"The City With a Heart"

Rico E. Medina, Mayor
Sandy Alvarez, Vice Mayor
Tom Hamilton, Councilmember, District 2
Michael Salazar, Councilmember, District 3
Marty Medina, Councilmember, District 4

AGENDA
SAN BRUNO CITY COUNCIL REGULAR MEETING
June 23, 2026
7:00 PM

IN PERSON* MEETING LOCATION	****Zoom Link**
San Bruno Recreation and Aquatic Center, Community Room 251 City Park Way San Bruno, CA 94066 *Please turn off all electronic devices before the start of the meeting to prevent disruptions*	https://sanbruno-ca-gov.zoom.us/j/89413431794?pwd=DZaDc6gaFxDOgJ2oe4DhPh3gbrCaGv.1 **Phone Line:** 1-646-558-8656 **Webinar ID:** 894 1343 1794 **Webinar Password:** 820329 *Broadcast of the meeting is offered via Zoom as a courtesy to the public. **No public comment accepted via Zoom.

PUBLIC COMMENT: In person attendees who want to provide public comment, will be asked to fill out a speaker card and turn it into the City Clerk. Public comment may also be emailed to CityClerk@sanbruno.ca.gov. Comments received via email will not be read aloud during the meeting.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the City Clerk's Office 48 hours prior to the meeting at (650) 616-7061 or CityClerk@sanbruno.ca.gov.

*Any disclosable public writings related to an open session item on a regular meeting agenda and distributed by the City to at least a majority of the City Council less than 72 hours prior to that meeting are available for public inspection at the City Clerk's Office at City Hall located at 567 El Camino Real, San Bruno, California during normal business hours. In addition, the City may also post such documents on the City's Website at sanbruno.ca.gov/AgendaCenter.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA**
Individuals allowed up to three minutes, subject to the Mayor's discretion based on the anticipated length in the meeting. It is the Council's policy to refer matters raised in this forum to staff for investigation and/or action where appropriate. The Brown Act prohibits the Council from discussing or acting upon any matter not agendized pursuant to State Law.

5. **ANNOUNCEMENTS/PRESENTATIONS**
There is a single public comment period for all items in this section

   a. Proclamation Recognizing July 2026 as Disability Pride Month

   b. Proclamation Recognizing July 2026 as National Park and Recreation Month

   c. Receive Strategic Plan Presentation from The San Francisco Peninsula

   d. Receive Presentation on Pre-4th of July Safety Operations

6. **CONSENT CALENDAR**

All items are considered routine or implement an earlier Council action and may be enacted by one motion; there will be no separate discussion, unless requested. There will be a single public comment period for all items in this section unless a Councilmember requests to pull an item for a separate vote.

a. Approve the Draft Special Meeting Minutes for the Meetings of May 19, 2026 and June 9, 2026

b. Approve Accounts Payable for June 1, 2026, June 8, 2026 and June 15, 2026

c. Accept Payroll for May 31, 2026

d. Approve Investment Report Dated May 31, 2026

e. Consider Adoption of a Resolution Establishing a 50 Feet Long Five-minute Passenger Loading Zone on City Park Way in front of the Recreation and Aquatics Center every day from 6:00 A.M. to 8:00 P.M. and a No Parking Anytime Zone on Crestmoor Drive near Bennington Drive

f. Consider Adoption of a Resolution to Authorize the City Manager to Execute a Service Subscription Agreement with Aurigo Software Technologies, Inc. for a Project Management Information System (PMIS) Solution in Substantially the Form Provided

g. Consider Adoption of a Resolution Approving the Fiscal Year 2026-27 San Bruno Community Foundation Operating Budget

h. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Consultant Services Agreement Between the City of San Bruno and the Housing Endowment and Regional Trust of San Mateo County (HEART) for Housing Program Support Services, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA)

i. Consider Adoption of a Resolution Accepting the Completion of the Posy Park Fountain Restoration; Authorize the Filing of Notice of Completion with the San Mateo County Recorder's Office; and Authorize Release of the Construction Contract Retention to Waterworks Industries, Inc. in the Amount of $25,218.75

j. Consider Adoption of a Resolution to Provide for the Conduct of a November 3, 2026, General Municipal Election for Officers: 1) Calling and Giving Notice of Holding a General Municipal Election to be Held on Tuesday, November 3, 2026, for the Election of Certain Officers as Required by the Provisions of Laws of the State of California Relating to General Law Cities; 2) Requesting Election Consolidation With the Statewide General Election to be Held on Tuesday, November 3, 2026; 3) Contracting With the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for Elections Services; 4) Adopting Regulations for Candidates for Elective Office Pertaining to Candidate Statements Submitted to the Voters; and 5) Providing for Notice of Election

k. Consider Adoption of a Resolution Authorizing the City Manager to Execute a License Agreement with the Coastal Quest for the Installation, Operation, and Maintenance of Air Monitoring Stations at Forest Lane Park, 7th & Walnut Park, and City Hall, and Determining the Project is Exempt from the California Environmental Quality Act

l. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the City of Millbrae for a One-Year Pilot Program Providing Membership Resident Rates at the Recreation and Aquatic Center to Millbrae Residents, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA)

m. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Contract Extension for Mental Health Clinician Services Not to Exceed $175,000

n. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Four-Year Contract with West Coast Arborists, Inc. for Tree Pruning, Pollarding, and Removal Services in an Amount Not to Exceed $1,014,635; and Determining the Project is Exempt Under the California Environmental Quality Act

o. Consider Adoption of a Resolution Approving of the Fiscal Year 2026-27 Parks and Recreation Commission, Senior Advisory Board and Culture and Arts Commission Work Plans

p. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Non-Standard General Services Agreement with Progressive Solutions Inc. for Water Utility Billing Software Maintenance in an Amount Not to Exceed $30,413.40

q. Consider Adoption of a Resolution Authorizing the Purchase of Digital Forensics Product Suite from Cellebrite; Approving a Non-Standard Service Agreement; and Authorizing the Police Chief to Execute Future Agreements and Renewals

r. Consider Adoption of a Resolution Authorizing the City Manager to Execute a Five-Year Agreement with Axon Enterprise, Inc. for National Defense Authorization Act (NDDA) Compliant Replacement Unmanned Aircraft System Airframes, Management Software, Support Services, and FAA Certificate of Waiver Regulatory Filing Support

s. Consider Adoption of a Resolution Authorizing the City Manager to Execute the Second Amendment to the Cooperation Agreement Between the City of San Bruno and San Mateo County Agreement Enabling the City to Access Federal Funding Related to the Community Development Block Grant Program, the Home Investment Partnership Program, and the Emergency Solutions Grant Program

7. **PUBLIC HEARING(S)**

Public comment will be requested after each topic in this section

a. Hold a Public Hearing on the Fiscal Year 2026-27 Capital Improvement Program Budget; and Consider Approving: (i) a Resolution Adopting the Fiscal Year 2026-27 Operating and Capital Improvement Program Budget, (ii) a Resolution Adopting the Fiscal Year 2026-27 Appropriations Limit (GANN LIMIT) of $61,941,911, and (iii) a Resolution Amending the Fiscal Year 2025-26 Adopted Budget and Authorizing Closure of the CityNet Fund as of June 30, 2026

8. **CONDUCT OF BUSINESS**

Public comment will be requested after each topic in this section

a. Consider Adoption of a Resolution Establishing a Policy Addressing Disruption of Telephonic or Internet Services Occurring During City Council Meetings Pursuant to Senate Bill 707

9. **COUNCIL COMMITTEE REPORT OUT**

10. **COMMENTS FROM COUNCIL MEMBERS**

11. **ADJOURNMENT –** The next Regular City Council Meeting will be held on July 14, 2026 at 7:00 pm

POSTING: I declare a copy of this agenda was posted at City Hall, 567 El Camino Real, San Bruno, among other locations in the city limits of San Bruno, on June 18, 2026, by 8:00 pm.

Lupita Huerta, City Clerk

Rico E. Medina, Mayor
Sandy Alvarez, Vice Mayor
Tom Hamilton, Councilmember, District 2
Michael Salazar, Councilmember, District 3
Marty Medina, Councilmember, District 4

MINUTES
SAN BRUNO CITY COUNCIL SPECIAL JOINT MEETING WITH PLANNING COMMISSION
May 19, 2026
6:00 PM

1. CALL TO ORDER

The meeting was called to order at 6:01 pm.

2. ROLL CALL

Councilmembers Hamilton, M. Medina, Salazar, Vice Mayor Alvarez and Mayor R. Medina were all present.

Commissioners Madden, Johnson, Biasotti, Lethin, Vice Chair Kuhn and Chain Harman were all present.

3. CONDUCT OF BUSINESS

a. Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on SB 79

Assistant Community Development Director Kelly Beggs and **Assistant Planner Evan Schieber** presented the item and answered questions.

The following member(s) of the public provided comment(s):

- Unknown member of the public

No reportable action was taken.

b. Conduct a Joint City Council/Planning Commission Session to Receive an Update on the Elevate San Bruno Initiative

Assistant Community Development Director Beggs and **Joanna Jansen of PlaceWorks** presented the item.

Assistant Community Development Director Beggs answered questions.

No members of the public wished to speak under this item.

No reportable action was taken.

c. Conduct a Joint City Council/Planning Commission Study Session to Receive an Update on the Tanforan Redevelopment Project

In the interest of time, and because this was an update item, no presentation took place.

d. Conduct a Joint City Council/Planning Commission Study Session to Discuss Downtown Zoning Adjustments to Improve Activity and Aesthetics

Community Development Director Peter Gilli presented the item and answered questions.

City Attorney Trisha Ortiz answered questions.

No members of the public wished to speak under this item.

No reportable action was taken.

4. **ADJOURNMENT**

This meeting adjourned at 8:59 pm to the next Regular City Council Meeting on May 26, 2026 at 7:00 pm.

These meeting minutes were prepared by Lupita Huerta, City Clerk, and presented to the City Council for approval at the regular meeting of June 23, 2026.

Lupita Huerta City Clerk	Rico E. Medina Mayor

"The City With a Heart"

Rico E. Medina, Mayor
Sandy Alvarez, Vice Mayor
Tom Hamilton, Councilmember, District 2
Michael Salazar, Councilmember, District 3
Marty Medina, Councilmember, District 4

MINUTES
SAN BRUNO CITY COUNCIL SPECIAL MEETING
June 9, 2026
6:30 PM

1. **CALL TO ORDER**

   The meeting was called to order at 6:30 pm.

2. **ROLL CALL**

   Councilmembers Hamilton, M. Medina, Salazar, Vice Mayor Alvarez, and Mayor R. Medina were all present.

3. **CLOSED SESSION**

   a. CONFERENCE WITH LABOR NEGOTIATORS
   Agency designated representatives: City Manager
   Employee Organizations: Teamsters Local 856, IBT Public Safety Mid-Management

   b. Conference with Legal Counsel – Existing Litigation
   (Paragraph (1) of subdivision (d) of Section 54956.9)
   Name of case: County of San Mateo v. State of California et al., San Francisco Superior Court, Case No. CPF-25-519270

   No members of the public wished to speak under these items.

   City Council went into closed session at 6:30 pm and returned to open session at 7:01 pm. The Special Meeting recessed at 7:01 pm to reconvene after the regular meeting.

   City Council moved to closed session at 10:39 pm and returned to open session 11:01 pm.

   No reportable action was taken.

4. **ADJOURNMENT**

   This meeting adjourned at 11:01 pm to the next regular City Council meeting on June 23, 2026 at 7:00 pm.

   These meeting minutes were prepared by Lupita Huerta, City Clerk, and presented to the City Council for approval at the regular meeting of June 23, 2026.

Lupita Huerta
City Clerk

Rico E. Medina
Mayor

Docusign Envelope ID: 5E7F18E9-C8DA-80BF-8143-CC53E99D3397

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Nick Pegueros, Chief Financial Officer
Kathleen O'Malley, Accounting & Customer Service Representative

SUBJECT: Accounts Payable Warrant Register

This is to certify that the claims listed on page 1 to 2 inclusive for checks dated June 1, 2026, and/or claims numbered from 223798 through 223886 inclusive, totaling $315,814.76, have been checked in detail and approved by the proper officials, and in my opinion, represent fair and just charges against the City in accordance with their respective amounts. The table below summarizes the total paid by Fund.

Fund	Fund Name	Amount
001	General Fund	$103,178.90
121	Federal/State Grants	$9,096.33
131	In-Lieu Fees	$6,649.94
133	Restricted Revenues	$1,390.09
137	Developer Project Contributions	$30,508.97
138	Affordable Housing Impact Fees	$10,393.00
141	Community Development	$36,102.87
201	Parks and Facilities Capital	$420.00
611	Water Fund	$35,184.28
621	Stormwater Fund	$2,358.19
631	Wastewater Fund	$28,383.58
651	Parking Fund	$113.40
701	Central Garage	$2,609.77
702	Facility Maintenance Fund	$11,615.02
707	Technology Development	$96.01
711	Self-Insurance	$37,714.41
TOTAL FOR APPROVAL		**$315,814.76**

Respectfully submitted,

DocuSigned by:
Nick Pegueros
8788F2EF5A30467...
Chief Financial Officer

6/8/2026
Date

Docusign Envelope ID: 5E7F18E9-C8DA-80BF-8143-CC53E99D3397

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0116412	ADAM DING	223820	6/1/2026	50.00
0018976	ALPHA ANALYTICAL LAB. INC.	223798	6/1/2026	828.00
0018746	AMERICAN LIBRARY ASSOCIATION	223799	6/1/2026	540.00
0116413	ANNE MCGETTINGAN	223843	6/1/2026	50.00
0109246	AQUA METRIC SALES, CO.	223800	6/1/2026	6,500.00
0109134	ARI INVESTIGATIONS, INC.	223801	6/1/2026	1,500.00
0000118	ART'S PENINSULA LOCKSMITH	223802	6/1/2026	461.48
0016123	AT&T	223803	6/1/2026	652.99
0018465	AT&T MOBILITY	223804	6/1/2026	197.07
0018020	BARKER BLUE DIGITAL IMAGING	223805	6/1/2026	45.00
0110591	BAVCO	223806	6/1/2026	652.79
0100526	BAY ALARM COMPANY	223807	6/1/2026	310.38
0111939	BFI OF CALIFORNIA INC OX MTN LANDFILL-4227	223831	6/1/2026	4,365.09
0109646	BIO CAR CARE	223808	6/1/2026	1,200.00
0108227	BMW MOTORCYCLES SAN FRANCISCO	223809	6/1/2026	603.33
0018000	BOUND TREE MEDICAL LLC	223810	6/1/2026	4,040.25
0000098	BRODART CO.	223811	6/1/2026	83.65
0095029	CALIFORNIA ASSOCIATION OF TACTICAL OFFICERS	223849	6/1/2026	442.00
0105155	CASEY CONSTRUCTION, INC.	223812	6/1/2026	1,040.71
0016324	CINTAS CORPORATION	223813	6/1/2026	719.76
0016324	CINTAS CORPORATION	223814	6/1/2026	131.85
0109788	CORE & MAIN LP	223817	6/1/2026	2,800.34
0099376	COTTON CANDY EXPRESS MUSIC	223818	6/1/2026	1,500.00
0018331	CSG CONSULTANTS INC.	223819	6/1/2026	9,535.00
0108696	DAVID J POWERS AND ASSOCIATES, INC.	223861	6/1/2026	730.75
0111921	DEVIL MOUNTAIN WHOLESALE NURSERY, LLC	223885	6/1/2026	149.16
0110123	DUNNIGAN PSYCHOLOGICAL& THREAT ASSESSMENTS, L	223880	6/1/2026	1,200.00
0107927	ELIZABETH RUIZ	223870	6/1/2026	73.25
0109510	FIRST ALARM	223821	6/1/2026	399.32
0001782	FLOWERS ELECTRIC & SVC.CO.INC.	223822	6/1/2026	8,415.65
0018117	FLYERS ENERGY, LLC	223823	6/1/2026	26,351.80
0018807	GALLS, LLC	223824	6/1/2026	5,105.59
0108425	GOOD CITY COMPANY	223825	6/1/2026	13,778.95
0102989	GOT POWER INC.	223826	6/1/2026	7,950.00
0000162	GRAINGER	223827	6/1/2026	136.86
0000541	GRANITE ROCK COMPANY	223828	6/1/2026	941.90
0018544	HEART OF SAN MATEO COUNTY	223830	6/1/2026	17,042.94
0018838	INFOSEND, INC.	223832	6/1/2026	5,863.18
0112186	INGRAM LIBRARY SERVICES, LLC	223833	6/1/2026	7,035.14
0015531	INTERSTATE BATTERY SYS. OF SF	223834	6/1/2026	72.33
0112387	JANELLA MARGARITA PECSON JUAN	223837	6/1/2026	2,800.00
0000771	JT2 INTEGRATED RESOURCES	223835	6/1/2026	30,660.93
0018376	JT2 INTEGRATED RESOURCES	223836	6/1/2026	7,053.48
0109500	LAMPO INVESTIGATIONS-POLYGRAPH	223838	6/1/2026	2,750.00
0111713	LAURA RAQUEL PULIDO	223862	6/1/2026	387.00
0018177	LOWE'S	223840	6/1/2026	3,415.88
0109097	M-GROUP	223844	6/1/2026	17,475.00
0110776	MAGNET FORENSICS USA INC.	223841	6/1/2026	14,175.00
0110179	MCA DIRECT	223842	6/1/2026	479.26
0092285	MICROMARKETING LLC	223845	6/1/2026	82.58
0016863	MIDWEST TAPE, LLC	223846	6/1/2026	153.65
0001709	MILLBRAE LOCK	223847	6/1/2026	87.23
0112042	NORTHERN TOOL COMMERCIAL ACCT.	223848	6/1/2026	3,930.73

Docusign Envelope ID: 5E7F18E9-C8DA-80BF-8143-CC53E99D3397

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0111055	O'REILLY AUTO PARTS	223851	6/1/2026	142.67
0105812	OLIVER REICH	223866	6/1/2026	2,340.00
0097567	ONE HOUR DRY CLEANING	223850	6/1/2026	264.10
0109702	OUTDOOR SUPPLY HARDWARE	223852	6/1/2026	2.61
0104416	OVERDRIVE, INC.	223853	6/1/2026	4,981.16
0116375	OXFORD LEE	223839	6/1/2026	89.00
0000012	PACIFIC GAS & ELECTRIC	223854	6/1/2026	4,455.59
0001327	PENINSULA PUMP & EQUIPMENT INC	223855	6/1/2026	4,956.75
0014961	PENINSULA UNIFORMS & EQUIPMENT	223856	6/1/2026	5,987.31
0111229	PINPOINT TALENT, LLC	223858	6/1/2026	3,060.00
0018861	PITNEY BOWES	223859	6/1/2026	6,000.00
0105947	PLACEWORKS	223860	6/1/2026	32,140.62
0116325	PVP COMMUNICATIONS, INC.	223863	6/1/2026	191.41
0013981	QUILL CORPORATION	223864	6/1/2026	41.61
0000229	REEVES CO., INC.	223865	6/1/2026	41.54
0110332	RICHARDS,WATSON & GERSHON	223867	6/1/2026	1,884.60
0106293	ROBERT HALF	223868	6/1/2026	11,394.65
0106397	ROBERT HARRISON	223829	6/1/2026	148.63
0116423	ROCKAWAY RESIDENTIAL	223869	6/1/2026	40.79
0116414	SAFETY COMPLIANCE MANAGEMENT, INC.	223815	6/1/2026	5,985.00
0018597	SAN MATEO DAILY JOURNAL	223871	6/1/2026	1,908.00
0018461	SERRAMONTE FORD, INC.	223872	6/1/2026	310.00
0018962	SHOE DEPOT INC.	223873	6/1/2026	400.46
0109953	SHRED CITY	223874	6/1/2026	63.72
0018214	SIGILLO SUPPLY INC.	223875	6/1/2026	4,629.97
0104787	SINGER ASSOCIATES, INC.	223876	6/1/2026	1,655.52
0110995	T2 SYSTEMS CANADA INC.	223877	6/1/2026	113.40
0096932	TASC	223878	6/1/2026	216.46
0015671	TECHNOLOGY, ENGINEERING & CONSTRUCTION, INC.	223816	6/1/2026	1,200.00
0000241	THE ADAM-HILL COMPANY	223879	6/1/2026	534.00
0110625	THOMAS PETRINI	223857	6/1/2026	2,256.08
0116411	TRI TRAN	223881	6/1/2026	50.00
0116344	TRUGRIT TRACTION INC.	223882	6/1/2026	315.88
0017133	TURBO DATA SYSTEMS INC	223883	6/1/2026	414.00
0093626	TWIN OAKS MANUFACTURING	223884	6/1/2026	600.00
0116415	YANNA WU	223886	6/1/2026	51.98
			GrandTotal:	**315,814.76**
			Total count:	**89**

Docusign Envelope ID: 6FCD5DC5-A512-8A73-82EB-671D9679FCBA

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Nick Pegueros, Chief Financial Officer
Kathleen O'Malley, Accounting & Customer Service Representative

SUBJECT: Accounts Payable Warrant Register

This is to certify that the claims listed on page 1 to 3 inclusive for checks dated June 8, 2026, and/or claims numbered from 223887 through 223999 inclusive, totaling $1,256,995.42, have been checked in detail and approved by the proper officials, and in my opinion, represent fair and just charges against the City in accordance with their respective amounts. The table below summarizes the total paid by Fund.

Fund	Fund Name	Amount
001	General Fund	$682,578.38
003	One-Time Revenue	$11,000.00
121	Federal/State Grants	$2,880.50
133	Restricted Revenues	$1,000.00
137	Developer Project Contributions	$5,781.25
141	Community Development	$48,623.00
142	Recreation & Aquatics Center (RAC)	$38,039.98
201	Parks and Facilities Capital	$234,608.13
611	Water Fund	$49,177.94
621	Stormwater Fund	$3,933.53
631	Wastewater Fund	$34,292.85
641	CityNet Services Fund	$1,308.16
701	Central Garage	$1,449.41
702	Facility Maintenance Fund	$7,921.42
707	Technology Development	$76,087.73
711	Self-Insurance	$58,313.14
TOTAL FOR APPROVAL		**$1,256,995.42**

Respectfully submitted,

DocuSigned by:
Nick Pegueros
8763F2EF5A30407...
Chief Financial Officer

6/9/2026
Date

Docusign Envelope ID: 6FCD5DC5-A512-8A73-82EB-671D9679FCBA

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0106435	ACTION TOWING & ROAD SVC. INC.	223888	6/8/2026	201.25
0000163	AIRPORT AUTO PARTS INC.	223889	6/8/2026	749.36
0116435	ALICIA JIMENEZ	223947	6/8/2026	46.00
0017459	ALL CITY MANAGEMENT SVC.INC.	223890	6/8/2026	3,883.73
0104542	ALTA LANGUAGE SERVICES, INC.	223891	6/8/2026	138.00
0111979	ANIXTER, INC.	223892	6/8/2026	44.74
0111159	ASHLEY CROCIANI	223918	6/8/2026	2,340.00
0014617	AT&T	223893	6/8/2026	225.00
0016123	AT&T	223894	6/8/2026	1,950.24
0098916	AT&T	223895	6/8/2026	88.17
0015110	AT&T MOBILITY	223896	6/8/2026	101.98
0018465	AT&T MOBILITY	223897	6/8/2026	45.48
0116428	BARRY HERTZLER	223941	6/8/2026	89.00
0109613	BAYSPORT PREVENTIVE MEDICAL GROUP	223978	6/8/2026	1,072.00
0114664	BLUE FIN AQUATICS SCHOOL	223898	6/8/2026	2,579.20
0097789	BONNIE GARVEY	223931	6/8/2026	170.00
0112200	BRENDA CALARA	223903	6/8/2026	2,340.00
0018532	BROADCAST MUSIC INC. (BMI)	223899	6/8/2026	472.97
0000580	C & L SPORTING GOODS	223900	6/8/2026	9,987.64
0108182	C2R ENGINEERING, INC.	223901	6/8/2026	3,903.76
0111967	CAL WEST RENTALS, INC.	223902	6/8/2026	4,451.45
0095029	CALIFORNIA ASSOCIATION OF TACTICAL OFFICERS	223967	6/8/2026	442.00
0097286	CALIFORNIA CITY MANAGEMENT FOUNDATION(CCMF)	223958	6/8/2026	400.00
0017843	CENTRAL COUNTY FIRE DEPT.	223905	6/8/2026	111,869.55
0016324	CINTAS CORPORATION	223909	6/8/2026	427.10
0016324	CINTAS CORPORATION	223910	6/8/2026	371.73
0098588	CITY OF BURLINGAME	223911	6/8/2026	7,207.88
0000227	CITY OF SAN BRUNO-UTILITY	223912	6/8/2026	121.20
0000386	CITY OF SOUTH SAN FRANCISCO	223913	6/8/2026	3,040.00
0109639	CLAREMONT BEHAVIORAL SVCS,INC.	223914	6/8/2026	894.40
0104552	COLIN PAGE	223973	6/8/2026	497.34
0112426	COMCAST	223915	6/8/2026	463.62
0113671	COMCAST	223916	6/8/2026	47,790.47
0018331	CSG CONSULTANTS INC.	223919	6/8/2026	27,021.50
0018188	DAU PRODUCTS	223920	6/8/2026	4,331.89
0018799	ECONOMIC&PLANNING SYSTEMS INC.	223923	6/8/2026	3,225.00
0111687	EMILY DEWOLFE	223922	6/8/2026	1,092.00
0109263	ENCOMPASS SUPPLY CO.	223924	6/8/2026	1,256.75
0106348	FAST AGGREGATES PRODUCTS,INC.	223927	6/8/2026	450.37
0001782	FLOWERS ELECTRIC & SVC.CO.INC.	223928	6/8/2026	640.00
0018117	FLYERS ENERGY, LLC	223929	6/8/2026	17,626.17
0018807	GALLS, LLC	223930	6/8/2026	280.44
0111754	GENERAL CODE, LLC	223932	6/8/2026	1,613.00
0113058	GEORGIA JACKSON	223946	6/8/2026	1,700.00
0116426	GIGILYNX	223933	6/8/2026	60.00
0018864	GMA NETWORK INC.	223934	6/8/2026	1,308.16
0102989	GOT POWER INC.	223935	6/8/2026	4,324.40
0000162	GRAINGER	223936	6/8/2026	2,760.68
0000541	GRANITE ROCK COMPANY	223937	6/8/2026	639.01
0095966	GREAT AMERICA FINANCIAL SVC.	223938	6/8/2026	450.77
0105210	GYM PRECISION, INC.	223939	6/8/2026	295.00
0109502	HAULAWAY STORAGE CONTAINERS, INC.	223987	6/8/2026	255.36
0111486	HD SUPPLY FACILITIES MAINTENANCE, LTD.	223926	6/8/2026	4,557.74

Docusign Envelope ID: 6FCD5DC5-A512-8A73-82EB-671D9679FCBA

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0108488	HINDERLITER DE LLAMAS & ASSOCIATES	223921	6/8/2026	3,425.16
0017020	INDUSTRIAL EMERGENCY COUNCIL	223943	6/8/2026	11,000.00
0112186	INGRAM LIBRARY SERVICES, LLC	223944	6/8/2026	290.44
0103045	INTERACTIVE RESOURCES, INC.	223945	6/8/2026	25,306.50
0112387	JANELLA MARGARITA PECSON JUAN	223949	6/8/2026	2,880.50
0000771	JT2 INTEGRATED RESOURCES	223948	6/8/2026	58,313.14
0112376	KELVIN W CHU	223908	6/8/2026	46.00
0116430	KEVIN CHEN	223906	6/8/2026	89.54
0096943	KUSSMAUL ELECTRONICS, LLC	223950	6/8/2026	1,009.56
0000317	L.N. CURTIS & SONS	223951	6/8/2026	217.11
0110309	LOOKINGPOINT, INC.	223955	6/8/2026	4,513.26
0108432	LUPITA HUERTA	223942	6/8/2026	256.00
0017026	LYNX TECHNOLOGIES, INC.	223957	6/8/2026	15,750.00
0108538	MANUEL M. CATANIA	223904	6/8/2026	89.00
0116432	MARK MCGANN	223960	6/8/2026	2,696.78
0116424	MARTIN SCANLAN	223983	6/8/2026	67.60
0112309	MATT LETHIN	223954	6/8/2026	2,000.00
0111797	MCKIM CORPORATION	223961	6/8/2026	284,403.83
0111960	MES SERVICE COMPANY, LLC	223962	6/8/2026	2,400.33
0092285	MICROMARKETING LLC	223963	6/8/2026	40.38
0016863	MIDWEST TAPE, LLC	223964	6/8/2026	85.29
0112042	NORTHERN TOOL COMMERCIAL ACCT.	223965	6/8/2026	196.58
0111055	O'REILLY AUTO PARTS	223968	6/8/2026	677.75
0110243	ODP BUSINESS SOLUTIONS, LLC	223966	6/8/2026	536.21
0109702	OUTDOOR SUPPLY HARDWARE	223969	6/8/2026	16.81
0000012	PACIFIC GAS & ELECTRIC	223970	6/8/2026	67,045.41
0106110	PACIFIC OFFICE AUTOMATION	223971	6/8/2026	273.25
0106829	PACIFIC OFFICE AUTOMATION INC.	223972	6/8/2026	548.33
0018426	PAPE MACHINERY INC.	223974	6/8/2026	175,895.55
0111229	PINPOINT TALENT, LLC	223975	6/8/2026	1,147.50
0105947	PLACEWORKS	223976	6/8/2026	45,419.00
0112201	PLAYAWAY PRODUCTS LLC	223977	6/8/2026	2,904.83
0097558	PURCHASE POWER	223979	6/8/2026	205.00
0116385	ROBERT ROHLFES	223981	6/8/2026	89.00
0018070	RON LAVEZZO	223952	6/8/2026	60.00
0099047	SAN MATEO COUNTY SHERIFF'S OFFICE	223917	6/8/2026	1,720.00
0018597	SAN MATEO DAILY JOURNAL	223982	6/8/2026	864.00
0111549	SCP DISTRIBUTORS LLC	223984	6/8/2026	618.84
0018778	SHANNON ROHATCH	223980	6/8/2026	250.50
0116436	SHERRY LOPEZ-SCARDINO	223956	6/8/2026	50.00
0104787	SINGER ASSOCIATES, INC.	223985	6/8/2026	7,735.75
0116438	SPRECTRUM SS INC.	223986	6/8/2026	5,000.00
0100351	STEVEN CHINN	223907	6/8/2026	99.00
0116425	SUBHI ABDEL-HALIM	223887	6/8/2026	60.00
0105899	SUN RIDGE SYSTEMS, INC	223988	6/8/2026	2,800.00
0116387	SYMBOLARTS, LLC	223989	6/8/2026	1,307.81
0101086	T-MOBILE	223990	6/8/2026	299.17
0002025	TELECOMMUNICATIONS ENGINEERING ASSOCIATES	223925	6/8/2026	7,117.33
0106660	TRIDENT K9 CONSULTING INC.	223991	6/8/2026	550.00
0102744	UNIVERSAL BUILDING SERVICES	223992	6/8/2026	13,195.37
0116323	USA SOFTBALL OF NORTHERN CA	223993	6/8/2026	792.00
0095749	VERIZON WIRELESS	223994	6/8/2026	3,915.23
0116429	VINCENT MASICLAT	223959	6/8/2026	89.00
0109186	VITAL RECORDS CONTROL	223995	6/8/2026	109.79

Docusign Envelope ID: 6FCD5DC5-A512-8A73-82EB-671D9679FCBA

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0116433	WALTER LEE	223953	6/8/2026	25.56
0111362	WATERWORKS INDUSTRIES, INC.	223996	6/8/2026	209,301.63
0116431	WESLEY HANG	223940	6/8/2026	74.00
0110001	WHITE BRENNER LLP	223997	6/8/2026	945.05
0013841	WITMER-TYSON IMPORTS INC	223998	6/8/2026	2,105.00
0108261	WOODARD & CURRAN	223999	6/8/2026	5,781.25
			GrandTotal:	**1,256,995.42**
			Total count:	**113**

Docusign Envelope ID: 6FF0FBE1-FCBE-840C-838E-7CE8B6777CA4

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Nick Pegueros, Chief Financial Officer
Kathleen O'Malley, Accounting & Customer Service Representative

SUBJECT: Accounts Payable Warrant Register

This is to certify that the claims listed on page 1 to 3 inclusive for checks dated June 15, 2026, and/or claims numbered from 224000 through 224130 inclusive, totaling $939,366.51, have been checked in detail and approved by the proper officials, and in my opinion, represent fair and just charges against the City in accordance with their respective amounts. The table below summarizes the total paid by Fund.

Fund	Fund Name	Amount
001	General Fund	$139,981.52
005	Measure G District Sales Tax	$64,221.00
121	Federal/State Grants	$86,800.70
132	Agency On Aging	$31,956.62
133	Restricted Revenues	$372.14
137	Developer Project Contributions	$70,958.05
141	Community Development	$500.00
142	Recreation & Aquatics Center (RAC)	$33,117.42
201	Parks and Facilities Capital	$105,862.51
203	Street Improvement Projects	$48,979.99
207	Technology Capital	$8,800.00
611	Water Fund	$161,815.92
621	Stormwater Fund	$39,841.26
631	Wastewater Fund	$35,427.60
641	CityNet Services Fund	$4,685.55
651	Parking Fund	$7,941.84
701	Central Garage	$6,323.00
702	Facility Maintenance Fund	$45,003.36
703	General Equipment Revolving	$33,595.88
707	Technology Development	$198.37
711	Self-Insurance	$12,983.78
TOTAL FOR APPROVAL		**$939,366.51**

Respectfully submitted,

DocuSigned by:
Nick Pegueros
8783E2EF5A30407...
Chief Financial Officer

6/16/2026
Date

Docusign Envelope ID: 6FF0FBE1-FCBE-840C-838E-7CE8B6777CA4

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0106896	A-1 RHINO LININGS	224000	6/15/2026	3,253.44
0096852	ABAG PLAN CORPORATION	224001	6/15/2026	12,983.78
0104680	ACCESS 24 COMMUNICATIONS INC.	224002	6/15/2026	921.10
0106435	ACTION TOWING & ROAD SVC. INC.	224003	6/15/2026	170.00
0112167	ADVANCED MOBILITY GROUP	224004	6/15/2026	12,022.00
0000163	AIRPORT AUTO PARTS INC.	224005	6/15/2026	361.87
0108773	ALFRED S ROLDAN	224098	6/15/2026	307.50
0018976	ALPHA ANALYTICAL LAB. INC.	224006	6/15/2026	6,940.75
0000274	ALPINE AWARDS INC	224007	6/15/2026	1,676.17
0106225	ARIES INDUSTRIES, INC.	224008	6/15/2026	3,525.44
0000118	ART'S PENINSULA LOCKSMITH	224010	6/15/2026	13.19
0016123	AT&T	224011	6/15/2026	419.08
0017191	AT&T	224012	6/15/2026	683.38
0017431	BAY AREA AIR QUALITY MANAGEMENT DISTRICT	224090	6/15/2026	706.00
0110745	BETTERHELP, INC.	224014	6/15/2026	170.00
0109646	BIO CAR CARE	224015	6/15/2026	1,250.00
0114014	BRIGHTVIEW LANDSCAPE SERVICES, INC.	224062	6/15/2026	50,721.00
0000378	BROADMOOR LANDSCAPE SUPPLY	224016	6/15/2026	46.70
0018048	CALLANDER ASSOCIATES LANDSCAPE ARCHITECTURE,	224061	6/15/2026	15,009.26
0110323	CAPF	224017	6/15/2026	914.50
0018272	CENGAGE LEARNING INC.	224018	6/15/2026	36.04
0017284	CHEMSEARCHFE	224019	6/15/2026	1,879.96
0016324	CINTAS CORPORATION	224020	6/15/2026	1,561.74
0016324	CINTAS CORPORATION	224021	6/15/2026	320.61
0097608	CITY OF SOUTH SAN FRANCISCO	224022	6/15/2026	3,000.00
0018978	CLEAN HARBORS ENVIRONMENTAL SERVICES, INC	224038	6/15/2026	2,627.10
0116256	CONSOR NORTH AMERICA, INC	224024	6/15/2026	48,187.21
0109788	CORE & MAIN LP	224026	6/15/2026	7,749.88
0110800	CORPORATE CUISINE DBA CREEKSIDE GRILL	224033	6/15/2026	30,340.62
0110952	CRAFCO, INC.	224029	6/15/2026	2,105.30
0112351	CREATIVE COLLECTIVE SF	224030	6/15/2026	6,670.00
0110951	CROSS CONNECTIONS	224031	6/15/2026	1,137.47
0105811	CSAC EXCESS INSURANCE AUTHORITY	224039	6/15/2026	15,126.19
0097934	CWEA-TCP	224032	6/15/2026	119.00
0110590	DENISE ZERON	224129	6/15/2026	126.36
0107030	DEROTIC EMERGENCY EQUIPMENT	224035	6/15/2026	4,948.85
0000430	DKS ASSOCIATES	224037	6/15/2026	23,713.75
0110781	DYLAN ARSENAULT	224009	6/15/2026	295.00
0106036	EDGAR HERNANDEZ	224053	6/15/2026	157.42
0111687	EMILY DEWOLFE	224036	6/15/2026	1,183.65
0106234	FASTRAK INVOICE PROCESSING DEPT.	224058	6/15/2026	25.50
0109400	FLEETROCK, LLC	224041	6/15/2026	500.00
0109337	FLOCK SAFETY	224042	6/15/2026	84,000.00
0109776	FRESH LINE PRODUCE	224044	6/15/2026	583.50
0110539	GARRISON SEXSON	224104	6/15/2026	301.00
0110360	GOT GOPHERS, INC.	224045	6/15/2026	1,800.00
0102989	GOT POWER INC.	224046	6/15/2026	33,535.89
0000162	GRAINGER	224047	6/15/2026	1,473.27
0000541	GRANITE ROCK COMPANY	224048	6/15/2026	460.93
0095966	GREAT AMERICA FINANCIAL SVC.	224049	6/15/2026	198.37
0000385	HACH COMPANY	224050	6/15/2026	8,584.54
0112244	HAPPYCAKE FACE PAINTING	224051	6/15/2026	9,159.75
0109502	HAULAWAY STORAGE CONTAINERS, INC.	224111	6/15/2026	255.36

Docusign Envelope ID: 6FF0FBE1-FCBE-840C-838E-7CE8B6777CA4

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0111486	HD SUPPLY FACILITIES MAINTENANCE, LTD.	224040	6/15/2026	3,291.37
0096946	HDR ENGINEERING, INC.	224052	6/15/2026	55,721.92
0108488	HINDERLITER DE LLAMAS & ASSOCIATES	224034	6/15/2026	3,125.04
0109121	INFORMATION PROFESSIONALS,INC.	224054	6/15/2026	480.00
0018838	INFOSEND, INC.	224055	6/15/2026	5,994.75
0112186	INGRAM LIBRARY SERVICES, LLC	224056	6/15/2026	783.11
0018557	INTERSTATE SALES	224057	6/15/2026	19,788.41
0112387	JANELLA MARGARITA PECSON JUAN	224060	6/15/2026	2,800.70
0112191	JEFF BENBOW	224013	6/15/2026	500.00
0109512	JIMENEDA BUILDERS	224059	6/15/2026	17,412.50
0097746	JOE VALIENTE	224120	6/15/2026	301.00
0017661	KATHY M SCHMIDT	224102	6/15/2026	4,468.70
0116439	KENNETH MARCH	224070	6/15/2026	33.68
0116314	LAZY PIG LLC	224064	6/15/2026	9,373.00
0110878	LEFEVRE WELDING, INC.	224065	6/15/2026	2,825.00
0017570	LEHR UPFITTERS OPCO LLC	224066	6/15/2026	30,342.44
0018777	LEXISNEXIS RISK DATA MANAGEMENT	224096	6/15/2026	308.40
0109978	LINDE GAS & EQUIPMENT INC.	224067	6/15/2026	432.34
0017924	LORAL LANDSCAPING INC.	224068	6/15/2026	2,100.00
0018177	LOWE'S	224069	6/15/2026	10,582.96
0109759	LUHDORFF&SCALMANINI CONSULTING ENGINEERS, INC.	224025	6/15/2026	17,404.50
0112357	MARINA LANDSCAPE, INC.	224071	6/15/2026	25,247.75
0109532	MATRIX HG, INC.	224072	6/15/2026	55,328.00
0016041	METROMOBILE COMMUNICATIONS	224073	6/15/2026	390.00
0016863	MIDWEST TAPE, LLC	224074	6/15/2026	114.11
0001709	MILLBRAE LOCK	224075	6/15/2026	21.66
0103600	MOMENTUM TELECOM, INC.	224076	6/15/2026	4,685.55
0000522	NORTH COAST COUNTY WATER DISTRICT(NCCWD)	224028	6/15/2026	24,692.96
0110243	ODP BUSINESS SOLUTIONS, LLC	224078	6/15/2026	297.77
0105812	OLIVER REICH	224093	6/15/2026	200.00
0097567	ONE HOUR DRY CLEANING	224080	6/15/2026	1,855.80
0116372	OPTONY INC.	224081	6/15/2026	5,812.00
0018701	ORKIN PEST CONTROL	224082	6/15/2026	1,424.23
0109702	OUTDOOR SUPPLY HARDWARE	224083	6/15/2026	211.58
0000012	PACIFIC GAS & ELECTRIC	224084	6/15/2026	22,789.11
0116440	PATRICE FLOREZ	224043	6/15/2026	500.00
0098476	PENINSULA HEALTH CARE DISTRICT	224085	6/15/2026	250.00
0014961	PENINSULA UNIFORMS & EQUIPMENT	224086	6/15/2026	1,959.77
0106229	PET FOOD EXPRESS	224087	6/15/2026	197.51
0111229	PINPOINT TALENT, LLC	224088	6/15/2026	1,530.00
0112304	POINT ONE ELECTRICAL SYSTEMS, INC.	224079	6/15/2026	638.00
0116441	PULTE GROUP	224089	6/15/2026	13,405.59
0013981	QUILL CORPORATION	224091	6/15/2026	765.11
0000175	RECOLOGY SAN BRUNO	224092	6/15/2026	13,500.00
0103531	RICOH USA, INC.	224095	6/15/2026	963.35
0106293	ROBERT HALF	224097	6/15/2026	4,369.61
0018070	RON LAVEZZO	224063	6/15/2026	80.00
0111368	SAFE-FAST, INC.	224099	6/15/2026	2,578.52
0099047	SAN MATEO COUNTY SHERIFF'S OFFICE	224027	6/15/2026	6,197.74
0018597	SAN MATEO DAILY JOURNAL	224100	6/15/2026	864.00
0017145	SAN MATEO LAWN MOWER SHOP	224101	6/15/2026	591.75
0018461	SERRAMONTE FORD, INC.	224103	6/15/2026	305.03
0018962	SHOE DEPOT INC.	224105	6/15/2026	783.95
0016458	SIADAT ENTERPRISES INC.	224106	6/15/2026	275.55

Docusign Envelope ID: 6FF0FBE1-FCBE-840C-838E-7CE8B6777CA4

Document group: komalley **Bank:** apbank 432000438

Vendor Code & Name		Check #	Check Date	Amount
0104787	SINGER ASSOCIATES, INC.	224107	6/15/2026	3,024.98
0000102	SONITROL/PACIFIC WEST SECURITY, INC.	224123	6/15/2026	1,192.00
0116261	SPRYPOINT SERVICES, INC.	224108	6/15/2026	8,800.00
0017857	STERICYCLE, INC.	224109	6/15/2026	243.96
0109977	STEVE BLANC INVESTIGATIONS	224110	6/15/2026	1,900.00
0105796	SUNRISE FOOD DISTRIBUTOR INC.	224112	6/15/2026	1,032.50
0018073	TEAMSTERS LOCAL 350	224113	6/15/2026	3,816.00
0000241	THE ADAM-HILL COMPANY	224114	6/15/2026	729.48
0000036	THOMSON REUTERS	224115	6/15/2026	914.16
0103783	TRAFFIX DEVICES, INC.	224116	6/15/2026	356.46
0017133	TURBO DATA SYSTEMS INC	224117	6/15/2026	10,192.53
0018944	ULINE, INC.	224118	6/15/2026	6,667.14
0110714	UNDERGROUND REPUBLIC WATER WORKS, INC.	224094	6/15/2026	1,302.12
0018618	UNITED SITE SERVICES INC.	224119	6/15/2026	325.93
0108844	VALIANT OCA	224077	6/15/2026	245.78
0104867	VSS INTERNATIONAL, INC.	224121	6/15/2026	381.49
0109658	WATER ONE INDUSTRIES, INC.	224122	6/15/2026	1,909.22
0105955	WEST COAST CODE CONSULTANTS, INC.	224023	6/15/2026	18,829.75
0104660	WEST YOST ASSOCIATES, INC.	224124	6/15/2026	63,380.24
0116322	WINNIE WONG	224126	6/15/2026	7,105.00
0013841	WITMER-TYSON IMPORTS INC	224125	6/15/2026	900.00
0108261	WOODARD & CURRAN	224127	6/15/2026	11,139.00
0109122	ZERO TURN POWER WASHING	224128	6/15/2026	9,363.00
0112343	ZONAR SYSTEMS	224130	6/15/2026	460.53
			GrandTotal:	**939,366.51**
			Total count:	**131**

Docusign Envelope ID: 5F4E38EB-C996-84F1-81D0-49AA27D0BE52

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: John Mercado, Accountant

SUBJECT: Payroll Acceptance

City Council acceptance of the City payroll distributed on June 5, 2026 is recommended. The Labor Summary report reflecting the total payroll amount of $2,402,225.18 for bi-weekly pay period ending May 31, 2026, by funds are shown below:

Fund	Amount
Fund: 001 - GENERAL FUND	1,741,283.86
Fund: 005 - MEASURE G	4,013.97
Fund: 121 - FEDERAL/ STATE GRANTS	15,620.04
Fund: 122 - SOLID WASTE/RECYCLE	4,718.36
Fund: 132 - AGENCY ON AGING	10,058.94
Fund: 133 - RESTRICTED REVENUES	9,586.15
Fund: 137 - DEVELOPER PROJECT CONTRIBUTIONS	2,698.68
Fund: 141 - COMMUNITY DEVELOPMENT	91,743.87
Fund: 142 - RECREATION AND AQUATICS CENTER	91,668.53
Fund: 201 - PARKS AND FACILITIES CAPITAL	1,988.86
Fund: 203 - STREET IMPROVE. PROJECTS	14,525.93
Fund: 207 - TECHNOLOGY CAPITAL	3,320.34
Fund: 611 - WATER FUND	134,766.61
Fund: 621 - STORMWATER FUND	46,411.66
Fund: 631 - WASTEWATER FUND	101,663.08
Fund: 701 - CENTRAL GARAGE	20,129.50
Fund: 702 - FACILITY MAINT.FUND	67,080.22
Fund: 707 - TECHNOLOGY DEVELOPMENT	33,841.19
Fund: 711 - SELF INSURANCE	7,105.39
Total:	2,402,225.18

DocuSigned by:
Nick Pegueros
97835E2EF6A30407...

