



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

4:00 PM - Closed Session (Parkview Conference Room)

5:00 PM - Regular Session

Escondido City Council Chambers, 201 North Broadway, Escondido, CA 92025

WELCOME TO YOUR CITY COUNCIL MEETING

We welcome your interest and involvement in the legislative process of Escondido. This agenda includes information about topics coming before the City Council and the action recommended by City staff.

MAYOR

Dane White

DEPUTY MAYOR

Consuelo Martinez (District 1)

COUNCILMEMBERS

Joe Garcia (District 2)

Christian Garcia (District 3)

Judy Fitzgerald (District 4)

CITY MANAGER

Sean McGlynn

CITY ATTORNEY

Michael McGuinness

CITY CLERK

Zack Beck

HOW TO WATCH

The City of Escondido provides three ways to watch a City Council meeting:

In Person



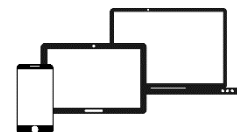
201 N. Broadway

On TV



Cox Cable Channel 19 and U-verse Channel 99

Online



www.escondido.gov



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

HOW TO PARTICIPATE

The City of Escondido provides two ways to communicate with the City Council during a meeting:

In Person



Fill out Speaker Slip and Submit to City Clerk

In Writing



escondido-ca.municodemeetings.com

ASSISTANCE PROVIDED

If you need special assistance to participate in this meeting, please contact our ADA Coordinator at 760-839-4869. Notification 48 hours prior to the meeting will enable the city to make reasonable arrangements to ensure accessibility. Listening devices are available for the hearing impaired – please see the City Clerk.





CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

ORAL COMMUNICATIONS

In addition to speaking during particular agenda items, the public may address the Council on any item which is not on the agenda provided the item is within the subject matter jurisdiction of the City Council. State law prohibits the Council from discussing or taking action on such items, but the matter may be referred to the City Manager/staff or scheduled on a subsequent agenda. Speakers are limited to only one opportunity to address the Council under Oral Communications.

CLOSED SESSION

I. CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6)

- a. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Teamsters Local 911, Maintenance and Operations Bargaining Unit and Administrative / Clerical / Engineering Bargaining Unit
- b. Agency Representative: Sean McGlynn, City Manager, or designee
Employee Organization: Escondido City Employees' Association, Supervisory Bargaining Unit

ADJOURNMENT



CITY *of* ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

REGULAR SESSION

5:00 PM Regular Session

MOMENT OF REFLECTION

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FLAG SALUTE

The City Council conducts the Pledge of Allegiance at the beginning of every City Council meeting.

CALL TO ORDER

Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

PROCLAMATION

National Public Works Week

PRESENTATION

Water Awareness Poster Contest Winners

CLOSED SESSION REPORT

ORAL COMMUNICATIONS

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CONSENT CALENDAR

Items on the Consent Calendar are not discussed individually and are approved in a single motion. However, Council members always have the option to have an item considered separately, either on their own request or at the request of staff or a member of the public.



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)

2. APPROVAL OF WARRANT REGISTER

Request the City Council approve the City Council and Housing Successor Agency warrants issued between May 5, 2025 to May 11, 2025.

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

3. APPROVAL OF MINUTES: Regular meeting of May 14, 2025

4. WAIVER OF READING OF ORDINANCES AND RESOLUTIONS

5. CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

Request the City Council adopt Resolution No. 2025-54, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main. The Resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

Staff Recommendation: Approval (Utilities Department: Angela Morrow, Director of Utilities)

Presenter: Kyle Morgan, Assistant Director of Utilities, Wastewater

a) Resolution No. 2025-54

6. APPROVAL OF PUBLIC SERVICE AGREEMENT WITH SHARP BUSINESS SYSTEMS INC. AND XEROX BUSINESS SOLUTIONS

Request the City Council adopt Resolution No. 2025-40, authorizing the Mayor to execute two Public Service Agreements ("PSA"): (1) copier/multifunction device ("MFD") hardware, software, supplies and service with Sharp Business Systems Inc. and (2) network printer hardware, service, and supplies, duplicating production device hardware, software, and service, and wide format printing device, software, and service with Xerox Business Solutions.

Staff Recommendation: Approval (Information Systems Department: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

a) Resolution No. 2025-40



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

7. AUTHORIZE SUPPORT LETTER FOR AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES GRANT APPLICATION

Request the City Council adopt Resolution No. 2025-59 authorizing the City Engineer to submit a letter of support for the Affordable Housing and Sustainable Communities grant application which will be submitted to the State in May.

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Jonathan Schauble, City Engineer

a) Resolution No. 2025-59

WORKSHOP

8. FISCAL YEAR 2025/26 OPERATING BUDGET BRIEFING

Request the City Council provide direction regarding the Fiscal Year 2025/26 Operating Budget.

Staff Recommendation: Provide Direction (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

CURRENT BUSINESS

9. BOARD AND COMMISSION APPOINTMENTS

Request the City Council ratify the Mayor's appointments to serve on the Library Board of Trustees, Planning Commission, Public Art Commission and Transportation and Community Safety Commission.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

Presenter: Zack Beck, City Clerk

FUTURE AGENDA

10. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)



CITY of ESCONDIDO

COUNCIL MEETING AGENDA

WEDNESDAY, MAY 21, 2025

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development.

ORAL COMMUNICATIONS

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ADJOURNMENT

UPCOMING MEETING SCHEDULE

Wednesday, June 04, 2025	4:00 & 5:00 PM	Closed Session, Regular Meeting, <i>Council Chambers</i>
Wednesday, June 11, 2025	4:00 & 5:00 PM	Closed Session, Regular Meeting, <i>Council Chambers</i>

SUCCESSOR AGENCY

Members of the Escondido City Council also sit as the Successor Agency to the Community Development Commission, Escondido Joint Powers Financing Authority, and the Mobilehome Rent Review Board.



Consent Item No. 1

May 21, 2025

A F F I D A V I T S

O F

I T E M

P O S T I N G – N O N E



STAFF REPORT

May 21, 2025
File Number 0400-40

SUBJECT**APPROVAL OF WARRANT REGISTER****DEPARTMENT**

Finance

RECOMMENDATION

Approval for City Council and Housing Successor Agency warrants issued between May 5, 2025 to May 11, 2025

Staff Recommendation: Approval (Finance Department: Christina Holmes)

ESSENTIAL SERVICE – Internal requirement per Municipal Code Section 10

COUNCIL PRIORITY –

FISCAL ANALYSIS

The total amount of the warrants for the following periods are as follows:

Dates	05/05/2025 to 05/11/2025
Total	\$3,615,121.41
Number of Warrants	180

BACKGROUND

The Escondido Municipal Code Section 10-49 states that warrants or checks may be issued and paid prior to audit by the City Council, provided the warrants or checks are certified and approved by the Director of Finance as conforming to the current budget. These warrants or checks must then be ratified and approved by the City Council at the next regular Council meeting.



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

CLOSED SESSION

4:00 PM

CALL TO ORDER

1. Roll Call: Fitzgerald, C. Garcia, J. Garcia, Martinez, White

ORAL COMMUNICATIONS

None

CLOSED SESSION

- I. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code § 54956.8)**
 - (a) Property: 340 N. Escondido Blvd, Escondido (California Center for the Arts, Escondido)
Agency Negotiator: Sean McGlynn, City Manager, or designees
Negotiating Party: California Center for the Arts Foundation
Under Negotiation: Terms of Management Agreement
- II. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Government Code § 54956.9(d)(4))**
 - (a) One Matter
- III. **CONFERENCE WITH LABOR NEGOTIATORS (Government Code § 54957.6)**
 - (a) Agency Representative: Sean McGlynn, City Manager, or designees
Employee Organization: Escondido City Employees' Association, Supervisory Bargaining Unit
 - (b) Agency Representative: Sean McGlynn, City Manager, or designees
Employee Organization: Teamsters Local 911, Maintenance and Operations Bargaining Unit and Administrative/Clerical/Engineering Bargaining Unit



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COUNCIL MEETING MINUTES

ADJOURNMENT

Mayor White adjourned the meeting at 4:55 p.m.

MAYOR

CITY CLERK



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

REGULAR SESSION

5:00 PM Regular Session

Mobilehome Rent Review Board

MOMENT OF REFLECTION

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FLAG SALUTE

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CALL TO ORDER

Roll Call: C. Garcia, J. Garcia, Martinez, White (Fitzgerald – Absent)

PROCLAMATION

Economic Development Week - May 12-16, 2025

CLOSED SESSION REPORT

None

ORAL COMMUNICATIONS

Luis – Expressed concern regarding lack of City of Escondido services for those experiencing homelessness.

CONSENT CALENDAR

Motion to approve items 1-6 and 8-9: White; Second: J. Garcia; Approved: 4-0 (Fitzgerald – Absent)

1. AFFIDAVITS OF PUBLICATION, MAILING, AND POSTING (COUNCIL/RRB)



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

2. **APPROVAL OF WARRANT REGISTER**

Request the City Council approve the City Council and Housing Successor Agency warrants issued between April 28, 2025 to May 4, 2025.

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

3. **APPROVAL OF MINUTES: Regular meetings of April 16, 2025 and May 7, 2025**

4. **WAIVER OF READING OF ORDINANCES AND RESOLUTIONS**

5. **THE CITY OF ESCONDIDO'S INVESTMENT POLICY**

Request the City Council adopt Resolution No. 2025-49 approving the City of Escondido's May 2025 Investment Policy. (File Number 0110-10)

Staff Recommendation: Approval (Finance Department: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz, City Treasurer

a) Resolution No. 2025-49

6. **TREASURER'S INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2025**

Request the City Council approve the Quarterly Investment Report for the quarter ended March 31, 2025. (File Number 0490-55)

Staff Recommendation: Approval (Finance Department: Douglas Shultz, City Treasurer)

Presenter: Douglas Shultz, City Treasurer

7. **PL25-0044 - 2024 GENERAL PLAN ANNUAL PROGRESS REPORT**

Request the City Council receive and file the 2024 calendar year General Plan Annual Progress Report. (File Number 0830-07)

Staff Recommendation: Receive and File (Development Services Department: Christopher W. McKinney, Deputy City Manager/Interim Director of Development Services)

Presenter: Pricila Roldan, Associate Planner

Item presented by staff

8. **AWARD CONSTRUCTION CONTRACT FOR THE LIBRARY INFRASTRUCTURE IMPROVEMENT PROJECT AND AUTHORIZE STAFF TO PROCESS CHANGE ORDERS UP TO TWENTY PERCENT OF THE CONTRACT AWARD AMOUNT**

Request the City Council adopt Resolution No. 2025-55 awarding a construction contract for



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

the Library Infrastructure Improvement Project to Southwest Construction Services Inc., in the amount of \$6,266,583.82, authorizing the Mayor, on behalf of the City, to execute a Public Improvement Agreement with Southwest Construction Services, Inc. to complete the base bid work items plus the additive alternate bid items No. 32 through No. 37, and authorize the Director of Public Works to approve change orders not to exceed 20% of the contract amount. (File Number 0600-10; A-3555)

Staff Recommendation: Approval (Public Works Department: Joseph Goulart, Director of Public Works)

Presenter: Ed Vasquez, Project Manager

a) Resolution No. 2025-55

9. **DONATION OF ONE SURPLUS FIRE ENGINE**

Request the City Council to approve the donation of a surplus fire engine to Palomar College Foundation for training purposes. (File Number 0150-20)

Staff Recommendation: Approval (Fire Department: John Tenger, Fire Chief)

Presenter: John Tenger, Fire Chief

PUBLIC HEARINGS

10. **CONSIDER AN UNCODIFIED ORDINANCE ADOPTING THE STATE OF CALIFORNIA FIRE HAZARD SEVERITY ZONE (FHSZ) MAP PURSUANT TO GOVERNMENT CODE 51179**

Request the City Council adopt Ordinance 2025-03 designating Fire Hazard Severity Zones in accordance with the Office of the State Fire Marshal update and Government Code 51179. (File Number 0680-10)

Staff Recommendation: Approval (Fire Department: John Tenger, Fire Chief)

Presenter: La Vona Koretke, Fire Marshal

a) Ordinance No. 2025-03 (First Reading and Introduction)

Motion: White; Second: C. Garcia; Approved: 4-0 (Fitzgerald – Absent)

11. **APPROVAL OF THE ESCONDIDO POLICE DEPARTMENT MILITARY EQUIPMENT REPORT AND ADOPTION OF ORDINANCE NO. 2025-02**

Request the City Council adopt Ordinance No. 2025-02 approving the Escondido Police Department Annual Military Equipment Report in accordance with state law requirements as set for in Assembly Bill No. 481 (AB 481). (File Number 0110-10)



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COUNCIL MEETING MINUTES

Staff Recommendation: Approval (Police Department: Ryan Banks, Interim Chief of Police)

Presenters: Ryan Banks, Interim Chief of Police; Erik Witholt, Police Captain; and Lisa Rodelo, Assistant Director of Police Support Services

a) Ordinance No. 2025-02 (First Reading and Introduction)

Luis – Requested that Escondido Police Officers be properly trained on the use of the military equipment referenced in the report.

Motion: J. Garcia; Second: C. Garcia; Approved: 4-0 (Fitzgerald – Absent)

12. SHORT-FORM RENT INCREASE APPLICATION FOR GREENCREST MOBILE HOMEPARK

Request the City Council, serving in its role as the City of Escondido Mobilehome Rent Review Board: (1) review and consider Greencrest Mobilehome Park's Short-Form Application and (2) adopt Mobilehome Rent Review Board Resolution No. RBR 2025-53. (File Number 0697-20-10351)

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenters: Carlos Cervantes, Management Analyst and Stephen Jacobson, Code Compliance Officer II

a) RRB Resolution No. 2025-53

Ana Frutos – Expressed opposition to the rent increase.

Motion: White; Second: C. Garcia; Approved: 4-0 (Fitzgerald – Absent)

13. SHORT-FORM RENT INCREASE APPLICATION FOR EASTWOOD MEADOWS HOMEPARK

Request the City Council, serving in its role as the City of Escondido Mobilehome Rent Review Board: (1) review and consider Eastwood Meadows Mobilehome Park Short-Form Application; and (2) adopt the Rent Review Board Resolution No. RRB 2025-52. (File Number 0697-20-10350)

Staff Recommendation: Approval (Development Services Department: Christopher McKinney, Deputy City Manager/Interim Director of Development Services)

Presenters: Carlos Cervantes, Management Analyst; Stephen Jacobson, Code Compliance Officer II

a) RRB Resolution No. 2025-52



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COUNCIL MEETING MINUTES

Ernst Kubyan (Resident Representative) – Expressed concern regarding the water and sewer rates at the park.

Motion: White; Second: C. Garcia; Approved: 4-0 (Fitzgerald – Absent)

WORKSHOP

14. USER AND REGULATORY FEE STUDY WORKSHOP

Request the City Council provide direction regarding Fiscal Year 2025/26 User Fee increases. (File Number 0410-20)

Staff Recommendation: Provide Direction (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

No Council action required for this item.

CURRENT BUSINESS

15. FISCAL YEAR 2024/25 THIRD QUARTER FINANCIAL STATUS REPORT

Request the City Council receive and file the third quarter financial report for Fiscal Year 2024/25. (File Number 0480-45)

Staff Recommendation: Approval (Finance Department: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

No Council action required for this item.

16. BOARD AND COMMISSION MAKEUP INTERVIEWS

Request the City Council conduct make-up interviews of applicants to fill vacancies on the City's Boards and Commissions. (0120-10)

Staff Recommendation: None (City Clerk's Office: Zack Beck)

Presenter: Zack Beck, City Clerk

Interviews conducted.

FUTURE AGENDA



CITY of ESCONDIDO

COUNCIL MEETING MINUTES

17. FUTURE AGENDA

The purpose of this item is to identify issues presently known to staff or which members of the City Council wish to place on an upcoming City Council agenda. Council comment on these future agenda items is limited by California Government Code Section 54954.2 to clarifying questions, brief announcements, or requests for factual information in connection with an item when it is discussed.

Staff Recommendation: None (City Clerk's Office: Zack Beck)

COUNCILMEMBERS SUBCOMMITTEE REPORTS AND OTHER REPORTS

CITY MANAGER'S REPORT

The most current information from the City Manager regarding Economic Development, Capital Improvement Projects, Public Safety, and Community Development.

ORAL COMMUNICATIONS

ADJOURNMENT

Mayor White adjourned the meeting at 7:35 p.m.

MAYOR

CITY CLERK



STAFF REPORT

ITEM NO. 4

SUBJECT

WAIVER OF READING OF ORDINANCES AND RESOLUTIONS –

ANALYSIS

The City Council/RRB has adopted a policy that is sufficient to read the title of ordinances at the time of introduction and adoption, and that reading of the full text of ordinances and the full text and title of resolutions may be waived.

Approval of this consent calendar item allows the City Council/RRB to waive the reading of the full text and title of all resolutions agendaized in the Consent Calendar, as well as the full text of all ordinances agendaized in either the Introduction and Adoption of Ordinances or General Items sections. **This particular consent calendar item requires unanimous approval of the City Council/RRB.**

Upon approval of this item as part of the Consent Calendar, all resolutions included in the motion and second to approve the Consent Calendar shall be approved. Those resolutions removed from the Consent Calendar and considered under separate action may also be approved without the reading of the full text and title of the resolutions.

Also, upon the approval of this item, the Mayor will read the titles of all ordinances included in the Introduction and Adoption of Ordinances section. After reading of the ordinance titles, the City Council/RRB may introduce and/or adopt all the ordinances in one motion and second.

RECOMMENDATION

Staff recommends that the City Council/RRB approve the waiving of reading of the text of all ordinances and the text and title of all resolutions included in this agenda. Unanimous approval of the City Council/RRB is required.

Respectfully Submitted,

Zack Beck
City Clerk



STAFF REPORT

May 21, 2025
File Number 1330-85

SUBJECT

CONTINUING THE EMERGENCY REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

DEPARTMENT

Utilities Department

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-54, declaring that pursuant to the terms of Section 22050 of the California Public Contract Code, the City Council finds there is a need to continue the emergency repair of the Escondido Trunk Sewer Main. The Resolution, which must be passed by four-fifths vote, also declares that public interest and necessity demand the immediate expenditure to safeguard life, health, or property.

Staff Recommendation: Approval (Utilities: Angela Morrow, Director of Utilities)

Presenter: Kyle Morgan, Assistant Director of Utilities, Wastewater

ESSENTIAL SERVICE – Yes, Keep City Clean for Public Health and Safety; Sewer

COUNCIL PRIORITY –Improve Public Safety

FISCAL ANALYSIS

Funding for the Emergency Repair of the Escondido Trunk Sewer Main is available in the Wastewater Capital Improvement Project ("CIP") budget for Sewer Trunk Main, CIP No. 801913.

PREVIOUS ACTION

On June 26, 2024, the City Council adopted Resolution No. 2024-86, ratifying Proclamation No. 2024-02, affirming that it was appropriate for City staff to forego competitive bidding procedures and work with contractors for the necessary emergency repair of the failing trunk sewer main.

On July 10, 2024, the City Council adopted Resolution No. 2024-94, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On July 17, 2024, the City Council adopted Resolution No. 2024-103, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.



CITY of ESCONDIDO

STAFF REPORT

On July 23, 2024, a Public Improvement Agreement with CCL Contracting, Inc. was executed for the emergency repair of Section 2, from Beech Street to Grape Day Park, on a time and materials basis in an amount not to exceed \$10,240,691.

On August 7, 2024, the City Council adopted Resolution No. 2024-106, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main. In addition, City Council approved a budget adjustment in the amount of \$12,036,225 to fund the emergency repair of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO.

On August 21, 2024, a Public Improvement Agreement with J.R. Filanc Construction Company was executed for the emergency repair of Section 1, Ash Street from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot, on a time and materials basis in an amount not to exceed \$1,795,534.

On August 28, 2024, the City Council adopted Resolution No. 2024-117, reaffirming that there was a need to continue efforts toward emergency repair of the failing trunk sewer main.

On September 11, 2024, the City Council adopted Resolution No. 2024-131, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 2, 2024, the City Council adopted Resolution No. 2024-141, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On October 23, 2024, the City Council adopted Resolution No. 2024-146, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On November 20, 2024, the City Council adopted Resolution No. 2024-162, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On December 4, 2024, the City Council adopted Resolution No. 2024-178, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On January 8, 2025, the City Council adopted Resolution No. 2025-03, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On January 29, 2025, the City Council adopted Resolution No. 2025-06, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer main.

On February 19, 2025, the City Council adopted Resolution No. 2025-08, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer line.



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STAFF REPORT

On March 19, 2025, the City Council adopted Resolution No. 2025-14, reaffirming that there was a need to continue efforts toward the emergency repair of the failing trunk sewer line.

On April 2, 2025, the City Council adopted Resolution No. 2025-19, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On April 16, 2025, the City Council adopted Resolution No. 2025-30, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer line.

On May 7, 2025, the City Council adopted Resolution No. 2025-38, reaffirming that there was a need to continue efforts toward the emergency repair for the failing trunk sewer lin.

BACKGROUND

The City's trunk sewer mains, constructed in the 1950's, are a critical and integral part of the City's wastewater system. In June 2024, during routine closed-circuit television inspection, Utilities Staff identified multiple failed and severely deteriorated sections of 18-inch and 21-inch trunk sewer main. In order to act quickly to avoid catastrophic failure, a local emergency was proclaimed on June 20, 2024, by the City Manager, serving as the Director of Emergency Services. The current and continuing scope of work includes two sections of severely deteriorated trunk sewer main that are in critical condition. These sections are shown in **Figure 1** below and defined as follows:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care ("Firestone") parking lot to the Walmart Neighborhood Market ("Walmart") parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park.



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STAFF REPORT

Figure 1



Section 1 emergency repair work began on August 7, 2024. Repair work to Section 1 was completed as of January 30, 2025. The final slurry seal coat to the Firestone parking lot is scheduled to be completed on July 3, 2025, to allow for proper cure time and minimal disruption to Firestone's normal business operating hours.

Section 2 emergency repair work began on July 25, 2024, and is anticipated to be complete by July 31, 2025. The contractor, CCL Contracting, Inc. ("CCL"), has installed approximately 3,680 linear feet of trunk main, from Grape Day Park to Hickory Street, within Pennsylvania Avenue; north within Hickory Street from the intersection of Pennsylvania Avenue and Hickory Street to just south of the intersection of Hickory Street and Lansing Circle; easterly through the Westmont Assisted Living Community; and continues easterly within the City's Escondido Creek private property/public utility easement, paralleling the south side of Escondido Creek to Grape Street. Additional work over the last several weeks includes: continued installation of new 24-inch trunk sewer pipeline, continued restoration work at Westmont Assisted Living Community, coordination and work with SDG&E to keep local businesses in power during construction, installation of approximately 465 linear feet of 6-inch above grade temporary bypass highline between Grape Street and Hickory Street along the Escondido Creek access road, and fencing replacement along the Escondido Creek access road. Electronic message boards updating the community are in place, where appropriate, throughout the construction project site and will remain through the duration of work.



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STAFF REPORT

Utilities Staff continues to communicate and coordinate with affected businesses and local schools within the construction zone of influence, as well as other City Departments regarding current and upcoming construction, including the upcoming road closures, final improvements within Grape Day Park, the Grand Avenue Corridor Project, and the Escondido Creek Trail Project.

