City of Kirkland
Request for Proposal

City of Kirkland Biennial Budget Book and GASB 87 Software

Job #08-22-FA

Issue Date: Wednesday, January 19th, 2022
Due Date: February 11th, 2022–2:00 p.m.
(Pacific Time)

REQUEST FOR PROPOSALS

Notice is hereby given that proposals will be received by the City of Kirkland, Washington, for:

City of Kirkland Biennial Budget Book and GASB 87 Software

File with Purchasing Agent, Finance Department, 123 - 5th Ave, Kirkland WA, 98033

Proposals received later than **2:00 p.m. on February 11th, 2022** will not be considered.

A copy of this Request for Proposal (RFP) may be obtained from City's web site at http://www.kirklandwa.gov/. Click on the Business tab at the top of the page and then click on the Request for Proposals link found under "Doing Business with the City".

The City of Kirkland reserves the right to reject any and all proposals, and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the City to pay any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, the RFP does not obligate the City to accept or contract for any expressed or implied services.

A Service Provider response that indicates that any of the requested information in this RFP will only be provided if and when the Service Provider is selected as the apparently successful Service Provider is not acceptable, and, at the City's sole discretion, may disqualify the proposal from consideration.

The City requires that no person shall, on the grounds of race, religion, color, national origin, sex, age, marital status, political affiliation, sexual orientation, or the presence of any sensory, mental, or physical disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. The City further assures that every effort will be made to ensure non-discrimination in all of its programs and activities, whether those programs are federally funded or not.

In addition to nondiscrimination compliance requirements, the Service Provider(s) ultimately awarded a contract shall comply with federal, state and local laws, statutes and ordinances relative to the execution of the work. This requirement includes, but is not limited to, protection of public and employee safety and health; environmental protection; waste reduction and recycling; the protection of natural resources; permits; fees; taxes; and similar subjects.

Dated this 19th day of January, 2022

Jay Gewin
Purchasing Agent
425-587-3123
City of Kirkland

Published in the Daily Journal of Commerce – January 19th and 26th, 2022

City Background Information

The City of Kirkland is located on the eastern shore of Lake Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated King County. The City is near several major transportation routes including Interstate 405, State Route 520, and Interstate 5. These routes connect the City economically and socially to the greater Seattle area.

At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. The current estimated population is 92,900. Kirkland is the twelfth largest city in the State of Washington and the fifth largest in King County.

Since its incorporation, Kirkland has grown in geographic size to eighteen square miles – approximately twenty times its original size. This growth occurred primarily through the consolidation of the cities of Houghton and Kirkland in 1968, the annexations of Rose Hill and Juanita in 1988 and the annexation of North Juanita, Finn Hill, and Kingsgate areas in 2011.

Kirkland operates under a Council-Manager form of government. The City Council is the policy-making branch of Kirkland's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected from within the Council. The City Council is supported by several advisory boards and commissions and the City Manager. The City Manager is appointed by the City Council and serves as the professional administrator of the organization, coordinating its day-to-day activities.

Purpose of Request

The City of Kirkland ("City") is seeking proposals from qualified providers for an off-the-shelf software solution, cloud solution, or software-as-a-service solution that would provide a tool to enable the production of the City's biennial budget book and to comply with the lease accounting requirements of Governmental Accounting Standards Board Statement (GASB) No. 87. The City is seeking proposals from providers who can meet either, or both, of the above requirements, and is willing to choose two separate providers if that option best meets the City's needs.

These solutions will need to work alongside the City's main ERP system, Tyler Munis, and all proposals will be assessed for functionality, ease of use, security and any other relevant criteria. The City requests firm-fixed-price proposals to deliver and implement the software, provide professional services, and provide ongoing support services.

Project Background

Task 1: Budget Book Production
In 2018 the City implemented the Tyler Munis ERP system, and uses this system for all budgeting, accounting, purchasing, payroll, and most HR functions. However, improvements to the process of creating the biennial budget book were not implemented at the same time. The City's Financial Planning team still produces the 400- to 500-page budget book using a combination of manual processes and Excel workbooks built on exported data from the Munis

ERP system. This causes significant manual processing during the busiest period of the budget cycle and adds workload and the potential for errors throughout document creation.

The City of Kirkland operates with a January-December fiscal year, and a two-year budget cycle, with the current biennial budget covering the 2021-2022 years. The next biennial budget process will begin in early summer 2022 and complete with final Council adoption in December 2022. After budget development from June through September 2022, budget book production is scheduled to occur in earnest from September through mid-October, with some editing occurring in November, and final budget book publication in Q1 2023.

Task 2: GASB 87 Management Tool

The Governmental Accounting Standards Board-issued GASB Statement No. 87, Leases (GASB 87), essentially establishes a single reporting model for lease accounting to enhance the relevance and consistency of information about governments' leasing activity. GASB 87 changes the definition of a lease to eliminate the "capital" and "operating" differences. All leases meeting GASB 87 criteria require Lessees to recognize: (1) a lease liability and (2) an intangible right-to-use lease asset and Lessors to recognize: (1) a lease receivable and (2) a deferred inflow of resources. A lessor will continue to report the leased asset in its financial statements.

The requirements of GASB 87 are effective for the City's fiscal year beginning January 1, 2022. The City is party to lease agreements as both a lessee and lessor for rental property, right-of-use and equipment. The City has an estimate of 70 leases (50 franchise and 20 rental property & equipment). Some of the lease information is stored in Excel workbooks. The City reserves the right to update the estimated number of leases will be updated as we gather information from the various departments.

Performance Schedule and Budget

The budgeted amount for this professional services contract for both tasks is between $50,000 and $75,000. The initial length of the contract will be March 5, 2022 through December 31, 2022. However, the Contractor must provide the timeline in which the Biennial Budget Book Task 1a and/or GASB 87 Management Task 2 will be completed within three months after the notice to proceed. To facilitate seamless implementation of the budget book software, the initial development of the tool will need to be completed based on the data and format of the 2021-22 budget book and pulling directly from Munis ERP. After which, the Contractor will need to provide initial training in summer 2022, and ongoing support and troubleshooting through the 2023-24 budget book production, with most work expected September through October 2022. Troubleshooting and ongoing implementation support for the GASB 87 Management deliverable will also need to occur in summer 2022.

At the sole discretion of the City, this contract may be amended to provide ongoing services based on the scope of work identified, budget availability and consultant performance. The period of performance of an agreement resulting from this RFP is expected to be through completion of the project. Amendments extending the period of performance, if any, shall be by mutual agreement. A contract extension may be issued to provide the time necessary to complete task orders in process for projects not completed by the original contract completion date.

Contract Requirements and Fees

If your proposal is accepted, the following fees and requirements will be due upon award, prior to issuance of a contract:

 ➢ **Compliance with Law/City of Kirkland Business License**
   - Contractor must obtain and provide a copy of a City of Kirkland Business License and otherwise comply with Kirkland Municipal Code Chapter 7.02.
   - The Contractor shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes.

Scope of Work

The City seeks services related to the development of software solutions with direct integration of financial data from the City's Tyler Munis ERP system to either or both Task 1) Prepare biennial budget book production and/or Task 2: Manage GASB 87 lease tracking and reporting for annual financial statements. A qualified firm will need to be capable of working with City IT staff and City Finance & Administration staff. Any relevant, existing budget book data, Excel workbooks, Word documents, and processes will be made available to the selected consultant as needed to advance this scope of work.

