



STAFF REPORT

City Council

Meeting Date:

3/24/2026

Staff Report Number:

26-042-CC

Consent Calendar:

Authorize the city manager to execute agreements with Nile Networks for Zero Trust Network Access equipment and related services and with Armature Systems for project implementation and professional support services

Recommendation

Staff recommends that the City Council authorize the city manager to execute two agreements:

1. A five-year agreement with Nile Networks (Nile) for Zero Trust Network Access (ZTNA) equipment and related services in an amount not to exceed \$494,316.84 (Attachment A); and
2. An agreement with Armature Systems (Armature) for project implementation and professional support services in the amount of \$81,000 (Attachment B)

Policy Issues

This project addresses three priorities from the Information Technology (IT) Master Plan: a full network redesign, core switch replacement, and wireless network updates for increased municipal and public access.

Background

The City's existing network primarily consists of legacy Cisco switches and access points configured under a perimeter-based security model, often described as "castle-and-moat." In this analogy, the corporate network is the castle, and the network perimeter comprised of firewalls and gateways is the protective moat. Under this traditional framework, anyone outside the moat is untrusted, but once a user or device gains entry, they are treated as inherently trustworthy and granted broad access. While this approach was once effective, it was built on the flawed assumption that every internal actor is legitimate. The modern threat landscape has exposed a critical vulnerability in this model: if an attacker breaches the perimeter whether through stolen credentials or a Virtual Private Network (VPN) vulnerability—they gain "free rein" inside the network. This allows for "lateral movement," where malware or bad actors can traverse internal systems with minimal resistance.

Beyond security risks, the City's physical infrastructure is reaching a breaking point. With core routing components dating back to 2013 and access-layer switching exceeding seven years in service, these systems are approaching end of life. They are functionally unable to meet the demands for speed and reliability required for modern municipal operations. Current one gigabyte uplink limitations create frequent bottlenecks that hinder the performance of vital applications, such as Microsoft 365 and other critical

services. Staff concluded that transitioning to a Zero Trust oriented network platform is the most beneficial path forward. A Zero Trust architecture provides an automated, identity-centric environment that inherently isolates threats and ensures high-speed connectivity.

The success of this modernization is rooted in the three core pillars of Zero Trust. First, the architecture requires the City to verify network traffic explicitly, always authenticating and authorizing users based on all available data points rather than assuming trust based on their physical location. Second, it enforces least privilege access, ensuring staff members only have access to the specific applications and data required for their roles, which significantly protects sensitive municipal records. Finally, the model operates under the assume breach mindset. By utilizing micro-segmentation, the network is divided into isolated zones so that if a single device is compromised, the threat is contained and prevented from moving laterally to infect other critical City systems.

Analysis

In November 2025, IT staff issued a Request for Proposals (RFP) for Zero Trust Network Architecture (ZTNA) and implementation services via the City's e-procurement system, PlanetBids, Inc. The scope of work involves assisting IT staff with the procurement, implementation services and adoption of a Zero Trust-centric network to provide a secure digital foundation for municipal operations. The RFP process was driven by the critical need to update the City's Network Infrastructure, as prioritized in the IT Master Plan. This infrastructure will power vital municipal applications, mitigate cyber risk, and ensure seamless connectivity across City premises.

The RFP encompasses Local Area Network (LAN) and wireless services at all City facilities, except for Public Safety. Due to the specialized governance requirements mandated by the Criminal Justice Information Services (CJIS) standard, Public Safety networking will be addressed as a separate, dedicated project.

While PlanetBids, Inc. notified over 430 vendors of the opportunity, four companies engaged with the RFP by submitting clarifying questions, and three firms submitted formal proposals by the deadline. An evaluation team of IT staff independently reviewed these submissions. Following the initial review, two proposals were found to meet the mandatory criteria, including relevant experience, team quality, value, delivery and payment terms, and technical compliance. Notably, one proposal required an initial capital expenditure in excess of \$750,000, while the other offered a significantly lower total cost of ownership through a service-based delivery model.

Based on this comprehensive evaluation, the highest-rated submission was a joint proposal from Nile Networks and Armature Systems. Staff recommend contracting with both entities since their services are packaged together and interlinked: Nile Networks provides the Zero Trust Network Access (ZTNA) equipment and services via a unique Network as a Service (NaaS) model for wired and wireless enterprise delivery, and Armature Systems provides the initial implementation and project management services the Nile ZTNA. The agreement for Armature Systems is within city manager signing authority but is included in this agenda item since it was part of the same submission with Nile. Any amendments to the agreement with Armature Systems that may be needed in the future, that are within city manager signing authority, could be executed by the city manager.

Unlike traditional hardware procurement, the NaaS model offers several distinct advantages:

- Lifecycle management: Nile Networks manages the entire lifecycle of the equipment, including automated software updates, hardware refreshes, and 24/7 monitoring. This significantly reduces the operational burden on City IT staff.
- Built-in Zero Trust security: Security is integrated at the hardware level rather than added as a secondary layer, ensuring that every device and user is authenticated before gaining network access.
- Predictable fiscal impact: The consumption-based model shifts large, unpredictable capital expenditures into a consistent, predictable operating expense
- Performance guarantees: The service includes guaranteed Service Level Agreements for coverage and capacity, ensuring the network remains resilient as the City's digital needs evolve.
- Scalability: The architecture is designed to expand seamlessly as the City integrates more network devices without requiring a "rip-and-replace" of existing infrastructure.

Armature Systems would assist in the initial deployment of Nile. Armature is a local Bay Area firm and an existing City partner known for delivering cutting-edge cybersecurity solutions. The partnership between Armature and Nile ensures that the initial deployment is handled by a trusted provider with deep knowledge of the City's existing security posture.

Impact on City Resources

The total five-year cost for the ZTNA network implementation and migration services is \$575,316.84. There are two associated agreements: (1) a five-year agreement with Nile in amount not to exceed \$494,316.84 that includes a year one contingency of \$50,000 and an annual cost of service of \$85,137 and (2) an agreement with Armature Systems in an amount not to exceed \$81,000 for implementation. While the second agreement falls within the city manager's signing authority, it is presented here for City Council approval because it is integral to the primary agreement, which exceeds that authority.

Table 1 shows year one implementation costs and ongoing annual costs for the ZTNA network. There are sufficient funds available in the capital improvement project for the IT Master Plan to cover first-year expenses. Annual costs for subsequent years will be funded through the IT Internal Services Fund 704 and incorporated into future fiscal year budgets.

Table 1: ZTNA network implementation costs		
Service	Year 1 – CIP for IT Master Plan	Annual cost years 2-5: IT Internal Services Fund 704
Nile Networks NaaS	\$85,137.00	\$85,137.00
Nile Networks Setup	\$18,631.84	
Armature Systems Professional Services	\$81,000.00	
Contingency	\$50,000.00	
Totals	\$234,768.84	\$340,548.00

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) as it does not propose a change that will result in any direct or indirect physical change in the environment

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Agreement with Nile Networks
- B. Agreement with Armature Systems

Report prepared by:
Danny Daniels, Information Technology Manager

PROFESSIONAL SERVICES AGREEMENT

City Manager's Office
701 Laurel Street
Menlo Park, CA 94025
tel 650-330-6620



Agreement #: XXXX

AGREEMENT FOR SERVICES BETWEEN

THE CITY OF MENLO PARK AND NILE NETWORKS

THIS AGREEMENT made and entered into at Menlo Park, California, this _____, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and NILE NETWORKS, hereinafter referred to as "FIRST PARTY."

WITNESSETH:

WHEREAS, CITY desires to retain FIRST PARTY to provide certain professional Services for CITY in connection with that certain project called: Zero trust network services and equipment

WHEREAS, FIRST PARTY is licensed to perform said Services and desires to and does hereby undertake to perform said Services.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES, AND CONDITIONS of each of the Parties hereto, it is hereby agreed as follows:

1. SCOPE OF WORK

- A. In consideration of the payment by CITY to FIRST PARTY, as hereinafter provided, FIRST PARTY agrees to perform all the Services as set forth in Exhibit "A," Scope of Services.
- B. **Independent Contractor.** FIRST PARTY and CITY each expressly agree and understand that they are creating an independent contractor relationship, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or other fiduciary relationship between FIRST PARTY and CITY. FIRST PARTY shall not have any right, power or authority, either express or implied, pursuant to this Agreement to assume, create or incur any expense, liability or obligation, express or implied, on behalf of CITY, and shall not represent to any person or business that they have such power. FIRST PARTY and CITY further expressly agree and understand that:
1. Neither FIRST PARTY nor any person employed or contracted by FIRST PARTY shall be considered an employee of CITY for any purposes.
 2. FIRST PARTY has the sole right to control and direct the means, manner, and method by which Services under this Agreement will be performed.
 3. FIRST PARTY has the right to hire assistants as subcontractors or to use employees to provide the Services required by this Agreement, at their own expense; in all cases, FIRST PARTY shall be solely responsible for all matters relating to the payment of its own employees and subcontractors, including, but not limited to, compliance with Social Security and income tax withholdings, workers' compensation

insurance, unemployment compensation payments, and compliance with all regulations governing such matters.

4. Neither FIRST PARTY nor their employees or subcontractors shall be required to wear any uniforms provided by CITY.
5. The Services required by this Agreement shall be performed by FIRST PARTY or their employees or subcontractors, and CITY shall not hire, supervise, or pay any assistants to help FIRST PARTY.
6. Neither FIRST PARTY nor their employees or subcontractors shall receive any training from CITY in the professional skills necessary to perform Services under this Agreement.
7. Neither FIRST PARTY nor their employees or subcontractors shall be required by CITY to devote full time to the performance of Services required by this Agreement.
8. Neither FIRST PARTY nor their employees or subcontractors are entitled to receive or participate in any medical, retirement, vacation, paid or unpaid leave, or other fringe benefits provided by CITY to its employees, and FIRST PARTY shall be exclusively responsible for all Social Security, self-employment and income taxes, disability insurance, workers' compensation insurance, and/or any other statutory benefits otherwise required to be provided to their employees.
9. FIRST PARTY is solely responsible for all state and federal income and/or other tax obligations, including but not limited to all reporting and payment obligations, if any, which may arise as a consequence of any payment under this Agreement. This includes, but is not limited to, FICA withholdings and payments, state or federal unemployment compensation contributions, and applicable self-employment taxes. FIRST PARTY further agrees to indemnify CITY for any claims or obligations asserted to the contrary by FIRST PARTY or by their employees or subcontractors. Upon request, FIRST PARTY shall provide CITY with proof that such payments have been made.