RESOLUTIONS

- a) Resolution No. 2025-54

RESOLUTION NO. 2025-54

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
 ESCONDIDO, CALIFORNIA, FINDING THAT AN
 EMERGENCY CONTINUES TO REQUIRE THE IMMEDIATE
 REPAIR OF THE ESCONDIDO TRUNK SEWER MAIN

WHEREAS, the City Council recognizes that the City's trunk sewer main pipeline defined in the two following critical sections are at risk of imminent, catastrophic failure:

Section 1: Ash Street - paralleling the Escondido Creek, from the Firestone Complete Auto Care parking lot to the Walmart Neighborhood Market parking lot; and

Section 2: Beech Street to Grape Day Park - paralleling the Escondido Creek, traversing a short section of North Hickory Street, then continuing in East Pennsylvania Street from North Hickory and extending into Grape Day Park; and

WHEREAS, pursuant to the approval of Resolution No. 2024-86 on June 26, 2024, ratifying Proclamation No. 2024-02; Resolution No. 2024-94 on July 10, 2024; Resolution No. 2024-103 on July 17, 2024; Resolution No. 2024-106 on August 7, 2024; Resolution No. 2024-117 on August 28, 2024; Resolution No. 2024-131 on September 11, 2024; Resolution No. 2024-141 on October 2, 2024; Resolution No. 2024-146 on October 23, 2024; Resolution No. 2024-162 on November 20, 2024; Resolution No. 2024-178 on December 4, 2024; Resolution No. 2025-03 on January 8, 2025; Resolution No. 2025-06 on January 29, 2025; Resolution No. 2025-08 on February 19, 2025; Resolution No. 2025-14 On March 19, 2025; Resolution No. 2025-19 on April 2, 2025; Resolution No. 2025-30 on April 16, 2025; and Resolution No. 2025-38 on May 7, 2025, the City Council previously found that the failing trunk sewer risk constitutes an emergency and found it appropriate for Utilities Staff to proceed to contract services without adopting plans, specifications, working details, or giving notice of bids to award contracts; and

WHEREAS, on August 7, 2024, City Council approved a budget adjustment in the amount of twelve million, thirty-six thousand, two-hundred twenty-five dollars (\$12,036,225) to fund the emergency repair of the failing trunk sewer main, consisting of \$7,036,225 from the unallocated Wastewater Reserves and \$5,000,000 from Capital Improvement Project No. 801508, Recycled Easterly Ag MFRO; and

WHEREAS, Staff entered into a Public Improvement Agreement ("Agreement") with CCL Contracting, Inc., in an amount not to exceed ten million, two hundred forty thousand, six hundred ninety-one dollars (\$10,240,691) on July 23, 2024; and

WHEREAS, Staff entered into a Public Improvement Agreement ("Agreement") with J.R. Filanc Construction Company in an amount not to exceed one million, seven hundred ninety-five thousand, five hundred thirty-four dollars (\$1,795,534) on August 21, 2024; and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, the City Council must review the emergency action every 14 days, or at its next regularly scheduled meeting, and determine by a four-fifths vote there is a need to continue the action; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to continue the emergency action.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council finds the failure of the trunk sewer main is a public health and safety emergency; that this emergency will not permit the delay that would result from a competitive bidding

process; and that the proposed action and expenditure is still necessary to respond to the emergency requiring immediate repair of the trunk sewer main.



STAFF REPORT

May 21, 2025

File Number 0600-10; A-3556-A; A-3556-B

SUBJECT

APPROVAL OF PUBLIC SERVICE AGREEMENT WITH SHARP BUSINESS SYSTEMS INC. AND XEROX BUSINESS SOLUTIONS

DEPARTMENT

Information Systems

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-40, authorizing the Mayor to execute two Public Service Agreements ("PSA"): (1) copier/multifunction device ("MFD") hardware, software, supplies and service with Sharp Business Systems Inc. (Part A of RFP No. 25-06); and (2) network printer hardware, service, and supplies, duplicating production device hardware, software, and service, and wide format printing device, software, and service with Xerox Business Solutions (Part B and Part C of RFP No. 25-06).

Staff Recommendation: Approval (Information Systems: Robert Van De Hey, Chief Information Officer)

Presenter: Robert Van De Hey, Chief Information Officer

ESSENTIAL SERVICE – No

COUNCIL PRIORITY –

FISCAL ANALYSIS

The projected cost for the five-year agreement with Sharp Business Systems Inc. for the lease and use of MFD equipment is \$319,400 and is budgeted through the 2030 fiscal year Duplicating Division Budget. The agreement includes a fixed cost for the leasing of the equipment and an estimated cost per copy or print. The City has the option to buyout equipment at the termination of the agreement for one dollar (\$1). Based on previous year's print impressions, the projected five-year savings compared to the previous agreement is \$34,565. Cost savings could increase if the number of printing and copy impressions continue to decline. The cost for the five-year agreement with Xerox Business Solutions for desktop printing services and supplies, production equipment, service, and supplies, and wide format printing equipment, service and supplies is \$192,479. This is budgeted through the 2030 fiscal year in each respective department's budget that purchased the printers. The projected five-year savings compared to previous City expenses for printing services and supplies is \$42,771.



CITY of ESCONDIDO

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PREVIOUS ACTION

On May 2, 2018, the City Council approved Resolution No. 2018-68, initiating a five-year contract with Kyocera Document Solutions to provide hardware, software, supplies, and services for MFDs throughout City facilities. In the sixth and seventh years, city personnel opted to utilize the two-year extension clause within this contract, while electing to discontinue the annual lease with a \$1 buyout option for the devices, thereby maximizing the remaining useful life of the equipment. Concurrently, Resolution No. 2018-68 approved a separate five-year agreement with Image Source, now operating as Visual Edge, for network printer hardware, software, supplies, and services. This contract was similarly extended for an additional two years by City staff. Additionally, Information Systems initiated a five-year leasing agreement with Xerox for color production device hardware, software, and services in the same year, subsequently extending the service agreement by two years to optimize the remaining useful life of the hardware.

BACKGROUND

The City of Escondido leases a fleet of Copier/ MFDs on an original five-year term and two-year extension to ensure we continue to take advantage of efficiency provided by today's technology at a competitive cost.

The City of Escondido has an original five-year agreement with a two-year extension with Visual Edge for printer service and supplies which was selected to streamline service, monitoring and tracking, support, and supplies.

The City of Escondido has a five-year agreement with Xerox for duplicating production device hardware, software, and service to provide support the City's print shop which is utilized by all City departments.

We are at the end of the extended lease terms with Kyocera, Visual Edge, and Xerox and have performed an extensive three-part Request for Proposal ("RFP") in conjunction with City staff and an independent consulting firm with expertise in this industry to ensure integrity in the process and gain insights into the industry. The purpose of RFP No. 25-06 Part A (Copier/MFD Hardware and Software) is to enter into a new lease agreement for a fleet of MFDs; Part B (Networked Printer Fleet) was identified as an opportunity to streamline the process for obtaining service and supplies for the entire network printer fleet resulting in reduced costs and ongoing visibility into printing costs; and Part C (Color Production MFD – Duplicating) is to continue to offer cost-effective, professional printing services, and finishing work such as binding, cutting, folding, stapling, hole-punching, and laminating for all City Departments.

The following, along with the Executive Summary (Attachment "3"), contains the details related to RFP No. 25-06:

RFP No. 25-06 Multifunction Copiers, Printers, and Duplicating Hardware, Software and Service



CITY of ESCONDIDO

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The RFP included the following components.

- Part A: Copier/MFD/Software (with Wide Format Printer for Development Services)
- Part B: Networked Printer Fleet
- Part C: Color Production MFD

Financial Impact

	Current Annual Spend	RFP Results Expected Annual Costs
Copier/MFD/Software (software is net-new going forward)	\$70,793	\$63,880
Printer/MFP Service + Supplies	\$18,358	\$15,416
Color Production MFD	\$28,692	\$17,066
Wide Format Copy/Print/Scan	0	\$6,014
Totals	\$117,843	\$102,376
Expected Annual Savings		\$15,467

Project Team

The Information Systems team, led by Robert Van De Hey, was formed to evaluate the current requirements, develop a sourcing strategy, and to evaluate vendor responses. Optimizon assisted the City with the creation and distribution of the RFP to interested vendors.

RFP Objectives

The objectives of the RFP were:

- To replace devices that are reaching the end of life.
- To gather pricing for device management and usage tracking software.
- To establish a new service/supplies contract for the existing networked printer/MFPs fleet.
- To replace Duplicating's color production device that has a lease ending.
- To enable secure printing and printing for field staff.

Vendors

The RFP instructions and packets were posted on the City's website as per City and State requirements. Please see the attached Executive Summary for details of vendor responses.

RFP Process

The RFP was issued with three (3) components to maximize the number of potential participants and to allow the City to put the best contracts in place. The RFP was advertised per City requirements. RFP packets were sent to twelve (12) vendors, and the scoring criteria was shared with the vendors.

The RFP evaluation included two (2) rounds of scoring.



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Round 1:

Analysis was conducted based on each vendor's response to the terms and conditions, pricing for a period of five (5) years, and equipment configurations.

The scoring criteria was shared with the vendors, and the proposals were scored as follows:

Each question in the RFP was assigned a rank according to importance, and each category was assigned an overall percentage of importance. The City of Escondido and Optimizon carefully analyzed each proposal and assigned a score to each vendor's response in each area. See attached Executive Summary for details on scores and ranking.

Round 2:

The vendors who advanced to Round 2 each participated in a vendor interview. These vendors were provided with a set of questions and were asked to prepare a presentation to address the questions along with a brief demonstration of their proposed copier/MFD devices and software.

Following the interviews, the vendors were narrowed to the finalists as follows:

- Part A Finalists:
 - Sharp Electronics Corporation dba Sharp Business Systems Inc. ("Sharp")
 - MRC Smart Technology Solutions, Inc. dba Xerox Business Solutions, West ("Xerox")
- Part B Finalist:
 - Xerox
- Part C Finalists:
 - Xerox (Xerox Versant 280)
 - Sharp (Sharp BP-90C80)

For Part A, the finalists were invited to conduct onsite testing. For Part C, the City visited the vendor locations for additional demonstrations and testing.

- Part A
 - Sharp is the top-ranking vendor for RFP No. 25-06 Part A, and the recommendation is to award this component to Sharp.
 - In addition to offering competitive pricing, Sharp offered terms and equipment that meet the City's requirements. The City conducted an onsite demonstration of the Sharp hardware, and the users provided positive feedback and indicated a preference for the Sharp hardware above Xerox hardware.



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- Part B
 - Xerox is the top-ranking vendor for RFP No. 25-06 Part B, and the recommendation is to award this component to Xerox.
 - Xerox offered the most competitive pricing for this component with the least amount of disruption to the current fleet, which the City hopes to consolidate further over time.
- Part C
 - Xerox is the top-ranking vendor for RFP No. 25-06 Part C, and the recommendation is to award this component to Xerox.

In addition to offering competitive pricing, Xerox offered terms and equipment that meet the City's requirements. An added benefit is that the City currently uses Xerox technology which means file compatibility issues are less likely to arise and time spent in additional training will be minimal.

The City visited showrooms to test the Xerox and Sharp equipment for this component, and the users provided positive feedback and indicated a higher level of confidence in the Xerox hardware as compared to the Sharp hardware.

RESOLUTIONS

- a) Resolution No. 2025-40

ATTACHMENTS

- a) Attachment "1"- Sharp Electronics Corporation dba Sharp Business Systems Inc. Draft PSA
- b) Attachment "2"- MRC Smart Technology Solutions, Inc. dba Xerox Business Solutions, West Draft PSA
- c) Attachment "3"- Executive Summary of RFP No. 25-06

RESOLUTION NO. 2025-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, AUTHORIZING THE MAYOR TO EXECUTE, ON BEHALF OF THE CITY, TWO PUBLIC SERVICE AGREEMENTS FOR (1) MULTIFUNCTION COPY, SCANNING, AND PRINTING DEVICES AND SERVICE WITH SHARP BUSINESS SYSTEMS INC.; AND (2) NETWORKED PRINTER SERVICE AND SUPPLIES, AND WIDE FORMAT COLOR PRINTER DEVICE HARDWARE, SOFTWARE, AND SERVICE, AND DUPLICATING PRODUCTION DEVICE HARDWARE, SOFTWARE, AND SERVICE WITH XEROX BUSINESS SOLUTIONS, WEST

WHEREAS, the City of Escondido ("City") currently has a site management agreement with Kyocera to provide and maintain duplicating equipment for all City of Escondido Facilities, which is set to expire July 31, 2025; and

WHEREAS, the Chief Information Officer recommends executing a new five-year agreement with Sharp Business Systems Inc. for multifunction copy, scanning, and printing devices and service; and

WHEREAS, the City currently has a printer service contract with Visual Edge to provide service repair for printers at City of Escondido Facilities which is set to expire June 30, 2025; and

WHEREAS, the Chief Information Officer recommends executing a new five-year agreement with MRC Smart Technology Solutions, dba Xerox Business Solutions, West ("Xerox") for networked printer service and supplies and wide format color printer device hardware, software, and service; and

WHEREAS, the City currently has a duplicating production device hardware, software, and service contract with Xerox to provide service repair for printers at City of Escondido Facilities which is set to expire June 30, 2025; and

WHEREAS, the Chief Information Officer recommends executing a new five-year agreement with Xerox for duplicating production device hardware, software, and service; and

WHEREAS, this City Council desires at this time and deems it to be in the best public interest to approve all agreements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the Mayor is authorized to execute, on behalf of the City, an agreement with Sharp Business Systems Inc. for multifunction copy, scanning, and printing devices and service, which is consistent with the drafts attached to the Staff Report and approved by the City Attorney.
3. That the Mayor is authorized to execute, on behalf of the City, an agreement with MRC Smart Technology Solutions, dba Xerox Business Solutions, West for fleet printer service and supplies, Duplicating production device, service and supplies, and a wide-format printer/scanner for cross-departmental use which is consistent with the drafts attached to the Staff Report and approved by the City Attorney.



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Public Services Agreement ("Agreement") is made and entered into as of the last signature date set forth below ("Effective Date"),

Between: CITY OF ESCONDIDO
 a California municipal corporation
 201 N. Broadway
 Escondido, CA 92025
 Attn: Rob Van De Hey
 760-839-6213
 ("CITY")

And: Sharp Electronics Corporation
 a California corporation
 dba Sharp Business Systems Inc.
 8670 Argent Street
 Santee, CA 92071
 Attn: Christopher Hart
 858-776-8944
 ("CONTRACTOR").

(The CITY and CONTRACTOR each may be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Parties desire to enter into this Agreement for the performance of the Services described herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, and the mutual benefits derived therefrom, the Parties hereby agree as follows:

1. Description of Services. CONTRACTOR shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment "A" and incorporated herein by this reference ("Services").
2. Compensation. In exchange for CONTRACTOR's completion of the Services, the CITY shall pay, and CONTRACTOR shall accept in full, an amount not to exceed the sum of **\$319,400**. CONTRACTOR shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in any subsequent amendments shall not exceed a cumulative total of 25% of the maximum payment provided for in this Section 2, unless approved by resolution of the

City Council.

3. Performance. CONTRACTOR shall faithfully perform the Services in a proficient manner, to the satisfaction of the CITY, and in accord with the terms of this Agreement. CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONTRACTOR pursuant to this Agreement, except that CONTRACTOR shall not be responsible for the accuracy of information supplied by the CITY.
4. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONTRACTOR with 10 days' advance written notice. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONTRACTOR, then CONTRACTOR shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the Services.
5. City Property. All original documents, drawings, electronic media, and other materials prepared by CONTRACTOR pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONTRACTOR for any other purpose without the CITY's prior written consent.
6. Insurance Requirements.
 - a. CONTRACTOR shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONTRACTOR, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
 - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.
 - (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.
 - (3) *Workers' Compensation.* Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - (4) If CONTRACTOR maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONTRACTOR.
 - b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
 - (1) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-: FSC VII, or as approved by the CITY.
 - (2) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement

shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.

- (3) *Primary Coverage.* CONTRACTOR's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
 - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
 - (5) *Subcontractors.* If applicable, CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated in this Agreement, and CONTRACTOR shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
 - (6) *Waiver of Subrogation.* CONTRACTOR hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its agents, representatives, employees and subcontractors.
 - (7) *Self-Insurance.* CONTRACTOR may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONTRACTOR shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONTRACTOR's (i) net worth and (ii) reserves for payment of claims of liability against CONTRACTOR are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONTRACTOR's utilization of self-insurance shall not in any way limit the liabilities assumed by CONTRACTOR pursuant to this Agreement.
 - (8) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.
- c. *Verification of Coverage.* At the time CONTRACTOR executes this Agreement, CONTRACTOR shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
 - d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
 - e. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage CONTRACTOR must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.

- f. Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONTRACTOR fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONTRACTOR to stop work under this Agreement and/or withhold any payment that becomes due to CONTRACTOR until CONTRACTOR demonstrates compliance with the insurance requirements in this Agreement.

7. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONTRACTOR's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the sole negligence or willful misconduct of the CITY.
- b. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall defend, indemnify, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any work performed pursuant to this Agreement.
- c. All terms and provisions within this Section 7 shall survive the termination of this Agreement.

- 8. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONTRACTOR in entering into this Agreement, CONTRACTOR shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other transfer made without the CITY's consent shall be void and ineffective. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
- 9. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
- 10. Independent Contractor. CONTRACTOR is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
- 11. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONTRACTOR.
- 12. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONTRACTOR concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise

provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.

13. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
14. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
15. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
16. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
17. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
18. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONTRACTOR shall promptly provide the other Party with notice of any changes to such contact information.
19. Business License. CONTRACTOR shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
20. Compliance with Laws, Permits, and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONTRACTOR shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevwagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONTRACTOR represents and warrants that all of its employees and the employees of any subcontractor retained by CONTRACTOR who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONTRACTOR affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONTRACTOR agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.
23. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: _____

Dane White, Mayor

SHARP BUSINESS SYSTEMS

Date: _____

Dale Wedge, Branch President

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, CITY ATTORNEY

BY: _____

DATE: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

ATTACHMENT "A"

Scope of Work

A. General

Sharp Business Systems, a California corporation, dba Sharp Business Systems Inc. ("Contractor") will provide the City of Escondido, a California municipal corporation ("City") with networked copier fleet device hardware, software, and service.

B. Location

Contractor will provide services at and in relation to the following City facilities:

1. 201 N. Broadway, Escondido, CA 92025 ("City Hall");
2. 3315 Bear Valley Parkway S., Escondido, CA 92025 ("Sports Park");
3. 2245 E. Valley Parkway, Escondido, CA 92027 ("East Valley Community Center");
4. 3440 E. Valley Parkway, Escondido, CA 92027 ("Water Treatment Plant");
5. 239 S. Kalmia St., Escondido, CA 92025 ("Main Library");
6. 210 E. Park Ave., Escondido, CA 92025 ("Park Avenue Senior Center");
7. 475 N. Spruce St., Escondido, CA 92025 ("Public Works");
8. 1521 S. Hale Ave., Escondido, CA 92029 ("HARRF");
9. 1163 Centre City, Escondido, CA 92026 ("Police and Fire Headquarters");
10. 310 N. Quince St., Escondido, CA 92026 ("Fire Station 1");
11. 421 N. Midway Drive, Escondido, CA 92027 ("Fire Station 2");
12. 1808 Nutmeg St., Escondido, CA 92026 ("Fire Station 3");
13. 3301 Bear Valley Parkway, Escondido, CA 92025 ("Fire Station 4");
14. 2319 Felicita Road, Escondido, CA 92029 ("Fire Station 5");
15. 1735 Del Dios Road, Escondido, CA 92029 ("Fire Station 6");
16. 1220 N. Ash St., Escondido, CA 92027 ("Fire Station 7"); and
17. 272 E Via Rancho Pkwy, #171, Escondido, CA 92025 ("Temporary Library").

C. Services

Services shall be provided per the terms and conditions of this Agreement and **Exhibit 1**, to this Scope of Work, which is attached hereto and incorporated herein by this reference. In the event of a conflict between this Agreement and Exhibit 1, the terms of this Agreement shall prevail. In addition to the services described in the Agreement, Contractor shall provide toner, service calls, and monitoring reporting software services for the networked copiers described in Exhibit 1.

D. Scheduling

Inquires and scheduling concerns related to this Agreement shall be directed to Heather Inns at hinns@escondido.org or 760-839-6261.

E. Contract Price and Payment Terms

The contract price shall not exceed **\$319,400**. The contract price includes all labor, materials, equipment, and transportation required to perform the work. Any additional charges will be submitted to the City of Escondido for pre-approval and will be billed as services are performed.

Payment will be made after services have been performed and within 30 days of receipt of an invoice for those services.

This Agreement, along with Contractor's proposal summarized in Exhibit 1, sets forth the specific terms and conditions under which Contractor agrees to sell specific equipment and provide services to the City. The service rates set forth in Exhibit 1 shall remain firm throughout the term of this Agreement.

F. Term

The term of this Agreement shall be for **five years**, commencing on the Effective Date of the Agreement.

Contractor acknowledges that the term of this Agreement may extend over multiple City fiscal years, and that work and compensation under this Agreement is contingent on the City Council appropriating funding for and authorizing such work and compensation for those fiscal years. This Contract may be terminated at the end of the fiscal year for which sufficient funding is not appropriated and authorized. The City is not obligated to pay Contractor for any amounts not duly appropriated and authorized by City Council.

DRAFT

Exhibit 1**RFP #25-06: Part A Copier/MFD/Software**

The Agreement, along with Sharp Business Systems' proposal response, outlined in this Exhibit, sets forth the specific terms and conditions under which Sharp Business Systems agrees to sell the specific equipment and provide the services to City of Escondido.

1. Pricing

- a. All pricing stated in Sharp Business Systems' response to RFP # 25-06 Part A Copier/MFD/Software is outlined in this Exhibit.
- b. Sharp Business Systems guarantees all pricing outlined in this Exhibit will be fixed for a period of 24 months after the contract has been awarded. Fixed pricing includes pricing for hardware (purchase pricing), software, service, and training.
- c. For devices that the City of Escondido may wish to acquire after the price guarantee expires, Sharp Business Systems agrees to offer the City of Escondido a discount over retail pricing (as reported by a 3rd party such as Buyer's Laboratory) equivalent to the discount being offered in this RFP.
- d. If the City of Escondido elects to lease any equipment under this agreement:
 - i. If the FMV lease option is chosen, Sharp Business Systems agrees to be responsible for the return of leased equipment to the Leasing Company at the end of the lease term. This shall include shipping costs, insurance, and any other shipping or equipment repair costs associated with the return of this equipment.
 - ii. The City of Escondido will provide Sharp Business Systems with insurance documentation if required by the Leasing Company when the lease contracts are signed. Sharp Business Systems agrees to be responsible for ensuring that the insurance documentation is delivered to the Lease Company and taking all necessary actions to correct any insurance billing problems.
 - iii. Sharp Business Systems agrees to include in all leasing options and leasing documents non-appropriation and/or funding-out clauses as required by the State Code of California.
 - iv. There will be no lease documentation fees.
- e. For existing equipment owned by the City of Escondido, Sharp Business Systems agrees to pick up and dispose of used equipment if requested at no additional charge to the City of Escondido for up to one year after the new equipment is installed. City of Escondido will provide Sharp Business Systems with a list of all equipment to be removed and disposed of. For the current devices that are to be removed, Sharp Business Systems agrees to either remove and destroy hard drives or wipe the hard drives. In either case, the City of Escondido requires a certificate of completion. Sharp Business Systems will do this at no additional cost to the City of Escondido.

2. Warranties

- a. 90-day money back guarantee: Sharp Business Systems offers a 100 percent money-back guarantee for a particular device, regardless of the problem, if notified within 90 days.

- b. Sharp Business Systems guarantees that each device ordered under this agreement will operate within the specifications stated for sixty (60) months or the number of impressions listed below from the date of installation.
- Copier/MFD – 30 PPM B/W (Sharp BP-70M30, or current model): 750,000 impressions
 - Copier/MFD – 40 PPM B/W (Sharp BP-70M45, or current model): 1,200,000 impressions
 - Copier/MFD – 60 PPM B/W (Sharp BP-70M65, or current model): 2,700,000 impressions
 - Copier/MFD – Color 30 PPM (Sharp BP-70C31, or current model): 750,000 impressions
 - Copier/MFD – Color 40 PPM (Sharp BP-70C45, or current model): 1,500,00 impressions
 - Copier/MFD – Color 50 PPM (Sharp BP-70C55, or current model): 2,100,00 impressions
 - Copier/MFD – Color 60 PPM (Sharp BP-70C65, or current model): 2,700,00 impressions
 - MFP – 35 PPM Color Laser (Sharp MX-C358F, current model): 300,000 impressions
 - MFP – 45 PPM B/W Laser (Sharp MX-B468F, or current model): 300,000 impressions
- c. If any device fails to operate under the specifications stated in section 2.b., Sharp Business Systems will replace the device on a like-for-like basis with the then-current technology as long as the device is kept on a continuous service agreement with Sharp Business Systems and only supplies recommended by the equipment manufacturer are used.

3. Service Contract

Sharp Business Systems has given the City of Escondido the option to purchase service contracts for five (5) years and will bill the City of Escondido for these service contracts Quarterly in Arrears. The service contract will include print controller support, unlimited supplies of toner, developer, drums, all consumable parts, toner waste containers, staples for the copiers, and all other supply items excluding paper, unless otherwise noted. The service contract shall include all parts and Preventative Maintenance (PM) parts as required by the equipment manufacturer to keep all equipment operating within manufacturer specifications. All parts will be replaced with Original Equipment Manufacturer (OEM) parts according to the manufacturer's estimated yields.

Fees for service contracts are outlined in this Exhibit.