6/8/2026

Nick Pegueros, CFO / Administrative Services Director — Date

Docusign Envelope ID: 5B459ABD-822F-8D7B-82AA-C2A17F282D37

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Nick Pegueros, Administrative Services Director & CFO

PREPARED BY: Esther Garibay, Finance Manager

SUBJECT: Month End Investment Report – May 2026

The table below summarizes the investment portfolio's total book value by Investment type.

Investment Type	Total Book Value
TriCounties Bank	$15,058,986
Wells Fargo Bank /Sweep Money Market	37,313,224
CalTrust Liquid Money Market Fund	18,901,999
CalTrust Medium Term Fund	21,589,437
Local Agency Investment Fund	69,309,821
Government Agency Investments	44,477,729
Municipal Bonds	15,288,996
Money Market Investments	50,058,796
Total Investments	**$271,998,989**

All securities held by the City of San Bruno as of May 2026 are in compliance with the City's Investment Policy adopted on June 9, 2026.

Respectfully submitted,

DocuSigned by:
Nick Pegueros
8708F2EF5A9848F...
Administrative Services Director & CFO

6/8/2026
Date

Docusign Envelope ID: 5B459ABD-822F-8D7B-82AA-C2A17F282D37

City of San Bruno
567 El Camino Real
San Bruno, CA 94066

CITY OF SAN BRUNO
Portfolio Summary
May 31, 2026

Investments	Coupon Rate	CUSIP	Book Value	Market Value	YTM	Maturity Date	% of Portfolio
Short Term Investments							
TriCounties Bank Cash Balance			**15,058,986**	**15,058,986**	3.35%	N/A	6%
Wells Fargo General Acct /Sweep Money Market			**37,313,224**	**37,313,224**	3.49%	N/A	14%
CalTrust Liquidity Money Market Fund			18,901,999	18,901,999	3.75%	N/A	7%
CalTrust Medium Term Fund			21,589,437	21,589,437	3.89%	N/A	8%
Total CalTrust			**40,491,436**	**40,491,436**			**15%**
Pooled Investments							
Local Agency Investment Fund			65,512,547	65,512,547	3.81%	NA	24%
Glenview Fire Local Agency Investment Fund			3,797,274	3,797,274	3.81%	NA	1%
Total LAIF			**69,309,821**	**69,309,821**			**25%**
US Bank Portfolio/Securities							
Money Market Investments							
U.S. Government Money Market		31846V567	45,117,845.00	45,117,845	3.52%	NA	17%
U.S. Treasury Bill		912797VB0	4,940,951.00	4,950,450	3.69%	September 8, 2026	2%
Total Money Market and US Treas. Bills Investments			**50,058,796**	**50,068,295**			**18%**
Total Short Term Investments			**212,232,263**	**212,241,762**			
Municipal Bonds							
Los Angeles Unified SD non-callable	1.46%	544547FC9	2,009,340	1,995,800	1.35%	July 1, 2026	1%
Southern California St Public Pwer Auth	1.26%	842475P82	1,555,751	1,586,279	1.77%	July 1, 2026	1%
San Jose CA Redev Agy Successor Agy Tax Allocation	3.18%	798170AJ5	1,405,984	1,324,475	1.51%	August 1, 2026	1%
San Jose CA Redev Agy Successor Agy Tax Allocation	3.18%	798170AJ5	1,223,083	1,152,177	2.09%	August 1, 2026	0%
Cupertino UHSD Taxable non-callable GOB	2.15%	231237P28	1,057,240	996,980	0.96%	August 1, 2026	0%
Santa Monica CCD taxable non-callable GOB	1.04%	802385RR7	755,235	746,325	0.90%	August 1, 2026	0%
Los Angeles Calif Comm Coll Dist GOB Unlimited Tax	1.17%	54438CYL0	998,010	995,430	1.22%	August 1, 2026	0%
San Dieguito CA Union High Sch Dist	1.86%	797508HF8	987,050	996,570	2.17%	August 1, 2026	0%
California St Taxable BID non-callable	2.38%	13063DRD2	736,400	697,921	1.28%	October 1, 2026	0%
California St Taxable BID non-callable	2.38%	13063DRD2	743,022	704,197	1.37%	October 1, 2026	0%
California St Univ Revenue	1.14%	13077DQE5	949,640	988,040	1.14%	November 1, 2026	0%
Los Angeles CA Dept of ARPTS ARPT Revenue	1.10%	544445TW9	991,001	1,095,143	3.74%	May 15, 2027	0%
University Calif Rgts Med Center Poold Rev Taxable Srs M	2.56%	913366JB7	1,877,240	1,972,520	4.68%	May 15, 2027	1%
Total Municipal Bonds Investments			**15,288,996**	**15,251,857**			**6%**

Docusign Envelope ID: 5B459ABD-822F-8D7B-82AA-C2A17F282D37

City of San Bruno
567 El Camino Real
San Bruno, CA 94066

CITY OF SAN BRUNO
Portfolio Summary
May 31, 2026

Investments	Coupon Rate	CUSIP	Book Value	Market Value	YTM	Maturity Date	% of Portfolio
US Treasuries & Agencies							
Federal Home Loan Bank	0.88%	3130AN4T4	1,148,747	1,148,988	0.90%	June 12, 2026	0%
U.S. Treasury Notes	0.63%	91282CCP4	992,773	994,910	0.77%	July 31, 2026	0%
U.S. Treasury Notes	0.75%	91282CCW9	1,997,813	1,985,280	0.77%	August 31, 2026	1%
U.S. Treasury Notes	1.63%	912828YG9	1,034,219	993,050	0.92%	September 30, 2026	0%
U.S. Treasury Notes (WIT)	0.88%	91282CCZ2	997,227	990,660	0.93%	September 30, 2026	0%
U.S. Treasury Notes	4.63%	91282CJC6	988,477	1,003,150	5.04%	October 15, 2026	0%
U.S. Treasury Notes (WIT)	1.13%	91282CDG3	995,391	988,565	1.22%	October 31, 2026	0%
U.S. Treasury Notes (WIT)	1.13%	91282CDG3	996,367	989,535	1.20%	October 31, 2026	0%
U.S. Treasury Notes (WIT)	1.25%	91282CDK4	1,501,684	1,481,415	1.23%	November 30, 2026	1%
U.S. Treasury Notes	1.25%	91282CDQ1	1,647,422	1,626,042	1.28%	December 31, 2026	1%
U.S. Treasury Notes	4.00%	91282CJT9	3,968,125	4,005,360	4.34%	January 15, 2027	1%
U.S. Treasury Notes	1.25%	912828Z78	1,995,685	1,969,760	1.55%	January 31, 2027	1%
U.S. Treasury Notes	4.13%	91282CKA8	2,004,260	2,004,060	4.03%	February 15, 2027	1%
U.S. Treasury Notes	1.88%	91282CEC1	1,982,500	1,971,480	2.06%	February 28, 2027	1%
U.S. Treasury Notes	2.50%	91282CEF4	1,475,156	1,483,830	2.86%	March 31, 2027	1%
Federal Hom Loan Bank	4.75%	3130B0TY5	1,014,063	1,008,110	4.07%	April 9, 2027	0%
U.S. Treasury Notes	0.50%	912828ZN3	1,326,680	1,455,090	2.86%	April 30, 2027	0%
U.S. Treasury Notes	4.13%	91282CFM8	2,006,875	2,004,460	4.00%	September 30, 2027	1%
U.S. Treasury Notes	4.13%	91282CFU0	999,564	1,002,110	4.14%	October 31, 2027	0%
U.S. Treasury Notes	4.00%	91282CGP0	1,998,364	2,000,160	4.03%	February 29, 2028	1%
U.S. Treasury Notes	4.38%	91282CHX2	2,033,125	2,014,620	3.91%	August 31, 2028	1%
U.S. Treasury Notes	4.63%	91282CJA0	1,014,219	1,013,160	4.20%	September 30, 2028	0%
Federal Farm Credit Bank	4.63%	3133EPC45	1,294,557	1,314,846	4.72%	November 13, 2028	0%
U.S. Treasury Notes	4.38%	91282CJN2	1,005,859	1,007,930	4.21%	November 30, 2028	0%
Federal Home Loan Bank	4.50%	3130AVBD3	1,986,480	2,023,260	4.65%	March 29, 2029	1%
U.S. Treasury Notes	4.63%	91282CKP5	2,059,531	2,030,780	3.90%	April 30, 2029	1%
Federal Home Loan Bank	4.20%	3130B3CP6	3,000,000	2,986,230	4.20%	October 9, 2029	1%
Federal Hom Loan Bank	4.50%	3130ATUT2	1,012,568	1,013,300	4.21%	December 14, 2029	0%
Total U.S. Treasuries & Agencies			**44,477,729**	**44,510,141**			**16%**
TOTAL PORTOFLIO			**271,998,989**	**272,003,760**	**3.476%**		**100%**

There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

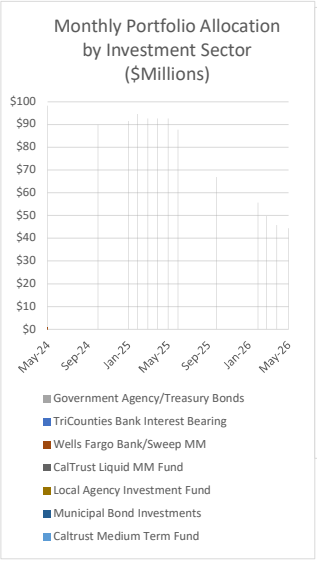
Prepared By: DocuSigned by: 7F4D31BEEEB4498...

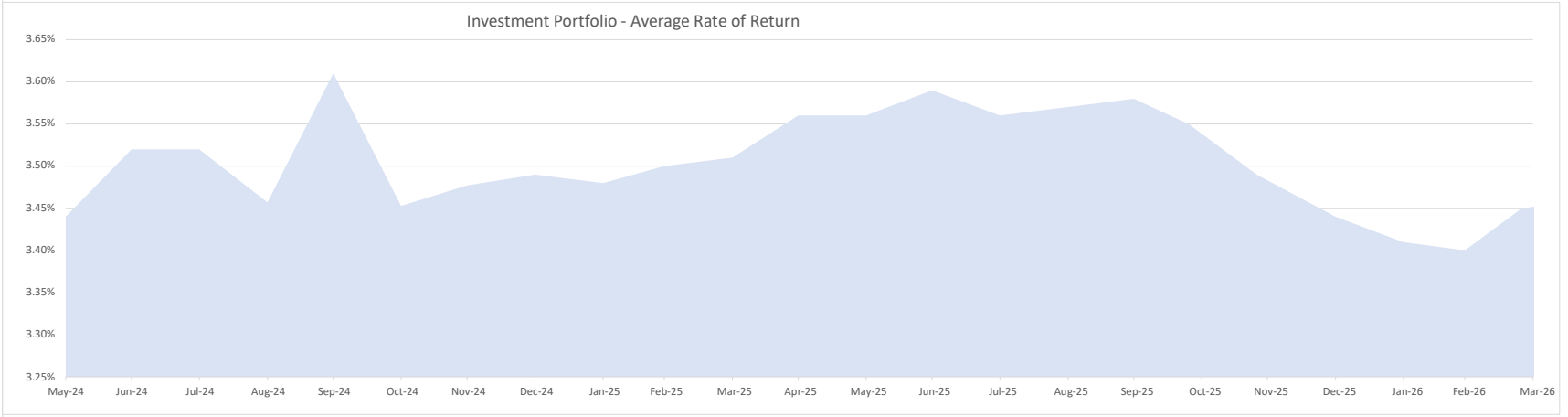
Reviewed By: Mick Pegueros 8783F2EF5A30407...

Docusign Envelope ID: 5B459ABD-822F-8D7B-82AA-C2A17F282D37

CITY OF SAN BRUNO
Portfolio Summary Metrics
May 31, 2026

Monthly Portfolio Allocation by Investment Sector ($Millions)	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
TriCounties Bank Interest Bearing	$17.6	$19.1	$10.2	$13.9	$13.7	$8.1	$16.9	$9.5	$8.1	$14.8	$17.2	$13.0	$13.0	$10.2	$13.9	$17.3	$13.1	$10.3	$14.2	$13.2	$9.6	$18.2	$9.5	$13.0	$15.0
Wells Fargo Bank/Sweep MM	$23.9	$26.7	$21.4	$19.3	$19.9	$37.3	$24.3	$25.3	$28.9	$25.3	$27.8	$38.0	$38.0	$43.8	$26.6	$22.5	$23.4	$24.8	$26.3	$43.7	$37.8	$31.3	$33.8	$40.5	$37.3
CalTrust Liquid MM Fund	$25.3	$25.4	$15.5	$11.6	$11.6	$11.7	$17.8	$17.8	$17.9	$18.0	$18.0	$18.0	$18.0	$18.2	$18.3	$18.4	$18.4	$18.5	$18.5	$18.6	$18.7	$18.7	$18.8	$18.8	$18.9
Caltrust Medium Term Fund	-	-	$20.1	$20.3	$20.4	$20.3	$20.3	$20.4	$20.4	$20.6	$20.7	$20.7	$20.7	$21.0	$21.0	$21.2	$21.3	$21.3	$21.4	$21.5	$21.5	$21.7	$21.5	$21.6	$21.6
Local Agency Investment Fund	15.5	15.5	15.7	15.6	15.7	25.9	25.9	41.4	41.7	41.7	41.7	42.1	42.1	42.1	42.6	42.6	52.6	53.1	53.1	53.1	68.7	68.7	68.7	69.3	69.3
San Mateo County Pool	28.7	25.2	22.5	22.6	20.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government Agency/Treasury Bonds	98.4	98.4	101.9	99.9	96.9	89.9	95.8	93.7	91.7	94.7	92.7	92.7	92.7	87.8	82.4	82.4	74.5	67.0	65.7	58.8	58.8	55.8	49.9	45.9	44.5
Municipal Bond Investments	27.6	27.6	27.6	26.5	26.5	26.5	24.9	24.9	24.9	24.9	24.9	22.4	22.4	20.9	20.9	18.9	18.9	18.9	17.4	17.4	17.4	17.4	17.4	16.3	15.3
Certificates of Deposit	0.5	0.5	0.5	0.5	0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Bank - Money Market	7.2	11.7	8.4	11.6	14.9	16.5	12.7	14.9	17.2	14.4	12.7	15.6	15.6	22.6	28.2	30.4	29.0	37.0	30.0	37.3	32.4	35.7	42.0	47.4	50.1
Total	**$244.7**	**$250.2**	**$243.8**	**$241.8**	**$240.1**	**$236.6**	**$238.6**	**$247.9**	**$250.9**	**$254.4**	**$255.7**	**$262.5**	**$262.5**	**$266.6**	**$253.8**	**$253.6**	**$251.1**	**$250.9**	**$246.7**	**$263.6**	**$264.9**	**$267.4**	**$261.5**	**$272.9**	**$271.9**
Average Rate of Return	**3.44%**	**3.52%**	**3.52%**	**3.46%**	**3.61%**	**3.45%**	**3.48%**	**3.49%**	**3.48%**	**3.50%**	**3.51%**	**3.56%**	**3.56%**	**3.59%**	**3.56%**	**3.57%**	**3.58%**	**3.55%**	**3.49%**	**3.44%**	**3.41%**	**3.40%**	**3.45%**	**3.46%**	**3.48%**





City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Matthew Lee, P.E., Public Works Director
Harry Yip, P.E., Senior Civil Engineer

SUBJECT: Consider Adoption of a Resolution Establishing a 50 Feet Long Five-minute Passenger Loading Zone on City Park Way in Front of the Recreation and Aquatics Center every day from 6:00 A.M. to 8:00 P.M. and a No Parking Anytime Zone on Crestmoor Drive near Bennington Drive

BACKGROUND:

Staff are recommending two targeted parking restrictions to address site-specific safety and operational concerns. These locations are at City Park Way in front of the City's Recreation and Aquatics Center (RAC); and Crestmoor Drive and Bennington Drive. These locations were evaluated based on observed field conditions, including parking in front of the RAC, which was designed as a loading zone, and traffic circulation challenges during school pick-up hours. These were initially requested by residents and the school district respectively.

DISCUSSION:

Pursuant to California Vehicle Code sections 22507, local authorities may establish areas in which parking is prohibited or restricted within the public right of way by resolution.

City Park Way in Front of the RAC
There is a section of City Park Way that widens out near the RAC. In the designs of the RAC, this widened section was designed to be a passenger loading zone for the RAC. To ensure enforcement, the City will need to pass a resolution to establish the loading zone. Patrons of the Park or the RAC have often been observed by staff parking in the area well past the five minutes allowed for active loading. Staff recommends establishing a 50-foot five-minute passenger loading zone everyday including holidays from 6:00 AM to 8:00 PM to provide quick and efficient pick-ups and drop-offs while drivers can still park longer at the parking lots.

Crestmoor Drive North of Bennington Drive
Crestmoor Drive immediately adjacent to John Muir Elementary School experiences concentrated traffic activity during school dismissal. Parents are often queueing in the right lane to turn right into the John Muir School pickup area. The entire segment between Cambridge Lane and Bennington Drive already has red curb. North of that red curb, there is an approximately 46-foot gap of unmarked curb before there is another red curb for a fire hydrant. The gap in the red curb disrupts traffic flow and introduces safety conflicts between circulating vehicles, parked vehicles, and pedestrians in a high-activity school zone. Staff recommends

converting the 46-foot unmarked curb segment into a No Parking Anytime Zone to create a continuous restriction, improve circulation, and enhance safety during peak school activity periods.

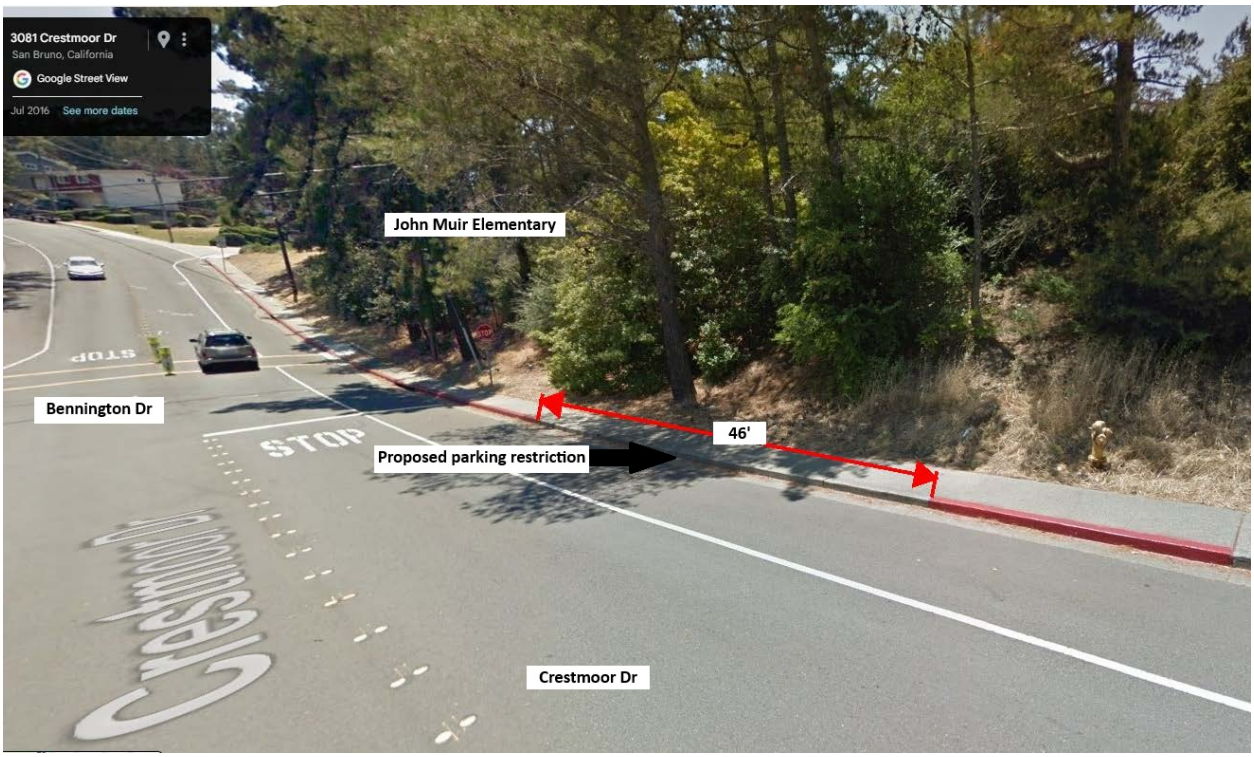


Figure 2: View of Crestmoor Drive and Bennington Drive

FISCAL IMPACT:

The implementation of the signs and curb markings is approximately $2,000. These actions would be funded with the existing budget within FY 2025-26 in the Capital Improvements Program Project 60020 – Pedestrian Safety and Traffic Calming Program. There will be additional on-going maintenance costs of $2,000 every ten year to maintain the signs and curb markings

ENVIRONMENTAL IMPACT:

The proposed resolution is exempt from the California Environmental Quality Act (CEQA) because the modification of parking restrictions are exempt from CEQA pursuant to Class 1 exemption for existing facilities, which include existing highways, streets, and sidewalks, and alterations thereto. (California Code of Regulations 15301 (c).)

RECOMMENDATION:

Consider Adoption of a Resolution Establishing a 50 Feet Long Five-minute Passenger Loading Zone on City Park Way in front of the Recreation and Aquatics Center every day from 6:00 A.M. to 8:00 P.M. and a No Parking Anytime Zone on Crestmoor Drive near Bennington Drive.

ALTERNATIVES:

1. Do not adopt the resolution.
2. Modify the resolution.

ATTACHMENT:

1. Resolution

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ESTABLISHING A 50 FEET LONG FIVE-MINUTE PASSENGER LOADING ZONE ON CITY PARK WAY IN FRONT OF THE RECREATION AND AQUATICS CENTER EVERY DAY FROM 6:00 A.M. TO 8:00 P.M. AND A NO PARKING ANYTIME ZONE ON CRESTMOOR DRIVE NEAR BENNINGTON DRIVE

WHEREAS, pursuant to Title VII, Section 7.12.030 of the San Bruno Municipal Code grants the City Traffic Engineer the duty and responsibility for placing and maintaining traffic control devices he or she deems necessary to guide or warn traffic based on engineering principles and investigations;

WHEREAS, Pursuant to California Vehicle Code sections 22507, local authorities may establish areas in which parking is prohibited or restricted within the public right of way;

WHEREAS, the widened City Parkway in front of the Recreation and Aquatics Center was designed to be a passenger drop off zone;

WHEREAS, Exhibit A illustrates the proposed passenger 50 feet long five-minute passenger loading zone on City Park Way;

WHEREAS, a 46-feet unmarked gap between two red curbs on the west side of Crestmoor Dr and Bennington Dr intersection, disrupts traffic flow especially during school pick-up time;

WHEREAS, the unmarked gap is near a stop sign which also disrupts traffic flow;

WHEREAS, Exhibit B illustrates the proposed parking restrictions on Crestmoor Drive;

WHEREAS, this action is exempt from the California Environmental Quality Act, pursuant to CEQA Guidelines Section 15301(c), existing facilities which exempts minor alterations of existing streets, sidewalks, gutters, bicycle and pedestrian trials, and similar facilities. This project will not cause an expansion of the existing use of the streets.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby: (i) establishes a 50 foot five minute passenger loading zone on City Park Way as shown in Exhibit A every day from 6:00 A.M. to 8:00 P.M., and (ii) establishes a 46-feet “No Parking Anytime” zone on the unmarked gap along west side of Crestmoor Drive and Bennington Drive intersection as shown in Exhibit B.

AND, BE IT FURTHER RESOLVED that the City Council hereby determines this action is exempt from the modification of parking restrictions are exempt from CEQA pursuant to Class 1 exemption for existing facilities, which include existing highways, streets, and sidewalks, and alterations thereto. (California Code of Regulations 15301 (c).

Exhibit A: Map of Proposed Passenger Loading Zone on City Park Way
Exhibit B: Map of Proposed Parking Restrictions on Crestmoor Dr and Bennington Dr

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Matthew Lee, P.E., Public Works Director
Ibraheem Mosa, Assistant Engineer

SUBJECT: Consider Adoption of a Resolution to Authorize the City Manager to Execute a Service Subscription Agreement with Aurigo Software Technologies, Inc. for a Project Management Information System (PMIS) Solution in Substantially the Form Provided

BACKGROUND:

The City's Public Works Department currently manages its Capital Improvement Program (CIP) through a combination of spreadsheets, word processing documents, financial systems, and manual processes. While these tools have supported the City's capital planning and project delivery efforts, they operate across multiple platforms and require significant coordination. A more integrated project management solution would improve visibility, workflow automation, reporting, and consistency in managing capital projects through their lifecycle, from planning through construction and closeout.

The City's CIP encompasses a diverse portfolio of projects that maintain, replace, and enhance public assets and infrastructure across multiple departments. The CIP portfolio includes the following programs:

- Facilities
- Parks
- Stormwater
- Streets
- Technology
- Wastewater
- Water

The City's current project management processes utilize multiple systems to track project information, limiting efficiency, transparency, reporting, and internal coordination. A modern, cloud-based Project Management Information System (PMIS) will enhance the City's ability to manage capital projects by providing improved:

- Capital Planning and Prioritization
- Project and Program Management
- Financial Oversight
- Document Management

- Workflow Automation
- Reporting and Dashboards
- Collaboration and Transparency
- Mobile and Cloud Accessibility

DISCUSSION:

During Fiscal Year 2025-26, Public Works staff evaluated multiple Project Management Information System (PMIS) solutions to identify a platform capable of supporting the City's Capital Improvement Program planning, delivery, program financial management, and reporting needs. The evaluation included reviewing system functionality, implementation requirements, vendor experience, ability to support future program needs, and long-term support.

Staff focused on identifying a solution that would improve project tracking, budget management, contract administration, reporting, and collaboration across the full lifecycle of capital projects. Emphasis was placed on the ability to support multi-year CIP planning, funding management, construction project delivery, document management, workflow automation, and executive-level reporting, and public facing features.

Staff conducted demos with five different vendors: Aurigo, Kahua, Procore, Autodesk, and My Government Online. After initial evaluation, staff moved forward with and requested quotes from three different vendors: Aurigo, Kahua, and Procore. Following the evaluation process, Aurigo Software Technologies, Inc. was identified as the most qualified vendor based on its public-sector experience, comprehensive CIP and project management capabilities, implementation approach, and customer support services.

Public Works staff coordinated with the City's Information Technology Division throughout the evaluation process to address technical and implementation considerations. The proposed agreement with Aurigo varies from the City's standard form agreement. Pursuant to City Purchasing Policy, agreements that have been modified from our standard form require City Council Approval.

Aurigo Essentials is a modern, cloud-based Project Management Information System designed for public agencies managing capital improvement programs. The platform combines capital planning, portfolio management, project delivery, contract administration, financial oversight, document management, reporting, and public transparency tools within a single integrated solution.

The implementation process will generally consist of:

- Project Initiation and System Setup: Establish user accounts, configure system settings, and align platform functionality with the City's CIP management processes.
- Configuration and Training: Configure project management workflows, budgeting structures, reporting tools, and provide training for City staff.
- Deployment and Adoption: Launch the system for production use, provide user support, and conduct ongoing performance reviews and optimization.

The Aurigo solution will provide a scalable, cloud-based platform that supports the City's current and future capital program needs while improving efficiency, accountability, transparency, and data-driven decision-making across the Capital Improvement Program.

FISCAL IMPACT:

The annual subscription fee for Aurigo Software Technologies, Inc.'s Essentials Plan and Essentials Build solutions is $35,000. The proposed agreement term is two (2) years for a total contract amount not to exceed $70,000. Funding for the first two years of the subscription will be allocated across active CIP projects that have sufficient budget capacity and will directly benefit from use of the system.

Following the initial two-year term, ongoing subscription costs are subject to adjusted in accordance with the terms of the agreement.

ENVIRONMENTAL IMPACT:

There is no environmental impact. This action is not a "project" for the purposes of CEQA as it involves an administrative activity that does not result in a direct or indirect physical change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2)).

RECOMMENDATION:

Consider a Resolution to authorize the City Manager to execute a Service Subscription Agreement with Aurigo Software Technologies, Inc. for a Project Management Information System (PMIS) Solution in substantially the form provided.

ALTERNATIVES:

1. Do not authorize the execution of the Aurigo Service Subscription Agreement and continue with the current combination of tools used to manage the Capital Improvement Program.
2. Direct staff to reissue a request for proposals for an alternative PMIS provider.

ATTACHMENTS:

1. Resolution
2. Aurigo Service Subscription Agreement

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A SERVICE SUBSCRIPTION AGREEMENT WITH AURIGO SOFTWARE TECHNOLOGIES, INC. FOR A PROJECT MANAGEMENT INFORMATION SYSTEM (PMIS) SOLUTION IN SUBSTANTIALLY THE FORM PROVIDED

WHEREAS, the City's current management of its Capital Improvement Program (CIP) requires significant manual coordination; and

WHEREAS, a more integrated project management solution would improve visibility, workflow automation, reporting, and consistency in managing capital projects through their lifecycle; and

WHEREAS, the City assessed and analyzed three vendor proposals for their ability to support the City's CIP planning, delivery, financial management, and reporting needs; and

WHEREAS, Aurigo Software Technologies, Inc. was identified as the most qualified vendor based on public-sector experience, comprehensive CIP and project management capabilities, implementation approach, customer support, and competitive subscription pricing; and

WHEREAS, annual subscription costs of $35,000 will be split between CIP projects in the City Council Adopted Budget and are subject to adjustment after 2 years; and

WHEREAS, sufficient funding has been included in the City Council Adopted Budget.

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council hereby:
Authorizes the City Manager to Execute the Service Subscription Agreement with Aurigo Software Technologies, Inc. for a Project Management Information System (PMIS) Solution in Substantially the Form Provided

Exhibit A: Aurigo Service Subscription Agreement

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

AURIGO SERVICE SUBSCRIPTION AGREEMENT

This Service Subscription Agreement (the "Agreement") is an agreement between Aurigo Software Technologies Inc. and City of San Bruno, CA (the "Customer"). This Agreement consists of the terms and conditions, the service level agreements ("SLAs") corresponding to the applicable Services, and the pricing and payment terms related to the applicable Services. The Services also may contain other posted notices or codes of conduct, which are incorporated by reference into this Agreement.

Please read this Agreement carefully. THIS AGREEMENT MUST BE SIGNED BY BOTH PARTIES PRIOR TO USING ANY OF THE SERVICE. CUSTOMER AGREES TO BE BOUND BY THIS AGREEMENT, INCLUDING ANY WRITTEN AND MUTUALLY AGREED MODIFICATIONS MADE TO IT FROM TIME TO TIME. IF CUSTOMER DOES NOT AGREE TO THE TERMS AND CONDITIONS IN THIS AGREEMENT, IT MAY NOT SUBSCRIBE TO OR USE THE SERVICES.

1. DEFINITIONS

"**Add-on Service**" means additional functionality or services that may be ordered by Users of the Services for an additional subscription fee or charge.

"**Affiliate**" means any legal entity that a party owns, that owns a party, or that is under its common ownership. "Ownership" means, for purposes of this definition, control of more than a 50% interest in an entity. If Customer is an agency of a state, provincial, or local government, "Affiliate" means:

1. any government agency, department, office, instrumentality, division, unit or other entity, of Customer's state, provincial or local government that is supervised by, or is part of, Customer, or which supervises Customer or of which Customer is a part, or which is under common supervision with Customer;

2. any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state or province and located within Customer's state's or province's jurisdiction and geographic boundaries; and

3. any other entity in Customer's state or province expressly authorized by the laws of Customer's state or province to purchase under state or provincial contracts; provided that a state or province and its Affiliates shall not, for purposes of this definition, be considered to be Affiliates of the federal government or its Affiliates. Notwithstanding the foregoing, provincial Crown corporations are not Affiliates for the purposes of this definition. If Customer is an agency of the U.S. government, "Affiliate" means any other agency of the U.S. government. If Customer is an agency of the Canadian government, "Affiliate" means any other agency of the Canadian government, except for a federal Crown corporation.

"**Annual Construction Value**" or "**ACV**" means the Customer's sum of all construction costs (both direct and indirect) for the period of one fiscal year.

"**Aurigo**" means Aurigo Software Technologies Inc. or its Affiliates.

"**CPGL**" means Core Product Go Live. It is the date that the base functionality of the Aurigo Commercially Off the Shelf platform and the licensed product(s) is/are made available to Customer. This is different from Solution Go-live date when the entire solution will be hosted in a production environment.

"**Client Software**" means any software provided to Customer by Aurigo related to the Services.

"**Confidential Information**" means any and all source code of the Services or Client Software and

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

all know-how and trade secrets, relating to, contained in, or embodied in the Services or Client Software, technical, research, development or other business data and information of the parties (whether communicated orally, visually, in writing, or in any other recorded or tangible form) which is not in the public domain and which: (a) either party has marked as confidential or proprietary, (b) either party, orally or in writing, has advised the other party of its confidential nature, or (c) due to its character or nature, a reasonable person in a like position and under like circumstances would treat as confidential.

"**Content**" means all data, including all text, sound, or image files and software that are provided to Aurigo by, or on behalf of, Customer, its Users and associated account Users through their use of the Services. The term "Content" does not apply to any test data.

"**Customer**" means the entity that has entered into this Agreement. If an individual enters into this Agreement on behalf of a company or other legal entity, such individual represents that he or she has the authority to bind such entity to this Agreement.

"**Go-Live**" means the date entire configured Service is hosted and available in Aurigo's production environment for user access.

"**Intellectual Property**" means any intellectual or industrial property rights protected or protectable under the laws of United States of America and includes copyrights, moral rights, trade secrets, patent rights, rights in inventions, trade-marks, trade names and service marks, as well as applications for, and registrations, extensions, renewals and re-issuances of, the foregoing, in whatever form such rights may exist and whether registered or unregistered.

"**License**" means the rights granted by Aurigo to Customer to copy, install, use, access, display, run and/or otherwise interact with the Services and/or Client Software for, as applicable, for Customer's internal business purposes.

"**Service" or "Services**" means any of the Aurigo-hosted service or services to which you subscribe under this agreement.

"**SLAs**" means service level agreements representing commitments Aurigo makes with regard to the Services. The term "SLAs" does not apply to any Third Party Software or Third Party Services.

"**Subscription**" means enrollment for a Service or Services for a defined Term.

"**Subscription Fee**" means the annual fee Customer is required to pay for the Subscription. Customer is required to pay the Subscription Fee in advance. Payments are due and must be paid in accordance with the Order. Price level changes are not retroactive. Prices for each price level are fixed at the time the Subscription is first placed and apply throughout the Contract Term. Subscription Fees are subject to change by Aurigo at the end of the initial Contract Term and at the end of any contract renewal term.

"**Subscription Period**" means the one-year period corresponding to a given Subscription Fee.

"**Term**" or "**Contract Term**" means the duration of this Agreement, as set forth on Schedule 1.

"**Third Party Software**" means software provided by a third party to Customer (which may or may not be used through the Services), that are subject to additional terms and conditions between the third party and Customer associated with Customer's use of such third party software. The term "Third Party Software" does not include software embedded in the Services, or provided to Customer by Aurigo as part of the Services, that are necessary for Customer's use of the Services.

"**Third Party Services**" means services provided by a third party to Customer (which may or may not be used through the Aurigo Services), that are subject to additional terms and conditions between the third party and Customer associated with Customer's use of such third party services. The term "Third Party Services" does not include services provided to the Customer with, or as part of, the Aurigo Services that are necessary for Customer's use of the Aurigo Services.

"**Users**" means individuals within Customer's organization who have the right to use the Services, as

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

dictated by the number of User Licenses purchased by Customer.

"**User Licenses**" refers to the named user license subscriptions that Customer has purchased under its Subscription for Services.

"**Work Order**" or "**Order**" means an order for Services.

"**Work Product**" means any item (tangible or intangible) which is created or produced as a result of any customization or configuration services by Aurigo. For the sake of clarity, the term "Work Product" does not include any items that are considered to be derivative works of intellectual property owned by Aurigo, including but not limited to configuration of existing code.

2. LICENSE GRANT – WHAT CUSTOMER IS LICENSED TO USE

2.1 **General.** Aurigo grants Customer a non-exclusive, non-transferrable, non-assignable, limited License to the Services ordered by Customer during the Term, subject to Customer's obligation to pay and any rights and limitations described in this Agreement. Customer's ability to use the Services may be affected by minimum system requirements or other factors. Aurigo reserves all rights not expressly granted. No implied licenses flow from this Agreement.

2.2 **Ownership.** Each party shall retain ownership of its Intellectual Property and derivative works created therefrom. Ownership rights to Work Product provided to the Customer under this Agreement will be defined in an applicable statement of work associated with that Work Product.

2.3 **Client Software.** Customer may need to install Client Software wherever applicable (mobile client software for iOS and Android are available subject to users being licensed to access the Services) to access and use the Services, in which case Aurigo grants Customer a non-exclusive, non-transferrable, non-assignable, limited License to the Client Software during the Term, subject to Customer's obligation to pay and any rights and limitations described in this Agreement. Customer's ability to use the Client Software may be affected by minimum system requirements or other factors. Customer may make copies of the Client Software solely to support the Services for its Users, but only to the extent the copies are true and complete copies (including copyright and trademark notices) and are made from an Aurigo approved media or a network source. Customer agrees to use reasonable efforts to make all authorized Users (as discussed in Section 2.4 below) aware that use of the Services is licensed from Aurigo and subject to the terms of this Agreement. Additional rights and restrictions for the Client Software may accompany the provision of such Client Software, and Customer agrees to abide by all such additional rights and restrictions.

2.4 **Authorized Users.** Only those individuals who Customer designates as authorized Users may use and access the Services. Only Users who have administrator privileges may add additional authorized Users to the Services up to and including the total number of User Licenses purchased during the Subscription Period. User Licenses cannot be shared or used by more than one individual authorized User and cannot be reassigned to a new User to replace a current authorized User who has terminated employment or otherwise changed job status or function and no longer uses the Services. However, a User who has administrator privileges may delete an authorized User from the Services and add a new authorized User to the Services to replace the former authorized User.

2.5 **Limitations on use.** Customer shall not (and shall not permit any third party to) copy, reverse engineer, decompile or disassemble the Services or Client Software or make works derived from any version of the Services or Client Software or attempt to generate or access the source code for the Services or Client Software, whether by converting, translating, decompiling, disassembling or merging any part of the Services or Client Software with any other software, except where applicable law requires it despite this limitation. Customer shall not (and shall not permit any third party to)

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

rent, lease, lend, resell, or host to or for third parties any Services or Client Software. Customer shall not circumvent or disable any usage rules or other security features of the Services or Client Software; or remove, alter or obscure any proprietary notices or labels.

3. ORDERING, PRICING, PAYMENTS, RENEWALS AND TAXES

3.1 Ordering. Customer shall issue a purchase order to Aurigo for each Subscription and for each change to a Subscription during an applicable Subscription Period.

If Customer desires to increase the total number of User Licenses during a Subscription Period, Customer must purchase those additional User Licenses prior to exceeding its then-current number of authorized User Licenses. If Customer desires to reduce the total number of User Licenses, Customer may request a reduction in the number of User Licenses at any time during the applicable Subscription Period. If Aurigo assesses that Customer is eligible for such reduction, which Aurigo may determine in its sole discretion, the reduction in the number of User Licenses will be effective at the beginning of the next Subscription Period. Customer's reduction of User Licenses may trigger a price increase according to Aurigo's then-current Subscription Fee, and Customer may lose any locked-in pricing or volume discounts previously agreed with Aurigo.

If Customer has purchased an ACV-based Subscription, and if during the Contract Term, Customer uses a higher ACV than it originally purchased for the applicable Subscription period, then (i) at the end of the applicable Subscription period, Aurigo will have the right to invoice Customer in arrears at a price for the higher ACV tier actually used by Customer; and (ii) Customer will automatically be enrolled in the higher ACV tier actually used by Customer for the next applicable Subscription Period. If the Customer budget allocation changes, Customer may request a downgrade to a lower ACV tier. If Aurigo assesses that Customer is eligible for such downgrade, which Aurigo may determine in its sole discretion, Customer's downgrade to a lower ACV tier will be effective at the beginning of the next Subscription Period. There will be no refunds if Customer's ACV usage is lower than the tier selected for the then-current Subscription period. Customer's downgrade to a lower ACV tier may trigger a price increase according to Aurigo's then-current Subscription Fee, and Customer may lose any locked-in pricing or volume discounts previously agreed with Aurigo.

Any Services added to a Subscription will expire at the end of the Term. Customer may place Orders for its Affiliates under this Agreement and grant its Affiliates administrative rights to use the Services. Affiliates may not place Orders under this Agreement. To the extent Customer grants any rights to Affiliates, such Affiliates shall be bound by the terms and conditions of this Agreement. Customer agrees that it is jointly and severally liable for any Services purchased for or other actions taken by any of its Affiliates or any third party to which it provides rights under this Agreement.

3.2 Renewal. The Contract Term of this Agreement is defined in the Schedule 1.

3.3 Reserved.

3.4 Taxes and other Incidental Charges. The prices and rate plans do not include any taxes, phone and the Customer's cost of their Internet access charges, mobile text messaging, wireless service and other data transmissions, unless stated otherwise. Customer is responsible for all such incidental charges and any taxes it is legally obligated to pay, including, but not limited to, paying Aurigo any applicable value added, sales or use taxes or like taxes that are permitted to be collected from Customer by Aurigo under applicable law. If any taxes are required by law to be withheld on payments made by Customer to Aurigo, Customer may deduct such taxes from the amount owed Aurigo and pay them to the appropriate taxing authority; provided, however, that Customer shall promptly secure and deliver to Aurigo an official receipt for any such taxes withheld or other documents necessary to enable Aurigo to claim a

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

Foreign Tax Credit. Customer will make certain that any taxes withheld are minimized to the extent possible under applicable law. If the Customer is tax exempt, it must provide a valid tax exemption certificate for Aurigo to exclude taxes from customer invoices.

3.5 **Refunds.** All charges are non-refundable unless expressly stated otherwise, or otherwise provided by law.

3.6 **Late Payments.** Payments to Aurigo are due 30 days from receiving an invoice. Aurigo may suspend or cancel the Services if Customer does not pay in full and on time.

4. TERM AND TERMINATION

4.1 This Agreement will become effective upon acceptance by the parties and will remain in force for the Term unless terminated pursuant to this Section 4.

4.2 **Suspension of Services by Aurigo.** Aurigo may immediately suspend Customer's use of the Services or a portion thereof at any time if (a) Aurigo believes that Customer's use of the Services represents a direct or indirect threat to its network function or integrity or anyone else's use of the Service, or (b) Aurigo is otherwise required by law to do so. Upon notification by Aurigo of any such suspension, Customer's right to use the Services will stop immediately. For the avoidance of doubt, during any suspension, the other terms of this Agreement remain in full force and effect.

Aurigo will endeavor to work with Customer to revoke a suspension, which may include the Customer taking remedial actions, after which Customer's right to use the Services will resume. If Aurigo determines in its sole discretion that a suspension cannot be revoked, then Aurigo may terminate this Agreement by written notice to Customer.

4.3 **Termination by Customer.** Customer may suspend Customer's use of the Services or a portion thereof at any time if Aurigo violates the terms of this Agreement.

4.4 **Termination of this Agreement for Cause.** A party may terminate this Agreement by written notice if the other party materially breaches this Agreement and fails to cure the breach during the Cure Period. The "Cure Period" will commence on the date the non-breaching party gives written notice of breach to the breaching party, specifying the nature of the breach, and will continue for a period of: (i) ten days in cases where the breach is the failure to pay any amounts due under this Agreement; or (ii) 30 days for all other breaches; provided that, notwithstanding the foregoing, there will be no period for curing or remedying a material breach by either party of its obligations pertaining to Confidential Information under Section 8. If Aurigo terminates this Agreement for Customer's violation of the Agreement terms, Customer will be obligated to pay any Subscription fees due for the then-current Subscription Period.