- C. **Compliance with Law.** The Services shall be performed in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and orders.
- D. **Professional Competence.** FIRST PARTY represents that it has the professional skills necessary to perform the Services and that it will perform the Services in a skillful and professional manner. FIRST PARTY represents that it has all the necessary licenses to perform the Services and shall maintain them throughout the term of this Agreement. FIRST PARTY agrees that the Services shall be performed consistent with the professional skill and care ordinarily provided by Nile support practicing in the same or similar locality under the same or similar circumstances. CITY and FIRST PARTY agree that FIRST PARTY is in responsible charge of the Services. Acceptance by CITY of the Services does not operate as a release of FIRST PARTY from professional responsibility for the Services performed.
- E. **Confidentiality.** FIRST PARTY agrees to maintain in confidence and not disclose to any person, firm, governmental entity or corporation, without CITY's prior written consent, any trade secret or confidential information, knowledge or data relating to the products, process or operation of CITY. FIRST PARTY further agrees to maintain in confidence and not to disclose to any person, firm, governmental entity or corporation any data, information, technology, or material developed or obtained by FIRST PARTY during the performance of the Services. The covenants contained in this shall survive the termination of this Agreement for whatever cause.
- F. **Ownership of Material.** Any reports and other material prepared by or on behalf of FIRST PARTY under this Agreement (collectively, the "Documents") and provided to the CITY shall be and remain the property of CITY. All Documents not already provided to CITY shall be delivered to CITY on the date of termination of this Agreement for any reason. The Documents may be used by CITY and its agents, employees, representatives and assigns, in whole or in part, or in modified form, for all purposes CITY may deem appropriate without further employment of or payment of any compensation to FIRST PARTY.

- G. **Documentation.** FIRST PARTY shall keep and maintain full and complete documentation and accounting records, employee time sheets, and correspondence pertaining to the performance of the Services, and FIRST PARTY shall make such documents available for review and/or audit by CITY and CITY's representatives at all reasonable times for at least four years after the termination of this Agreement or completion of the Services.
- H. **Conflict of Terms:** In the event of any conflict, inconsistency, or ambiguity between the terms and conditions of this Agreement and the terms of any exhibit, attachment or other incorporated document (including the Scope of Services), the terms of this Agreement shall govern and control. If any conflict or inconsistency is identified, FIRST PARTY shall immediately notify the CITY in writing and seek clarification or resolution from the CITY before proceeding with any work that may be affected by such conflict. The CITY'S written determination shall be final and binding.

2. SCHEDULE FOR WORK

- A. **Effective Date.** This Agreement shall become effective upon execution of the second signature and shall remain in full force and effect until the Services are completed (the "Term"). FIRST PARTY agrees to complete all Services pursuant to this agreement will be as set forth in Exhibit "A," Scope of Services. CITY will be kept informed as to the progress of work by written reports, to be submitted monthly or as otherwise required in Exhibit "A." Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other, or the other's employees and agents.
- B. **Notice to Proceed:** FIRST PARTY shall commence work immediately upon receipt of a "Notice to Proceed" from CITY. The "Notice to Proceed" date shall be considered the "effective date" of the agreement, as used herein, except as otherwise specifically defined. FIRST PARTY shall complete all the work and deliver to CITY all project related files, records, and materials within one month after completion of all of FIRST PARTY's activities required under this agreement.

3. PROSECUTION OF WORK

FIRST PARTY will employ a sufficient staff to prosecute the work diligently and continuously and will complete the work in accordance with the schedule of work approved by the CITY. (See Exhibit "A," Scope of Services).

4. COMPENSATION AND PAYMENT

- A. **Compensation:** CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed \$494,316.84 as described in Exhibit "A," Scope of Services. All payments shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable. FIRST PARTY's fee for the Services as set forth herein shall be considered as full compensation for all indirect and direct personnel, materials, supplies and equipment, and Services incurred by FIRST PARTY and used in carrying out or completing the work.
- B. **Invoices:** Payments shall be monthly for the invoice amount or such other amount as approved by CITY. As each payment is due, the FIRST PARTY shall submit a statement describing the Services performed to CITY. This statement shall include, at a minimum, the project title, agreement number, the title(s) of personnel performing work, hours spent, payment rate, and a listing of all reimbursable costs. CITY shall have the discretion to approve the invoice and the work completed statement. Payment shall be for the invoice amount or such other amount as approved by CITY. Payments are due upon receipt of written invoices. CITY shall have the right to receive, upon request, documentation substantiating charges billed to CITY. CITY shall have the right to perform an audit of FIRST PARTY's relevant records pertaining to the charges.

- C. Invoice Documentation:** FIRST PARTY shall bill each month to City an original invoice for all Services performed and expenses incurred during the preceding month. Each such invoice shall contain the total agreement amount subtracting the invoices paid and billing. By submitting an invoice for payment under this Agreement, FIRST PARTY is certifying compliance with all provisions of the Agreement. FIRST PARTY shall not invoice City for any duplicate Services performed by more than one person. City shall independently review each invoice submitted by FIRST PARTY to determine whether the Services performed, and expenses incurred are in compliance with the provisions of this Agreement. City will use its best efforts to cause FIRST PARTY to be paid within thirty (30) days of receipt of FIRST PARTY's correct and undisputed invoice, except as to any charges for Services performed or expenses incurred by FIRST PARTY which are disputed by City, or as provided in this Section. In the event any charges or expenses are in dispute by City, the original invoice shall be returned by City to FIRST PARTY for correction and resubmission. Review and payment by City of any invoice provided by FIRST PARTY shall not constitute waiver of any rights or remedies provided herein or any applicable law. Consultant shall bill the City as Services are complete. City reserves the right to deny payment to FIRST PARTY for any invoice submitted more than 90 days after performance of Services or expenses are incurred by FIRST PARTY.
1. FIRST PARTY shall submit detailed and itemized monthly invoices in a form satisfactory to CITY on or before the tenth (10th) day of each month for Services provided during the preceding month.
 2. Invoices shall include sufficient documentation, including time records, cost records, receipts, and other materials necessary to substantiate the performance and costs of the Services. CITY shall review and verify the accuracy and completeness of each invoice within thirty-five (35) days after receipt. CITY, at its sole discretion, may correct, modify, or disallow any charges contained in the invoice that are inconsistent with this Agreement, unsubstantiated, excessive, or otherwise not in compliance with CITY's standards or instructions. Any such corrections or modifications shall be deemed final and binding upon FIRST PARTY.
 3. Upon completing its review, CITY shall make payment to FIRST PARTY for the amount approved by CITY, subject to applicable deductions, corrections, or offsets as deemed appropriate by CITY. No payment made by CITY shall constitute or be construed as acceptance of any Services or waiver of any rights or remedies available to CITY under this Agreement.
 4. CITY reserves the right to withhold payment in whole or in part if: (a) Services are not performed to the satisfaction of CITY; (b) There are delays not authorized or excused by CITY in the performances of Services; (c) FIRST PARTY fails to provide satisfactory documentation of the Services rendered, or documentation reflecting information CITY has requested; and/or (d) FIRST PARTY is otherwise in default of this Agreement.
 5. Withheld payments shall not relieve FIRST PARTY of its obligations to perform under this Agreement, and CITY shall not be liable for any interest, penalties, or damages related to the withholding of payment.
 6. In the event of a payment dispute, FIRST PARTY agrees to continue performance of all Services under this Agreement without delay or interruption, regardless of the status or resolution of such dispute. CITY shall resolve any payment disputes in good faith. Upon termination or expiration of this Agreement, CITY shall reconcile all outstanding invoices and payments. CITY may offset any amounts due to FIRST PARTY against amounts owed to CITY due to breach, nonperformance, or other defaults by FIRST PARTY.
- D. Status Reports.** Together with each monthly invoice, FIRST PARTY shall submit a status report detailing the amount expended on the Services to that date and the remaining amount to be expended before the Cost Ceiling is reached. FIRST PARTY shall notify CITY in writing when payments have reached 90% of the To Not Exceed Amount.

5. EQUAL EMPLOYMENT OPPORTUNITY

- A. FIRST PARTY, with regard to the work performed by it under this agreement shall not discriminate on the grounds of race, religion, color, national origin, sex, handicap, marital status, or age in the retention of sub-consultants, including procurement of materials and leases of equipment.
- B. FIRST PARTY shall take affirmative action to insure that employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, marital status or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.
- C. FIRST PARTY shall post in prominent places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- D. FIRST PARTY shall state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, marital status or handicap.
- E. FIRST PARTY shall comply with Title VI of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.
- F. FIRST PARTY shall incorporate the foregoing requirements of this section in FIRST PARTY's agreement with all sub-consultants.

6. ASSIGNMENT OF AGREEMENT AND TRANSFER OF INTEREST

- A. FIRST PARTY shall not assign this agreement, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the CITY thereto, provided, however that claims for money due or to become due to the FIRST PARTY from the CITY under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of an intended assignment or transfer shall be furnished promptly to the CITY.
- B. In the event there is a change of more than 30% of the stock ownership or ownership in FIRST PARTY from the date this agreement is executed, then CITY shall be notified before the date of said change of stock ownership or interest and CITY shall have the right, in event of such change in stock ownership or interest, to terminate this agreement upon notice to FIRST PARTY. In the event CITY is not notified of any such change in stock ownership or interest, then upon knowledge of same, it shall be deemed that CITY has terminated this agreement.

7. INDEPENDENT WORK CONTROL

It is expressly agreed that in the performance of the service necessary for compliance with this agreement, FIRST PARTY shall be and is an independent contractor and is not an agent or employee of CITY. FIRST PARTY has and shall retain the right to exercise full control and supervision of the Services and full control over the employment, direction, compensation, and discharge of all persons assisting FIRST PARTY in the performance of FIRST PARTY's Services hereunder. FIRST PARTY shall be solely responsible for its own acts and those of its subordinates and employees.

8. CONSULTANT QUALIFICATIONS

It is expressly understood that FIRST PARTY is licensed and skilled in the professional calling necessary to perform the work agreed to be done by it under this agreement and CITY relies upon the skill of FIRST PARTY to do and perform said work in a skillful manner usual to the profession. The acceptance of FIRST PARTY's work by CITY does not operate as a release of FIRST PARTY from said understanding.