4. Service Responses

- a. Sharp Business Systems guarantees that the average time it will take a technician to acknowledge the City of Escondido's service request will be one (1) hour once a service call has been placed with Sharp Business Systems, as calculated from the time the service call is placed until a service technician calls the site to provide an estimated time of arrival.
- b. Average Response Time (Monday – Friday 8am – 5pm, excluding Holidays):
Sharp Business Systems guarantees that the average in-person service response time for each device will be three and a half (3.5) hours, as calculated from the time the service call is placed by City of Escondido to the factory-trained service technician's on-site arrival in a 12-month trailing average, including preventive maintenance calls.
- c. Maximum Response Time (Monday – Friday 8am – 5pm, excluding Holidays):
Sharp Business Systems guarantees that the maximum in-person service response time, as calculated from the time the service call is placed by the City to the factory-trained service technician's on-site arrival, including preventive maintenance calls, will be four (4) hours.
- d. Compensation: If Sharp Business Systems is unable for any reason to respond within the maximum response time as listed in section 4.c., Sharp Business Systems will compensate the City of

- Escondido with a credit equal to 5% of the monthly service contract for that device, per call with a late response time.
- e. For the entire life of each device covered under a service contract with Sharp Business Systems, Sharp Business Systems will
- 1) replace all parts according to the manufacturer's recommended replacement schedule
 - 2) provide "Preventative Maintenance" parts according to the manufacturer's recommended replacement schedule.
- In addition, if any part fails before reaching the manufacturer's estimated life expectancy, Sharp Business Systems will replace failed parts as long as the device is covered under a service contract by Sharp Business Systems.
- f. Sharp Business Systems guarantees that each device will average the number of impressions between service calls (IBCs) listed below. The averages shall include Preventative Maintenance (PM) service calls and be calculated during any immediately preceding 12-month period. These calculations will exclude service calls caused by operator error, and the guarantee will remain in effect while the equipment is continuously under a service agreement with Sharp Business Systems.
- Copier/MFD – 30 PPM B/W (Sharp BP-70M31, or current model): 12,500 IBCs
 - Copier/MFD – 40 PPM B/W (Sharp BP-70M45, or current model): 20,000 IBCs
 - Copier/MFD – 60 PPM B/W (Sharp BP-70M65, or current model): 45,000 IBCs
 - Copier/MFD – Color 30 PPM (Sharp BP-70C31, or current model): 12,500 IBCs
 - Copier/MFD – Color 40 PPM (Sharp BP-70C45, or current model): 25,000 IBCs
 - Copier/MFD – Color 50 PPM (Sharp BP-70C55, or current model): 35,000 IBCs
 - Copier/MFD – Color 60 PPM (Sharp BP-70C65, or current model): 45,000 IBCs
 - MFP – 35 PPM Color Laser (Sharp MX-C358F, or current model): 5,000 IBCs
 - MFP – 45 PPM B/W Laser (Sharp MX-B468F, or current model): 5,000 IBCs
- g. If any device does not meet the average number of impressions between service calls as described above, Sharp Business Systems will replace the device on a like-for-like basis with the then-current technology.
- h. Sharp Business Systems agrees to provide only Original Equipment Manufacturer parts and supplies when repairing, servicing, or supplying consumable items for each device. Failure to do so will constitute a breach of contract and require Sharp Business Systems to fully compensate the City for any real or perceived loss or damage.
- i. Sharp Business Systems will provide a loaner device of equal or superior capabilities to the City of Escondido upon request if any device installed by Sharp Business Systems is unable to perform to the City's specifications for more than eight (8) hours of normal business operation.
- j. Customer Support will be available by phone at no additional charge during normal business hours (Monday through Friday, 8 a.m. to 5 p.m.).
- k. For issues related to service responses, supplies management, non-reporting devices, etc., Sharp Business Systems will provide customer support by email.
- l. Upon request, Sharp Business Systems will provide a service portal where the City of Escondido can place service calls and track the status of service calls.
- m. All copies run by any representative of Sharp Business Systems will be tracked and credited back to the City of Escondido's account at the end of each service-billing period.

5. Evaluations of Service Performance

- a. The City of Escondido and/or its appointed agent reserve the right to monitor and evaluate all aspects of Sharp Business Systems' invoicing and service work that is executed by Sharp Business Systems for all equipment that is covered under a service contract by Sharp Business Systems on an ongoing basis. Sharp Business Systems agrees to provide all requested service contract data, billing and invoicing data, and/or service call history data within ten (10) business days of such a request whether made by telephone or e-mail. In addition, Sharp Business Systems agrees not to object to or hinder in any way the ongoing evaluation of cost, volume, equipment performance and Sharp Business Systems' and or its subcontractor's performance of services provided to the City of Escondido.
- b. In addition, Sharp Business Systems agrees to pay to the City of Escondido a \$50.00 penalty per consecutive day, beyond ten (10) business days, that Sharp Business Systems delays delivering service contract data, billing and/or invoicing data, and/or service call history data.
- c. Sharp Business Systems will provide the pages from the service manual indicating the manufacturer's replacement schedule for preventative maintenance (PM) parts, including parts names that may be included in PM Kits, and manufacture part numbers to the City of Escondido. (This information will be used by the City of Escondido to evaluate service work that is being performed by Sharp Business Systems.)
- d. Sharp Business Systems will deliver monthly reports in an electronic format acceptable to the City of Escondido and/or its agent. The reports will be formatted in an acceptable manner and include the following data points for each device acquired from Sharp Business Systems:
 - make/model
 - serial number
 - vendor ID number
 - location/room number
 - monthly meter reading
 - All service calls performed during the past thirty (30) days
 - The date and time the service call was placed
 - The date and time the technician arrived onsite for the service call
 - The beginning meter reading of the service call
 - The ending meter reading of the service call
 - A complete description of the reason for each call
 - The remedy provided by Supplier for each call
 - A complete list of all parts including the manufacturer's part numbers that were required to complete each service call

All service calls will be recorded and be categorized as one of the following:

- Service call
- Return with parts call
- A call back
- Operator error call
- Courtesy call

These monthly reports shall be provided at no additional expense to the City of Escondido and/or its agent for the life of the equipment.

6. Equipment Delivery and Timing

- a. Sharp Business Systems guarantees that all equipment and/or software will be installed and be fully operational within thirty (30) days of receipt of a purchase order.

- b. Sharp Business Systems agrees to pay, as liquidated damages, the sum of \$50.00 per device per consecutive calendar day after 30 days if delivery is delayed by Sharp Business Systems or its suppliers, unless the City of Escondido delays delivery.
- c. Sharp Business Systems agrees to replace any items and/or components that are received with damages within fourteen (14) consecutive calendar days after the notification of damage.
- d. Sharp Business Systems agrees to pay, as liquidated damages, the sum of \$50.00 per device per consecutive calendar day after fourteen (14) days from the date of notification until the replacement of damaged items have been received by the City of Escondido.
- e. Sharp Business Systems agrees to install the most current version(s) of firmware into all devices prior to installation.

7. Equipment Relocation

If, during the contract period, the need arises to move or relocate equipment that was acquired under this contract within the same building or from one building to another, Sharp Business Systems agrees to move the equipment at no additional charge.

8. Training

- a. Sharp Business Systems agrees to schedule, in advance, the installation and simultaneous basic instruction of the operation of the new equipment.
- b. Sharp Business Systems agrees to schedule, in advance at each location's convenience, In-Service training (2 operators for each device) covering the complete operation of the new equipment as needed.
- c. Sharp Business Systems agrees to provide a training video to City of Escondido.

9. Invoicing

- a. Sharp Business Systems agrees to provide invoices in an electronic format acceptable to the City of Escondido and/or its agent. The invoices will be delivered by email. The invoices will be formatted in an acceptable manner and include make/model, serial number, vendor ID number, location, room number, equipment lease payment, and beginning and ending meter readings. It is our understanding that all invoices will be due 30 days, from the date of the invoice.
- b. If the City of Escondido disputes any amount included in an invoice, then (a) the City of Escondido (or its agent) will notify Sharp Business Systems in writing or by email, (b) such notice shall include a description of the items the City of Escondido are disputing and the reason such items are being disputed and (c) Sharp Business Systems shall promptly exercise its best effort to work with the City of Escondido and/or its agent to resolve such disputes. Pending resolution of disputed amount, the City of Escondido will pay any and all undisputed amounts within thirty (30) days of the invoice date; however, the due date of all disputed charges will be suspended until the dispute is resolved and Sharp Business Systems submits a corrected invoice for payment. The corrected invoice will be due thirty (30) days from the date of the correct invoice.

10. Data Security

- a. For devices that are acquired under this contract that are owned by City of Escondido at the end-of-life, Sharp Business Systems agrees to de-install each hard drive and turn each hard drive over to the

custody of personnel authorized by City of Escondido so that City of Escondido may oversee the complete destruction of the hard drive and any confidential data contained therein. If a replacement hard drive is needed the cost is \$100 per drive. There will be a fee of \$50 per device if a certificate of destruction is needed.

- b. Sharp Business Systems agrees that overwrite software is included in the price and there would be no additional fee for Sharp Business Systems to take responsibility to run the overwrite software at the end-of-life. In the event that Sharp Business Systems takes responsibility to run the overwrite software, the City of Escondido requires a certificate of completion for each device.
- c. Sharp Business Systems agrees that no hard drive for any reason for any device acquired under this contract will be removed from the cities site at any time by Sharp Business Systems unless all data contained in the hard drive has been removed utilizing software that will overwrite the hard drive, and that removing a hard drive from the Cities site without confirming that the hard drive has been erased will constitute a breach of contract.
- d. Sharp Business Systems understands that documents left in or on any device may contain confidential information that must be protected and agrees that all documents found in or on any device by Sharp Business Systems will be handed to authorized city personnel and that the documents will not be placed in a trash can or recycle bin by any representative of Sharp Business Systems.

11. **Supplies**

- a. Sharp Business Systems uses MICAS to collect meters for billing and for monitoring supplies management. There is no additional cost for the software. All data collected by the software tool will remain the property of the City of Escondido. The City of Escondido will be provided with full and direct access to MICAS upon request.
- b. Sharp Business Systems agrees to ship and/or deliver supplies (including toner and staples for the copiers) to the city for no additional charge.
- c. Sharp Business Systems will ship toner automatically based on the usage of each device without City of Escondido having to place an order.
- d. If the City of Escondido places an order for toner, Sharp Business Systems will deliver toner within two (2) business days.
- e. Sharp Business Systems agrees to pick up the empty/used toner containers at no additional cost to the city.

12. **Extended Service Coverage**

When any device ordered from this contract is five (5) years old, if the device has not reached the 60-month volume (see 2. b.) and the device is experiencing an average of one (1) or fewer service calls per month, Sharp Business Systems agrees to offer extended coverage for years 6 and 7 with the same level of service terms outlined in this Exhibit. Service rates are estimated to increase 10% per year for years 6 and 7.

13. **Cooperative Agreements**

Sharp Business Systems agrees that the City of Escondido will not be required to sign on to any cooperative agreements, governmental or otherwise, or agree to any additional terms and conditions contained within any cooperative agreements.

14. PaperCut MF Software

- a. Sharp Business Systems is offering Paper MF (the current version at the time of the order) to the City of Escondido as a Device Management and Usage Tracking Solution for its fleet of approximately 42 copier/MFDs. The management of devices directly connected to computers is out of scope.
- b. PaperCut MF provides the ability for the sender to have their document(s) printed only if their ID code is entered at the machine. The user should be able to invoke this function at any device on the network which is configured for this purpose.
- c. PaperCut MF has the ability to support printing from iPads and iPhones.

15. PaperCut MF Support

- a. Placing a Support Call: Support calls may be placed by phone, email, or portal. All calls will be logged, and a ticket number will be issued. Someone from Sharp Business Systems will respond back within an hour to confirm the call. Software support will be handled just like an equipment service call but will be escalated more quickly since the issue may affect more than one device. Sharp Business Systems has onsite and remote solution engineers to support Papercut. Sharp Business Systems will decide on the quickest and more effective way to handle the issue once the problem is diagnosed. It could involve onsite support, remote support, or both.
- b. Priority 1: Critical: For the purpose of this contract, "Critical" is defined as any system status where a major feature fails to function, the system is not functioning, or a major business process is seriously disrupted.
Target Response is 1 hours and target resolution is 2 hours.
- c. Compensation for Exceeding the Target Resolution Period for Priority 1 Issues: To assure the City of Escondido that Sharp Business Systems ' intention is to resolve issues within the period stated in (question b), Sharp Business Systems agrees to compensate the City of Escondido \$250 each time the resolution for a Priority 1 Issue exceeds the proposed target response.
- d. Priority 2: High: For the purpose of this contract, "High" is defined as any system status where a major feature intermittently fails to function, or a major business process is intermittently seriously disrupted.
Target Response is 1 hours and target resolution is 3 hours.
- e. Compensation for Exceeding the Target Resolution Period for Priority 2 Issues: To assure the City of Escondido that Sharp Business Systems ' intention is to resolve issues within the period stated in (question d), Sharp Business Systems agree to compensate the City of Escondido \$100 each time the resolution for a Priority 2 Issue exceeds the proposed target response.
- f. Priority 3: Medium: For the purpose of this contract, "Medium" is defined as any system status where a feature intermittently fails to function, or a business process is intermittently disrupted.
Target Response is 1 hours and target resolution is 4 hours.
- g. Priority 4: Low: For the purpose of this contract, "Low" is defined as any support call related to a minor usability, presentation or cosmetic problem that does not affect the ability to use the product.
Target Response is 1 hours and target resolution is 4 hours.

16. Performance Bond

Upon receipt of an order, Sharp Business Systems agrees to issue a performance bond to the City of Escondido which is equal to 25% of the total cost of hardware and service costs projected for 60 months

for all equipment and support purchased and/or leased under this agreement. The City of Escondido will cash the performance bond if Sharp Business Systems does not execute the terms and conditions of the contract as agreed. The performance bond shall have a life of 60 months from the date it is accepted by City of Escondido; however, a 1-year bond that is renewable for an additional four (4) years is acceptable. Sharp Business Systems agrees to allow the City of Escondido to delay payment (with no late fees or penalties) until the performance bond has been delivered to the City of Escondido.

Exhibit 1: Pricing**Lease Options:**

Lease Company: DLL

60-month \$1 Buyout:

- Monthly Lease Rate Factor: 0.019604
- Quarterly Lease Rate Factor: 0.059061

Lease Company: Wells Fargo

60-month FMV:

- Monthly Lease Rate Factor: 0.02030
- Quarterly Lease Rate Factor: 0.0600

PaperCut MF Pricing

- **\$318.00 per device** for Embedded PaperCut MF License
- **\$25 per device** for install and configuration support
- **\$175 per card reader** (HID Card readers will be embedded and connected within the MFP. End user will simply place their card over the designated area to authenticate.)

Maintenance Pricing

- **\$2,028.60 paid annually for Years 1-5:**

-OR-

- **\$10,143.00 paid upfront for 5 years:**

Make/Model	Purchase Price
Sharp BP-70M31 (31 PPM) Copier/MFD – B/W 30 PPM Segment	\$2,495.11
<u>Included:</u> - Network Printing and Scanning: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Avery Labels, Index Paper 90lbs., Cover stock 110lbs., and Envelopes: Required - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - By-Pass Tray (50 Sheets): Standard	
- PostScript Level 3 Print Driver: MX-PK13L - Scan in a searchable PDF format: MX-EB20L - Additional 2,100-sheet tray: BP-DE13 - Faxing Unit (Analog): BP-FX11 - Inner Finisher with Stapling: BP-FN11 - External 1-tray Finisher with stapling: BP-FN13 - External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B	Inc. Inc. \$107.56 \$305.56 \$525.56 \$701.56 \$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression

Service Cost-Per-Impression Year 3: Service Cost-Per-Impression Year 4: Service Cost-Per-Impression Year 5:	\$0.00340 per B/W impression \$0.00350 per B/W impression \$0.00370 per B/W impression Service rates include staples.
Sharp BP-70M45 (45PPM) Copier/MFD – B/W 40 PPM Segment	\$3138.00
<u>Included:</u> - Network Printing and Scanning: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs. and Cover stock 110lbs. - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - 1,100-sheet Paper Tray: Inc. - By-Pass Tray (100 Sheets): Standard	
- PostScript Level 3 Print Driver: MX-PK13L - Scan in a searchable PDF format: MX-EB20L - Faxing Unit (Analog): BP-FX11 - Inner Finisher with Stapling: BP-FN11 - External 2-tray Finisher with stapling: BP-FN13 - External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B	Inc. Inc. \$305.56 \$525.56 \$701.56 \$1,070.67
Service Cost-Per-Impression Year 1-2: Service Cost-Per-Impression Year 3: Service Cost-Per-Impression Year 4: Service Cost-Per-Impression Year 5:	\$0.00320 per B/W impression \$0.00340 per B/W impression \$0.00350 per B/W impression \$0.00370 per B/W impression Service rates include staples.
Sharp BP-70M65 (65PPM) Copier/MFD – B/W 60 PPM Segment	\$4,247.78
<u>Included:</u> - Network Printing and Scanning: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs. and Cover stock 110lbs. - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - 2,100-sheet Paper Tray: Inc. - By-Pass Tray (100 Sheets): Standard	
- PostScript Level 3 Print Driver: MX-PK13L - Scan in a searchable PDF format: MX-EB20L	Inc. Inc.

- Faxing Unit (Analog): BP-FX11	\$305.56
- External 2-tray Finisher with stapling: BP-FN15	\$862.89
- External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B	\$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression
Service Cost-Per-Impression Year 3:	\$0.00340 per B/W impression
Service Cost-Per-Impression Year 4:	\$0.00350 per B/W impression
Service Cost-Per-Impression Year 5:	\$0.00370 per B/W impression
	Service rates include staples.
Sharp BP-70C31 (31 31PPM) Copier/MFD – Color 30 PPM Segment	\$3,174.04
<u>Included:</u> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs., Cover stock 110lbs., envelopes, and Avery Labels - 280-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - By-Pass Tray (100 Sheets): Standard	
- Scan in a searchable PDF format: MX-PK13L	Inc.
- Additional Paper Tray 2,100-sheets: BP-DE15	\$266.44
- Faxing Unit (Analog): BP-FX11	\$305.56
- Inner Finisher with Stapling: BP-FN11	\$525.56
- External 2-tray Finisher with stapling: BP-FN13	\$701.56
- External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B	\$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression
Service Cost-Per-Impression Year 3:	\$0.0320 per Color impression
Service Cost-Per-Impression Year 4:	\$0.00340 per B/W impression
Service Cost-Per-Impression Year 5:	\$0.0340 per Color impression
	\$0.00350 per B/W impression
	\$0.0350 per Color impression
	\$0.00370 per B/W impression
	\$0.0370 per Color impression
	Service rates include staples.
Sharp BP-70C45 (45 45PPM) Copier/MFD – Color 40 PPM Segment	\$4,359.60
<u>Included:</u> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Single Pass Duplex Scanning: Required	

<ul style="list-style-type: none"> - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs., Cover stock 110lbs., envelopes, and Avery Labels - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - 2,100-sheet Paper Tray: Inc. - By-Pass Tray (100 Sheets): Standard 	
<ul style="list-style-type: none"> - Scan in a searchable PDF format: MX-EB20L - Faxing Unit (Analog): BP-FX11 - Inner Finisher with Stapling: BP-FN11 - External 2-tray Finisher with stapling: BP-FN13 - External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B 	Inc. \$305.56 \$525.56 \$701.56 \$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression \$0.0320 per Color impression
Service Cost-Per-Impression Year 3:	\$0.00340 per B/W impression \$0.0340 per Color impression
Service Cost-Per-Impression Year 4:	\$0.00350 per B/W impression \$0.0350 per Color impression
Service Cost-Per-Impression Year 5:	\$0.00370 per B/W impression \$0.0370 per Color impression Service rates include staples.
Sharp BP-70C55 (55 55PPM) Copier/MFD – Color 50 PPM Segment	\$4,682.27
<u>Included:</u> <ul style="list-style-type: none"> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs. and Cover stock 110lbs. - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - 2,100-sheet Paper Tray: Inc. - By-Pass Tray (100 Sheets): Standard 	
<ul style="list-style-type: none"> - Scan in a searchable PDF format: MX-EB20L - Faxing Unit (Analog): BP-FX11 - External 2-tray Finisher with stapling: BP-FN15 - External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B 	Inc. \$305.56 \$862.89 \$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression \$0.0320 per Color impression
Service Cost-Per-Impression Year 3:	\$0.00340 per B/W impression

Service Cost-Per-Impression Year 4:	\$0.0340 per Color impression
Service Cost-Per-Impression Year 5:	\$0.00350 per B/W impression
	\$0.0350 per Color impression
	\$0.00370 per B/W impression
	\$0.0370 per Color impression
	Service rates include staples.
Sharp BP-70C65 (65 65 PPM) Copier/MFD – Color 60 PPM Segment	\$5,440.04
<u>Included:</u> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Single Pass Duplex Scanning: Required - Color Scanning: Required - Paper Types supported from by-pass: Index Paper 90lbs. and Cover stock 110lbs. - 300-sheet Document Feeder SPDS (8.5 x 11 – 11x 17): Required - Duplexing 8.5 x 11 – 11x 17: Required - 550-sheet Paper Tray: Standard - 550-sheet Paper Tray: Standard - 2,100-sheet Paper Tray: Inc. - By-Pass Tray (100 Sheets): Standard	
- Scan in a searchable PDF format: MX-EB20L	Inc.
- Additional Paper Tray 3,000-sheets: BP-LC10	\$400.89
- Faxing Unit (Analog): BP-FX11	\$305.56
- External 2-tray Finisher with stapling: BP-FN15	\$862.89
- External 2-tray finisher with stapling and 3-hole punch: BP-FN15 & MX-PN16B	\$1,070.67
Service Cost-Per-Impression Year 1-2:	\$0.00320 per B/W impression
Service Cost-Per-Impression Year 3:	\$0.0320 per Color impression
Service Cost-Per-Impression Year 4:	\$0.00340 per B/W impression
Service Cost-Per-Impression Year 5:	\$0.0340 per Color impression
	\$0.00350 per B/W impression
	\$0.0350 per Color impression
	\$0.00370 per B/W impression
	\$0.0370 per Color impression
	Service rates include staples.
Sharp MX-C358F (35 35 PPM) MFP – 35 Color Laser Segment	\$1,259.00
<u>Included:</u> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Paper Types supported: Envelopes and Avery Labels. - Duplexing 8.5 x 11 – 8.5x 14: Required - 250-sheet Paper Tray: Standard - Multi-Purpose Tray (100 Sheets): Standard	

- This device is fully compatible with PaperCut MF including user authentication at the device user interface and release of held print jobs.	
- Additional 550-sheet Tray: MX-CS29	\$216.00
Service Cost-Per-Impression Year 1-2:	\$0.00640 per B/W impression \$0.0640 per Color impression
Service Cost-Per-Impression Year 3:	\$0.0070 per B/W impression \$0.070 per Color impression
Service Cost-Per-Impression Year 4:	\$0.00720 per B/W impression \$0.0720 per Color impression
Service Cost-Per-Impression Year 5:	\$0.00750 per B/W impression \$0.0750 per Color impression Service rates include staples.
Sharp MX-B468F (46 PPM) MFP – 45 B/W Laser Segment	\$707.00
<u>Included:</u> - Network Printing and Scanning: Required - PostScript Level 3 Print Driver: Required - Paper Types supported: Envelopes and Avery Labels. - Duplexing 8.5 x 11 – 8.5x 14: Required - 550-sheet Paper Tray: Standard - Multi-Purpose Tray (100 Sheets): Standard - This device is fully compatible with PaperCut MF including user authentication at the device user interface and release of held print jobs.	
- Additional 250-sheet Tray: MX-CS31	\$96.00
Service Cost-Per-Impression Year 1-2:	\$0.00620 per B/W impression
Service Cost-Per-Impression Year 3:	\$0.00680 per B/W impression
Service Cost-Per-Impression Year 4:	\$0.00700 per B/W impression
Service Cost-Per-Impression Year 5:	\$0.00750 per B/W impression Service rates include staples.



City of Escondido - Escondido, CA

Statement of Work (SOW)
Project: PaperCut MF Deployment for City of Escondido
Prepared by: Sharp Business Systems
Prepared for: City of Escondido
Date: [Insert Date]

1. Project Overview

Sharp Business Systems will deploy and configure PaperCut MF, including Mobility Print, in the City of Escondido's existing environment. This engagement covers installation, configuration, testing, and handover of PaperCut MF, enabling secure printing from Windows, macOS, iOS, and iPadOS devices across internal and external networks.

2. Customer Environment

- **Operating Systems:** Predominantly Windows OS environment utilizing Microsoft 365; limited macOS workstations
- **Mobile Devices:** Extensive fleet of iPhones and iPads
- **Network Zones:** Internal LAN and external VPN/DMZ access
- **Authentication:** Proximity Kantech badges for badge-based authentication

3. Objectives

Sharp Business Systems will comprehensively install and configure PaperCut MF and Mobility Print, ensuring seamless, secure, and efficient print management across multiple device types and networks. Specifically, Mobility Print will support convenient printing for mobile users, enhancing productivity for City personnel using iPhones and iPads. The implementation will integrate Kantech proximity badges for secure and streamlined user authentication, significantly enhancing user convenience and document security. A rigorous validation phase will ensure system reliability and performance, meeting all cybersecurity, functionality, and operational standards. Comprehensive documentation and targeted training sessions will be provided, empowering the City's IT staff with the knowledge to effectively manage and support the system independently.

