial anti-virus software, but not including duplicate or parallel computer systems or on or off-site backup or disaster recovery equipment).
 - v. "Go-Live": Shall mean the first day of the use of the System in live production operations.
 - w. "Interfaces": Shall mean those interfaces required to be provided in accordance with Exhibit F.
 - x. "License Fees": Shall mean those fees designated in Exhibit A to the License Agreement.

- y. "Licensed Software": Shall mean the computing software described in the Statement of Work and the Specifications, including without limitation software developed hereunder, Third Party Products, and the CGI Advantage software and/or Third Party Products licensed pursuant to the License Agreement, but not City-Supplied Software.
- z. "Milestone": Shall mean each item identified in Exhibit L (Pricing Schedule) for which a payment is due upon completion and Acceptance in writing by the City.
- aa. "Modifications": Shall mean any and all modifications, Customizations, improvements, additions and alterations to the Baseline Software or Baseline Software Documentation made under the Agreement.
- bb. "Non-System Deliverable(s)": Shall mean any Deliverable or portion thereof to the extent not including any component of the System.
- cc. "Object Code": Shall mean the form of a computer program that may be loaded for execution without intervening process other than the use of a program loader, linkage editor or similar computer program.
- dd. "Other Professional Services": Shall mean all professional services related to the System which CGI is not otherwise obligated to perform under this Agreement.
- ee. "Out of Pocket Expenses": Shall mean Contractor's actual and reasonable expenses for any Third Party Products and/or System hardware provided to the City and for any other items required or requested by the City in connection with the subject work, but excluding any travel and/or living expenses.
- ff. "Party": Shall mean the City and/or Contractor, as the context requires.
- gg. "Platform Software": Shall mean any computer program required for the operation, installation, debugging or maintenance of another program, including without limitation, operating systems, database management systems, compilers, interpreters, runtime or execution environments, development environments and the like.
- hh. "Pricing Schedule": Shall mean the schedule of prices and payments attached hereto as Exhibit L.
- ii. "Production": Shall mean the use of the Licensed Software or, as the context may require, any component thereof in the ordinary course of the operations of the City. Use in Production will not include operation of the Software in the City's test environment or for testing purposes, even if such tests involve the use of the Licensed Software or any component thereof by actual End Users in actual City operations.
- jj. "Project": Shall mean and include all work to be performed by Contractor or its contractors under the terms of the Agreement, including without limitation all Services and all intangible and tangible Deliverables.

- kk. "Project Completion": Shall mean the completion of any applicable Project Phase Completions and all Deliverables and Services under the Statement of Work and the successful completion of all Deliverable reviews and the User Acceptance Test.
- ll. "Project Control Document": Shall mean a project control document approved by the City pursuant to Exhibit A (Statement of Work).
- mm. "Project Phase" and "Project Phase Completion": Shall mean, in the case of the term "Project Phase," any phase of the Project identified in the Statement of Work, and "Project Phase Completion" means the completion of a Project Phase (upon completion of Deliverable review for such Phase).
- nn. "Project Plan": Shall mean the Project Plan to be developed by the Parties pursuant to the Statement of Work outlining the schedule for performing the Services and Deliverables under the Agreement.
- oo. "Severity Level": Shall mean a particular level identified in the table immediately below as determined by the type of Software incident.

Severity	Definition	Response Times
1 - Critical	A problem with CGI supported Software causing critical impact to the customer's business operation. No workaround is immediately available and work using the Software can not continue.	15 minutes or less from the time the customer notifies Client Support.
2 - Serious	A problem with CGI supported Software causing significant impact to the customer's business operation. A workaround is available but is unacceptable on a long term basis.	2 hours or less from the time customer notifies Client Support.
3 - Moderate	A problem with CGI supported Software that impairs some functionality, but a practical workaround exists.	2 hours or less from the time customer notifies Client Support
4 - Minor	A problem that does not affect any functionality of the Software.	2 hours or less from the time customer notifies Client Support

- pp. "Services": Shall mean and include all services to be performed or provided by Contractor pursuant to the Agreement and any Schedules and Exhibits hereto, including without limitation, software development, maintenance, testing, project management, consultation, and provisioning of Third Party Products, whether under the initial Statement of Work or any Change Notice.
- qq. "Software": Shall mean the Licensed Software and Modifications.
- rr. "Source Code": Shall mean and include all forms of Licensed Software, other than Object Code, including without limitation, any tools necessary to maintain or modify the Licensed Software, the instruction sequences in

whatever language written, internal documentation, job control languages, scripts, configuration and data files required for the compilation, debugging, linkage editing, loading, and maintenance of the Object Code of such Licensed Software, but not including Platform Software, unless expressly so provided.