Expected Outcomes and Deliverables

A qualified firm will be expected to manage or assist with efforts in either or both of the following Tasks.

Task 1a: Develop a software solution to replicate each page of the City's current biennial budget book using direct integration with Tyler Munis ERP financial data in preparation of the 2023-24 budget book production. The software will seamlessly retrieve detailed financial and position/FTE data from Munis at least daily and allow for manual customization of data published in the budget book.

- Contractor will need to define what we expect can and cannot be pulled from Munis in the proposal (e.g., position/FTE data).
- Deliverable will need to produce customizable summary tables, charts, and graphics built on Munis financial data.
- Deliverable will need to pull account data and detail from all 'budget projections' data available in the Central Budget Entry module.
- Deliverable will need to be able to pull all historical budget and actuals data available in Account Entry module.
- Deliverable will need to be able to pull position and FTE data from position related modules with Tyler Munis.
- Software solutions is expected to show all detail available in Central Budget Entry, including ongoing versus onetime expenses.
- The City does not expect this product will need to be updated or managed by staff outside of Finance Department.

Task 1b: Contractor will conduct training with Financial Planning staff during spring/summer 2022 on how to update Task 1a deliverable with 2023-24 budget data from Tyler Munis ERP

and other sources. Contractor will provide ongoing troubleshooting and support during preliminary budget book production from September 1 through mid-October, 2022 sufficient to produce an accurate and consistent product from previous budget books. Ongoing support may be necessary for final 2023-23 budget book production in Q1 2023 and future biennial budget book production processes (i.e., 2024, 2026, etc.). The Contractor will provide a recommended number of hours of direct support in proposal with cost estimate, with examples from previous successful implementation processes with similar Cities using Tyler Munis ERP.

Task 2: Develop a software solution to facilitate the identification, management, and reporting of GASB 87-defined leases and other similar agreements/contracts.

The selected Offeror will provide a turnkey solution for a lease accounting system that will store all relevant information for leases and provide appropriate accounting entries and disclosures to comply with GASB Statement No. 87, Leases. For more detail, Attachment A includes a list of Critical Requirements the City is seeking.

A. City seeks a Lease Accounting software system with the following functionalities:

- Generate journal entries by month, quarter or annually and accurately calculate lease data
- Account for each lease by general ledger accounting code
- Classify lease types
- Set up notifications for critical dates
- Support the importing of data from existing repositories and spreadsheets into the tool's database
- Store and track data about each lease, journal entry, and asset
- Ensure compliance of leases with new lease accounting standards
- Calculate short and long-term lease liability, while amortizing the lease asset
- Ensure accountability by providing an audit trail for every change made to each lease:
  - 2-party approval capability to ensure accuracy of information and help maintain an effective internal control environment
- Alert notifications for lease renewals and deadlines to ensure start and end dates are not missed.
- Role-based access control
- Reporting capabilities:
  - Standard accounting reports and customer ad hoc reports
  - Ability to export reports in various file format types
- Incremental borrowing rates:
  - Software needs to be able to centrally control and assign incremental borrowing rates for different lease terms
- Embedded leases, lease and non-lease components
  - Software has to be able to separate the lease and non-lease components by classification of asset, while properly identifying all embedded leases
- Lease duplication prevention

- Software should have the ability to capture unique characteristics to prevent the same lease from being entered in a different way. (e.g., "corporate headquarters" or "corporate HQ.")
- Analytics & reporting
  - Goal: Comprehensive analytics and leases activities tracking provided to the City in standardized, monthly reports.

B. Implementation Services

- Integration with the following systems: Munis, Microsoft Excel
- Importing current lease information from: Microsoft Excel
- Software must be fully implemented and live by June 2022

C. Service and Support

- Training
- Technical Support
- Post-Live Support

Goal: Ensure the solution provider and the City teams start out with a common understanding of the product and implementation approach and are speaking the same "project language" in the context of the implementation.

a) Orientation training for City project team
b) Training and reference materials for City project team (e.g., PDF, video, etc.)
c) Balloon of service hours to assist during and after launch

Goal: Ensure City staff have refresher training or Content Contributor training prior to launching the Lease Accounting Software System so that the City can support the site with the solution provider's assistance.

Information Technology Requirements:

The City's Information Technology department will conduct a security review prior to the contract being signed.

Supplier agrees to comply with all provisions of the current City of Kirkland security agreements (e.g., IT Cloud Vendor Security Agreement, IT Non-Disclosure Agreement and the IT Vendor/Consultant Network Access Agreement), published by the Department of Information Technology as are pertinent to Supplier's operation. These are shown in Attachment C.

Submission Criteria

Proposals should be prepared simply, providing straightforward, concise descriptions of the applicant's capabilities to satisfy the requirements of the request:

Scoring Criteria 1: Statement of Interest/Understanding…………..…………10 Points

Scoring Criteria 2: Profile and Expertise, of Firm and Assigned Staff……..20 Points

- Submit a summary statement of the firm's capability, capacity, and expertise to provide the services outlined in this proposal.
- Describe your firm's familiarity with and previous projects creating custom software solutions directly with Tyler Munis ERP system.
- Describe firm's history of performing similar services and why it stands out among your competitors.
- Submit a project organization and management chart showing the key roles / relationships of the team.

Scoring Criteria 3: Scope of Work Approach………………………..…………25 Points

- Work Plan, including scope, staffing and scheduling. Provide a well-conceived Project implementation and support plan demonstrating understanding of and addressing the City's requirements and Proposer's ability to satisfy the requirements; schedule; customer service component; and approach in providing the services.
- Explain roles and responsibilities the City is expected to provide.
- Provide a sample project plan.
- Include a training program and describe options for both on-site and remote training will be provided to staff given future public health protocols related to the COVID pandemic.
- Proposers may also suggest technical and/or procedural innovations, or approaches that have been used successfully for other engagements and which may provide the City with better service delivery.

Scoring Criteria 4: Past Performance……………………………………..……20 Points

- Provide up to three references of completed or long-term projects utilizing services similar to those defined in this solicitation, including one, if possible, from Washington State; the City of Kirkland may not be counted as a reference. Include the name of the owner contact information and all subcontractors involved in the project.

Scoring Criteria 5: Cost schedule…………………………………………….. 25 Points

- Provide fee schedule defined by roles and services:

Task 1: Budget Book Production Software
  a. Cost of developing software that replicates the 2021-22 Budget Book with direct integration from Tyler Munis ERP System
  b. Professional service fees to implement the new Budget Book Production Software and use to produce the 2023-24 City of Kirkland Budget. This includes, but is not limited to troubleshooting, customization, training services, and ongoing support for Final 2023-24 Budget Book production in Q1 2023 and future biennial budget books.

Task 2: GASB 87 Lease Management

    a. For Lease Accounting & Management Software:
- Pricing for approximately 70+ leases
- Number of licenses provided
- Annual on-going software maintenance and support costs
- Continued on-going training and support costs
- Maximum annual percentage increase

    b. Professional service fees to implement the new Accounting & Management Software and GASB 87. This includes, but is not limited to project management, customization, and training services.