4.5 **Termination for Insolvency.** This Agreement may be terminated by either party, immediately upon written notice to the other party in the event (i) the other party files a petition for bankruptcy or is adjudicated bankrupt; (ii) a petition in bankruptcy is filed against the other party and such petition is not dismissed within sixty (60) calendar days; (iii) the other party becomes insolvent or makes an assignment for the benefit of its creditors or an arrangement for its creditors pursuant to any bankruptcy or other similar law; (iv) the other party discontinues its business; or (v) a receiver is appointed for the other party or its business.

4.6 **Effect of termination.** Upon termination or cancellation of the Services or this Agreement by either party for any reason, (i) Customer will immediately cease all use of the Services and Client Software, (ii) Customer shall certify in writing to Aurigo that, within 30 calendar days after termination, Customer has erased from computer memory, destroyed, or returned to Aurigo all Client Software, as well as any copies thereof on any media or in any form, whether partial or complete, whether modified

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

or in original form, (iii) Aurigo may delete Customer's Content permanently from its servers. Notwithstanding the foregoing, Aurigo will keep Customer's Content for a period of 90 days before it is deleted from Aurigo's servers. Customer is solely responsible for taking the necessary steps, and incurring the costs, to back up its Content and ensure that it maintains its primary means of business. Termination of the Services or this Agreement or any license granted herein shall not limit either party from pursuing any other remedies available to it at law or in equity.

4.7 No liability for deletion of Content. Customer acknowledges that, other than as expressly described in these terms, Aurigo will have no obligation to continue to hold, export or return Customer's Content. Customer acknowledges that Aurigo will have no liability whatsoever for deletion of Content pursuant to these terms.

5. DATA PRIVACY

5.1 Use of Customer Data. Content and other data that Customer may provide or cause to be provided to Aurigo for use with the Services ("**Customer Data**") will be used only to provide Customer the Services, and in other limited circumstances, including troubleshooting aimed at preventing, detecting and repairing problems affecting the operation of the Services, the improvement of features including but not limited to those features that involve the detection of, and protection against, emerging and evolving threats to the user (such as malware or spam), and develop new Service capabilities. Customer hereby grants to Aurigo a limited, nonexcusive licnese to use Customer Data for the limited purposes set forth above in this Section 5.1.

Notwithstanding the forgoing, Aurigo will not otherwise disclose customer data to a third party (including law enforcement, other government entity, or civil litigant; excluding Aurigo subcontractors and affiliates) except as Customer directs or unless required by law. Should a third party contact Aurigo with a demand for customer data, Aurigo will attempt to redirect the third party to request it directly from Customer. As part of that, Aurigo may provide Customer's basic contact information to the third party. If compelled to disclose customer data to a third party, Aurigo will use commercially reasonable efforts to notify Customer in advance of a disclosure unless legally prohibited. Customer is responsible for responding to requests by third parties defined in this clause regarding Customer's use of the Service, such as a request to take down content under the Digital Millennium Copyright Act.

6. USE RIGHTS AND LIMITATIONS

6.1 SLAs. Aurigo will comply with the then-current SLA in place relating to the Services

6.2 Customer's Use. In using the Service,

Customer agrees to:

- comply with all laws;
- comply with any codes of conduct or other notices provided by Aurigo;
- keep its password secret, and
- promptly notify Aurigo if it learns of a security breach or unauthorized access related to the Service.

Customer agrees to not:

- use the Services in any way that harms Aurigo or its Affiliates, resellers, distributors and/or vendors, or any customer of the same, or the Services or other Users;
- engage in, facilitate, or further unlawful conduct;
- damage, disable, overburden or impair the Services (or the networks connected to the Services) or interfere with anyone's use and enjoyment of

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

the Services;

- resell or redistribute the Services, or any part of the Services, unless Customer has a contract with Aurigo that permits it to do so;
- use any portion of the Services as a destination linked from any unsolicited bulk messages or unsolicited commercial messages ("spam");
- use any unauthorized automated process or service to access and/or use the Services (such as a BOT, a spider, periodic caching of information stored by Aurigo or "meta-searching"), however, periodic automated access to the Services for report creation or scheduling is permitted;
- use any unauthorized means to modify or reroute, or attempt to modify or reroute, the Services or work around any of the technical limitations in the Services;
- modify, create derivative works from, reverse engineer, decompile or disassemble or otherwise attempt to discover any trade secret contained in the Services or in any technology, or system used by Aurigo in connection with providing the Services, except and only to the extent that applicable law expressly permits Customer to do so despite this limitation;
- create a "mirror" of any content of the Services to give the impression that Customer is offering all of the functionality of the Services as its service located on its own servers;
- build a product or service using similar ideas, features, functions or graphics of the Services;
- copy any ideas, features, functions or graphics of the Services.

6.3 **Use of Other Aurigo Services.** Customer may need to use certain Aurigo websites or services to access and use the Services. If so, the terms of use associated with those websites or services, as applicable, apply to Customer's use of them.

6.4 **Third Party Services.** Aurigo or its partners may make Third Party Services available to Customer (a) through the Services or (b) that interface with the Aurigo Services. These Third Party Services are the responsibility of the Third Party Service provider, not Aurigo. The Third Party Service providers may require Customer to accept additional terms and conditions and/or pay a fee in order to use their services. Those additional terms and conditions are between Customer and the Third Party Service provider. Customer must maintain an active Subscription in order to use the Aurigo Services with Third-Party Services.

Any Third Party Service provider's use of information that Customer provides as part of using their Third Party Service is subject to the privacy statements and practices of that Third Party Service provider and/or their suppliers. Aurigo encourages Customer to review the privacy statement of these Third Party Service providers. Aurigo is not responsible for the privacy statements or privacy practices of these Third Party Service providers or their suppliers.

6.5 **Third Party Software.** Some Third Party Software may be appropriate or necessary for use with the Service. Customer is solely responsible for any Third Party Software installed in or used with the Aurigo Services, and Customer's right to use such Third Party Software is governed by the terms of any applicable Third Party Software license agreement. Aurigo is not a party to and is not bound by any terms governing Customer's use of the Third-Party Software, and Customer acknowledges that it will direct and control the installation and use of such Third Party Software with the Aurigo Services.

Customer must maintain an active Subscription in order to use the Aurigo Services with Third Party Software. Aurigo will not run or make any copies of Third Party Software licensed by the Customer except as may be necessary to support Customer's use of the Aurigo Services. Customer may not install or use the Third Party Software in any way that would subject Aurigo's intellectual property or technology to obligations beyond those included in the Agreement. Aurigo does not, and will not have any obligation to, provide technical or other support for any Third Party Software. Aurigo

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

does not make any representation or guaranty that any Third Party Software will operate successfully with the Services or continue performing after an update, upgrade, services patch, support fix or platform migration has been made to the Service.

6.6 Reserved.

6.7 Reserved.

6.8 Use of Third Party Software or Third Party Services Websites. If Customer accesses any third party website to use Third Party Software or Third Party Services in conjunction with the Aurigo Services, Customer must abide by the third party's terms of use, and also must abide by Aurigo's terms of use for those third party websites, as set forth in section 7.1.

7. CUSTOMER CONTENT

7.1 Links to third-party Web sites. The Services may contain links to third party websites belonging to Third Party Software and Third Party Service providers. These third party websites are not under Aurigo's control and Aurigo has no responsibility for the content contained in such third party websites. If Aurigo has included these links in the Services, it provides them as a convenience to Customer only. The inclusion of these links is not an endorsement by Aurigo of any third party website, Third Party Software, Third Party Services, or any other third party service or product. Aurigo reserves the right to disable links to any third party website that Customer posts on the Services. Customer's use of any such third party website will also be subject to Aurigo's Third Party Terms of Use, available here: http://www.aurigo.com/third-party-terms-of-use/

7.2 Aurigo will not own any Content. Aurigo performs regular backups of Content for the purpose of recovery in the event of a failure in Aurigo's data centers. However, notwithstanding the foregoing, Customer is solely responsible for the Content it provides to Aurigo through the Services either through integrations or through manual entry. Customer, not Aurigo, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use such Content. Aurigo shall not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any Content that Customer uses with the Service.

8. CONFIDENTIALITY

8.1 Reserved.

8.2 Protective Measures. Each party acknowledges the proprietary nature of the other party's Confidential Information and the business advantage and opportunity provided thereby. Customer acknowledges and agrees that the Services and Client Software, its object code and source code, whether or not provided to Customer, and all ideas, methods, algorithms, formulae, processes, and concepts used in developing or incorporated into the Services or Client Software, all future updates and upgrades, and all other improvements, revisions, corrections, bug-fixes, hot- fixes, patches, modifications, enhancements, releases, signature sets, upgrades, and policy and database updates and other updates in, of, or to the Services or Client Software, all derivative works based upon any of the foregoing, and all copies of the foregoing are trade secrets, Confidential Information and proprietary property of Aurigo, having great commercial value to Aurigo. Accordingly, each party agrees that the Confidential Information it receives from the other party will be disclosed only to such of its employees and agents who have a need to know such particular information in furtherance of their duties and are bound to an enforceable written agreement prohibiting them from disclosing any such information to any other party or using such

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

information except for the purposes permitted by this Agreement. Except as expressly permitted by this Agreement, neither party will use the other party's Confidential Information or disclose such information to any third party without the prior written consent of the other party.

8.3 Exceptions Regarding Disclosure. Nothing in this Agreement will prevent the receiving party from disclosing the other party's Confidential Information to the extent the receiving party is legally compelled to do so by any court or governmental investigative or judicial agency pursuant to proceedings over which such agency has jurisdiction, or in response to a request under the California Public Records Act (Government Code section 7920.000 et seq.) on condition that prior to the disclosure, the receiving party shall (i) assert the confidential nature of the Confidential Information; (ii) immediately notify the disclosing party in writing of the order or request to disclose; and (iii) cooperate fully with the disclosing party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality. Aurigo acknowledges client is also subject to the Brown Act (Government Code section 54950 et seq.), under which the Agreement may be discussed or disclosed.

8.4 Injunctive Relief. Each party acknowledges and agrees that due to the unique nature of Confidential Information, there can be no adequate remedy at law for any unauthorized use or copying of the Services or Client Software by Customer or any breach of the obligations under this Section 8 regarding Confidential Information by either party. Any such breach would result in irreparable harm to the non-breaching party and, therefore, upon any such alleged breach, the non-breaching party will be entitled to seek appropriate equitable relief, in addition to whatever remedies it might have at law, in equity or under this Agreement.

9. WARRANTIES

9.1 Limited warranty. Aurigo warrants that the Services and Client Software will conform as per specification, and will be subject to the following limitations:

- this limited warranty applies only during the Term, including any renewals ("Warranty Period");
- any implied warranties, guarantees or conditions not able to be disclaimed as a matter of law will last only during the Warranty Period;
- this limited warranty does not cover problems caused by accident, abuse or use of the Services in a manner inconsistent with this Agreement, or resulting from events beyond Aurigo's reasonable control;
- this limited warranty does not apply to problems caused by the failure to meet minimum system requirements;
- this limited warranty does not apply to downtime or other interruption in access to the Services, or any other performance metrics that are addressed in an applicable SLA;
- this limited warranty does not apply to problems caused by Customer's use of any Third-Party Services, Third-Party Software and any other third-party provided goods or services; and
- This limited warranty expressly excludes any Third-Party Services, Third-Party Software and any other third-party provided goods or services.

Aurigo further warrants that (a) it is the lawful licensee or owner of the Services and Client Software (excluding any Client Data therein) and has all the necessary rights in the Services to grant the use of the Services to City; and (b) the Services and any other work performed by Aurigo hereunder shall not infringe upon any United States or foreign copyright, patent, trade secret, or other proprietary right, or misappropriate any trade secret, of any third-party, and that it has neither assigned nor otherwise entered into an agreement by which it purports to assign or transfer any right, title, or interest

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

to any technology or intellectual property right that would conflict with its obligations under this Agreement

9.2 Remedies for breach of limited warranty. If Customer notifies Aurigo within the Warranty Period that the Services or a portion thereof do not meet the limited warranty, then Aurigo will either (1) return the amount paid for the applicable Services or portions thereof during the Term, but only in an amount equal to the portion of the payments for which Customer's warranty claim applies, and only to the extent Customer requests termination of the contract, or (2) update such Services to make it conform to the limited warranty.

9.3 DISCLAIMER OF OTHER WARRANTIES. OTHER THAN THIS LIMITED WARRANTY, AURIGO PROVIDES NO OTHER EXPRESS OR IMPLIED WARRANTIES. AURIGO DISCLAIMS ANY IMPLIED REPRESENTATIONS, WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, TITLE OR NON-INFRINGEMENT. THESE DISCLAIMERS WILL APPLY UNLESS OTHERWISE REQUIRED BY APPLICABLE LAW.

10. INDEMNIFICATION AND INSURANCE

10.1 Indemnity. To the fullest extent permitted by law, Aurigo shall, at its sole cost and expense, defend, hold harmless and indemnify Client and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all direct damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Aurigo, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Aurigo shall bear the legal liability thereof) in the performance of this Agreement, including any Claim arising out of or relating to the Services allegedly or actually infringing or misappropriating any United States or foreign patent, copyright, trade secret, trademark, or other proprietary right., including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. Aurigo shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Aurigo shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

10.2 Indemnification Procedures: Promptly after receipt by Client of a threat, notice, or filing of any Claim against an Indemnitee, Client shall give notice thereof to Aurigo, provided that failure to give or delay in giving such notice shall not relieve Aurigo of any liability it may have to the Indemnitee except to the extent that Aurigo demonstrates that the defense of the Claim is prejudiced thereby. Aurigo shall have sole control of the defense and of all negotiations for settlement of a Claim and Client shall not independently defend or respond to a Claim; provided, however, that: (a) City may defend or respond to a Claim, at Aurigo's expense, if City's counsel determines, in its sole discretion, that such defense or response is necessary to preclude a default judgment from being entered against an Indemnitee; and, (b) Client shall have the right, at its own expense, to monitor Aurigo's defense of a Claim. At Aurigo's request, Client shall reasonably cooperate with Aurigo in defending against or settling a Claim; provided, however, that Aurigo shall reimburse Client for all

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

reasonable out-of-pocket costs incurred by Client (including, without limitation, reasonable attorneys' fees and expenses) in providing such cooperation.

10.3 Limitations on defense obligation. Aurigo's obligations in this Section 10 will not apply to the extent that the claim or award is based on:

- Customer's use of the Services or Client Software after Aurigo notifies it to discontinue its use due to a third party claim;
- Customer's combination of the Services or any related Client Software with a non-Aurigo product, data or business process, including Third Party Software and Third Party Services;
- damages attributable to the value of the use of a non-Aurigo product, data or business process;
- Customer's use of Aurigo's trademark(s) without express written consent to do so;
- any trade secret or undisclosed information claim, where Customer acquires the trade secret or undisclosed information (1) through improper means; (2) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (3) from a person (other than Aurigo) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret or undisclosed information.

10.4 Specific rights and remedies in case of infringement.

- **Aurigo's rights in addressing possible infringement.** If Aurigo receives information concerning an infringement claim related to the Services or Client Software, Aurigo may, at its expense and without obligation to do so: (1) procure for Customer the right to continue to use the allegedly infringing Services and/or Client Software, (2) modify the Services and/or Client Software, or (3) replace the Services and/or Client Software with a functional equivalent, to make it non-infringing, in which case Customer will immediately stop using the allegedly infringing Services and/or Client Software after receiving notice from Aurigo.

- **Customer's specific remedy in case of injunction.** If, as a result of an infringement claim, Customer's use of the Services or Client Software is enjoined by a court of competent jurisdiction, Aurigo will, at its option, either: (1) procure the right to continue its use; (2) replace it with a functional equivalent; (3) modify it to make it non-infringing; or (4) terminate the License as to the infringing Services and/or related Client Software and refund any amounts paid in advance by Customer for unused Services.

10.5 Insurance. Aurigo shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the types and in the minimum amounts as follows, with responsible insurance carriers duly admitted and qualified in California covering the operations of Aurigo, pursuant to this Agreement: commercial general liability ($1,000,000 per occurrence, $2,000,000 aggregate); excess liability ($2,000,000 per occurrence, $2,000,000 aggregate); workers' compensation (statutory limits) and employers' liability ($500,000 per accident); and cyber liability ($5,000,000 per occurrence). The Indemnitees shall be named as additional insureds in the commercial general, cyber, and excess liability policies which shall contain standard cross liability clauses. Aurigo shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The liability policies shall be primary without right of contribution from any Indemnitee, and Aurigo waives all rights of subrogation with respect to said policies. Such policies shall require that Client be given no less than thirty (30) calendar days prior written notice of any cancellation thereof or material change therein. Aurigo shall provide Client with certificates of insurance and original endorsements, evidencing all of the above coverage, including all special requirements specifically noted above, and shall provide Client with certificates of insurance evidencing renewal or substitution of such insurance

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

thirty (30) calendar days prior to the effective date of such renewal or substitution.

11. LIMITATION OF LIABILITY

11.1 Limitation on liability. Except as otherwise provided in this Section, to the extent permitted by applicable law, the liability of either party and of Aurigo's contractors to Customer arising under this Agreement is limited to direct damages up to the amount Customer paid Aurigo for the Services and/or Client Software giving rise to that liability during the (1) Term or (2) twelve months prior to the filing of the claim, whichever is less. These limitations apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory. However, these monetary limitations will not apply to:

- Aurigo's obligations under the Section 10
- Customer's use of Aurigo's trademark(s) without express written consent to do so;
- liability for damages awarded by a court of final adjudication for Aurigo's or its employees' or agents' gross negligence or willful misconduct;
- liabilities arising out of any breach by Aurigo of its obligations under the Section entitled "Confidentiality"; or
- liability for personal injury or death caused by Aurigo's negligence or that of its employees or agents or for fraudulent misrepresentation.

11.2 EXCLUSION OF CERTAIN DAMAGES. To the extent permitted by applicable law, whatever the legal basis for the claim, neither party, nor any of its affiliates or suppliers, will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for lost profits or revenues, business interruption, or loss of business information) arising in connection with this agreement, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. However, this exclusion does not apply to either party's liability to the other for violation of its confidentiality obligations or of the other party's intellectual property rights.

12. VERIFYING COMPLIANCE

During the Term of any Subscription Customer must keep all records relating to the Subscription(s) and Customer's use of the Services and/or Client Software under this Agreement. Aurigo may request that Customer conduct an internal audit of all Services in use throughout Customer's organization, comparing (i) the number of User Licenses in use to the number of User Licenses purchased by Customer or (ii) the ACV tier actually used by Customer to the ACV tier purchased by Customer, as the case may be. By requesting an audit, Aurigo does not waive its rights to enforce this Agreement or to protect Aurigo's intellectual property by any other means permitted by law. If verification or self-audit reveals any unlicensed use, Customer must promptly order sufficient User Licenses or purchase a higher ACV tier, as the case may be, to cover its past and present use. If use in excess of what Customer has purchased from Aurigo is found, Customer must also reimburse Aurigo for the costs Aurigo has incurred in verification and acquire the necessary additional User Licenses or ACV tier, as the case may be, at single retail subscription cost within 30 days.

13. MISCELLANEOUS

13.1 Notices. Notices, authorizations, and requests to Aurigo in connection with this Agreement must be sent by regular or overnight mail, or express courier, to the addresses listed below. Notices will be treated as delivered on the date shown on the return receipt. Termination of the Agreement, a Subscription, or cancellation of a Subscription initiated by a Customer should be sent via the Aurigo customer service contact.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

Notices should be sent to Aurigo:	**Copies should be sent to:**
Addresses provided at: http://www.aurigo.com/contact/	Aurigo Software Technologies Inc. 8310-2 Capital of Texas Highway Prominent Pointe II, Suite 100 Austin, TX 78731

Notices, authorizations, and requests to Customers may be emailed to account administrators Customer identifies. Notices are effective on the date on the return receipt or, for email, when sent.

Notices should be sent to the Customer:	**Copies should be sent to:**
City of San Bruno, CA	

13.2 Assignment. Neither party may not assign this Agreement.

13.3 Severability. If a court holds any provision of this Agreement to be illegal, invalid or unenforceable, the rest of the document will remain in effect and this Agreement will be amended to give effect to the eliminated provision to the maximum extent possible.

13.4 Waiver. A waiver of any breach of this Agreement is not a waiver of any other breach. Any waiver must be in writing and signed by an authorized representative of the waiving party.

13.5 Applicable law. This Agreement is governed by the laws of the State of California without regard to its conflict of laws principles, except that (1) if Customer is an entity of the U.S. Government, this Agreement is governed by the laws of the United States, and (2) if Customer is an entity of a state or local government in the United States, this Agreement is governed by the laws of that state. Aurigo hereby consents and submits to the jurisdiction and forum of the state and federal courts in the County of San Mateo, State of California, in all questions and controversies arising out of this Agreement. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this Agreement. The Services are protected by copyright and other intellectual property rights laws and international treaties.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

13.6 Dispute Resolution. The Parties agree that any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled to the extent possible by good faith negotiations. Any dispute which the parties cannot resolve by good faith negotiations within 30 days or such longer period as the Parties may mutually agree, shall be resolved through: (a) further negotiation; (b) mediation; (c) litigation; or (d) arbitration. Nothing in this Agreement shall be construed to require binding arbitration.

13.7 This Agreement is not exclusive. Customer is free to enter into agreements to license, use or promote non-Aurigo software or services, subject to the terms of this Agreement.

13.8 Survival. Provisions regarding fees, restrictions on use, transfer of licenses, export restrictions, defense of infringement and misappropriation claims, limitations of liability, confidentiality, compliance verification, indemnification, obligations on termination and the provisions in this Section entitled "Miscellaneous" will survive expiration or termination of this Agreement.

13.9 Force majeure. Neither party will be liable for any failure in performance due to causes beyond either party's reasonable control (such as fire, explosion, power blackout, earthquake, flood, severe storms, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism (including cyber terrorism), acts of God, acts or omissions of Internet traffic carriers, actions or omissions of regulatory or governmental bodies (including the passage of laws or regulations or other acts of government that impact the delivery of Services)). This Section does not apply to Customer's payment obligations under this Agreement to the extent that any services continue during the force majeure period, for services rendered prior to the force majeure period, or once services resume following the force majeure period.

13.10 U.S. export jurisdiction. The Services are subject to U.S. export jurisdiction. Customer must comply with all applicable laws including the U.S. Export Administration Regulations, the International Traffic in Arms Regulations, as well as end-user, end-use and destination restrictions issued by U.S. and other governments.

13.11 Entire Agreement; Amendment. This Agreement and the schedules thereto constitute the entire agreement between the parties and supersede all prior agreements, understandings and other communications with respect to the subject matter hereof. Except as specifically provided for in this Agreement, no modification or amendment of this Agreement will be effective unless in writing and executed by a duly authorized representative of each party.

13.12 Relationship between Client and Aurigo. Aurigo represents and warrants that it is an independent contractor with no authority to contract for Client or in any way to bind or to commit Client to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Client. Under no circumstances shall Aurigo, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of Client. In recognition of Aurigo's status as an independent contractor, Client shall carry no Workers' Compensation insurance or any health or accident insurance to cover Aurigo or Aurigo's agents or staff, if any. Client shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Aurigo nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of Client.

13.13 Non-Discrimination. In the performance of this Agreement, Aurigo, and any subcontractor of Aurigo shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry,

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Aurigo shall have responsibility for compliance with this Section.

13.14 Conflict Of Interest. Aurigo warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Aurigo and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Aurigo's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

SCHEDULE 1 - Description of Service Subscription

Product Name	Aurigo Essentials
Products SKU	ESU-PU
Contract Term	2 years
# of Users	Unlimited Users
Customer Name	City of San Bruno
Time & Materials Standard Rate	$ per Hour

Note:

1. Change Requests will require a separate statement of work, including scope, list of deliverables and cost of deliverables. Change Requests are provide on a Time & Materials basis.
2. Service Requests for configuration changes are provided on a Time & Materials basis.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

SCHEDULE 2 – Support Plan & Service Level Agreement

Aurigo provides this Service Level Agreement (SLA) subject to the terms and conditions below, which will be fixed for the duration Contract Term of the Service. If a new SLA is proposed, it must be agreed upon in writing between both Aurigo and Customer.

Aurigo will provide product support to the administrative users of the system. Administrative users can contact Aurigo for support during the support times define in the purchased Support Plan.

Customer end-users must contract Customer's helpdesk for general support. In case the Customer helpdesk is not able to resolve the issue, Customer's designated and authorized personnel can contact Aurigo support helpdesk to help resolve the issue as set forth below. Aurigo support (business) hours are from 8 AM – 5 PM Customer Local Time (Monday through Friday, excluding US federal and state holidays).

A. Application Uptime Service Level

1. The Service Level for Application Uptime is 99.9%
2. The Monthly Application Uptime Percentage is calculated for a given calendar month using the following formula:

Monthly Uptime Percentage =		
Total number of minutes in a given calendar month	**minus**	Total number of minutes of Unplanned Downtime in a given calendar month
Total number of minutes in a given calendar		

3. To monitor the Service and to ensure availability, Customer agrees to provide a read-only user account to access Customer's instance of the Service.

B. Claims against Application Uptime Service Level

1. Customer may stake a claim if the Application availability does not meet uptime service level guarantee. In order to make a claim against Application Uptime Service Level, Customer account should be active and in good standing.
2. Customer must submit a formal claim to billing support at support@aurigo.com.
3. Customer must provide all reasonable application downtown details related to the Claim.
4. Customer must provide sufficient evidence to support the Claim, by the end of the month following the month in which the Incident which is the subject of the Claim occurs (for example, Incident occurs on January 15th, Customer provides Notice on January 20th, Customer must provide sufficient evidence to support the Claim by February 28th).
5. Aurigo will use all information reasonably available to it to validate Claims and make a good faith judgment on application uptime Service Level.
6. Aurigo will use commercially reasonable efforts to process Claims within 45-days.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

C. Incident (application issue) definitions and support process

Aurigo commits to responding to support requests in a timely manner. Application issues (incidents) are defined in the table below.

Severity Level	Category	Description
1	**Urgent**	Service outage has halted normal functioning of business. Service is completely inaccessible to users or Service is unusable because of severe performance degradation.
2	**High**	Major functionality in the Service is not working as designed and having a high impact on portions of the Customer's business and impacting majority of users. If a reasonable workaround is found for an "urgent" issue, it can be downgraded to "high" with Customer's consent.
3	**Normal**	Partial, non-critical loss of use of the Service with a medium-to-low impact on business. However, business can continue to function. If a reasonable workaround is found for a "high" issue, it can be downgraded to "normal" with Customer's consent.
4	**Low**	Minor inconveniences. Clarifications are also categorized as "low". If a reasonable workaround is found for a "normal" issue, it can be downgraded to "low" with Customer's consent.

The Service level time will be measured from the first communication to Aurigo via email or the support line or support website during standard business support hours. The support clock will pause if Aurigo is waiting for Customer approval, clarification or confirmation for corrective change. This applies to all severity levels.

For all incidents, Aurigo will provide the progress on incident resolution in the following way:

- Severity Level 1 (Urgent) – Aurigo helpdesk will respond to Severity 1 incidents within 1 business hour of the first contact by Customer. Resolution of severity 1 tickets is guaranteed within 4 hours of receiving sufficient details of the incident from the Customer. Customer will be updated every 60 minutes until resolution. All Severity 1 incidents are escalated to Aurigo's Head of Customer Success team within first 60 minutes.
- Severity Level 2 (High) – Aurigo helpdesk will respond to Severity 2 incidents within 4 business hours of the first contact by Customer. Within 3 business day, Aurigo will either resolve the issue or provide a committed date to fix the issue.
- Severity Level 3 – Aurigo helpdesk will respond to Severity 3 incident within 4 business hours of the first contact by Customer. Within 10 business day, Aurigo will either resolve the issue or provide a committed date to fix the issue.
- Severity Level 4 – Aurigo helpdesk will respond to Severity 4 incident within 6 business hours of the first contact by Customer.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

D. Exclusions

1. Unplanned Downtime does not include:

   a. The period of time when the Service is not available as a result of Planned Downtime or

   b. The following performance or availability issues that may affect the Service:

      i. Due to factors outside Aurigo's reasonable control;

      ii. That resulted from Customer's or third party's, or Customer's use of any third party, hardware, software or services (including Third Party Software or Third Party Services, as defined in this Agreement);

      iii. That resulted from actions or inactions of Customer or third parties;

      iv. That resulted from actions or inactions by Customer or Customer's employees, agents, contractors, or vendors, or anyone gaining access to Aurigo's network by means of Customer's passwords or equipment.

      v. That were caused by Customer's use of the Service after Aurigo advised Customer (through an email to a Customer representative) to modify its use of the Service, if Customer did not modify its use as advised;

2. SLAs are applicable to production systems only

E. Definitions:

1. **"Claim"** means a claim submitted by Customer to Aurigo that a Service Level under this SLA has not been met and that a Service Credit may be due to Customer.

2. **"Downtime"** means a period of time when Service is not functional and is not available to Customers for use.

3. **"Incident"** means an unplanned interruption or degradation in Service.

4. **"Monthly Uptime Percentage"** is calculated on a calendar month basis (according to the formula set forth in Section A) using data collected about the Service's availability for a given calendar month by a third-party provider who makes frequent log-in attempts to the Service on a 24-hour/seven day a week basis.

5. **"Planned Downtime"** means published maintenance windows or times when Aurigo notifies Customer of periods of scheduled Downtime for network, hardware, Service maintenance, or Service upgrades at least 5 days before the commencement of such Downtime. If an emergency Downtime is required (such as a fix to a zero-day vulnerability), Aurigo is authorized to give Customer notification that is less than twenty-four (24) hours before the required downtime. Except all Emergency Downtime, Customers approval is mandatory for Scheduled Downtime. For Emergency Downtime, Customer will be notified. Every month, a three hour maintenance (over weekend) is scheduled for security patching.

6. **"Service Level"** means the percentage of Service availability for a given month that Aurigo agrees to provide Customer, which is measured by the Monthly Uptime Percentage.

Docusign Envelope ID: 62075223-44C0-8627-823C-A246F0D7817B

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

City of San Bruno, CA

_____
Signature

_____
Printed Name

_____
Printed Title

AURIGO SOFTWARE TECHNOLOGIES

DocuSigned by:
_____
F80BD7E64123477...
Signature

Kevin Koenig
Chief Technology Officer

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

aurigo® ESSENTIALS

5/28/2026
Alex Block
alex.block@aurigo.com

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

What is Aurigo Essentials

Aurigo Essentials is a modern software suite built for local and regional government agencies. The Essentials suite unlocks value by bringing capital planning and project execution into one connected solution, purpose-built for the needs of local and regional agencies. From prioritizing the right projects, and building multiyear CIP program to managing budgets, schedules, risks, and field activity, every feature supports the full capital life cycle. Designed for lean teams and high accountability, Essentials helps agencies deliver with greater transparency, speed, and control.

Two solutions, one suite:

- **Essentials Plan:** Optimize your CIP with smart capital planning and prioritize the right projects
- **Essentials Build:** Deliver projects with confidence, keeping schedules on track and budgets in check

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Essentials Plan

Aurigo Essentials Plan helps you streamline capital planning and portfolio management. It is a powerful, AI-driven, cloud-based solution that ensures strategic investment decisions and optimized capital spending. By seamlessly integrating with Aurigo Essentials Build, agencies can bridge the gap between planning and project execution. Aurigo Essentials Plan provides financial visibility, transparency, and cost control at every stage of the construction lifecycle.

How it works

Aurigo Essentials Plan includes everything public agencies need to strategically plan, prioritize, and manage large capital investments over a multi-year horizon, while ensuring comprehensive financial oversight.

Capital Planning

- **Scoring and Prioritization:** Capture, score and prioritize business needs and projects to align with the strategic goals of your agency.
- **Budget and Cashflow:** Develop detailed budgets and cashflows forecasts with ease, enabling a thorough evaluation of potential projects before committing significant resources.
- **Scenario Planning**: Simulate multiple scenarios using what-if analysis for multi-level portfolios to forecast potential risk and align spending with long-term business goals.
- **Transparent Fund Management**: Identify, track and approve fund allocations for both projects and portfolios.

Integration

Break data silos between planning and execution teams by connecting Aurigo Essentials Plan with Aurigo Essentials Build. Seamlessly transfer projects and budgets from your capital plan to your project managers, whilst constantly receiving live project updates from the field.

Reporting & Dashboards

Enable data-driven decision-making and optimize portfolio management. Aurigo Plan offers out of the box reports and dashboards that visualize office and field data in one consolidated view.

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Essentials Build

Aurigo Essentials Build helps cities, counties, and public agencies ensure every construction project is delivered on time and on budget with an all-in-one cloud solution that is easy to deploy and easy to use.

How it works

Aurigo Essentials includes everything public agencies need to plan, manage, comply with and report on each project in one easy-to-use solution.

- A complete solution to manage all the nuances of your public-facing construction and maintenance projects in one unified system.
- A modern solution built 100% in the cloud and deploys quickly and can be used from any mobile device or browser.

Construction Project Management

Essentials Build supports the full lifecycle of public sector construction projects, including project scheduling, estimation & bidding, resource management, contract management, and approval workflows for *both vertical and linear projects.*

- Contracts
- Funds
- Invoicing
- Documents Repository
- Budgets
- Public Portal

Mobile Daily Progress Reports, Automation & Document Management

Mobile inspections, approval workflows, and built-in document management make it easy to collect data electronically, generate pay estimates, and comply with open records requirements. Supports access to dedicated Mobile Applications on iOS

Reporting & Dashboards

Essentials gives everyone involved real-time visibility into every project, every stage, and every

Collaboration

Raise and tackle issues on specific budget, contract, invoice, schedule or risk items using real-time discussions and notifications.

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Investment Summary

The Aurigo Essentials Plan subscription includes unlimited users, projects, and programs. It also encompasses comprehensive onboarding and training designed to ensure a successful implementation and drive adoption across the agency, as outlined in Appendix 1 of this proposal. In addition, our Customer Success Team will provide ongoing support, including software maintenance and regular upgrades.

Product	Annual Fee ($)	Discount (%)	Total Investment
Essentials Build (Enterprise) Essentials Plan	**$100,000.00**	**30.00%**	**$70,000.00**
Year 1	**$50,000.00**	**30.00%**	**$35,000.00**
Year 2	**$50,000.00**	**30.00%**	**$35,000.00**

Pricing Notes

- The pricing in this Proposal is valid for 30 days and subject to change after 30 days
- Aurigo will invoice for 1 subsequent annual subscription periods 30 days prior to the subscription renewal date unless cancelled in advance of the contract renewal date
- Pricing shown are exclusive of any applicable taxes
- Pricing shown does not include any fees that may be incurred if purchased via a cooperative purchasing vehicle

Name	Kevin Koenig
Title:	CTO
Agency:	Aurigo Software Technologies, Inc.
Email:	Kevin.Koenig@aurigo.com
Phone:	
Acknowledgement:	DocuSigned by: F89BD7E641123477...
Date:	5/28/2026

Name	Ibraheem Mosa
Title:	Assistant City Engineer
Agency:	City of San Bruno, CA
Email:	imosa@sanbruno.ca.gov
Phone:	(650) 351-0701
Acknowledgement:	
Date:	

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Price Proposal for Aurigo Essentials

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Appendix 1

Aurigo Essentials Plan Onboarding

The onboarding journey for the Aurigo Essentials is designed to ensure a smooth and effective transition into the platform, enabling customer teams to confidently adopt and maximize value from Aurigo Essentials' capabilities. The onboarding process includes structured training sessions, milestone check-ins, and ongoing strategic support led by the dedicated Aurigo Customer Success Manager (CSM). The onboarding is broken into sections to allow you to onboard with the capabilities that you bought from Aurigo. The initial training provides a general overview of the Aurigo Essentials solutions. Following the initial onboarding you will be trained on the individual products you purchased.
Below is an overview of the onboarding and training experience:

Customer Kick-Off

The onboarding process begins with a 30-minute to 1-hour kick-off meeting, facilitated by your assigned Aurigo Customer Success Manager. This session is designed to:

- Introduce the customer to the Aurigo onboarding process and support team.
- Ensure that initial users are successfully created within the system.
- Establish adoption and usage goals that align with organizational priorities.
- Schedule the sequence of training sessions to follow.

Platform Basics

Duration: 1–2 hours
This session introduces users to the fundamentals of navigating the Aurigo platform. Key topics include:

- Basic system navigation
- Library setup
- User management and permissions

Training for Essentials Plan

Project Management Fundamentals (Aurigo Plan)

Duration: 1–2 hours
Building on the basics, this session covers essential project management tools within Aurigo:

- Creating and managing project charters
- Understanding and setting up project basics
- Utilizing project scoring mechanisms
- Managing project financials

Capital Planning and Prioritization (Aurigo Plan)

Duration: 1–2 hours
This session focuses on strategic capital planning and data-driven decision-making:

- Creating comprehensive capital plans
- Prioritizing projects based on organizational criteria
- Engaging in what-if scenario planning
- Leveraging dashboards and generating reports for insight

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Essentials Build Training

Basic Navigation

Duration: 1-2 hours
Basic navigation:

- Creating projects
- Project Types
- Contracts
- User management

Advanced Project Management

Duration: 1-2 hours
Advanced project management features:

- Daily Progress Reports
- Budgeting
- Invoices
- Library
- Public Portal

Docusign Envelope ID: 5EAB0B00-3B92-803C-81EF-33AB59860A7C

Ongoing Interactions

Core User Q&A and Support Duration:

Duration: 30 minutes – 1 hour
Conducted approximately 1–2 weeks after users have begun hands-on engagement with the platform, this session provides a forum for:

- Addressing user questions and clarifying workflows
- Sharing initial feedback on system usage
- Scheduling the first Quarterly Business Review (QBR)

Quarterly Business Review (QBR)

Duration: 30 minutes – 1 hour
The QBR is a recurring strategic session facilitated by your Aurigo CSM. It provides:

- Review progress against adoption and usage goals
- Address any system-related challenges or roadblocks
- Gather feedback from users to inform ongoing improvements and product enhancements

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre

PREPARED BY: Brian Adam, Assistant to the City Manager

SUBJECT: Consider Adoption of a Resolution Approving the Fiscal Year 2026-27 San Bruno Community Foundation Operating Budget

BACKGROUND:

The San Bruno Community Foundation (SBCF) is the Not-for-Profit organization created by the San Bruno City Council to invest, manage and expend the restitution settlement of $70 million in cash and real property that the City of San Bruno received from PG&E after the natural gas pipeline explosion in San Bruno's Crestmoor neighborhood.

Under Article XVI (section c) of the Foundation's Bylaws, San Bruno City Council's approval of the Foundation's annual budget is required.

The Board of Directors of the SBCF adopted Resolution No. 2026-342 approving the Fiscal Year (FY) 2026-27 Budget on June 3, 2026 and directed the Executive Director to submit the budget to the City Council for consideration and approval.

At the City Council meeting on June 9, 2026, a detailed report was provided. The SBCF Executive Director presented a summary on the progress of the Foundation's program strategy framework and provided a detailed summary of the FY 2026-27 budget, expenses, and needs.

DISCUSSION:

This consent calendar agenda item serves for City Council consideration of the adoption of a Resolution Approving the Fiscal Year 2026-27 San Bruno Community Foundation Operating Budget. The SBCF Memorandum Regarding "SBCF Budget and Transfers from the Strategic Pool to the Liquidity Pool for Fiscal Year 2026-27" dated May 28, 2026 (Attachment 2) describes all of the line items in the Foundation budget including:

1. Foundation's Overall Financial Picture;
2. Foundation's Budgeting Principles;
3. Foundation's Fiscal Year 2026-27 Expenses; and
4. Foundation's Fiscal Year 2026-27 Funds Available for Operations

FISCAL IMPACT:

There is no fiscal impact from adoption of a Resolution approving the Fiscal Year 2026-27 San Bruno Community Foundation Operating Budget as this does not affect the City's Operating Budget.

ENVIRONMENTAL IMPACT:

There is no environmental impact. The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt a Resolution Approving the Fiscal Year 2026-27 San Bruno Community Foundation Operating Budget.

ALTERNATIVES:

Provide direction to the SBCF regarding the budget line items; revisions to the budget will require re-introduction at a future meeting.

ATTACHMENTS:

1. Resolution
2. San Bruno Community Foundation Memorandum Regarding "SBCF Budget and Transfer from the Strategic Pool to the Liquidity Pool for Fiscal Year 2026-27" and Resolution No. 2026-342

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO APPROVING THE FISCAL YEAR 2026-27 SAN BRUNO COMMUNITY FOUNDATION OPERATING BUDGET

WHEREAS, on March 12, 2012, the City entered into a Settlement Agreement with PG&E whereby PG&E would pay the City $70 million in cash and real property to resolve claims arising out of the September 9, 2011, gas pipeline explosion in the Glenview/Crestmoor neighborhood; and

WHEREAS, the Settlement Agreement calls for the creation of a not-for-profit to manage, invest, and expend the restitution settlement funds to benefit the City and its residents; and

WHEREAS, on March 12, 2013, the City Council adopted Resolution 2013-26 authorizing the filing of the Articles of Incorporation for the newly-created San Bruno Community Foundation (Foundation) to effectuate the purposes of the Settlement Agreement; and

WHEREAS, Under Article XVI (section c) of the Foundation Bylaws, San Bruno City Council's approval of the Foundation's annual Budget is required; and

WHEREAS, on June 3, 2026, the Foundation Board of Directors, which was appointed by the City Council, reviewed and discussed the proposed Fiscal Year 2026-27 Budget (Budget), and adopted Resolution No. 2026-342 approving the Budget on June 3, 2026. The Resolution directs the Foundation Executive Director to submit the Budget to the City Council for Consideration and Approval;

WHEREAS, on June 9, 2026, a detailed report on the Budget was provided to the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT the San Bruno City Council hereby approves the San Bruno Community Foundation Fiscal Year 2026-27 Budget.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

SAN BRUNO
Community Foundation

Memorandum

DATE: **May 28, 2026**

TO: **Board of Directors, San Bruno Community Foundation**

FROM: **Leslie Hatamiya, Executive Director**

SUBJECT: **SBCF Budget and Transfer from the Strategic Pool to the Liquidity Pool for Fiscal Year 2026-2027**

Under our Bylaws, the Foundation's fiscal year runs from July 1 to June 30, and its annual budget must be approved by the San Bruno City Council. As we approach the end of the 2025-2026 fiscal year, I will present the 2026-2027 budget to the Board for approval at the June 3, 2026, Board meeting. If the Board approves the budget, I am scheduled to present the budget to the City Council at its regular meeting on June 9 and the City Council will take formal action of approval at its regular meeting on June 23.

More than a year ago, at its May 7, 2025, meeting, the Board updated the Foundation's program and investment strategies to spend down the bulk of the Foundation's remaining total net assets at the end of the current fiscal year in the near-to-mid-term on at least one large legacy project and wind down all other programs; identified a new Fire Station No. 52 as the Foundation's top choice for the legacy project to receive most of the total net assets earmarked for legacy projects; directed the discontinuation of all other programs, including the Crestmoor Scholarship and the Community Grants Fund, at the end of the current fiscal year; directed the Ad Hoc Committee on Strategic Planning to review the Foundation's Program Strategy Framework and recommend any needed updates to reflect these changes in strategy; directed the Investment Committee to review the Foundation's Investment Policy Statement and Investment Operating Plan and recommend any needed updates to both documents to reflect these changes in strategy; and directed the Executive Director to review staffing needs and begin trimming operating expenses, as appropriate, in the fiscal year 2025-2026 budget to reflect these changes in strategy. The fiscal year 2025-2026 budget that the Board and City Council approved in June 2025 incorporated the approved strategy changes and the associated adjustments in staffing needs and operating expenses.

The fiscal year 2026-2027 budget being presented to the Board at this time continues to follow the strategy decisions the Board approved in May 2025. The 2026-2027 budget is, in most respects, very similar to the 2025-2026 budget. In the past year, the Board has approved two sets of legacy projects: (1) $1,952,400 in strategic grant funding for permanent lighting as part of the Crestmoor Fields Project, and (2) $2 million transferred to the Quasi-Endowment

ATTACHMENT 2

earmarked for the San Bruno Park School District's Outdoor Education Program, with annual grants utilizing Quasi-Endowment payout to support the program beginning in the 2027-2028 fiscal year, and strategic grant funding of $160,000 to fund the program in 2025-2026 and 2026-2027. As the City continues to work on acquiring its desired site for a new Fire Station No. 52, a 1.3-acre parcel currently owned by Caltrans, the Foundation Board has yet to formally approve any grant funding for that legacy project. The City has also expressed potential interest in seeking Foundation support for a small number of other possible legacy projects, including renovations at the San Bruno Senior Center. The 2026-2027 budget was created with the assumption that the Foundation will continue to function in roughly the same fashion and with the same level of staffing at least until all remaining final legacy projects are identified and approved.