4. Scope of Work (Sample, this will be more defined before work is done)

- **Discovery & Planning:** Infrastructure review, requirement gathering, detailed deployment planning
- **Installation:** Deployment of PaperCut MF server components and necessary print drivers
- **Configuration:** Establishment of print queues, Mobility Print setup, authentication methods, and security protocols
- **Integration:** Badge reader configuration for Kantech proximity badges
- **Testing:** Comprehensive testing across functional, security, and performance parameters
- **Documentation & Training:** Creation and delivery of detailed configuration guides, user manuals, and comprehensive training
- **Handover & Support:** Formal handover and ongoing support for 30 days post-deployment

5. Roles and Responsibilities (Draft only, more names needed)

Role	Responsibility
Sharp Business Systems	End-to-end deployment, configuration, documentation
James Robinson (Installer)	Lead installation and configuration, onsite support
City IT Team	Provide network access, assist with testing, receive training

6. Software Information

- Market Introduction:** PaperCut was first introduced in 1998 as a robust print management solution.
- Proposed Version:** PaperCut MF Version **23.1** (released March 2025) – currently the latest available version.
- Last Major Upgrade & Update Schedule:**
 - Last major upgrade: Version **23.0**, released January 2025
 - Regular updates: Quarterly minor updates and annual major upgrades
- Cybersecurity Measures:**
 - Secure communication (TLS 1.2+)
 - Regular vulnerability assessments and penetration testing
 - Adherence to NIST Cybersecurity Framework and GDPR standards
 - Role-based access control (RBAC)
 - Digital code signing and executable integrity checks

v. Update Process:

- **Assessment & Backup:** Review update details, perform system backup
- **Staging:** Apply updates in test environments
- **Deployment:** Scheduled updates applied via PaperCut Admin Console
- **Verification:** Post-update validation and service checks
- **Documentation:** Maintain records of updates and configuration adjustments

7. Authentication & Access Control

- Integration of Kantech badge reader system for secure print release
- Secure mapping of badges to user accounts
- Implementation of robust, secure release protocols

8. Implementation Plan & Schedule (Sample only, not the final)

Phase	Activities	Duration
Discovery	Requirements gathering, infrastructure assessment	2 business days
Installation	Server setup, driver installations	1 business day
Configuration	Mobility Print, authentication, print queues setup	2 business days
Testing	Comprehensive validation	1 business day
Training	Documentation, live training session	1 business day
Handover & Support	Final acceptance, post-deployment support	Ongoing

9. Fees & Payment Terms

- **Professional Services:** [Included in RFP Proposal]
- **Licensing:** Licenses purchased through Sharp Business Systems
- **Payment Terms:** Included in FRP

10. Acceptance Criteria

- Full functionality of PaperCut MF and Mobility Print
- Successful badge-based authentication
- Verified printing from Windows, macOS, iPhone, and iPad on all network types
- Completed documentation and effective training sessions

11. Terms & Conditions

- Governed by Sharp Business Systems Master Services Agreement
- Additional support post-30 days available under separate agreement

Approval

Signature: _____ Date: _____

Name: _____ Title: _____

State and Local Government Addendum

SHARP ELECTRONICS CORPORATION
8670 ARGENT ST | SANTEE, CA 920714172

Agreement Number **450-0167103-000** dated as of **April 18, 2025**

Name and Address of Customer ("You" and "Your"):
CITY OF ESCONDIDO
201 N Broadway
Escondido, CA 92025-2709

This Addendum (this "Addendum") between the above-referenced customer ("Customer") and SHARP ELECTRONICS CORPORATION THROUGH ITS SHARP BUSINESS SYSTEMS DIVISION ("Company") is made and entered into as of the date of the financing arrangement corresponding to the account number set forth above (the "Agreement").

- 1. INCORPORATION AND EFFECT.** This Addendum is hereby made a part of, and incorporated into, the Agreement as though fully set forth therein. As modified or supplemented by the terms set forth herein, the provisions of the Agreement shall remain in full force and effect, provided that, in the event of a conflict between any provision of this Addendum and any provision of the Agreement, the provision of this Addendum shall control.
- 2. GOVERNMENTAL PROVISIONS.** Customer hereby represents, warrants and covenants to Company that: (a) Customer intends, subject only to the provisions of this Addendum, to remit to Company all sums due and to become due under the Agreement for the full term; (b) Customer's governing body has appropriated sufficient funds to pay all payments and other amounts due during Customer's current fiscal period; (c) Customer reasonably believes that legally available funds in an amount sufficient to make all payments for the full term of the Agreement can be obtained; and (d) Customer intends to do all things lawfully within its power to obtain and maintain funds from which payments due under the Agreement may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable law. If Customer's governing body fails to appropriate sufficient funds to pay all payments and other amounts due and to become due under the Agreement in Customer's next fiscal period ("Non-Appropriation"), then (i) Customer shall promptly notify Company of such Non-Appropriation, (ii) the Agreement will terminate as of the last day of the fiscal period for which appropriations were received, and (iii) Customer shall return the Equipment to Company pursuant to the terms of the Agreement. Customer's obligations under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements concerning Customer's creation of indebtedness or require voter approval, nor shall anything contained herein constitute a pledge of Customer's general tax revenues, funds or monies. Customer further represents, warrants and covenants to Company that: (a) Customer has the power and authority under applicable law to enter into the Agreement and this Addendum and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and thereunder, (b) Customer has duly authorized the execution and delivery of the Agreement and this Addendum by appropriate official action of its governing body and has obtained such other authorizations, consents and/or approvals as are necessary to consummate the Agreement and this Addendum, (c) all legal and other requirements have been met, and procedures have occurred, to render the Agreement and this Addendum enforceable against Customer in accordance with their respective terms, and (d) Customer has complied with all public bidding requirements applicable to the Agreement and this Addendum and the transactions contemplated hereby and thereby.
- 3. LIMITATIONS.** The parties intend that the collection of any damages, the exercise of any remedy, the enforceability of any indemnity, and any requirements of Customer relative to Non-Appropriation set forth in the Agreement or in this Addendum are subject to any limitations imposed by applicable law. To the extent Company's remedies for a Customer default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited to amounts to become due during Customer's then current fiscal period.
- 4. CHOICE OF GOVERNING LAW.** Notwithstanding anything in the Agreement to the contrary, the Agreement and this Addendum shall be governed by, construed and enforced in accordance with the laws of the state in which Customer is located and the parties agree to the non-exclusive jurisdiction and venue of the state and federal courts in such state.
- 5. MISCELLANEOUS.** This Addendum, together with the provisions of the Agreement not expressly inconsistent herewith, constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments regarding such matters. Company may in its sole discretion, accept a photocopy, electronically transmitted, facsimile or other reproduction of this Addendum as the binding and effective record of this Addendum whether or not an ink signed copy hereof is also received by Company from Customer.

IN WITNESS WHEREOF, Customer and Company have caused this Addendum to be executed by their duly authorized representatives as of the date first above written.

Company: **SHARP ELECTRONICS CORPORATION THROUGH ITS
SHARP BUSINESS SYSTEMS DIVISION**

Customer: **CITY OF ESCONDIDO**

By: _____

Date: _____

By: _____

Date: _____

Print Name and Title: _____

Print Name and Title: _____

WELLS
FARGO

SLG \$1

Lease Purchase Agreement # _____

EQUIPMENT		
Equipment MFG Model & Description	Serial Number	Accessories
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		
Billing Address: _____ Equipment Location: _____		
SUPPLIER	TRANSACTION TERMS	
Name _____ Address _____ City _____ State _____ Zip Code _____	Purchase Option: \$1.00 Interest Rate: _____ % per annum Lease Payment: \$ _____ (plus applicable taxes) Term: _____ (months) Billing Period: <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually (Monthly if not checked) The following additional payments are due on the date this Lease is signed by you: Advance Payment: \$ _____ (plus applicable taxes) Applied to: <input type="checkbox"/> First <input type="checkbox"/> Last Document Fee: \$125.00 (included on first invoice)	

YOU HAVE SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT AGENTS OF ANY ASSIGNEE OF LESSOR AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS LEASE. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. YOU AGREE TO USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES.

WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS LEASE AND YOU ACKNOWLEDGE THAT WE ARE AN INDEPENDENT CONTRACTOR AND NOT A FIDUCIARY OF LESSEE. YOU WILL OBTAIN YOUR OWN LEGAL, TAX AND ACCOUNTING ADVICE RELATED TO THIS LEASE AND WILL MAKE YOUR OWN DETERMINATION OF THE PROPER LEASE TERM FOR ACCOUNTING PURPOSES.

EXCEPT TO THE EXTENT PROVIDED IN SECTION 2, YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL. THIS LEASE SHALL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF LESSEE'S PRINCIPAL PLACE OF BUSINESS AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SUCH LAWS. TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS.

BY SIGNING THIS LEASE, YOU ACKNOWLEDGE RECEIPT OF PAGES 1 AND 2 OF THIS LEASE, AND AGREE TO THE TERMS ON PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

TERMS AND CONDITIONS

1. **COMMENCEMENT OF LEASE.** Commencement of this Lease and acceptance of the Equipment shall occur upon delivery of the Equipment to you ("Commencement Date"). To the extent that the Equipment includes intangible property or associated services such as periodic software license and prepaid database subscription rights, such intangible property shall be referred to as "Software". You understand and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Lease with any license and/or other agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Lease. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Lease you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Lease.

2. **LEASE PAYMENTS.** You agree to remit to us the Lease Payment and all other sums when due and payable each Billing Period at the address we provide to you from time to time. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorship), direct debit or wire only. You also agree cash and cash equivalents are not acceptable forms of payment for this Lease and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us. Lease Payments will include any freight, delivery, installation and other expenses we finance on your behalf at your request. Lease Payments are due whether or not you receive an invoice. You authorize us to adjust the Lease Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or Supplier.

3. **NON-APPROPRIATION OF FUNDS.** You intend to remit to us all Lease Payments and other payments for the full Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay Lease Payments and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 12 of this Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that: (a) funds have not been appropriated for the fiscal period; (b) such non-appropriation did not result from any act or failure to act by you; and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate this Lease because of a non-appropriation of funds, you may not purchase, lease or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment provided, however, that these restrictions shall not be applicable if or to the extent that the application of these restrictions would affect the validity of this Lease. This Section 3 shall not permit you to terminate this Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

4. **LEASE CHARGES.** You agree to: (a) pay all costs and expenses associated with the use, maintenance, servicing, repair or replacement of the Equipment; (b) pay all fees, assessments, taxes and charges governmentally imposed upon Lessee's purchase, ownership, possession, leasing, renting, operation, control or use of the Equipment and to pay all premiums and other costs of insuring the Equipment; (c) reimburse us for all costs and expenses incurred in enforcing this Lease; and (d) pay all other costs and expenses for which you are obligated under this Lease (the amounts set forth in clauses (a) through (d) being collectively referred to as "Lease Charges"). For U.S. federal income tax purposes, the parties hereto agree that it is their mutual intention that you shall be considered the owner of the Equipment and we shall in no event be liable to you if you fail to accrue any U.S. federal income tax benefits available to the owner of the Equipment. We may take on your behalf any action required under this Lease which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law).

Continued on Page 2

LESSOR ("We", "Us")	LESSEE ("You")
Wells Fargo Bank, N.A. By: X _____ Name: _____ Title: _____ Date: _____	_____ (Lessee Full Legal Name) By: X _____ Name: _____ Title: _____ Date: _____ Federal Tax ID: _____

4. PAYMENT OF TAXES. In addition to the Lease Payments under this Lease, you agree to pay all sales, use, excise, gross receipts and other taxes, charges and fees upon or with respect to the Equipment or the possession, ownership, use or operation, control or maintenance thereof and relating to this Lease, whether due before or after the end of the Term to the extent legally permissible. You also agree to file all required property tax returns and promptly pay all property taxes which may be assessed against the Equipment during the term of this Lease and, if we ask, provide us with proof of payment. You agree that if we are required by the applicable taxing jurisdiction to pay such taxes, you will promptly reimburse us for such tax payment.

5. LATE CHARGES. For any payment which is not received within three (3) days of its due date, you agree to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

6. OWNERSHIP, USE, MAINTENANCE AND REPAIRS. The parties agree that it is their mutual intention that you shall be considered the owner of the Equipment (other than Software) for various purposes, including Federal income tax purposes, as of the Commencement Date, and you hereby grant to us and we reserve a security interest in the Equipment to secure all of your obligations under this Lease. In no event shall this Lease be secured by any improved real property, building or mobile home insurable under the National Flood Insurance Program. We hereby assign to you all our rights under any manufacturer and/or supplier warranties, as long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on page 1 of this Lease without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (c) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty, certification and standard full service maintenance contract; and (d) give us reasonable access to inspect the Equipment and its maintenance and other records.

7. INDEMNITY. You are responsible for all losses, damages, claims, infringement claims, injuries and attorney's fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Lease for acts or omissions which occurred during the Term of this Lease.

8. LOSS OR DAMAGE. If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of the following amounts (such sum hereinafter the "Casualty Value"): (i) all past due and current Lease Payments and Lease Charges; plus (ii) the present value of all remaining Lease Payments for the affected item(s) of Equipment, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher). Upon our receipt of the Casualty Value, we will release any security interest which we may have in the affected item(s) for which payment is made, and transfer to you all our right, title and interest in such affected item(s) AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. No such loss or damage shall relieve you of your payment obligations hereunder.

9. INSURANCE. You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee as our interests may appear; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. If you do not provide acceptable insurance, we have the right, but no obligation, to obtain insurance covering our interest (and only our interest) in the Equipment for the Lease Term and any renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled at any time. In the event we elect to obtain such insurance, you will be required to pay us an additional amount each Billing Period for the cost of such insurance and an administrative fee, the cost of which insurance and administrative fee may be more than the cost to obtain your own insurance and on which we may make a profit.

10. DEFAULT. You will be in default under this Lease if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Lease; (b) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law; or (c) any representation made by you is false or misleading in any material respect; (d) you become insolvent, are liquidated or dissolved, merge, transfer a material portion of your ownership interest or assets, stop doing business, or assign rights or property for the benefit of creditors; or (e) you default under any other agreement with us or our assignees.

11. REMEDIES. If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Lease Payments and Lease Charges; and (ii) the present value of all remaining Lease Payments, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 12, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; and (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorney's fees and court costs. These remedies are cumulative, and in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

12. END OF TERM RETURN OF EQUIPMENT. If you are not in default, and all of your obligations under this Lease have been satisfied, including receipt by us of all monies due under this Lease, including but not limited to, the periodic scheduled payments, late charges, and reimbursement for property taxes (if applicable), we will release any security interest which we may have in the Equipment at the end of the Term. You shall have no obligation to provide any end-of-term notice to us, and this Lease shall not be renewed. If you are in default, (or a non-appropriation of funds occurs) you shall: (1) return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the confidential United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications; and (2) securely remove all data from any and all disk drives or magnetic media prior to returning the Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Lease or for damages incurred in shipping and handling.

13. ASSIGNMENT. You may not assign or dispose of any rights or obligations under this Lease or sublease the Equipment without our prior written consent. We may, without notifying you: (a) assign all or any portion of this Lease or our interest in the Equipment; and (b) release information we have about you and this Lease to the manufacturer, supplier or any prospective investor, participant or purchaser of this Lease. If we do make an assignment under subsection 13(a) above, our assignee will have all of our rights under this Lease, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

14. MISCELLANEOUS. Notices must be in writing and will be deemed given five (5) days after mailing to your (or our) business address. You represent that: (a) you are the entity indicated in this Lease; (b) any documents required to be delivered in connection with this Lease (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances and regulations; (c) the Documents are valid, legal, binding agreements, enforceable with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Term only by you to perform such function; (e) you intend to use the Equipment for the entire Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with this Lease and the debt under applicable state law; (g) your obligations to remit Lease Payments constitutes a current expense and not a debt under applicable state law; (h) this Lease is binding on you and your successors and assigns; and (i) all financial information you have provided is true and a reasonable representation of your financial condition. This Lease: (1) constitutes the entire agreement of the parties with respect to the subject matter thereof; (2) supersedes all other writings, communications, understandings, agreements, purchase orders, solicitation documents (including, without limitation, any request for proposal and responses thereto and other related documents (together, the "Bid Documents")) and other representations, express or implied ("Prior Understandings"), and may not be contradicted or amended by Prior Understandings; and (3) may be amended or modified only by written documents duly authorized, executed and delivered by the parties. This Lease is binding on you and your successors and assigns. You authorize us, our agent or our assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including credit application, payment history and account information to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Lease or the Equipment, including, without limitation, the seller, supplier or any manufacturer of the Equipment; and (c) you irrevocably grant us the power to prepare, sign on your behalf (if applicable), and file, electronically or otherwise Uniform Commercial Code ("UCC") financing statements and any amendments thereto or continuation thereof relating to the Equipment, and containing any other information required by the applicable UCC. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Lease to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Lease, you agree to pay a fee for such privilege. THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UCC. YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC. YOU FURTHER HEREBY ACKNOWLEDGE AND AGREE THAT WE AND/OR SUPPLIER MAY MAKE A PROFIT ON ANY AND ALL FEES REFERENCED HEREIN AND, IN SO DOING WAIVE ANY AND ALL CLAIM WHICH YOU MAY HAVE FOR UNJUST ENRICHMENT. We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Lease below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Lease is reflected in the Lease Payment.

15. PAYMENT AMOUNTS. For purposes of the amortization of the Equipment cost, each Lease Payment, including any Advance Payment, will be considered received on the date it is required to be paid under this Lease, and any Document Fee will be considered received on the date of this Lease. The Interest Rate set forth above has been rounded to two decimal places for ease of reference, but interest on the Equipment cost may be calculated at the Interest Rate with more than two decimal places. The financial terms of the Lease may have been determined taking into account fees the Lessor has paid to, or rebates, discounts, subsidies, or other compensation or financial benefits (including the ability to fund over time amounts that may be financed under the Lease) Lessor has received from, the Equipment supplier, a broker, or other third party in connection with the Lease.

16. LIMITATIONS ON CHARGES. This Section controls over every other part of this Lease and over all other documents now or later pertaining to this Lease. We both intend to comply with all applicable laws. In no event will we charge or collect any amount in excess of those allowed by applicable law. Any part of this Lease or any other documents now or hereafter pertaining to the Lease that could, but for this Section, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this Section to limit the amounts chargeable under this Lease to the maximum amount allowed under the legal limit. If in any circumstance, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under this Lease, or refunded to you.

17. ELECTRONIC TRANSMISSION OF DOCUMENTATION. This Lease may be executed (manually or electronically) in counterparts. The executed counterpart which (a) has our original signature (if executed by us manually), (b) is electronically maintained by us (if executed by us electronically), and/or (c) is in our possession shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation: (i) any hearing, trial or proceeding with respect to this Lease; and (ii) any determination as to which version of this Lease constitutes the single true original item of chattel paper under the UCC. If you sign (manually or electronically) and transmit this Lease to us by facsimile or other electronic transmission, the transmitted copy shall be binding upon the parties. You agree that the facsimile or other similar electronic transmission of this Lease manually or electronically signed by us, when attached to the facsimile or other electronic copy manually or electronically signed by you, shall constitute the original agreement for all purposes. The parties further agree that, for purposes of executing this Lease, and subject to our prior approval and at our sole discretion: (a) a document signed (manually or electronically) and transmitted by facsimile or other electronic transmission shall be treated as an original document; (b) the signature of any party on such document shall be considered as an original signature; (c) the document transmitted shall have the same effect as a counterpart thereof containing original signature; and (d) at our request, you, who executed this Lease manually and transmitted its signature by facsimile or other electronic transmission shall provide the counterpart of this Lease containing your original manual signature to us. No party may raise as a defense to the enforcement of this Lease that a facsimile or other electronic transmission was used to transmit any signature of a party to this Lease.

\$1.00 PURCHASE OPTION

ADDENDUM

AGREEMENT #

Addendum to Agreement # , between , as Customer and , as Lessor. The words "you" and "your" refer to Customer. The words "we," "us" and "our" refer to Lessor. This Addendum supersedes all other end of term options contained in the Agreement. This Addendum is specific to the aforementioned Agreement # and shall not be incorporated into any future supplements/schedules thereto.

The parties wish to amend the above-referenced Agreement by adding the following language:

Provided that no event of default under the Agreement has occurred and is continuing, you shall have the option to purchase the Equipment at the end of the original term for \$1.00. At the end of the term, title to the Equipment will automatically transfer to you, AS IS, WHERE IS, with no warranties of any kind.

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

Lessor		Customer	
		X	
Signature		Signature	
Title	Date	Title	Date



CITY OF ESCONDIDO
PUBLIC SERVICES AGREEMENT

This Public Services Agreement ("Agreement") is made and entered into as of the last signature date set forth below ("Effective Date"),

Between: CITY OF ESCONDIDO
 a California municipal corporation
 201 N. Broadway
 Escondido, CA 92025
 Attn: Rob Van De Hey
 760-839-6213
 ("CITY")

And: MRC Smart Technology Solutions, Inc
 dba Xerox Business Solutions, West
 a California corporation
 5657 Copley Drive
 San Diego, CA 92111
 Attn: Erik Masi
 619-538-9162
 ("CONTRACTOR").

(The CITY and CONTRACTOR each may be referred to herein as a "Party" and collectively as the "Parties.")

WHEREAS, the Parties desire to enter into this Agreement for the performance of the Services described herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises, terms, and conditions set forth herein, and the mutual benefits derived therefrom, the Parties hereby agree as follows:

1. Description of Services. CONTRACTOR shall furnish all of the Services described in the Scope of Work, which is attached to this Agreement as Attachment "A" and incorporated herein by this reference ("Services").
2. Compensation. In exchange for CONTRACTOR's completion of the Services, the CITY shall pay, and CONTRACTOR shall accept in full, an amount not to exceed the sum of **\$200,000**. CONTRACTOR shall be compensated only for performance of the Services described in this Agreement. No compensation shall be provided for any other work or services without the CITY's prior written consent. If this Agreement is amended at any time, additional compensation of CONTRACTOR contained in any subsequent amendments shall not exceed a cumulative total of 25% of the maximum payment provided for in this Section 2, unless approved by resolution of the

City Council.

3. Performance. CONTRACTOR shall faithfully perform the Services in a proficient manner, to the satisfaction of the CITY, and in accord with the terms of this Agreement. CONTRACTOR shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all reports and other information furnished by CONTRACTOR pursuant to this Agreement, except that CONTRACTOR shall not be responsible for the accuracy of information supplied by the CITY.
4. Termination. The Parties may mutually terminate this Agreement through a writing signed by both Parties. The CITY may terminate this Agreement for any reason upon providing CONTRACTOR with 10 days' advance written notice. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination. If the CITY terminates this Agreement due to no fault or failure of performance by CONTRACTOR, then CONTRACTOR shall be compensated based on the work satisfactorily performed at the time of such termination. In no event shall CONTRACTOR be entitled to receive more than the amount that would be paid to CONTRACTOR for the full performance of the Services.
5. City Property. All original documents, drawings, electronic media, and other materials prepared by CONTRACTOR pursuant to this Agreement immediately become the exclusive property of the CITY, and shall not be used by CONTRACTOR for any other purpose without the CITY's prior written consent.
6. Insurance Requirements.
 - a. CONTRACTOR shall procure and maintain, at its own cost, during the entire term of this Agreement, insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services, and the results of such work, by CONTRACTOR, its agents, representatives, employees, or subcontractors. Insurance coverage shall be at least as broad as the following:
 - (1) *Commercial General Liability.* Insurance Services Office ("ISO") Form CG 00 01 covering Commercial General Liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 general aggregate.
 - (2) *Automobile Liability.* ISO Form CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired (Code 8) and non-owned autos (Code 9), with limits no less than \$1,000,000 per accident for bodily injury and property damage, unless waived by the CITY and approved in writing by the CITY's Risk and Safety Division.
 - (3) *Workers' Compensation.* Worker's Compensation as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limits of no less than \$1,000,000 per accident for bodily injury or disease.
 - (4) If CONTRACTOR maintains broader coverage and/or higher limits than the minimums otherwise required by this Agreement, the CITY requires and shall be entitled to the broader coverage and/or the higher limits maintained by CONTRACTOR.
 - b. Each insurance policy required by this Agreement must be acceptable to the City Attorney and shall meet the following requirements:
 - (1) *Acceptability of Insurers.* Insurance coverage must be provided by an insurer authorized to conduct business in the state of California with a current A.M. Best's rating of no less than A-: FSC VII, or as approved by the CITY.
 - (2) *Additional Insured Status.* Both the Commercial General Liability and the Automobile Liability policies must name the CITY (including its officials, officers, agents, employees, and volunteers) specifically as an additional insured under the policy on a separate endorsement page. The Commercial General Liability additional insured endorsement

shall be at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of *both* CG 20 10, CG 20 26, CG 20 33, or CG 20 38, *and* CG 20 37 if a later edition is used. The Automobile Liability endorsement shall be at least as broad as ISO Form CA 20 01.