Proposal Submittal Instructions

Please note: The following general requirements are mandatory for all proposals. Proposals submitted after the deadline date and time or lacking one or more of the following requirements will not be accepted.

1. **Proposals must be received by no later than 2:00 p.m. on February 11, 2022.**
2. Emailed proposals should include, "City of Kirkland Biennial Budget Book and GASB 87 Software – Job # 08-22-FA " in the subject line and be addressed to purchasing@kirklandwa.gov
3. All proposals sent electronically must be in the form of a PDF or MS Word document and cannot exceed 20MB. **This is the preferred submission format.**
4. If paper proposals are being submitted, they must consist of one original and one copy. The City must receive any paper submittal before 2:00 PM on February 11, 2022, and any delivery received after the deadline will be rejected. These can be mailed or delivered to:

        City of Kirkland
        ATTN: Purchasing staff – Job #08-22-FA
        123 5th Avenue
        Kirkland, WA 98033
5. All proposals must include the legal name of the organization, firm, individual or partnership submitting the RFP. Include the address of the principal place of business, mailing address, phone numbers, emails, fax number (if one exists) and primary contact person.
6. To be evaluated, a proposal must address all requirements and instructions contained within.
7. Provide all references and materials required by the RFP instructions within.

Questions: Questions regarding the scope of work, RFP and evaluation process must be submitted in writing and should be addressed to Jay Gewin, Purchasing Agent via e-mail at jgewin@kirklandwa.gov . The deadline to submit questions is 5:00 PM on February 3, 2022.

Submittal Deadlines

The Department's schedule for review of the RFP submittals and final selection of the Contractor is as follows:

January 19, 2022	RFP posted
February 3, 2022	Deadline for questions: 5:00 p.m.
February 7, 2022	Responses to questions posted
February 11, 2022	Request for Proposal Submittals Deadline: 2:00 p.m.
February 14 - February 25, 2022	Evaluation Period – may include interviews
March 4, 2022	Contract Awarded

Selection Criteria and Process

The City will make a selection based on the evaluation of the written proposals. The City may also conduct an interview process with scoring used to determine the selected proposer. The City may elect to interview some or all proposers. The City reserves the right to make a selection based only on the evaluation of the written proposals. Written proposals and interviews will be evaluated based on the following criteria:

Statement of Interest/Understanding	10
Profile and Expertise of Firm and Assigned Staff	20
Scope of Work Approach	25
Past Performance	20
Cost schedule	25
Total	100

Prior to the commencement of work, the City and the selected consultant will meet to settle contract details. A notice to the consultant of the City's award will constitute notice to proceed. The City is not responsible for any costs incurred by the consultant in the preparation of the proposal. Once submitted to the City, all proposals will become public information.

Contract

The Consultant and the City will execute an Agreement for the City of Kirkland Biennial Budget Book Production and GASB 87 Software including all the requirements found in the sample agreement shown as Attachment B.

Terms and Conditions

A.   The City reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.

B.   Proposers responding to this RFP must follow the procedures and requirements stated in the RFP document. Adherence to the procedures and requirements of this RFP will ensure a fair and objective analysis of your proposal. Failure to comply with or complete any part of this RFP may result in rejection of your proposal.

C.   The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.

D.   The City reserves the right to award any contract to the next most qualified agency, if the successful agency does not execute a contract within 30 days of being notified of selection.

E.   Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.

F.   The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City and shall reflect the specifications in this RFP. A copy of the City's standard Professional Services Agreement is available for review (see attachment B). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.

G.   The City shall not be responsible for any costs incurred by the agency in preparing, submitting or presenting its response to the RFP.

H.   Any material submitted by a proposer shall become the property of the City. Materials submitted after a contract is signed will be subject to the ownership provision of the executed contract.

I.   The City reserves the right not to award any portion of this RFP or the project in entirety if it finds that none of the proposals submitted meets the specific needs of the project. The City reserves the right to modify the scope of work and award portions of this RFP to the selected vendor. The City reserves the right to award this work to multiple vendors if the scope of work would be best completed by multiple vendors and their associated experience.

Cooperative Purchasing

Chapter 39.34 RCW allows cooperative purchasing between public agencies in the State of Washington. Public agencies which have filed an Intergovernmental Cooperative Purchasing Agreement with the City may purchase from City contracts, provided that the consultant agrees to participate. The City does not accept any responsibility for contracts issued by other public agencies, however.

Public Disclosure

Once submitted to the City, proposals shall become the property of the City, and all proposals shall be deemed a public record as defined in "The Public Records Act," chapter 42 section 56 of the RCW. Any proposal containing language which copyrights the proposal, declares the entire proposal to be confidential, declares that the document is the exclusive property of the

proposer, or is any way contrary to state public disclosure laws or this RFP, could be removed from consideration. The City will not accept the liability of determining what the proposer considers proprietary or not. Therefore, any information in the proposal that the proposer claims as proprietary and exempt from disclosure under the provisions of RCW 42.56.270 must be clearly designated as described in the "Proprietary Material Submitted" section above. It must also include the exemption(s) from disclosure upon which the proposer is making the claim, and the page it is found on must be identified. With the exception of lists of prospective proposers, the City will not disclose RFP proposals until a bid selection is made. At that time, all information about the competitive procurement will be available with the exception of: proprietary/confidential portion(s) of the proposal(s), until the proposer has an adequate opportunity to seek a court order preventing disclosure. The City will consider a proposer's request for exemption from disclosure; however, the City will make a decision predicated upon RCW 42.56.

DBE (Disadvantaged Business Enterprise) Participation

The City encourages DBE firms to submit qualifications and encourages all firms to team with DBE firms in their pursuit of this project.

Federal Debarment

The Bidder shall not currently be debarred or suspended by the Federal government. The Bidder shall not be listed as having an "active exclusion" on the U.S. government's "System for Award Management" database (www.sam.gov).

Task 2: GASB 87 Lease Management

CRITICAL REQUIREMENTS

	Description	Yes/No	Comments
1.	**New GAAP** - Does the current release of your software support the new US GAAP standards – GASB 87- Leases for **BOTH Lessors and Lessees standpoints**? List any aspects of the standard that are not supported.		
2.	**Repository** – Is there a central repository to store all lease documentation (leases, amendments, subleases, site plans, facility drawings, etc.) List any limitations of this repository.		
3.	**GASB 87 Applicability** – Can your application determine, based on data input, whether or not GASB 87 applies to each lease? Explain.		
4.	**Lease Types -** Ability to track all types of leases from equipment to real estate, regardless of whether or not GASB 87 Accounting applies		
5.	**Lease Components** – Can your software capture variable lease payments and multiple components (including fixed and non-lease components) of lease contracts? Explain how these components are handled.		
6.	**Auditor Verification** – Can your software provide the ability for external auditors to validate the accuracy of calculations? Explain how.		
7.	**Perspective –** Can your software provide all functionality and tools to account for both the LESSOR and the LESSEE perspective?		
8.	**Fund Type –** Does your software could provide the conversion to Government-wide statements for Governmental type funds? Explain.		