9. NOTICES

All notices hereby required under this agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid or by overnight courier service. Notices required to be given to CITY shall be addressed as follows:

Administrative Services Department
Danny Daniels, IT Division

City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
650-330-6658
dcdaniels@menlopark.gov

Notices required to be given to FIRST PARTY shall be addressed as follows:

Nile, Attn: Tammy McMahon
3590 North First Street, Suite 300
San Jose, Ca 95134
669-369-6453
legal@nilesecure.com

Provided that any party may change such address by notice, in writing, to the other party and thereafter notices shall be addressed and transmitted to the new address.

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10. HOLD HARMLESS

To the fullest extent allowed by law, FIRST PARTY hereby agrees to defend, indemnify and save harmless CITY, its Council, boards, commissions, officers, employees, directors, volunteers and agents, from and against any and all claims, suits, actions, liability, loss, damage, expense, injury (including, without limitation, economic harm, injury to or death of any person, including an employee of FIRST PARTY or its Subcontractors), cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, at law or equity, which may be brought against, or suffered or sustained by, City of Menlo Park, its Council, boards, commissions, officers, employees, directors, volunteers, or agents that arise out of, pertain to or relate to any negligence, recklessness, or willful misconduct of FIRST PARTY, any subcontractors, anyone directly or indirectly employed or retained by them, or anyone that they control. In the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the FIRST PARTY shall meet and confer with other Parties regarding unpaid defense costs.

The duty of FIRST PARTY to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however that nothing herein contained shall be construed to require FIRST PARTY to indemnify City of Menlo Park, its Council, boards, commissions, officers, employees, and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

FIRST PARTY's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained within this Agreement.

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11. INSURANCE

- A. FIRST PARTY shall not commence work under this agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City, with certificates of insurance evidencing the required coverage.
- B. There shall be a contractual liability endorsement extending the FIRST PARTY's coverage to include the contractual liability assumed by the FIRST PARTY pursuant to this agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the CITY, at the address shown in Section 9, of any pending cancellation of the policy. FIRST PARTY shall notify CITY of any pending change to the policy. All certificates shall be filed with the City.

1. Workers' compensation and employer's liability insurance:

The FIRST PARTY shall have in effect during the entire life of this agreement workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this agreement, the FIRST PARTY makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this agreement" (not required if the FIRST PARTY is a Sole Proprietor).

2. Liability insurance:

The FIRST PARTY shall take out and maintain during the life of this agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the FIRST PARTY's operations under this agreement, whether such operations be by FIRST PARTY or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in aggregate, or one million dollars (\$1,000,000) combined single limit bodily injury and property damage for each occurrence. FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

3. Automobile insurance:

FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

4. Professional liability insurance:

FIRST PARTY shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions of FIRST PARTY pursuant to this agreement, in the amount of not less than one million dollars (\$1,000,000) per claim and two million (\$2,000,000) in

the aggregate. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of Services described herein.

- C. CITY and its subsidiary agencies, and their officers, agents, employees, and servants shall be named as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the Professional Liability and workers' compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies and their officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if the CITY, its subsidiary agencies and their officers and employees have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.
- D. In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, CITY, at its option, may, notwithstanding any other provision of this agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.
- E. Before the execution of this agreement, any deductibles or self-insured retentions must be declared to and approved by CITY.

12. PAYMENT OF PERMITS/LICENSES

Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/Services to be performed, at his/her own expense, before commencement of said work/Services or forfeit any right to compensation under this agreement.

13. RESPONSIBILITY AND LIABILITY FOR SUB-CONSULTANTS AND/OR SUBCONTRACTORS

Approval of or by CITY shall not constitute nor be deemed a release of responsibility and liability of FIRST PARTY or its sub-consultants and/or subcontractors for the accuracy and competency of the designs, working drawings, specifications, or other documents and work, nor shall its approval be deemed to be an assumption of such responsibility by CITY for any defect in the designs, working drawings, specifications, or other documents prepared by FIRST PARTY or its sub-consultants and/or subcontractors.

14. OWNERSHIP OF WORK PRODUCT

Work products of FIRST PARTY for this project, which are delivered under this agreement or which are developed, produced, and paid for under this agreement, shall become the property of CITY. The reuse of FIRST PARTY's work products by City for purposes other than intended by this agreement shall be at no risk to FIRST PARTY.

15. REPRESENTATION OF WORK

Any and all representations of FIRST PARTY, in connection with the work performed or the information supplied, shall not apply to any other project or site, except the project described in Exhibit "A" or as otherwise specified in Exhibit "A."

16. TERMINATION OF AGREEMENT

- A. **Notice of Termination:** CITY may give thirty (30) days written notice to FIRST PARTY, terminating this agreement in whole or in part at any time, either for CITY's convenience or because of the failure of FIRST PARTY to fulfill its contractual obligations or because of FIRST PARTY's change of its assigned personnel on the project without prior CITY approval. Upon receipt of such notice, FIRST PARTY shall:
1. Immediately discontinue all Services affected (unless the notice directs otherwise); and
 2. Deliver to the CITY all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated or produced by FIRST PARTY in performing work under this agreement, whether completed or in process.
 3. **Compensation:** If termination is for the convenience of CITY, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed Services. If the termination is due to the failure of FIRST PARTY to fulfill its agreement, CITY may take over the work and prosecute the same to completion by agreement or otherwise. In such case, FIRST PARTY shall be liable to CITY for any reasonable additional cost occasioned to the CITY thereby.
 4. If, after notice of termination for failure to fulfill agreement obligations, it is determined that FIRST PARTY had not so failed, the termination shall be deemed to have been effected for the convenience of the CITY. In such event, adjustment in the contract price shall be made as provided in Paragraph 3A of this Section.
- B. **Remedies:** The rights and remedies of the CITY provided in this Section are in addition to any other rights and remedies provided by law or under this agreement.
- C. Subject to the foregoing provisions, the CITY shall pay FIRST PARTY for Services performed and expenses incurred through the termination date.

17. INSPECTION OF WORK

It is FIRST PARTY's obligation to make the work product available for CITY's inspections and periodic reviews upon request by CITY.

18. COMPLIANCE WITH LAWS

It shall be the responsibility of FIRST PARTY to comply with all State and Federal Laws applicable to the work and Services provided pursuant to this agreement, including but not limited to compliance with prevailing wage laws, if applicable.

19. BREACH OF AGREEMENT

- A. This agreement is governed by applicable federal and state statutes and regulations. Any material deviation by FIRST PARTY for any reason from the requirements thereof, or from any other provision of this agreement, shall constitute a breach of this agreement and may be cause for termination at the election of the CITY.
- B. The CITY reserves the right to waive any and all breaches of this agreement, and any such waiver shall not be deemed a waiver of any previous or subsequent breaches. In the event the CITY chooses to waive a particular breach of this agreement, it may condition same on payment by FIRST PARTY of actual damages occasioned by such breach of agreement.

20. SEVERABILITY
The provisions of this agreement are severable. If any portion of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by the mutual consent of the Parties.
21. CAPTIONS
The captions of this agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify or aid in the interpretation, construction, or meaning of any provisions of this agreement.
22. LITIGATION OR ARBITRATION
In the event that suit or arbitration is brought to enforce the terms of this agreement, the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees. The Dispute Resolution provisions are set forth on Exhibit "B," 'Dispute Resolution' attached hereto and by this reference incorporated herein.
23. RETENTION OF RECORDS
Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the City, a federal agency and the state of California.
24. TERM OF AGREEMENT
This agreement shall remain in effect for the period of Apr. 1, 2026 through Apr. 30, 2031 unless extended, amended, or terminated in writing by CITY.
25. ENTIRE AGREEMENT
This document constitutes the sole agreement of the Parties hereto relating to said project and states the rights, duties, and obligations of each party as of the document's date. Any prior agreement, promises, negotiations, or representations between Parties not expressly stated in this document are not binding. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the Parties to this agreement.
26. STATEMENT OF ECONOMIC INTEREST
Consultants, as defined by Section 18701 of the Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations, are required to file a Statement of Economic Interests with 30 days of approval of a contract Services agreement with the City of its subdivisions, on an annual basis thereafter during the term of the contract, and within 30 days of completion of the contract. Based upon review of the Consultant's Scope of Work and determination by the City Manager, it is determined that Consultant IS NOT required to file a Statement of Economic Interest. A statement of Economic Interest shall be filed with the City Clerk's Office no later than 30 days after the execution of the agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have executed this agreement on the day and year first above written.

FOR FIRST PARTY:

Signature

Date

Printed name

Title

Tax ID#

APPROVED AS TO FORM:

Nira F. Doherty, City Attorney

Date

FOR CITY OF MENLO PARK:

Justin I.C. Murphy, City Manager

Date

ATTEST:

Judi A. Herren, City Clerk

Date

EXHIBIT “A” – SCOPE OF SERVICES**A1. SCOPE OF WORK**

FIRST PARTY agrees to provide consultant Services for CITY’s ASD, IT Division. In the event of any discrepancy between any of the terms of FIRST PARTY’s proposal and those of this agreement, the version most favorable to the CITY shall prevail. FIRST PARTY shall provide the following Services:

Provide general consultant Services for projects as determined by the CITY. The detailed Scope of Work for each task the CITY assigns the consultant shall be referred to as Exhibit A-1, which will become part of this agreement. A notice to proceed will be issued separately for each separate Scope of Work agreed to between the CITY and FIRST PARTY.

FIRST PARTY agrees to perform these Services as directed by the CITY in accordance with the standards of its profession and CITY’s satisfaction.

A2. COMPENSATION

CITY hereby agrees to pay FIRST PARTY at the rates to be negotiated between FIRST PARTY and CITY as detailed in Exhibit A-1. The actual charges shall be based upon: (a) FIRST PARTY’s standard hourly rate for various classifications of personnel; (b) all fees, salaries and expenses to be paid to engineers, consultants, independent contractors, or agents employed by FIRST PARTY; and shall (c) include reimbursement for mileage, courier and plan reproduction. The total fee for each separate Scope of Work agreed to between the CITY and FIRST PARTY shall not exceed the amount shown in Exhibit A-1.

