

**THIRD AMENDMENT TO THE AGREEMENT FOR THE
PURCHASE OF A HOSTED ELECTRONIC GRANTS MANAGEMENT SYSTEM
BETWEEN THE CITY OF SAN JOSE AND
DULLES TECHNOLOGY PARTNERS, INC.**

This Third Amendment (“Third Amendment”) to the Agreement for the Purchase of a Hosted Electronic Grants Management System is entered into as of the City’s execution date (“Effective Date”) between the City of San José, a municipal corporation (hereinafter “City”), and Dulles Technology Partners, Inc., a Virginia corporation (hereinafter “Contractor” or “Dulles”).

RECITALS

WHEREAS, on November 1, 2008, City and Contractor entered into an agreement entitled “Agreement for the Purchase of a Hosted Electronic Grants Management System” (“Agreement”), which was subsequently revised on March 19, 2010 by Change Order #1 to provide for an additional server and to modify the compensation/payment schedule; and

WHEREAS, on January 30, 2014, City and Contractor entered into a First Amendment to the Agreement to extend the term of the Agreement for an additional three (3) option years (from four to seven options), through May 1, 2017, at the rates set forth in the Second Revised Exhibit B of this Agreement in order for the City to continue receiving hosting, maintenance and support services (“Services”) related to the electronic grants management system purchased under this Agreement; and

WHEREAS, on April 11, 2017, City and Contractor entered into a Second Amendment to the Agreement to extend the term of the Agreement for an additional one (1) option year (from seven to eight options), through May 1, 2018, at the rates set forth in the Third Revised Exhibit B of this Agreement; and

WHEREAS, City and Contractor now wish to further amend the Agreement to (i) extend the term of the Agreement for an additional one (1) option year, through May 1, 2019, at the rates set forth in the Fourth Revised Exhibit B of this Agreement, and (ii) reserve the right to extend the term of the Agreement for five (5) additional one-year terms through May 1, 2024, with price adjustments capped at three percent (3%) annually, subject to the annual appropriation of funds, as required in order for the City to continue receiving the Services while the City explores other solutions with respect to its grants management needs;

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. Section 3.2 of the Agreement, entitled “Hosting Options,” is hereby amended to read as follows:

“3.2 Hosting Options

City has the right to acquire the Hosted Services to include Maintenance and Support Services as described in Exhibit A for fourteen (14) additional one-year terms, through May 1, 2024, as required, subject to the annual appropriation of funds, (the “Additional Terms”), based upon the same conditions of the Initial Term, subject to adjustments for compensation as set forth in Fourth Revised Exhibit B. City shall provide Contractor prior written notice in

the form of Exhibit G of its intention to exercise its option prior to the end of the then current term.”

2. Third Revised Exhibit B, entitled “Compensation/Payment Schedule,” as revised in the Second Amendment, is amended and replaced in its entirety with Fourth Revised Exhibit B, attached hereto and incorporated herein.
3. All of the terms and conditions of the amended Agreement not expressly modified by this Third Amendment shall remain in full force and effect.

WITNESS THE EXECUTION HEREOF on the day and year last executed below.

APPROVED AS TO FORM:

Rosa Tsongtaatarii
Senior Deputy City Attorney

City of San José
a municipal corporation

By _____
Name: Mark Giovannetti
Title: Deputy Director, Finance
Date: _____

Dulles Technology Partners, Inc.
a Virginia corporation

By _____
Name:
Title:
Date: _____

**Fourth Revised Exhibit B
Compensation/Payment Schedule**

The terms of payment shall be net thirty days from the City's receipt of a properly completed invoice, with invoicing to occur upon certification from Contractor and acceptance by City that Contractor has successfully completed the following milestones:

Phase of Project	Deliverable	% of Total	Amount
Stage One:			
Phase 1	Completion and Acceptance by the City of the Implementation Schedule, Business Analysis for all Grant program (System Definition and Requirements) for the five primary standardized programs and business logic as defined in Exhibit A.	10%	\$13,576.00
Phase 2	Completion and Acceptance by the City of the Configuration and Customization, Data Migration and Integration completed on the five standardized primary grant programs as defined in Exhibit A.	15%	\$20,364.00
Phase 3	Completion and Acceptance by the City of the Implementation City Acceptance Testing, Training, Documentation and Deployment of the five primary standardized grant programs as defined in Exhibit A.	15%	\$20,364.00
Phase 4	Web Grant License Fee due	33%	\$45,000.00
Phase 5	Final Acceptance by City of the five primary standardized grant programs and the year 1 Hosting and Maintenance and Support	10%	\$13,576.00
Stage Two:			
Phase 1	Completion of each of the remaining grant programs to include and Acceptance by the City of Business Analysis, Implementation, migration, Testing and Deployment as defined in Exhibit A.	17%	\$22,880.00
Total		100%	\$135,760.00

All Payments are based upon City's acceptance of Contractor's performance of the Phase as evidenced by successful completion of the Deliverables for that Phase. City shall have no obligation to pay unless Contractor has successfully completed and City has approved all tasks associated with the Project Phase for which payment is due.

The maximum amount of compensation to be paid to Contractor for the Initial Term, including both payment for professional services and reimbursable expenses, shall not exceed One Hundred Thirty-Five Thousand Seven Hundred Sixty Dollars, and no cents (\$135,760.00), including all applicable sales taxes. Any hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to City unless approved through the Contract Change Control Procedure.

Hosting and Maintenance and Support of the system for years two through ten shall be exercised as options at the sole discretion of the City on an annual basis per the following compensation schedule:

Annual Hosting, Maintenance and Support	Annual Total
Option 1 (Year 2 Support: 5/2/10 – 5/1/11)	\$24,000.00 ⁽¹⁾
Option 2 (Year 3 Support: 5/2/11 – 5/1/12)	\$24,000.00 ⁽¹⁾
Option 3 (Year 4 Support: 5/2/12 – 5/1/13)	\$18,000.00 ⁽²⁾
Option 4 (Year 5 Support: 5/2/13 – 5/1/14)	\$18,000.00 ⁽²⁾
Option 5 (Year 6 Support: 5/2/14 – 5/1/15)	\$16,746.60 ⁽³⁾
Option 6 (Year 7 Support: 5/2/15 – 5/1/16)	\$16,746.60 ⁽³⁾
Option 7 (Year 8 Support: 5/2/16 – 5/1/17)	\$16,746.60 ⁽³⁾
Option 8 (Year 9 Support: 5/2/17 – 5/1/18)	\$16,746.60 ⁽⁴⁾
Option 9 (Year 10 Support: 5/2/18 – 5/1/19)	\$16,746.60 ⁽⁵⁾

- (1) Amount reflects an additional \$6,000 pursuant to change order # 1.
- (2) Amount reflects amended amount for reduction in service levels (deletion of test server, hosting and maintenance) pursuant to "Restated Notice to Exercise of Option to Extend Agreement #3".
- (3) Additional option year as amended in the First Amendment.
- (4) Additional option year as amended in the Second Amendment.
- (5) Additional option year(s) as amended in the Third Amendment. In the event that the City exercises additional one-year terms beyond Year 10, Contractor may request adjustments to the compensation rate sixty (60) days prior to an option term. Contractor shall provide information justifying reasons for any increase, and City shall not unreasonably withhold approval of any increase provided the renewal quote does not increase more than the Producer Price Index for Software Publishers: Software Maintenance, Technical Support, and Other Services Related to Software Publishing (Series ID: PCU511210511210504), if applicable, over the previous year's fees. Notwithstanding the foregoing, the adjustment of any compensation rate for any twelve-month period after Year 10 shall not exceed 3%.