1. SBCF's Overall Financial Picture

Before I provide a detailed account of the FY2026-2027 budget, I think it is instructive to review the overall financial health of the organization. The following chart provides a high-level picture of the Foundation's overall financial history and health and includes both the investment portfolio managed by Sand Hill Global Advisors, LLC, as well as other funds (including initial funds received from the restitution funds to support the Foundation's operations in 2015-2016 prior to establishing the investment accounts as well as donations received):

SBCF Financial Snapshot (rounded)	
Total Initial Assets	$70.5 million
Total Investment Value Added as of 4/30/2026	+$25.5 million
Total Donations and Other Income as of 4/30/2026	+$1.9 million
Total Funds Disbursed as of 4/30/2026	-$64.6 million
Total Assets as of 4/30/2026	$33.3 million
Total Liabilities as of 4/30/2026	-$6.3 million
Total Net Assets as of 4/30/2025	$27.0 million
Total Net Assets Not Including Outdoor Ed Quasi-Endowment as of 4/30/2026	$24.9 million

Total initial assets include the $69.8 million that was transferred to our Fidelity investment accounts in 2016 as well as about $700,000 in cash that the City had previously transferred to the Foundation to cover our expenses from inception through May 2016. Total investment value added is the investment gains made by the investment portfolio (the funds managed by Sand Hill). Note that total investment value added fluctuates based on the current value of the Foundation's investment portfolio, and market volatility due to federal economic and tariff policies as well as the conflict in Iran has recently caused this number to fluctuate. Donations

and other income have flowed through our operating accounts but are not reflected in our investment portfolio. Total funds disbursed include grant and scholarship payments disbursed thus far, as well as operating expenses paid out since the Foundation's creation. Total liabilities are operating and program expenses that the Foundation has incurred but not yet paid out. Total net assets equal total assets minus total liabilities. As the Board created a Quasi-Endowment designated specifically for the SBPSD Outdoor Education Program as a legacy project, total net assets not including the designated Quasi-Endowment is also presented.

Although we remain in a period of market volatility, the Foundation's overall financial health remains strong. As of April 30, 2026, the Foundation's total assets (including the Outdoor Education Quasi-Endowment) were $33,250,967, with total liabilities of $6,288,511, total net assets of $26,962,456, and total net assets not including the Outdoor Education Quasi-Endowment of $24,853,007.

2. Budgeting Principles

In developing this budget, I am guided by the principles of transparency and economy. As prudent stewards of the restitution funds, we want to communicate our decisions and activities with the community and have accordingly provided ample budget to do so. At the same time, we will be cost-conscious in all categories of expenses.

As I remind the Board each year, ours is not a typical nonprofit budget, where the goal is for expenses to equal revenues. Most nonprofit budgets are income-driven because the nonprofit is able to spend only the funds it expects to bring in that year. In contrast, as a result of our investment portfolio, the Foundation's budget is expense-driven. Our budgeted "income" consists primarily of transfers from our investment assets to our operating budget to cover our cash needs during the fiscal year, along with a relatively small cohort of donations and other income. We do not seek – and typically do not achieve – a "balanced budget," as our cash needs do not necessarily match our recorded expenses in a given year. This is because we record grant and scholarship commitments as expenses at the time agreements are executed and scholarships awarded, but grant and scholarship payments are often made in a later fiscal year. As a result, the fact that funds available for operations ($10,191,598) in the FY2026-2027 budget far exceed expenses ($5,398,580) should not be a cause for concern. The calculations of our expenses and funds available for operations should be analyzed separately, as they are based on different factors and needs.

3. FY2026-2027 Expenses

We have three main categories of expenses: Direct Program Expenses, Personnel Expenses, and Non-Personnel Support Costs. As a reminder, grant and scholarship commitments are recorded

as expenses at the time grant agreements are executed and scholarships are awarded (but not necessarily paid out). We are currently projecting total expenses of $5,398,580.

a. Direct Program Expenses

- Strategic Grants: This line is budgeted at $5 million as a placeholder. Under the updated strategy to focus on a small number of legacy projects with the bulk of the Foundation's remaining net assets, these funds could be used to fund the first grant related to the Fire Station No. 52 project or another final legacy project, such as renovations to the Senior Center. It is also possible that strategic grants for the Fire Station project or other legacy projects could exceed $5 million, as there is currently more than $18 million remaining for such projects based on the current value of the Foundation's investment portfolio.

  As a reminder, all strategic grants require specific Board approval, not just inclusion in the budget. Decisions on specific strategic grants will take place as proposals are vetted during the course of the year.

b. Direct Personnel Expenses

- Salaries & Wages: This line reflects the Executive Director's current salary. While the final legacy projects continue to be identified, researched, and approved, the Board intends to maintain the position as full-time. Although it may make sense to reduce the Executive Director position to part-time as part of the wind-down process and such reduction could take place before the end of FY2026-2027, the position is being budgeted as full-time.

- Payroll Taxes & Benefits: This line reflects payroll taxes, workers compensation insurance premiums, and employee benefits for the fiscal year. Benefits include retirement plan contributions, life insurance, and personal time off. This year, this line also includes funds that may be needed to cover a former employee's unemployment insurance claim recently filed with the California Employment Development Department, and this is the reason the budget for this line exceeds the projected year-end total for 2025-2026. Due to its nonprofit status, small staff size, and ample assets, SBCF elected to become a "reimbursable employer." As such, SBCF does not pay a regular state unemployment tax based on its taxable payroll and experience rating, and if and when a former employee successfully claims unemployment, the state bills SBCF for the exact dollar amount of those benefits.

Although originally offered, the Executive Director has not received health insurance benefits from the Foundation since she was hired in 2015. Due to a recent change in her health insurance situation, the Board may consider adjusting her compensation package to include health insurance benefits in 2027. If she begins receiving health insurance benefits from the Foundation at some point during FY2026-2027, actual payroll taxes and benefits may exceed the budgeted amount.

Total Personnel Expenses are budgeted to slightly decrease ($786) from the year-end projected level for 2025-2026, which included costs related to the phase out of the Program Manager position.

c. Non-Personnel Support Costs

The total budget for non-personnel support costs ($135,162) is slightly lower than the FY2026-2027 budget ($137,420) and higher than the projected year-end figure for the current fiscal year ($116,048). Although we are likely to experience some decrease in operating costs as the Foundation continues its wind-down, some costs are nevertheless rising due to inflation. The budget estimates are based on FY2025-2026 actual costs and allow for some cushion, especially for those expenses where there can be some variance from year to year. For example, Legal Fees is the largest non-personnel support cost line item, yet it can be the most challenging to predict, as the need for the services of outside counsel can fluctuate widely depending on whether conflict of interest issues arise, there are legislative or regulatory changes that affect the Foundation, more complex grant arrangements require the assistance of counsel, or other unexpected legal issues develop.

- Occupancy: Under current audit standards, the expense for office rent is based on one year of the average monthly rent under the current office lease ($1,290.25 per month). The current lease runs through March 31, 2030, which should roughly coincide with the wind down of the Foundation once all grant and scholarship payments are disbursed and final reporting obligations are completed.

- Insurance: This line is based on the Foundation's current commercial general liability, property, auto, cyber, directors and officers liability, and crime insurance policies, which have an annual renewal date of March 21. I have added an extra $1,000 in case we experience any premium increases upon renewal in 2027.

- Telecommunications: This line includes continuation of cell phone expenses for the Executive Director ($650), broadband Internet access for the office, and the office

landline ($1,200 for Internet and landline combined). The transition from San Bruno CityNet Services to AT&T for Internet and landline services last summer resulted in a modest increase in rates ($96 vs. $88 per month), along with significantly increased Internet speeds.

- Postage & Shipping: This line includes office postage ($780) as well as the projected postage required for the fall Annual Report mailing (nonprofit rate) to all San Bruno addresses ($2,500). The budgeted postage costs for the Annual Report mailing are based on actual 2025 costs. Actual office postage costs typically come in under budget.

- Marketing & Communications: The largest items in this line are the projected printing ($12,000) and graphic design ($650) costs associated with the Annual Report, with a small allowance for increased rates due to inflation. This line also includes website and e-newsletter costs ($470) and holiday cards ($300).

- Office Supplies and Equipment: This line includes $100 monthly for office supplies (down from $120 per month in the 2025-2026 budget) and $1,215 for computer backup and other software fees and miscellaneous office equipment expenses (such as repairing the printer, which has seen considerable wear and tear over the past 11 years).

- Legal Fees: This line includes $9,360 for our outside nonprofit counsel, NEO Law Group (budgeted at 1.2 hours per month at an increased rate vs. 1.5 hours per month in 2025-2026), and $31,200 for our outside municipal law counsel, Shute, Mihaly & Weinberger, LLP (budgeted at eight hours per month, which is the same as in 2025-2026). We typically come in under budget on this line, but as mentioned above, I like to include a cushion in the event that any unexpected or particularly challenging issues requiring legal assistance arise.

- Accounting & Payroll Fees: Payroll fees ($1,200) are based on the current arrangement with our payroll vendor (Intuit QuickBooks). For audit and tax preparation services, $11,700 is budgeted, per the Foundation's contract with Novogradac & Company. In addition to $850 for QuickBooks accounting software, $19,008 is included for the accounting consultant/full charge bookkeeper, which is 80 percent of the contract maximum, as our accounting needs have decreased with the wind down of the Crestmoor Scholarship and Community Grants Fund.

- Other Consultants: This line includes $3,775 (approximately two hours/month) for the IT consultant (based on significantly decreased usage and the terms of our professional services agreement). As we no longer offer the Community Grants Fund and the Crestmoor Scholarship, our IT support needs continue to be much lower than in 2024-2025 and earlier, and it is likely that this line will come in under budget.

- Travel, Meetings & Conferences: This line includes the expenses for 10 Board meetings in one-half of the RAC Community Room; although the Board is scheduled to meet monthly, it typically cancels at least two, if not more, meetings each year. (In 2025-2026, the Board met seven times.) This line also includes $650 for one Zoom Pro subscription and one Zoom webinar subscription and $500 for miscellaneous conference, training, and meeting expenses.

- Miscellaneous: This line includes various expenses that may arise and do not fit in any of the other cost categories. It typically covers professional organization membership fees (such as Thrive: Alliance of Nonprofits and the California Association of Nonprofits), bank fees, online news subscriptions, Board and partner recognition, and government/agency taxes and fees.

Total Non-Personnel Support Costs are budgeted $2,258 lower than the 2025-2026 budgeted amounts and $19,114 higher than the 2025-2026 year-end projection. Budgeted amounts operate as ceilings, and I am very cost-conscious in all purchasing decisions, so that actual costs often turn out to be lower than the budget projections. Please note that in the current fiscal year (2025-2026), actual Non-Personnel Support Costs are projected to be 15.6% lower than the budgeted amount.

It is also worth noting that the FY2026-2027 budgeted expenses continue to reflect cost-savings in all three expense categories experienced in the current fiscal year as a result of the strategy changes the Board approved in May 2025 to wind down the Community Grants Fund and Crestmoor Scholarship programs and focus on a small number of final legacy projects. In FY2024-2025, the final year of offering Community Grants and Crestmoor Scholarships, Personnel and Non-Personnel Support Costs totaled $439,981, compared with $398,580 budgeted for FY2026-2027, a decrease of more than $41,000.

4. FY2026-2027 Funds Available for Operations

As mentioned above, this is not a balanced budget, where income equals expenses. Instead, the Funds Available for Operations are determined by analyzing the Foundation's cash needs

for the fiscal year. Cash needs for Personnel Expenses and Non-Personnel Support Costs are estimated at $398,067, under the assumption that all budgeted Personnel Expenses and Non-Personnel Support Costs will be paid out during the fiscal year.[1] Projected cash needs for Program Disbursements (total of $11,705,526) are as follows:

Crestmoor Scholarship	
2024 Scholars	$30,000
2025 Scholars	$30,000
Total Crestmoor Scholarship	**$60,000**
Strategic Grants	
Narita Sister City Grants (year 3 payments)	$28,000
RAC Startup Programming and Outreach Grant (budgeted year 2 payment)	$1,165,126
Crestmoor Fields Project Grant (total approved amount, including lights)	$5,352,400
Outdoor Education Grant (year 2 payment)	$100,000
Miscellaneous Strategic Grants (budgeted)	$5,000,000
Total Strategic Grants	**$11,645,526**

Please note that cash needs for Strategic Grants are estimated as maximums and likely to come in below the budgeted amounts. With regard to the RAC Startup Programming and Outreach Grant, City staff have indicated that eligible expenses are likely to be substantially below the year 2 budgeted amount and that the City may request and extension of the grant period and/or an expansion of the grant purposes, so it is likely that the grant payment for that grant will be lower than budgeted. The timing of funds needed to make grant payments for the Crestmoor Fields Project is challenging to predict, and it is likely that cash needs will be below the budgeted amount. And even if additional legacy project grants are approved in 2026-2027 (budgeted at $5 million), it is possible that only a portion of the grant awards would be paid out during the fiscal year.

Total cash needs for 2026-2027 are estimated at $12,103,593. This figure, after adjustment for the residual 2025-2026 cash balance, drives the Foundation's Funds Available for Operations in 2026-2027 of $10,191,598.

We have two categories of Funds Available for Operations: Operating Income and Transfers from Investments.

[1] The one exception is for office rent. The amount expensed is the average rent per month over the life of the lease times 12 months, or $15,483. However, the amount that will be paid out from July 2026 to June 2027 is $14,970.

a. Operating Income

At this time, projected Operating Income is zero ($0):

- Donations: There are no firm commitments for donations, but we may receive such donations during the year.

- Miscellaneous Income: Miscellaneous income is typically unexpected income that arises, such as the return of some or all of a grant payment that was expensed in a previous fiscal year.

b. Transfers from Investments

Since the Board's decision in June 2025 to redesignate all funds in the Quasi-Endowment to the Strategic Pool, the Foundation's available funds will primarily come from transfers from the Strategic Pool to the Liquidity Pool. The new Quasi-Endowment Pool, which was funded with $2 million in March, is specifically earmarked for the San Bruno Park School District Outdoor Education Program and is not to be used to fund other program or support costs.

- Strategic Pool: All funds needed to cover the Foundation's cash needs in 2026-2027 ($10,191,598) are budgeted to come from the Strategic Pool.

- Outdoor Education Quasi-Endowment Pool: When the Board approved a transfer of $2,000,000 from the Strategic Pool to the Quasi-Endowment specifically earmarked for the SBPSD Outdoor Education program, it stated that the Foundation would award an annual grant of approximately $100,000 adjusted for inflation from Quasi-Endowment payout beginning in FY2027-2028. The Board also approved an additional strategic grant to the San Bruno Education Foundation in an amount not to exceed $160,000 to support the Outdoor Education program for the 2025-2026 and 2026-2027 school years. As a result, the 2026-2027 Outdoor Education grant will be paid out using funds transferred from the Strategic Pool, and there will be no payout from the Quasi-Endowment in FY2026-2027.

As in past years, the attached budget resolution would give the Executive Director the discretion to manage the transfer from the Strategic Pool account, including the discretion to divide the transfer into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amount as circumstances may warrant. Thus, the Executive Director can wait to transfer funds from the

Strategic Pool to cover any strategic grants until such grants are approved and/or grant payments are due.

5. Budget Resolution

The attached resolution, which I recommend the Board adopt, authorizes three actions. It: (a) approves the FY2026-2027 budget; (b) approves a transfer from the Strategic Pool to the Liquidity Pool as part of the FY2026-2027 budget; and (c) directs the Executive Director to submit the FY2026-2027 budget to the San Bruno City Council for consideration and approval. It also gives the Executive Director the discretion to manage the transfer from the Strategic Pool account, including the discretion to divide the transfer into smaller increments, set the timing of the incremental transfers based on the Foundation's cash flow needs, and transfer less than the approved transfer amounts, based on the Foundation's cash flow needs.

Attachments:

1. Resolution (a) Approving Fiscal Year 2026-2027 Budget, (b) Approving Transfer from the Strategic Pool Investment Account to the Liquidity Account for Fiscal Year 2026-2027, and (c) Directing the Executive Director to Submit the Fiscal Year 2025-2026 Budget to the San Bruno City Council for Consideration and Approval
2. Exhibit A: 2026-2027 Proposed Budget

RESOLUTION NO. 2026-342

RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION (A) APPROVING FISCAL YEAR 2026-2027 BUDGET, (B) APPROVING TRANSFER FROM THE STRATEGIC POOL INVESTMENT ACCOUNT TO THE LIQUIDITY ACCOUNT FOR FISCAL YEAR 2026-2027, AND (C) DIRECTING THE EXECUTIVE DIRECTOR TO SUBMIT THE FISCAL YEAR 2026-2027 BUDGET TO THE SAN BRUNO CITY COUNCIL FOR CONSIDERATION AND APPROVAL

WHEREAS, the San Bruno Community Foundation's next fiscal year will begin on July 1, 2026, and prudent financial management of the Foundation's finances requires the creation of an annual budget prior to the start of the fiscal year;

WHEREAS, Article XVI(c) of the Foundation's Bylaws require that the Foundation's annual budget be approved by the San Bruno City Council;

WHEREAS, the proposed fiscal year 2026-2027 budget as attached in Exhibit A reflects decisions about program initiatives and investment strategy that the Foundation's Board of Directors has made or may make;

WHEREAS, the Board of Directors, upon receipt from the City of San Bruno in May 2016 of the restitution funds resulting from the City's settlement with Pacific Gas & Electric Company following the 2010 gas pipeline explosion in San Bruno's Crestmoor neighborhood, established three Fidelity brokerage accounts to hold the Foundation's funds: Quasi-Endowment Pool account, Strategic Pool account, and Liquidity Pool account;

WHEREAS, the Section VII.2 of the Foundation's Investment Policy Statement states:

> The Strategic Pool has been earmarked by the Board to fund strategic projects, including but not limited to capital improvement projects of community facilities, that benefit the San Bruno community. As such, withdrawals will be determined by the timing of project expenditures, as well as guidance from the SBCF Board. The Investment Committee and SBCF staff will provide direction to the Investment Manager regarding liquidation of investments to fund the withdrawals. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, Section VI.1.d.ii of the Foundation's Investment Operating Plan with investment adviser Sand Hill Global Advisors (SHGA), which provides pool-specific operating guidelines for payout or other withdrawals, states:

> Withdrawals [from the Strategic Pool] will be determined by the timing of project expenditures, per guidance from the SBCF Board. SBCF will provide a schedule of likely withdrawals to SHGA at the time of the annual budget planning process. Cash proceeds will be deposited in the SBCF Liquidity Pool on an as-needed basis.

WHEREAS, transfers of up to $10,191,598 from the Strategic Pool to the Liquidity Pool may be needed to cover the Foundation's operating expenses as well as its scholarship and grant obligations for the 2026-2027 fiscal year; and

WHEREAS, consistent with past practice, the Board recommends that the Executive Director have the discretion to manage the transfers from the Strategic Pool to the Liquidity Pool, including dividing the transfers into smaller increments, setting the timing of the incremental transfers, and transferring less than the approved payout amount as circumstances may warrant, based on the Foundation's cash flow needs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the fiscal year 2026-2027 Foundation budget attached as Exhibit A.

FURTHER BE IT RESOLVED that the Board of Directors approves a transfer from the Strategic Pool account to the Liquidity Pool account of $10,191,598 to cover operating expenses and scholarship and grant obligations for the 2026-2027 fiscal year, and grants the Executive Director the discretion to divide the transfer into smaller increments, set the timing of the transfer of those increments, and transfer less than the approved amount, based on the Foundation's cash flow needs.

FURTHER BE IT RESOLVED that the Board of Directors directs the Executive Director to submit the fiscal year 2026-2027 budget to the San Bruno City Council for consideration and approval.

Dated: June 3, 2026

ATTEST:

[redacted]

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2026-342 was duly and regularly passed and adopted by the Board of Directors of the San Bruno Community Foundation on this 3rd day of June, 2026, by the following vote:

AYES: Board members: Netane-Jones, Ruane, Gomez, Inglima

NOES: Board members: None

ABSENT: Board members: Wong, Franzella, Perry

SAN BRUNO
Community Foundation

2026-2027 Budget

	INCOME	2025-26 Budget	Apr 2026 Actual	May-Jun 2026 Projected	Projected 2025-26	Proposed 2026-27 Budget	Change vs. 2025-26 Actual
1	Donations	-	101,940	1,000	102,940	-	(102,940)
2	Miscellaneous Income	-	-	-	-	-	-
3	**Subtotal Operating Income**	**-**	**101,940**	**1,000**	**102,940**	**-**	**(102,940)**
4	Transfers from Quasi Endowment - Outdoor Ed	-	-	-	-	-	-
5	Transfers from Strategic Pool	9,525,348	2,500,000	-	2,500,000	10,191,598	7,691,598
6	**Subtotal Transfers from Investments**	**9,525,348**	**2,500,000**	**-**	**2,500,000**	**10,191,598**	**7,691,598**
7	**FUNDS AVAILABLE FOR OPERATIONS**	**9,525,348**	**2,601,940**	**1,000**	**2,602,940**	**10,191,598**	**7,588,658**
	EXPENSES						
8	Strategic Grants	5,000,000	160,000	1,952,400	2,112,400	5,000,000	2,887,600
9	**Subtotal Direct Program Expenses**	**5,000,000**	**160,000**	**1,952,400**	**2,112,400**	**5,000,000**	**2,887,600**
10	Salaries & Wages	226,207	189,839	36,368	226,207	218,207	(8,000)
11	Payroll Taxes & Benefits	33,058	31,416	6,581	37,997	45,211	7,214
12	**Subtotal Direct Personnel Expenses**	**259,265**	**221,255**	**42,949**	**264,204**	**263,418**	**(786)**
13	Occupancy	15,483	12,902	2,581	15,483	15,483	-
14	Insurance	13,590	10,065	1,745	11,810	11,471	(339)
15	Telecommunications	2,100	1,440	310	1,750	2,050	300
16	Postage & Shipping	3,040	2,863	120	2,983	3,280	297
17	Marketing & Communications	13,855	12,143	100	12,243	13,920	1,677
18	Office Supplies and Equipment	2,600	1,266	466	1,732	2,415	683
19	Legal Fees	41,332	26,847	4,950	31,797	41,560	9,763
20	Accounting & Payroll Fees	32,955	27,281	3,070	30,351	33,258	2,907
21	Other Consultants	3,775	472	1,000	1,472	3,775	2,303
22	Travel, Meetings & Conferences	6,140	2,822	1,750	4,572	5,150	578
23	Miscellaneous	2,550	1,555	300	1,855	2,800	945
24	**Subtotal Non-Personnel Support Costs**	**137,420**	**99,656**	**16,392**	**116,048**	**135,162**	**19,114**
25	**TOTAL EXPENSES**	**5,396,685**	**480,911**	**2,011,741**	**2,492,652**	**5,398,580**	**2,905,928**
26	**NET SURPLUS**	**$ 4,128,663**	**$ 2,121,029**	**(2,010,741)**	**$ 110,288**	**$ 4,793,018**	**$ 4,682,730**

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Peter Gilli, Community Development Director
Kelly Beggs, Assistant Community Development Director

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Consultant Services Agreement Between the City of San Bruno and the Housing Endowment and Regional Trust of San Mateo County (HEART) for Housing Program Support Services, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA)

BACKGROUND:

The Housing Endowment and Regional Trust of San Mateo County (HEART) is a Joint Powers Authority (JPA) established to assist San Mateo County jurisdictions in addressing housing needs and implementing local housing programs. HEART provides housing expertise and staffing support to member agencies, allowing cities to access specialized housing services without maintaining dedicated full-time housing staff.

The City of San Bruno continues to manage a growing number of housing-related responsibilities, including implementation of Housing Element programs, administration of the City's Below Market Rate (BMR) housing program, and compliance with evolving State housing laws. The proposed agreement will provide the City with access to specialized housing expertise and technical support to assist with these efforts while maintaining flexibility to address changing workload demands.

DISCUSSION:

The proposed Agreement would authorize HEART to provide housing-related services to the City through June 30, 2029. Under the Agreement, HEART would assign qualified staff to assist the City with a variety of housing programs and initiatives, including:

- Administration and monitoring of Below Market Rate (BMR) housing program;
- Administration of a Notice of Funding Availability for the Affordable Housing Fund;
- Review of housing development projects;
- Assistance with implementation of Housing Element programs, State housing requirements, and Regional incentive programs;
- Preparation of housing-related policies, procedures, and reports; and
- General housing planning and compliance support.

The Agreement establishes a maximum contract amount of $130,000 for the three-year contract term with an additional $15,000 in contingency. HEART will provide monthly invoices identifying hours utilized and the remaining balance of authorized funding.

The Agreement provides the City with access to specialized housing expertise while maintaining flexibility to adjust services based on workload demands.

FISCAL IMPACT:

The City has sufficient funds within the Affordable Housing Fund and Below Market Rate Fund to support the costs associated with this Agreement.

ENVIRONMENTAL IMPACT:

Approval of the Agreement does not constitute a “project” under the California Environmental Quality Act (CEQA). Therefore, no further environmental review is required.

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute a Consultant Services Agreement Between the City of San Bruno and the Housing Endowment and Regional Trust of San Mateo County (HEART) for Housing Program Support Services, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA).

ALTERNATIVES:

1. Do not approve the Consultant Services Agreement and direct staff to explore alternative methods of providing housing program support services.

ATTACHMENTS:

1. Resolution
    A. Consultant Services Agreement Between the Housing Endowment and Regional Trust of San Mateo County and the City of San Bruno

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT BETWEEN THE CITY OF SAN BRUNO AND THE HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY (HEART) FOR HOUSING PROGRAM SUPPORT SERVICES AND DETERMINING THE PROJECT IS EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, the Housing Endowment and Regional Trust of San Mateo County ("HEART") is a Joint Powers Authority established to assist San Mateo County jurisdictions in addressing housing needs and implementing local housing programs; and

WHEREAS, the City of San Bruno continues to manage a growing number of housing-related responsibilities, including implementation of Housing Element programs, administration of Below Market Rate ("BMR") housing requirements, affordable housing project coordination, and compliance with evolving State housing laws; and

WHEREAS, the City desires to obtain specialized housing expertise and technical support to assist with housing program administration, affordable housing development activities, Housing Element implementation, and related housing initiatives; and

WHEREAS, HEART provides housing consulting and program management services to member agencies and has proposed providing housing program support services to the City pursuant to a Consultant Services Agreement; and

WHEREAS, the Agreement establishes a not-to-exceed amount of $130,000, with additional contingency of up to $15,000 for additional services, and a term extending through June 30, 2029; and

WHEREAS, the City has reviewed the Agreement and finds that the services to be provided by HEART will support the City's ongoing housing obligations and advance implementation of the City's housing goals; and

WHEREAS, the City has determined that approval of the Agreement is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15378 of the CEQA Guidelines because it constitutes an administrative activity that will not result in a direct or indirect physical change to the environment.

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council hereby:

1. Authorizes the City Manager to execute a Consultant Services Agreement between the City of San Bruno and the Housing Endowment and Regional Trust of San Mateo County (HEART) for housing program support services in a form approved by the City Attorney; and
2. Determines that approval of the Agreement is exempt from review under the California Environmental Quality Act (CEQA) because it is not a "project" as defined by CEQA Guidelines Section 15378.

ATTACHMENT 1

Exhibit A: Consultant Services Agreement Between the Housing Endowment and Regional Trust of San Mateo County and the City of San Bruno

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

CONSULTANT SERVICE AGREEMENT BETWEEN THE HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY AND THE CITY OF SAN BRUNO

This Agreement is made and entered into this ___ day of _____ 2026 (the "Effective Date"), by and between the Housing Endowment and Regional Trust of San Mateo County (hereinafter "HEART"), and the City of San Bruno (hereinafter "City") (HEART and City will be referred to collectively herein as the "Parties").

RECITALS

WHEREAS, HEART is a Joint Powers Authority ("JPA") established by the County of San Mateo ("County") and those cities and towns within the County ("Member Agencies"), via the Joint Exercise of Powers Agreement ("JPA Agreement") dated May 13, 2003, as amended and superseded by the First Amended Joint Exercise of Powers Agreement ("First Amended JPA Agreement") dated September 9, 2008; and

WHEREAS, Member Agencies have adopted housing elements identifying new housing programs and efforts, and need support to carry out these programs; and

WHEREAS, the workload to manage Members Agencies' housing programs is sporadic, inconsistent and does not lend itself to each Member Agency hiring housing staff; and

WHEREAS, the First Amended JPA Agreement authorizes HEART to facilitate and assist Member Agencies to operate, regulate, maintain, facilitate the planning, and study appropriate housing programs, projects, and housing management practices; and

WHEREAS, City is a Member Agency of HEART and wishes to engage HEART to render certain services to assist in carrying out its housing programs; and

WHEREAS, HEART and City have agreed for HEART to provide to City qualified individuals, with the skill set to perform the requisite services, based on the terms and conditions as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, the parties hereby agree as follows:

1. PROJECT COORDINATION/DESCRIPTION.

The HEART Executive Director, or appropriate designee, is hereby designated the Manager for HEART, and the Community Development Director or their designee, is hereby designated the City Project Manager for City. The City Project Manager shall monitor, review, and approve the progress and execution of the work as described in the Scope of Work in Exhibit A of this Agreement. The Manager shall supervise all housing and housing related activities and assignments carried out under this Agreement by HEART staff.

2. HEART HOUSING STAFF.

A. HEART will assign to the City one or more HEART staff to provide the work and/or materials as generally described in the Scope of Services (the "Work"). In the event of a conflict or inconsistency between the text of the main body of this Agreement and Exhibit A, the text of the main body of this Agreement shall prevail.

B. Parties acknowledge and agree that HEART will endeavor to provide consistent weekly

work progress on assignments, but parties acknowledge that the actual timing of Work will ebb and flow based on the City's needs and the needs of other cities.

C. HEART will assign HEART staff to perform the Work under this Agreement, and may assign different individuals as it sees fit, subject to Paragraph E in this section and subject to the terms and notice requirements set forth below.

D. HEART staff shall perform the Work required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of work. HEART staff shall devote such time to the performance of the Work pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described in Exhibit A. HEART shall provide quarterly reports listing the major tasks worked on for the City and the total hours spent performing work for City.

E. Assignment of HEART staff to provide the Work is at the sole discretion of HEART. In the event that City or HEART, at any time during the term of this Agreement, desires the reassignment of staff, City and HEART shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons. Manager will attempt to accommodate City's requests to assign, or to not assign, specific staff to certain projects. In the event the assigned employee's employment with HEART ends or there is an extended leave of absence, HEART will endeavor to secure and assign a replacement employee to fill that role at the first opportunity.

F. At any time, HEART staff may be providing services to one or more cities concurrent with the Work being provided to City under this Agreement.

G. HEART staff assigned may require access to City's computer systems and networks to complete the assigned Work. City shall provide access to these systems according to its policies for external consultants or provide other reasonable means of access necessary for the HEART staff to perform the Work being provided under this Agreement. HEART requires its employees to agree to appropriate system usage policies, which include a pledge not to use City's electronic equipment for anything other than City work. The City may require the HEART staff to sign the City's electronic technology use and confidentiality policies.

H. The parties agree to cooperate fully and to provide assistance to all relevant parties in the investigation and resolution of any complaints, claims, actions, or proceedings that may be brought by or that may involve assigned employees providing Work under this Agreement.

I. HEART shall, at its sole expense, supply for its employees providing Work to City pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the Work; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide City with proof on demand.

3. COMPENSATION.

In consideration for the Work described in the Scope of Services, City shall pay HEART for

services performed on an hourly basis in accordance with the rates outlined in Table 1.

The total compensation under this Agreement shall not exceed $130,000 without prior written authorization from the City. In addition, the City may authorize the use of a contingency amount not to exceed $15,000 for additional services, for a total annual not-to-exceed amount of $145,000. The Manager must receive written authorization from the City Project Manager prior to using any amount of the contingency.

HEART will invoice at the end of each month following the Effective Date of this agreement. The City agrees to pay all such invoices within 30 business days of receipt of invoice. Each invoice will outline the number of hours used and the remaining balance of the authorized contract amount.

Table 1.

Table 1: Hourly Rates, by Fiscal Year			
Position	2025/2026 & 2026/2027	2027/2028	2028/2029
Executive Director	$222	$227	$233
Director	$190	$196	$204
Senior Project Manager	N/A	$148	$162
Project Manager	$127	$131	$133
Analyst	$105	$114	$118
Fellow/Admin	$86	$88	$92

4. TERM OF AGREEMENT.

The Term of this Agreement will start from the Effective Date, and shall continue until June 30, 2029, or until terminated in accordance with Section 5, below.

5. TERMINATION.

A. Either party may terminate this Agreement for cause if a party materially breaches its obligations under this Agreement, and such breach is not cured or corrected within fifteen (15) business days' written notice to the reasonable satisfaction of the party giving such notice.

B. HEART may terminate the Agreement without cause with six-month notice to City. HEART agrees to cooperate with the City on the transfer of work to City or a third party. Upon receipt of notice of termination by HEART, City shall incur additional obligations under the provision of this Agreement only with the prior written consent of City.

C. City may terminate this agreement without cause with one hundred twenty (120) days' notice to HEART. Upon receipt of notice of termination by City, City shall continue to incur financial obligations under the provision of this Agreement for one hundred twenty (120) days. This financial obligation may be waived by HEART if the HEART staff can be assigned to another city. Upon termination by City, HEART will diligently attempt to assign the staff to another city.

6. INDEMNITY.

A. To the fullest extent permitted by law, City shall defend, hold harmless and indemnify HEART, its elected and appointed officials, officers, agents, and/or employees from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage, or injury in law or equity for injuries to persons and/or damage to property, and/or economic damages which arise out of or in connection to the performance of this Agreement resulting from the willful misconduct or negligent acts or omissions of City, its officers, agents and/or employees, or the failure to abide by any obligations under this Agreement.

B. To the fullest extent permitted by law, HEART shall defend, hold harmless and indemnify City, its elected and appointed officials, officers, agents and/or employees from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage, or injury in law or equity for injuries to persons and/ or damage to property, and/ or economic damages which arise out of or in connection to the performance of this Agreement resulting from the willful misconduct or negligent acts or omissions of HEART, its officers, agents, and/ or employees, or the failure to abide by any obligations under this Agreement.

C. In the event of the concurrent negligence of City, its officers, agents and/or employees, and HEART, its officers, agents and/ or employees, then the liability for any and all claims for injuries or damages which arise out of the performance of this Agreement shall be apportioned under California's Theory of Comparative negligence as presently established or may be hereafter modified.

D. The duty to indemnify and hold harmless as set forth by this Section 6 shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

7. NOTICES.

All notices permitted or required under this Agreement shall be given to the respective Parties in writing and will be delivered to and addressed as follows or to such other place as each Party may designate by subsequent written notice to the other Party. "Written notice" as used herein may include notice by email to the email addresses set forth below, in which case the sending of the email shall satisfy the noticing party's obligations.

HEART: Housing Endowment and Regional Trust of San Mateo
County Attn: Executive Director
2905 S. El Camino Real
San Mateo, CA 94403

By email to: asanchez@heartofsmc.org
With copy to: admin@heartofsmc.org and tdavis@heartofsmc.org

City: City of San Bruno
Attention: Peter Gilli, Community Development Director
567 El Camino Real
San Bruno, CA 94066

By email to: Peter Gilli, PGilli@sanbruno.ca.gov
With copy to: Kelly Beggs, KBeggs@sanbruno.ca.gov

Such notice shall be deemed made when personally delivered or when mailed by prepaid first class mail on the third day after it was deposited with the United States Postal Service. Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00 p.m. on a regular business day or else on the next business day.

8. INDEPENDENT CONTRACTOR.

A. It is understood that this Agreement is solely for the benefit of the parties hereto and gives no right to any other party. No joint venture, agent-principal relationship or partnership is formed as a result of this Agreement. No employee or agents of one party or any of its contractors or subcontractors shall be deemed, or represent themselves to be, employees of the other party. HEART staff is not authorized to bind City to any contracts or other obligations.

B. HEART shall require employees providing Work under this Agreement to sign agreements acknowledging that they are not City employees and therefore are not entitled to holidays, vacations, disability benefits, insurance, pensions, or retirement plans, or any other benefits offered or provided by City to City employees.

C. For the purposes, and for the duration of this Agreement, the HEART Manager and any staff assigned to provide Work to City will act in the capacity of an Independent Contractor for City, and not as an employee of City.

D. The parties agree that HEART maintains the authority to direct and oversee the work performed by employees providing Work to City pursuant to this Agreement. City agrees that it shall report to HEART any and all staff issues relating to HEART's employee(s) so that HEART may take any necessary or appropriate actions pursuant to its policies.

E. HEART represents and warrants that it will comply with all labor laws with respect to its employees providing Work to City under this Agreement.

9. NON-SOLICITATION OF HEART STAFF

During the term of the Agreement, including any extensions thereof, City shall not actively recruit, solicit, or hire any HEART employee assigned by HEART to perform Work for City for the period of this Agreement and for one year thereafter. This shall in no way, however, be construed to restrict, limit, or encumber the rights of any employee granted by law, nor shall it in any way restrict either party from hiring employees who respond to advertisements, or make independent inquiries, for employment.

10. INSURANCE

A. Prior to beginning the Work and continuing throughout the term of this Agreement, HEART shall, at HEART's sole cost and expense, furnish City with certificates of insurance evidencing that HEART has obtained and maintains insurance in the following amounts:

i. Workers' Compensation that satisfies the minimum statutory limits. The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of City for all Work performed by HEART and its staff.

ii. Commercial General Liability and Property Damage Insurance in an amount not less than TWO MILLION DOLLARS ($2,000,000) combined single limit per occurrence, FOUR MILLION DOLLARS ($4,000,000) annual aggregate, for bodily injury, property damage, products, completed operations and contractual liability coverage. The policy shall also include coverage for liability arising out of the use and operation of any City-owned or City-furnished equipment used or operated by HEART and its staff.

iii. Comprehensive automobile insurance in an amount not less than TWO MILLION DOLLARS ($2,000,000) per occurrence for bodily injury and property damage including coverage for owned and non-owned vehicles.

B. Each of the following shall be included in the coverage or added as an endorsement:

i. City and its officers, employees, agents, and volunteers shall be covered as additional covered parties with respect to HEART's general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to HEART's performance of this Agreement and to the extent caused by HEART's negligent act, error, or omission.

ii. An endorsement to HEART's general commercial and automobile coverages must state that coverage is primary with respect to City and its officers, officials, employees, and volunteers.

iii. All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

C. HEART shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

D. During the term of this Agreement, HEART may change the insurance program in which it participates. HEART will provide reasonable notice of any such change to City and replacement copies of Certificates of Coverage and endorsements.

E. The coverages stated herein shall be maintained throughout the term of this Agreement, and proof of coverage shall be available for inspection by City upon request.

F. In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, HEART shall provide written notice to City at HEART's earliest possible opportunity and in no case later than five (5) business days after HEART is notified of the change in coverage.

11. MISCELLANEOUS

A. COMPLIANCE WITH ALL APPLICABLE LAWS; NONDISCRIMINATION.

HEART and its staff shall comply with all applicable local, state, and federal laws, regulations, and ordinances in the performance of this Agreement. HEART shall not discriminate in the provision of service or in the employment of persons engaged in the performance of this Agreement on account of race, color, national origin, ancestry, religion, gender, gender expression, gender identity, marital status, sexual orientation, age, physical or mental disability in violation of any applicable local, state, or federal laws or regulations.

B. VENUE, ATTORNEYS' FEES.

Any suit or action initiated by either party shall be brought in San Mateo County, California. In that event each party shall incur its own attorney's fees, costs, or other legal expenses to enforce provisions of this Agreement against the other party, regardless of whether any party shall be deemed the prevailing party.

C. RECORDS

i. All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that HEART prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of City. HEART hereby agrees to deliver those documents to City upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for City and are not necessarily suitable for any future or other use.

ii. HEART shall hold any confidential information received from City in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, HEART shall return materials which contain any confidential information to City. For purposes of this paragraph, confidential information is defined as all information disclosed to HEART which relates to City past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. City shall notify HEART what information and documents are confidential and thus subject to this Section.

iii. HEART shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for Work or expenditures and disbursements charged to City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

iv. Inspection and Audit of Records. Any records or documents that this Section requires HEART to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City.

D. ENTIRE AGREEMENT – AMENDMENTS.

i. The terms and conditions of this Agreement, all exhibits attached, and all documents expressly incorporated by reference, represent the entire Agreement of the parties with respect to the subject matter of this Agreement.
ii. This written Agreement shall supersede any and all prior agreements, oral or written, regarding the subject matter of this Agreement.
iii. No other agreement, promise or statement, written or oral, relating to the subject matter of this Agreement, shall be valid or binding, except by way of a written amendment to this Agreement.
iv. This Agreement may be amended or modified only by written Agreement signed by both Parties.

E. SEVERABILITY.

If any provisions of this Agreement are held invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby if such remainder would continue to serve the purposes and objectives originally contemplated by the Parties.

F. REMEDIES, CHOICE OF LAW.

No remedy or election exercised hereunder shall be deemed exclusive but shall be cumulative with all other remedies at law or in equity. This Agreement shall be governed by the laws of the State of California.

G. MEDIATION.

Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached, neither party shall be deemed the prevailing party for purposes of the settlement, and each party shall bear its own legal costs.

H. WAIVER

No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

I. AUTHORITY TO ENTER AGREEMENT

Each Party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective Party.

[SIGNATURE CONTINUES NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month, and year first above written.

HEART

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY, a Joint Powers Agency ("JPA") formed and existing under the laws of the State of California

By: _____
Armando Sanches, Executive Director

[SIGNATURE CONTINUES NEXT PAGE]

CITY:

CITY OF SAN BRUNO, a municipal corporation

By: _____

Name: Alex D. McIntyre
Its: City Manager

APPROVED AS TO FORM:

By: _____

EXHIBIT A – Scope of Work

HEART and City will further refine the work plan and scope of services. Activities and services to be performed by HEART may include, but not be limited, to the following:

WORK PLAN DEVELOPMENT

- Consult with City to establish objectives, priorities and schedules for affordable housing programs and activities.
- Work with City to identify services and activities that will continue to be met through City staff and/or other contracted services/consultants.
- Establish monitoring and reporting systems to ensure the adequacy, quality, and timeliness of progress on housing programs and activities.

PROGRAM MANAGEMENT: INCLUSIONARY/BELOW MARKET RATE ("BMR") HOUSING

- Review existing City inclusionary housing ordinances and procedures and make recommendations for improvements that will help City meet production and fair housing goals set out in the Housing Element.
- Implement policies and procedures related to legal agreements, marketing, preferences, and lease-ups or sales that improve operations and the process for applicants and residents while also adhering to industry standards in terms of fair housing marketing principles and eligibility determinations.
- Establish systems to monitor BMR units for ongoing eligibility and affordability.
- Establish procedures and systems to ensure the efficient leasing of BMR rental units upon turnover.
- Implement of policies and procedures for resale and subordination requests related to BMR ownership units.
- Track all inclusionary housing activity including project status, marketing timelines, lease-ups, sales, and re-sales.
- Identify, solicit, recommend, and prepare contracts with consultants, as needed.

PROGRAM MANAGEMENT: 100% AFFORDABLE HOUSING DEVELOPMENTS

- Review compliance activities, including the monitoring of regulatory agreements and performance of administrative tasks as requested by the City related to its affordable housing loan portfolio.
- Recommend and prepare policies and procedures related to the use of local funds for the development of 100% affordable housing, including developer selection criteria.
- Research and inform the City of affordable housing funding and financing sources, guidelines, and deadlines.
- Review and evaluate affordable housing proposals and make recommendations regarding project selection to the City Council.
- Assist City with disposition of City owned properties for the production of affordable housing, including selection of a developer, assistance with project approval, and assistance with funding applications, while assuring compliance with State laws related to property disposition.
- Attend meetings and make presentations to City staff, City Council, administrators, and various private and community organizations to discuss project status, as necessary.
- Review existing affordable housing agreements and assist the City with efforts to preserve existing income restricted housing threatened by rehabilitation needs or expiring affordability agreements.

IMPLEMENTATION OF THE HOUSING ELEMENT

In consultation with City, HEART may undertake additional activities intended to implement the Housing Element and the City's housing goals including, but not limited to:

- Assist City with the completion of State required Annual Progress Reports.
- Asist with creation of any housing policies or programs called for in the Housing Element.
- Develop and begin implementation of monitoring procedures for Accessory Dwelling Units.
- Advise City on the establishment of a fund to support housing production.
- Advise City on the use of local funds for programs that support resident stability such as rental assistance, relocation assistance, eviction prevention, home repairs, and foreclosure prevention.
- Assure that the City website includes information on fair housing, housing resources, and services and recommend adding information as needed.
- Prepare and make information available to City residents on housing-related questions.
- Implement other Housing Element goals, as defined by the City.

MEETING OTHER HOUSING REQUIREMENTS

HEART shall assist the City in meeting any additional housing policy and program requirements that may be established by the local, state, or federal government and quasi-governmental agencies, such as those required under the Metropolitan Transit Commission's Transit Oriented Communities Policy.

MONITORING EVOLVING STATE AND FEDERAL GUIDELINES AND RESOURCES

- Review and prepare memos on proposed Federal and State regulations and their prospective impact on local requirements and programs, and suggest alternative courses of action, as applicable.
- Provide updates to City elected officials regarding details on State and Federal requirements.
- Maintain an awareness of the availability, guidelines, and deadlines for federal and state affordable housing funding sources.

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Audrey Afe-Tuufuli, Business Manager

SUBJECT: Consider Adoption of a Resolution Accepting the Completion of the Posy Park Fountain Restoration; Authorize the Filing of Notice of Completion with the San Mateo County Recorder's Office; and Authorize Release of the Construction Contract Retention to Waterworks Industries, Inc. in the Amount of $25,218.75

BACKGROUND:

Posy Park, a street level plaza adjacent to the Caltrain station, was conceived as a formal urban threshold within the San Bruno Grad Separation Project. Its defining element, a tiered concrete fountain, was intended as a sculptural focal point but experienced early structural and waterproofing failures and was taken offline in 2016.