FIRST PARTY shall be paid within thirty (30) days after approval of billing for work completed and approved by the CITY. Invoices shall be submitted containing all information contained in Section A5 below. In no event shall FIRST PARTY be entitled to compensation for extra work unless an approved change order, or other written authorization describing the extra work and payment terms, has been executed by CITY before the commencement of the work.

A3. SCHEDULE OF WORK

FIRST PARTY’S proposed schedule for the various Services required will be set forth in Exhibit A-1.

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A4. CHANGES IN WORK – EXTRA WORK

In addition to Services described in Section A1, the Parties may from time to time agree in writing that FIRST PARTY, for additional compensation, shall perform additional Services including but not limited to:

- Change in the Services because of changes in the Scope of Work.
- Additional tasks not specified herein as required by the CITY.

The CITY and FIRST PARTY shall agree in writing to any changes in compensation and/or changes in FIRST PARTY's Services before the commencement of any work. If FIRST PARTY deems work he/she has been directed to perform is beyond the scope of this agreement and constitutes extra work, FIRST PARTY shall immediately inform the CITY in writing of the fact. The CITY shall make a determination as to whether such work is in fact beyond the scope of this agreement and constitutes extra work. In the event that the CITY determines that such work does constitute extra work, it shall provide compensation to FIRST PARTY in accordance with an agreed cost that is fair and equitable. This cost will be mutually agreed upon by the CITY and FIRST PARTY. A supplemental agreement providing for such compensation for extra work shall be negotiated between the CITY and FIRST PARTY. Such supplemental agreement shall be executed by FIRST PARTY and may be approved by the City Manager upon recommendation of the Information Technology Manager.

A5. BILLINGS

FIRST PARTY's bills shall include the following information: A brief description of Services performed, project title and the agreement number; the date the Services were performed; the number of hours spent and by whom; the current contract amount; the current invoice amount;

Except as specifically authorized by CITY, FIRST PARTY shall not bill CITY for duplicate Services performed by more than one person. In no event shall FIRST PARTY submit any billing for an amount in excess of the maximum amount of compensation provided in Section A2.

The expenses of any office, including furniture and equipment rental, supplies, salaries of employees, telephone calls, postage, advertising, and all other expenses incurred by FIRST PARTY in the performances of this agreement shall be incurred at the FIRST PARTY's discretion. Such expenses shall be FIRST PARTY's sole financial responsibility.

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EXHIBIT “B” – DISPUTE RESOLUTION

- B1.0** All claims, disputes, and other matters in question between FIRST PARTY and CITY (“Parties” collectively) arising out of, or relating to, the contract documents or the breach thereof, shall be resolved as follows:
- B2.0 Mediation**
- B2.1** The Parties shall attempt in good faith first to mediate such dispute and use their best efforts to reach agreement on the matters in dispute. After a written demand for non-binding mediation, which shall specify in detail the facts of the dispute, and within ten (10) days from the date of delivery of the demand, the matter shall be submitted to a mutually agreeable mediator. The Mediator shall hear the matter and provide an informal opinion and advice, none of which shall be binding upon the Parties, but is expected by the Parties to help resolve the dispute. Said informal opinion and advice shall be submitted to the Parties within twenty (20) days following written demand for mediation. The Mediator’s fee shall be shared equally by the Parties. If the dispute has not been resolved, the matter shall be submitted to arbitration in accordance with Paragraph B3.1.
- B3.0 Arbitration**
- B3.1** Any dispute between the Parties that is to be resolved by arbitration as provided in Paragraph B2.1 shall be settled and decided by arbitration conducted by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, as then in effect, except as provided below. Any such arbitration shall be held before three arbitrators who shall be selected by mutual agreement of the Parties; if agreement is not reached on the selection of the arbitrators within fifteen (15) days, then such arbitrator(s) shall be appointed by the presiding Judge of the court of jurisdiction of the agreement.
- B3.2** The provisions of the Construction Industry Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration, subject, however to the following:
- B3.3** Any demand for arbitration shall be writing and must be made within a reasonable time after the claim, dispute, or other matter in question as arisen. In no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based on such claim, dispute, or other matter would be barred by the applicable statute of limitations.
- B3.4** The arbitrator or arbitrators appointed must be former or retired judges, or attorneys at law with at least ten (10) years’ experience in construction litigation.
- B3.5** All proceedings involving the Parties shall be reported by a certified shorthand court reporter, and written transcripts of the proceedings shall be prepared and made available to the Parties.
- B3.6** The arbitrator or arbitrators must be made within and provide to the Parties factual findings and the reasons on which the decisions of the arbitrator or arbitrators is based.
- B3.7** Final decision by the arbitrator or arbitrators must be made within ninety (90) days from the date the arbitration proceedings are initiated.
- B3.8** The prevailing party shall be awarded reasonable attorneys’ fees, expert and non-expert witness costs and expenses, and other costs and expenses incurred in connection with the arbitration, unless the arbitrator or arbitrators for good cause determine otherwise.
- B3.9** Costs and fees of the arbitrator or arbitrators shall be borne by the non-prevailing party, unless the arbitrator or arbitrators for good cause determine otherwise.

B3.10 The award or decision of the arbitrator or arbitrators, which may include equitable relief, shall be final, and judgment may be entered on it in accordance with applicable law in any court having jurisdiction over the matter.



Customer Proposal

EXHIBIT A

3/05/2026

Opportunity
Quote
Customer

City of Menlo Park | 2 Campus: Civic Center, BHCC
Q-00918
City of Menlo Park

Pricing and Services Summary

Product Name	Location	Start Date	Term (mo)	End Date	Qty	Type	ACV	TCV
Nile Access Service, Essential Model A	Ballpark-Civic Center	May 1, 2026	60	Apr 30, 2031	1	Renewable	59,523.00	297,615.00
Nile Access Service, Essential Model A	Ballpark-BHCC	May 1, 2026	60	Apr 30, 2031	1	Renewable	25,614.00	128,070.00
Nile Service Design and Activation	2- Campus	May 1, 2026	60	May 31, 2026	1	One-time	0.00	14,700.00
Nile Shipping, Standard		May 1, 2026	60	Apr 30, 2031	1	One-time	0.00	3,931.84

Subscription details

- Subscription Term (months) 60
- Billing frequency Custom
- Payment terms (days) Net 30
- Renewal Term (months) 0

Customer's 1:1 BOM

- Access Point Wi-Fi 6 89
- Access Point Wi-Fi 6 outdoor 12
- Access Switch s/G, 48-ports 25
- Distribution Switch 4

Terms and Conditions

- Price is determined based on the Service and Subscription term commitment outlined above, and the customer's provided site metrics or the listed custom-BOM. Any deviation from these factors would imply revisiting the pricing.
- Currency: US Dollar (USD).
- The first invoice will be generated upon the start of the Services term and will be issued on the 1st of the following month.
- Proposal is valid until 4/30/2026.**
- Price does not include cabling, or any other deployment services.
- Price does not include customs, any applicable logistics costs, or any applicable taxes.
- Price excludes any other infrastructure integration or migration dependencies that are not Nile's responsibilities.
- Expedited shipping is available at an additional cost.
- Nile Master Subscription Agreement found at <https://nilesecure.com/termsandconditions> ('Agreement').

Please review the proposal and let us know if you have any questions or if you would like to discuss it further.

Best,
Tammy McMahon
tammy.mcmahon@nilesecure.com

PROFESSIONAL SERVICES AGREEMENT

City Manager's Office
701 Laurel Street
Menlo Park, CA 94025
tel 650-330-6620



Agreement #: XXXX

AGREEMENT FOR SERVICES BETWEEN

THE CITY OF MENLO PARK AND Armature Systems, Inc.

THIS AGREEMENT made and entered into at Menlo Park, California, this _____, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and Armature Systems, Inc., hereinafter referred to as "FIRST PARTY."

WITNESSETH:

WHEREAS, CITY desires to retain FIRST PARTY to provide certain professional Services for CITY in connection with that certain project called: Zero trust network services and equipment implementation

WHEREAS, FIRST PARTY is licensed to perform said Services and desires to and does hereby undertake to perform said Services.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES, AND CONDITIONS of each of the Parties hereto, it is hereby agreed as follows:

1. SCOPE OF WORK

- A. In consideration of the payment by CITY to FIRST PARTY, as hereinafter provided, FIRST PARTY agrees to perform all the Services as set forth in Exhibit "A," Scope of Services.
- B. **Independent Contractor.** FIRST PARTY and CITY each expressly agree and understand that they are creating an independent contractor relationship, and that nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or other fiduciary relationship between FIRST PARTY and CITY. FIRST PARTY shall not have any right, power or authority, either express or implied, pursuant to this Agreement to assume, create or incur any expense, liability or obligation, express or implied, on behalf of CITY, and shall not represent to any person or business that they have such power. FIRST PARTY and CITY further expressly agree and understand that:
1. Neither FIRST PARTY nor any person employed or contracted by FIRST PARTY shall be considered an employee of CITY for any purposes.
 2. FIRST PARTY has the sole right to control and direct the means, manner, and method by which Services under this Agreement will be performed.
 3. FIRST PARTY has the right to hire assistants as subcontractors or to use employees to provide the Services required by this Agreement, at their own expense; in all cases, FIRST PARTY shall be solely responsible for all matters relating to the payment of its own employees and subcontractors, including, but not limited to, compliance with Social Security and income tax withholdings, workers' compensation

insurance, unemployment compensation payments, and compliance with all regulations governing such matters.

4. Neither FIRST PARTY nor their employees or subcontractors shall be required to wear any uniforms provided by CITY.
5. The Services required by this Agreement shall be performed by FIRST PARTY or their employees or subcontractors, and CITY shall not hire, supervise, or pay any assistants to help FIRST PARTY.
6. Neither FIRST PARTY nor their employees or subcontractors shall receive any training from CITY in the professional skills necessary to perform Services under this Agreement.
7. Neither FIRST PARTY nor their employees or subcontractors shall be required by CITY to devote full time to the performance of Services required by this Agreement.
8. Neither FIRST PARTY nor their employees or subcontractors are entitled to receive or participate in any medical, retirement, vacation, paid or unpaid leave, or other fringe benefits provided by CITY to its employees, and FIRST PARTY shall be exclusively responsible for all Social Security, self-employment and income taxes, disability insurance, workers' compensation insurance, and/or any other statutory benefits otherwise required to be provided to their employees.
9. FIRST PARTY is solely responsible for all state and federal income and/or other tax obligations, including but not limited to all reporting and payment obligations, if any, which may arise as a consequence of any payment under this Agreement. This includes, but is not limited to, FICA withholdings and payments, state or federal unemployment compensation contributions, and applicable self-employment taxes. FIRST PARTY further agrees to indemnify CITY for any claims or obligations asserted to the contrary by FIRST PARTY or by their employees or subcontractors. Upon request, FIRST PARTY shall provide CITY with proof that such payments have been made.