9.	**Calculations –** Does your software calculate and store the lease amortization schedule for each lease and provide balanced journal entries by fund monthly, quarterly, or annually depending on the City's preference (for both GASB 87 Leases and Non-GASB 87 Leases)? Explain.		
10.	**Journal Entries** - Can journal entries (debits and credits) be created including the entire account string (Fund, Cost Center, GL Account) by lease, cost center, or fund levels (including government-wide reporting level) and can the user organization decide how often to run them (monthly, quarterly, annually)? Elaborate on how this is handled in the software.		
11.	**Journal Entries** – Can your software calculate and provide journal entries (debits and credits) when a lease is terminated prior to its expiration date?		
12.	**Lease Term** – Can the software determine the GASB 87 lease term based on the appropriate contract terms and options? Explain the factors considered in this determination.		
13.	**Subleases** - Does the software support accounting for subleases (i.e. as a lessor)? Is it linked to the original lease or does it have to be entered as a separate lease?		
14.	**Report by Fund/Fund Type –** Do the standard reports include reports by Department and by Fund/Fund Type as well as in total? Provide a sample report.		
15.	**As of Reporting** – Do the standard reports offer "as of" reporting (such as for reconciling to the balance sheet as of year-end 12/31). Provide a sample report.		
16.	**Roll Forward** - Do you offer Roll Forward reporting that summarizes the changes during a period? Which of the following changes are captured: • Returns • Buyouts • Retired soft costs • Partial events		

	Description	Yes/No	Comments
	• Renewals • New deals Provide a sample report		
17.	**GASB 87 Disclosures** – Does your solution provide, out of the box, standard GASB 87 required note disclosures for the Annual Comprehensive Financial Reporting? Provide a sample.		
18.	**Business Unit Level** - Can the reports be viewed at a consolidated level as well as at the **department** (cost center), **fund** or **fund type** (governmental funds vs. proprietary funds) level?		
19.	**Business Unit Level –** Can the software communicate between departments?		
20.	**Repository** - Is there a central repository to store all real estate lease documentation (e.g. Leases, amendments, subleases, site plans, facilities drawings)? Describe any limitations of the repository.		
21.	**Asset Level** - Can the software track different components of a real estate lease at the asset level? Give an example.		

	Description	Yes/No	Comments
22.	**Critical Dates** - Does the application track critical dates such as first right of refusal, option to expand, option to renew? List all date fields provided.		
23.	**Security Deposits** - Can the application track security deposits? Explain how the functionality works and how the security deposit is handled in the calculation of NPV.		
24.	**Asset Level** - Can the software track different components of an equipment lease at the asset level? Explain.		
25.	**Training** – What training and documentation is provided to the end users BEFORE implementation go-live?		

	Description	Yes/No	Comments
26.	**Data Ownership** - Can you guarantee that the City will receive all our data in an easily accessible and readable format when the business relationship ends?		

LEASE ACCOUNTING FEATURES

	Description	Yes/No	Comments
	General Requirements		
27.	**Classification Testing** - can your application automatically perform classification tests under GASB 87? Explain.		
28.	**ERP knowledge –** Will the consultant have Munis knowledge?		
29.	**Overrides** - Can users override the lease classification and provide explanations?		
30.	**Judgments** - Can judgments be documented during the accounting analysis?		
31.	**Materiality** – Can your software be configured to allow for materiality policies for leases? Can they be set based on product categories or other characteristics?		
32.	**Exemptions** - Can exemptions and policy elections be documented in the application?		
33.	**Audit Trail** – Does your software provide a complete audit trail to track modifications, approvals, and entries? Elaborate.		
34.	**Workflow** – Can you provide a workflow approval process for new leases and modifications requiring at least two levels of approval before a lease is approved for processing payments or bills and generating journal entries?		
35.	**Notifications** – Does your software send out automatic email notifications of upcoming critical dates such as payments coming due, receivables due, and renewal dates? Explain.		

	Description	Yes/No	Comments
36.	**Checks and Balances** – Does your system automatically perform validity checks and balances and report potential concerns to the Department and Accounting Division for review and correction/verification? Elaborate.		
37.	**Dashboard** – Does your software provide dashboard views at various levels (departments v. accounting division)?		
38.	**Sub Ledger** – Do you offer a sub ledger for lease accounting? If so, explain its purpose.		
39.	**Navigation** - Does your system provide user - friendly, logical navigation for both accountants and non-accountants? What makes it user-friendly?		
40.	**Parallel Ledgers** - Can your software provide multiple parallel ledgers from a single instance? If so, explain their use.		
41.	**Split Allocations** - Can your solution support accounting for a leased asset that is shared by multiple cost centers?		

	Description	Yes/No	Comments
42.	**Transition Reporting** - How does your system support creation of balances on the Transition Date as well as reporting of all previous reporting periods?		
43.	**External Data** - Is all the information required to generate journal entries stored in the application? If not, what dependencies exist on data stored in ERP or fixed asset systems?		
44.	**GL Support** – Does your system have the ability to download entries into excel for upload into Munis?		
45.	**GL Support** – What other options do you offer for getting the journal entries out of your software and into an ERP system?		
46.	**Performance-Based Leases** - Does the software support performance -based lease payments?		

47.	**Usage-Based Rents** - Does the software support usage-based rents (e.g. mileage, consumption, # copies/printed pages)?		
48.	**Advance Payments** - Does the software support rent payments in advance and arrears?		
49.	**Skip Payments** - Does the software support skip payments and "rent holidays?"		
50.	**Mid-Month Commencement** - Does the software support leases with a mid - month commencement?		
51.	**Mid-Term Payments** - Does the software support mid-term payment adjustments for accounting purposes?		
52.	**Short Term Leases** - Can the software automatically classify short term leases (as defined by GASB 87) and account for them properly?		
53.	**Middle of Term Events** - Can the application perform accounting for mid - term asset level changes (i.e. one asset is discontinued/returned, and the others stay on lease)?		
54.	**End of Term Events** - Can the application perform accounting for end -of-term asset level changes (i.e. one leased asset is renewed and the others are terminated)?		
	Minimum Required Fields – Describe the limitations of each field, if any.		
55.	**Lease Description/Name**		
56.	**Nature of the Lease (land, equip, etc.)**		
57.	**Lessor**		
58.	**Lessee**		
59.	**Department Name**		
60.	**Department Cost Center (SAP Cost Center #)**		

	Description	Yes/No	Comments
61.	**Department Contact Person**		
62.	**Contact Information for Outside Party** (Name, address, email, phone number, etc.)		
63.	**Commencement Date**		
64.	**Initial Expiration Date**		
65.	**Options to Renew (lessor and lessee options)**		
66.	**Reasonable certainty of exercising options to renew (lessor and lessee)**		
67.	**Options to terminate (lessor and lessee options)**		
68.	**Reasonable certainty of exercising options to terminate**		
69.	**Indicator field for whether or not GASB 87 applies for each lease**		
70.	**Lease payment frequency**		
71.	**Lease payment amount**		
72.	**Interest Rate**		
73.	**Payment escalation terms (rates/time period)**		
74.	**Board of Commissioner's (BOC) approval date**		
75.	**BOC agenda item number**		
76.	**Contract number**		
77.	**List any other fields available and pertinent for GASB 87 accounting/reporting**		
	Auditing and Reporting Features		
78.	**Standard Reports** - List the additional standard reports that come pre - configured with the application. Provide sample reports for most commonly used reports by government clients.		