- ss. "Specifications": Shall mean the complete set of requirements and specifications for the Licensed Software as finalized in accordance with the Agreement and which shall also include the specifications listed in the License Agreement.
- tt. "Statement of Work": Shall mean the statement of work attached hereto as Exhibit A, as the same shall be modified or amended in accordance with the terms of the Agreement and/or the Change Management Process.
- uu. "System": Shall mean the integrated system that consists of the Baseline Software, Third Party Products, Conversions, Customizations and Interfaces as described in the Statement of Work.
- vv. "System Deliverable": Shall mean any software Deliverable or portion thereof to the extent including one or more components of the System.
- ww. "Third Party Products": Shall mean any computer program supplied to the City by a Person other than Contractor, which is required for the operation of the Licensed Software and listed in the Statement of Work and/or the License Agreement.

29. CHANGE NOTICES AND AMENDMENTS

29.1 The parties may mutually agree to change any portion of the work required under this Agreement and any other provisions of this Agreement. All such changes shall be accomplished only as provided in this Section 29.

29.2 For any change (including any supplement) requested by City prior to expiration of this Agreement that is within the permissible scope of a Change Notice, Contractor shall, within five (5) days after notification of City's change request, prepare a written proposal in accordance with the Change Notice Impact Criteria which includes: (i) specific details regarding any Third-Party Software and additional System hardware that will be required to implement the requested change; (ii) a statement of the impact on the System; (iii) a fixed price; (iv) a statement of the impact on the Project Schedule, if any; (v) Contractor's proposed staffing and anticipated number of hours for each staff member; and (vi) any other information reasonably requested by City. Contractor's written proposal shall be valid for sixty (60) days from submission and, at City's discretion, shall be negotiated in accordance with the Change Notice Impact Criteria and the provisions of this Agreement. In the event that agreement is reached, a Change Notice, which incorporates the requested change and the agreed-upon terms thereof, shall be prepared and executed by City and Contractor, and the requested change therefore shall be implemented in accordance with such Change Notice. Any change that is outside of the

permissible scope of a Change Notice must be authorized with an amendment to this Agreement.

29.3 Notwithstanding anything to the contrary, changes to any portion of the Agreement shall be made by a written agreement executed by duly authorized representatives of City and Contractor.

29.4 Notwithstanding any other provision of this Section 29 or Subsection 22.3 (Termination for Convenience), and to the extent that such action does not affect the License Agreement or Maintenance Agreement, the City's Project Manager shall take all appropriate action to carry out any orders of the City relating to this Agreement, and, for this purpose, in addition to any other authority expressly granted to City's Project Manager in this Agreement, City's Project Manager is authorized to: (1) issue written notice(s) of partial or complete termination of this Agreement pursuant to Subsection 22.3 (Termination for Convenience) in accordance with the following restrictions, and (2) prepare and sign Change Notices in accordance with the following restrictions.

Such notices of partial or complete termination shall be deemed authorized only after all of the following conditions have been satisfied:

29.4.1 Change Notices shall be in compliance with this Agreement and with all applicable City laws, rules, regulations, ordinances, guidelines, and directives.

29.4.2 City's Project Manager shall obtain the approval of Awarding Authority for any Change Notice that exceeds the Contract Sum.

29.4.3 Unless approved by the Awarding Authority, the Project Price may not be increased to any amount in excess of the Contract Sum or extend the due date for Deliverables CGI-16.1/CGI-36.1 (Go-Live), as set forth in Exhibit C (Project Plan), for more than 60 days.

30 SOLICITATION FOR EMPLOYMENT

During the term of this Agreement and for twelve months after its expiration or termination, neither party will, either directly or indirectly, solicit for employment by itself (or any of its affiliates) any employee of the other party (or any of its affiliates) who was involved in the performance of the party's obligations under this Agreement, unless the hiring party obtains the written consent of the other party.

31 RATIFICATION

Due to the need for CGI's services to be provided continuously on an ongoing basis, CGI may have provided services prior to the execution of this Agreement. To the extent that said services were performed in accordance with the terms and conditions of this Agreement, those services are hereby ratified. Except as

amended herein, all other terms and conditions provided in the Agreement shall remain in full force and effect.

[Signature page follows.]

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES
A Municipal Corporation

CGI Technologies and Solutions Inc.

By: _____
STEVE RENEKER
General Manager
Information Technology Agency

By: _____
DAVE DELGADO
Senior Vice President

Date: _____

Date: _____

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

Attest: Holly L. Wolcott, Interim City
Clerk

By: _____
LAUREL L. LIGHTNER
Assistant City Attorney

By: _____
Deputy

Date: _____

Agreement Number _____