- C. **Compliance with Law.** The Services shall be performed in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and orders.
- D. **Professional Competence.** FIRST PARTY represents that it has the professional skills necessary to perform the Services and that it will perform the Services in a skillful and professional manner. FIRST PARTY represents that it has all the necessary licenses to perform the Services and shall maintain them throughout the term of this Agreement. FIRST PARTY agrees that the Services shall be performed consistent with the professional skill and care ordinarily provided by Cybersecurity service provider practicing in the same or similar locality under the same or similar circumstances. CITY and FIRST PARTY agree that FIRST PARTY is in responsible charge of the Services. Acceptance by CITY of the Services does not operate as a release of FIRST PARTY from professional responsibility for the Services performed.
- E. **Confidentiality.** FIRST PARTY agrees to maintain in confidence and not disclose to any person, firm, governmental entity or corporation, without CITY's prior written consent, any trade secret or confidential information, knowledge or data relating to the products, process or operation of CITY. FIRST PARTY further agrees to maintain in confidence and not to disclose to any person, firm, governmental entity or corporation any data, information, technology, or material developed or obtained by FIRST PARTY during the performance of the Services. The covenants contained in this shall survive the termination of this Agreement for whatever cause.
- F. **Ownership of Material.** Any reports and other material prepared by or on behalf of FIRST PARTY under this Agreement (collectively, the "Documents") and provided to the CITY shall be and remain the property of CITY. All Documents not already provided to CITY shall be delivered to CITY on the date of termination of this Agreement for any reason. The Documents may be used by CITY and its agents, employees, representatives and assigns, in whole or in part, or in modified form, for all purposes CITY may deem appropriate without further employment of or payment of any compensation to FIRST PARTY.

- G. **Documentation.** FIRST PARTY shall keep and maintain full and complete documentation and accounting records, employee time sheets, and correspondence pertaining to the performance of the Services, and FIRST PARTY shall make such documents available for review and/or audit by CITY and CITY's representatives at all reasonable times for at least four years after the termination of this Agreement or completion of the Services.
- H. **Conflict of Terms:** In the event of any conflict, inconsistency, or ambiguity between the terms and conditions of this Agreement and the terms of any exhibit, attachment or other incorporated document (including the Scope of Services), the terms of this Agreement shall govern and control. If any conflict or inconsistency is identified, FIRST PARTY shall immediately notify the CITY in writing and seek clarification or resolution from the CITY before proceeding with any work that may be affected by such conflict. The CITY'S written determination shall be final and binding.

2. SCHEDULE FOR WORK

- A. **Effective Date.** This Agreement shall become effective upon execution of the second signature and shall remain in full force and effect until the Services are completed (the "Term"). FIRST PARTY agrees to complete all Services pursuant to this agreement will be as set forth in Exhibit "A," Scope of Services. CITY will be kept informed as to the progress of work by written reports, to be submitted monthly or as otherwise required in Exhibit "A." Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the other, or the other's employees and agents.
- B. **Notice to Proceed:** FIRST PARTY shall commence work immediately upon receipt of a "Notice to Proceed" from CITY. The "Notice to Proceed" date shall be considered the "effective date" of the agreement, as used herein, except as otherwise specifically defined. FIRST PARTY shall complete all the work and deliver to CITY all project related files, records, and materials within one month after completion of all of FIRST PARTY's activities required under this agreement.

3. PROSECUTION OF WORK

FIRST PARTY will employ a sufficient staff to prosecute the work diligently and continuously and will complete the work in accordance with the schedule of work approved by the CITY. (See Exhibit "A," Scope of Services).

4. COMPENSATION AND PAYMENT

- A. **Compensation:** CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed \$81,000 as described in Exhibit "A," Scope of Services. All payments shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable. FIRST PARTY's fee for the Services as set forth herein shall be considered as full compensation for all indirect and direct personnel, materials, supplies and equipment, and Services incurred by FIRST PARTY and used in carrying out or completing the work.
- B. **Invoices:** Payments shall be monthly for the invoice amount or such other amount as approved by CITY. As each payment is due, the FIRST PARTY shall submit a statement describing the Services performed to CITY. This statement shall include, at a minimum, the project title, agreement number, the title(s) of personnel performing work, hours spent, payment rate, and a listing of all reimbursable costs. CITY shall have the discretion to approve the invoice and the work completed statement. Payment shall be for the invoice amount or such other amount as approved by CITY. Payments are due upon receipt of written invoices. CITY shall have the right to receive, upon request, documentation substantiating charges billed to CITY. CITY shall have the right to perform an audit of FIRST PARTY's relevant records pertaining to the charges.

- C. Invoice Documentation:** FIRST PARTY shall bill each month to City an original invoice for all Services performed and expenses incurred during the preceding month. Each such invoice shall contain the total agreement amount subtracting the invoices paid and billing. By submitting an invoice for payment under this Agreement, FIRST PARTY is certifying compliance with all provisions of the Agreement. FIRST PARTY shall not invoice City for any duplicate Services performed by more than one person. City shall independently review each invoice submitted by FIRST PARTY to determine whether the Services performed, and expenses incurred are in compliance with the provisions of this Agreement. City will use its best efforts to cause FIRST PARTY to be paid within thirty (30) days of receipt of FIRST PARTY's correct and undisputed invoice, except as to any charges for Services performed or expenses incurred by FIRST PARTY which are disputed by City, or as provided in this Section. In the event any charges or expenses are in dispute by City, the original invoice shall be returned by City to FIRST PARTY for correction and resubmission. Review and payment by City of any invoice provided by FIRST PARTY shall not constitute waiver of any rights or remedies provided herein or any applicable law. Consultant shall bill the City as Services are complete. City reserves the right to deny payment to FIRST PARTY for any invoice submitted more than 90 days after performance of Services or expenses are incurred by FIRST PARTY.
1. FIRST PARTY shall submit detailed and itemized monthly invoices in a form satisfactory to CITY on or before the tenth (10th) day of each month for Services provided during the preceding month.
 2. Invoices shall include sufficient documentation, including time records, cost records, receipts, and other materials necessary to substantiate the performance and costs of the Services. CITY shall review and verify the accuracy and completeness of each invoice within thirty-five (35) days after receipt. CITY, at its sole discretion, may correct, modify, or disallow any charges contained in the invoice that are inconsistent with this Agreement, unsubstantiated, excessive, or otherwise not in compliance with CITY's standards or instructions. Any such corrections or modifications shall be deemed final and binding upon FIRST PARTY.
 3. Upon completing its review, CITY shall make payment to FIRST PARTY for the amount approved by CITY, subject to applicable deductions, corrections, or offsets as deemed appropriate by CITY. No payment made by CITY shall constitute or be construed as acceptance of any Services or waiver of any rights or remedies available to CITY under this Agreement.
 4. CITY reserves the right to withhold payment in whole or in part if: (a) Services are not performed to the satisfaction of CITY; (b) There are delays not authorized or excused by CITY in the performances of Services; (c) FIRST PARTY fails to provide satisfactory documentation of the Services rendered, or documentation reflecting information CITY has requested; and/or (d) FIRST PARTY is otherwise in default of this Agreement.
 5. Withheld payments shall not relieve FIRST PARTY of its obligations to perform under this Agreement, and CITY shall not be liable for any interest, penalties, or damages related to the withholding of payment.
 6. In the event of a payment dispute, FIRST PARTY agrees to continue performance of all Services under this Agreement without delay or interruption, regardless of the status or resolution of such dispute. CITY shall resolve any payment disputes in good faith. Upon termination or expiration of this Agreement, CITY shall reconcile all outstanding invoices and payments. CITY may offset any amounts due to FIRST PARTY against amounts owed to CITY due to breach, nonperformance, or other defaults by FIRST PARTY.
- D. Status Reports.** Together with each monthly invoice, FIRST PARTY shall submit a status report detailing the amount expended on the Services to that date and the remaining amount to be expended before the Cost Ceiling is reached. FIRST PARTY shall notify CITY in writing when payments have reached 90% of the To Not Exceed Amount.

5. EQUAL EMPLOYMENT OPPORTUNITY

- A. FIRST PARTY, with regard to the work performed by it under this agreement shall not discriminate on the grounds of race, religion, color, national origin, sex, handicap, marital status, or age in the retention of sub-consultants, including procurement of materials and leases of equipment.
- B. FIRST PARTY shall take affirmative action to insure that employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, marital status or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.
- C. FIRST PARTY shall post in prominent places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- D. FIRST PARTY shall state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, marital status or handicap.
- E. FIRST PARTY shall comply with Title VI of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.
- F. FIRST PARTY shall incorporate the foregoing requirements of this section in FIRST PARTY's agreement with all sub-consultants.

6. ASSIGNMENT OF AGREEMENT AND TRANSFER OF INTEREST

- A. FIRST PARTY shall not assign this agreement, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the CITY thereto, provided, however that claims for money due or to become due to the FIRST PARTY from the CITY under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of an intended assignment or transfer shall be furnished promptly to the CITY.
- B. In the event there is a change of more than 30% of the stock ownership or ownership in FIRST PARTY from the date this agreement is executed, then CITY shall be notified before the date of said change of stock ownership or interest and CITY shall have the right, in event of such change in stock ownership or interest, to terminate this agreement upon notice to FIRST PARTY. In the event CITY is not notified of any such change in stock ownership or interest, then upon knowledge of same, it shall be deemed that CITY has terminated this agreement.

7. INDEPENDENT WORK CONTROL

It is expressly agreed that in the performance of the service necessary for compliance with this agreement, FIRST PARTY shall be and is an independent contractor and is not an agent or employee of CITY. FIRST PARTY has and shall retain the right to exercise full control and supervision of the Services and full control over the employment, direction, compensation, and discharge of all persons assisting FIRST PARTY in the performance of FIRST PARTY's Services hereunder. FIRST PARTY shall be solely responsible for its own acts and those of its subordinates and employees.