79.	**Custom Reports** – Does your solution provide the ability to perform custom queries and create customer reports? Give some examples.		
80.	**Quantitative Analysis** – Does your disclosures reporting package include quantitative analysis of • Amortization of ROU assets • Interest on lease liabilities • Total lease costs • Average remaining lease term • Average discount rate		
81.	**Maturity Analysis** – Does your disclosures reporting package include a maturity analysis with supporting details for: • Undiscounted cash flow outflows for principal • Undiscounted cash flow outflows for interest • Reporting of first 5 individual years followed by 5 -year groupings of remaining years		
82.	**Custom Reports** - Can additional reports be configured or customized to meet our needs?		
83.	**Internal Controls** - Does your software support the enforcement of internal controls for internal audit or financial reporting?		
84.	**Audit Trail** - Does the application offer the ability to capture who/what/when events that occur to produce an audit trail?		
85.	**Supporting Documents** - Can links be established between events on the timeline and supporting documents or attachments?		
86.	**Reconciliation** - Does the application offer reconciliation between accounting periods?		

DATA ABSTRACTION, INPUT AND OUTPUT

	Description	Yes/No	Comments
	Data Abstraction Technology		
87.	**Data Abstraction** – Describe the data abstraction capabilities of your software.		
88.	**File Formats** - List the file formats supported by the abstraction technology (e.g. PDF, JPEG).		
89.	**Standard Fields** - List the standard data elements that are captured by the data abstraction process.		
90.	**Custom Fields** - Can the abstraction software be configured to capture additional fields?		
91.	**Link Data** - Can the software link schedule, line item, asset and component level information submitted from different sources using a common key? Explain.		
92.	**Quality Assurance** - Can the data abstraction technology perform quality assurance to prevent bad data from entering the system?		
	Data Input and Upload		
93.	**Web Interface** - Does the application offer a web interface to key -in data?		
94.	**Data Upload** – Describe the various options for uploading data into the application.		
95.	**Quality Assurance** - Does the application offer quality assurance features to ensure that bad data is not uploaded? If yes, please explain.		
	Data Extract and Output		
96.	**Data Export** - Can data be exported? If so, please list the file formats supported.		
97.	**Spreadsheet Export** - Can the data be exported into a pre-formatted spreadsheet?		

INTEGRATION

	Description	Yes/No	Comments
98.	**ERP Integration** - Describe how your application interacts with ERP systems such as Munis to exchange lease accounting data?		
99.	**Professional Services** - Do you offer professional services to perform integration between the lease accounting application and other systems?		
100.	**Comms Protocols** - List the communications protocols that are supported to exchange files with other applications. (e.g., S/FTP, FTP/S, HTTP/S, SOAP).		

IMPLEMENTATION AND PROJECT MANAGEMENT

	Description	Yes/No	Comments
101.	**Implementation Approach** - Explain your typical approach to implementing a lease accounting software project with companies similar to ours.		
102.	**Current Processes** – What documentation about current processes and systems is required to implement your lease accounting software?		
103.	**Lease Administration Changes** – What changes will be required of our capital asset or other systems to use your software?		
104.	**Lease Accounting Changes** – What changes will be required from our accounting division, systems and processes to use your software?		

105.	**Stand-Alone Application** – Can the software be configured as a stand-alone application that does not interface with an ERP, but rather provides lease functionality, calculations, analysis, and generates entries to be uploaded to and ERP Accounting System?		
106.	**Software Deployment** – What steps are required to install, configure and deploy the software? What tasks are expected from our IT organization?		
107.	**Data Collection** – What is the process for capturing the leasing data and uploading it into the application?		
108.	**Data Collection On-Going** – How is information about new leases or changes to existing leases captured for events that occur between the start of data collection and final cutover?		
109.	**Integration** – Do you offer professional services to integrate the lease accounting software with other applications such as the ERP/GL in our ecosystem?		
110.	**Accounting Support** – Do you offer advisory or accounting services to support the transition to the new standards?		
112.	**Implementation Timeline** - What is the typical timeline for implementation for governments similar to ours?		
113.	**Customer Resources** - What resources are typically required from our (the customer) organization to successfully complete implementation?		
114.	**Subcontractors** - List the names of any subcontractors (who are not employees of your company) that will be participating in the implementation and explain the role that they will play.		
115.	**Implementation Partners** - List any partners or relationships you have with third parties who are trained to implement your lease accounting application.		

CUSTOMER SUPPORT AND BILLING

	Description	Yes/No	Comments
116.	**User Community** – What is the typical user community for your application and how do you support them?		
117.	**Support Availability** - List the days and hours for business and technical support.		
118.	**Point of Contact** - Do you provide a designated point of contact for support?		
119.	**Support Channels** - What are the channels available for support (e.g. phone, email, chat)?		
120.	**Self-Service Portal** - Can trouble tickets be entered via a self-service web portal?		
121.	**Ticket Prioritization** - Explain how issues and trouble tickets are classified, resolved and escalated.		
122.	**Support Tiers** – How many tiers of technical and business support are available? What are the roles and responsibilities of each tier?		

PROFESSIONAL SERVICES AGREEMENT
City of Kirkland Biennial Budget Book and GASB 87 Software
6/30/2020

The City of Kirkland, Washington, a municipal corporation ("City") and _____, whose address is _____ ("Consultant"), agree and contract as follows.

In consideration of the mutual benefits and conditions set forth below, the parties agree as follows:

I. DEFINITIONS

The following definitions shall have the assigned meaning throughout this agreement.

"Data" means all information, whether in oral or written (including electronic) form, created by or in any way originating with City and End Users, and all information that is the output of any computer processing, or other electronic manipulation, of any information that was created by or in any way originating with City and End Users, in the course of using and configuring the Services provided under this Agreement as described in Attachment A, and includes City Data, End User Data, and Personal Information.

"Data Compromise" means any actual or reasonably suspected unauthorized access to or acquisition of computerized Data that compromises the security, confidentiality, or integrity of the Data, or the ability of City to access the Data.

"End User" means the individuals (including, but not limited to employees, authorized agents, students and volunteers of City; Third Party consultants, auditors and other independent contractors performing services for City; any governmental, accrediting or regulatory bodies lawfully requesting or requiring access to any Services; customers of City provided services; and any external users collaborating with City) authorized by City to access and use the Services provided by Contractor under this Agreement.

"Third Party" means persons, corporations and entities other than Consultant, or any of their employees, contractors or agents.

II. SERVICES BY CONSULTANT

A. The Consultant agrees to perform the services described in Attachment _to this Agreement, which attachment is incorporated herein by reference.

B. All services and duties shall be conducted and performed diligently, completely and in accordance with professional standards of conduct and performance.

II. COMPENSATION

A. The total compensation to be paid to Consultant for these services shall not exceed $_____, as detailed in Attachment _____.

B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all services performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.

C. The Consultant shall be paid on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.

D. The City shall have the right to withhold payment to Consultant for any services not completed in a satisfactory manner until such time as Consultant modifies such services to the satisfaction of the City.

E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

III. TERMINATION OF AGREEMENT

The City or the Consultant may terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days' notice to the other in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory services completed on the project prior to the date of termination, not to exceed the payment ceiling set forth above.

IV. OWNERSHIP OF WORK PRODUCT

A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this Agreement or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.

B. The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the services. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.