- (3) *Primary Coverage.* CONTRACTOR's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the CITY, its officials, officers, agents, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officials, officers, agents, employees, or volunteers shall be in excess of CONTRACTOR's insurance and shall not contribute with it.
 - (4) *Notice of Cancellation.* Each insurance policy shall provide that coverage shall not be canceled, except with prior written notice to the CITY.
 - (5) *Subcontractors.* If applicable, CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated in this Agreement, and CONTRACTOR shall ensure that the CITY (including its officials, officers, agents, employees, and volunteers) is an additional insured on any insurance required from a subcontractor.
 - (6) *Waiver of Subrogation.* CONTRACTOR hereby grants to the CITY a waiver of any right to subrogation that any insurer of CONTRACTOR may acquire against the CITY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this subsection shall apply regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer. Any Workers' Compensation policy required by this Agreement shall be endorsed with a waiver of subrogation in favor of the CITY for all work performed by the CONTRACTOR, its agents, representatives, employees and subcontractors.
 - (7) *Self-Insurance.* CONTRACTOR may, with the CITY's prior written consent, fulfill some or all of the insurance requirements contained in this Agreement under a plan of self-insurance. CONTRACTOR shall only be permitted to utilize such self-insurance if, in the opinion of the CITY, CONTRACTOR's (i) net worth and (ii) reserves for payment of claims of liability against CONTRACTOR are sufficient to adequately compensate for the lack of other insurance coverage required by this Agreement. CONTRACTOR's utilization of self-insurance shall not in any way limit the liabilities assumed by CONTRACTOR pursuant to this Agreement.
 - (8) *Self-Insured Retentions.* Self-insured retentions must be declared to and approved by the CITY.
- c. *Verification of Coverage.* At the time CONTRACTOR executes this Agreement, CONTRACTOR shall provide the CITY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting the insurance coverage required by this Agreement), which shall meet all requirements under this Agreement. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by this Agreement, at any time.
 - d. *Special Risks or Circumstances.* The CITY reserves the right, at any point during the term of this Agreement, to modify the insurance requirements in this Agreement, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
 - e. *No Limitation of Obligations.* The insurance requirements in this Agreement, including the types and limits of insurance coverage CONTRACTOR must maintain, and any approval of such insurance by the CITY, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by CONTRACTOR pursuant to this Agreement, including but not limited to any provisions in this Agreement concerning indemnification.

- f. Failure to comply with any of the insurance requirements in this Agreement, including but not limited to a lapse in any required insurance coverage during the term of this Agreement, shall be a material breach of this Agreement. In the event that CONTRACTOR fails to comply with any such insurance requirements in this Agreement, in addition to any other remedies the CITY may have, the CITY may, at its sole option, (i) immediately terminate this Agreement; or (ii) order CONTRACTOR to stop work under this Agreement and/or withhold any payment that becomes due to CONTRACTOR until CONTRACTOR demonstrates compliance with the insurance requirements in this Agreement.

7. Indemnification, Duty to Defend, and Hold Harmless.

- a. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall indemnify, defend, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all claims, demands, actions, causes of action, proceedings (including but not limited to legal and administrative proceedings of any kind), suits, fines, penalties, judgments, orders, levies, costs, expenses, liabilities, losses, damages, or injuries, in law or equity, including without limitation the payment of all consequential damages and attorney's fees and other related litigation costs and expenses (collectively, "Claims"), of every nature caused by, arising out of, or in connection with CONTRACTOR's performance of the Services or its failure to comply with any of its obligations contained in this Agreement, except where caused by the sole negligence or willful misconduct of the CITY.
- b. CONTRACTOR (including CONTRACTOR's agents, employees, and subcontractors, if any) shall defend, indemnify, and hold harmless the CITY, its officials, officers, agents, employees, and volunteers from and against any and all Claims caused by, arising under, or resulting from any violation, or claim of violation, of the San Diego Municipal Storm Water Permit (Order No. R9-2013-0001, as amended) of the California Regional Water Quality Control Board, Region 9, San Diego, that the CITY might suffer, incur, or become subject to by reason of, or occurring as a result of, or allegedly caused by, any work performed pursuant to this Agreement.
- c. All terms and provisions within this Section 7 shall survive the termination of this Agreement.

- 8. Anti-Assignment Clause. Because the CITY has relied on the particular skills of CONTRACTOR in entering into this Agreement, CONTRACTOR shall not assign, delegate, subcontract, or otherwise transfer any duty or right under this Agreement, including as to any portion of the Services, without the CITY's prior written consent. Any purported assignment, delegation, subcontract, or other transfer made without the CITY's consent shall be void and ineffective. Unless CONTRACTOR assigns this entire Agreement, including all rights and duties herein, to a third party with the CITY's prior written consent, CONTRACTOR shall be the sole payee under this Agreement. Any and all payments made pursuant to the terms of this Agreement are otherwise not assignable.
- 9. Attorney's Fees and Costs. In any action to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs.
- 10. Independent Contractor. CONTRACTOR is an independent contractor, and no agency or employment relationship is created by the execution of this Agreement.
- 11. Amendment. This Agreement shall not be amended except in a writing signed by the CITY and CONTRACTOR.
- 12. Merger Clause. This Agreement, together with its attachments or other documents described or incorporated herein, if any, constitutes the entire agreement and understanding of the CITY and CONTRACTOR concerning the subject of this Agreement and supersedes and replaces all prior negotiations, understandings, or proposed agreements, written or oral, except as otherwise

provided herein. In the event of any conflict between the provisions of this Agreement and any of its attachments or related documents, if any, the provisions of this Agreement shall prevail.

13. Anti-Waiver Clause. None of the provisions of this Agreement shall be waived by the CITY because of previous failure to insist upon strict performance, nor shall any provision be waived because any other provision has been waived by the CITY, in whole or in part.
14. Severability. This Agreement shall be performed and shall be enforceable to the full extent allowed by applicable law, and the illegality, invalidity, waiver, or unenforceability of any provision of this Agreement shall not affect the legality, validity, applicability, or enforceability of the remaining provisions of this Agreement.
15. Governing Law. This Agreement and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California. Venue for any action arising from this Agreement shall be conducted only in the state or federal courts of San Diego County, California.
16. Counterparts. This Agreement may be executed on separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement by electronic means, including an attachment to an email, shall be effective as delivery of an executed original. The Agreement on file with the City is the copy of the Agreement that shall take precedence if any differences exist between or among copies or counterparts of the Agreement.
17. Provisions Cumulative. The foregoing provisions are cumulative to, in addition to, and not in limitation of any other rights or remedies available to the CITY.
18. Notice. Any statements, communications, or notices to be provided pursuant to this Agreement shall be sent to the attention of the persons indicated herein, and the CITY and CONTRACTOR shall promptly provide the other Party with notice of any changes to such contact information.
19. Business License. CONTRACTOR shall obtain a City of Escondido Business License prior to execution of this Agreement and shall maintain such Business License throughout the term of this Agreement.
20. Compliance with Laws, Permits, and Licenses. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements in effect during the term of this Agreement. CONTRACTOR shall obtain any and all permits, licenses, and other authorizations necessary to perform the Services. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.
21. Prevailing Wages. If applicable, pursuant to California Labor Code section 1770 et seq., CONTRACTOR agrees that a prevailing rate and scale of wages, in accordance with applicable laws, shall be paid in performing this Agreement. CONTRACTOR shall keep itself informed of and comply with all applicable federal, state, and local laws, statutes, codes, ordinances, regulations, rules, and other legal requirements pertaining to the payment of prevailing wages. The prevailing rate and scale to be paid shall be the same as the applicable "General Prevailing Wage Determination" approved by the Department of Industrial Relations as of the Effective Date of this Agreement, which are available online at <http://www.dir.ca.gov/oprl/dprevwagedetermination.htm> and incorporated into this Agreement by this reference. Neither the CITY, nor any elected or appointed boards, officers, officials, employees, or agents of the CITY, shall be liable, at law or in equity, as a result of any failure of CONTRACTOR to comply with this section.

22. Immigration Reform and Control Act of 1986. CONTRACTOR shall keep itself informed of and shall comply with the Immigration Reform and Control Act of 1986 ("IRCA"). CONTRACTOR represents and warrants that all of its employees and the employees of any subcontractor retained by CONTRACTOR who perform any of the Services under this Agreement, are and will be authorized to perform the Services in full compliance with the IRCA. CONTRACTOR affirms that as a licensed contractor and employer in the State of California, all new employees must produce proof of eligibility to work in the United States within the first three days of employment and that only employees legally eligible to work in the United States will perform the Services. CONTRACTOR agrees to comply with the IRCA before commencing any Services, and continuously throughout the performance of the Services and the term of this Agreement.
23. Effective Date. Unless a different date is provided in this Agreement, the effective date of this Agreement shall be the latest date of execution set forth by the names of the signatories below.

(SIGNATURE PAGE FOLLOWS)

DRAFT

IN WITNESS WHEREOF, this Agreement is executed by the Parties or their duly authorized representatives as of the Effective Date:

CITY OF ESCONDIDO

Date: _____

Dane White, Mayor

MRC SMART TECHNOLOGY SOLUTIONS, INC

Date: _____

William Mello, Vice President

Date: _____

Lisa O'Flynn, Chief Financial Officer

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY
MICHAEL R. MCGUINNESS, CITY ATTORNEY

BY: _____

DATE: _____

THE CITY OF ESCONDIDO DOES NOT DISCRIMINATE AGAINST QUALIFIED PERSONS WITH DISABILITIES.

ATTACHMENT "A"

Scope of Work

A. General

MRC Smart Technology Solutions, Inc, a California corporation ("Contractor") will provide the City of Escondido, a California municipal corporation ("City") with networked printer fleet, duplicating production, and wide format printing/scanning device hardware, software, and service.

B. Location

Contractor will provide services at and in relation to the following City facilities:

1. 201 N. Broadway, Escondido, CA 92025 ("City Hall");
2. 3315 Bear Valley Parkway S., Escondido, CA 92025 ("Sports Park");
3. 2245 E. Valley Parkway, Escondido, CA 92027 ("East Valley Community Center");
4. 3440 E. Valley Parkway, Escondido, CA 92027 ("Water Treatment Plant");
5. 239 S. Kalmia St., Escondido, CA 92025 ("Main Library");
6. 210 E. Park Ave., Escondido, CA 92025 ("Park Avenue Senior Center");
7. 475 N. Spruce St., Escondido, CA 92025 ("Public Works");
8. 1521 S. Hale Ave., Escondido, CA 92029 ("HARRF");
9. 1163 Centre City, Escondido, CA 92026 ("Police and Fire Headquarters");
10. 310 N. Quince St., Escondido, CA 92026 ("Fire Station 1");
11. 421 N. Midway Drive, Escondido, CA 92027 ("Fire Station 2");
12. 1808 Nutmeg St., Escondido, CA 92026 ("Fire Station 3");
13. 3301 Bear Valley Parkway, Escondido, CA 92025 ("Fire Station 4");
14. 2319 Felicita Road, Escondido, CA 92029 ("Fire Station 5");
15. 1735 Del Dios Road, Escondido, CA 92029 ("Fire Station 6");
16. 1220 N. Ash St., Escondido, CA 92027 ("Fire Station 7"); and
17. 272 E Via Rancho Pkwy, Escondido, CA 92025 (Temporary Library).

C. Services

This Agreement, along with Contractor's proposal responses, which are summarized in **Exhibit 1** and **Exhibit 2**, respectively, and incorporated herein by this reference, set for the specific terms and conditions under which Contractor agrees to provide the services to the City. In addition to the services described in the Agreement, Contractor shall provide toner, service calls, and monitoring reporting software services for the networked printer fleet and Duplicating production device, and the wide format printer ("KIP") described in Exhibit 1 and Exhibit 2. In the event of a conflict between this Agreement and Exhibit 1 or Exhibit 2, the terms of this Agreement shall prevail.

D. Scheduling

Contractor to schedule specific dates of work in advance by contacting Heather Inns at hinns@escondido.org or 760-839-6261. Work shall be performed in-between the hours of 8 a.m. and 3:30 p.m., Monday through Friday. Contractor shall sign in and sign out at the receptionist area. Further instructions will be provided upon scheduling.

E. Contract Price and Payment Terms

The contract price shall not exceed **\$200,000**. The contract price includes all labor, materials, equipment, and transportation required to perform the work. Any additional charges will be submitted to the City of Escondido for pre-approval and will be billed as services are performed.

Payment will be made after services have been performed and within 30 days of receipt of an invoice for those services.

The following rates shall remain firm throughout the term of this Agreement:

1. For the 101 currently owned by the City of Escondido:
 - a. \$0.00850 per b/w impression
 - b. \$0.0690 per color impression
2. For Duplicating production device, the v280, the service rates are as follows:
 - a. \$0.00390 per B/W impression
 - b. \$0.02950 per Color impression

Service rates include staples.

3. For the wide format printer/scanner (KIP), the service rates are as follows:
 - a. \$60 per month plus
 - b. \$0.045 per b/w square foot
 - c. \$0.085 per color square foot

F. Term

The term of this Agreement shall be for **five years**, commencing on the Effective Date of the Agreement.

Exhibit 1**RFP #25-06: Part B Networked Printer Fleet**

The Agreement, along with Xerox Business Solutions Southwest's (XBS) proposal response, outlined in this Exhibit, sets forth the specific terms and conditions under which XBS agrees to sell the specific equipment and provide the services to City of Escondido.

General Pricing Terms

- a. All pricing stated in XBS's response to RFP # 25-06 Part B Networked Printer Fleet is outlined in this Exhibit.
- b. XBS guarantees device pricing outlined in this Exhibit will be fixed for a period of 24 months after the contract has been awarded.
- c. For devices that the City of Escondido may wish to acquire after the price guarantee expires, XBS agrees to offer the City of Escondido a discount over retail pricing (as reported by a 3rd party such as Buyer's Laboratory) equivalent to the discount offered in XBS's response to the RFP.
- d. If the City of Escondido elects to lease any equipment under this agreement: The City of Escondido will provide XBS with insurance documentation if required by the Leasing Company when the lease contracts are signed. XBS be responsible for ensuring that the insurance documentation is delivered to the Lease Company and taking all necessary actions to correct any insurance billing problems.
XBS agrees to include in all leasing options and leasing documents non-appropriation and/or funding-out clauses as required by the State Code of California.
- e. XBS agrees to pick up and dispose of desktop printers/MFPs if requested at a cost of \$350 per device. (This applies only to equipment that is owned by City of Escondido, not equipment that is under a lease agreement.)

Service Contract

XBS has agreed to provide fixed pricing for 60 months for a service and supplies contract for the City of Escondido's existing, owned, networked desktop printer/MFP fleet. XBS agrees to provide service and supplies for the existing make and models in the city's fleet as per the list that was provided as part of the RFP documents.

XBS agrees that the contract cannot be assigned to another Service Company without the written permission of the City of Escondido or canceled by XBS except for non-payment of the service contract by the City of Escondido. XBS agrees to submit all contract invoices and billing in a timely manner. The contract shall include network interface support, labor, and all consumable parts and supply items

excluding paper. The contract shall include all parts required by the equipment manufacturer to keep all equipment operating within manufacturer specifications. The service contract shall also include all travel time, mileage, and labor.

Service Terms and Conditions

- a. XBS guarantees that the average time it will take a technician to acknowledge the City of Escondido's service request will be one (1) hour once a service call has been placed with XBS, as calculated from the time the service call is placed until a service technician calls the City of Escondido to provide an estimated time of arrival, will be one (1) hour.
- b. **Average Response Time (Monday – Friday, excluding Holidays):**
XBS guarantees that the average in-person service response time for each device will be four (4) hours, as calculated from the time the service call is placed by the City of Escondido to the factory-trained service technician's on-site arrival in a 12-month trailing average, including preventive maintenance calls.
- c. **Maximum Response Time (Monday – Friday, excluding Holidays):**
XBS guarantees that the maximum response time will be six (6) hours as measured from the time the call is placed by end user to the time a factory trained service technician is on-site, including preventive maintenance calls.
- d. **On an "As-is" Basis:**
Service pricing for the existing printer fleet is on an as-is basis, i.e. with no inspection or charges to "bring the equipment up to contract-level specifications" before the contract begins. Any device that will not produce a printed page at the start of the contract will be excluded from this requirement. The City of Escondido will take into consideration the exclusion of any printer found to be operable, but in extremely poor condition.
- e. **Firmware Upgrades (after initial installation):**
Except for firmware upgrades XBS will install prior to delivery of any net-new devices, XBS agrees to NOT take the initiative to do any additional firmware upgrades or change configuration settings without the City of Escondido's permission.
- f. **Adding Printers/MFPs to the Contract:**
XBS agrees that printers/MFPs can be added to the contract at any time, provided the model of the additional printer is already under contract or a new model is approved by XBS and connected to the City of Escondido's network.
- g. **Equipment Replacement:**
XBS agrees to replace printers that cannot be repaired on a like-for-like basis at no additional cost as long as the contract is in effect and also agrees that all replacement devices shall become property of the City of Escondido. (This will apply to all devices covered under the contract.)
- h. **Tracking/Crediting Service Prints:**

Any prints produced by any representative of XBS be tracked and credited back to the City of Escondido at the end of each service billing period.

i. **Preventative Maintenance and Parts Replacement:**

Upon request, XBS agrees to provide annual preventative maintenance for printers/MFPs covered under this contract at no additional cost. This would include, but is not limited to, replacement of any needed parts and cleaning.

j. For both the existing printer fleet and newly installed printers, for the entire life of each device covered under a service contract with XBS, XBS will replace all parts and provide "Preventative Maintenance" parts according to the manufacturer's recommended replacement schedule. In addition, if any part fails before reaching the manufacturer's estimated life expectancy, XBS will replace failed parts as long as the device is covered under a service contract by XBS.

k. XBS will provide a loaner device of equal or superior capabilities to the City of Escondido if any device under contract with XBS is unable to perform to the City of Escondido's specifications for more than 8 hours of normal business operation.

l. Customer Support will be available by phone at no additional charge during normal business hours.

m. For issues related to service responses, supplies management, non-reporting devices, etc., XBS will provide customer support by email. The expected time for the City of Escondido to receive an email response from XBS will be one to two (1-2) days.

n. XBS offers a service portal where service calls can be placed and tracked.

Supplies

a. XBS will provide Xerox Device Agent to report device level meters for service billing and for supplies management. All data collected by the software tool will remain the property of the City of Escondido. XBS agrees to provide the City of Escondido with full access and direct access to the Xerox Device Agent upon request.

b. XBS agrees to ship and/or deliver supplies to the City of Escondido at no additional charge, including toner and staples.

c. XBS will NOT ship toner automatically.

d. When the City of Escondido places an order for toner, XBS will deliver toner within seven to ten (7-10) business days.

e. The City of Escondido can use XBS's website to return/dispose of used toner cartridges.

f. XBS agrees to allow the City of Escondido to keep a spare set of toner on hand for each model type as well as for each high-volume device, at no additional charge.

Evaluations of Service Performance

- a. The City of Escondido and/or its appointed agent reserve the right to monitor and evaluate all aspects of XBS's invoicing and service work that is executed by XBS for all equipment that is leased and/or covered under a service contract by XBS on an ongoing basis. XBS agrees to provide all requested lease and service contract data, billing and invoicing data, and/or service call history data within ten (10) business days of such a request whether made by telephone or e-mail. In addition, XBS agrees not to object to or hinder in any way the ongoing evaluation of cost, volume, equipment performance and XBS's performance of services provided to the City of Escondido.
- b. XBS shall deliver monthly reports in an electronic format acceptable to the City of Escondido and/or its agent. The reports will be formatted in an acceptable manner and include:
 - make, model,
 - serial number,
 - vendor ID number,
 - location,
 - room number,
 - and the monthly meter reading for each device acquired from XBS.
 In addition, each report will include:
 - all service calls performed during the past thirty (30) days,
 - the date and time the call was placed,
 - the date and time the technician arrived onsite,
 - the beginning meter reading of the service call,
 - the ending meter reading of the service call,
 - a complete description of the reason for each call,
 - the remedy provided by XBS,
 - and a complete list of all parts including the manufacturer's part numbers that were required to complete each service call.
 All calls will be recorded and be categorized as a service call, return with parts call, a call back, operator error call or courtesy call. These monthly reports shall be provided at no additional expense to the City of Escondido and/or its agent for the life of the equipment.

Equipment Delivery and Timing For Net New Printers Acquired from Xerox

- a. XBS guarantees that all equipment and/or software will be installed and be fully operational within thirty (30) days of receipt of a purchase order.
- b. XBS agrees to replace any items and/or components that are received with damages within thirty (30) consecutive calendar days after the notification of damage.

- c. XBS agrees to install the most current version(s) of firmware into all devices prior to installation.

Equipment Relocation

- a. If, during the contract period, the need arises to move or relocate equipment that is covered under this contract XBS will allow the City of Escondido personnel to move the equipment without affecting the contract coverage.
- b. The City of Escondido will need to notify XBS of any moves for the device to receive toner shipments and service without interruptions. Notification can be made via email.

Invoicing

- a. XBS agrees to provide invoices in an electronic format acceptable to the City of Escondido and/or its agent. The invoices will be formatted in an acceptable manner and include make/model, serial number, vendor ID number, location, department, room number, equipment lease payment, and beginning and ending meter readings. All invoices will be due thirty (30) days from the date of the invoice.
- b. If the City of Escondido disputes any amount included in an invoice, then (a) the City of Escondido (or its agent) will notify XBS in writing or by email, (b) such notice shall include a description of the items the City of Escondido are disputing and the reason such items are being disputed and (c) XBS shall promptly exercise its best effort to work with the City of Escondido and/or its agent to resolve such disputes. Pending resolution of disputed amount, the City of Escondido will pay any and all undisputed amounts within thirty (30) days of the invoice date; however, the due date of all disputed charges will be suspended until the dispute is resolved and XBS submits a corrected invoice for payment. The corrected invoice will be due thirty (30) days from the date of the correct invoice.
- c. XBS agrees to bill the contract quarterly in arrears based on actual usage.

Data Security

- a. XBS agrees that no hard drive for any reason for any device acquired under this contract will be removed from the City of Escondido's site at any time by XBS unless all data contained in the hard drive has been removed utilizing software that will overwrite the hard drive, and that removing a hard drive from the City of Escondido's site without confirming that the hard drive has been erased will constitute a breach of contract.

- b. XBS understands that documents left in or on any device may contain confidential information that must be protected and agrees that all documents found in or on any device by XBS will be handed to authorized City of Escondido personnel and that the documents will not be placed in a trash can or recycle bin by any representative of XBS.

Cooperative Agreements

XBS agrees that the City of Escondido will not be required to sign on to any cooperative agreements, governmental or otherwise, or agree to any special additional terms and conditions contained within any cooperative agreements.

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Pricing**Lease Option:**

Lease Company: Xerox Financial Services

60-Month \$1 Buyout:

- Monthly Lease Rate Factor: 0.021870

Service and Supplies Contract Pricing for the Current Networked Fleet:**OEM parts and supplies:**

\$0.00850 per b/w impression

\$0.0690 per color impression

Make/Model	Purchase Price
Xerox VersaLink B410DN (35 PPM) Printer – 35 PPM B/W Laser Segment	\$395.27
<u>Included Items</u> <ul style="list-style-type: none"> - Network Printing: Required - PostScript - Duplexing 8.5 x 11 – 8 x 14: Required - Paper Types supported Envelopes and Avery Labels: Required - 250-sheet Paper Tray: Standard - Multi-Purpose Tray 100-sheets: Included 	
Service Cost-Per-Impression for Years 1-5:	\$0.00750 per B/W impression
Xerox VersaLink C410DN (35 35 PPM) Printer – 30 PPM Color Laser Segment	\$605.89
<u>Included Items</u> <ul style="list-style-type: none"> - Network Printing: Required - PostScript - Duplexing 8.5 x 11 – 8 x 14: Required - Paper Types supported Envelopes and Avery Labels: Required - 550-sheet Paper Tray: Standard - Multi-Purpose Tray 100-sheets: Included 	
Service Cost-Per-Impression for Years 1-5:	\$0.00750 per B/W impression \$0.0550 per Color impression

Exhibit 2**RFP #25-06 Part C Color Production MFD**

The Agreement, along with Xerox Business Solutions Southwest's (XBS) proposal response, outlined in this Exhibit, sets forth the specific terms and conditions under which XBS agrees to sell the specific equipment and provide the services to City of Escondido.