8. CONSULTANT QUALIFICATIONS

It is expressly understood that FIRST PARTY is licensed and skilled in the professional calling necessary to perform the work agreed to be done by it under this agreement and CITY relies upon the skill of FIRST PARTY to do and perform said work in a skillful manner usual to the profession. The acceptance of FIRST PARTY's work by CITY does not operate as a release of FIRST PARTY from said understanding.

9. NOTICES

All notices hereby required under this agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid or by overnight courier service. Notices required to be given to CITY shall be addressed as follows:

Administrative Services Department
Danny Daniels – IT Division

City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
650-330-6658
dcdaniels@menlopark.gov

Notices required to be given to FIRST PARTY shall be addressed as follows:

Nimesh Wickramasinghe
Armature Systems, Inc.
1980 Zanker Rd, #30
San Jose, Ca 95112
nimesh@armaturesystems.com

Provided that any party may change such address by notice, in writing, to the other party and thereafter notices shall be addressed and transmitted to the new address.

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10. HOLD HARMLESS

To the fullest extent allowed by law, FIRST PARTY hereby agrees to defend, indemnify and save harmless CITY, its Council, boards, commissions, officers, employees, directors, volunteers and agents, from and against any and all claims, suits, actions, liability, loss, damage, expense, injury (including, without limitation, economic harm, injury to or death of any person, including an employee of FIRST PARTY or its Subcontractors), cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, at law or equity, which may be brought against, or suffered or sustained by, City of Menlo Park, its Council, boards, commissions, officers, employees, directors, volunteers, or agents that arise out of, pertain to or relate to any negligence, recklessness, or willful misconduct of FIRST PARTY, any subcontractors, anyone directly or indirectly employed or retained by them, or anyone that they control. In the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the FIRST PARTY shall meet and confer with other Parties regarding unpaid defense costs.

The duty of FIRST PARTY to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however that nothing herein contained shall be construed to require FIRST PARTY to indemnify City of Menlo Park, its Council, boards, commissions, officers, employees, and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

FIRST PARTY's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained within this Agreement.

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11. INSURANCE

- A. FIRST PARTY shall not commence work under this agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City, with certificates of insurance evidencing the required coverage.
- B. There shall be a contractual liability endorsement extending the FIRST PARTY's coverage to include the contractual liability assumed by the FIRST PARTY pursuant to this agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the CITY, at the address shown in Section 9, of any pending cancellation of the policy. FIRST PARTY shall notify CITY of any pending change to the policy. All certificates shall be filed with the City.

1. Workers' compensation and employer's liability insurance:

The FIRST PARTY shall have in effect during the entire life of this agreement workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this agreement, the FIRST PARTY makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this agreement" (not required if the FIRST PARTY is a Sole Proprietor).

2. Liability insurance:

The FIRST PARTY shall take out and maintain during the life of this agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the FIRST PARTY's operations under this agreement, whether such operations be by FIRST PARTY or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in aggregate, or one million dollars (\$1,000,000) combined single limit bodily injury and property damage for each occurrence. FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

3. Automobile insurance:

FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

4. Professional liability insurance:

FIRST PARTY shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions of FIRST PARTY pursuant to this agreement, in the amount of not less than one million dollars (\$1,000,000) per claim and two million (\$2,000,000) in

the aggregate. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of Services described herein.

- C. CITY and its subsidiary agencies, and their officers, agents, employees, and servants shall be named as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the Professional Liability and workers' compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies and their officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if the CITY, its subsidiary agencies and their officers and employees have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.
- D. In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, CITY, at its option, may, notwithstanding any other provision of this agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.
- E. Before the execution of this agreement, any deductibles or self-insured retentions must be declared to and approved by CITY.

12. PAYMENT OF PERMITS/LICENSES

Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/Services to be performed, at his/her own expense, before commencement of said work/Services or forfeit any right to compensation under this agreement.

13. RESPONSIBILITY AND LIABILITY FOR SUB-CONSULTANTS AND/OR SUBCONTRACTORS

Approval of or by CITY shall not constitute nor be deemed a release of responsibility and liability of FIRST PARTY or its sub-consultants and/or subcontractors for the accuracy and competency of the designs, working drawings, specifications, or other documents and work, nor shall its approval be deemed to be an assumption of such responsibility by CITY for any defect in the designs, working drawings, specifications, or other documents prepared by FIRST PARTY or its sub-consultants and/or subcontractors.

14. OWNERSHIP OF WORK PRODUCT

Work products of FIRST PARTY for this project, which are delivered under this agreement or which are developed, produced, and paid for under this agreement, shall become the property of CITY. The reuse of FIRST PARTY's work products by City for purposes other than intended by this agreement shall be at no risk to FIRST PARTY.

15. REPRESENTATION OF WORK

Any and all representations of FIRST PARTY, in connection with the work performed or the information supplied, shall not apply to any other project or site, except the project described in Exhibit "A" or as otherwise specified in Exhibit "A."

16. TERMINATION OF AGREEMENT

- A. **Notice of Termination:** CITY may give thirty (30) days written notice to FIRST PARTY, terminating this agreement in whole or in part at any time, either for CITY's convenience or because of the failure of FIRST PARTY to fulfill its contractual obligations or because of FIRST PARTY's change of its assigned personnel on the project without prior CITY approval. Upon receipt of such notice, FIRST PARTY shall:
1. Immediately discontinue all Services affected (unless the notice directs otherwise); and
 2. Deliver to the CITY all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated or produced by FIRST PARTY in performing work under this agreement, whether completed or in process.
 3. **Compensation:** If termination is for the convenience of CITY, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed Services. If the termination is due to the failure of FIRST PARTY to fulfill its agreement, CITY may take over the work and prosecute the same to completion by agreement or otherwise. In such case, FIRST PARTY shall be liable to CITY for any reasonable additional cost occasioned to the CITY thereby.
 4. If, after notice of termination for failure to fulfill agreement obligations, it is determined that FIRST PARTY had not so failed, the termination shall be deemed to have been effected for the convenience of the CITY. In such event, adjustment in the contract price shall be made as provided in Paragraph 3A of this Section.
- B. **Remedies:** The rights and remedies of the CITY provided in this Section are in addition to any other rights and remedies provided by law or under this agreement.
- C. Subject to the foregoing provisions, the CITY shall pay FIRST PARTY for Services performed and expenses incurred through the termination date.

17. INSPECTION OF WORK

It is FIRST PARTY's obligation to make the work product available for CITY's inspections and periodic reviews upon request by CITY.

18. COMPLIANCE WITH LAWS

It shall be the responsibility of FIRST PARTY to comply with all State and Federal Laws applicable to the work and Services provided pursuant to this agreement, including but not limited to compliance with prevailing wage laws, if applicable.

19. BREACH OF AGREEMENT

- A. This agreement is governed by applicable federal and state statutes and regulations. Any material deviation by FIRST PARTY for any reason from the requirements thereof, or from any other provision of this agreement, shall constitute a breach of this agreement and may be cause for termination at the election of the CITY.
- B. The CITY reserves the right to waive any and all breaches of this agreement, and any such waiver shall not be deemed a waiver of any previous or subsequent breaches. In the event the CITY chooses to waive a particular breach of this agreement, it may condition same on payment by FIRST PARTY of actual damages occasioned by such breach of agreement.

20. SEVERABILITY

The provisions of this agreement are severable. If any portion of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by the mutual consent of the Parties.

21. CAPTIONS

The captions of this agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify or aid in the interpretation, construction, or meaning of any provisions of this agreement.

22. LITIGATION OR ARBITRATION

In the event that suit or arbitration is brought to enforce the terms of this agreement, the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees. The Dispute Resolution provisions are set forth on Exhibit "B," 'Dispute Resolution' attached hereto and by this reference incorporated herein.

23. RETENTION OF RECORDS

Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and /or audit of the City, a federal agency and the state of California.

24. TERM OF AGREEMENT

This agreement shall remain in effect for the period of Apr. 1, 2026 through Apr. 30, 2027 unless extended, amended, or terminated in writing by CITY.

25. ENTIRE AGREEMENT

This document constitutes the sole agreement of the Parties hereto relating to said project and states the rights, duties, and obligations of each party as of the document's date. Any prior agreement, promises, negotiations, or representations between Parties not expressly stated in this document are not binding.

All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the Parties to this agreement.

26. STATEMENT OF ECONOMIC INTEREST

Consultants, as defined by Section 18701 of the Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations, are required to file a Statement of Economic Interests with 30 days of approval of a contract Services agreement with the City of its subdivisions, on an annual basis thereafter during the term of the contract, and within 30 days of completion of the contract.

Based upon review of the Consultant's Scope of Work and determination by the City Manager, it is determined that Consultant IS NOT required to file a Statement of Economic Interest. A statement of Economic Interest shall be filed with the City Clerk's Office no later than 30 days after the execution of the agreement.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have executed this agreement on the day and year first above written.

FOR FIRST PARTY:

Signature

Date

Printed name

Title

Tax ID#

APPROVED AS TO FORM:

Nira F. Doherty, City Attorney

Date

FOR CITY OF MENLO PARK:

Justin I.C. Murphy, City Manager

Date

ATTEST:

Judi A. Herren, City Clerk

Date

EXHIBIT “A” – SCOPE OF SERVICES**A1. SCOPE OF WORK**

FIRST PARTY agrees to provide consultant Services for CITY’s ASD, IT Division. In the event of any discrepancy between any of the terms of FIRST PARTY’s proposal and those of this agreement, the version most favorable to the CITY shall prevail. FIRST PARTY shall provide the following Services:

Provide general consultant Services for projects as determined by the CITY. The detailed Scope of Work for each task the CITY assigns the consultant shall be referred to as Exhibit A-1, which will become part of this agreement. A notice to proceed will be issued separately for each separate Scope of Work agreed to between the CITY and FIRST PARTY.

FIRST PARTY agrees to perform these Services as directed by the CITY in accordance with the standards of its profession and CITY’s satisfaction.