C. Methodology, materials, software, logic, and systems developed under this Agreement are the property of the Consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

D. The Consultant at such times and in such forms as the City may require, shall furnish to the City such statements, records, reports, data, and information as the City may request pertaining to matters covered by this Agreement. All of the reports, information, data, and other related materials, prepared or assembled by the Consultant under this Agreement and any information relating to personal, medical, and financial data will be treated as confidential only as allowed by Washington State laws regarding disclosure of public information, Chapter 42.56 RCW

The Consultant shall at any time during normal business hours and as often as the City may deem necessary, make available for examination all of its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated authorized representative to audit and inspect other data relating to all matters covered by this Agreement. The City shall receive a copy of all audit reports made by the agency or firm as to the Consultant's activities. The City may, at its discretion, conduct an audit, at its expense, using its own or outside auditors, of the Consultant's activities which relate, directly or indirectly, to the Agreement.

Consultant will provide all original operation and maintenance manuals, along with all warranties, from the manufacturer for any equipment or items installed or supplied to the City has part of this contracted project.

The Consultant shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement. The Consultant shall also maintain such other records as may be deemed necessary by the City to ensure proper accounting of all funds contributed by the City to the performance of this Agreement.

The foregoing records shall be maintained for a period of seven years after termination of this Agreement unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the City.

V.   GENERAL ADMINISTRATION AND MANAGEMENT

The _____ for the City of Kirkland shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

VI.   COMPLETION DATE

The estimated completion date for the Consultant's performance of the services specified in Section I is _____.

Consultant will diligently proceed with the services contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

VII.   SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

VIII.   NONDISCRIMINATION

Consultant shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or

applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IX.   HOLD HARMLESS/INDEMNIFICATION

To the greatest extent allowed by law the Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

X.   LIABILITY INSURANCE COVERAGE

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A.   **Minimum Scope of Insurance**

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be as least as broad as Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be as least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under

the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.

3. <u>Workers' Compensation</u> coverage as required by the Industrial Insurance laws of the State of Washington.

4. <u>Professional Liability</u> insurance appropriate to the Consultant's profession.

5. <u>Network Security (Cyber) and Privacy Insurance</u> shall include, but not be limited to, coverage, including defense, for the following losses or services:

Liability arising from theft, dissemination, and/or use of City confidential and personally identifiable information, including but not limited to, any information about an individual maintained by the City, including (i) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (ii) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information regardless of how or where the information is stored or transmitted.

Network security liability arising from (i) the unauthorized access to, use of, or tampering with computer systems, including hacker attacks; or (ii) the inability of an authorized third party to gain access to supplier systems and/or City data, including denial of service, unless caused by a mechanical or electrical failure; (iii) introduction of any unauthorized software computer code or virus causing damage to the City or any other third party data.

Lawfully insurable fines and penalties resulting or allegedly resulting from a data breach.

Event management services and first-party loss expenses for a data breach response including crisis management services, credit monitoring for individuals, public relations, legal service advice, notification of affected parties, independent information security forensics firm, and costs to re-secure, re-create and restore data or systems.

B. **Minimum Amounts of Insurance**

Consultant shall maintain the following insurance limits:

1. <u>Automobile Liability</u> insurance with a minimum combined single limit for bodily injury and property damage of $1,000,000 per accident.

2. <u>Commercial General Liability</u> insurance shall be written with limits no less than $1,000,000 each occurrence, $2,000,000 general aggregate.

3. <u>Professional Liability</u> insurance shall be written with limits no less than $1,000,000 per claim and $1,000,000 policy aggregate limit.

4. <u>Network Security (Cyber) and Privacy Insurance</u> shall be written with limits no less than $1,000.000 per claim, $1,000,000 policy aggregate for network security and privacy coverage, $100,000 per claim for regulatory action (fines and penalties), and $100,000 per claim for event management services.

C. **Other Insurance Provisions**

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

2. The Consultant shall provide the City and all Additional Insureds for this services with written notice of any policy cancellation, within two business days of their receipt of such notice.

D. **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. **Verification of Coverage**

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the services.

F. **Failure to Maintain Insurance**

Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of agreement, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately terminate the agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

G. **City Full Availability of Consultant Limits**

If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the   Consultant.

H. **Safeguarding of Personal Information**

The Consultant shall not use or disclose Personal Information, as defined in

RCW 19.255.010, in any manner that would constitute a violation of federal law or applicable provisions of Washington State law. Consultant agrees to comply with all federal and state laws and regulations, as currently enacted or revised, regarding data security and electronic data interchange of Personal Information.

The Consultant shall ensure its directors, officers, employees, subcontractors or agents use Personal Information solely for the purposes of accomplishing the services set forth in the Agreement.

The Consultant shall protect Personal Information collected, used, or acquired in connection with the Agreement, against unauthorized use, disclosure, modification or loss.

The Consultant and its sub-consultants and agents agree not to release, divulge, publish, transfer, sell or otherwise make Personal Information known to unauthorized persons without the express, prior written consent of the City or as otherwise authorized by law.

The Consultant agrees to implement physical, electronic, and managerial policies, procedures, and safeguards to prevent unauthorized access, use, or disclosure of Personal Information.

The Consultant shall make the Personal Information available to amend as directed by the City and incorporate any amendments into all the copies maintained by the Consultant or its subcontractors and agents. Consultant shall certify its destruction after ninety (90) calendar days and the Consultant shall retain no copies. If Consultant and City mutually determine that return or destruction is not feasible, the Consultant shall not use the Personal Information in a manner other than those permitted or authorized by state and federal laws.

The Consultant shall notify the City in writing immediately upon becoming aware of any unauthorized access, use, or disclosure of Personal Information. Consultant shall take necessary steps to mitigate any harmful effects of such use or disclosure. Consultant is financially responsible for notification of any unauthorized access, use or disclosure. The details of the notification must be approved by the City. Any breach of this clause may result in immediate termination of the Agreement by the City and the demand for return of all Personal Information.

Consultant agrees that prior to the Effective Date of this Agreement, Consultant will, at its expense, conduct or have conducted within the last 12 months, the following, and thereafter, Consultant will at its expense conduct or have conducted the following at least once per year, and immediately after any actual or reasonably suspected Data Compromise:

- A PCI, SOC 2 or other mutually agreed upon audit of Consultant's security policies, procedures and controls;
- A vulnerability scan, performed by a Third Party scanner, of Consultant's systems and facilities that are used in any way to deliver services under this Agreement as described in Attachment A; and,
- A formal penetration test, performed by a process and qualified personnel, of Contractor's systems and facilities that are used in any way to deliver services under this Agreement as described in Attachment A.

The same will be evidenced by providing the City a copy of the Successful Audit Letter and a Scope of Audit Document (outlining what is included in the audit).

Audit Report will not include "private" information, defined as proprietary environment/infrastructure detail not specific to systems that process or transmit City data.

XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Consultant must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

XII. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XIII. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he or she is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him or her as a result of his or her status as an independent contractor. Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant or any employee of Consultant.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the final and completely integrated Agreement between the parties regarding its subject matter and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument properly signed by both parties.

XV. ADDITIONAL WORK

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this Agreement. Any such work or services shall be considered as additional work, supplemental to this Agreement. This Agreement may be amended only by written instrument properly signed by both parties.