1. General Pricing Terms

- a. All pricing stated in XBS's response to RFP # 25-06 Part C Color Production MFD is outlined in this Exhibit.
- b. All pricing outlined in this Exhibit will be fixed for a period of twenty-four (24) months from the award of the contract.
- c. For devices that the City of Escondido may wish to acquire after the price guarantee expires, XBS agrees to offer the City of Escondido a similar discount over retail pricing (as reported by a 3rd party such as Buyer's Laboratory) equivalent to the discount being offered in this contract.
- d. For additional hardware options that the City of Escondido may wish to acquire (such as GBC punch), XBS agrees to offer the City of Escondido a discount over retail pricing (as reported by a 3rd party such as Buyer's Laboratory) equivalent to the discount being offered in this contract.
- e. If the City of Escondido elects to lease any equipment under this agreement:
 - iii. If the FMV lease option is chosen, XBS agrees to be responsible for the return of equipment acquired from XBS under this bid to the Leasing Company at the end of the lease term. This shall include shipping costs, insurance, or any other shipping or equipment repair costs associated with the return of this equipment.
 - iv. The City of Escondido will provide XBS with insurance documentation if required by the Leasing Company when the lease contracts are signed. XBS be responsible for ensuring that the insurance documentation is delivered to the Lease Company and taking all necessary actions to correct any insurance billing problems.
 - v. XBS agrees to include in all leasing options and lease documents non-appropriation and/or funding-out clauses as required by the State Code of California.
 - vi. There will be a \$125 lease documentation fee per contract.

2. Service Contract

XBS has given the City of Escondido the option to purchase service contracts for five (5) years and will bill the City of Escondido for these service contracts Quarterly in Arrears. The service contract will include print controller support, unlimited supplies of toner, developer, drums, all consumable parts, toner waste containers, staples (for the copiers), and all other supply items excluding paper, unless otherwise noted. The service contract shall include all parts and Preventative Maintenance (PM) parts as required by the equipment manufacturer to keep all equipment operating within manufacturer specifications. All parts will be replaced with Original Equipment Manufacturer (OEM) parts according to the

manufacturer's estimated yields.

Fees for service contracts will be as outlined in this Exhibit.

11 x17 impressions will be counted as (2) 8.5 x 11 impressions.

3. Service Responses

- a. XBS guarantees that the average time it will take a technician to acknowledge the City of Escondido's service request will be one (1) hour once a service call has been placed with XBS, as calculated from the time the service call is placed until a service technician calls the City of Escondido to provide an estimated time of arrival.
- b. **Average Response Time (Monday – Friday, excluding Holidays):**
XBS guarantees that the average in-person service response time for each device will be four to six (4-6) hours, as calculated from the time the service call is placed by the City of Escondido to the factory-trained service technician's on-site arrival in a 12-month trailing average, including preventive maintenance calls.
- c. For the entire life of each device covered under a service contract with XBS, XBS will:
 - 1) replace all parts according to the manufacture's recommended replacement schedule
 - 2) provide "Preventative Maintenance" parts according to the manufacturer's recommended replacement schedule.
 In addition, if any part fails before reaching the manufacturer's estimated life expectancy, XBS will replace failed parts as long as the device is covered under a service contract by XBS.
- d. XBS agrees to provide only Original Equipment Manufacturer parts and supplies when repairing, servicing, or supplying consumable items for each device. Failure to do so will constitute a breach of contract and require XBS to fully compensate the City of Escondido for any real or perceived loss or damage.
- e. Customer Support will be available by phone at no additional charge during normal business hours.
- f. For issues related to service responses, supplies management, non-reporting devices, etc., XBS will provide customer support by email.
- g. XBS offers a service portal where service calls can be placed, tracked, and the current status of the call can be viewed.
- h. All copies run by any representative of XBS will be tracked and credited back to the City of Escondido's account at the end of each service-billing period.
- i. The City of Escondido will provide a secure storage space for the onsite storage of parts. XBS agrees to stock and maintain at least two (2) full sets of preventative maintenance parts and other parts with known failure cycles (based on manufacturer data) such as feed tires, drum and drum kits, belts, fuser kits, parts for the finishers, and parts related to all paper paths and any additional parts frequently required as evidenced by service histories.
- j. XBS agrees, if requested, to provide a hard copy and digital copy of the service manual for each installed model at no additional cost.

4. Evaluations of Service Performance

- a. The City of Escondido and/or its appointed agent reserve the right to monitor and evaluate all aspects of XBS's invoicing and service work that is executed by XBS for all equipment that is leased and/or covered under a service contract by XBS on an ongoing basis. XBS agrees to provide all requested lease and service contract data, billing and invoicing data, and/or service call history data within ten (10) business days of such a request whether made by telephone, e-mail, or fax. In addition, XBS agrees not to object to or hinder in any way the ongoing evaluation of cost, volume, equipment performance and XBS's performance of services provided to the City of Escondido.
- b. XBS will provide the pages from the service manual indicating the manufacturer's replacement schedule for preventative maintenance (PM) parts, including parts names that may be included in PM Kits, and manufacture part numbers to the City of Escondido. (This information will be used by the City of Escondido to evaluate service work that is being performed by XBS.)
- c. XBS shall deliver monthly reports in an electronic format acceptable to the City of Escondido and/or its agent. The reports will be formatted in an acceptable manner and include:
 - make/model,
 - serial number,
 - vendor ID number,
 - location,
 - and the monthly meter reading for each device acquired from XBS.
 In addition, each report will include:
 - all service calls performed during the past thirty (30) days,
 - the date and time the call was placed, the date and time the technician arrived onsite,
 - the beginning meter reading of the service call,
 - the ending meter reading of the service call,
 - a complete description of the reason for each call,
 - the remedy provided by XBS,
 - and a complete list of all parts including the manufacturer's part numbers that were required to complete each service call.
 All calls will be recorded and be categorized as a service call, return with parts call, a call back, operator error call or courtesy call. These monthly reports shall be provided at no additional expense to the City of Escondido and/or its agent for the life of the equipment.

5. **Equipment Delivery and Timing**

- a. XBS guarantees that all equipment and/or software will be installed and be fully operational within thirty (30) days of receipt of a purchase order.
- b. XBS agrees to replace any items and/or components that are received with damages within thirty (30) consecutive calendar days after the notification of damage.
- c. XBS agrees to install the most current version(s) of firmware into all devices prior to

installation.

6. Equipment Relocation

- a. If, during the contract period, the need arises to move or relocate equipment that was purchased and/or leased under this contract within the same building or from one building to another building, XBS agrees to move the equipment at a cost of \$350 per device.

7. Training

- a. Basic Training: XBS agrees to schedule, in advance, the installation and simultaneous basic instruction of the operation of the new equipment.
- b. In-Service Training: XBS agrees to schedule, in advance at each location's convenience, In-Service training (2 operators for each device) covering the complete operation of the new equipment as needed.

8. Invoicing

- a. XBS agrees to provide invoices in Excel format. The invoices will be formatted in an acceptable manner and include purchase order, make/model, serial number, vendor ID number, location/school, department, room number, equipment service cost, and beginning and ending meter readings. It is our understanding that all invoices will be due 30 days from the date of the invoice.
- b. If the City of Escondido disputes any amount included in an invoice, then (a) the City of Escondido (or its agent) will notify XBS in writing or by email, (b) such notice shall include a description of the items the City of Escondido are disputing and the reason such items are being disputed and (c) XBS shall promptly exercise its best effort to work with the City of Escondido and/or its agent to resolve such disputes. Pending resolution of disputed amount, the City of Escondido will pay any and all undisputed amounts within thirty (30) days of the invoice date; however, the due date of all disputed charges will be suspended until the dispute is resolved and XBS submits a corrected invoice for payment. The corrected invoice will be due thirty (30) days from the date of the correct invoice.

9. Data Security

- a. XBS agrees that software that will overwrite the hard drives is included at no additional charge. XBS will take responsibility to run the overwrite software at the end-of-life for no additional cost and will provide the City of Escondido with a certificate of completion for each device.
- b. XBS agrees that no hard drive for any reason for any device acquired under this contract will be removed from the City of Escondido's site at any time by XBS unless all data contained in the hard drive has been removed utilizing software that will overwrite the hard drive, and that removing a hard drive from the City of Escondido's

site without confirming that the hard drive has been erased will constitute a breach of contract.

- c. XBS understands that documents left in or on any device may contain confidential information that must be protected and agrees that all documents found in or on any device by XBS will be handed to authorized City of Escondido personnel and that the documents will not be placed in a trash can or recycle bin by any representative of XBS.

10. Supplies

- a. XBS will provide Xerox Device Agent to report device level meters for service billing and for supplies management. All data collected by the software tool will remain the property of the City of Escondido. XBS agrees to provide the City of Escondido with full access and direct access to the Xerox Device Agent upon request.
- b. XBS agrees to ship and/or deliver supplies to the City of Escondido at no additional charge, including toner and staples.
- c. XBS will NOT ship toner automatically.
- d. When the City of Escondido places an order for toner, XBS will deliver toner within seven to ten (7-10) business days.
- e. The City of Escondido can use XBS's website to return/dispose of used toner cartridges.
- f. XBS will allow the City of Escondido to keep a spare set of toner on-site for each production device, at no additional cost.

11. Cooperative Agreements

XBS agrees that the City of Escondido will not be required to sign on to any cooperative agreements, governmental or otherwise, or agree to any special additional terms and conditions contained within any cooperative agreements.

12. Extended Service Coverage for Years 6 and 7

When any device ordered from this contract is five (5) years old, if the device has not reached a total impression count of 4,800,000 and the device is experiencing an average of one (1) or fewer service calls per month, XBS will offer extended service coverage for years 6 and 7 with the same level of service terms outlined in this Exhibit. Service rates are estimated to increase 5% per year for years 6 and 7.

13. Make Ready Software

- a. XBS is offering MakeReady version 9 to replace the current Free Flow MakeReady Software. The software must be able to merge documents including integrating hardcopy and multiple sources of electronic media within a single integrated core application and provide editing resources for TIFF, JPEG, and Adobe PDF elements into one finished print ready job.
- b. The City of Escondido is currently using Windows 10 and 11 as an operating system.

XBS confirms the MakeReady software will work with both version of Windows.

14. **Performance Bond**

Upon receipt of an order, XBS agrees to issue a performance bond to the City of Escondido which is equal to 25% of the total cost of hardware and service costs projected for 60 months for all equipment and support purchased and/or leased under this agreement. The City of Escondido will cash the performance bond if XBS does not execute the terms and conditions of the contract as agreed. The performance bond shall have a life of 60 months from the date it is accepted by City of Escondido; however, a 1-year bond that is renewable for an additional four (4) years is acceptable. XBS agrees to allow the City of Escondido to delay payment (with no late fees or penalties) until the performance bond has been delivered to the City of Escondido.

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Pricing**Lease Option:**

Lease Company: Xerox Financial Services

60-Month \$1 Buyout or FMV:

- Monthly Lease Rate Factor: 0.021870

MakeReady Pricing

MakeReady Version 9:

- \$2,500 one-time Purchase Cost for one license
- There is no additional maintenance/service fee.

Make/Model	Purchase Price
Xerox Versant 280 (80 PPM 80 PPM) Color Production Copier/MFD 80 PPM Segment	\$15,255.85
<u>Included Items</u> <ul style="list-style-type: none"> - Network Printing and Scanning: Required - EX 80 Print Server also known as the Xerox Integrated Color Server: Included - Duplexing 8.5 x 11 – 11 x 17: Required - Paper Types supported Index 140lb. and Letter Tab: Required - 250-sheet Document Feeder Single Pass Duplex Scan: Required - (3) 550-sheet Paper Trays: Standard - 250-sheet By-Pass Tray 	
<u>Optional Items</u> <ul style="list-style-type: none"> - EFI Fiery EX-I 280 (Internal Server) [would replace EX 80 Server] - EFI Fiery EX 280 (External Server) [would replace EX 80 Server] - 2,000-sheet Single tray letter size - 4,000-sheet Adv oversized HCF up to 13 x19.2: 097S05146 - PF3.5 Adv (2 Tray OHCF) - Envelope Tray - Finisher with Stapling, Hole Punch, Booklet Maker, and Folding - Trimmer - Post Sheet Insert - Decurler - Cover Sheet Insertion: NA 	\$5,900.00 \$10,598.00 \$780.00 \$6,611.76 \$115.51 \$2,959.89 \$4,764.89 \$790.59 \$1,715.59 N/A
Service Cost-Per-Impression for Years 1-5:	\$0.00390 per B/W impression \$0.02950 per Color impression Service rates include staples.

KIP 740 Color System	\$20,171.48
Included Items - KIP 740 W/ SCANNING 6D PPM (SYS740K) - PDF FORMAT PRINTING KEYCODE (DIGPDF-700K) - KPS1-TRAINING (KIP Training) - KIP ACCOUNTING & COST CENTER (K1AKC00070)	
Service Cost Includes all service, parts, labor, toner and supplies excluding paper.	\$60 per month plus \$0.045 per b/w square foot and \$0.085 per color square foot

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Sales & Service Terms and Conditions

1. **Definitions.** The first page of this Sales & Service Agreement is referred to herein as the "Cover Page." The Cover Page, these Terms and Conditions, any Schedules (e.g., a Product Schedule), Statements of Work ("SOW"), and/or any other attachments referenced on the Cover Page or attached hereto and incorporated herein represent the agreement (the "Agreement") between Company and the Customer ("Parties") as identified on the Cover Page of this Agreement, with respect to the acquisition of those Products and/or Services. "Products" shall mean the equipment ("Equipment") and any Software ("Application Software") identified on the Cover Page and/or on a Product Schedule.

2. **Scope.** This Agreement may be executed for:

a) A SALE of Products. If a SALE, Company hereby offers to sell and Customer hereby accepts to purchase those Products in the quantity and for the price indicated on the Cover Page (and/or Product Schedule). Payment terms are set forth in Section 7, below. Title to the Equipment will transfer to Customer upon delivery;

b) A LEASE of Products. If a LEASE, Customer will execute a separate lease agreement which will fund the purchase/lease of the Products in the quantity indicated on the Cover Page (and/or Product Schedule) for the benefit of Customer. The lease will be between (i) Customer and a third-party lessor or (ii) Customer and Company, which Company shall then assign to a third-party lessor (each a "Lessor"). Nothing herein shall alter, amend, or affect Customer's or Lessor's rights or obligations pursuant to such lease. Upon execution of a lease agreement between Customer and Lessor, Customer shall be responsible to Lessor to satisfy the terms and conditions of the lease;

c) A RENTAL of Products. If a RENTAL, Company hereby offers to rent and Customer hereby accepts to pay for those Products in the quantity and for the price indicated on the Cover Page (and/or Product Schedule). Payment terms are set forth in Section 7, below. Title will remain with Company throughout the Term as indicated on the Cover Page. Customer agrees to obtain adequate insurance coverage sufficient to cover the full replacement value of the rental equipment while in Customer's possession, and to have Company named as the loss payee. Unless otherwise stated in the Cover Page, the rental is non-cancelable for the stated term; and/or

d) An ACQUISITION OF SERVICES. Services may include those Services referenced in Section 4 of this Agreement and/or such additional Services outlined in one or more SOWs or Schedules attached hereto. Payment terms for Services shall be in accordance with Section 7, below.

3. **Delivery and Installation.** Unless specified otherwise on the Cover Page, for any Sale, Lease, or Rental, Company shall deliver and install the Products at the location specified by Customer on the Cover Page and/or Product Schedule unless: (1) Customer has not made available at that address a suitable place of installation as specified by the Company; or (2) Customer has not made available suitable electrical service in accordance with the Underwriter's Lab ("UL") or manufacturer's requirements. All risk of loss will transfer to the Customer upon delivery. Customer will be responsible for nonstandard delivery charges. Relocation of Products to a location other than that specified on the Cover Page and/or Product Schedule requires Company's consent and may result in fees or increased rates.

4. **Services.** This Agreement covers both the labor and materials for adjustments, repairs, and replacement of parts necessitated by normal use of the Equipment. Unless otherwise stated on the Cover Page, Services do not include the following: (a) repairs due to (i) misuse, neglect, or abuse (including, without limitation, improper voltage or use of supplies that do not conform to the manufacturer's specifications), (ii) use of options, accessories, products, supplies not provided by Company; (iii) non-Company alterations, relocation, or service; and/or (iv) loss or damage resulting from accidents, fire, water, or theft; (b) maintenance requested outside Company's normal business hours or this Agreement; (c) relocation; (d) software or connected hardware; (e) hard drive replacement; (f) MICR Toner for Laser Printers, and parts and labor for all non-laser printers, and/or (g) parts for Scanners. Company reserves the right, at its sole discretion, to replace Equipment with Equipment of similar or better conditions and features, rather than providing on-site Service support. Replacement parts may be new, reprocessed, or recovered. Supplies provided by Company are in accordance with the copy volumes set forth on the Cover Page and within the manufacturer's stated yields, and do not include staples or paper. Supplies are to be used exclusively for the Equipment and remain Company property until consumed. Customer will return, or allow Company to retrieve, any unused supplies at the termination or expiration of this Agreement. Customer is responsible for the cost of excess supplies. Supplies will be shipped to Customer via UPS Ground, or another method selected by Company. Unless otherwise stated herein, Customer will be billed for shipping, including, but not limited to, UPS Ground, Overnight, and/or Messenger Service per billing period or per shipment based on number of products. Additional fees may be charged for Services provided outside Company's standard business hours or for computer/network issues and will be at Company hourly rates in effect at the time of such Services. Equipment may be supported and serviced using data that is automatically collected by Company from the Equipment via electronic transmission from the Equipment to a secure off-site location. Examples of automatically transmitted data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data will be transmitted in a secure manner specified by Company. The automatic data transmission capability does not permit Company to read, view, or download any Customer data, documents or other information residing on or passing through the Equipment or Customer's information management systems. Services may be delivered by Company's Affiliates and/or Subcontractors, at Company's sole discretion. Unless otherwise stated on the Cover Page, Company may charge and Customer shall pay a charge for each instance in which Customer declines Company's use of remote technology to provide Services. Unless otherwise agreed to in writing, Customer remains solely responsible to secure any sensitive data and permanently delete such data from the internal media storage prior to removal of Equipment or termination of this Agreement. Company has no obligation to maintain Equipment beyond the "End of Service" for that particular model of Equipment. End of Service ("EOS") means the date announced by manufacturer after which Company will no longer offer Services for a particular Equipment model. Company reserves the right to discontinue Service upon thirty days written notice for any Equipment for which parts and/or Supplies are no longer available, or are not available on commercially reasonable terms.

5. **Meter-Related Services.** Equipment is required to be connected to a remote transmission tool, which will periodically communicate meter reads as well as other device diagnostic data and upon which invoices will be based. If a remote transmission tool is not installed and otherwise upon request, you will provide us, by telephone, email, web submission, or fax with the actual meter readings three days prior to your due date. We may estimate the number of images used if such meter readings are not communicated to Company. The estimated charge for excess images shall be adjusted upon receipt of actual meter readings. If you do not maintain remote transmission, the Company reserves the right to charge you a per device fee for such affected Equipment due to the increased service visits that will be required in order to: (x) obtain such information, (y) provide such transmissions and (z) provide such Maintenance Services and Consumable Supplies that otherwise would have been provided remotely and/or proactively. If you elect to not install a remote transmission tool, the contract is subject to the unconnected device charge outlined on the Company's currently published fee schedule. You agree to provide adequate space without charge for the Equipment, adequate electricity (including, if necessary, a dedicated 110 or 220-volt line), an electrical surge suppressor with a UL-1449 rating or better, and reasonable storage for supplies to be used with the Equipment.

6. **Additions and Modifications.** If, at any time during the Term, Customer upgrades, modifies, or adds equipment that utilizes the same Supplies as the Equipment, Customer shall promptly notify Company. Company maintains the right to inspect any upgrades and modifications to Equipment and/or additional equipment and determine whether equipment is eligible for Services. If approved for Services and agreed by the Parties, the Agreement will be amended to include such changes, including pricing modifications. All networked devices must be set up with our monitoring app for meters and Supplies. Any devices not under contract will be added automatically to the account for the listed rate. If our monitoring software is not reporting, Customer must work with us to resolve the issue as soon as possible.

7. **Term and Payment.** Except as may otherwise be provided for herein, this Agreement is non-cancelable and shall remain in effect throughout the Term; and, unless notified in writing sixty (60) days prior to its expiration, this Agreement shall automatically renew for twelve (12) months. Company reserves the right to terminate Services upon thirty (30) days written notice. In the event the fees herein are included in Customer's lease payment, the Term shall run concurrently with the lease agreement and be subject to the renewal provisions provided for therein. The meter count at installation or, in the case of owned printers, at assessment, will be used for meter/overages calculations. Customer agrees to pay Company all amounts due within thirty (30) days of the date of Company's invoice or, if the parties have agreed the third-party lessor will collect the Services fees due under this Agreement on behalf of Company, in accordance with the applicable lease agreement, and all other sums when due and payable. Except where the Cover Page denotes flat rate pricing, any Monthly Payment entitles Customer to Services and Supplies for a specific number and type (i.e. black & white, color, scan) of Prints/Copies as identified on the Cover Page and will be billed in advance, and Customer agrees to pay the Overage Rate for each Print/Copy that exceeds the applicable number and type of Prints/Copies provided in the Minimum Monthly Payment which amount shall be billed in arrears and is payable as indicated on the Cover Page. A Print/Copy is defined as standard 8.5"x11" copy, except where Equipment is designated on the Cover Page as having a Color Large Impression pool (Color LG) and an Extra Large Impression pool (XL IMP Color), in which case prints/copies are defined as follows: (a) **Black Images**, for sheet sizes up to 13"x19", each image calculates as (1) Black Print Meter; (b) **Color Images**, for sheet sizes less than 145 square inches in total area, each image calculates as (1) Color Print Meter (e.g., 8.5" x 14" is NOT overage (119sq. in.); (c) **Color Images**, for sheet sizes greater than or equal to 145 square inches each sheet calculates as (1) Color Print Meter and (1) Color Large Print Meter (e.g., 11" x 17" is overage (187 sq. in.); and (d) **Black and Color Extra Large**, for sheets with a length greater than 19.33", each image calculates as (2) Extra Long Meter and (1) Color Print Meter. No credit will be applied towards unused copies/prints. Customer's obligation to pay all sums when due shall not be subject to any abatement or offset. If any payment is not received by Company within fifteen (15) days of its due date, Company may charge, and Customer will pay a late fee of 5% of the amount due or \$25, whichever is greater (or such lesser rate as is the maximum allowable by law). Company has the right to withhold Services and Supplies, without recourse, for any nonpayment. Unless otherwise stated on the Cover Page, Company may, on an annual basis, (a) increase the Base Charge and/or the Overage Rates, in an amount not to exceed 20% per annum and/or (b) where a contract is subject to flat rate pricing, shift Customer's obligation to the applicable flat rate band corresponding to Customer's usage during the previous calendar year. Company retains the right to have all or some of the amounts due hereunder billed and/or collected by third parties. If Customer declines invoice delivery via email and/or automatic payment withdrawal, or requires any specialized billing procedure or invoicing, Company reserves the right to bill an administrative fee, in accordance with Company's currently published fee schedule, which is subject to change from time to time.

8. **Taxes.** Payments are exclusive of all state and local sales, use, excise, privilege and similar taxes, if any. You will be responsible for, indemnify and hold Company harmless from, all applicable taxes, fees or charges (including sales, use, personal property and transfer taxes (other than net income taxes), plus interest and penalties) assessed by any governmental entity on you, the Equipment, this Agreement, or the amounts payable hereunder (collectively, "Taxes"), unless you timely provide continuing proof of your tax exempt status. Customer will pay when due, either directly to the taxing authority or to Company upon demand, all taxes, fines and penalties relating to this Agreement that are now or in the future assessed or levied, except for taxes levied upon Company's income.

9. **Applicable Laws.** Both Parties agree that they will comply with all applicable laws and regulations during the Term.

10. **Limited License to Use Software.** Company grants (and is authorized by its licensors to grant) Customer a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation ("Base Software") only with the Equipment with which it was delivered; and (b) Software that is set forth as a separate line item in this Agreement ("Application Software") (including its accompanying documentation), as applicable, for as long as Customer is current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Licensed Software". Customer has no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Licensed Software; (2) activate Licensed Software delivered with the Equipment in an inactive state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Licensed Software will reside solely with Company and/or its licensors (who will be considered third-party beneficiaries of this Section). Licensed Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Customer is denied access to periodically reset such code; (y) Customer is notified of a default under this Agreement; or (z) Customer's license is terminated or expires. The Base Software license will terminate: (i) if Customer no longer uses or possesses the Equipment; or (ii) upon the expiration or termination of this Agreement, unless Customer has exercised its option to purchase the Equipment. Neither Company nor its licensors warrant that Licensed Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to Licensed Software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

11. **Diagnostic Software.** Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Company or its Licensors. Title to Diagnostic Software will remain with Company or its Licensors. Company does not grant Customer any right to use Diagnostic Software, and Customer will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). Customer will allow Company reasonable access to the Equipment to remove or disable Diagnostic Software if Customer is no longer receiving Service from Company, provided that any on-site access to Customer's facility will be during Customer's standard business hours.