A2. COMPENSATION

CITY hereby agrees to pay FIRST PARTY at the rates to be negotiated between FIRST PARTY and CITY as detailed in Exhibit A-1. The actual charges shall be based upon: (a) FIRST PARTY’s standard hourly rate for various classifications of personnel; (b) all fees, salaries and expenses to be paid to engineers, consultants, independent contractors, or agents employed by FIRST PARTY; and shall (c) include reimbursement for mileage, courier and plan reproduction. The total fee for each separate Scope of Work agreed to between the CITY and FIRST PARTY shall not exceed the amount shown in Exhibit A-1.

FIRST PARTY shall be paid within thirty (30) days after approval of billing for work completed and approved by the CITY. Invoices shall be submitted containing all information contained in Section A5 below. In no event shall FIRST PARTY be entitled to compensation for extra work unless an approved change order, or other written authorization describing the extra work and payment terms, has been executed by CITY before the commencement of the work.

A3. SCHEDULE OF WORK

FIRST PARTY’S proposed schedule for the various Services required will be set forth in Exhibit A-1.

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A4.CHANGES IN WORK – EXTRA WORK

In addition to Services described in Section A1, the Parties may from time to time agree in writing that FIRST PARTY, for additional compensation, shall perform additional Services including but not limited to:

- Change in the Services because of changes in the Scope of Work.
- Additional tasks not specified herein as required by the CITY.

The CITY and FIRST PARTY shall agree in writing to any changes in compensation and/or changes in FIRST PARTY's Services before the commencement of any work. If FIRST PARTY deems work he/she has been directed to perform is beyond the scope of this agreement and constitutes extra work, FIRST PARTY shall immediately inform the CITY in writing of the fact. The CITY shall make a determination as to whether such work is in fact beyond the scope of this agreement and constitutes extra work. In the event that the CITY determines that such work does constitute extra work, it shall provide compensation to FIRST PARTY in accordance with an agreed cost that is fair and equitable. This cost will be mutually agreed upon by the CITY and FIRST PARTY. A supplemental agreement providing for such compensation for extra work shall be negotiated between the CITY and FIRST PARTY. Such supplemental agreement shall be executed by FIRST PARTY and may be approved by the City Manager upon recommendation of the Information Technology Manager.

A5.BILLINGS

FIRST PARTY's bills shall include the following information: A brief description of Services performed, project title and the agreement number; the date the Services were performed; the number of hours spent and by whom; the current contract amount; the current invoice amount;

Except as specifically authorized by CITY, FIRST PARTY shall not bill CITY for duplicate Services performed by more than one person. In no event shall FIRST PARTY submit any billing for an amount in excess of the maximum amount of compensation provided in Section A2.

The expenses of any office, including furniture and equipment rental, supplies, salaries of employees, telephone calls, postage, advertising, and all other expenses incurred by FIRST PARTY in the performances of this agreement shall be incurred at the FIRST PARTY's discretion. Such expenses shall be FIRST PARTY's sole financial responsibility.

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EXHIBIT “B” – DISPUTE RESOLUTION

- B1.0** All claims, disputes, and other matters in question between FIRST PARTY and CITY (“Parties” collectively) arising out of, or relating to, the contract documents or the breach thereof, shall be resolved as follows:
- B2.0 Mediation**
- B2.1** The Parties shall attempt in good faith first to mediate such dispute and use their best efforts to reach agreement on the matters in dispute. After a written demand for non-binding mediation, which shall specify in detail the facts of the dispute, and within ten (10) days from the date of delivery of the demand, the matter shall be submitted to a mutually agreeable mediator. The Mediator shall hear the matter and provide an informal opinion and advice, none of which shall be binding upon the Parties, but is expected by the Parties to help resolve the dispute. Said informal opinion and advice shall be submitted to the Parties within twenty (20) days following written demand for mediation. The Mediator’s fee shall be shared equally by the Parties. If the dispute has not been resolved, the matter shall be submitted to arbitration in accordance with Paragraph B3.1.
- B3.0 Arbitration**
- B3.1** Any dispute between the Parties that is to be resolved by arbitration as provided in Paragraph B2.1 shall be settled and decided by arbitration conducted by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, as then in effect, except as provided below. Any such arbitration shall be held before three arbitrators who shall be selected by mutual agreement of the Parties; if agreement is not reached on the selection of the arbitrators within fifteen (15) days, then such arbitrator(s) shall be appointed by the presiding Judge of the court of jurisdiction of the agreement.
- B3.2** The provisions of the Construction Industry Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration, subject, however to the following:
- B3.3** Any demand for arbitration shall be writing and must be made within a reasonable time after the claim, dispute, or other matter in question as arisen. In no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based on such claim, dispute, or other matter would be barred by the applicable statute of limitations.
- B3.4** The arbitrator or arbitrators appointed must be former or retired judges, or attorneys at law with at least ten (10) years’ experience in construction litigation.
- B3.5** All proceedings involving the Parties shall be reported by a certified shorthand court reporter, and written transcripts of the proceedings shall be prepared and made available to the Parties.
- B3.6** The arbitrator or arbitrators must be made within and provide to the Parties factual findings and the reasons on which the decisions of the arbitrator or arbitrators is based.
- B3.7** Final decision by the arbitrator or arbitrators must be made within ninety (90) days from the date the arbitration proceedings are initiated.
- B3.8** The prevailing party shall be awarded reasonable attorneys’ fees, expert and non-expert witness costs and expenses, and other costs and expenses incurred in connection with the arbitration, unless the arbitrator or arbitrators for good cause determine otherwise.
- B3.9** Costs and fees of the arbitrator or arbitrators shall be borne by the non-prevailing party, unless the arbitrator or arbitrators for good cause determine otherwise.

B3.10 The award or decision of the arbitrator or arbitrators, which may include equitable relief, shall be final, and judgment may be entered on it in accordance with applicable law in any court having jurisdiction over the matter.



ARMATURE
S Y S T E M S

From:

Armature Systems, Inc.
1980 Zanker Rd, Suite 30
San Jose, CA 95112

To:

City of Menlo Park
Danny Daniels
dcdaniels@menlopark.gov

STATEMENT OF WORK

START DATE: 01/09/2026 VAILD UNTIL: 02/14/2026 QUOTE #: Q-05811-V2

1. EXECUTIVE SUMMARY

The City of Menlo Park is undertaking a strategic initiative to modernize its citywide network infrastructure in alignment with Zero Trust Network Architecture (ZTNA) principles. This effort is intended to enhance the City's security posture, improve operational resiliency, and establish a scalable foundation to support current and future municipal services.

The City has selected Nile to provide the underlying network platform and hardware through a separate commercial agreement. This Statement of Work defines the professional services to be provided by the Value-Added Reseller (VAR) in support of the planning, deployment, migration, validation, and transition of the Nile ZTNA-enabled network into full operational use.

Scope of Professional Services

Armature will provide professional services on a Time and Materials (T&M) basis to support all phases of the implementation lifecycle. Services are designed to ensure a secure, well-coordinated, and low-risk deployment across all in-scope City facilities and include:

- Discovery and Assessment, including site surveys, cabling and power evaluation, and validation of existing wired and wireless infrastructure
- Detailed network and wireless design, aligned to Zero Trust principles and City operational requirements
- Pilot deployment and validation to confirm design assumptions and reduce deployment risk prior to full rollout
- Production deployment and migration, including phased cutovers and parallel operation with existing network systems
- Testing and acceptance, validating authentication, segmentation, wireless coverage, and performance requirements
- Documentation and knowledge transfer, including as-built documentation and administrative training
- Project management, providing coordination, scheduling, risk management, and communication across all stakeholders

Commercial Structure

Professional services will be delivered on a Time and Materials (T&M) basis with a Not-to-Exceed (NTE) amount, providing the City with transparency into effort and cost while maintaining appropriate budgetary controls.

Billing will be based solely on actual time incurred, and the VAR will not exceed the approved NTE amount without prior written authorization from the City.

Hardware, software licensing, cloud management, lifecycle operations, and ongoing managed network services are explicitly excluded from this scope and are provided directly by Nile under a separate agreement.

Wireless Survey Sq Ft est.

- **Predictive Survey**
 - o Outdoor: 64,000 sq ft
 - o Indoor: 147,000 sq ft
- **Post Site Survey**
 - o Total: 211,000 sq ft

Hardware Extimates

Total for Civic Center

- Equipment: Switches/routers (29), AP Indoor (89), AP Outdoor (12), IDF/MDF (6)

Total for BHCC

- Switches/routers (8), AP Indoor (30), AP Outdoor (0), IDF/MDF (3)

Total for Outdoor Spaces

- Equipment: Switches/routers (29), AP Indoor (89), AP Outdoor (12), IDF/MDF (6)

2. PROJECT SCOPE & DELIVERABLES

The following items are in-scope for this engagement.

1. Phase 1 – Discovery & Assessment

- **Activities:**
 - o Conducting site surveys across all in-scope locations.
 - o Performing a comprehensive assessment of the existing wired and wireless infrastructure.
 - o Evaluating cabling, power, and rack resources.
 - o Reviewing current network and security integrations.
- **Deliverables:**
 - o A formal Discovery and Assessment Report.

- o A comprehensive register of identified risks, dependencies, and assumptions.

2. Phase 2 – Detailed Design

- **Activities:**

- o Developing the architecture design for the wired network.
- o Creating a predictive Wireless RF design (aiming for -67 dBm coverage).
- o Meticulously mapping Zero Trust segmentation and access policies.
- o Engineering integration designs (including Identity Provider (IdP), Palo Alto Networks (PAN) firewalls, and guest access).

- **Deliverables:**

- o A High-Level Design (HLD) document.
- o A Low-Level Design (LLD) document.
- o A detailed Migration and Cutover Strategy.

3. Phase 3 – Staging & Pilot

- **Activities:**

- o Coordinating the physical staging of all necessary hardware.
- o Validating the zero-touch provisioning process.
- o Executing a pilot deployment at designated site(s).
- o Confirming both policy adherence and performance metrics.

- **Deliverables:**

- o A formal Pilot Completion Report.
- o A documented Go-Forward Deployment Approval.

4. Phase 4 – Production Deployment

- **Activities:**

- o Executing the physical installation of network switches and access points.
- o Managing the phased cutover and ensuring coexistence with the legacy network.
- o Coordinating closely with City IT and Nile operations teams.

- **Deliverables:**

- o Official Deployment Completion Reports.
- o Comprehensive Issue Resolution Logs.