XVI. NON-ENDORSEMENT

As a result of the selection of a consultant to supply services to the City, the consultant agrees to make no reference to the City in any literature, promotional material, brochures, sales presentation or the like without the express written consent of the City.

XVII. NON-COLLUSION

By signature below, the Consultant acknowledges that the person, firm, association,

co-partnership or corporation herein named, has not either directly or indirectly entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in the preparation or submission of a proposal to the City for consideration in the award of a contract on the specifications contained in this Agreement.

XVIII. WAIVER

Waiver by the City of any breach of any term or condition of this Agreement shall not be construed as a waiver of any other breach.

XIX.   ASSIGNMENT AND SUBCONTRACT

The Consultant shall not assign or subcontract any portion of the services contemplated by this Agreement without the prior written consent of the City.

XX.   DEBARMENT

Recipient certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT: CITY OF KIRKLAND:

By: _____   By: _____
                                                              Beth Goldberg, Deputy City Manager

Date: _____   Date: _____

IT Cloud Vendor Security Agreement

This IT Cloud Vendor Security Agreement ("Security Agreement") is entered into by and between the City of Kirkland, ("City"), and _____ ("Vendor")

Scope: This policy applies to all Vendors who do any form of work ("Contract") with the City of Kirkland that includes possession, storage, processing, or transmission of Personally Identifiable Information (PII), Sensitive Personal Information (SPI) or Personal Health Information (PHI) for City of Kirkland employees, volunteers, contractors, and/or citizens in any location that is outside of the City of Kirkland Firewalls. This includes public and private cloud infrastructures and Vendor's own infrastructure on their premises. This is regardless of who the Vendor is and which department they are working for or with, and it applies to all locations where the Vendor stores information.

If this Contract covers only PII or SPI, then only this addendum must be signed.

If this Contract covers PHI, then this addendum must be signed, and a HIPAA Business Associates Agreement must also be signed and incorporated as an addendum to this document or as an addendum to the Contract.

This policy does NOT apply to CJIS data (criminal justice data). There is a separate federally mandated addendum that covers protection of CJIS data, which must also be signed if the Contract includes such information.

Provision: When possible, this policy should be an addendum to existing contracts with vendors. It may be signed separately when necessary.

Duration: This policy applies from the time a vendor signs its Contract with the city through such point in time that all data which was in the vendor's control is returned to the city and destroyed at the city's request, including but not limited to backups, test sites, and disaster recovery sites.

Definitions:

Personally Identifiable Information (PII), or **Sensitive Personal Information (SPI**): Information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context.

Protected Health Information (PHI): any information about health status, provision of health care, or payment for health care that can be linked to a specific individual, which is more particularly defined under HIPAA (Title 45, CFR) and the Health Care Information Act (RCW Chapter 70.02).

Vendor: Includes owners and employees, volunteers, subsidiaries, and any subcontractors who might reasonably have access to this data.

Options:

Option 1: A vendor can verify that they have a high level of security certification that is satisfactory to the City of Kirkland. Examples include but may not be limited to FedRamp.

   If this option is selected, print the mutually agreed upon certification level below and attach appropriate documentation.

Option 2: Vendors can agree to follow the following security best practices:

1. All customer data will be stored on servers physically located in the United States.
2. All customer data will be stored in a location with reasonable physical controls where data will not be visible to anyone not covered by this policy.
3. Access to data will only be provided on a need to know basis in order for the vendor to complete this work.
4. Data will not be shared with an outside third party without explicit written consent of the City.
5. Data will be encrypted prior to and during any transfer from one location to another.
6. Data will be disposed of appropriately, including shredding or burning of any printed versions and destruction or secure erasure of any electronic medium on which data has been stored.
7. Vendor agrees to the appropriate internal certification for vendor staff who access the data (for example, PHI must only be handled by vendors who have HIPPA training).
8. Vendor staff with access to City of Kirkland data covered by this policy must pass a criminal background check prior to accessing that data.
9. Vendors must perform internal and/or external security auditing on a regular basis that is no less common than once per year.
10. Vendors shall abide by the following policies for passwords:
    a. Network login passwords must be at least 8 characters long and include at least one number and one capital letter.
    b. Passwords must be changed every 90 days.
    c. The same password cannot be re-used within twenty password changes.
    d. Passwords must not be written down or stored in systems except in encrypted applications designed to store passwords.
    e. Passwords must not be shared among vendor staff.
    f. Vendors should not use the same passwords for city and personal needs.
    g. Other password protected systems will comply with above network login password policy when technically possible.
11. Vendors must report all security incidences to the appropriate City of Kirkland IT personnel, including any serious security breaches on their own network, within 24 hours of identifying the security incident.
12. In the event of a data breach, Vendor must have an internal policy to provide for timely forensic investigation of affected and related servers and must follow all state, local, and

federal requirements for notifying individual's whose PII or PHI has been or may have been breached.

13. Vendor's servers must be patched on a regular and timely basis with all security-related patches from application and infrastructure vendors.
14. Data must be kept in at least two different physical locations. One location can be in a compressed format (e.g. as a backup file).
15. Vendor must enable logging as follows:
    a. Logs are enabled for common third-party applications
    b. Logs are active by default
    c. Logs are available for review by the City of Kirkland for up to one year
    d. Logs are retained for up to one year

Any deviation from the above best practices must be described here and mutually agreed upon (Signatures on this policy will constitute mutual agreement).

Description of any area where vendor is requesting a waiver, an agreement to a different method, or any other change to this policy:

A breach of this Security Agreement also constitutes a breach of any agreement to which it is appended and the City may terminate either or both because of such breach as soon as it must to mitigate that breach or others that may then be apparently forthcoming. The City agrees to work with the Vendor to avoid such termination if reasonably possible but protection of the information held by the Vendor cannot be compromised in the process.

Description of data in the Vendor's care (attach additional sheets if necessary):

_____

_____

_____

Is this an addendum to an existing or new contract (Y/N): ____
If yes, name and duration of contract: _____

City business person responsible for contract and vendor management:

Name   Title   Department

City IT person responsible for contract and vendor management:

Name   Title   Department

The following signature block must be completed. By signing this agreement, vendor warrants that they are responsible for the security of the PII, SPI, and/or PHI in their care.

VENDOR NAME.	City of Kirkland
_____ Signature	_____ Signature
_____ Printed Name	_____ Printed Name
_____ Title	_____ Title
_____ Date	_____ Date

This Non-Disclosure Agreement ("the Agreement") is made this _____ day of _____, 201__, by and between the City of Kirkland, a municipal corporation of the State of Washington (the "City"), and _____ , a __ <Corporation/partnership/limited liability company, etc.> ("the Vendor").

Whereas, the Vendor <is the successful candidate/wishes to submit a proposal>for the <project name>; and

Whereas, the Vendor will need to review confidential information ("Confidential Information[1]") belonging to the City in order to be able to <prepare its proposal/complete this project>, which the City does not want disclosed; and

Whereas, in consideration for being allowed to see the Confidential Information so that it can <prepare a proposal or complete the project>, the sufficiency of such consideration being hereby acknowledged, the Vendor is willing to enter into this Non-Disclosure Agreement.

Now, therefore, as evidenced by their signatures below, the parties hereby agree as follows:

1. The Vendor shall maintain and protect the confidentiality of the Confidential Information, shall not disclose the Confidential Information to any person or entity, and shall not challenge, infringe or permit or assist any other person or entity to disclose the Confidential Information or challenge or infringe any of the City's license rights, trade secrets, copyrights, trademarks or other rights respecting the Confidential Information.