12. **Software Support.** Except for Application Software identified as "No Svc." on the Cover Page, Company (or a designated service provider) will provide the software support set forth below ("Software Support"). For Base Software for Equipment, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Company stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as Customer is current in the payment of all applicable software license and support fees. Company will maintain a web-based or toll-free hotline during Company's standard working hours to report Licensed Software problems and answer Licensed Software-related questions. Company, either directly or with its vendors, will make reasonable efforts to: (a) assure that Licensed Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Licensed Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to Customer. Company will not be required to provide Software Support if Customer has modified the Licensed Software. New releases of Licensed Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Company may make available will be provided at no charge and must be implemented within six months. New releases of Licensed Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Licensed Software governed by the Software License and Licensed Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require Customer to procure, at Customer's expense, additional hardware and/or software from Company or another entity. Upon installation of a Release, Customer will return or destroy all prior Releases.

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13. INTELLECTUAL PROPERTY.

- a. **CUSTOMER'S CONTENT AND CUSTOMER ASSETS.** Customer represents and warrants that it owns the customer assets and its content and materials provided to Company in connection with this Agreement or otherwise has the right to authorize Company to perform the Services hereunder. Customer represents and warrants that such content and materials do not, and shall not, contain any content that (i) is libelous, defamatory or obscene and/or (ii) infringes on or violates any applicable laws, regulations or rights of a third party, including without limitation, export laws, or any proprietary, intellectual property, contract, moral or privacy right or any other third party right.
- b. **XEROX TOOLS.** "Xerox Tools" means certain Xerox proprietary tools (including any modifications, enhancements and derivative works) used by Company to provide certain Services Xerox and its licensors will at all times retain all right, title and interest in and to Xerox Tools including without limitation, all intellectual property rights therein, and, except as expressly set forth herein or as set forth in a SOW where limited access to the Xerox Device Manager (XDM) may be granted for a specific purpose, no rights to use, access or operate the Xerox Tools are granted to Customer. Xerox Tools will be installed and operated only by Company or its authorized agents. If required for royalty reporting purposes, Company may disclose Customer's name and address to Xerox and/or the third-party licensor of certain Xerox Tools. Customer will not decompile or reverse engineer any Xerox Tools or allow others to do so. Customer will have access to reports generated by the Xerox Tools and stored in a provided database as set forth in the applicable SOW. Company may remove Xerox Tools at any time in Company's sole discretion, provided that the removal of Xerox Tools will not affect Company's obligations to perform Services, and Customer shall reasonably facilitate such removal. If Xerox Tools are included as part of the Services, they may be used by Customer only in conjunction with such Services.
- c. **LIMITED LICENSE TO ASSESSMENTS AND REPORTS.** Customer may duplicate and distribute assessments and/or reports prepared by Company pursuant to this Agreement only for Customer's internal business purposes. Any recommendations and processes described in assessments and/or reports may only be implemented by Company for Customer and, if implemented, used by Customer only for Customer's internal business purposes.
- d. **NO GRANTS TO CUSTOMER.** Customer agrees that, except as set forth expressly in this Agreement, no other rights or licenses are granted to Customer. Further, the rights granted to Customer in this Section shall immediately terminate if Customer defaults hereunder with respect to any of its obligations related to such grant.
14. **CONFIDENTIAL INFORMATION.** Information exchanged under this Agreement will be treated as confidential if it is identified as confidential at disclosure or if the circumstances of disclosure would indicate to a reasonable person that the information should be treated as confidential ("Confidential Information"). The terms and conditions of this Agreement are Confidential Information of Company and Customer, and each party agrees not to disclose any of the foregoing without the other party's prior written consent. Confidential Information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for two (2) years from the termination or expiration of this Agreement under which such Confidential Information was disclosed, whichever occurs later; provided, however, confidentiality with respect to trade secrets and Xerox Tools will not expire. These obligations of confidentiality will not apply to any Confidential Information that: (1) was in the public domain prior to, at the time of, or subsequent to the date of disclosure through no fault of the receiving party; (2) was rightfully in the receiving party's possession or the possession of any third party free of any obligation of confidentiality; (3) was developed by the receiving party's employees independently of and without reference to any of the other party's Confidential Information; or (4) where disclosure is required by law or a government agency. Upon expiration or termination of this Agreement, each party will return to the other or, if requested, destroy, all Confidential Information of the other in its possession or control, except such Confidential Information as may be reasonably necessary to exercise rights that survive termination of this Agreement.
15. **Warranty.** Customer acknowledges that the Products covered by this Agreement were selected by Customer based upon its own judgment. Company shall pass through any applicable manufacturer's warranty to Customer. COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF NON-INFRINGEMENT, IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE SPECIFICALLY AND UNRESERVEDLY EXCLUDED.
16. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS, OR PUNITIVE DAMAGES WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER LEGAL THEORY AND IRRESPECTIVE OF WHETHER EITHER PARTY HAS NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL COMPANY BE LIABLE TO CUSTOMER FOR ANY DIRECT DAMAGES IN EXCESS OF THE FEES PAID FOR SERVICES UNDER THIS AGREEMENT BY CUSTOMER TO COMPANY DURING THE SIX-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT THAT GAVE RISE TO THE CLAIM.
17. **Default Remedies.** Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) failure by Customer to make payment when due of any indebtedness to Company or for the Products, whether or not arising under this Agreement, without notice or demand by Company; (b) breach by Customer of any obligation herein; or (c) if Customer ceases doing business as a going concern. If Customer defaults, Company may: (1) require future Services, including Supplies, be paid for in advance; (2) require Customer to immediately pay the amount of the remaining unpaid balance of the Agreement; (3) terminate any and all agreements with Customer, and/or (4) pursue any other remedy permitted at law or in equity. In the Event of Default, remaining payment amounts due will be calculated using the average of the last six months' billing or the amount set forth on the face of the Agreement, whichever is greater, multiplied by the remaining months of the Agreement, to compensate for loss of bargain and not as a penalty. Customer agrees that any delay or failure of Company to enforce its rights under this Agreement does not prevent Company from enforcing any such right at a later time. All of Company's rights and remedies survive the termination of this Agreement. In the event of a dispute arising out of this Agreement or the Products listed herein, should it prevail, Company shall be entitled to collection of its reasonable costs and attorneys' fees incurred in defending or enforcing this Agreement, whether or not litigation is commenced.
18. **Assignment.** Customer may not sell, transfer, or assign this Agreement without the prior written consent of Company. Company may sell, assign or transfer this Agreement.
19. **Notices.** All notices required or permitted under this Agreement shall be by overnight courier such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice shall be effective two (2) days after it has been sent via overnight courier.
20. **Indemnification.** Each party, if promptly notified by the other and given the right to control the defense, shall indemnify, defend and hold harmless the other party, its affiliates, and their respective officers, directors, employees, agents, successors and assigns, from and against all claims by a third party for losses, damages, costs or liability of any kind (including expenses and reasonable legal fees) that a court finally awards such party ("Claims") for bodily injury (including death) and damage to real or tangible property, to the extent proximately caused by the negligent acts or omissions, or willful misconduct of the indemnifying party (or its affiliates) in connection with this Agreement.
21. **Full/Partial Execution.** A faxed or electronically transmitted version of this Agreement may be considered the original and Customer will not have the right to challenge in court the authenticity or binding effect of any faxed or scanned copy or signature thereon. This Agreement may be signed in counterparts and all counterparts will be considered and constitute the same Agreement.
22. **Waiver to Execute.** Each party represents and warrants to the other, as an essential part of this Agreement, that: (i) it is duly organized and validly existing and in good standing under the laws of the state of its incorporation or formation; (ii) this Agreement has been duly authorized by all appropriate corporate action for signature; and (iii) the individual signing this Agreement is duly authorized to do so.
23. **Miscellaneous.** (a) Choice of Law. This Agreement shall be governed by the laws of the state of CA (without regard to conflict of laws principles); (b) Jury Trial. THE PARTIES EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS AGREEMENT; (c) Entire Agreement. This Agreement constitutes the entire agreement between the parties with regards to the subject matter herein and supersedes all prior agreements, proposals or negotiations, whether oral or written; (d) Enforceability. If any provision of this Agreement is unenforceable, illegal or invalid, the remaining provisions will remain in full force and effect; (e) Amendments. This Agreement may not be amended or modified except by a writing signed by the parties; provided Customer agrees that Company is authorized, without notice to Customer, to supply missing information or correct obvious errors provided that such change does not materially alter Customer's obligations; (f) Force Majeure. Company shall not be responsible for delays or inability to provide Products or Services caused directly or indirectly by strikes, accidents, climate conditions, parts availability, unsafe travel conditions, or other reasons beyond Company's control.

Initials

XEROX® ADVANCED MANAGED PRINT SERVICES STATEMENT OF WORK

THIS XEROX® ADVANCED MANAGED PRINT SERVICES STATEMENT OF WORK ("AMPS SOW" or "this SOW") is hereby attached to and made a part of the SSA and/or MSA ("Agreement") entered into by and between MRC Smart Technology Solutions, Inc. ("Company") and CITY OF ESCONDIDO ("Customer"), collectively the "Parties", to add the AMPS as further described herein. The effective date of this AMPS SOW is 04/18/2025. Except as expressly set forth herein, the Agreement's terms and conditions are incorporated herein and shall govern the provision of AMPS pursuant to this AMPS SOW.

1. **DEFINED TERMS** - Terms defined within the Agreement and used herein shall have the meaning set forth in the Agreement unless expressly set forth otherwise below.

Company – Refers to the Company identified in the Agreement and referenced above, and operationally may include or refer to its affiliates executing Services on its behalf.

In-Scope AMPS Equipment – AMPS-Eligible Equipment installed in the Sites and managed by Company as defined by the Xerox Tools under this AMPS SOW.

Xerox® Advanced Managed Print Services (AMPS) – Services provided by Company under this XPSAS SOW on In-Scope AMPS Equipment, which include proactive meter reads, proactive Supplies requests, and proactive break/fix requests.

Xerox® Support Assistant – An app running on a Xerox ConnectKey printer that shows the user the status of AMPS Incidents, and enables the user to raise new Incidents or submit meter reads into the AMPS process.

2. **SERVICES DESCRIPTION** – AMPS provides proactive meter reads, proactive Supplies requests, and proactive break/fix requests for In-Scope AMPS Equipment.
 - a. Company shall operate the Xerox's Service Desk Support during Company's normal business hours on Company's business days. Service Desk Support includes receipt of Service Calls by service provider. Service Calls may be generated from automatic alerts from In-Scope Devices (**Proactive Service Call**) or from the web portal by a Customer or Reseller or by telephone (**Reactive Service Call**).
 - b. To enable Company to provide the expected proactive Services and Supplies, Customer agrees to the use of a monitoring tool (see Xerox Tools). Customer ensures the selected tool continues to run and/or connects to their network and devices. Company is available for technical support of that tool, and the operation and maintenance of any Cloud component.
 - c. If the chosen device management solution is Xerox Workplace Cloud Fleet Management ('CFM'), then by agreeing to this AMPS SOW You also agree to terms as defined in the following end user licensing agreement, as well as any periodic updates thereto, relating to the use of Xerox Tools to deliver the AMPS covered in this AMPS SOW. Company and/or Xerox Corporation reserve the right to update these terms at any time.

www.xerox.com/downloads/usa/en/x/XWC-and-CFM-Terms-of-Service-and-EULA.pdf

For other solutions, Terms and Conditions will be presented in the tool User Interface itself during implementation.

3. **XEROX TOOLS** - Company may utilize one or more of the following Xerox Tools to provide AMPS:
 - a. Xerox Workplace Cloud Fleet Management solution ("CFM") – software that provides device data for monitoring of supplies, break/fix and meters and allows policy-based compliance to automate print fleet security; remote setting configuration; and security, patch and password management.
 - b. Xerox Device Agent ("XDA") is an application that enables the monitoring and assessment of the status and output of In-Scope Devices.
 - c. Xerox Device Manager ("XDM") - an application that enables the monitoring and assessment of the status and output of In-Scope Devices.
 - d. Xerox Device Direct ("XDD") - an application is embedded in the firmware of certain devices that allows In-Scope AMPS Equipment to automatically communicate Device Data to Xerox for monitoring purposes.

Initials

- e. Xerox Services Manager ("XSM") – a Web-based application providing Company with data enabling centralized asset tracking; device and supplies monitoring; and break/fix incident management.
 - f. Xerox Report Manager ("XRM") - an application that allows standard and custom reporting from XSM.
 - g. Fleet Management Portal ("FMP") - an online portal that provides program and device status and analytics.
 - h. Xerox MPS Advanced Analytics ("MPS AA") - a cloud-based reporting tool that presents data in a business intelligence format
4. **TERM** - Unless otherwise stated herein or in the Agreement, the term of this AMPS SOW shall be the same as the Term of the Agreement.
5. **CHARGES** – Charges for AMPS are set forth in the signed Agreement to which this AMPS SOW is attached and are exclusive of any and all applicable Taxes.
6. **CHANGES** – To the extent that the Parties wish to add or make modifications to this AMPS SOW, all such changes will be documented in a AMPS SOW Amendment signed by both Parties.
7. **ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO AMPS SOW –**
- a. **ADDITIONAL WARRANTY DISCLAIMER** – IN ADDITION TO THE WARRANTIES AND DISCLAIMERS IN THE AGREEMENT, THE FOLLOWING SHALL APPLY TO AMPS: EXCEPT AS STATED IN THE AGREEMENT, COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, REGARDING THE PERFORMANCE OF AMPS , AND COMPANY DOES NOT WARRANT THAT AMPS WILL BE COMPATIBLE WITH ALL OF CUSTOMER'S SOFTWARE, OR WILL MEET CUSTOMER'S REQUIREMENTS, OR WILL BE ERROR FREE.

If there is a conflict between the contents of the Agreement and this AMPS SOW, this SOW shall control but only with respect to the provision of AMPS.

The terms and conditions of this AMPS SOW apply only to the provision of the AMPS, and do not affect, amend, or modify any of the provision of any other Services under the Agreement.

*** Signature Page Follows ***

MRC Smart Technology Solutions, Inc.	CITY OF ESCONDIDO
Print Name: _____	Print Name: _____
Print Title: _____	Print Title: _____
Sign: _____	Sign: _____
Date: _____	Date: _____

Initials

Appendix 1 - Service Desk Support Activities - Table One

Activity	Service Desk Support Xerox/XBS
Receive and log Service Call in Fleet Management Portal (FMP)	✓
Monitor Proactive Service alerts *** on network connected compliant In-Scope Devices with fault reporting capability	✓
Collect and log Call Data*	✓
Undertake basic diagnosis including web troubleshooting processes via Remote Call Assist (RCA) where the In Scope Device contains features that enable remote diagnosis and repair of problems and log activity	✓
Validate requests for consumables against entitlement, e.g., volume and order history	✓
Escalation to Level 2 Support within XSM with Call Data if RCA is unsuccessful	✓
Arrange shipment of Consumable to Customer	✓
Arrange advanced remote diagnosis with Customer upon Service Call using RCA and log activity on XSM	✓
Follow up daily on progress of Service Call (Level One Support/Level Two Support follow up on the tickets owned at that stage)	✓
Log activities on open ticket on XSM (by the Level that owns the ticket at that stage)	✓
Close ticket (by the Level that owns the ticket at that stage)	✓

* **Call Data** means Asset Tag Number (required); Serial Number (required); Customer Service Centre/Customer end user name (required); Customer Service Centre/Customer end user contact number; (required); Incident statement (required); Fault Type (required where break fix incident), Customer Service Centre/Customer end user email address; Device location; Internal reference number (if applicable); and meter reads. Call Data is Customer Data

Assumptions:

*** Advanced MPS Services, pro-active supplies and break/fix support, proper functioning of and data availability for the Xerox Tools and performance levels are dependent on active monitoring tools, such as XDA, XDM, XDD or CFM. It's the Customer's responsibility to keep such tools connected to the in-scope devices.

Initials

Xerox Financial Services LLC
201 Merritt 7
Norwalk, CT 06851

**State and Local Government
Master Lease Schedule - Cost Per Image**

xerox™

Supplier Name & Address: MRO Smart Technology Solutions, Inc. - 5857 Copley Drive San Diego, CA 92111				Master Lease Agreement Number:	
Owner: XEROX FINANCIAL SERVICES LLC - 201 Merritt 7, Norwalk, CT 06851				Agreement No:	
CUSTOMER INFORMATION					
Full Legal Name: CITY OF ESCONDIDO				Phone Number:	
Address: 201 N BROADWAY		City: ESCONDIDO		State: CA	Zip: 92025
Contact Name:		Contact Email:			
Accounts Payable Contact Name:		Accounts Payable Contact Email:			
EQUIPMENT					
Quantity	Model and Description		Quantity	Model and Description	
<input checked="" type="checkbox"/> See Attached Schedule A Equipment Location (if different from Billing Address):					
METER AND/OR POOL INFORMATION:					
Meter/Pool Name:	Allowance:	Excess Rate:	Meter/Pool Name:	Allowance:	Excess Rate:
Excess Image Charge Billing Frequency (Monthly if not noted): <input checked="" type="checkbox"/> See Attached Schedule A					
TERM		PAYMENT - (Monthly frequency unless otherwise noted)		PURCHASE OPTION - (RMV UNLESS OTHERWISE NOTED)	
Initial Term: (IN MONTHS)	60 months	\$0.00 Monthly (plus applicable taxes)		<input checked="" type="checkbox"/> \$1 Purchase Option	
CUSTOMER ACCEPTANCE					
BY YOUR SIGNATURE BELOW, YOU ACKNOWLEDGE THAT YOU ARE AN AUTHORIZED SIGNER, ARE ENTERING INTO A NON-CANCELABLE AGREEMENT AND THAT YOU HAVE READ AND AGREED TO ALL APPLICABLE TERMS AND CONDITIONS ON PAGES 1 AND 2 (AND 3 IF APPLICABLE) OF THE MASTER LEASE AGREEMENT.					
Authorized Signer X:			Federal Tax ID: (Required)		
Print Name:		Title:	Date:		
OWNER ACCEPTANCE					
Accepted By: Xerox Financial Services LLC		Name and Title:		Date:	
TERMS & CONDITIONS					

Pursuant to that State and Local Government Master Lease Agreement Number indicated above ("Agreement") between you and XFS, the terms and conditions of which are fully incorporated into this Schedule, you hereby agree to Lease such Equipment from XFS effective the Acceptance Date corresponding to this Schedule for the Term specified above, and you agree to pay XFS the Payments in the amounts and at the times specified above for each item of Equipment. This Schedule is attached to and constitutes a part of the Agreement and all of the terms used herein which are defined in the Agreement shall have the same meaning as so defined.

This Equipment Schedule "A" is attached to and becomes a part of the Agreement Number listed below, between Xerox Financial Services LLC and the undersigned Customer.

Agreement Number:

EQUIPMENT			
Quantity	Model and Description	Location	Meter Pools
METER POOL INFORMATION			
Name	Allowance	Excess Rate	Excess Frequency

OTHER		
Quantity	Model and Description	Equipment Location

This Schedule "A" is hereby verified as correct by the undersigned Customer

Customer: CITY OF ESCONDIDO	
Authorized Signature X:	Date:
Name:	Title:

XEROX BUSINESS SOLUTIONS \$1.00 PURCHASE OPTION ADDENDUM

AGREEMENT

Addendum to Agreement # _____, between _____, as Customer and _____, as Lessor. The words "you" and "your" refer to Customer. The words "we," "us" and "our" refer to Lessor. This Addendum supersedes all other end of term options contained in the Agreement. This Addendum is specific to the aforementioned Agreement # _____ and shall not be incorporated into any future supplements/schedules thereto.

The parties wish to amend the above-referenced Agreement by adding the following language:

Provided that no event of default under the Agreement has occurred and is continuing, you shall have the option to purchase the Equipment at the end of the original term for \$1.00. At the end of the term, title to the Equipment will automatically transfer to you, AS IS, WHERE IS, with no warranties of any kind.

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

Lessor

Customer

Signature

X

Signature

Title

Date

Title

Date

City of Escondido

Executive Summary of RFP No. 25-06

April 2025

Overview

The RFP included the following components.

- Part A: Copier/MFD/Software
- Part B: Networked Printer Fleet
- Part C: Color Production MFD

Financial Impact

	Current Annual Spend	RFP Results Expected Annual Costs
Copier/MFD/Software (software is net-new going forward)	\$70,793	\$63,880
Printer/MFP Service + Supplies	\$18,358	\$15,416
Color Production MFD	\$28,692	\$17,066
Wide Format Copy/Print/Scan	-	\$4,754
Totals	\$117,843	\$101,116
Expected Annual Savings		\$16,727

Project Team

A team consisting of Robert Van De Hey, Pamela Hysten, Davina Mays, and Heather Inns was formed to evaluate the current requirements, develop a sourcing strategy, and to evaluate vendor responses. Optimizon assisted the City with the creation and distribution of the RFP to interested vendors.

RFP Objectives

The objectives of the RFP were:

- To replace devices that are reaching the end of life
- To gather pricing for device management and usage tracking software
- To establish a new service/supplies contract for the existing networked printer/MFPs fleet
- To replace Duplicating's color production device that has a lease ending
- To enable secure printing and printing for field staff.

RFP Process

The RFP was issued with 3 components to maximize the number of potential participants and to allow the City to put the best contracts in place. The RFP was advertised per City requirements. RFP packets were sent to 12 responding vendors, and the scoring criteria was shared with the vendors.

Vendors

The RFP instructions and packets were posted on the City's website as per City and State requirements. The following table lists the vendors who were invited and those who provided complete proposals.

Vendor	RFP 25-06: Part A	RFP 25-06: Part B	RFP 25-06: Part C
All Copy Products	non-responsive	non-responsive	non-responsive
Canon USA Inc.	complete	complete	complete
CBE Office Solutions/Flex technology Group	complete	complete	complete
Circle Inc.	non-responsive	non-responsive	non-responsive
Kyocera Document Solutions West	complete	complete	complete
Pacific Office Solutions	complete	complete	complete
Sharp Business Systems	complete	complete	complete
Signa Digital Solutions	non-responsive	non-responsive	non-responsive
South Coast Copy Systems	complete	non-responsive	non-responsive
Toshiba Business Solutions	non-responsive	non-responsive	non-responsive
Visual Edge IT	non-responsive	non-responsive	non-responsive
Xerox Business Solutions Southwest (Dahill)	complete	complete	complete

RFP Process

The RFP evaluation included two rounds of scoring.

Round 1:

Analysis was conducted based on each vendor's response to the terms and conditions, pricing for a period of (5) years, and equipment configurations.

The scoring criteria was shared with the vendors, and the proposals were scored as follows:

Each question in the RFP was assigned a rank according to importance, and each category was assigned an overall percentage of importance. City of Escondido and Optimizon carefully analyzed each proposal and assigned a score to each vendor's response in each area.