5. Phase 5 – Testing & Acceptance

- **Activities:**

- o Conducting rigorous testing of wired and wireless authentication mechanisms.
- o Validating micro-segmentation and the prevention of lateral movement.

- o Performing wireless performance testing.
- o Providing support for User Acceptance Testing (UAT).

- **Deliverables:**

- o Formal Test Results Documentation.
- o The final Acceptance Sign-Off.

6. Phase 6 – Documentation & Training

- **Activities:**

- o Creating the authoritative as-designed and as-built documentation.
- o Generating detailed network diagrams and port maps.
- o Conducting formal training sessions for administrator and operator personnel.

- **Deliverables:**

- o A complete Documentation Package.
- o Comprehensive Training Materials and Recordings.

7. Phase 7 – Project Management (Cross-Phase)

- **Activities:**

- o Providing a dedicated, professional project manager.
- o Maintaining consistent status reporting and stakeholder communication.
- o Actively managing project risks, issues, and change requests.
- o Coordinating all activities with relevant vendors (Nile, Palo Alto Networks).

- **Deliverables:**

- o Weekly Status Reports.
- o The final Project Closeout Report.

1. Equipment used

Armature Systems has utilized the following tools to conduct the wireless site survey map.

Predictive Survey tools:

- Hamina Survey Software

Active Site survey tools

- Lenovo Yoga 900 with Windows 10
- Ekahau Pro Wi-Fi Site Survey and Planning
- Ekahau Sidekick 2

3. PROJECT PRICING

Product Number	Description	QTY	Unit Price	Ext Price
ARM-PS-ENG-01	Armature Systems Professional Services - Engineer, 1 Day	45	\$ 2,160.00	\$ 97,200.00
ARM-PS-DISC	One time discount.	1	-\$ 16,200.00	-\$ 16,200.00
Total				\$ 81,000.00

THE CONTRACT TERM FOR THIS SOW IS 6 MONTHS FROM PROJECT KICKOFF MEETING.

4. TERMS & CONDITIONS FOR PROFESSIONAL SERVICES

Armature Systems, Inc. ("Company") and CLIENT, as referenced under the Acknowledgement, understand and agree to the following Terms & Conditions pertaining to the Delivery of this Statement of Work:

Notice for Scheduling: Armature Systems requires CLIENT to provide in writing a minimum 1 week ahead scheduling notice for this priority engagement.

Project Staffing: CLIENT to provide the following designated project team members:

- 1) Primary Project Point of Contact
- 2) Project stakeholders you wish to be involved in this evaluation and their role
- 3) Person(s) responsible for identifying the valid system images
- 4) Executive Stakeholder(s) providing oversight for this project and role (Technical, Financial, Operations...)
- 5) Any other CLIENT resources as identified by the Armature Systems Project to support the reasonable execution of the project deliverables within the scope of their responsibilities.

Definition of Regular Business Hours & After Hours: Unless otherwise noted herein, all services are to be performed during Regular Business Hours between 8:00 am and 5:00 pm, Monday through Friday, PST, excluding holidays. Any time outside these hours is considered After Hours. Unless otherwise stated explicitly in the Project Task & Deliverables Section of the Statement of Work, CLIENT will be retroactively billed for additional charges should Armature Systems be required to perform services during After Hours that were originally agreed to as Services during Regular Business Hours. The After-Hours rates will be 1.5 times the rate of Regular Business Hours unless otherwise stated on this Statement of Work.

Travel & Expenses: Pre-approved travel and living expenses shall be invoiced monthly.

Documentation: All documentation to be provided in Armature Systems template format and file structure.

Client Response Time: Unless both parties agree to a different response time during project meetings or conference calls, CLIENT will obtain and provide project requirements, information & data, make project decisions, resolve project conflict issues, and obtain internal approvals within one working day of the request by Armature Systems.

Client Satisfaction Survey: CLIENT agrees to complete a Client Satisfaction Survey after the closure of this project.

Limitation of Services: Armature Systems shall have no obligation to correct any software failure in the event that such failures result from (i) CLIENT's failure to use the software in accordance with any user

manuals; (ii) modifications to the source code for the software or configuration of a device have been made by anyone other than Armature Systems; or (iii) if the failure to perform is caused by a malfunction in the equipment on which the software runs, the operating systems for such equipment, or other program products that have not been developed by Armature Systems.

Non-Solicitation/Non-Hire: During the term of this SOW, and for a period of one (1) year following the last date for which Services are billed, unless otherwise agreed to by the parties in writing, CLIENT agrees not to employ, or solicit the employment of, any current or former employee of Armature Systems (including contracted consultants) involved in the performance of professional, development or consulting work for CLIENT.

Termination: Upon any termination of this SOW or the associated Agreement, CLIENT shall pay for Armature Systems completed services and deliverables and out-of-pocket expenses described herein accrued through the effective date of such termination. If CLIENT fails to perform any payment obligations hereunder and such failure remains un-remedied for fifteen (15) days, Armature Systems may suspend its performance until payment is received or terminate this SOW and the associated Agreement upon written notice.

Proprietary Rights: Armature Systems agrees that it shall retain no Proprietary Rights whatsoever in the project, and agrees that at no time shall Armature Systems apply for any registration of any copyright, trademark or other designation which would affect the ownership by CLIENT of the Proprietary Rights conveyed herein nor shall Armature Systems file any documents with any governmental authority to take any action which would affect the ownership of CLIENT's Proprietary Rights.

Confidential Information: Armature Systems and CLIENT mutually agree to limit disclosure of each other's confidential information solely to employees or agents who need to know such information. All such information remains the property of the party disclosing such information. All documents, records, notebooks and other material shall be returned to the owner of the confidential information upon request.

Invoicing, Payment, and Expirations: ARMATURE SYSTEMS will invoice for services as they are delivered monthly. Any hours remaining from the purchased block of hours will be billed at the end of the contract term. Hours billed and not used will be available for use for up to three months from the date of final invoice and will expire at the end of this three-month grace period.

Billing Hours: The time charged to the project will include the time the Company spends on telephone calls relating to all Client matters, including calls with Client and any other parties required to execute the SOW. The individual resources assigned to the Client's matters may confer among themselves about any and all matters related to the PS quote as required if appropriate. When they do confer each person will charge for the time expended as long as the work done is deemed necessary and not duplicative in nature.

Likewise, if more than one billable resource attends any meetings the Company will charge for waiting, attending meetings and travel time, for local, domestic, and international travel for all resources.

Contract Term: is defined in Section 3: Project Pricing.

Change Request Form: Armature Systems and CLIENT must mutually agree in writing to any change in the scope of work before beginning additional work. If no agreement can be arrived, the entire engagement will be put on hold, and the matter will be escalated to the Management Point of Contact for each party. Additional services beyond this scope of work will be billed at the agreed upon rate in the Project Change Request Form.

Service Price Changes: Service Price changes will be based on scope changes as defined by the Change Request form. The Change Request will describe the nature of the change, reason for the change and effect the change will have on the Scope of Work, which may include changes to the deliverables, pricing and schedule. Scope increases shall be identified and approved to Armature Systems and CLIENT in writing before work is completed. An additional Purchase Order is required before work is to be performed.

Completed Project Acceptance: CLIENT agrees to sign the Project Closure Form when all services listed in this Statement of Work are completed. Upon signing the Project Closure Form, Armature Systems is relinquished from all duties and responsibility related to this project. The final invoice of this project will also be sent immediately.

5. DISCLAIMER OF WARRANTIES, LIMITATION OF LIABILITY AND ACTIONS

ARMATURE SYSTEMS, INC. MAKES NO WARRANTIES, EXPRESS OR IMPLIED, FOR ITS SERVICES OR ANY RELATED DELIVERABLES, EXCEPT AS PROVIDED IN ARMATURE SYSTEMS STANDARD LIMITED WARRANTY. ARMATURE SYSTEMS SPECIFICALLY DISCLAIMS (A) THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, (B) ANY WARRANTY THAT ITS SERVICES OR ANY RELATED DELIVERABLES WILL BE ERROR- FREE OR WILL OPERATE WITHOUT INTERRUPTION AND (C) ANY WARRANTY THAT ITS SERVICES OR ANY RELATED DELIVERABLES WILL RESULT IN ANY ECONOMIC ADVANTAGE, INCREASE IN PROFITS OR REDUCTION IN COSTS.

ARMATURE SYSTEMS, INC. WILL NOT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF ANY DATA, PROGRAMS, WARRANTIES, ANTICIPATED PROFITS OR OTHER BENEFITS) THAT RESULT FROM USE OF, RELIANCE UPON OR INABILITY TO USE ITS SERVICES OR ANY RELATED DELIVERABLES, REGARDLESS OF (1) WHETHER OR NOT ARMATURE SYSTEMS HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND (2) WHETHER SUCH DAMAGES ARE BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION.

IF FOR ANY REASON, BY OPERATION OF LAW OR OTHERWISE, ANY OF THE FOREGOING DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY IS INEFFECTIVE, THE PARTIES HEREBY EXPRESSLY AGREE THAT IN NO EVENT SHALL ARMATURE SYSTEMS' CUMULATIVE LIABILITY TO **CLIENT**. IN RELATION TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY EXCEED A SUM EQUAL TO THE TOTAL COMPENSATION ACTUALLY PAID TO ARMATURE SYSTEMS UNDER THIS AGREEMENT WITHIN THE LAST TWELVE MONTHS.

NEITHER PARTY SHALL HAVE THE RIGHT TO INSTITUTE ANY ACTION OR PROCEEDING ARISING OUT OF ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, REGARDLESS OF THE FORM OF SUCH ACTION OR PROCEEDING, LATER THAN TWO YEARS AFTER SUCH TRANSACTION OCCURS OR IS DISCOVERED OR KNOWN BY THE PARTIES.

6. ACKNOWLEDGEMENT

By signing below, Client acknowledges and agrees to the Terms & Conditions for professional services on the following pages of this quote, including the Limitation of Liabilities and Warranties described therein. These terms prevail over any of Client's terms and conditions regardless of whether or when Client has submitted a separate purchase order or such terms. Fulfillment of Client's order does not constitute acceptance of any of Client's terms and conditions and does not modify the terms hereof.

COMPANY: ARMATURE SYSTEMS, INC.

CLIENT: City of Menlo Park

By: _____

By: _____

Name

Name

Title

Title

Date

Date