In 2021, the City Council selected a plaza focused revitalization emphasizing adaptive reuse of the fountain basins as planting terraces, integrated public art, upgraded seating, and enhanced landscape elements. The preliminary budget framework totaled roughly $575,000, supported by $375,000 in Park in Lieu allocations and a $200,000 Measure K grant, with a planned Public Art contribution for site mosaics.

A technical reassessment in FY 2023–24 revealed that the fountain's form and infrastructure, shallow concrete basins, sanitary sewer drainage, absent irrigation, and compromised waterproofing were incompatible with durable planting strategies without extensive demolition and reconstruction. Waterworks Industries, Inc., the original fabricator, documented breached piping, corroded reinforcement, and nozzle related surface degradation, prompting a strategic pivot from landscape conversion to structural and material restoration.

In October 2024, the Council approved a revised scope centering on fountain repair, resurfacing, waterproofing, and an integrated public art sculpture, with funding realignments and Caltrain provision of bike lockers. In April 2025, the City authorized a sole source contract with Waterworks for restoration work, supported by contingency funding and a CEQA exemption.

DISCUSSION:

The restoration has been completed in accordance with the approved design, technical recommendations, and contract parameters, returning the fountain to service as an engineered and aesthetic centerpiece of the plaza.

The Council's October 2024 revision of scope and the April 2025 sole source authorization enabled an expedited procurement and construction sequence that minimized risk of scope drift and potential rework. The executed contract encompassed: pipe replacement and reconfiguration where required; removal and treatment of corroded rebar and concrete; application of durable waterproofing and new surface finishes; rebalancing and replacement of nozzle hardware to mitigate staining and ensure even hydraulics; and coordination with the public art program for restoration of existing artworks and procurement of a complementary sculpture.

Budgetary adjustments realigning Measure K and Park in Lieu funds and authorizing Public Art allocations provided sufficient capital and contingency to complete the work without compromising technical scope.

The restoration was completed in accordance with contract requirements and technical specifications. The work resolved the primary structural and waterproofing deficiencies, reinstated reliable hydraulic performance, and established a platform for integrated public art.

This restoration strategy achieved a resilient resolution that preserves the fountain as a civic and architectural device, minimizes long term maintenance burden, and supports the broader objective of animating Posy Park as a durable urban gateway.

Change Orders:

- Change Order 1: $5,474 was executed for this project, covering essential pipe rerouting and coring identified during the work.
- Change Order 2: $25,014 Technical Project Management Support
- Change Order 3: $10,023 Permitting and Plan Check

FISCAL IMPACT:

On April 22, 2025, the City Council authorized a sole source contract with Waterworks Industries, Inc. not to exceed $504,375 with an approved project contingency of $50,500. Detailed project expenditures and the final account are provided below. The Project and contingency were managed within the approved authorizations resulting in a $9,989 surplus.

Posy Fountain Restoration	Budgeted	Actual
Construction Contract	$504,375	$504,375
Construction Contingency	$ 50,500	$ 40,511
Total	$554,875	$544,886
Unspent Balance / Savings		$ 9,989

ENVIRONMENTAL IMPACT:

The project was previously determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to the exemptions identified at the time of project approval. Final acceptance of the completed project does not change the prior CEQA determination.

RECOMMENDATION:

Consider Adoption of a Resolution Accepting the Completion of the Posy Park Fountain Restoration; Authorize the Filing of Notice of Completion with the San Mateo County Recorder's Office; and Authorize Release of the Construction Contract Retention to Waterworks Industries, Inc. in the Amount of $25,218.75.

ATTACHMENTS:

1. Resolution
2. Project Acceptance Form

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF SAN BRUNO ACCEPTING THE COMPLETION OF THE POSY PARK FOUNTAIN RESTORATION, AUTHORIZING THE FILING OF A NOTICE OF COMPLETION WITH THE SAN MATEO COUNTY RECORDER'S OFFICE, AND AUTHORIZING RELEASE OF THE CONSTRUCTION CONTRACT RETENTION TO WATERWORKS INDUSTRIES, INC. IN THE AMOUNT OF $25,218.75.

WHEREAS, Posy Park is a street-level plaza adjacent to the Caltrain station whose tiered concrete fountain, intended as the plaza's sculptural focal point, was taken offline in 2016 following early structural and waterproofing failures; and

WHEREAS, in October 2024, the City Council approved a revised project scope centering on repair, resurfacing, and waterproofing of the fountain and incorporation of an integrated public art sculpture; and

WHEREAS, on April 22, 2025, the City Council authorized a sole-source contract with Waterworks Industries, Inc. in an amount not to exceed $504,375 and approved a project contingency of $50,500; and

WHEREAS, the restoration has been completed in accordance with the approved design, technical recommendations, and contract requirements, and in substantial conformance with the approved plans and specifications; and

WHEREAS, the project was previously determined to be exempt from the California Environmental Quality Act (CEQA), and final acceptance of the completed project does not change that determination; and

WHEREAS, all construction work required under the contract has been completed to the satisfaction of the City's project management team.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby:

- Accepts the Posy Park Fountain Restoration as complete; and
- Authorizes the filing of Notice of Completion with the San Mateo County Recorder's Office; and
- Authorizes release of the construction contract retention to Waterworks Industries, Inc. in the amount of $25,218.75 in accordance with the contract documents.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026 by the following vote:

AYES: Councilmember:

NOES: Councilmember:

ABSENT: Councilmember:

_____
Lupita Huerta, City Clerk

Capital Improvement Program

Project Acceptance Information Form

As of June 23, 2026

Contract Name:	Posy Park Fountain Restoration	Contract No.:	51024
Construction Contractor:	Waterworks Industries, Inc.		
Construction Management and Inspection Services	Wilsey Ham Engineering, Surveying & Planning		

Project Information:

Project Description:	The Downtown Improvement Phase II Project was initiated to repair and transform the landscape downtown in conjunction with the Posy Park landscape improvement for continuity through the downtown corridor.
Construction Contract Award:	Waterworks Industries, Inc.
Start of Construction:	May 20, 2025
Contract Change Orders (CCO):	Change Orders for the Posy Park Fountain Restoration project totaled $40,511, representing 8% of the original contract, and were essential to delivering a successful project.
Substantial Completion:	April 1, 2026
Final Completion:	April 15, 2026
Notice of Completion:	Scheduled for filing on June 24, 2026

Construction Project Costs:

PROJECT COSTS	Budget	Actual
Project Management Services **Waterworks Industries, Inc.**	$504,375	$504,375
Contingency	$50,500	$40,511
TOTAL	$554,875	$544,886
Unspent Balance/Savings		$9,989

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Lupita Huerta, City Clerk

SUBJECT: Consider Adoption of a Resolution to Provide for the Conduct of a November 3, 2026, General Municipal Election for Officers: 1) Calling and Giving Notice of Holding a General Municipal Election to be Held on Tuesday, November 3, 2026, for the Election of Certain Officers as Required by the Provisions of Laws of the State of California Relating to General Law Cities; 2) Requesting Election Consolidation With the Statewide General Election to be Held on Tuesday, November 3, 2026; 3) Contracting With the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for Elections Services; 4) Adopting Regulations for Candidates for Elective Office Pertaining to Candidate Statements Submitted to the Voters; and 5) Providing for Notice of Election

BACKGROUND:

A general municipal election shall be held on Tuesday, November 3, 2026, to fill three (3) elected offices in accordance with San Bruno Municipal Code Section 2.32.010. Council-members will be elected on a by-district basis, excluding the office of Mayor which remains a citywide elected position.

Offices to be filled are: one City Councilmember representing District 1 for a 4-year term; one City Councilmember representing District 4 for a 4-year term; and one Mayor with at-large representation for a 2-year term.

Upon approval of the required resolution, the City Clerk will publish a "Notice of Election" containing the time of the election and offices to be filled.

DISCUSSION:

In accordance with San Bruno Municipal Code Section 2.32.010, the City shall hold a general municipal election on November 3, 2026, to fill offices. The process begins with the adoption of a resolution citing the facts necessary to conduct the election as required by California Elections Code.

Pursuant to Elections Code Section 10403, the City of San Bruno is requesting that the City's General Municipal Election be consolidated with the Statewide General Election.

Pursuant to Election Code Section 10002, the City of San Bruno is requesting that the Board of Supervisors of San Mateo County provide election services by having the County Clerk conduct the election. The City will execute an election services agreement to reimburse the County of San Mateo for services performed. The attached resolution goes into further detail of the required City Council action and includes specific language required by the County of San Mateo.

Pursuant to Election Code Section 13307, the City Council must adopt regulations pertaining to materials, including a manner of electronic distribution, prepared by any candidate for a municipal election, including costs of a candidate's statement to be printed in the Voter Pamphlet. Federal law requires the County to print a candidate's statement in English, Spanish, Filipino and Chinese; the County then passes the cost of printing onto the City.

- Candidate statements are submitted with the nomination papers. If the candidate desires their statement to be published in the Sample Ballot, the San Bruno Master Fee Schedule requires that the candidate pay $871.00, which includes all legally required languages of English, Spanish, Filipino and Chinese. This fee is an estimate. The actual cost will be determined by the County Elections Office based on the number of candidates per office. The City will either refund or charge candidates with the difference after the City receives the final election invoice from the County.

Pursuant to Elections Code Section 12101 the City elections official shall publish a Notice of Election along with other statutory notices needed to inform the public of the election process.

FISCAL IMPACT:

A total of $105,000 has been requested to be budgeted in the FY 2026-27 General Fund Budget. The exact cost cannot be determined until the County calculates how many candidates and measures will be in the Voter Pamphlets.

ENVIRONMENTAL IMPACT:

There is no environmental impact. The action is not a project subject to CEQA. City Council’s action is not considered a “Project” per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt a Resolution:
1. Calling And Giving Notice of Holding a General Municipal Election to Be Held on Tuesday, November 3, 2026 for the Election of Certain Officers as Required by the Provisions of Laws of the State of California Relating to General Law Cities;
2. Requesting Election Consolidation with the Statewide General Election to Be Held on November 3, 2026;
3. Contracting with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder for Elections Services;
4. Adopting Regulations for Candidates for Elective Office Pertaining to Candidate Statements Submitted to the Voters; and
5. Providing Notice of Election

ALTERNATIVES:

Return to staff to identify election alternatives.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO CALLING AND GIVING NOTICE OF HOLDING A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2026 FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES; REQUESTING ELECTION CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 3, 2026; CONTRACTING WITH THE SAN MATEO COUNTY CHIEF ELECTIONS OFFICER AND ASSESSOR-COUNTY CLERK- RECORDER FOR ELECTIONS SERVICES; ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATE STATEMENTS SUBMITTED TO THE VOTERS; AND PROVIDING NOTICE OF ELECTION

WHEREAS, the City Council of the City of San Bruno is calling a General Municipal Election to be held on Tuesday, November 3, 2026, for the purpose of electing (1) one City Council Member from District 1 for a full four-year term; (1) one City Council Member from District 4 for a full four-year term, and (1) one Mayor for a full two-year term; and

WHEREAS, the General Municipal Election is to be consolidated with the Statewide General Election to be held on the same date and that the City polling places and the election of officers be the same, and that the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN BRUNO DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

1. The City of San Bruno hereby calls and gives notice of a General Municipal Election to elect one (1) Member of the City Council representing District 1 for a term of (4) four years; one (1) Member of the City Council representing District 4 for a term of (4) four years; and one (1) Mayor for a term of (2) two years.

2. Nomination papers may be procured from the City Clerk no earlier than open business hours on July 13, 2026, and shall be filed with the City Clerk no later than 5:00 p.m. on August 6, 2026, unless extended as provided by law.

3. Pursuant to California Elections Code Section 10403 and 10418, the City Council of San Bruno requests that the Board of Supervisors of San Mateo County consent and agree to the consolidation of the General Municipal Election with the Statewide General Election to be held on November 3, 2026, and acknowledges that the consolidated election shall be held and conducted in the manner prescribed in Elections Code Section 10418.

4. That the election precincts, polling places, voting booths and election officials in each of the precincts in which this election shall be held shall be the same as provided for the Statewide General Election on said date, as prescribed by the ordinance, order, resolution or notice of the Board of Supervisors of San Mateo County calling, providing for or giving notice of such other election and which sets forth such precincts, voting booths, polling places and election officials.

5. Pursuant to California Elections Code 10002, the City Council further requests that the County Board of Supervisors permit County election official(s) be authorized to render services to the City relating to the conduct of said election. The services shall

be of the administrative type normally performed by such County election official(s) in conducting elections including, but not limited to, checking registrations; printing and mailing sample ballots; ballots; candidates' statements; hiring election officers and arranging for polling places; providing and distribution of election supplies; and counting ballots and canvassing returns.

6. That the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder are hereby authorized to canvass the returns of the General Municipal Election, and that the election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

7. The City of San Bruno recognizes that the costs incurred by the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder, by reason of this consolidation, will be reimbursed by the City of San Bruno as specified in the Service Agreement that the City of San Bruno hereby authorizes the City Manager to execute.

8. That pursuant to California Elections Code Section 13307, each candidate for elective office to be voted for at an Election to be held in the City of San Bruno on November 3, 2026, may prepare a candidate's statement, suitable for electronic distribution, on an appropriate form provided by the City Clerk. The statement may include the name, age and occupation of the candidate and a brief description of no more than 200 words of the candidate's education and qualifications expressed by the candidate himself or herself. The statement shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations. The statement is optional and may be withdrawn, but not changed, during the period for filing nomination papers and until 5:00 p.m. of the next working day after the close of the nomination period. A fee will be charged as approved in the City's Master Fee Schedule.

9. The City Clerk for the City of San Bruno is hereby directed to submit a certified copy of this resolution to the Board of Supervisors of the County of San Mateo. The City Clerk is also directed to file a copy of the resolution with the San Mateo County Chief Elections Officer and Assessor-County Clerk-Recorder prior to Monday, July 13, 2026.

10. That the City Clerk for the City of San Bruno shall certify to the passage and adoption of this resolution.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Travis M. Karlen, Community Services Director

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a License Agreement with the Coastal Quest for the Installation, Operation, and Maintenance of Air Monitoring Stations at Forest Lane Park, 7th & Walnut Park, and City Hall, and Determining the Project is Exempt from the California Environmental Quality Act

BACKGROUND:

Coastal Quest ("RISE" or "LESSEE") operates a community air quality monitoring program and has proposed to install, operate, and maintain Clarity Node S air monitoring devices (the "Equipment") at three City locations: Forest Land Park, 7th & Walnut Park, and City Hall. RISE currently maintains a network of Clarity devices in South San Francisco and at non municipal sites in San Bruno. RISE manages public access to monitoring data via the Clarity Open Map and RISE's public dashboards.

Under the proposed License Agreement, RISE would be solely responsible for the costs of procurement, installation, routine maintenance, calibration, repair, insurance, and removal and site restoration at the end of the term. The installation of the equipment will require minimal site work and is proposed to occur at three City locations utilizing existing buildings and/or infrastructure. Final placement locations and installation details will be coordinated with City staff and will remain subject to City review and approval to ensure compatibility with existing facilities, operational needs, and infrastructure requirements.

The agreement would be nonexclusive, subject to any required City permits and approvals, and include performance standards, public safety requirements, data sharing obligations, and City termination rights. Draft site exhibits, insurance requirements, and data use commitments are included in the draft License Agreement and attachments.

DISCUSSION:

The proposed License Agreement would authorize Rise South City ("RISE") to install, operate, and maintain Clarity Node S air monitors at Forest Land Park, 7th & Walnut Park, and City Hall, subject to staff approval of appropriate installation.

Under the Agreement, RISE would be responsible for procurement, installation, calibration, routine maintenance, repairs, utilities attributable to the equipment, insurance, data management, community engagement, and removal/restoration at the end of the term. RISE will make monitoring data publicly available via the Clarity Open Map, maintain internal access for

research and QA, provide periodic summary reports to the City, and host community workshops to share findings and solicit input.

Key Components Include:

- Nonexclusive site license with site exhibits and City approval required prior to installation.
- Data sharing and confidentiality provisions, and obligations to protect any personally identifiable information.
- Performance standards, QA/calibration procedures, 24/7 service contact, and public safety protocols.
- Insurance, indemnity, and removal/restoration obligations; City termination rights for material breach or public safety concerns.
- Initial multiyear term with optional renewals; final fee and security terms to be inserted prior to execution.

This approach provides publicly accessible hyperlocal air quality data, leverages RISE research partnerships without City capital expenditure, and minimizes City fiscal exposure while retaining permit oversight and termination authority.

FISCAL IMPACT:

There is no fiscal impact related to this item.

ENVIRONMENTAL IMPACT:

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), which applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public facilities involving negligible or no expansion of existing or former use. The project consists of the installation and operation of small air monitoring devices on existing public facilities and infrastructure at Forest Lane Park, 7th & Walnut Park, and City Hall, involving minimal site disturbance and no expansion of use. Additionally, the project may also be considered exempt pursuant to CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures) for the installation of small accessory equipment. No unusual circumstances exist that would cause the project to have a significant effect on the environment.

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute a License Agreement with the Coastal Quest for the Installation, Operation, and Maintenance of Air Monitoring Stations at Forest Lane Park, 7th & Walnut Park, and City Hall, and Determining the Project is Exempt from the California Environmental Quality Act

ALTERNATIVES:

1. Do not approve the license agreement.

ATTACHMENTS:

1. Resolution
2. License agreement with Coastal Quest

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A LICENSE AGREEMENT WITH THE COASTAL QUEST FOR THE INSTALLATION, OPERATION, AND MAINTENANCE OF AIR MONITORING STATIONS AT FOREST LANE PARK, 7TH & WALNUT PARK, AND CITY HALL, AND DETERMINING THE PROJECT IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, Coastal Quest ("RISE" or "Licensee") operates a community-based air quality monitoring program and has proposed to install, operate, and maintain air monitoring devices at select locations within the City of San Bruno; and

WHEREAS, the proposed locations include Forest Lane Park, 7th & Walnut Park, and City Hall; and

WHEREAS, the proposed License Agreement provides for a non-exclusive use of City property and requires City staff approval of specific installation at the site prior to installation; and

WHEREAS, under the terms of the License Agreement, Licensee shall be solely responsible for all costs associated with procurement, installation, calibration, maintenance, repair, , insurance, and removal and restoration of the sites at the conclusion of the agreement term; and

WHEREAS, the License Agreement includes provisions related to performance standards, public safety requirements, data-sharing obligations, insurance and indemnification, and City termination rights; and

WHEREAS, the proposed project will provide publicly accessible, hyperlocal air quality data to the community without financial impact to the City; and

WHEREAS, the City Council finds that approval of the License Agreement does not constitute a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 and 15303, and therefore no environmental review is required.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Bruno as follows:

- The City Council hereby approves the License Agreement with the Coastal Quest, in substantially the form presented.
- The City Manager is hereby authorized to execute the License Agreement and any related documents necessary to implement the Agreement on behalf of the City.
- The City Council hereby determines that the approval of this agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), which applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public facilities involving negligible or no expansion of existing or former use. The project consists of the installation and operation of small air monitoring devices on existing public facilities and infrastructure at Forest Lane Park, 7th & Walnut Park, and City Hall, involving minimal site disturbance and no expansion of use. Additionally, the

project may also be considered exempt pursuant to CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures) for the installation of small accessory equipment. No unusual circumstances exist that would cause the project to have a significant effect on the environment.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026 by the following vote:

AYES: Councilmember:

NOES: Councilmember:

ABSENT: Councilmember:

_____
Lupita Huerta, City Clerk

REVOCABLE LICENSE AGREEMENT FOR TEMPORARY USE OF PROPERTY

THIS AGREEMENT is made as of _____ and effective on the date of last signature below (the "Effective Date") by and between City of San Bruno, a California municipal corporation, hereinafter called **"Licensor",** and the Coastal Quest, a 501(c)(3) public foundation, hereinafter called **"Licensee".** Licensor and Licensee may be collectively referred to as the "Parties" or individually as a "Party".

RECITALS

A. Licensor is the owner of properties including Forest Lane Park , 7th & Walnut Park, and City Hall 567 El Camino Real, San Bruno CA 94066 (individually a “Property” and collectively, “Properties”).

B. Licensee seeks to use areas at the properties listed above for the installation, operation and maintenance of air monitors for the purpose of measuring the quality of air in targeted areas and to study pollutants affecting the air in San Bruno

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in consideration of the covenants and obligations in this Agreement, Licensor and Licensee agree as follows:

1. **Licensed Premises**. Licensor, for and in consideration of the faithful performance by Licensee of the terms and agreements hereinafter set forth, does hereby give to Licensee a license to use the areas for the monitors (the **"License Area(s)")** depicted on Exhibit A, attached hereto and made a part hereof, solely for the purpose specified in Section 2 of this Agreement, and subject to the terms, reservations, covenants and conditions hereinafter set forth.

2. **Purpose and Use.** Use of the License Area shall be at Licensee's sole and exclusive risk. Licensee shall use the License Area for the installation, operation, and maintenance of Clarity Node S air monitoring devices (the “Equipment”) purposes only. The Equipment shall be surface mounted only and shall not be installed below grade or affixed in a manner that penetrates the ground or any structure. Licensee shall not connect the Equipment to City utilities without prior written approval from Licensor, which may be subject to additional fees and/or terms and conditions. Any permits required for the installation or operation of the Equipment shall be obtained by Licensee at its sole cost and expense prior to installation. Exhibit A shall specify the location of the Equipment within the License Area and method of installation. Equipment shall only be accessed between the hours specified in Section 9 below for each Property: . At the termination of this Agreement, Licensee shall be responsible for restoring any portion of the License Areas or Properties disturbed during the Term to its prior condition, wear and tear excepted.

3. **Compliance with Law.** Licensee shall obey and shall ensure that its staff and partnered entities obey all pertinent Federal, State and local laws and statutes while on the License Areas or Properties. Licensee is solely responsible for any violation of any laws associated with its use of the License Area.

4. **No Warranty.** Licensee accepts the License Area "as is" and with all faults. Licensor makes no other warranties related to the License Area and provides the License Area without any other warranty of any kind, either expressed or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose, and Licensee makes no reliance on such warranty.

5. **Term and Termination.** This Agreement will be in effect for a period of five (5) years, commencing on the Effective Date, and ending on the date that is five (5) years after the Effective Date (the “License Term”). Either Party may terminate this Agreement with or without cause upon 30 days’ written notice to the other Party.

6. **Insurance**. During the term of this Agreement. Licensee shall maintain at a minimum the following insurance:

a. Workers' Compensation with statutory limits, in accordance with the laws of the State of California and Employer's Liability with limits of not less than $1,000,000.00. Licensee shall require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.

b. Commercial General Liability Insurance, including contractual liability and products liability, with a combined single limit of $2,000,000.00. Such insurance shall: (i) name Licensor, its officers, agents and employees as additional insureds, but only for Licensee’s acts or omissions; (ii) be primary for all purposes; and (iii) contain standard cross-liability provisions.

c. Commercial Automobile Insurance with a combined single limit of $2,000,000.00. Such insurance shall: (i) cover the use of owned, non-owned and hired vehicles on the License Area, and (ii) name Licensor, its officers, agents and employees, as additional insureds.

Licensee shall provide Licensor with proof of such insurance by submission of certificates of insurance, pursuant to Section 10 "Notices," at least ten (10) days prior to the Effective Date of this Agreement . Such insurance shall not be canceled nor allowed to expire or be materially reduced without prior written notice to Licensor.

7. **Insurance Waiver.** The City Manager, as Purchasing Officer, may modify the insurance requirements of this section after considering the recommendations of the City’s insurance provider and upon consideration of the risks associated with the use of the License Area under this Agreement.

8. **Licensor's Use of License Area.** Licensee agrees that Licensor has the right to enter upon the License Area, at any time, for any purpose, and the right to conduct any activity on the License Area. Licensor shall not be liable to Licensee for any compensation or damages whatsoever resulting from the exercise of Licensor's rights hereunder.

9. **Conditions of Access.** Access to License Areas and Properties shall be limited to certain periods, as follows: Forest Lane Park: dawn to dusk, seven (7) days a week; 7th & Walnut Park: dawn to dusk, seven (7) days a week; City Hall: Monday through Thursday, 7:30 a.m. to 5:00 p.m., closed Friday through Sunday**).** Licensee shall provide notice to Licensor and obtain Licensor's prior written consent before accessing the License Area. After obtaining Licensor's consent, Licensee is permitted to access the License Area only if accompanied by an employee or agent of Licensor. Licensee shall not interfere with any construction, events, or other programmed activities that occur at the Property or License Area. Staging or storage of materials other than the Equipment at the License Area is not permitted. Licensee shall maintain a clear path of travel through the License Area at all times.

10. **Signs.** Licensee must obtain written approval from Licensor prior to the construction or placement of any sign, signboard or other form of outdoor advertising.

11. **Expense.** Licensee will perform and pay all obligations of Licensee under this Agreement. All matters or things herein required on the part of Licensee will be performed and paid for at the sole cost and expense of Licensee, without obligation on the part of Licensor to make payment or incur cost or expense for any such matters or things.

12. **Assignment.** This Agreement and Licensee's rights hereunder shall not be assigned, transferred, pledged, or otherwise encumbered, without the express written consent of Licensor, and any attempt to do so will be void and confer no right on any third party.

13. **Notice.** Notices required under this License shall be in writing and shall be given to the Party at its regular mail address as set forth below or such other address as the party may later specify for that purpose by notice to the other Party. Notice shall only be given in the manner set forth below and shall, for all purposes be deemed given and received only if given by a national overnight delivery service at the regular mail address of the party specified above, the day on which the notice is actually received by the party; or if given by certified mail, return receipt requested, postage prepaid at the regular mail address of the party specified above, on the day signed for as evidenced by the return receipt or if given by personal delivery, on the day signed for by an authorized representative of the recipient. If Notice is tendered under the provisions of this License and is refused by the intended recipient of the Notice, the Notice shall nonetheless be considered to have been given and shall be effective as of the date provided in this License.

For Licensee :

Coastal Quest
2625 Alcatraz Ave #609
Berkeley, CA 94705-2702
Attn: Tegan Hoffmann
Coastal Quest Executive Director

For Licensor:

City of San Bruno
567 El Camino Real
San Bruno, CA 94066
Attn: Travis M. Karlen, *CPRP*
Community Services Director

with a copy to:

City Attorney
City of San Bruno
567 El Camino Real
San Bruno, CA 94066
Attn: Trisha Ortiz, City Attorney

13. Authority to Execute. Each Party warrants that it is authorized to enter into the Agreement, that the person signing on its behalf is duly authorized to execute the Agreement, and that no other signatures are necessary.

14. Indemnification and Liability. Licensee agrees to indemnity, defend, and hold harmless Licensor and its officers, agents and employees from any and all claims, liabilities, expenses, costs, or damages of any nature, including attorneys' fees for any injury or damage to any third party including death) or property arising out of Licensee's use of the Property and/or License Area pursuant to the Agreement by Licensee, Licensee's agents, officers, employees, subcontractors, or independent contractors(s) hired by Licensee except for such claims, liabilities, expenses, costs or damages arising from the gross negligence or willful misconduct of Licensor. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Licensee.

15. Release and Waiver. Licensee shall be responsible and liable for any and all use of the License Area in accordance with this Agreement. Licensee agrees to release, hold harmless, waive, discharge and covenant not to sue Licensor and/or its affiliates, officers, directors or employees, all of which are hereinafter referred to as "Releasees", from any and all liability to Licensee and its employees, officers, affiliates and directors for any and all claims, demands, losses, or damages on account of injury, including death or damage to property, caused or alleged to be caused in whole or in part by the Releasees or otherwise arising from or during the presence of Licensee and its guests and invitees and their property and/or person on the Property and/or License Area. Licensee expressly waives the provisions of California Civil Code section 1542, which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

16. Non-Possessory Interest. Licensor retains full possession of the Property and License Area and Licensee will not acquire any interest temporary, permanent, irrevocable, possessory or otherwise by reason of this Agreement, or by the exercise of the permission given herein. Licensee will make no claim to any such interest. Any violation of this provision will immediately void and terminate this Agreement

17. Modification. This Agreement may be modified only by a written agreement executed by Licensor and Licensee.

18. Interpretation. This Agreement shall be interpreted as though prepared by both parties.

19. Severability. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable. Sections 12, 14, and 15 and those provisions that by their nature are intended to survive termination or expiration of this Agreement shall survive the termination of this Agreement.

20. Force Majeure. No failure or omission on the part of Licensor to carry out or observe any of the terms or provisions of this Agreement will be deemed a breach of this Agreement if same arises or results from force majeure or from any cause reasonably beyond its control, including but without limitation, acts of God, acts (including delay or failure to act) of any governmental authority (de jure or de facto), war (declared or undeclared), riot, revolution, fires, labor disputes, sabotage or epidemics.

21. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each Party to this Agreement acknowledges that representations by either Party that are not embodied herein, and any other agreements, statements, or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding.

22. Attorneys' Fees. In any action at law or in equity, arbitration or other proceeding arising in connection with this Agreement, the prevailing party shall recover reasonable attorneys' fees and other costs, including but not limited to court costs and expert and consultant fees incurred in connection with such action, in addition to any other relief awarded.

23. Governing Law; Venue. This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of California without regard to principles of conflicts of law. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of San Mateo County, California or in the Federal District Court for the Northern District of California.

24. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed one agreement, and each counterpart shall be deemed an original. The Parties hereby acknowledge and agree that electronic signatures or signatures transmitted by electronic mail in so-called ".pdf" format shall be legal and binding and

shall have the same full force and effect as if an original of this Agreement had been manually delivered. The Parties intend to be (i) bound by the signatures (whether original, faxed or electronic) on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this License based on the foregoing forms of signature.

Remainder of page intentionally left blank; signature page to follow

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

LICENSEE

_____
Tegan Hoffmann, Executive Director

LICENSOR

_____
Alex D. McIntyre, City Manager

APPROVED AS TO FORM

_____
Trisha Ortiz, City Attorney

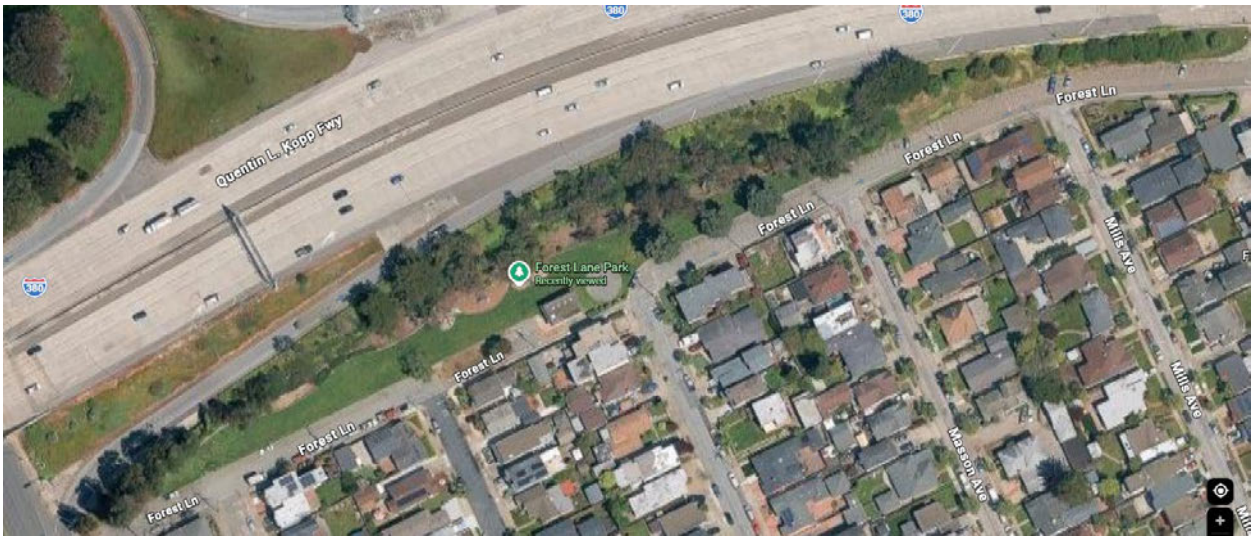
ATTEST

_____
Lupita Huerta, City Clerk

Attachment: Exhibit A - Map

EXHIBIT A
PROPERTY MAP

Forest Lane



7th and Walnut Park

San Bruno City Hall

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Travis M. Karlen, Community Services Director

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the City of Millbrae for a One-Year Pilot Program Providing Membership Resident Rates at the Recreation and Aquatic Center to Millbrae Residents, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA)

BACKGROUND:

The City of Millbrae ("MILLBRAE") and the City of San Bruno ("SAN BRUNO") share a contiguous geographic boundary along the Peninsula, creating a naturally interconnected service area for both communities. Due to this close proximity, as well as shared transportation corridors such as El Camino Real, BART, and Caltrain, residents routinely utilize programs, services, and facilities in both jurisdictions.

The San Bruno Recreation and Aquatic Center (RAC) has experienced strong regional participation since its opening, including consistent use by Millbrae residents. In recognition of this regional utilization pattern and to formalize a partnership that enhances equitable access, SAN BRUNO and MILLBRAE have developed a Memorandum of Understanding (MOU) establishing a one-year pilot program.

This pilot program is intended to evaluate a cost-sharing model that expands access to RAC membership for Millbrae residents while maintaining fiscal neutrality for the City of San Bruno.

DISCUSSION:

The proposed MOU establishes a one-year pilot program, beginning July 1, 2026, through June 30, 2027, whereby verified Millbrae residents will be eligible to receive San Bruno resident rates for RAC memberships.

To offset the reduced rate, MILLBRAE will provide SAN BRUNO with a pre-funded credit of $49,999, which will be drawn down based on the difference between resident and non-resident membership rates. SAN BRUNO will administer the program, including residency verification, fee application, and financial tracking of the credit balance.

In addition, SAN BRUNO will provide a one-time marketing and promotion credit valued at $2,795, resulting in a total available program balance of $52,795.

The pilot program includes the following key components:

- **Resident Rate Access:** Millbrae residents receive San Bruno resident membership rates.
- **Cost Recovery Structure:** Millbrae funds the rate differential through a capped credit account.
- **Administrative Control:** San Bruno retains full authority over program operations, pricing, and facility management.
- **Evaluation Period:** Both cities will evaluate participation levels, financial performance, and overall effectiveness prior to considering continuation.

This approach allows both agencies to test a regional service delivery model that recognizes existing usage patterns while ensuring that San Bruno's General Fund is not subsidizing non-resident participation.

FISCAL IMPACT:

The proposed MOU has the potential to increase revenue to the City of San Bruno by expanding membership participation at the Recreation and Aquatic Center (RAC). The pilot program will generate valuable participation and financial data to inform both cities in evaluating the feasibility of a long-term partnership.

Under the terms of the MOU, the City of Millbrae will provide up to $49,999 to offset the difference between resident and non-resident membership rates. These funds will be held as unearned revenue and drawn down as eligible memberships are processed.

The City of San Bruno will provide a one-time marketing credit valued at $2,795, which is included in the total program balance and will be used to promote the program within Millbrae. At the conclusion of the pilot period, any unused funds will either be returned to Millbrae or, subject to mutual agreement, applied toward a subsequent agreement.

Overall, this pilot structure is designed to increase utilization and revenue at the RAC while ensuring the City of San Bruno is protected from financial exposure.

ENVIRONMENTAL IMPACT:

Approval of the MOU does not constitute a "project" under the California Environmental Quality Act (CEQA). Therefore, no further environmental review is required

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute a Memorandum of Understanding with the City of Millbrae for a One-Year Pilot Program Providing Membership Resident Rates at the Recreation and Aquatic Center to Millbrae Residents, and Determining the Project is Exempt Under the California Environmental Quality Act (CEQA)

ALTERNATIVES:

Do not authorize the MOU with Millbrae.

ATTACHMENTS:

1. Resolution
2. Fiscal Year 2026-27 MOU Between the City of San Bruno and the City of Millbrae.

RESOLUTION NO. 2026 - ___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF MILLBRAE FOR A ONE-YEAR PILOT PROGRAM PROVIDING MEMBERSHIP RESIDENT RATES AT THE RECREATION AND AQUATIC CENTER TO MILLBRAE RESIDENTS, AND DETERMINING THE PROJECT IS EXEMPT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

WHEREAS, the City of Millbrae (MILLBRAE) and the City of San Bruno (SAN BRUNO) share a contiguous geographic boundary along the Peninsula, creating a naturally interconnected service area for both communities; and

WHEREAS, due to this close proximity, as well as shared transportation corridors such as El Camino Real, BART, and Caltrain, residents routinely utilize programs, services, and facilities in both jurisdictions; and

WHEREAS, the San Bruno Recreation and Aquatic Center (RAC) has experienced strong regional participation since its opening, including consistent use by Millbrae residents, and SAN BRUNO and MILLBRAE desire to formalize a partnership that enhances equitable access in recognition of this regional utilization pattern; and

WHEREAS, SAN BRUNO and MILLBRAE have developed a Memorandum of Understanding (MOU) establishing a one-year pilot program, beginning July 1, 2026 through June 30, 2027, under which verified Millbrae residents will be eligible to receive San Bruno resident rates for RAC memberships; and

WHEREAS, to offset the reduced rate, MILLBRAE will provide a pre-funded credit of $49,999 and SAN BRUNO a one-time marketing credit of $2,795, for a total program balance of $52,795, with SAN BRUNO administering the program and retaining full control over operations, pricing, and facilities while maintaining fiscal neutrality; and

WHEREAS, the City has determined that execution of the MOU is not a project subject to the California Environmental Quality Act (CEQA), as defined in Title 14 of the California Code of Regulations Section 15378.

NOW, THEREFORE, BE IT RESOLVED that the San Bruno City Council hereby:

1. Authorizes the City Manager to execute a Memorandum of Understanding with the City of Millbrae to establish a one-year pilot program, beginning July 1, 2026 through June 30, 2027, providing membership resident rates at the Recreation and Aquatic Center to verified Millbrae residents, as set forth in the MOU; and
2. Determines that the execution of the MOU is exempt from review under the California Environmental Quality Act (CEQA), as it is not a “project” under CEQA Guidelines.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

ATTACHMENT 1

MEMORANDUM OF UNDERSTANDING FOR A PILOT PROGRAM EXTENDING SAN BRUNO RESIDENT MEMBERSHIP RATES TO MILLBRAE RESIDENTS FOR THE SAN BRUNO RECREATION AND AQUATIC CENTER

between the

City of Millbrae

621 Magnolia Avenue, Millbrae, CA 94030

and

City of San Bruno

567 El Camino Real, San Bruno, CA 94066

July 1, 2026 – June 30, 2027

DRAFT

Table of Contents

I. PURPOSE 3

II. DESCRIPTION OF COLLABORATION 3

III. TERM 3

IV. TERMINATION FOR CONVENIENCE 5

V. AMENDMENTS OR MODIFICATIONS 5

VI. INDEMNIFICATION 6

VII. INSURANCE 6

VIII. MOU IN WRITING 7

IX. NOTICES 9

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF MILLBRAE AND CITY OF SAN BRUNO

The City of Millbrae, hereinafter referred to as "MILLBRAE," and the City of San Bruno, hereinafter referred to as "SAN BRUNO," enter into this Memorandum of Understanding ("MOU"), dated and effective as of July 1, 2026, to expand access to the San Bruno Recreation and Aquatic Center membership program.

I. PURPOSE

The purpose of this MOU is to establish a cooperative partnership between MILLBRAE and SAN BRUNO to expand access to membership at the San Bruno Recreation and Aquatic Center ("RAC") for Millbrae residents at a reduced cost.

This partnership reflects the shared regional use of recreational amenities and a mutual commitment to improving access to high-quality recreation, health, and wellness services for both communities. This MOU is intended to implement and accomplish various public purposes, including but not limited to, promoting community health and wellness, expanding equitable access to recreational facilities not currently available to Millbrae residents, supporting the efficient use of regional public resources, and fostering community and goodwill between the residents of both cities. MILLBRAE and SAN BRUNO acknowledge that the expenditure of public funds under this MOU provides a direct public benefit to the public and is not intended to provide a private benefit to any individual or entity.

MILLBRAE and SAN BRUNO share a contiguous geographic boundary along the San Francisco Peninsula, creating a naturally interconnected service area for both communities. Due to the two cities' proximity to each other, as well as shared transportation corridors such as El Camino Real, BART, and Caltrain; residents routinely participate in programs, services, and community events offered in both jurisdictions. This regional relationship supports collaborative planning, enhances access to recreational and cultural opportunities, and reflects long-standing patterns of cross-community engagement that benefit residents of both cities.

The parties acknowledge and agree that this MOU does not establish a joint venture and that their respective officers, agents, employees, and contractors do not act as officers, agents, employees or contractors of the other party. MILLBRAE's officers, employees, and agents have no authority, express or implied, to bind SAN BRUNO to any obligation whatsoever. SAN BRUNO's officers, employees, and agents have no authority, express or implied, to bind MILLBRAE to any obligation whatsoever.

II. DESCRIPTION OF COLLABORATION

A. Resident Rate Program

1. SAN BRUNO agrees to allow verified residents of MILLBRAE to receive SAN BRUNO resident rates for applicable RAC memberships.
2. MILLBRAE agrees to fund (i.e., subsidize) the difference between the SAN BRUNO resident rate and the applicable non-resident rate for MILLBRAE

residents. The fees and rates for RAC membership established by the SAN BRUNO City Council for Fiscal Year 2026/27 shall apply for the full duration of this MOU.

3. SAN BRUNO will track usage and apply the cost differential (i.e., subsidy) against a pre-funded unearned revenue credit account established by MILLBRAE.
4. This Pilot Program (as defined below) does not apply to punch cards or daily admission.

B. Financial Terms

1. MILLBRAE shall provide funding to SAN BRUNO in an amount of $49,999 in unearned revenue for the term of this MOU.
2. This amount is within the administrative authority of the MILLBRAE City Manager.
3. SAN BRUNO shall deduct the subsidy value for each eligible transaction from the established unearned revenue credit balance.
4. SAN BRUNO shall apply a one-time credit of $2,795 for marketing and promotion, as outlined in Section II.E of this MOU, to MILLBRAE's unearned credit balance, resulting in a total balance of $52,794.
5. At the conclusion of the term:
    - Any unused funds shall either:
      a. Be returned to MILLBRAE, or
      b. Be rolled over pursuant to a subsequent agreement to expand access to membership at the RAC for Millbrae residents, should the parties enter such agreement.

C. Active Membership Transition

1. RAC members with prepaid annual memberships shall become eligible for the Pilot Program upon their next annual renewal. No prorations or rebates will be issued for active annual memberships.
2. RAC members on month-to-month memberships shall be transitioned to the Pilot Program effective on their renewal date during the month of July.

D. Pilot Program

1. This program shall operate as a one-year Pilot Program beginning July 1, 2026, and ending June 30, 2027.
2. Both parties agree to evaluate participation levels, financial impacts, and program effectiveness prior to considering a renewal or any subsequent agreement.

E. Marketing and Promotion

1. As part of this agreement, MILLBRAE will provide SAN BRUNO with:

- Three (3) Activity Guide advertisements during the first year only.

2. The total value of this benefit is $2,795.70 ($931.90 × 3) which will be invoiced and deducted from the charges to MILLBRAE.
3. This advertising credit is a one-time benefit and shall not be included in any future MOU unless mutually agreed upon.

F. Administration

1. SAN BRUNO shall administer all program operations, including:
   - Verification of residency eligibility;
   - Fee application and tracking; and
   - Financial reconciliation of the unearned revenue credit account.
2. SAN BRUNO retains full authority over:
   - Program structure at its RAC;
   - Facility operations at its RAC; and
   - Scheduling and availability of services at its RAC.
3. SAN BRUNO shall provide periodic reports to MILLBRAE summarizing program participation, total subsidy amounts applied, and the remaining balance of the unearned revenue credit. SAN BRUNO shall provide such periodic reports on a quarterly basis on or before:
   - October 15, 2026 (for first quarter of the fiscal year beginning July 1, 2026 ("FY"));
   - January 15, 2027 (for second quarter of the FY);
   - April 15, 2027 (for third quarter of the FY); and
   - July 15, 2026 (for fourth quarter for the FY).
4. SAN BRUNO shall notify MILLBRAE when the balance of the unearned revenue credit reaches twenty-five (25%) of the original funded amount. The parties may mutually agree to modify or pause the Pilot Program upon such notice.
5. MILLBRAE may provide input and suggestions for programming, operations, and services at SAN BRUNO's RAC; however, all operational decisions remain under SAN BRUNO's authority.

III. TERM

The term of this MOU shall commence on July 1, 2026, and continue through June 30, 2027. This MOU contains all the terms and conditions agreed upon by the parties regarding the subject matter of this MOU and supersedes any prior agreement, oral or written, and all other communications between parties related to such subject matter.

IV. TERMINATION FOR CONVENIENCE

Either party may, in its reasonable discretion, with or without cause, terminate this MOU upon the giving of thirty (30) days prior written notice to the other party.

In the event of termination, the parties shall conduct a final reconciliation of all funds

associated with this MOU, including but not limited to (i) the remaining unearned credit balance funded by MILLBRAE, and (ii) any unexpended funds allocated by SAN BRUNO for marketing and promotion. SAN BRUNO shall provide a written accounting of all expenditures, credits utilized, and remaining balances within thirty (30) days of the effective date of termination.