The total weighted scores and ranking for each proposal for Round 1 were as follows:

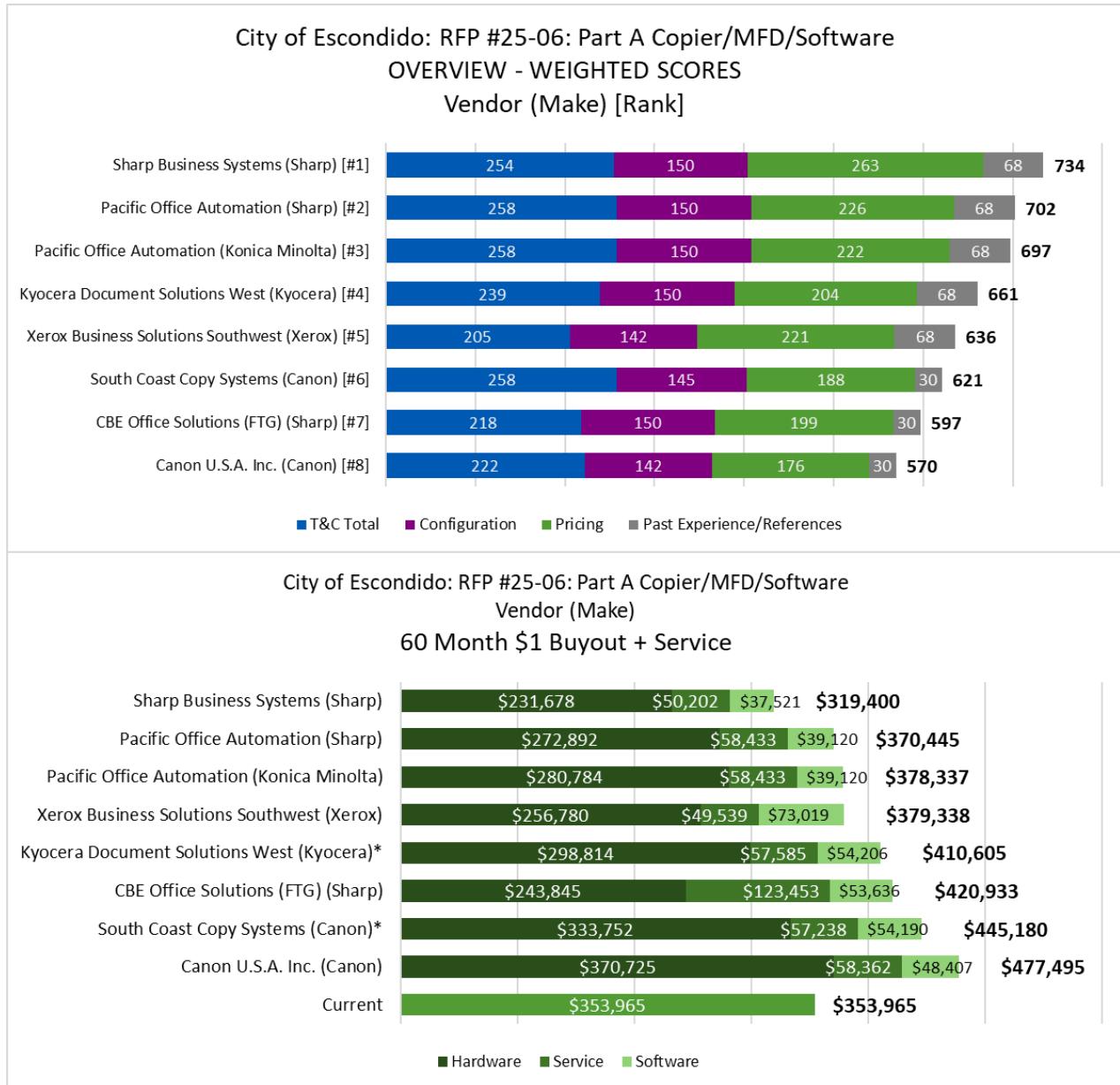
Part A: Copier/MFD/Software:	Round 1: Total Score	Rank	Round 1 Outcome
Sharp Business Systems (Sharp)	734	1	Advance to Round 2
Pacific Office Automation (Sharp)	702	2	Advance to Round 2
Pacific Office Automation (Konica Minolta)	697	3	Advance to Round 2
Kyocera Document Solutions West (Kyocera)	661	4	Advance to Round 2
Xerox Business Solutions Southwest (Xerox)	636	5	Advance to Round 2
South Coast Copy Systems (Canon)	621	6	
CBE Office Solutions (FTG) (Sharp)	597	7	
Canon Solutions America (Canon)	570	8	
Total Possible	750		

Part B: Networked Printer Fleet:	Round 1: Total Score	Rank	Round 1 Outcome
Xerox Business Solutions Southwest	543	1	Advance to Round 2
Pacific Office Automation	506	2	Advance to Round 2

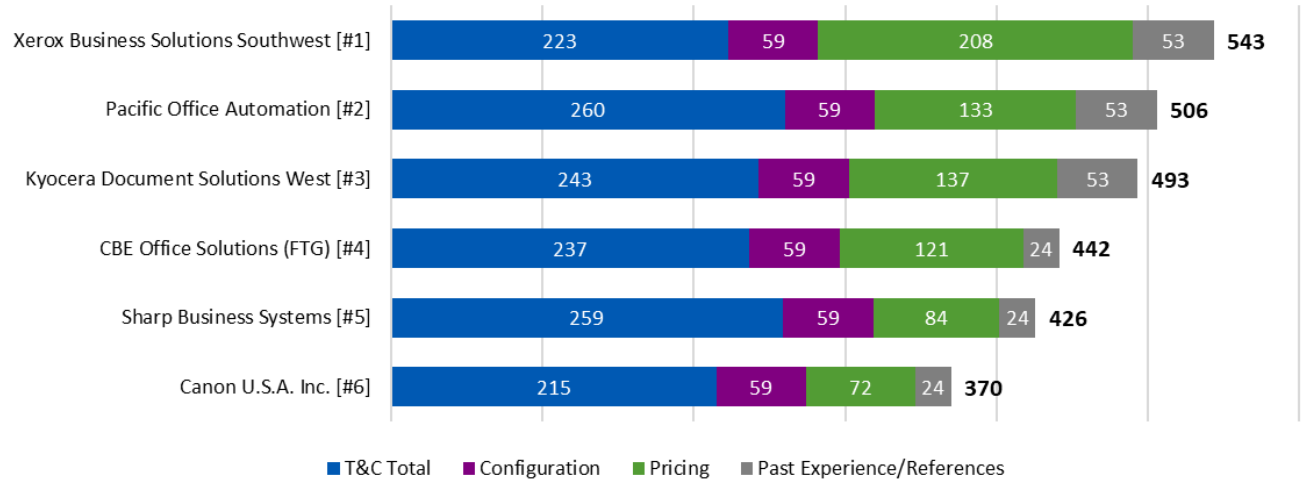
Kyocera Document Solutions West	493	3	Advance to Round 2
CBE Office Solutions (FTG)	442	4	
Sharp Business Systems	426	5	
Canon Solutions America	370	6	
Total Possible	594		

Part C: Color Production MFD:	Round 1: Total Score	Rank	Round 1 Outcome
Sharp Business Systems (Sharp BP-90C80)	643	1	Advance to Round 2
Xerox Business Solutions Southwest (Xerox Versant 280)	620	2	Advance to Round 2
Canon Solutions America (Canon V800)	553	3	
Pacific Office Automation (KM AccurioPress C4080)	531	4	
CBE Office Solutions (FTG) (Sharp BP-90C80)	528	5	
Kyocera Document Solutions West (Kyocera TASKalfa 8353ci)	526	6	
Total Possible	720		

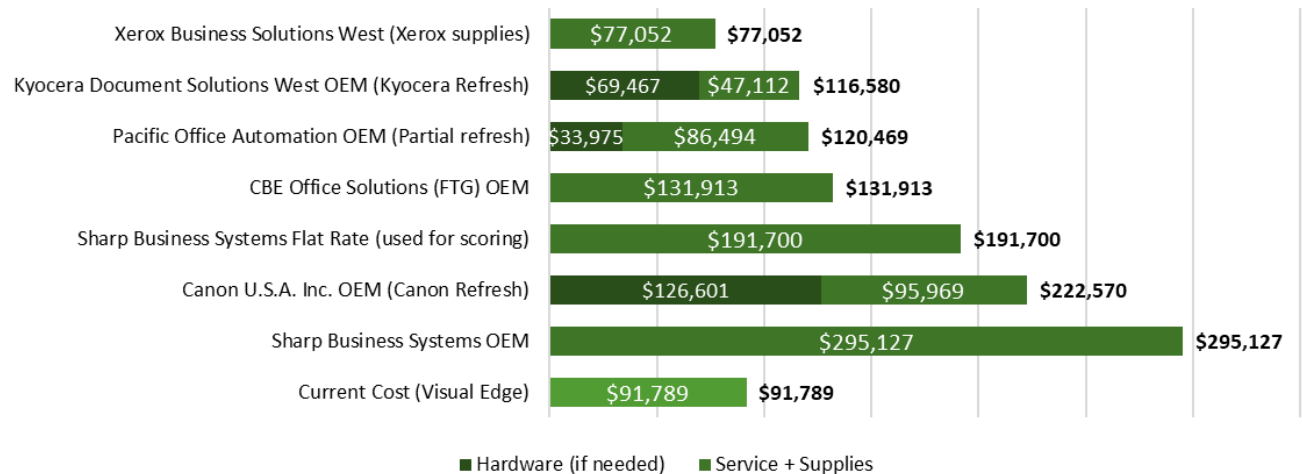
The charts below show the vendors' scores and pricing following the Round 1 scoring.

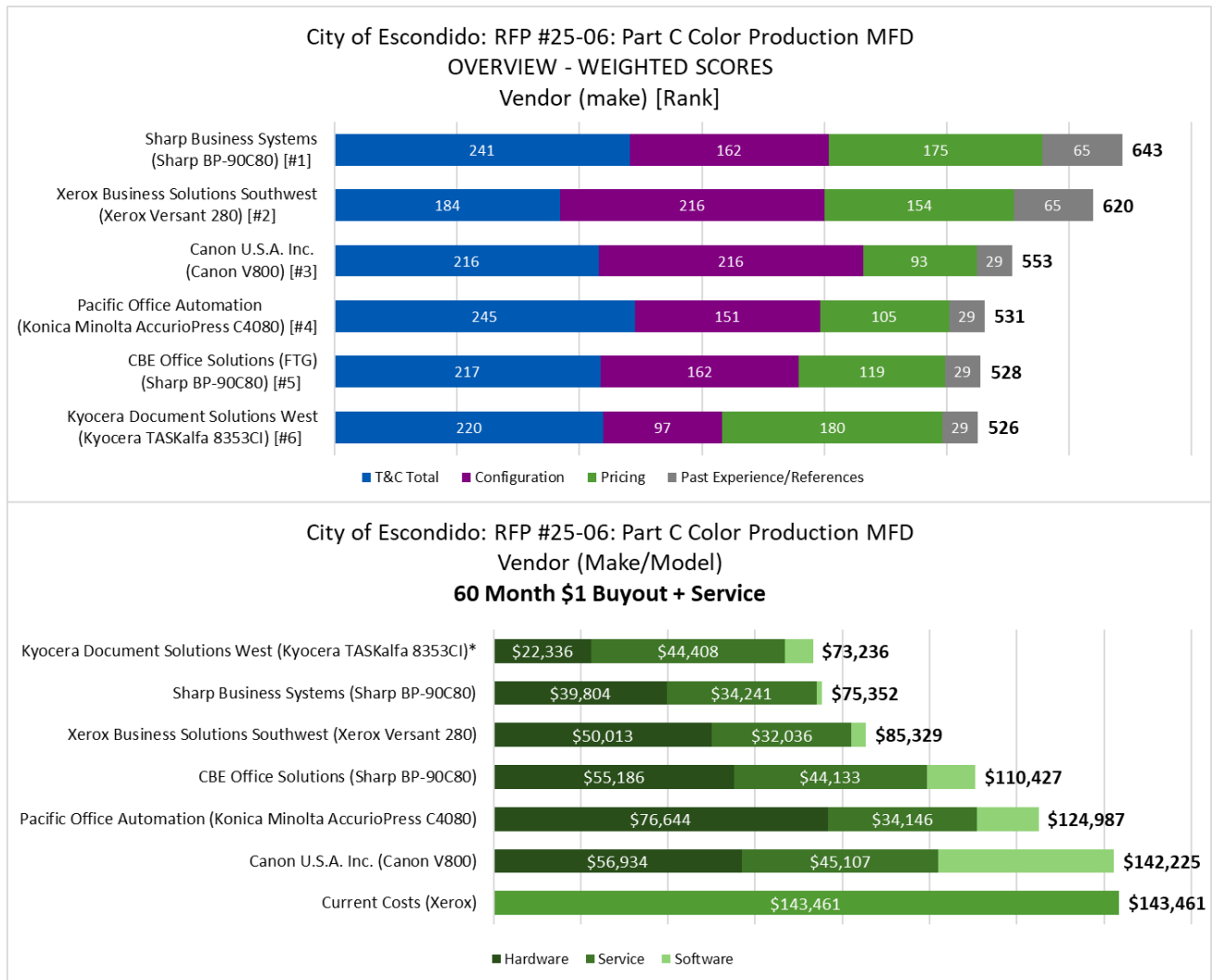


City of Escondido: RFP #25-06: Part B Networked Printer Fleet
OVERVIEW - WEIGHTED SCORES
Vendor (make) [Rank]



City of Escondido: RFP #25-06: Part B Networked Printer Fleet
Vendor (Supply Type)
60 Month Service + Supplies



**Round 2:**

The vendors who advanced to Round 2 each participated in a vendor interview. These vendors were provided with a set of questions and were asked to prepare a presentation to address the questions along with a brief demonstration of their proposed copier/MFD devices and software.

The criteria used for the interviews included:

- 30% for Vendor Reputation and Stability (market research, references)
- 50% for Service and Support (software, addressing problems, quarterly reviews)
- 20% for Environmental and Social Responsibility (recycling program)

The vendors received the following scoring based on the interviews:

Part A: Copier/MFD/Software	Score
Sharp Business Systems (Sharp)	4.3
Xerox Business Solutions Southwest (Xerox)	4.3
Pacific Office Automation (Sharp)	3

Kyocera Document Solutions West (Kyocera)	3.6
Pacific Office Automation (Konica Minolta)	3
Total Possible	5

Part B: Networked Printer Fleet	Score
Xerox Business Solutions Southwest	4.3
Kyocera Document Solutions West	3.6
Pacific Office Automation	3
Total Possible	5

Part C: Color Production MFD	Score
Xerox Business Solutions Southwest (Xerox Versant 280)	4.3
Sharp Business Systems (Sharp BP-90C80)	4.3
Total Possible	5

While all the vendors have a footprint in the San Diego County market, Sharp and Xerox were able to outline how they are prepared to meet the City of Escondido's needs, identify potential blockers and solutions including detailed quarterly meetings covering usage and possible areas of savings, how to deal with personnel issues when providing service and support, device training, and what their recycling programs mean for any environmental initiatives.

Following the interviews, Sharp and Xerox were chosen to participate in onsite demonstrations, and the finalists were narrowed down as follows:

- Part A Finalists:
 - Sharp Business Systems (Sharp)
 - Xerox Business Solutions Southwest (Xerox)
- Part B Finalist:
 - Xerox Business Solutions Southwest
- Part C Finalists:
 - Xerox Business Solutions Southwest (Xerox Versant 280)
 - Sharp Business Systems (Sharp BP-90C80)

For Part A, the finalists were invited to conduct onsite testing. Based on user feedback following onsite testing, it was determined that the Sharp offering was preferable to the Xerox offering.

The evaluation for Part B did not include any onsite testing, due to the nature of the service to be provided.

For Part C, the City visited the vendor locations for additional demonstrations and testing. Based on user feedback following the additional demonstrations and testing, it was determined that the Xerox offering was preferable to the Sharp offering.

Award Recommendation Summary

Part A

Sharp Business Systems is the top-ranking vendor for RFP #25-06 Part A, and the recommendation is to award this component to Sharp Business Systems for all hardware segments except for the Wide Format Color Printer. That segment, as specified in the RFP, will not be awarded.

In addition to offering competitive pricing, Sharp Business Systems offered terms and equipment that meet the City's requirements. The City conducted an onsite demonstration of the Sharp hardware, and the users provided positive feedback and indicated a preference for the Sharp hardware above Xerox hardware.

Part B

Xerox Business Solutions Southwest is the top-ranking vendor for RFP #25-06 Part B, and the recommendation is to award this component to Xerox.

Xerox offered the most competitive pricing for this component with the least amount of disruption to the current fleet, which the City hopes to consolidate further over time.

Part C

Xerox Business Solutions Southwest is the top-ranking vendor for RFP #25-06 Part C, and the recommendation is to award this component to Xerox.

In addition to offering competitive pricing, Xerox Business Solutions Southwest offered terms and equipment that meet the City's requirements. The City conducted visited showrooms to test the Xerox and Sharp equipment in for this component, and the users provided positive feedback and indicated a higher level of confidence in the Xerox hardware as compared to the Sharp hardware.

Additionally, during this process, a request from several departments was raised to add a shared cross-departmental wide format color printer. The specifications differed from the wide format segment that had been included in Part A of the RFP. An offering from Xerox Business Solutions Southwest was determined to best meet the needs of the City; the users preferred the quality and features of the KIP device proposed by Xerox. The price for this device will be as follows:

Vendor	Wide Format Device	Purchase Price	60 Month Service Cost	Total	Notes
Xerox Business Solutions Southwest	KIP 740C	\$20,171.48	\$3,600.00	\$23,771.48	Ink included



STAFF REPORT

May 21, 2025
File Number 0480-70

SUBJECT

AUTHORIZE SUPPORT LETTER FOR AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES GRANT APPLICATION

DEPARTMENT

Development Services

RECOMMENDATION

Request the City Council adopt Resolution No. 2025-59 authorizing the City Engineer to submit a letter of support for the Affordable Housing and Sustainable Communities grant application which will be submitted to the State in May.

Staff Recommendation: Approval (Chris McKinney, Interim Development Services Director/ Deputy City Manager)

Presenter: Jonathan Schauble, City Engineer

ESSENTIAL SERVICE – Yes, Public Works/Infrastructure

COUNCIL PRIORITY – Improve Public Safety

FISCAL ANALYSIS

If the grant application is successful, the City will receive grant funds to construct sidewalk in the vicinity of Felicita Elementary School, and along 9th Avenue from Spruce to Upas. The potential grant funds for these sidewalk improvements are estimated to be between \$1 million and \$2 million.

PREVIOUS ACTION

None

BACKGROUND

The Affordable Housing and Sustainable Communities (“AHSC”) grant program is funded by the California Department of Housing and Community Development. This grant program is designed for developers to collaborate with local agencies to receive grant funds for both parties to build sustainable facilities. The developer would use their grant funds to build affordable housing, while the City would use its grant funds



CITY of ESCONDIDO

STAFF REPORT

to construct sustainable transportation infrastructure such as sidewalks and bike improvements in the area of the development.

In this case, the Metropolitan Area Advisory Committee, Inc. (“MAAC”) is applying for the AHSC Grant. If successful, MAAC is proposing to build 180 affordable dwelling units and a daycare/pre-school at 332 S. Escondido Boulevard. The City is proposing to use its share of the grant funds to construct concrete sidewalks at two locations in the vicinity of the development project:

1. Approximately 1,400 linear feet of sidewalk around 2 sides of the Felicita Elementary School block, along Redwood Street and 15th Avenue.
2. Approximately 2,005 linear feet of sidewalk along 9th Avenue, from Spruce to Upas.

The sidewalk near Felicita Elementary has been identified in the City’s draft Comprehensive Active Transportation Strategy as part of its Safe Routes to Schools Recommendations. Also, the 9th Avenue pedestrian corridor is important because it is one of a limited number of pedestrian passages under I-15.

As a requirement of the grant application, the City must provide a letter of support for MAAC’s application for an Affordable Housing and Sustainable Communities Grant. An example of the letter of support is attached as Exhibit “A” to the Resolution.

RESOLUTIONS

- a) Resolution No. 2025-59
- b) Resolution No. 2024-59—Exhibit “A”— Letter of Support for MAAC’s Grant Application

RESOLUTION NO. 2025-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ESCONDIDO, CALIFORNIA, AUTHORIZING THE CITY
ENGINEER TO SUBMIT A LETTER OF SUPPORT FOR THE
AFFORDABLE HOUSING AND SUSTAINABLE
COMMUNITIES GRANT APPLICATION

WHEREAS, the City is interested in receiving grant funds to construct sidewalk at two locations
as listed below:

1. Approximately 1,400 linear feet of sidewalk around 2 sides of the Felicita Elementary School block,
along Redwood Street and 15th Avenue; and
2. Approximately 2,005 linear feet of sidewalk along 9th Avenue, from Spruce to Upas; and

WHEREAS, Metropolitan Area Advisory Committee, Inc. ("MAAC") is applying for an Affordable
Housing and Sustainable Communities Grant, which could lead to the City receiving grant funds for the
sidewalk improvements listed above; and

WHEREAS, it is in the City's best interest to submit a letter of support for MAAC's application for
an Affordable Housing and Sustainable Communities Grant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as
follows:

1. That the above recitations are true.
2. That the City Engineer is authorized to submit, on behalf of the City, a letter of support
for MAAC's grant application, an example of which is attached and incorporated to this Resolution as
Exhibit "A".

[example letter on City letterhead]

May 21, 2025

SUBJECT: Ascencia - Affordable Housing and Sustainable
Communities (AHSC) Grant Application

Dear Executive Director,

The City of Escondido routinely pursues grant funding and collaboration efforts that align with our General Plan, Climate Action Plan, and our safety and mobility goals. Therefore, we are excited to collaborate with MAAC, Inc. to improve active transportation and mobility in the vicinity of the 332 S. Escondido Boulevard development area.

The City understands that MAAC, Inc. will apply for grant funding through the State of California's AHSC grant program for Sustainable Transportation Infrastructure. The City is proposing to use its share of the grant funds to construct concrete sidewalks at two locations in the vicinity of the development project:

1. Approximately 1,400 linear feet of sidewalk around 2 sides of the Felicita Elementary School block, along Redwood Street and 15th Avenue.
2. Approximately 2,005 linear feet of sidewalk along 9th Avenue, from Spruce to Upas.

If MAAC's application for AHSC grant funding is successful, the City will take the required actions to enter into any necessary agreements to facilitate using the grant funds to complete the improvements listed above.

Furthermore, I am writing to verify that the two sidewalk locations listed above are entirely within the City Right of Way, and the City has sitecontrol.

Thank you,

Jonathan Schauble, PE
City Engineer
City of Escondido



STAFF REPORT

Item 8.

May 21, 2025

File Number 0430-25

SUBJECT

FISCAL YEAR 2025/26 OPERATING BUDGET BRIEFING

DEPARTMENT

Finance

RECOMMENDATION

Request the City Council provide direction regarding the Fiscal Year 2025/26 Operating Budget.

Staff Recommendation: Provide Direction (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

The Preliminary FY2025/26 Annual Operating Budget document can be viewed on the City's website at: <https://www.escondido.gov/361/Current-Budget-Information>

ANALYSIS

The City's annual budget process begins around December each year with an update of the budgetary forecast and the General Fund Multi-Year Financial Plan.

The financial forecast takes a look forward at the City's General Fund revenues and expenditures. The purpose of the forecast is to identify financial trends, shortfalls, and potential issues so the City can proactively address them. The forecast provides a snapshot of what the future will look like, projecting the fiscal result of maintaining the City's current service levels and policies.

Operating revenue has not kept pace with the growing costs of providing City services, and as a result the General Fund long-term financial plan has projected annual deficits creating a structural budget deficit. To address this projected shortfall, the City has maintained a hardline on expenditures and staff are continuously seeking measures that ensure efficiency, while enhancing basic operations. In addition, since the Great Recession, the City has controlled costs by annually deferring maintenance and capital project costs. In FY2023/24 to close a \$11,295,840 general fund budget deficit and continue to provide essential City services, reserve balances were used as well as deferring major purchases to future years.



CITY of ESCONDIDO

STAFF REPORT

In FY2024/25, ten (10) full-time vacant positions were eliminated and both the Library and California Center for the Arts were removed from the General Fund and were funded with American Rescue Plan Act Funds, a one-time source of funds that expire on December 31, 2026.

Revenue-generating opportunities have been explored and some fully implemented with the approval of the City Council. This includes the approval of a short-term rental program, joining the paramedic Ground Emergency Medical Transportation Program, and moving the User Fee schedule to full cost recovery effective September 2024.

FY2025/26 PRELIMINARY OPERATING BUDGET

Despite all of these measures, and the City's efforts to fund projects with grants and other sources of one-time funds, it has not been enough to meet growing costs and demand for services. As noted earlier, General Fund operating revenue is not keeping pace with the growing costs of providing city services; annual General Fund budget deficits are projected to exceed \$10 million annually growing to \$24 million by FY2035.

In the November 2024 election, a citizens group was successful in placing Measure I on the ballot which voters approved with 61.12 percent (%) in favor. Measure I is a one-cent general sales tax that increases the sales tax rate in Escondido from 7.75 percent (%) to 8.75 percent (%) and has a 20-year sunset. Voters approved Measure I to provide funding for essential city services, the following items were listed in the ballot measure:

- Providing public safety
- Addressing homelessness
- Improving streets, sidewalks, and infrastructure
- Increasing police, fire, and paramedic services
- Reducing traffic congestion
- Maintaining parks, trails, and open space

During the preliminary operating budget workshop, staff will present the steps taken to address the General Fund budget deficit while preserving current programs and services. Staff will also present recommendations for initial investments from Measure I funds to address the essential city services identified in the Measure I ballot language.



STAFF REPORT

May 21, 2025
File Number 0120-10

SUBJECT

BOARD AND COMMISSION APPOINTMENTS

DEPARTMENT

City Clerk's Office

RECOMMENDATION

Request the City Council ratify the Mayor's appointments to serve on the Library Board of Trustees, Planning Commission, Public Art Commission and Transportation and Community Safety Commission.

Staff Recommendation: None (City Clerk's Office: Zack Beck, City Clerk)

Presenter: Zack Beck, City Clerk

ESSENTIAL SERVICE – Yes, Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

COUNCIL PRIORITY – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

BACKGROUND

On May 7, 2025 and May 14, 2025, the City Council conducted interviews of candidates that applied to serve on the City's Boards and Commissions.

All Board and Commission appointments will be for a term of two (2) years with the exception of the Library Board of Trustees, who serve three (3) year terms. The Planning Commission appointment will be for the one (1) remaining year of an unscheduled vacancy.

In accordance with State law, the Mayor will nominate members for each Board or Commission and the City Council will vote to ratify those nominations.

KEY-

CONSENT CALENDAR CURRENT BUSINESS
PUBLIC HEARING WORKSHOP PROCLAMATION

Item 10.



CITY of ESCONDIDO

FUTURE AGENDA

5/28/2025 - NO MEETING (MEMORIAL DAY)