2. Except pursuant to a written agreement between the parties, the Vendor shall not directly or indirectly, i) provide, make, use or sell, or permit or assist any other person or entity to provide, make, use or sell any services, devices or products incorporating any protected feature embodied in any of the Confidential Information; ii) apply for or seek to register, or otherwise attempt to create, establish or protect any patents, copyrights or trademarks with respect to any of the Confidential Information; or iii) use any name used by the other party, whether or not subject to trademark protection, or any confusingly similar name.

3. The Vendor shall not disclose the Confidential Information except to those persons employed by the Vendor, or its affiliates or subsidiaries, who have

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[1] "Confidential Information" means the information the City has provided the Vendor by or at the direction of the City, or to which access was provided to the Vendor by or at the direction of the City, in the course of the Vendor's wish to submit a proposal or complete this project.

reasonable need to review the Confidential Information under the terms of this Agreement who have agreed to be bound the terms of this Agreement or a similar agreement that is at least as protective of the Confidential Information as provided for herein.

4. Vendor shall not make any copies, drawings, diagrams, facsimiles, photographs or other representations of any of the Confidential Information.

5. Upon request by the City, Vendor shall immediately destroy or return any Confidential Information in its possession, including all copies thereof.

6. Notwithstanding other provisions of this Agreement, the Agreement does not restrict the Vendor with respect to the use of information that is already legally in its possession, that is available to the Vendor from other sources without violating this Agreement or the intellectual property rights of the City, or that is in the public domain. Notwithstanding other provisions of this Agreement, this Agreement also shall not restrict the Vendor from providing, making, using or selling services, devices or other products so long as the Vendor does not breach this Agreement, violate the City's intellectual property rights or utilize any of the Confidential Information.

7. The Vendor, its officers, agents and employees, agrees to hold harmless, indemnify and defend at its own expense the City, its officers, agents and employees, from and against any and all claims of any kind whatsoever arising out of the Vendor's intentional acts or negligent failure to perform any of its obligations under this Agreement.

8. The covenants in this Agreement may be enforced a) by temporary, preliminary or permanent injunction without the necessity of a bond or b) by specific performance of this Agreement. Such relief shall be in addition to and not in place of any other remedies, including but not limited to damages.

9. In the event of a suit or other action to enforce this Agreement, the substantially prevailing party shall be entitled to reasonable attorneys' fees and the expenses of litigation, including attorneys' fees, and expenses incurred to enforce this Agreement on any appeal.

10. The Agreement shall be governed by and construed in accordance with Washington law. The King County Superior Court or the United States District Court for the Western District of Washington at Seattle (if federal law is applicable) shall have the exclusive subject-matter jurisdiction of matters arising under this Agreement, shall have personal jurisdiction over the parties and shall constitute proper venue for any litigation relating to this Agreement.

11. For purposes of this Agreement, all covenants of the Vendor shall likewise bind the officers, directors, employees, agents, and independent contractors of the Vendor, as well as any direct or indirect parent corporation of the Vendor, direct

or indirect subsidiary corporations of the Vendor and any other person or entity affiliated with or related to the Vendor or to any of the foregoing persons or entities. The Vendor shall be liable to the City for conduct of any of the foregoing persons or entities in violation of this Agreement to the same extent as if said conduct were by the Vendor.

12. The Vendor shall not directly or indirectly permit or assist any person or entity to take any action which the Vendor would be barred by this Agreement from taking directly.

13. This Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first written above.

CITY OF KIRKLAND   _____
                                                    <Company Name>

By:_____   By:_____

Its:_____   Its:_____

[VENDOR/CONSULTANT] NETWORK ACCESS AGREEMENT

This Agreement ("Agreement") related to network access is made between the City of Kirkland, Washington, a municipal corporation ("City") and _____, (["Vendor"/"Consultant"]), whose address is _____, and shall be effective upon the date last signed below.

WHEREAS, the [Vendor/Consultant] requires access to the City's network to perform certain pre-approved network operations services through separate contract, which may include product installation, updates, configuration, and troubleshooting; and;

WHEREAS, the [Vendor/Consultant] will be provided a City network login account(s) for Authorized Employees[1] for pre-approved City work.

NOW, THEREFORE, in consideration of the mutual commitments contained herein, and in support of those included within the separate contract between the City and the [Vendor/Consultant] providing for the provision of such pre-approved City work, attached hereto as Exhibit A, the parties agree as follows:

1. The [Vendor/Consultant] agrees that all Authorized Employees will abide by the City's Technology Resource Usage Policy, Attachment B to this Agreement and the City's Technology Security Policy, Attachment C to this Agreement.
2. The [Vendor/Consultant] agrees that if an account is assigned to a single or multiple Authorized Employee(s), all those with access to this account are held accountable under this Agreement.
3. The [Vendor/Consultant] agrees that all remote access will be monitored by the responsible City staff member for the duration of the [Vendor/Consultant] login session unless other City-approved arrangements have been made.
4. The [Vendor/Consultant] agrees that remote access into systems with City data is conducted from IT systems which have the latest security patches, anti-virus updates, and malware signatures using a secure connection (e.g. VPN (using GlobalProtect), Microsoft Teams).
5. The [Vendor/Consultant] agrees that they should only expect to be provided levels of access as required and appropriate for the assigned tasks, as determined by City staff.
6. The [Vendor/Consultant] agrees that they must report all security incidents to the appropriate City of Kirkland IT personnel, including any serious security breaches on their own network during the time they have user-id/password access to the City's network, within 2 hours of identifying the security incident.
7. The [Vendor/Consultant] agrees that, depending on the City systems and/or data they are working with, formal background checks may be required. This includes but is not

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[1] "Authorized Employees" means the [Vendor's/Consultant's] employees who need to access the City's network to perform work (including, but not limited to product installation, updates, configuration, troubleshooting, etc.) requested by the City

limited to all systems that fall under the purview of the Criminal Justice Information Services (CJIS) policies.

8. The [Vendor/Consultant] agrees that, except in the case of an approved security audit and with prior written permission from the City, the [Vendor/Consultant] must not test, or compromise City computer or communication system security measures by any means, including but not limited to unapproved system cracking (hacking), password cracking (guessing), file decryption, software copying, or similar unauthorized attempts. Such measures may be unlawful as well as serious violations of City policy. This includes hardware or software tools that could be employed to evaluate or compromise information systems security. Examples of such tools include, but are not limited to, those that defeat software copy protection, discover secret passwords, keyloggers, identify security vulnerabilities, or decrypt encrypted files. Similarly, without prior approval from the City, the [Vendor/Consultant] is prohibited from using "sniffers" or any other hardware or software that monitors the traffic on a network or the activity on a computer.

9. The City agrees that they will provide an IT point of contact for the [Vendor/Consultant]. This point of contact will liaise with the [Vendor/Consultant] to help ensure they are in compliance with these policies and respond to other issues that may arise related to remote access.

10. The City agrees to provide the [Vendor/Consultant] with the required remote access to the City's network.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

_____   _____
Signature   Signature

_____   _____
Name   Name

_____   _____
City of Kirkland   Organization

_____   _____
Date   Date