Any unused portion of the MILLBRAE-funded credit balance, after accounting for all eligible resident rate subsidies incurred through the effective date of termination, shall be returned to MILLBRAE within forty-five (45) days of the effective date of termination, unless the parties mutually agree in writing to apply such remaining balance to a subsequent agreement.

Any marketing and promotion funds committed or expended by SAN BRUNO prior to the effective date of termination shall be deemed earned and non-reimbursable. To the extent that any marketing and promotion funds remain unexpended at the time of termination, such funds shall not be invoiced to MILLBRAE and shall remain the responsibility of SAN BRUNO.

The provisions of this section shall survive termination of the MOU until all financial obligations between the parties have been fully satisfied.

V. AMENDMENTS OR MODIFICATIONS

This MOU may not be amended except by a writing duly executed by the parties hereto. SAN BRUNO shall have the right to grant reasonable extensions of time to MILLBRAE for any purpose or for the performance of any obligation of MILLBRAE hereunder. MILLBRAE shall have the right to grant reasonable extensions of time to SAN BRUNO for any purpose or for the performance of any obligation of SAN BRUNO hereunder.

VI. INDEMNIFICATION

To the fullest extent permitted by law, MILLBRAE shall defend (with legal counsel reasonably acceptable to SAN BRUNO), indemnify and hold harmless SAN BRUNO and its Council, officers, agents, departments, officials, representatives and employees (collectively "San Bruno Indemnitees") from and against any and all claims, suits, actions, losses, costs, damages, injuries (including, without limitation, economic harm, injury to or death of an employee of MILLBRAE or its subcontractors), expenses and liabilities of every kind, nature and description, at law or equity (including, without limitation, incidental and consequential damages), and reasonable attorneys' fees and costs, litigation expenses, court costs, and fees of expert consultants or expert witnesses, and costs of investigation (collectively "Defense Costs") that arise from, relate to or pertain to, directly or indirectly, in whole or in part, any negligent or reckless act or omission or any willful misconduct of MILLBRAE, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Millbrae Liabilities"). MILLBRAE shall pay

and satisfy any judgment, award or decree that may be rendered against the San Bruno Indemnitees except to the extent that liability is caused by the San Bruno Indemnitees' sole negligence, active negligence, or willful misconduct and/or omissions.

Notwithstanding the foregoing, nothing herein shall be construed to require MILLBRAE to defend or indemnify the San Bruno Indemnitees from any Claim arising from the sole negligence, active negligence, or willful misconduct and/or omissions of the San Bruno Indemnitees. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by MILLBRAE. This section shall survive termination of this MOU.

To the fullest extent permitted by law, SAN BRUNO shall defend (with legal counsel reasonably acceptable to MILLBRAE), indemnify and hold harmless MILLBRAE and its Council, officers, agents, departments, officials, representatives and employees (collectively "Millbrae Indemnitees") from and against any and all claims, suits, actions, losses, costs, damages, injuries (including, without limitation, economic harm, injury to or death of an employee of SAN BRUNO or its subcontractors), expenses and liabilities of every kind, nature and description, at law or equity (including, without limitation, incidental and consequential damages), and reasonable attorneys' fees and costs, litigation expenses, court costs, and fees of expert consultants or expert witnesses, and costs of investigation (collectively "Defense Costs") that arise from, relate to or pertain to, directly or indirectly, in whole or in part, any negligent or reckless act or omission or any willful misconduct of SAN BRUNO, any subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "San Bruno Liabilities"). SAN BRUNO shall pay and satisfy any judgment, award or decree that may be rendered against the Millbrae Indemnitees except to the extent that liability is caused by the Millbrae Indemnitees' sole negligence, active negligence, or willful misconduct and/or omissions.

Notwithstanding the foregoing, nothing herein shall be construed to require SAN BRUNO to defend or indemnify the Millbrae Indemnities from any Claim arising from the sole negligence, active negligence, or willful misconduct and/or omissions of the Millbrae Indemnities. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by SAN BRUNO. This section shall survive termination of this MOU.

VII. INSURANCE

A. Throughout the term of this Agreement, MILLBRAE shall obtain and maintain,

at its own expense, the minimum insurance coverage set forth below. This MOU is expressly contingent upon the insurance requirements being met, as evidenced by adequate proof of insurance or participation in a risk-sharing pool. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

1. Statutory Worker's Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly for Contractor with limits not less than $2,000,000, including a waiver of subrogation endorsement in favor of the SAN BRUNO, its officers, agents, employees, and volunteers.
2. Commercial General and Automobile Liability insurance in an amount not less than $2,000,000 per occurrence. SAN BRUNO and its elected officials, officers, and employees shall be named as additional insureds using ISO endorsement forms CG 20 10 and 20 37 or their equivalents.

B. If applicable, MILLBRAE shall not allow any contractors, subcontractors, or vendors to commence work or provide goods or services until all insurance required of MILLBRAE has also been obtained for those entities in the amounts and with the conditions and additional insured endorsements indicated herein.

C. Throughout the term of this Agreement, SAN BRUNO shall obtain and maintain, at its own expense, the minimum insurance coverage set forth below. This MOU is expressly contingent upon the insurance requirements being met, as evidenced by adequate proof of insurance or participation in a risk-sharing pool. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

1. Statutory Worker's Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly for Contractor with limits not less than $2,000,000, including a waiver of subrogation endorsement in favor of MILLBRAE, its officers, agents, employees, and volunteers.
2. Commercial General and Automobile Liability insurance in an amount not less than $2,000,000 per occurrence. MILLBRAE and its elected officials, officers, and employees shall be named as additional insureds using ISO endorsement forms CG 20 10 and 20 37 or their equivalents.

D. If applicable, SAN BRUNO shall not allow any contractors, subcontractors, or vendors to commence work or provide goods or services until all insurance required of SAN BRUNO has also been obtained for those entities in the amounts and with the conditions and additional insured endorsements indicated herein.

E. A party shall not materially change, reduce, or cancel any of the coverages set forth in Sections VII.A.1 and 2 and VII.C 1 and 2 without providing thirty (30) days prior written notice to the other party.

F. All insurance maintained by SAN BRUNO pursuant to this Agreement shall be

primary with respect to any claims, suits, actions, losses, costs, damages, injuries, liabilities, and/or awards, including but not limited to Defense Costs, arising out of or relating to the use, administration, operation, maintenance, or programming of the Recreation and Aquatic Center (RAC). Any insurance maintained by MILLBRAE with respect to such claims shall be excess and non-contributory, except to the extent such claims arise from the negligent or wrongful acts or omissions of MILLBRAE, its officers, employees, agents, contractors, or volunteers.

VIII. MOU IN WRITING

This MOU contains and embraces the entire MOU between the parties hereto and it, nor any part of it, may not be changed, altered, modified, limited, or extended, orally or by any MOU between the parties unless such MOU be expressed in writing, signed, and acknowledged by the MILLBRAE and SAN BRUNO or their successors in interest.

IX. NOTICES

Any notices, consents or approvals permitted or required to be given in accordance with this Agreement shall be sent by regular U.S. mail, overnight mail service, or personal delivery, addressed as follows, and shall be deemed to have been delivered: (i) if sent by U.S. mail, on the fourth (4th) business day following deposit in the United States mail, (ii) if sent by overnight mail, on the date that it is recorded as delivered to the intended recipient, or (iii) if personally delivered, upon receipt.

To MILLBRAE:	To SAN BRUNO:
Hannah Moran Recreation Director City of Millbrae 477 Lincoln Circle Millbrae, CA 94030	Travis M Karlen Community Services Director City of San Bruno 251 City Parkway San Bruno, CA 94066
With copy to:	With copy to:
Tom Williams City Manager City of Millbrae 621 Magnolia Avenue Millbrae, CA 94030	Alex D. McIntyre City Manager City of San Bruno 567 El Camino Real San Bruno, CA 94066

In Witness whereof, the parties hereto have caused this MOU to be executed effective as of this _____ day of_____ 2026.

SAN BRUNO	MILLBRAE
_____	_____
Alex D. McIntyre, City Manager | Date	Thomas C. Williams, City Manager | Date
567 El Camino Real San Bruno, CA 94066	621 Magnolia Avenue Millbrae, CA 94030
APPROVED AS TO FORM	APPROVED AS TO FORM
_____	_____
Marc Zafferano, Attorney | Date	Edward Low, Attorney | Date
MOU Approved by San Bruno City Council on:	MOU Approved by Millbrae City Council on:
_____	_____
ATTEST	ATTEST
_____	_____
Lupita Huerta, City Clerk | Date	Elaine Tran, City Clerk | Date

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Brent Schimek, Captain

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Contract Extension for Mental Health Clinician Services Not to Exceed $175,000

BACKGROUND:

The San Bruno Police Department participates in the Community Wellness and Crisis Response Team (CWCRT) program, a co-responder model that integrates a licensed mental health clinician into police operations. The program enhances the City's response to behavioral health related calls for service by providing on scene crisis intervention, de-escalation, follow up support, resource coordination, and referrals to treatment and community services.

The CWCRT program was initially established through grant funding secured in partnership with San Mateo County Behavioral Health and Recovery Services (BHRS) through an agreement with StarVista. Following the closure of StarVista, the City entered into a direct services agreement with licensed mental health clinician Janella Juan to ensure continuity of services and maintain the Police Department's behavioral health response capabilities.

Since implementation of the direct contract model, the clinician has continued to provide timely and specialized crisis response services in collaboration with Police Department personnel and BHRS. The program has improved the Department's ability to respond to individuals experiencing behavioral health crises while strengthening connections to available mental health resources and support services.

As federal grant funding associated with the original program structure comes to an end, the City has identified opioid settlement funds to continue supporting clinician services. Staff is also evaluating potential regional partnerships, including a possible shared services model with neighboring agencies, to support long term program sustainability and expand behavioral health response capabilities. The current agreement expires on June 30, 2026.

DISCUSSION:

The Police Department recommends extending the agreement with Ms. Juan through June 30, 2027, to ensure continued delivery of embedded mental health clinician services within the Community Wellness and Crisis Response Team (CWCRT) program.

The co-responder model has become an important component of the Department's response to behavioral health-related calls for service. The clinician provides crisis intervention, de-escalation support, follow-up services, and coordination with treatment providers and community resources. The program has enhanced the Department's ability to connect individuals in crisis with appropriate services while increasing opportunities for service-based interventions when appropriate.

Continuing the agreement will maintain continuity of care for community members, support officers responding to complex behavioral health incidents, and preserve the collaborative partnership with San Mateo County Behavioral Health and Recovery Services (BHRS), which continues to provide clinical support, training, and access to critical behavioral health resources.

In addition to continuing services within San Bruno, staff is evaluating potential opportunities for regional collaboration and shared behavioral health response services with neighboring agencies. Any future shared services arrangement would be subject to separate interagency agreements and legal review.

The proposed extension exceeds the City Manager's signing authority and therefore requires City Council approval.

FISCAL IMPACT:

The proposed agreement authorizes services at an hourly rate of $80 per hour for up to 40 hours per week, in an amount not to exceed $175,000 through June 30, 2027. The contract amount includes clinician services, operational expenses, and professional development associated with maintaining specialized behavioral health crisis response capabilities. Funding for the program is available and supported through opioid settlement funds. Council action is required to appropriate the necessary funding into the FY 2026–27 budget for this purpose. Staff is also evaluating potential shared services opportunities that may offset future program costs through separate interagency agreements.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute a Contract Extension for Mental Health Clinician Services Not to Exceed $175,000.

ALTERNATIVES:

Decline to approve the extension and allow the agreement to expire June 30, 2026, resulting in a loss of clinician services.

ATTACHMENTS:

1. Resolution Authorizing the City Manager to Execute an Amendment to the Agreement for Consultant Services with Janella Juan for Mental Health Clinician Services.
2. Agreement for Consultant Services with Janella Juan
3. First Amendment to Agreement for Consultant Services with Janella Juan
4. Second Amendment to Agreement for Consultant Services with Janella Juan

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT EXTENSION FOR MENTAL HEALTH CLINICIAN SERVICES NOT TO EXCEED $175,000

WHEREAS, the City of San Bruno has prioritized enhancing its response to behavioral health crises through the Community Wellness and Crisis Response Team (CWCRT), a co-responder model that embeds a licensed mental health clinician within the Police Department; and

WHEREAS, the embedded mental health clinician works in collaboration with the San Bruno Police Department and San Mateo County Behavioral Health and Recovery Services (BHRS) to provide crisis response, stabilization, follow-up, and outreach services; and

WHEREAS, the City's direct contracting model has proven effective in ensuring timely and professional crisis response services tailored to the needs of the San Bruno community; and

WHEREAS, staff recommends authorizing the City Manager to execute an amendment to the agreement for consultant services with Janella Juan to continue embedded mental health clinician services through June 30, 2027; and

WHEREAS, the cost of the agreement will not exceed $175,000 and is supported through opioid settlement funds dedicated to behavioral health response and related services; and

WHEREAS, the contract amendment has been reviewed and approved as to form by the City Attorney

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of San Bruno hereby authorizes the City Manager to execute a contract for mental health clinician services through June 30, 2027, in an amount not to exceed $175,000.

BE IT FURTHER RESOLVED that the FY26–27 budget be amended to appropriate $175,000 for mental health clinician services, with costs initially paid by the City and supported through opioid settlement funds.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into as of the 14th day of August, 2025, by and between the CITY OF SAN BRUNO ("City"), a municipal corporation, and Janella Juan, a sole proprietor, with offices located in San Bruno ("Consultant").

RECITALS

WHEREAS, City desires to engage Consultant to serve as the embedded mental health clinician for the San Bruno Police Department, providing full-time crisis response, stabilization, follow-up, outreach, and coordination services in partnership with City staff and San Mateo County Behavioral Health and Recovery Services (BHRS).;

WHEREAS, Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement.

WHEREAS, Consultant has affirmed its willingness and ability to perform such work.

It is agreed between the City of San Bruno, California, and Consultant as follows:

1. **Term.** The term of this Agreement shall commence on the above written date, and shall terminate on the 31st day of October, 2025, unless the term of the Agreement is otherwise extended or terminated, as provided for in Section 13.

2. **Scope of Services to be Performed.** Consultant shall diligently perform all the services described in the Project Description & Scope of Services attached hereto as **Exhibit A** and incorporated herein by reference. In summary, the scope of service includes but is not limited to responding alongside law enforcement to behavioral health calls, conducting assessments, providing short-term support and referrals, participating in outreach and interagency coordination, maintaining documentation, and completing required training. The City may elect to delete certain tasks of the Scope of Services at its sole discretion.

3. **Time is of the Essence.** Time is of the essence for each and every provision of this Agreement. The time for completion of the contracted work shall only be extended by written approval of the City Manager as provided for in Section 1. The failure of Consultant to strictly adhere to the project schedule to or complete duties in a timely fashion as determined by the City may result in termination of this Agreement by the City.

4. **Compensation to Consultant.** City shall pay Consultant an hourly rate of seventy dollars ($70) for actual time spent performing the services described in **Exhibit A**. In addition to the hourly compensation, the City shall reimburse Consultant for a one-time cost of eight hundred thirty dollars ($830) for required insurance premium increases and three hundred fourteen dollars and twenty-five cents ($314.25) for the City of San Bruno business license fee, for a total of one thousand one hundred forty-four dollars and

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

twenty-five cents ($1,144.25)The total payable fee for the services to be performed shall not exceed forty-five thousand dollars ($45,000). No other compensation for the services will be allowed except for items covered by subsequent written amendments to this Agreement. In addition, the City shall withhold final payment in accordance with Section 4.4 below.

The parties acknowledge that compensation and reimbursable expenses under this Agreement are anticipated to be funded, in whole or in part, through the Edward Byrne Memorial Justice Assistance Grant (JAG). Nothing in this Agreement shall be construed to relieve the City of its obligations to compensate Consultant in accordance with the terms of this Agreement, regardless of the timing or amount of any reimbursement received by the City from the grant.

4.1 Consultant shall submit monthly invoices to City describing the work performed the preceding month. Consultant's bills shall include the name of the person who performed the work, a brief description of the services performed and/or the specific task in the Scope of Services to which it relates, the date the services were performed, the number of hours spent on all work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by City staff.

4.2 City shall reimburse Consultant only for those costs or expenses specifically approved in this Agreement, or specifically approved in advance by City. Unless otherwise approved, such costs shall be limited and include nothing more than the following costs incurred by Consultant:

A. The actual costs of sub consultants for performance of any of the services that Consultant agrees to render pursuant to this Agreement, which have been approved in advance by City and awarded in accordance with this Agreement.

B. Approved reproduction charges.

C. Actual costs and/or other costs and/or payments specifically authorized in advance by the City Manager in writing and incurred by Consultant in the performance of this Agreement.

4.3 Consultant shall not receive any compensation for Extra Work without the prior written authorization of the City Manager. As used herein, "Extra Work" means any work that is determined by City Manager to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Compensation for any authorized Extra Work shall be paid at an hourly rate of seventy dollars ($70).

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

4.4 Notwithstanding any other provision of this Agreement, when payments made by City equal 90% of the maximum fee provided for in this Agreement, no further payments shall be made until City has accepted the final work under this Agreement.

4.5 Consultant is solely responsible for all of its recurring business costs, including, but not limited to the payment of all taxes, business permit fees, professional licenses and overhead and shall not separately charge those costs to the City.

5. **Designated Staff Contact.** The Administrative Police Captain will be responsible for monitoring performance of this Agreement.

6. **Standard of Performance.** All of the services shall be performed by Consultant or under Consultant's supervision. Consultant represents that it possesses the professional and technical personnel required to perform the services required by this Agreement and that it will perform all services in a manner commensurate with community professional standards. Qualified and experienced personnel who are not employed by the City shall perform all services, nor have any contractual relationship with the City.

7. **Insurance.** Consultant shall return an executed copy of this Agreement with proof of insurance and endorsements to insurance coverage satisfactory to the City that shows that on or before beginning any of the services or work called for by any term of this Agreement, Consultant, at its own cost and expense, shall carry, maintain for the duration of the Agreement insurance coverage as follows: a) Commercial General and Automobile Liability insurance in an amount not less than two million dollars per occurrence, naming the City, its officers, officials and employees as additional insureds, and b) Professional Liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than $2,000,000 covering the licensed professionals' errors and omissions . Consultant shall not allow any sub Consultant to commence work on any subcontract until all insurance required of the Consultant has also been obtained for the sub Consultant. Should any of the above insurance be canceled or coverage reduced before the expiration date thereof, Consultant shall provide immediate written notice to the City. Consultant agrees that in the event of loss, Consultant shall look solely to her insurance for recovery. Consultant hereby grants to City a waiver of any right to subrogation which any such insurer of Consultant may acquire against City by virtue of the payment of any loss under such insurance.

8. **Indemnification**. To the fullest extent permitted by law, Consultant shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless City and its Council, officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, suits, actions, losses, costs, damages, injuries (including, without limitation, economic harm, injury to or death of an employee of Consultant or its Subconsultants), expenses and liabilities of every kind, nature and description, at law or equity (including, without limitation, incidental and consequential damages), and reasonable attorneys' fees and costs, litigation expenses, court costs, and fees of expert consultants or expert witnesses, and costs of investigation (collectively

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

"Defense Costs") that arise from, relate to or pertain to, directly or indirectly, in whole or in part, any acts or omissions of Consultant, any Subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Consultant shall pay and satisfy any judgment, award or decree that may be rendered against the Indemnitees except to the extent that liability is caused by the Indemnitees' sole negligence, active negligence, or willful misconduct, but shall apply to all other Liabilities.

Notwithstanding the foregoing, nothing herein shall be construed to require Consultant to defend or indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. This Section 8 shall be interpreted and applied to be consistent with the limitations in Civil Code sections 2782 and 2782.8. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Consultant. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

9. **Advice and Status Reporting.** Consultant shall provide the City with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder.

10. **Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. If City asks Consultant to remove a person assigned to the work called for under this Agreement, Consultant agrees to do so immediately regardless of the reason, or the lack of a reason, for City's request.

11. **Assignment and Subcontracting.** Consultant shall not assign this Agreement or any portion thereof to a third party without the prior written consent of City, and any attempted assignment without such prior written consent in violation of this Section shall automatically terminate this Agreement. Unless otherwise specified in **Exhibit A**, Consultant shall not subcontract any portion of the performance contemplated and provided for herein without prior written approval of the City.

12. **Ownership of Documents.** All work product produced by Consultant or its agents, employees, and sub Consultants pursuant to this Agreement is the property of the City. In the event this Agreement is terminated, all work product produced by Consultant or its agents, employees or sub-Consultants shall be delivered at once to the City.

13. **Termination of Agreement.** The City may, at any time from execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of the City, by giving written notice specifying the effective date and scope of such termination. In the event of termination, all finished or unfinished documents, shall immediately become the property of the City and shall be promptly delivered to the City as per above. In the event of termination, Consultant shall be paid for all work satisfactorily performed until termination, except where the contracting department determines the quality or quantity of the work performed is unacceptable. Such payment shall be that portion of the full payment,

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

which is determined by the City Manager by comparing the work/services completed to the work/services required by this Agreement.

14. **Standard of Care and Payment of Permits/Licenses.** Consultant represents and warrants it has or shall obtain all licenses, permits, qualifications, insurance and approvals of whatsoever nature that are legally required of Consultant to practice its profession and to perform said work/services or forfeit any right to compensation under this Agreement. Consultant shall maintain a City of San Bruno business license during the term of this Agreement.

15. **Discrimination and Harassment Prohibited.** Consultant will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment.

16. **Retention of Records.** Consultant shall maintain all records related to this Agreement for no less than three years after the City makes final payment or after termination of this contract and all other pending matters are closed. All records shall be subject to the examination and/or audit by agents of the City, the State of California and/or Federal grantor agencies.

17. **Merger Clause.** This Agreement, including any exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the City Manager. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in the exhibits attached hereto, the terms, conditions, or specifications set forth herein shall prevail. This Agreement, or facsimile proposal of the Agreement, constitutes the entire Agreement between City and Consultant.

18. **Waiver, Severability, Choice of Law, Venue.** The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be reasonably interpreted to give effect to the intentions of the parties. The laws of the State of California shall govern this Agreement and all matters relating to it and venue for state court shall be in San Mateo County Superior Court, Redwood City and for federal court in San Francisco.

19. **Compliance with Laws.** In the performance of this Agreement, Consultant shall abide by and conform to any and all applicable laws of the United States and the State of California, the County of San Mateo, and the San Bruno Municipal Code.

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

20. **Conflict of Interest.**

A. **In general**. Consultant represents and warrants that, to the best of the Contractor's knowledge and belief, there are no relevant facts or circumstances that could give rise to a "conflict of interest," as that term is defined in the Political Reform Act, as codified at California Government Code Section 81000 et seq. and Government Code Section 1090, on the part of the Consultant, or that Consultant has already disclosed all such relevant information in writing.

B. **Subsequent conflict of interest**. Consultant agrees that if an actual or potential conflict of interest in the part of the Consultant is discovered after award, the Consultant will make a full disclosure in writing to the City. This disclosure shall include a description of the actions, which the Consultant has taken or proposes to take, after consultation with the City to avoid, mitigate, or neutralize the actual or potential conflict and shall take all such steps within thirty (30) days.

C. **Interests of City officers and staff**. No officer, member or employee of City and no member of the City Council shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. Neither Consultant nor any member of the Consultant's family shall serve on any City board or committee or hold any such position which either by rule, practice or action nominates, recommends, or supervises Consultant's operations or authorizes funding Consultant.

21. **Confidential Information and Documents**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Representative or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. It is understood that City is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq*.). If a request under the California Public Records Act is made to view any documents Consultant provided to City, City shall notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, City will release the requested information on the date specified.

D. In the event City gives Consultant written notice of a "litigation hold" or request under the Public Records Act, then as to all data identified in such notice or request, Consultant shall, at no additional cost to City, isolate and preserve all such data pending receipt of further direction from the City.

E. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

22. **Independent Contractor.**

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant is or shall become an employee of City. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from City as herein provided.

a. All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including, without limitation, a City of San Bruno business license as required by the San Bruno Municipal Code. Consultant will determine the means, methods, and details by which Consultant's personnel will perform the Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

b. All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of City's employees; and City's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Consultant's personnel shall not use any City e-mail address or City telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of City premises at locations of Consultant's choice, except as otherwise may

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

from time to time be necessary in order for Consultant's personnel to receive projects from City, review plans on file at City, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or as may be necessary to inspect or visit City locations and/or private property to perform such Services. City may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

c. Consultant shall be responsible for and pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

d. To the maximum extent permitted by laws, Consultant shall indemnify, defend and hold harmless the City and other Indemnitees (as defined in Section 8 herein), from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from, caused by, or relating to Consultant's violation of any provision of this Section 22, or any of Consultant's personnel practices. In addition to all other remedies at law, City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this Section. The duty of indemnification set forth in this Section is in addition to all other indemnification provisions of this Agreement. Consultant's covenants under this Section 22 shall survive the expiration or termination of this Agreement.

23. **PERS Compliance**. The Parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to City to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

24. **Consultant.** Notices required by this Agreement, and invoices for payments due shall be mailed to:

City of San Bruno
Attention Brent Schimek
Police Department
1177 Huntington Ave
San Bruno, CA 94066

Notices to Consultant shall be mailed to

Janella Juan
850 Campus Drive #113
Daly City, CA 94015

25. **Use of Recycled Products.** Consultant shall endeavor to prepare and submit all reports, written studies and other printed materials on recycled paper, and to use recycled products, where possible and economically feasible, for the work subject to this Agreement.

26. **Solicitation.** Consultant agrees not to solicit any business at any meeting, focus group or interview related to this Agreement, either orally or through any written materials.

27. **Alternative Dispute Resolution.** If any dispute arises between the parties that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

(a) Each party shall designate a senior management or executive level representative to negotiate any dispute;

(b) The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

(c) If the issue remains unresolved after ten (10) days of good faith negotiations, the parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

(d) The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days and shall be concluded within 15 days from the commencement of the mediation.

(e) The parties shall equally bear the costs and fees of any third party in any alternative dispute resolution process.

(f) The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900 et. seq.

28. **Attorneys Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose. Attorneys fees and related costs incurred by the parties in conjunction with Section 28 shall be borne by the incurring party.

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

THIS CONTRACT IS NOT VALID UNTIL SIGNED BY ALL PARTIES

Signed by: [redacted] 8/15/2025
Consultant's Signature Date

DocuSigned by: [redacted] 8/14/2025
City Manager
City of San Bruno Date

609-27-7340
Consultant's Tax I.D./ Social Security number

APPROVED AS TO FORM

DocuSigned by: [redacted] 8/14/2025
City Attorney

07525621
Consultant's San Bruno Business License number

Contract Approved by City Council on _____ (date)

ATTEST

DocuSigned by: [redacted]
City Clerk

Attachments: A – Project Description & Scope of Services
B – Confidentiality and Data Security Requirements

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

EXHIBIT A- PROJECT DESCRIPTION AND SCOPE OF SERVICES

PROJECT DESCRIPTION

The City of San Bruno is continuing its participation in the Community Wellness and Crisis Response Program (CWCRT), a co-responder model that integrates a licensed mental health clinician within the Police Department to respond alongside law enforcement to calls involving individuals experiencing behavioral health crises.

Originally implemented through a contract with a third-party provider, the City transitioned to contracting directly with an individual licensed mental health clinician (the “Contractor”) following the dissolution of the original provider’s business operations. The Contractor began providing services in July 2024. Funding for this program is supported by the Edward Byrne Memorial Justice Assistance Grant (JAG).

This program operates in close collaboration with San Mateo County’s Behavioral Health and Recovery Services (BHRS), which serves as the clinical oversight and system coordination partner. BHRS provides critical support including clinical consultation, documentation guidelines, 5150 certification training, access to the County’s Avatar NX electronic health record system, and ongoing program monitoring. BHRS also supplies essential resources for field operations, including a County-issued laptop and vehicle, and assists in aligning CWCRT services with broader countywide behavioral health initiatives.

This Scope of Work outlines the responsibilities and expectations of the Contractor in delivering full-time crisis response, stabilization, and follow-up services in partnership with the San Bruno Police Department and BHRS.

SCOPE OF SERVICES

Under this Agreement, the Contractor shall serve as the embedded mental health clinician for the San Bruno Police Department, providing services to improve the city’s response to individuals experiencing behavioral health crises.

A. Services

The Contractor shall work 40 hours per week, Monday through Friday (generally between 9:00 a.m. and 9:00 p.m.). The contractor will be paid the hourly rate of $70.00 per hour for actual hours worked. Any additional hours over 40 hours in one week will require approval of a member of the police department’s command staff (Lieutenant, Captain, Chief of Police). The contractor will provide the following:

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

1. **Mobile Crisis Response**
    - Respond alongside San Bruno Police Officers to calls involving suspected mental health issues.
    - Conduct on-scene mental health assessments.
    - Collaborate with officers to determine whether an individual meets criteria for involuntary detention under W&I §5150.
    - De-escalate crises, develop safety plans, and provide immediate interventions.
    - Coordinate with dispatch, travel to scenes, engage in field-based evaluation and response.
2. **Crisis Stabilization and Follow-Up**
    - Provide follow-up support for individuals not placed on an involuntary hold or discharged from a facility.
    - Deliver short-term engagement, case management linkages, and referrals to community resources.
    - Collaborate with treatment providers and families as appropriate.
    - Maintain timely documentation consistent with BHRS standards (if applicable).
3. **Community Outreach and Education**
    - Participate in outreach and awareness activities as requested by the City.
    - Attend or present at events, trainings, and mental health fairs.
    - Submit brief monthly logs detailing outreach efforts.
4. **Meetings and Coordination**
    - Attend regularly scheduled check-ins with the San Bruno Police Department and city partners.
    - Participate in multi-agency meetings as requested for data reporting, planning, and evaluation.
5. **Training and Professional Development**
    - Complete any required onboarding or continuing education related to crisis response.
    - Attend law enforcement coordination training, documentation, or 5150 certification sessions if required.
6. **Documentation and Reporting**
    - Maintain accurate and timely clinical records of all interactions.
    - Submit reports and invoices in accordance with city contract requirements.
    - Document external communications and consent forms per applicable guidelines.

1.

Docusign Envelope ID: 7DCDA1D7-E3BA-456E-AD43-98941F68CDC7

Docusign Envelope ID: 21DE6D0C-52F6-8743-8290-60131B1317E1

FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES WITH JANELLA JUAN, A SOLE PROPRIETOR, FOR CONTRACT MENTAL HEALTH CLINICIAN SERVICES

This First Amendment to Agreement for Consulting Services, dated as of August 14, 2025 (the "Amendment"), is made and entered into this day of October 14, 2025 by and between the **CITY OF SAN BRUNO**, a municipal corporation existing under the laws of the State of California ("CITY"), and **JANELLA JUAN, A SOLE PROPRIETOR** ("CONTRACTOR").

RECITALS:

A. CITY entered into that certain Agreement for Consultant Services, dated as of August 14, 2025 (the "Agreement"), to provide mental health clinician services for calls to the City Police Department involving individuals experiencing behavioral health crises.

B. The Agreement terminates on October 31, 2025, unless the term of the Agreement is otherwise extended or terminated.

C. CITY desires to extend the Agreement through June 30, 2026.

NOW, THEREFORE, IT IS AGREED as follows:

Section 1. Section 1 of the Agreement, regarding the Term, is hereby amended in its entirety to read as follows:

> "The term of this Agreement shall commence on the above-written date, and shall terminate on the 30th day of June, 2026, unless the term of the Agreement is otherwise extended or terminated, as provided for in Section 13."

Section 2. Paragraph 1 of Section 4 of the Agreement, regarding Compensation to Consultant, is hereby amended to read as follows (stricken language is deleted and italics indicate added language):

> "City shall pay Consultant an hourly rate of seventy dollars ($70) for actual time spent performing the services described in **Exhibit A**. In addition to the hourly compensation, the City shall reimburse Consultant for a one-time cost of eight hundred thirty dollars ($830) for required insurance premium increases and three hundred fourteen dollars and twenty-five cents ($314.25) for the City of San Bruno business license fee, for a total of one thousand one hundred forty-four dollars and twenty-five cents ($1,144.25)The total payable fee for the services to be performed shall not exceed *one hundred forty six thousand four hundred forty four dollars and twenty five cents ($146,444.25)*. No other compensation for the services will be allowed except for items covered by subsequent written amendments to this Agreement. In addition, the City shall withhold final payment in accordance with Section 4.4 below." The remainder of Section 4 is left unchanged.

Section 3. Except as set forth in this Amendment, there are no other modifications or amendments to the Agreement, and that the Agreement remains in full force and effect in accordance with the terms as conditions set forth therein.

Docusign Envelope ID: 21DE6D0C-52F6-8743-8290-60131B1317E1

Section 4. Capitalized terms contained herein, unless otherwise defined, are intended to have the same meaning and effect as that set forth in the Agreement.

Section 5. The persons who have executed this First Amendment represent and warrant that they are duly authorized to execute this First Amendment in their individual or representative capacity as indicated.

Section 6. This First Amendment may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, CITY OF SAN BRUNO and JANELLA JUAN, A SOLE PROPRIETOR have executed this Amendment the day and year first above written.

CITY OF SAN BRUNO

DocuSigned by:
[redacted]
City Manager
City of San Bruno

JANELLA JUAN, A SOLE PROPRIETOR

Signed by:
[redacted]
Janella Juan

APPROVED AS TO FORM

DocuSigned by:
[redacted]
Trisha Ortiz
City Attorney

ATTEST

DocuSigned by:
[redacted]
Lupita Huerta
City Clerk

SECOND AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES WITH JANELLA JUAN, A SOLE PROPRIETOR, FOR CONTRACT MENTAL HEALTH CLINICIAN SERVICES

This Second Amendment to Agreement for Consulting Services, dated as of June 23, 2026 (the "Amendment"), is made and entered into this day of _____, by and between the **CITY OF SAN BRUNO**, a municipal corporation existing under the laws of the State of California ("CITY"), and **JANELLA JUAN, A SOLE PROPRIETOR** ("CONTRACTOR").

RECITALS:

A. CITY entered into that certain Agreement for Consultant Services, dated as of August 14, 2025 (the "Agreement"), to provide mental health clinician services for calls to the City Police Department involving individuals experiencing behavioral health crises.

B. The Agreement terminates on June 30, 2026, unless the term of the Agreement is otherwise extended or terminated.

C. CITY desires to extend the Agreement through June 30, 2027.

NOW, THEREFORE, IT IS AGREED as follows:

Section 1. Section 1 of the Agreement, regarding the Term, is hereby amended in its entirety to read as follows:

> "The term of this Agreement shall commence on the above-written date, and shall terminate on the 30th day of June, 2027, unless the term of the Agreement is otherwise extended or terminated, as provided for in Section 13."

Section 2. Paragraph 1 of Section 4 of the Agreement, regarding Compensation to Consultant, is hereby amended to read as follows (stricken language is deleted and italics indicate added language):

> "City shall pay Consultant an hourly rate of eighty dollars ($80) for actual time spent performing the services described in **Exhibit A**. The total payable fee for the services to be performed under this Agreement shall not exceed one hundred seventy five thousand dollars ($175,000). No other compensation for the services will be allowed except for items covered by subsequent written amendments to this Agreement. In addition, the City shall withhold final payment in accordance with Section 4.4 below." The remainder of Section 4 is left unchanged.

Section 3. The paragraph following Section 4 of the Agreement regarding funding through the Edward Byrne Memorial Justice Assistance Grant (JAG) is hereby deleted in its entirety and replaced with the following:

Funding for services under this Agreement is available and supported through opioid settlement funds. Nothing in this Agreement shall be construed to relieve the City of its obligations to compensate Consultant in accordance with the terms of this Agreement.

Section 4. Exhibit A is amended to replace all references to the Edward Byrne Memorial Justice Assistance Grant (JAG) with opioid settlement funding and to reflect compensation at the rate of eighty dollars ($80) per hour.

Section 5. The persons who have executed this Second Amendment represent and warrant that they are duly authorized to execute this First Amendment in their individual or representative capacity as indicated.

Section 6. This Second Amendment may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, CITY OF SAN BRUNO and JANELLA JUAN, A SOLE PROPRIETOR have executed this Amendment the day and year first above written.

CITY OF SAN BRUNO

City Manager
City of San Bruno

APPROVED AS TO FORM

Trisha Ortiz
City Attorney

ATTEST

Lupita Huerta
City Clerk

JANELLA JUAN, A SOLE PROPRIETOR

Janella Juan

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Dan Venezia, Parks Services Manager

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Four-Year Contract with West Coast Arborists, Inc. for Tree Pruning, Pollarding, and Removal Services in an Amount Not to Exceed $1,014,635; and Determining the Project is Exempt Under the California Environmental Quality Act

BACKGROUND:

The City of San Bruno's urban forest is a significant community asset that requires regular maintenance to preserve public safety, tree health, neighborhood aesthetics, and the long-term value of the City's street, park, median, and open space trees. The City's Municipal Code Sections 8.24 and 8.25 seek to protect and preserve the City's urban forest canopy through routine maintenance of publicly owned trees, regulation of the removal and pruning of public and privately owned Heritage Trees, and planting of new private and public trees.

The City's care of the urban forest includes several specific components:

- Annual pruning and pollarding of City street trees on a four-year cycle to ensure that each street tree is addressed once every four years, maintain structural integrity and health, and support a safe and healthy urban forest.
- Year-round pruning and removal of trees located at City parks, medians, facilities, and open spaces.
- Response to community requests to evaluate and address publicly owned street trees and open space trees adjacent to residences.
- Emergency call-out tree pruning, roadway clearing, and removals.
- Sidewalk Repair Program street tree root pruning, removals, and stump grinding.
- New street, park, and public facilities tree planting support as directed by the City.
- Administration support for the City's Heritage Tree Permit Program, as needed.
- Annual fire and hazard mitigation tree pruning and removals in City open spaces and other locations where City equipment access is limited.

While many components of the City's urban forestry program are performed by Parks staff, contracted services are necessary for larger-scale pruning and pollarding, tree removals, stump grinding, emergency response, work requiring specialized equipment, and work that must be completed within the annual grid pruning schedule.

DISCUSSION:

The City issued a Request for Proposals (RFP) on April 15, 2026, for Tree Pruning and Removal Services. The RFP sought qualified tree care firms to provide annual pollarding, annual street tree structural/safety pruning, parks/medians/open space pruning and removals, sidewalk repair program root pruning/removals/stump grinding, and emergency services for trees that present an imminent danger.

The RFP established a four-year contract term beginning July 1, 2026. Proposals were evaluated using the criteria identified in the RFP: cost, qualifications and ability to meet performance requirements, references, and prior tree services provided to the City of San Bruno. The RFP also stated that contract award would not be based solely on total pricing.

Staff received five proposals. The following chart summarizes the annual bid schedule pricing submitted by each proposer and the resulting four-year total assuming the stated three percent annual increase for fiscal years 2027-28, 2028-29, and 2029-30.

Proposer	Annual Grid Program	Other/On-Call Items	Annual Bid Schedule Total	Annual Increase Years 2-4	Estimated 4-Year Total
New Image Landscape Company	$126,250	$17,525	$143,775	3%-3%-3%	$601,501
The Professional Tree Care Company	$169,750	$18,350	$188,100	3%-3%-3%	$786,940
West Coast Arborists, Inc.	$225,000	$17,525	$242,525	3%-3%-3%	$1,014,635
The Davey Tree Expert Company	$219,300	$27,930	$247,230	3%-3%-3%	$1,034,318
A Plus Tree, LLC	$223,750	$40,255	$264,005	3%-3%-3%	$1,104,498

New Image Landscape Company submitted the lowest annual bid schedule total. However, the City's evaluation criteria provide that cost is only one component of the overall best-value determination. Staff considered each proposer's demonstrated municipal tree maintenance experience, staffing depth, ability to meet the City's annual pruning schedule, emergency response capacity, references, safety record, reporting systems, and ability to maintain work history in the City's Arbor Access tree inventory system.

West Coast Arborists, Inc. is recommended as the highest-ranked and best-value proposer. WCA has provided municipal tree maintenance services since 1972, currently supports more than 400 public agencies, employs more than 1,200 professionals, and has significant staffing, equipment, safety, and supervisory capacity to support both scheduled and emergency tree work. WCA's references include large public agency contracts with annual budgets well above the minimum reference threshold, including Alameda Municipal Power, the cities of Berkeley, Burlingame, San Leandro, and Oakland.

WCA also has direct, long-standing experience with the City of San Bruno. WCA has partnered with the City since 2010 and has demonstrated a record of satisfactory service, responsiveness, resident interaction, safety practices, and coordination with City staff. WCA is familiar with the City's urban forest, annual grid pruning expectations, emergency response needs, and Arbor Access inventory platform. This prior experience reduces implementation risk and supports continuity of service during the new contract term.

Arbor Access is the City's tree inventory and work management system used to track publicly maintained street, park, median, and facility trees. The system allows City staff to document tree locations, species, maintenance history, pruning cycles, removals, service requests, and completed work. Continuing to use Arbor Access is important because it preserves the City's existing tree records and allows staff to manage the urban forest in a consistent and organized manner. WCA originally prepared the City's comprehensive tree inventory and owns the Arbor Access software currently used by City staff, which gives them a direct understanding of the City's tree data, maintenance history, and reporting needs. Maintaining this system avoids the loss of historical tree information, reduces administrative duplication, improves coordination between City staff and field crews, and supports better long-term planning for pruning, removals, risk reduction, and future tree planting.

Although two proposers submitted lower annual pricing, staff does not recommend selection based solely on price. New Image Landscape Company's proposal was significantly lower but did not provide the same level of demonstrated municipal urban forestry specialization, Arbor Access integration, or comparable depth of tree maintenance program experience as WCA. The Professional Tree Care Company submitted competitive pricing and strong qualifications; however, its proposal was more limited in detail regarding implementation, reporting, and Arbor Access integration. Davey Tree Expert Company submitted a qualified proposal, and their total pricing was higher than WCA. A Plus Tree, LLC submitted a technically strong proposal, but the proposal stated that pricing was valid for 180 days, which is inconsistent with the RFP requirement that proposals remain valid for one year.

Based on the full evaluation, staff determined that WCA provides the strongest combination of qualifications, references, prior San Bruno experience, staffing capacity, technology/reporting familiarity, and overall operational reliability. The cost comparison shows that WCA provides the best overall value when the annual grid pruning work is evaluated together with the other/on-call services that are critical to the City's tree maintenance program. The annual grid pruning and pollarding work represents the planned, recurring portion of the contract; however, the City also relies heavily on the contractor for as-needed tree removals, stump grinding, sidewalk repair support, park and median tree work, and emergency response.

WCA's pricing for these other/on-call items is among the most competitive of all proposals received, while also providing the highest level of demonstrated municipal tree maintenance experience, staffing depth, equipment availability, and familiarity with the City's existing tree program. This balance is important because the lowest annual pruning price alone does not fully reflect the City's operational needs. WCA has the proven ability to complete the scheduled annual grid work while also responding to unplanned tree-related issues throughout the year, which makes their proposal the best value and most responsible choice for the City.
Staff therefore recommend awarding the four-year Tree Pruning and Removal Services contract to West Coast Arborists, Inc.

FISCAL IMPACT:

The fiscal impact associated with this item includes the proposed contract with West Coast Arborists, Inc. based on the unit prices submitted in the proposal and the City-authorized quantities of work completed. The annual bid schedule indicates a year one cost of $242,525. With the three percent annual increases identified in WCA's proposal, the estimated four-year contract amount is $1,014,635.

CONTRACT ELEMENT	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Tree Pruning and Removal Services	$242,525	$249,801	$257,295	$265,014
TOTAL ANNUAL COST	$242,525	$249,801	$257,295	$265,014

Funding for the first year of the contract will be included in the FY 2026-27 Parks Maintenance Operating Budget. Funding for the following three fiscal years will be appropriated as part of the development of future annual operating budgets. Work will be issued only as authorized by the City and subject to available budget appropriations.

ENVIRONMENTAL IMPACT:

The proposed project is exempt under California Environmental Quality Act (CEQA) because it authorizes the repair, maintenance, or minor alteration of existing public or private topographical features involving negligible or no expansion of existing or former use.

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute a Four-Year Contract with West Coast Arborists, Inc. for Tree Pruning, Pollarding, and Removal Services in an Amount Not to Exceed $1,014,635; and Determining the Project is Exempt Under the California Environmental Quality Act

ALTERNATIVES:

1. Direct staff to further evaluate the submitted proposals or negotiate with a different service provider.
2. Direct staff to issue a new Request for Proposals and modify the scope of work as directed by the City Council.

ATTACHMENTS:

1. Resolution
2. Agreement with West Coast Arborists

RESOLUTION NO. 2026 – ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A FOUR-YEAR CONTRACT WITH WEST COAST ARBORISTS, INC. FOR TREE PRUNING, POLLARDING, AND REMOVAL SERVICES IN AN AMOUNT NOT TO EXCEED $1,014,635; AND DETERMINING THE PROJECT IS EXEMPT UNDER CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of San Bruno's urban forest is a significant community asset that requires regular maintenance to preserve public safety, tree health, neighborhood aesthetics, and the long-term value of the City's street, park, median, and open space trees; and

WHEREAS, contracted tree services are necessary to support larger-scale pruning and pollarding, tree removals, stump grinding, emergency response, specialized equipment needs, annual grid pruning, and other urban forestry maintenance activities; and

WHEREAS, on April 15, 2026, the City issued a Request for Proposals for Tree Pruning and Removal Services, including annual pollarding, annual street tree structural and safety pruning, parks, medians, open space pruning and removals, sidewalk repair program support, stump grinding, and emergency tree services; and

WHEREAS, the City received five proposals and evaluated the proposals based on cost, qualifications and ability to meet performance requirements, references, and prior tree services provided to the City of San Bruno; and

WHEREAS, following evaluation of the proposals, staff determined that West Coast Arborists, Inc. provides the strongest combination of qualifications, references, prior San Bruno experience, staffing capacity, technology and reporting familiarity, and overall operational reliability; and

WHEREAS, the proposed four-year contract amount is based on the unit prices submitted by West Coast Arborists, Inc., with a year-one annual bid schedule total of $242,525 and an estimated total four-year contract amount not to exceed $1,014,635; and

WHEREAS, the action is exempt under California Environmental Quality Act (CEQA) because it authorizes the repair, maintenance, or minor alteration of existing public or private topographical features involving negligible or no expansion of existing or former use.

NOW, THEREFORE, BE IT RESOLVED, that the San Bruno City Council Authorizes the City Manager to execute a four-year contract with West Coast Arborists, Inc. for Tree Pruning, Pollarding, and Removal Services in an amount not to exceed $1,014,635; and determining the project is exempt under the California Environmental Quality Act.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

GENERAL SERVICES AGREEMENT

This Agreement is made and entered into between the City of San Bruno ("City"), a municipal corporation, and **West Coast Arborist, Inc.** ("Contractor") as of _____. In consideration of their mutual covenants, the parties hereto agree as follows:

1. **Scope of Work**. Subject to the terms and conditions of this Agreement, Contractor shall provide those services described in Exhibit A, to generally include regular maintenance of City of San Bruno's urban forest.

2. **Payment Terms**. For the services described in Exhibit A – Scope of Work, and as set forth in Exhibit B – Compensation, the City agrees to pay Contractor a total amount that shall not exceed **One million, two hundred two thousand, eight hundred ninety-seven and 0/100 dollars ($1,202,897.00)**, which amount shall include all expenses. Annually, the contract amount shall not exceed these totals.

CONTRACT ELEMENT	FY26-27	FY27-28	FY28-29	FY29-30	TOTALS
Pruning	$136,725	$140,827	$145,052	$149,403	**$572,006**
Pollarding	$92,125	$94,889	$97,735	$100,667	**$385,417**
Removal Services	$13,675	$14,085	$14,508	$14.943	**$57,211**
ANNUAL TOTALS	$242,525	$249,801	$257,295	$265,014	**$1,014,634**
TOTAL FOUR-YEAR CONTRACT COST					**$1,014,634**

Contractor shall submit progress billings on a monthly basis, if applicable. Contractor's bill shall include the following information for the project: a brief description of services performed, the date the services were performed, the number of hours spent and by whom, a brief description of any costs incurred, percent completion to date of each task and subtask, total of prior billings, amount for billing period, total billing to date. In no event shall Contractor submit any billing for an amount in excess of the maximum amount of compensation provided for in this section.

3. **Term of Performance**. Contractor shall begin performing the services set forth in Exhibit A July 01, 2026. Contractor shall thereafter perform and complete all services by no later than **June 30, 2030**, provided such timeline shall be extended if a force majeure event occurs for the duration of such event, or as otherwise agreed to by the parties.

4. **Independent Contractor**. At all times during the term of this Agreement, Contractor, its employees and agents shall be independent contractors and not

employees or agents of the City. Contractor, its employees and agents shall have no authority, express or implied, to bind the City to any obligation whatsoever.

5. **Assignment and Subcontracting**. It is recognized by the parties hereto that a substantial inducement to City for entering into this agreement was, and is, the qualifications and competence of Contractor. Therefore, Contractor shall not subcontract, assign or transfer any portion of the performance contemplated and provided for in this Agreement without the approval of the City Manager. Contractor shall not subcontract any portion of the performance contemplated and provided for herein without prior written approval of the City.

6. **Indemnification**. To the fullest extent permitted by law, Contractor shall defend (with legal counsel reasonably acceptable to the City), indemnify and hold harmless City and its Council, officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, suits, actions, losses, costs, damages, injuries (including, without limitation, economic harm, injury to or death of an employee of Contractor or its Subcontractors), expenses and liabilities of every kind, nature and description, at law or equity (including, without limitation, incidental and consequential damages), and reasonable attorneys' fees and costs, litigation expenses, court costs, and fees of expert consultants or expert witnesses, and costs of investigation (collectively "Defense Costs") that arise from, relate to or pertain to, directly or indirectly, in whole or in part, any negligent or reckless act or omission or any willful misconduct of Contractor, any Subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the Indemnitees except to the extent that liability is caused by the Indemnitees' sole negligence, active negligence, or willful misconduct, but shall apply to all other Liabilities.

Notwithstanding the foregoing, nothing herein shall be construed to require Contractor to defend or indemnify the Indemnified Parties from any Claim arising from the sole negligence, active negligence, or willful misconduct of the Indemnified Parties. This Section 9 shall be interpreted and applied to be consistent with the limitations in Civil Code sections 2782 and 2782.8. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Contractor.

7. **Insurance**. Throughout the term of this Agreement, Contractor shall obtain and maintain, at its own expense, the minimum insurance coverage set forth below. The City and its elected officials, officers, and employees shall be named as additional insureds on all policies. This Agreement is expressly contingent upon the insurance requirements being met, and this Agreement shall not be complete and no work may commence until Contractor has provided adequate proof of insurance. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A:VII.

a. Statutory Worker's Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly for Contractor with limits not less than $2,000,000.

b. Commercial General and Automobile Liability insurance in an amount not less than $2,000,000 per occurrence. If applicable, Contractor shall not allow any subcontractors to commence work on any subcontract until all insurance required of the Contractor has also been obtained for the subcontractor in the amounts indicated herein.

8. **Nondiscrimination and Equal Opportunity**. During the performance of this Agreement, Contractor shall not discriminate against an employee or applicant for employment because of race, religion, creed, color, national origin, sex, sexual orientation or age.

9. **Bonds**. Contractor shall include a letter from a surety duly licensed to do business in the State of California, having a financial rating from A.M. Best Company of A-, VIII or better that the surety has agreed to provide Contractor with the required performance bond in accordance with the requirements set forth in the Contract Documents. Such performance and payment bonds shall each be in the penal sum of one hundred percent (100%) of the total contract amount. Contractor agrees that surety's issuance of the letter authorized City to verify with the surety that the surety, based upon the contract price, will issue the required bonds under the conditions stated. Upon satisfactory completion of the services and acceptance by City, Contractor shall provide City with a maintenance and warranty bond valued at ten percent (10%) of the maximum amount of compensation set forth in Section 2.

10. **Documents**. If applicable, Contractor shall deliver to the City, on request of the City Manager, copies of all original papers, documents and any other materials, in electronic or any other form, prepared by Contractor pursuant to this Agreement.

11. **Licenses**. If a license of any kind, which term is intended to include evidence of registration, is required of Contractor, its employees, agents or subcontractors by federal or state law, Contractor warrants that such license has been obtained, is valid and in good standing, and Contractor shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

12. **Time is of the Essence.** Contractor agrees to diligently prosecute the services to be provided under this Agreement to completion and in accordance with the schedule specified in Exhibit A. In the performance of this agreement, time is of the essence.

13. **Termination**. This Agreement may be terminated or suspended by the City upon fifteen (15) days written notice. Upon receipt of such notice from the City, Contractor shall immediately stop all work under this Agreement. In the event of termination by the City, Contractor shall be entitled to payment on a pro rata basis for the services performed

as of the date of termination, to the extent they were performed in accordance with this Agreement.

14. **Severability**. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

15. **Contract Administration and Notice**. This Agreement shall be administered on behalf of the City by Community Services Director. Any written notice between the parties shall be sent to:

CITY	CONTRACTOR
Attention: Travis M. Karlen, Director Community Services Department 567 El Camino Real San Bruno, CA 94066	West Coast Arborists, Inc. Attention: Patrick Mahoney, Principal P.O. Box 1541 Morgan Hill, CA 95038

16. **Integration**. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and the Contractor and supersedes all prior negotiations, representations or agreements, either written or oral. Where the terms and conditions set forth in Exhibit A conflict with the terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail. This Agreement may be modified or amended only by a subsequent written agreement signed by both parties.

17. **Miscellaneous**. The laws of the State of California shall govern this Agreement and all matters relating to it and venue for state court shall be in Redwood City and for federal court in San Francisco. In the performance of this Agreement, Contractor shall abide by and conform to any and all applicable laws, including, but not limited to the San Bruno Municipal Code.

18. **Force Majeure**. Each party to this Agreement will be excused from performing its obligations if its performance is prevented by (1) fire, earthquake, act of God, war, strike or other labor dispute, pandemic, epidemic, or other occurrence beyond the party's reasonable control or; (2) any law, rule, or order stemming from economic controls, riot, hostilities, war, terrorist attacks, pandemic, epidemic, or similar conditions. If either party is delayed or hindered from performing its obligations, performance will be excused for the period of delay.

19. **Prevailing Wage**. The services required under this Agreement is subject to prevailing wage laws. Contractor shall comply with all California State laws and Department of Industrial Relations relating to employment and wages. The hourly wages to be paid for laborers, workers, or mechanics shall not be less than the prevailing rates for an hour's work in the same trade or occupation in San Mateo County.

IN WITNESS HEREOF, the parties have caused their authorized representatives to execute this Agreement on _____. This Contract is not valid until signed by all parties below.

CONTRACTOR

Patrick Mahoney, President
West Coast Arborists, Inc.

86-2023648
Contractor's Tax I.D. Number

07522721
Contractor's San Bruno Business License Number

CITY

Alex D. McIntyre, City Manager
City of San Bruno

APPROVED AS TO FORM:

Trisha Ortiz, City Attorney

ATTEST:

Lupita Huerta, City Clerk

Attachments: RFP Appendix A - Scope of Work
RFP Appendix C - Notarized Proposal

APPENDIX A

Scope of Work (SOW)

A. SCOPE OF WORK

Proposer shall furnish all labor, supervision, methods and processes, implements, tools, machinery, equipment, transportation, and materials to provide tree pruning and removal services, including stump removal/grinding as required by CITY in a thorough and professional manner and complete all work in a timely manner that will meet CITY's requirements.

B. DETAILED SPECIFICATIONS

The primary purpose of the awarded contract is for the Contractor to:

1. Pollard approximately three hundred (300) sycamore and mulberry street trees annually on a grid program (Attachment E) with a goal of pollarding all street trees on average once every four (4) years.
2. Prune approximately three hundred (300) street trees annually, as determined by CITY, on a grid program with a goal of pruning all street trees on average of once every four (4) years. All trees on a block greater than six (6) inches in diameter at DBH (Diameter at Breast Height) are to be structurally pruned according to the most current International Society of Arboriculture (ISA) tree pruning standards [ANSI A300 Part 1]. Young trees with a trunk diameter of six (6) inches or less are excluded unless directed by the Parks Services Manager. The Parks Services Manager will identify work requirements within the funding appropriated annually for the duration of the contract.
3. Prune, remove, and stump grind, as needed, parks and medians trees.
4. Root prune and/or remove and stump grind trees to support CITY’s sidewalk repair program.
5. Emergency services shall be available to respond on an emergency basis to remove or trim trees that present an imminent danger to the public within forty-eight (48) hours of notification by a representative of CITY.
6. The Contractor shall maintain, at no additional cost, the history of all tree work performed in CITY's Arbor Access electronic street tree inventory database. Data entry requirements include, but are not limited to, the following:
    - Site Record Update: DBH and Height for each tree site worked
    - Caller Record-Add: Name, Address, Phone, Email, Reason, Date, Call Receiver, Comment
    - Work Record-Add: Project number, Work Type, Priority, Status, Crew ID, Comment

C. TOOLS, EQUIPMENT AND MACHINERY

Equipment & Products:

1. All aerial lift equipment shall comply with American National Standards Institute (ANSI) A92.2 - Vehicle-Mounted Elevating and Rotating Aerial Devices as required by FED OSHA and CAL OSHA. All aerial lift operators shall be certified compliant with FED OSHA 29 CFR 1926.453. *Mandatory*
2. All aerial equipment shall be OSHA certified and comply with California Highway Patrol Commercial Vehicle requirements. All OSHA certifications shall be current. The Contractor shall furnish to CITY its most recent California Highway Patrol Commercial Vehicle Inspection reports for equipment to be used throughout the term of the contract.

I. CONTRACTOR STAFFING REQUIREMENTS

Staffing Minimums:

- Provide staffing matrix showing number of full-time/part-time personnel, assigned shifts, and percent allocation to contract tasks, including on-site supervisor(s) during operating hours. *Mandatory*
- Furnish a list of all persons and their titles and certifications that will be performing the work outlined in the contract (see Attachment A: Proposal Form - Additional Information). Personnel must be qualified and trained in the tree maintenance industry.

1. Project Supervision

   The Contractor shall identify an ISA Certified Arborist who has at least five (5) years' experience in the field of urban forest management that will serve as the project supervisor and be responsible for providing project management throughout the term of the contract. The project supervisor will have the authority to represent the Contractor and liaise with the Parks Services Manager. All staff shall be employed and directly supervised by the Contractor.

2. Compliance with SB 198 - The Contractor shall furnish a copy of its current Safety Manual as well as a written description of the Contractor's safety training program that complies with SB 198 requirements for injury and illness prevention.

   Key Personnel:

   - Identify Project Manager and On-Site Supervisor(s) with resumes. Include two (2) professional references for each. *Mandatory*

   Background Checks & Screening:

   - All on-site personnel must pass criminal background checks and drug screening (per California law). Provide policy summary and a signed statement committing to submit background check results for proposed staff prior to mobilization. *Mandatory*

Training:

- Provide orientation and recurrent training program (including infection control, chemical handling, PPE, and customer service). Include training frequency and recordkeeping methods. *Mandatory*

Contract Requirements

1. **Examination of Site** - The Contractor shall be responsible for examining the job site and comparing it with all specifications and contract documents and for having satisfied himself as to the conditions under which the work is to be performed before entering into the contract. Further, no allowance shall subsequently be made on behalf of the Contractor on account of an error, negligence, or failure to acquaint itself with the conditions of the job site or of the streets or roads approaching each site.
2. **Quantities** - The tree quantities for the contract will vary. CITY does not guarantee that the actual amount of work will correspond to the services described in these specifications, but reserves the right to increase or decrease the amount of any class or portion of the work or to omit items or portion of the work that may be deemed necessary by the Parks Services Manager. The quantities listed on the Proposal Form are estimated each year of the four (4) year contract term.
3. **Solid Waste Management Requirements** - The Contractor shall be required to manage all solid waste, wood waste, and green waste generated under the contract work. CITY is required to report to the State of California solid and wood/green waste recycling and diversion from landfill. All wood or green waste SHALL NOT be permitted to be landfilled. All wood/green waste must be recycled or reused consistent with industry best practices.
4. **Notification and Relations with Property Owners**
    a. **Notification** – The Contractor shall be responsible for all notifications required under CITY's Municipal Code including all notifications to residents.
    b. **Complaints** – The Contractor shall strive to quickly resolve all complaints from residents. If objection to the pruning occurs while work is in progress, the Contractor shall immediately stop work on tree or trees in question and attempt to amicably resolve the dispute with the resident. If the Contractor cannot promptly resolve the complaint, Contractor shall immediately notify the Parks Services Manager. The Parks Services Manager shall determine if the Contractor may resume work on other trees while CITY resolves the complaint or if the Contractor shall delay pruning until the complaint is resolved by CITY. Further, CITY shall not be liable to the Contractor for any additional delay caused by the need to resolve any such dispute. If Contractor is allowed to continue work on other trees while CITY resolves a complaint, the Contractor shall return to complete work on trees that generated the complaint and at no additional cost to CITY.

5. **Protection of Property** - The Contractor shall maintain the work site in as clean and debris-free condition as is feasible. The Contractor shall not pile debris or equipment, or otherwise trespass on private property, unless he has obtained specific permission from the property owner. The Contractor shall take reasonable precautions to cause the least possible damage to existing improvements and landscaping in the work area on both public and private property. All private property damage caused by the Contractor shall be paid for, or otherwise resolved by, the Contractor and/or its insurance provider.
6. **Disposal and Clean-up**
    a. At the end of each day or any time tree pruning, removal, or stump removal/grinding is suspended at a given location, the Contractor shall remove all equipment, debris, or any other obstructions from the roadway and public right-of-way to assure the roadway is open and clear for use by public traffic.
    b. All tree pruning and debris resulting from tree care work shall be promptly removed from the work site and properly disposed of at the Contractor's expense. CITY will inform the Contractor if and when wood waste may be left on site or deposited off-site on public property at no cost to CITY and by mutual agreement.
    c. Upon completion of tree pruning or other tree care work, the area shall be cleaned to a condition at least equal to, or better than, that which existed when work was started. All debris generated by the Contractor's work shall be removed from the site. Undergrowth and adjacent shrubbery or trees sustaining broken branches or other injury resulting from this operation shall receive corrective treatment. At the direction of the Parks Services Manager, corrective treatment shall include complete replacement of damaged lawns, shrubbery, irrigation components, hardscape elements as deemed necessary to make whole the adjacent property owner.
    d. The Contractor shall include all costs for disposal and cleanup in its proposal pricing. CITY will not allow additional special compensation for disposal and cleanup.
7. **Dust and Noise Control** - The Contractor shall provide reasonable efforts to minimize the amount of dust generated by their activities. CITY will not make a separate payment for any work performed or material used to control dust caused by the Contractor's performance of the work, either inside or outside the right of way. The Contractor shall include all costs for dust control in its proposal pricing. CITY will not allow additional special compensation for dust control. The Contractor will not operate equipment before 8:00 a.m. or after 5:00 p.m. except by authorization from the Parks Services Manager. The Contractor shall operate its equipment in a manner that will minimize offensive noise and in accordance with San Bruno Municipal Section 6.16 "Noise Regulations". When the Contractor chips tree

trimmings, the Contractor shall move the brush chipper as close as practical to the next tree or trees to be pruned. The Contractor shall not operate brush chippers in one location for extended periods of time. The Contractor shall operate all leaf blowers in or adjacent to a residential area at or below a noise level of sixty-five (65) dBA at a distance of fifty feet (50') as determined by a test conducted by ANSI, or an equivalent. The dBA rating shall be prominently displayed on the leaf blower. {San Bruno Ord. 2623-99}

8. **Equipment** - The Contractor shall maintain all its tools shall be clean, sharp, and proper working order, and shall check all tools for safety before each job. The contractor shall maintain all trucks, brush chippers, and other heavy equipment in good operating condition at all times, and shall operate its equipment in compliance with all applicable laws and regulations.

9. **Public Convenience and Safety** - The Contractor shall conduct its operations so as to cause the least possible obstruction and inconvenience to public traffic. The Contractor shall permit all vehicular and bicycle traffic to pass through the work area. The Contractor shall furnish, erect, and maintain sufficient warning and directional signs as well as barricades and lights and shall furnish sufficient flagmen to give adequate warning to the public at any time dangerous conditions exist due to tree work. The Contractor shall obtain approval from the City Public Works Department for any detours required in connection with the services. The Contractor shall reroute all pedestrians to sidewalks on the other side of the street at intersections on both ends of any block or section that the Contractor is working.

   In general, for minor streets, the Contractor shall maintain at least one traffic lane open in each direction. However, if only one lane is open, a flagman must be present. For major streets, the Contractor's proposed traffic control shall be approved by the City Public Works Department before the work is started. However, in general, the Contractor shall keep at least one (1) traffic lane in each direction open and shall not close the moving lanes during the morning and evening peak traffic periods. The Contractor is alerted to the high volumes of traffic on some streets, which are part of the contact. The Contractor shall perform all work in compliance with these specifications, OSHA requirements, State of California Code of Regulations. Title 8, Section 1598 Traffic Control for Public Streets and Highways, and the California Manual on Uniform Traffic Control Devices for Streets and Highways as published by the California State Dept. of Transportation.

10. **Lane Closures**

    Except for emergencies or unless otherwise specified and approved by CITY, CITY will not permit lane closures in any part of the major commute streets during commute hours:

    The major commute streets are: El Camino Real, Sneath Lane, San Bruno Avenue, Huntington Avenue, Jenevein Avenue, Skyline Boulevard, College Drive, Sharp Park Road, and Cherry Avenue.

Commute hours are defined as:

"Northbound" between 6:00 a.m. and 10:30 a.m.

"Southbound" between 3:30 p.m. and 7:30 p.m.

"Eastbound" between 6:00 a.m. and 9:30 a.m.

"Westbound" between 3:30 p.m. and 7:30 p.m.

Additional lane closure restrictions may be imposed if there is evidence that excessive inconvenience to the public is observed during the Contractor's operations. The lane closure(s) must be limited in duration and area as practical. The Contractor must state the times and dates of closure on the traffic control plan approved by CITY's Public Works Department.

The Contractor shall include all traffic control costs in its proposal pricing. CITY shall not allow additional special compensation for traffic control costs.

11. **Existing Utilities** - It is the Contractor's responsibility to verify the location of all existing utilities, including PG&E, AT&T, City of San Bruno Water, and San Bruno Cable TV (cable television). The Contractor shall coordinate the work with the respective utility companies. The Contractor is required to call Underground Service Alert (USA Northern California Division Center at (800) 642-2444) forty-eight (48) hours in advance of any excavation activity, so that all existing underground facilities can be located and marked.
12. **Coordination of Work** - The Contractor shall coordinate all tree care work. The Contractor's project supervisor shall provide the Parks Services Manager a schedule of the assigned work on a weekly and daily basis. The Contractor shall establish a uniform time schedule for the performance of routine tree work and shall ensure compliance with specified hours of work or special tree care requirements included in these specifications. Following contract award, the Parks Services Manager shall schedule a pre-work conference with the Contractor with the following in attendance:
    a. City Traffic Engineer, or his designee; and
    b. Parks Field Supervisor.

    The Contractor shall include all cost of coordinating work with utility companies, other contractors, and City crews in its proposal pricing. CITY shall not allow additional special compensation for costs of such coordinating work.
13. **Inspections** - CITY reserves the right to inspect the Contractor's services at any time throughout the term of the contract.
14. **Authority** - The Parks Services Manager shall decide any and all questions about the quality or acceptability of services performed by the Contractor, including questions about specification interpretation and the Contractor's fulfillment of contract requirements.

15. **Deviations** - Deviations from these specifications, if required by unforeseen events, will be mutually determined in all cases by the Parks Services Manager and the Contractor.
16. **Suspension of Contract** - If, in the opinion of the Parks Services Manager, the Contractor has failed to supply an adequate workforce or equipment, or has failed to execute the work with due diligence as required under the terms of the contract, CITY will provide written notice to Contractor of such failure. Should the Contractor neglect or refuse to provide means for satisfactory compliance with the contract, within the time specified, the Parks Service Manager shall have the authority to suspend the Contractor's operations under the contract and commence termination of the contract.
17. **Work Hours** - The Contractor shall limit its hours of work to Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m. Work beyond these hours shall require prior written approval by the Parks Services Manager.
18. **Quality of Work** - Work performed by the Contractor must meet the professional standards as specified in this RFP. The Contractor shall remedy work not performed to these standards at no additional cost to CITY, subject to the Parks Services Manager's approval. Any work performed outside the requirements of these specifications or any extra work done without written authority from CITY will be considered unauthorized and not eligible for remuneration. Upon the Contractor's failure to comply with specifications or CITY directives, CITY reserves the right to remedy the unsatisfactory work by using City employees or the services of another contractor and to deduct the cost thereof from any monies due, or to become due the Contractor.
19. **Weekly Progress Reports** - The Contractor shall, at a minimum, log daily and submit an accurate and current record of all tree care work each Monday to the Parks Services Manager. The records shall include date, address, type of tree care performed, species, and any other pertinent information or unusual conditions. This requirement does not supersede the electronic data entry requirements to CITY's street tree inventory management database, Arbor Access.
20. **Superintendence** - The Contractor must provide for adequate supervision of its employees and inspection of all services performed to ensure that each requirement of these specifications is consistently met. The Contractor's project supervisor shall be readily available to meet with the Parks Service Manager, as needed, for the purpose of correcting problems, resolving conflicts and complaints, reviewing work schedules, and complying with personnel and equipment requirements. The Contractor shall have an identified crew leader for each crew working in CITY on any given day that shall be present at all times with their crew and be readily available to meet with a Parks Services Manager as needed.
21. **Final Acceptance** - As an ongoing annual contract tree maintenance work shall be continuous throughout the contract. For purposes of this contract, the work for each

monthly billing period shall be inspected and approved by the Parks Services Manager. This shall constitute final acceptance.

22. **Deficiencies and Discrepancies** - Where deficiencies or discrepancies are identified, the deficiencies and/or discrepancies must be remedied within thirty (30) days of discovery. CITY shall withhold payment for such deficiencies and/or discrepancies until rectified to the Parks Services Manager's satisfaction.

G. **Progression of Work** - The Contractor shall prune the street trees in whole blocks. The locations of street trees to be pruned are broken down into four (4) geographic areas of CITY and are listed by street address. The trees to be pruned are generally in front of the address listed on the primary street although they may be listed on a side street address. A standard municipal street map will specify general boundaries of the areas of work. Trees will be grouped contiguously and each group shall have a minimum of 25 trees. The Parks Services Manager shall direct all pruning and progression of work.

H. **Single Pruning** - As required, single trees may be required to be structurally pruned out of the grid block pruning sequence. The Contractor shall prune such single tree on a separate singles pricing schedule according to size (i.e. height of the tree). For pricing purposes there shall be three (3) sizes: Medium size trees - trees less than forty (40) feet in height, Large - trees forty (40) to sixty-five (65) feet in height, and Very Large - trees greater than sixty-five (65) feet in height.

I. **Tree Removals** - The primary purpose for the contract is structural pruning of mature trees, however the contract shall also include a provision for tree removal. For purposes of the contract, removal is complete take down of a whole tree down to the stump within two (2) inches of the root crown of the tree, chipping all brush and removal, disposal of large tree limbs and trunks segments off site to appropriate green waste disposal/management, and complete clean-up of the work site. Removals shall be priced in three (3) categories:

1. Medium Size Tree - Pruning/Removals - Trees between fifteen (15) and forty (40) feet tall with a DBH of six (6) and fifteen (15) inches in diameter or less.
2. Large Size Tree - Pruning/Removals - Trees between forty (40) and sixty-five (65) feet tall with a DBH greater than fifteen (15) and less than thirty (30) inches in diameter.
3. Very Large Size Tree - Pruning/Removals - Trees greater than sixty-five (65) feet with a DBH greater than thirty (30) inches in diameter.

If required, extraordinary trees with massive multiple trunks shall require a change order with a specific price quotation and approval by the Parks Services Manager.

J. **Stump Removals** - The primary purpose for the contract is structural pruning of mature trees, however the contract shall also include a provision for tree stump removal. For purposes of the contract, removal is complete removal of the stump wood tissue to native soil below with lateral surface roots removed to a point where remaining root

tissue/structures are at least six (6) inches below the curb top grade. Stumps shall be priced in three (3) categories:

1. Medium Size Tree - Stump Removal - Trees between fifteen (15) and forty (40) feet tall with a DBH of six (6) and fifteen (15) inches or less.
2. Large Size Tree - Stump Removal - Trees between forty (40) and sixty-five (65) feet tall with a DBH greater than fifteen (15) and less than thirty (30) inches.
3. Very Large Size Tree - Stump Removal - Trees greater than sixty-five (65) feet with a DBH of thirty (30) inches and greater.

If required, extraordinary stumps with massive stumps and surface roots shall require a change order with a specific price quotation and approval by the Parks Services Manager.

K. The Contractor shall complete stump removals that include the removal of the entire stump as specified above. Typically stump removals are paired with tree removals. Tree and stump removals shall preferably be done at the same time and on the same day. If the stump cannot be completed the same day as the tree removal, the stump shall be removed the next day. If the stump cannot be removed the next day, then CITY shall require special arrangements of the Contractor. Such special arrangements shall require the written approval of the Parks Services Manager.

L. **Street Tree Inventory Management** - CITY maintains street tree inventory data using Arbor Access. The Contractor shall have access to the database to perform all data entries required to record all work activities associated with all work performed under the contract. Arbor Access is a web-based data record keeping system that is accessible via internet access. The Contractor shall supply computer(s) and ISP to have access to Arbor Access. All data entered into Arbor Access by the Contractor shall be owned by and the property of CITY. The Contractor shall update CITY's tree inventory at no additional cost to CITY. All work performed by the Contractor shall be recorded conforming to the existing tree inventory database and include, but not be limited to, the following data fields:

1. Site Records
   - Canopy height;
   - Canopy spread;
   - Species; and
   - DBH.
2. Work Records
   - Project number;
   - Work Type: prune, remove, plant, stump, etc.;
   - Priority: Urgent, Non-routine, Routine;

- Status: Complete, Scheduled, Requested; and
- Date, Crew ID, Comments.

M. **Pruning Standards** - Pruning standards for trees listed shall be in accordance with the most current ANSI Tree Maintenance Standard [ANSI] A300 (Part 1) (Pruning) and the International Society of Arboriculture [ISA] Best Management Practices Series - Tree Pruning.

The objectives for pruning in this specification include:

- Direct tree growth to improve structural integrity and strength of the tree, improve and enhance central leader, and scaffold development;
- Reduce risk from tree failures (i.e. branch or branches, tree trunks, whole trees, dead branches/trees);
- Improve tree health and vigor (i.e. provide foliage throughout the tree canopy);
- Provide required vertical clearance (i.e. fourteen (14) feet over street minimum; eight (8) feet over sidewalks minimum. (exception for young and small statured trees - consult with Parks Services Manager for requirements);
- Provide required horizontal clearance for traffic control systems (i.e. stop signs, traffic signals, street lights, site clearance at uncontrolled intersections); and
- Direct tree growth to produce maximum foliage canopy for species for optimal environmental benefit.

Pruning shall remove between a minimum of ten percent (10%) and maximum of twenty-five percent (25%) of bulk foliar material from the trees. Such work shall be confirmed by the Parks Services Manager. No pruning shall involve more than thirty percent (30%) of bulk material removed from the trees. Trees requiring more than twenty-five percent (25%) of the canopy shall require written direction from the Parks Services Manager to be pruned and will be treated as a "singles" tree and billed accordingly. Trees recently pruned and not requiring additional pruning when the block that they reside is scheduled for pruning, shall be omitted as directed by the Parks Services Manager.

Crown reduction and thinning will be the requirement for the majority of trees covered by the contract services. Work shall also include the repairs and/or replacement of existing improvements affected by the services to their original condition and the necessary "cleanup" to restore the work site(s) to a condition satisfactory to CITY.

N. **Pruning Requirements**

1. **Safety Standards**:

   a. “ANSI Z133.1 Arboricultural Operations - Safety Requirements” (2017 edition), hereinafter referred to as "ANSI-Z133.1", and incorporated into these specifications by this reference, shall be made a part of and

included in these specifications as the safety requirements. In addition to meeting qualified tree worker's qualifications, all employees and equipment working within a ten-foot proximity of energized conductors in excess of seven hundred fifty (750) volts shall be qualified line-clearance tree trimmers. The Contractor shall adhere strictly to all FED and CAL OSHA safety requirements.

2. **General Tree Maintenance Standards** - The Contractor shall follow the general ISA pruning guidelines during all types of pruning assignments.

   a. **References** - The following references shall be included as authoritative references and unless explicitly addressed in these specifications, pruning techniques shall be consistent with these references:

      i. Arboriculture: Integrated Management of Landscape Trees, Shrubs and Vines, 4rd Edition, R.W. Harris, James R. Clark, Nelda Matheny, 2004.

      ii. ANSI A300. Standard Practices for Tree, Shrub and Other Woody Plant Maintenance, (all Parts) American National Standards Institute, Washington D.C., (most current editions)

      iii. Best Management Practices Series - Tree Pruning, International Society of Arboriculture, Champaign, IL. (most current editions)

      iv. An Illustrated Guide to Pruning, 3nd Edition, E. F. Gilman, Delmar, Albany, NY, 2011

   b. **General Pruning Objectives** - The primary objective of street tree pruning in CITY is structural integrity and public safety. Where identifiable, tree hazards are mitigated to reduce risk to the public. The following are the Contractor's primary objectives of pruning trees:

      i. **Structural Pruning** - The removal of live branches and stems to influence the orientation, spacing, growth rate, strength of attachment, and ultimate size of branches and stems. Structural pruning is the primary purpose and function of this contract. Depending on the size and maturity of the specific tree, trees are to be pruned differently. The following are pruning strategies for various ages of trees:

         (a) **Young Trees**

            - Establish strong structure by developing and maintaining one dominant trunk;
            - Shorten aggressive low branches (do not eliminate them);

- Space main branches along the trunk by shortening others (manage competition, i.e. favor permanent branch(es));
- Eliminate touching branches and.

(b) **Medium-Aged Trees**

- Cut girdling roots and other roots circling close to the trunk;
- Maintain or establish one dominant trunk by reducing length of others;
- Shorten branches below lowest permanent limb;
- Shorten aggressive low branches that will be in the way later;
- Prevent stems on low branches from growing up into the permanent canopy;
- Space main branches 18 to 36 inches apart by shortening others;
- Reduce length of over-extended branches;
- Remove dead branches;
- Thin edge of canopy; and
- Eliminate touching branches.

(c) **Mature Trees**

- Remove dead branches;
- Minimize potential hazards by reducing length of over-extended limbs;
- Thin branches from the edge of the canopy to reduce wind resistance; and
- Remove as little live tissue as possible to accomplish objectives .

ii. **Crown Cleaning** - The removal of dead, dying, diseased, crowded, weakly attached, low-vigor branches from a tree's crown. Crown cleaning shall be performed on all City trees specified. This procedure is specifically intended to remove hazardous or potentially hazardous limbs. It is not intended as thinning or "opening up" a tree's canopy. “Topping” and “Lion Tailing” are unacceptable practices and shall not be allowed.

iii. **Crown Raising** - The raising of lower branches of a tree to provide clearance for vehicles, pedestrians, signage, or traffic signals. All trees shall be evaluated for crown raising. This is one of the primary functions of CITY's tree pruning program. CITY's standard is to allow a minimum street clearance of fourteen (14) feet. This is measured from the street gutter at the curb-line to crown of the tree and sidewalk clearance of eight (8) feet measured from the sidewalk surface. For trees less than thirty (30) feet tall, temporary scaffold branches below the 14-foot or 7-foot height standard shall remain on the tree especially in areas where such removal either puts less than one half (½) the foliage in the lower two thirds (2/3rds) of the tree or removes more than twenty-five percent (25%) of the leaf area or both. Such branches can be headed back to provide vehicular or pedestrian clearance, as necessary.

iv. **Crown Thinning** - Selective removal of branches to increase light penetration and air movement through the tree and reduce the overall weight of scaffold branches. Thinning shall remove entire primary, secondary, or tertiary lateral branches back to their points of origin. Crown thinning shall be limited to weight reduction especially for Pistacia chinensis and Liquidambar styraciflua street trees. City maintained trees shall not be thinned to expose the scaffold branches. "Lion Tailing," or the stripping of interior foliage, is not permitted. Interior foliage shall remain in the tree but may be headed back to reduce total branch weight, as necessary.

v. **Crown Reduction** - Thin out or head back branches of a tree to reduce the tree's size in either height or spread or both. All Liquidambar trees shall be considered for crown reduction pruning - especially very large trees (greater than thirty (30) feet) where co-dominant laterals have not been reduced. Long scaffold branches with little taper and excessive end weight shall be reduced in length. Larger Pistacia chinensis, Magnolia grandiflora, Quercus ilex, Fraxinus velutina, and Fraxinus udhei trees shall be considered for crown reduction if they extend over residential structures. Severe crown reduction that requires removal of very large limbs, i.e. greater than six (6) inches in diameter, shall require written authorization by the Parks Services Manager.

c. **General Pruning Requirements**

i. **Reasons for Pruning** - All pruning of all trees shall be done for a specific reason. Pruning shall include crown cleaning for all trees, crown raising for all trees to meet the clearance standards, and crown reduction for those species where thinning will generally be required on most trees as a function of the structural pruning

process. Crown thinning shall not be done just for the sake of removing bulk foliar tissue from the tree. Aesthetic or sculptural pruning shall not be performed on any tree except as specifically directed by the Parks Services Manager.

ii. **Precut/Undercut** - All limbs one (1) inch in diameter (size of quarter) or larger shall be precut on the underside of the limb to prevent splitting or ripping of bark. The final cut shall be from the top and distal to the undercut.

iii. **Rope Lowering of Limbs** - All branches that cannot be dropped safely or controlled by hand shall be lowered to the ground by using a proper rope procedure. All limbs that may damage structures, utilities, or landscaping beneath tree shall be safely lowered by rope.

iv. **Painting/Wound Dressing** - Pruning cuts shall not be coated with paint or wound dressing compound.

v. **Final Pruning Cuts** - Final pruning cuts shall be made without leaving a stub and in a manner to favor the earliest possible covering of the wound by callus growth. This requires that the wound be as small as practicable, that the cut be just outside the branch-bark ridge, and that the cambial tissue at the edge of the cut is alive and healthy. Extremely flush cuts, which produce large wounds and weaken the tree at the cut, shall be avoided.

d. **Tree Maintenance Definitions**

i. **Block/Street** - is typically a standard street segment between two (2) cross streets

ii. **Branch Bark Ridge** - Raised area of bark in the branch crotch that marks where the branch wood and trunk wood meet

iii. **Callus** - New growth made by the cambium layer around wounds.

iv. **Cambium Layer** - Growing point between the bark and sapwood (xylem).

v. **Crown/Canopy** - The upper portion of the tree that contains the tree foliage (leaves) - excludes basal suckers or sprouts.

vi. **Cut** - Exposed wood area that remains after the branch or branch part has been removed.

ii. **DBH - Diameter at Breast Height** - The tree's trunk diameter measured at fifty-four (54) inches above the soil grade for trees on a level grade.

viii. **Heading Cut** - The cutting of branch or stem back to a stub, small branch, or bud that is too small to take over the terminal role.

ix. **Lateral Branch** - A branch or sub-branch of a tree that arises from the trunk scaffold branches.

x. **Raising** - The removal of lower branches for clearance between the ground and canopy of the tree.

xi. **Parent Stem** - The main trunk system of the tree. This includes the single or multiple trunks of a single tree.

xii. **Precut or Precutting** - The removal of a branch at least six (6) inches beyond the finished cut to prevent splitting into parent stem or branch.

xiii. **Sap Flow** - The course assumed by sap in its movement through a tree.

xiv. **Scaffold Branch(es)** - The main (primary) branches that arise for the trunk(s) of the tree that form the basic structure (architecture) of the tree.

xv. **Scars** - Natural or man-made lesions of the bark in which wood is exposed.

xvi. **Suckers** - Abnormal growth of small branches usually not following the general pattern of the tree.

xvii. **Structural Pruning** - The removal of live branches and stems to influence the orientation, spacing, growth rate, strength of attachment, and ultimate size of branches and stems.

xviii. **Terminal Role** - A branch or main stem (trunk) that is the growing terminal point or points of the tree. Typically, the terminal branch will direct new growth throughout the end or terminal buds of the branch.

xix. **Thinning/Cut** - The removal of a branch in its entirety back to its point of origin or to the branch or stem from which it arises. Typically, thinning cuts allow a tree to redistribute the growth throughout the remaining branch(es) of the tree. This is in contrast to a heading cut that shortens a branch to a point that does not allow the tree to redistribute the growth, consequently forcing vigorous, usually vertical growth at the end of the headed branch.

xx. **Topping** - The indiscriminate removal of a tree's trunk and main branches back to stubs or small branches to primarily reduce the height of a tree. Topping will not be allowed under the contract.

e. **Pruning Requirements**

i. All cuts shall be made sufficiently close to the parent stem so that healing can readily start under normal environmental conditions, but not as close to cut below the branch bark ridge.

ii. All limbs greater than one (1) inch in diameter (size of a quarter) shall be precut to prevent splitting. All branches three and one half (3½) inches in diameter or larger shall be lowered to the ground using the proper ropes.

iii. When working on a diseased tree where there is a danger of transmitting the disease to healthy trees, tools shall be disinfected with alcohol after each cut and between trees.

iv. On scars or wounds where callus growth is not already established, trace the scars or wounds to firm cambium tissue unless other treatment is designated by the Parks Services Manager.

v. All girdling roots visible to the eye shall be reported to the Parks Services Manager.

vi. Any structural weakness, decayed trunk or branches, split crotches, and/or branches or heavy limbs with potential for failure shall be immediately reported to the Parks Services Manager who will determine the course of action.

vii. When making crown reductions, shorten branches or leader to the lateral that is at least one-half (½) the diameter of the branch being removed. Cuts to laterals that are less than one-half (½) the diameter of the branch being removed shall be at the direction and approval of the Parks Services Manager. In reducing a tree's overall size, attention shall be given to symmetrical appearance. The tree's form should conform to the habit and character of the species.

viii. On thin bark trees, such as magnolia trees, avoid removing foliage that exposes inner bark to the sun. Where trees have foliage or short shoots along a branch, especially in response to previous exposure to sunlight, leave foliage on the tree.

ix. The Contractor's employees shall not use climbing spurs when climbing any street tree. Pruners/climbers shall always use rope and saddle when entering and working in a tree.

x. Unless heading cuts are required, pruning cuts should be made so that the diameter of any remaining branch at the point of attachment is one-half (½) or less in diameter than the branch from which it arises.

xi. In general, the reduction in the size of a tree should not remove more than one-fourth (¼) of the total foliage area in a single year.

O. Tree and Stump Removal Requirements

1. **Protection of Property** - Being that large trees present a significant hazard due to their size and weight, their removal shall require specific care in their felling. All trees shall require removal by rigging major scaffold branches, stems, and trunk(s) to the ground. Trees will be allowed to be felled on the public street or adjacent private property. The Contractor shall comply with ANSI Z133.1 standards when removing trees and stumps.

2. **Underground Utility Protection** - The Contractor shall be required to contact Underground Service Alert (USA) Northern California division at least two (2) working days prior to any soil excavation/stump removal. The Contractor shall notify "Underground Service Alert" Notification Center (USA - North), at 1-800-642-2444 (http://www.usanorth.org), and obtain a USA Ticket Number. The Contractor shall comply with California Government Code Section 4216 in performing any tree stump removal.

   The Contractor shall follow USA North California Excavation Manual to property identify underground utilities and protect such utilities from damage due to excavation activities. The Contractor shall repair damage to any underground utility at the Contractor's expense with no cost charged back to CITY.

3. **Public and Personnel Protection** - Large tree removals present a significant hazard due to their size and weight. Therefore, the Contractor shall take specific care in their removal and stump grinding. The Contractor shall pay close attention to protection of the public and workers. The Contractor shall ensure that its workers are fully trained in safe tree removal operations in compliance with ANSI Z133.1 standards. When removing trees and removing stumps, the Contractor shall provide for the protection of the general public by keeping the public a safe distance away from the work area. The Contractor shall only allow its trained and experienced personnel within its work zones.

4. **Wood and Green Waste Disposal** - The Contractor shall provide for green waste disposal within the cost of the contract. The Contractor is encouraged to recycle green waste products. The Contractor shall provide and furnish to CITY a plan for green waste disposal under the contract. CITY may occasionally inform the Contractor when and where wood and green waste may be disposed of on public property without cost to the Contractor.

5. **Tree Removal Operations** - The Contractor shall remove large street trees by dismantling the tree using rigging procedures in compliance with ANSI Z133.1 standards. The Contractor shall not fell large trees as whole or partially dismantle trees on the public right-of-way or adjacent private property. The Contractor shall take a tree down by dismantling the tree in pieces and lowering them to the ground in a safe and controlled manner. The Contractor shall not drop large limbs and trunk sections to the ground or drag limbs and sections along the ground as

to cause damage to hard or softscape or public utilities in the right-of-way and adjacent private property.

6. **Tree Stump Removal Operations** - Stump removal typically requires the use of a stump cutting machine. The Contractor shall contact Underground Service Alert, USA - North to identify underground utilities. The Contractor shall locate and protect such underground utilities during stump removal operations. The Contractor shall provide experienced personnel in stumping equipment operation. Stump cutting machines are inherently dangerous when in operation and will tend to throw wood chips, soil, stones, etc. The Contractor shall take measures to shield the machine operator, other Contractor staff on site, the general public, and property from such debris that maybe thrown from the machine.

   The Contractor shall remove stumps completely so that all wood tissue at the core of the tree stump is removed down to native soil (typically there is no tap root below a mature tree and therefore native soil is typical within twenty-four inches thick from the soil surface grade). The Contractor shall remove an entire stump to its full diameter. The Contractor shall ground down lateral roots extending beyond the stump core and out such a distance as to have the remaining root(s) be at least six (6) inches below the curb top grade. Roots deeper than six (6) inches can remain buried and intact. The Contractor shall remove chips generated from the site. If there is a pit remaining after the chips have been removed, the Contractor shall fill such pits with a loam, clay-loam soil to bring the soil level back to surface grade. The Contractor shall furnish fill soil and include in the cost of fill soil in its proposal.

SECTION IV. TERMS AND CONDITIONS

A. Nomenclature

1. As used throughout this RFP and its attachments the following terms are synonymous:

   a. "Contractor" and "successful proposer".

   b. "Contract", “purchase order”, "General Services Agreement," and “Agreement”.

   c. "Services", "work", and "project".

2. "CITY" refers to the City of San Bruno, California.

B. Definitions

1. Parks Services Manager - CITY's representative.

2. Job Site - For purposes of this RFP, the “job site” shall reference all the streets and street trees in CITY’s jurisdictional limits.

3. City Tree - Any tree as designated by CITY within CITY’s public right-of-way. CITY’s public right-of-way varies throughout CITY. The Parks Services Manager

will provide information to the Contractor regarding public right-of-way on each street.

4. Medium Size Tree - Pruning/Removals - Trees between fifteen (15) and forty (40) feet tall with a DBH of six (6) and fifteen (15) inches in diameter or less.
5. Large Size Tree - Pruning/Removals - Trees between forty (40) and sixty-five (65) feet tall with a DBH greater than fifteen (15) and less than thirty (30) inches in diameter.
6. Very Large Size Tree - Pruning/Removals - Trees greater than sixty-five (65) feet with a DBH greater than thirty (30) inches in diameter.
7. Medium Size Tree - Stump Removal - Trees between fifteen (15) and forty (40) feet tall with a DBH of six (6) and fifteen (15) inches or less.
8. Large Size Tree - Stump Removal - Trees between forty (40) and sixty-five (65) feet tall with a DBH greater than fifteen (15) and less than thirty (30) inches.
9. Very Large Size Tree - Stump Removal - Trees greater than sixty-five (65) feet with a DBH of thirty (30) inches and greater.

C. **Prices** - All proposal pricing is firm for the term of the original contract and is subject to all applicable California sales and use taxes and not subject to escalation. By submitting a proposal, the Contractor represents and warrants that all prices quoted on the Proposal Form are at least as low as those currently being quoted by the Contractor to commercial or government users for the same work of similar scope under similar circumstances.

D. **Extra Work** - Contractor shall perform no extra work from the services specified in this RFP unless agreed to in writing by City. City shall not compensate Contractor for extra work that City did not agree to in advance in writing.

E. **Change Orders** - City shall have the right to revoke, amend, or modify the General Services Agreement at any time by issuance of a written amendment in the form of a change order. No verbal revocations, changes, or modifications shall be binding on City, and City is not required to compensate Contractor for services not authorized in advance by written amendment to the General Services Agreement.

SECTION V. INSTRUCTIONS FOR COMPLETION OF PROPOSAL FORM

A. **Entries on Proposal Form** - All entries shall be printed in ink or shall be typewritten.

B. **Corrections** - Corrections shall be initialed in ink by the person signing the Proposal Form.

C. **Proposal Pricing** - Proposal pricing shall be complete, including all costs for labor, supervision, methods or processes, implements, tools, machinery, equipment, transportation, and materials required to complete the services described in the Proposal Documents.

D. **Additional Information** - All requested information must be provided. If necessary, the proposer may attach additional sheets to the Proposal Form. However, unnecessarily lengthy responses are discouraged.

E. **Signature** – The Proposal Form shall be signed by an authorized representative of the proposer.

F. **Business License** - The successful proposer must either possess a current, valid City Business License or must have submitted a City Business License Application and fee at the time of contract award.

APPENDIX C

RFP Proposal

3. THIS PROPOSAL IS SUBMITTED BY (Please print clearly):

DATE: 05/12/26

LEGAL NAME OF FIRM: West Coast Arborists, Inc.

BUSINESS ADDRESS: 781 San Pablo Avenue, Pinole, CA 94564

TO: City of San Bruno, Community Services Department

The undersigned, hereinafter referred to as the "Proposer", declares that the only person or parties interested in the Tree Pruning and Removal Services Proposal are those named herein; that this Proposal is in all respects fair and without fraud; that it is made without collusion with any official or employee of the City of San Bruno (the "City") and that the Proposal is made without any connection or collusion with any person making another proposal on this contract.

1. In submitting this proposal, Proposer represents the following:
    a. Proposer acknowledges receipt of Pre-Proposal Conference minutes, if any.
    b. Proposer has visited the site and performed all tasks, research, investigation, reviews, examinations, analysis and given notices, regarding this project and the site, as set forth in Document 00 52 00 (Contract Agreement), Article 5.
    c. Proposer has given CITY prompt written notice of all conflicts, errors, ambiguities, or discrepancies that it has discovered in or among the contract documents and actual conditions and the written resolution thereof through addenda issued by CITY is acceptable to Proposer.

PROPOSAL FORM (RETURN THIS FORM) FOR TREE MAINTENANCE SERVICES

The undersigned proposer hereby offers to perform the required services for the following price(s) in strict compliance with the specifications, terms, and conditions set forth in this RFP.

Item No	Description	Units	Unit Cost	Item Total
1	Street Tree Pollarding	300	$300.00	$90,000.00
2	Street Tree Pruning – Medium	100	$250.00	$25,000.00
3	Street Tree Pruning – Large	150	$450.00	$67,500.00
4	Street Tree Pruning – Very Large	50	$850.00	$42,500.00
5	Street Tree Removal – Medium	1	$525.00	$525.00
6	Street Tree Removal – Large	1	$1,850.00	$1,850.00
7	Street Tree Removal – Very Large	1	$4,250.00	$4,250.00
8	Street Tree Stump Grinding – Medium	1	$200.00	$200.00
9	Street Tree Stump Grinding – Large	1	$350.00	$350.00
10	Street Tree Stump Grinding – Very Large	1	$450.00	$450.00
11	Parks Tree Pruning – Medium	1	$325.00	$325.00
12	Parks Tree Pruning – Large	1	$500.00	$500.00
13	Parks Tree Pruning – Very Large	1	$900.00	$900.00
14	Parks Tree Removal – Medium	1	$600.00	$600.00
15	Parks Tree Removal – Large	1	$1,950.00	$1,950.00
16	Parks Tree Removal – Very Large	1	$4,500.00	$4,500.00
17	Parks Tree Stump Grinding – Medium	1	$225.00	$225.00
18	Parks Tree Stump Grinding – Large	1	$400.00	$400.00
19	Parks Tree Stump Grinding – Very Large	1	$500.00	$500.00

NOTE: Contract award will not be based solely on total pricing – see Attachment 1 Score Card

INCREASE OF CONTRACT OVER TERM OF CONTRACT

Annual increase shall not exceed three percent (3.0%). If the CPI-U shows a negative change, no increase shall be applied. CITY may request supporting CPI documentation prior to approval.

First Annual Increase (Fiscal Year 2027/28) 3% increase
Second Annual Increase (Fiscal Year 2028/29) 3% increase
Third Annual Increase (Fiscal Year 2029/30) 3% increase

WEST COAST ARBORISTS, INC. – ADDITIONAL SERVICES

City of San Bruno

Request for Proposal (RFP)

for

TREE PRUNING AND REMOVAL SERVICES

Description	Unit	Unit Cost
Crew Rental Services	**Per man hour**	**$145.00**

The crew and equipment can be modified to complete any type of miscellaneous task, including special projects that may consist of extraordinary work as directed by CITY staff. The use of crew rental may be warranted due to inaccessibility by equipment, in park locations, slope settings, or non-linear tree pruning.

Specialty Equipment with Operator (i.e., 20-ton crane, 95-foot aerial tower)	**Per hour**	**$250.00**
Roll-off Truck	**Per hour**	**$250.00**
40-ton Crane	**Per hour**	**$350.00**

4-hour minimum

Rates above based on regular business hours, Monday – Friday, 7am-4pm

Tree Planting Services (includes labor, tree and stakes)

24-inch box tree	**Each**	**$550.00**
36-inch box tree	**Each**	**$1,900.00**
48-inch box tree	**Each**	**$3,500.00**

Emergency Response Services	**Per man hour**	**$190.00**

WCA is available for emergency calls on a 24-hour basis. Customers can call our toll-free emergency telephone number in the event of an emergency – 866-Limb-Down (866-546-2369) and one of our Area Managers will respond to the call. Shand an emergency call-out occur during evening hours, weekends and/or holidays, we can respond and begin work on-site between 120 to 240 minutes from the time notification was given. Our emergency response team will do what is necessary to leave the tree site safe until the following workday.

Emergency Specialty Equipment with Operator (i.e., 20-ton crane, 95-foot aerial tower)	**Per Hour**	**$300.00**

4-hour minimum

Emergency Rates above are based non-business hours, Monday – Friday 4:01pm-6:59am, Holidays and Weekends.

West Coast Arborists, Inc.
2200 E. Via Burton Street • Anaheim, CA 92806 • 714.991.1900 • 800.521.3714 • Fax 714.956.3745

Arborist Consulting Services

• Consulting Services including Report Writing (2-hour min.) Travel included	**Per hour**	**$195.00**
• Laboratory testing (i.e., Soil, limb, etc.)	**Each**	**Cost + 15%**

COOPERATIVE PURCHASE

It is intended that any other public agency (e.g., City, County, District, public authority, public agency, municipality, and other political subdivision or public corporation) shall have the option to participate in any award made as a result of this solicitation at the same prices. The Agency shall incur no financial responsibility in connection with any purchase by another public agency. The public agency shall accept sole responsibility for placing orders and making payments to the vendor.

West Coast Arborists, Inc.
2200 E. Via Burton Street • Anaheim, CA 92806 • 714.991.1900 • 800.521.3714 • Fax 714.956.3745

IN WITNESS WHEREOF, the proposer named herein on the date affixed hereto has duly executed the Proposal.

PROPOSER:

By: [redacted]
Authorized Signature

Name: Patrick Mahoney, President

Address: 781 San Pablo Ave. Pinole, CA 94564
2200 E. Via Burton, Anaheim, CA 92806 - Corporate

Attest: _____
Notary Public, State of California

*Please see attached California All-Purpose Acknowledgement

Date: 05/12/26

-END OF DOCUMENT-END OF DOCUMENT-

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Collette Murphy-Stefanko, Interim Director of Community Services

SUBJECT: Consider Adoption of a Resolution Approving of the Fiscal Year 2026-27 Parks and Recreation Commission, Senior Advisory Board and Culture and Arts Commission Work Plans

BACKGROUND:

The City of San Bruno relies on several volunteer advisory bodies to bring community perspective into City Council decisions. Three of these, focused on parks and recreation, culture and arts, and senior services are managed through the Community Services Department.

The Parks and Recreation Commission advises the Council on parks, recreation programs, and community services, providing a public forum for community input and reviewing a range of topics that include recreational needs, program offerings, facility use, and the maintenance and improvement of parks and recreational amenities.

The Culture and Arts Commission advises the Council on promoting the community's artistic development and preserving San Bruno's diverse cultural heritage, with goals that include acquiring and maintaining public art and sponsoring programs and events that enhance residents' quality of life while improving the image and character of the community.

The Senior Advisory Board rounds out this group by making recommendations to the Council on programs and activities for senior citizens age fifty and over. It differs from the City's other advisory bodies in both composition and selection: the Board consists of seven members plus one appointed representative from the Nutrition Site Council, serving two-year terms that end in January, and rather than being appointed by the City Council, its members are elected directly by San Bruno seniors who establish proof of age and city residency.

Together, these three bodies give residents a direct channel to shape the City's approach to recreation, the arts, and senior services, ensuring that community input informs the programs, facilities, and cultural offerings that affect daily life in San Bruno.

Each fiscal year, these advisory bodies develop a work plan to identify key priorities and focus areas that align with community needs, City initiatives, and their respective advisory roles. Establishing a work plan provides a structured framework for each advisory body's efforts while allowing flexibility to respond to emerging needs and opportunities throughout the year.

DISCUSSION:

Each advisory body identified potential priority areas for FY 2026-27 at earlier meetings, and following staff refinement, revised draft work plans were presented for final review. The Parks and Recreation Commission reviewed its plan on April 15, 2026, the Senior Advisory Board on May 19, 2026, and the Culture and Arts Commission on May 21, 2026. In each case, the body unanimously recommended approval of its respective Work Plan for City Council consideration.

The proposed Parks and Recreation Commission Work Plan identifies focus areas where the Commission can provide input, support community engagement, and advance initiatives affecting use of parks and recreation facilities:

- Attendance at events and encouraging participation for residents and visitors
- Supporting the field allocation and concession use policy
- Supporting development of a commercial use policy and fee structure
- Providing input on playground triage, park assessments, and CIP projects
- Supporting public input for Lion's Park/Belle Air Master Plan
- Providing input on the dog park design and research funding

The proposed Senior Advisory Board Work Plan sets the Board's priorities for a critical year ahead, shaped by a potential Senior Center remodel, ongoing programming decisions, and the need to build support for the Senior Nutrition Program:

- Senior Center Remodel – Providing input on program continuity and alternative service delivery during the transition
- Nutrition Program Sustainability – Increasing awareness, participation, and long-term sustainability through education and voluntary contributions
- Age-Friendly City Initiative – Evaluating prior efforts and identifying priorities to maintain San Bruno's Age-Friendly designation
- Downtown Development – Promoting an age-inclusive downtown with safe access to economic, transportation, and community spaces
- Emergency Preparedness – Improving preparedness for older adults through accessible information and targeted outreach
- Community Engagement – Encouraging member attendance at events to strengthen the Board's visibility and community connection
- Senior Center 40th Anniversary – Celebrating the Center's history and impact in January 2027

The proposed Culture and Arts Commission Work Plan identifies focus areas supporting the community's artistic development and the preservation of San Bruno's diverse cultural heritage:

- Attendance at events and encouraging participation for residents and visitors
- Supporting programming at Centennial Plaza
- Supporting public art and advising on selections
- Supporting the Mural Program
- Supporting rotating exhibitions in City spaces
- Providing input on Winter Windows Wonderland

Each work plan further identifies intended outcomes, participating members or subcommittees, and anticipated timelines for each priority area. Approval by the City Council formalizes each body's FY 2026-27 priorities while preserving flexibility to respond to additional topics or City priorities throughout the year.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. Individual projects, events, or initiatives identified within the work plan may be evaluated separately for fiscal impact as needed.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt a Resolution Approving of the Fiscal Year 2026-27 Parks and Recreation Commission, Senior Advisory Board and Culture and Arts Commission Work Plans.

ALTERNATIVES:

1. Provide additional direction or modifications to the proposed work plans.
2. Decline to adopt the proposed work plans.

ATTACHMENTS:

1. Resolution
2. FY 2026-27 Parks and Recreation Recommended Work Plan
3. FY 2026-27 Senior Advisory Board Recommended Work Plan
4. FY 2026-27 Culture and Arts Commission Recommended Work Plan

RESOLUTION NO. 2026 - ___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO APPROVING THE FISCAL YEAR 2026-27 PARKS AND RECREATION COMMISSION, SENIOR ADVISORY BOARD, AND CULTURE AND ARTS COMMISSION WORK PLANS

WHEREAS, the Parks and Recreation Commission serves as an advisory body to the City Council on matters related to parks, recreation programs, and community services; and

WHEREAS, the Senior Advisory Board serves as an advisory body to the City Council on programs and activities for senior citizens age fifty and over; and

WHEREAS, the Culture and Arts Commission serves as an advisory body to the City Council on matters related to promoting the artistic development of the community and preserving San Bruno's diverse cultural heritage; and

WHEREAS, each fiscal year these advisory bodies develop a work plan to identify key priorities and focus areas that align with community needs, City initiatives, and their respective advisory roles; and

WHEREAS, the proposed FY 2026-27 Parks and Recreation Commission Work Plan includes focus areas related to community engagement, field allocation and concession use policy, development of a commercial use policy and fee structure, playground triage and park assessments as well as CIP projects, Lion’s Park/Belle Air Master Plan, and dog park design; and

WHEREAS, the proposed FY 2026-27 Senior Advisory Board Work Plan includes focus areas related to the Senior Center remodel, Nutrition Program sustainability, the Age-Friendly City initiative, downtown development, emergency preparedness, community engagement, and the Senior Center’s 40th Anniversary; and

WHEREAS, the proposed FY 2026-27 Culture and Arts Commission Work Plan includes focus areas related to community engagement, programming at Centennial Plaza, public art, the Mural Program, rotating exhibitions in City spaces, and the Winter Windows Wonderland; and

WHEREAS, the proposed work plans align with City Council initiatives and support ongoing efforts to enhance programs, services, accessibility, and quality of life for residents in San Bruno; and

WHEREAS, on April 15, 2026, the Parks and Recreation Commission conducted a final review of their proposed FY 2026-27 Work Plan and unanimously recommended approval to the City Council; and

WHEREAS, on May 19, 2026, the Senior Advisory Board conducted a final review of their proposed FY 2026-27 Work Plan and unanimously recommended approval to the City Council; and

WHEREAS, on May 21, 2026, the Culture and Arts Commission conducted a final review of their proposed FY 2026-27 Work Plan and unanimously recommended approval to the City Council; and

WHEREAS, the City Council has reviewed the proposed FY 2026-27 Parks and Recreation Commission Work Plan and finds that adoption of the work plan supports the continued engagement and advisory efforts of the Parks and Recreation Commission; and

WHEREAS, the City Council has reviewed the proposed FY 2026-27 Senior Advisory Board Work Plan and finds that adoption of the work plan supports the continued engagement and advisory efforts of the Senior Advisory Board; and

WHEREAS, the City Council has reviewed the proposed FY 2026-27 Culture and Arts Commission Work Plan and finds that adoption of the work plan supports the continued engagement and advisory efforts of the Culture and Arts Commission.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Bruno hereby approves the Fiscal Year 2026-27 Parks and Recreation Commission Work Plan, the FY 2026-27 Senior Advisory Board Work Plan, and the FY 2026-27 Culture and Arts Commission Work Plan.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

City of San Bruno Parks and Recreation Commission Work Plan FY 2026-27

Commission Approval: April 15, 2026
Council Approval: Tentative June 23, 2026

	Work Plan Item	Assignments	Timeline	Intended Outcomes
1	Attendance at Events and Encouraging Attendance for Residents and Visitors	All	Ongoing	Strengthen commissioner connection to the community, gain firsthand insight into programs and services, and educate on their policy and advisory role. Commissioner presence also demonstrates visible support for staff and reinforces community trust and engagement. Commissioners are encouraged to attend at least two events annually to ensure consistent exposure and meaningful participation.
2	Field Allocation and Concession Use Policy	Ad Hoc-	Completion April 2027	To develop a clear, fair, and transparent policy including a supporting fee structure that reflects community needs and City priorities. Working closely with Recreation staff and key stakeholders, including user groups and leagues, the ad hoc will gather input, address challenges, and provide practical recommendations to ensure the policy is consistent and equitable.
3	Commercial Use Policy	Ad Hoc-	November 2026	To create a clear, enforceable framework that addresses unauthorized ("rogue") instructors operating in parks and facilities. Through collaboration with staff and key stakeholders, the ad hoc will help define appropriate use standards, establish equitable fees, and develop practical guidelines that protect public access, ensure fairness, and support consistent enforcement.
4	Playground and CIP Advisory/Park Assessment	Ad Hoc	Ongoing	To provide meaningful opportunities for input and public participation in prioritizing projects, ensuring that investment decisions are transparent, informed, and aligned with community needs.
6	Lion's Park/Belle Air Master Plan (Contingent Upon CIP Approval)	All	June 2027	To provide a structured forum for public participation, gather and synthesize community input, and develop informed recommendations to the City Council that reflect community priorities and guide long-term park planning and investment decisions.
7	Dog Park Design Advisory (Contingent Upon CIP Approval)	All	February 2027	Ensuring a well-informed, community-supported design that reflects both user needs and City priorities. Provide a structured forum for meaningful public participation, allowing residents and stakeholders to offer input, identify concerns, and contribute ideas. Help to identify funding opportunities for a future construction project.

City of San Bruno Senior Advisory Board Work Plan FY 2026-27

Commission Approval: May 19, 2026

Council Approval: Tentative June 23, 2026

	Work Plan Item	Assignment	Timeline	Intended Outcomes
1	Attendance at Events and Encouraging Participation for Residents and Visitors	All	Ongoing	To strengthen commissioner connection to the community, increase visibility of the Board, and gather firsthand insight into programs and services to better inform recommendations and advisory input. Commissioners are encouraged to attend at least two events annually.
2	Supporting Implementation of the Age-Friendly City Initiative	Ad-Hoc: (Bonzani, Dunn, Chin)	FY 2026–27	Evaluate the status of previous Age-Friendly efforts, identify priority focus areas, and provide recommendations that support an updated, actionable work plan aligned with community needs, while supporting continued progress toward maintaining San Bruno's Age-Friendly City designation.
3	Providing Input on Programming During the Senior Center Remodel	Ad-Hoc: (Hom, Madden, Satow)	FY 2026–27	To provide input on program continuity and alternative service delivery strategies during the remodel period, ensuring older adults remain engaged and supported throughout the transition.
4	Supporting Older Adult Engagement in Downtown Development Efforts	All	FY 2026–27	To provide recommendations that promote an age-inclusive downtown, ensuring older adults can safely access, participate in, and benefit from economic development, transportation, and community spaces.
5	Supporting Education and Outreach - Senior Nutrition Program	Ad-Hoc: (Boscono, Hom, Satow)	FY 2026–27	To increase awareness of the Nutrition Program, encourage participation, and support long-term sustainability through education on program benefits and voluntary contributions.
6	Providing Input on Emergency Preparedness Efforts for Older Adults	All	FY 2026–27	Support improved preparedness for older adults through accessible information, and targeted outreach; helping ensure residents are better equipped to respond to emergencies at home and within the community.
7	Supporting the Senior Center 40th Anniversary Celebration	All	January 27	Celebrate the history and impact of the Senior Center, strengthen community connection, and increase visibility through events, storytelling, and outreach that engage both current participants and the broader community.

City of San Bruno Culture and Arts Commission Work Plan FY 2026-27

Commission Approval: May 21, 2026
Council Approval: Tentative June 23, 2026

	Work Plan Item	Assignment	Timeline	Intended Outcomes
1	Attend & volunteer at City Community Services events while promoting participation among residents & visitors.	All	Ongoing	Strengthen commissioners' community connections, deepen their understanding of programs and services, and support their policy and advisory roles. Participation demonstrates support for staff and helps build public trust and engagement. Each commissioner will attend at least two events annually and actively contribute to arts or cultural community engagement activities at two additional events aligned with the events' purposes.
2	Assist - Promotion of City arts and culture programs and events	All	Ongoing	Commissioners will assist City staff with submission of programs and events to public calendars as well as traditional and social media channels to help increase visibility in the community.
3	Explore feasibility of programming at Centennial Plaza (Contingent Upon Budget Approval)	Ad Hoc: 1. 2.	May 2027	Commissioners will identify community interests through surveys, information sessions, and other outreach; recommend City-permitted 2026/27 programs or events; and develop pilot proposals, timelines, and budgets. Programs will be planned and implemented primarily by commissioners with minimal staff involvement, and continuation will be evaluated after the pilot phase.
4	Downtown Public Art Project (Contingent Upon Council Approval)	Ad Hoc: 1. 2.	May 2027	Identify and recommend a downtown San Bruno public art project aligned with City Council priorities. The Commission will gather community input, develop recommendations for City Council, and assist staff with the artist call and jury process.
5	Mural Program	Ad Hoc: 1. Seymour 2. Hanhan	Ongoing	The ad hoc committee will review mural proposals and recommend action to the City Council, assist with artist selection and jury processes, gather community input, and support public art recommendations that reflect community priorities.
6	Rotating Exhibitions in City Spaces	Ad Hoc: 1. 2.	Ongoing	Ad hoc will advise on guidelines and processes and serve on the jury panel.
7	Winter Windows Wonderland	Ad hoc: 1. 2.	Dec. 2026	Ad hoc will reevaluate the program involving holiday window decorations in downtown businesses and may serve as jurors if the program continues.

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Nick Pegueros, Administrative Services Director & CFO
Esther Garibay, Finance Manager

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Non-Standard General Services Agreement with Progressive Solutions Inc. for Water Utility Billing Software Maintenance in an Amount Not to Exceed $30,413.40

BACKGROUND:

The City's water utility billing system supports the calculation, billing, collection, and reporting of water service charges for City water customers. These services are essential to the operation of the Water Enterprise Fund and the City's ability to accurately bill customers and collect revenues.

Progressive Solutions Inc. currently provides software maintenance and support services for the City's water utility billing operations. The utility billing system supports critical functions including customer account management, integration of meter reading data, bill generation and transmission to the City's billing vendor, payment processing, financial and operational reporting, and compliance with applicable regulatory requirements.

The proposed agreement will allow the City to continue receiving ongoing support, maintenance, software updates, and related professional services necessary for the uninterrupted operation of the utility billing system.

DISCUSSION:

Staff evaluated the City's operational needs and determined that continued use of Progressive Solutions Inc's services provides the most effective and efficient solution for the City's utility billing operations. Because the software and associated services are proprietary to the vendor, alternative providers cannot perform the same maintenance and support functions without significant system replacement costs, operational disruption, and staff retraining.

The agreement will continue to provide:

- Ongoing software maintenance and technical support;
- System updates and enhancements;
- Regulatory and compliance updates;
- Troubleshooting and issue resolution;
- Access to vendor technical resources and customer support; and
- Additional professional services as needed to support utility billing operations.

Approval of the agreement will ensure continuity of critical utility billing functions and support the reliable collection of water utility revenues.

FISCAL IMPACT:

The total cost of the agreement is not to exceed $30,413.40 for the one-year term. Funding for the agreement will be shared between the Water Enterprise Fund and the Finance Department. The Water Enterprise Fund will fund $24,307.93 of the agreement cost, while the Finance Department will fund the remaining $6,105.47 associated with utility billing functions that support citywide financial operations.

Sufficient funding is available within the recommended adopted Fiscal Year 2026-27 budget for both departments. Approval of the agreement will not require a budget amendment and will support the continued operation and maintenance of the City's water utility billing system.

ENVIRONMENTAL IMPACT:

The proposed action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 because it involves administrative and organizational activities that will not result in a direct or indirect physical change in the environment.

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute a non-standard General Services Agreement with Progressive Solutions Inc. for water utility billing software maintenance in an amount not to exceed $30,413.40.

ALTERNATIVES:

The City Council could choose not to approve the agreement with Progressive Solutions Inc. This alternative is not recommended because it would eliminate access to software maintenance, technical support, updates, and troubleshooting services necessary for the continued operation of the City's water utility billing system. Without vendor support, the City could experience disruptions to billing operations, delays in revenue collection, increased system security risks, and potential compliance issues.

Staff recommends approval of the agreement with Progressive Solutions Inc. to ensure continued operation, maintenance, and support of the City's existing water utility billing system while maintaining continuity of service for utility customers and preserving reliable revenue collection for the Water Enterprise Fund.

ATTACHMENTS:

1. Resolution
2. Non-Standard General Services Agreement with Progressive Solutions Inc.

RESOLUTION NO. 2026-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A NON-STANDARD GENERAL SERVICES AGREEMENT WITH PROGRESSIVE SOLUTIONS INC. FOR WATER UTILITY BILLING SOFTWARE MAINTENANCE IN AN AMOUNT NOT TO EXCEED $30,413.40

WHEREAS, Progressive Solutions Inc. provides software maintenance and support services for the City's utility billing system, which is utilized to support water utility billing operations; and

WHEREAS, continued maintenance and support services are necessary to ensure the reliable operation of the City's utility billing system; and

WHEREAS, the City Council finds that approval of the agreement is in the best interest of the City to maintain uninterrupted utility billing operations.

WHEREAS, sufficient funding is available within the adopted Fiscal Year 2026-27 budget, with $24,307.93 funded by the Water Enterprise Fund and $6,105.47 funded by the Finance Department.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of San Bruno hereby authorizes the City Manager, or designee, to execute a non-standard General Services Agreement with Progressive Solutions Inc. for water utility billing software maintenance services in an amount not to exceed $30,413.40 for the period of July 1, 2026 through June 30, 2027, in a form approved by the City Attorney.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT the City Manager, or designee, is authorized to take all actions necessary to implement this Resolution.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 -** _____
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Progressive Solutions, Inc.
P O Box 783
Brea, CA 92822

PROGRESSIVE SOLUTIONS INC.
www.progressivesolutions.com

INVOICE

Invoice Number
4181

Invoice Details

Create Date: 6/30/2026
Prepared By: Shawn Cobarrubias

Due Date: 7/15/2026
Phone #: 714/671-1597

Account Information

Account Name: City of San Bruno-Finance
IT:

Contact Name: Esther Garibay
Email: Egaribay@sanbruno.ca.gov

Phone #: 650/616-7034
Billing Address: 567 El Camino Real
San Bruno CA 94066

Name	Designated Caller	Maintenance Fee

ATTACHMENT 2

Progressive Solutions, Inc.
P O Box 783
Brea, CA 92822

PROGRESSIVE SOLUTIONS INC.
www.progressivesolutions.com

INVOICE

Invoice Number
4181

Invoice Details

Software Maintenance-PaymentCentral (07/01/2026 - 06/30/2027)		5,046.20
Software Maintenance - MGO Payments Interface (07/01/2026 - 06/30/2027)		1,059.27
SanMateo-SanBruno		0.00
We appreciate your business.	**TOTAL**	**$6,105.47**

Progressive Solutions, Inc.
P O Box 783
Brea, CA 92822

PROGRESSIVE SOLUTIONS INC.
www.progressivesolutions.com

INVOICE

Invoice Number
4205

Invoice Details

Create Date: 4/15/2026

Prepared By: Shawn Cobarrubias

Due Date: 7/15/2026

Phone #: 714/671-1597

Account Information

Account Name: City of San Bruno-Water

IT:

Contact Name: Water Division

Email: Egaribay@sanbruno.ca.gov

Phone #: 650/616-7034

Billing Address: 567 El Camino Real
San Bruno CA 94066

Name	Designated Caller	Maintenance Fee

Progressive Solutions, Inc.
P O Box 783
Brea, CA 92822

PROGRESSIVE SOLUTIONS INC.
www.progressivesolutions.com

INVOICE

Invoice Number
4205

Invoice Details

UtilityExplorer Software Maintenance (07/01/2026 - 06/30/2027)		18,719.43
Software Maintenance - Split Bill Maintenance (07/01/2026 - 06/30/2027)		625.30
Software Maintenance - Lockbox Interface (07/01/2026 - 06/30/2027)		2,009.91
Software Maintenance - VertexOne Integration (07/01/2026 - 06/30/2027)		1,854.00
Hardware Maintenance for above item (07/01/2026 - 06/30/2027) per Comprehensive Hardware Maintenance Agreement		1,000.49T
SanMateo-SanBruno		98.80
We appreciate your business.	**TOTAL**	**$24,307.93**

Progressive Solutions Inc.
P O BOX 783
BREA, CA 92822

PROGRESSIVE SOLUTIONS
www.progressivesolutions.com

USAGE RIGHTS

Upon timely payment of the above total due, Customer shall be licensed to use the above identified *Progressive Solutions Inc.* software/modules for the License Term and number of Users as defined in this Order.

LICENSE TERM

License Start Date: 7/1/2026 **License End Date:** 6/30/2027

*Customer's License Start Date will commence no earlier than the signature date of this Order

TERMS OF USE

See Software Maintenance Agreement below

PAYMENT TERMS

Payment Frequency	Annually	**Payment Terms**	The Above Total Is Due Prior to License Expiration To Avoid Cessation of Software/Services and a 25% Reinstatement Fee

EXECUTION:
To avoid conflicting terms arising out of the integration of this Agreement, resulting purchase orders, letters and confirmation, the parties agree that should any conflict arise with any other unilateral writings of either party, this Agreement shall govern. Both Parties via their signatures below or electronically hereby certify 1) they are authorized to sign this agreement and 2) each signer accepts the attached terms and conditions on behalf of the above referenced organization. The Receiving Party via their signature below or electronically hereby certifies that there are no contractual conflicts with respect to any existing city charter or similar legislation or that any conflicts have been identified, fully disclosed to Licensor in writing and such written documentation has been attached to/made a part of this agreement; further any unidentified/unincorporated legislative conflicts shall be deemed waived.

CITY OF SAN BRUNO

Signature _____ Date _____

Name _____ Title _____

PROGRESSIVE SOLUTIONS INC.

Signature _____ Date _____

Name _____ Title _____

*Please Note - To avoid late penalties and to ensure continuation of service, receipt of a signed agreement prior to expiration entitles you to a 30-day payment grace period without penalty. Please SIGN & RETURN attached Software Maintenance Agreement or remit payment, by 6/30/2026.

I. NATURE AND DURATION OF SUPPORT.

Progressive Solutions Inc., a California corporation herein after referred to as "Licensor" is in the business of providing software maintenance services (*herein after referred to as "Software Maintenance"*). Software Maintenance is intended to facilitate smooth & efficient ongoing operations of the Licensed software. Licensee as identified above as 'Account Name' desires to obtain Software Maintenance for the specified Licensed software. This Agreement provides for remote services to be performed in Orange County, California, only during normal business hours (*6:30am PST to 5pm PST*). Maintenance services shall start and end on the dates specified above in the section titled LICENSE TERM. Services shall expire at 5:00 PM Pacific Standard Time on the end date specified above unless renewed (*WHETHER AUTOMATIC OR MANUAL*) as set forth below. Support outside of normal business hours is available for purchase. Requests for service for which the intended result is of negligible operational benefit are not available free of additional charge under this Software Maintenance Agreement. (i.e. *Changing the name of a non-Licensor hosted server absent a hardware upgrade which consequently results in the need to reinstall/verify the SQL data base software, the operating system, the Licensed software and to update every Licensee machine that runs the Licensed software.*) Licensees that purchase after hours support will be provided with the appropriate contact information. Licensor reserves the right to prorate the software maintenance fee and provide more or less than one year of coverage so that subsequent Software Maintenance Agreements expire on the above referenced License End Date. **UNLESS WRITTEN NOTICE OF TERMINATION HAS BEEN PROVIDED BY LICENSEE TO LICENSOR NO LATER THAN 60 DAYS PRIOR TO EXPIRATION OF THIS SOFTWARE MAINTENANCE AGREEMENT, THIS AGREEMENT SHALL AUTOMATICALLY RENEW THEREAFTER FOR A PERIOD OF TIME EQUAL TO THE DURATION OF THIS AGREEMENT AT THE SPECIFIED MAINTENANCE RATES IN EFFECT AT THAT TIME FOR THE RENEWAL PERIOD. NO OTHER TERMINATION OF THE AUTOMATIC RENEWAL PROVISION IS AVAILABLE. UPON EXPIRATION OF THE LICENSED SOFTWARE, SOME OR ALL OPERATIONAL FEATURES MAY NO LONGER FUNCTION AND NO SUPPORT SHALL BE AVAILABLE. THE LICENSED SOFTWARE MAY BE REACTIVATED WITHIN 30 DAYS BY PAYMENT OF THE OUTSTANDING SOFTWARE MAINTENANCE INVOICE PLUS THE REINSTATEMENT FEE IDENTIFIED ON THE COVER PAGE OF THIS AGREEMENT.**

II. LICENSEE'S RIGHTS, OBLIGATIONS & REPRESENTATIONS

a) Training for users, managers and other personnel is essential for efficient operation of the Licensed software. Licensee shall designate one employee as a primary contact for each Licensed software application. The designee must have been trained to use the Licensed software, must regularly use the system(s) and be primarily responsible for daily results/operation of the system(s). While designee may assign follow-up on a request for service to another staff member, designee must initiate contact with Licensor's support personnel and relate their questions or issues. Designee shall coordinate and/or test/verify all configurations including but not limited to: general ledger accounts, rates, rate types billing & charge groups. In addition, designee shall coordinate availability of necessary IT staff for software updates and installation (*when required by your local policy*). Licensor understands that staff turnover is inevitable. Should a change to the designee be required, a proposed designee shall meet at least one of these requirements 1) be well trained by the previous trained designee (*passage of a test on software functionality may be required*) 2) have scheduled/received onsite or remote training from Licensor at current rates or 3) agreed to regularly attend Licensor's annual user conference (*only if conference is scheduled to occur within 3 months of the proposed designee change as training is crucial to smooth operations*). Once at least one of the above conditions has been met, please contact Licensor to obtain the designee change form for subsequent submittal to Licensor. Such training is neither available nor appropriate via customer support lines. Licensee acknowledges that updates/version releases/patches made available to Licensee from time to time are an integral part of the overall performance and value of the Licensed commercial configured software. For local implementations, Licensee shall make a good faith effort to 1) install all software updates/version releases/ operating system patches in a test environment for thorough evaluation and testing prior to deployment in a production environment. And 2) install the tested upgrades/version releases/ operating system patches promptly after completion of testing occurring no later than nine (9) months from the date such updates are made available by Licensor. If the corrective nature of software upgrades are not promptly reviewed and/or the software upgrade installed shortly after notification of availability from Licensor, Licensor staff shall **NOT** provide further support (*i.e. workarounds*) relating to **any** issues where Licensor has offered Licensee a recommended resolution that requires implementation of a software update. Further as software versions older than one year are more expensive to support, when appropriate an obsolescence surcharge may be added to the next support invoice.

b) Software corrections are defined as: Licensor software updates as well as specified operating system patches. Licensee agrees to implement software corrections that have been identified as necessary by Licensor and to ensure that the requirements identified in Exhibit B: (Requirements) are met by all machines intended to execute the Licensed software. Licensee understands that software corrections are typically implemented via new software releases. Failure to implement those identified software corrections or to maintain the specified requirements shall relieve Licensor from any and all Software Maintenance responsibilities relating to any Licensee reported issue(s) that the Licensor correction(s) was/were offered to address for local non-hosted implementations. In the event Licensee fails to implement identified software corrections, any subsequent services relating to the Licensee reported issue(s) will only be provided on an emergency time and materials basis. Unlike the business models of other providers where products become obsolete, Licensor continually improves the software and offers to schedule at least one complimentary software version upgrade each year as a component of annual software maintenance. It is highly recommended that Licensee staff regularly attend Licensor's annual user training/conferences so staff may learn of, receive training on and take full advantage of accumulated new features and functionality. It is vital that at least one Licensee staff member for each Licensed product attend Licensor's user conference at least every 5 years. Licensee representatives who insist on obtaining training via telephone support may result in Licensor passing on such training costs along via an additional increase in the Software Maintenance Agreement.

c) To the extent permitted by any pertinent transparency legislation (*such as a federal, state or local Public Records Act*), Licensee will preserve the confidential nature of the Licensed software and related media and will not make copies, including partial copies or updated versions thereof, except for internal reference, archive or backup purposes. For local implementations, Licensee is solely responsible for the backup of its data and agrees to conscientiously ensure the existence of functional daily backups for at least the last 10 business days and shall not remove or disable any SQL agent or backup plan initiated by Licensor without both notification to Licensor and at least monthly testing of any subsequently implemented alternate backup plan. If the backup plan is altered or disabled without notification to Licensor, and there is a resulting data loss, an additional charge may be incurred for requested data recovery services.

d) Licensee agrees to provide Licensor with access to the licensed software and data for the sole purpose of providing technical support. As a result, Licensee agrees to (1) maintain a working connection to the internet, (2) permit access through any router/firewall or permit a Virtual Private Network-VPN connection to Licensee's network and (3) allow access to a technical support requestor's workstation via Licensor's workstation via Licensor's licensed TeamViewer™ plugin or provide an equivalent alternative at Licensee's expense. In addition, Licensee agrees that all designated workstations shall meet at least the minimum requirements as specified in Exhibit B: (Requirements and Project Implementation Matrix) at the time of the initial implementation in order to accommodate the software version initially installed. Licensee for local implementations further agrees to have completed installation of the licensed software, the Microsoft® SQL tools and other mutually agreed requirements such as: Microsoft® Terminal Services, Citrix or other similar functionality. In the event Licensor deems such remote access necessary, Licensor shall request confirmation that required access (one of the options listed above) is available. Upon receipt of such confirmation, Licensor shall attempt remote access. If remote access is not functional despite Licensee's confirmation of functional remote access, Licensor shall provide remote access verification services free of charge for one time during each annual agreement. Should Licensee require remote access verification services in excess of the one free service, Licensor will request approval to invoice for such services at the rate in effect at the time of service prior to providing such remote access verification. In the event remote access is not and will not be available in the course of Licensor's attempt(s) to provide Software Maintenance, Licensee understands that Licensor's ability to provide support will be severely limited and an additional service surcharge may be applied to the Software Maintenance Agreement to account for the additional costs incurred to provide such additional support. Should Licensee desire emergency support, on-site support services are available at Licensor's current support rate plus expenses for each partial or full day required to provide Software Maintenance.

e) To minimize Licensee costs, to eliminate any requirement for manual update of validation and/or zip plus four (4) codes, to allow for other on line validations (such as contractor's license, sales tax permit, pet microchip owner information retrieval, etc.) and to maximize uptime of zip plus four (4) & Licensed software validations, the Licensed software should optimally be configured for secure internet access to the Licensor designated internet address. Consequently users of the Licensed software that is locally implemented may periodically obtain the latest zip plus four (4) data and validation codes. Absent this configuration, to obtain automated zip plus four (4) functionality, for local implementations, Licensee must purchase a zip plus four (4) data subscription from Licensor and designate staff to install such zip plus four (4) updates every two (2) months. Failure to promptly update zip plus four (4) data for local implementations will cause disruption of the zip plus four (4) functionality. Furthermore absent internet access or maintenance of a current data subscription from licensor, the automated validations provided at the time of installation shall cease and all such validations will need to be performed manually.

f) **Network Performance**: Licensee understands and acknowledges that network performance is solely the responsibility of Licensee. Should any questions arise as to whether a performance issue is software or network related, Licensee agrees to direct

staff, a Licensee retained consultant or Licensor (at Licensee's cost) to evaluate network/software performance. Such network evaluation shall utilize "Network Sniffer" or equivalent tools to facilitate generation of quantitative results. Licensee agrees to request & incorporate Licensor's recommendations in the network evaluation work plan. Licensee further agrees to transmit the results of such work to Licensor for review and to withhold publication of such results until after implementation of all Licensor recommendations. Requests of Licensor for performance troubleshooting (such as speed and network connection issues) in which Licensor receives prior written authorization to collect factual data and subsequently presents a determination that performance issue(s) is/are network related will be billed at the rates in effect at the time of service.

g) Licensee assumes any and all responsibility and liability for 1) any modification to the Licensed software and/or database structure not made by Licensor (i.e. changes to Crystal reports, additions or deletions of data base tables, fields, etc.) and 2) any modification to the Licensee's data which is not made by Licensor or the Licensed software. If, after providing corrective maintenance, Licensor determines that an error condition is not a Licensed software error or that the error condition results from either condition 1 or 2 above, Licensee agrees to pay Licensor for the reasonable services so provided at the rates in effect at the time of service plus reasonable expenses.

h) **Call Monitoring:** Licensee may monitor and record any calls between Licensee (including designated Sub-Agencies) and Licensor.

i) **PCI Compliance**: While Licensor's payment processing solutions are designed to CISP (Cardholder Information Security Program) & PCI (Payment Card Industry Data Security Standard) guidelines, Licensee understands that Licensor's PCI/PADSS compliance and certification does not automatically result in Licensee compliance. Licensee acknowledges that to maintain CISP/PCI compliance, Licensee must provide staff with PCI security training and ensure that staff actions maintain compliance. Licensee understands that local PCI compliance is not possible without Licensee's internal staff effort to achieve such compliance. Licensee accepts their critical role in maintaining compliance as required by Visa, MasterCard, etc. Licensor accepts responsibility for facilitating such compliance by neither encouraging the storage of credit card data via non-secured methods nor configuring the system for the express purpose of retaining such information. It is Licensee's responsibility to assure that all other 3rd party partners/vendors as well as their own internal operations staff facilitate compliance in their specific areas of process control.

j) **Software License Expiration**: Upon expiration of the software license pursuant to Section II of this agreement, Licensee shall discontinue use of Licensor's database/structure, software & related electronic forms as described in Section V-Default.

III. LICENSOR'S RIGHTS, OBLIGATIONS & REPRESENTATIONS

a) **Support Services:** During the term of this Agreement, Licensor shall make available to Licensee without additional charge any updates and/or minor enhancements to Licensed software, data or data structures, which Licensor releases. In addition, Licensor shall provide Licensee with unlimited support services (via telephone, facsimile, remote internet connection, email and/or mail communications) for ongoing problem resolution to assist the person(s) designated by Licensee (or an alternate in the absence of the designated caller). It may include but is not limited to requests for service regarding operation (including requests for assistance with workstation accessory hardware purchased from Licensor), installation, updates, administration & general technical assistance requested by Licensee's designee(s). The designee(s) shall know the Licensed software, use the Licensed software and be responsible for the results of their efforts. Such support also includes "Limited Assistance" with the items listed below, provided such assistance may be provided in fifteen (15) minutes or less:

1. Training (especially of untrained personnel), assistance with report customization and searching of data within the Licensed software, and
2. Assistance to isolate the source of problems and/or to troubleshoot difficulties **resulting from sources other than Licensor's provided products or services**, such as:
   - Virtualization and/or Remote Access configuration & setup
   - Personal Computer setup, configuration & optimization
   - Basic Microsoft Windows™ functionality
   - Personal Computer & hardware troubleshooting
   - General network support (i.e. network access, printing, backup & restores)
   - Network operating system configuration & functionality
   - Data corruption due to lack of disk space or backup failure; and
   - Loss of supervisor or other password

But expressly excludes any services or assistance relating to database or 3rd party mail services issues, unless purchased via an addendum to this agreement. "Limited Assistance" in excess of fifteen (15) minutes per call will be billed at the rate in effect at the time of service. Prior to and as a condition of Licensor's right to bill for such "Limited Assistance", Licensor shall inform Licensee that the free support is over and that any additional support will be billable. Licensor reserves the rights to: A) limit the number and the duration of these communications and B) periodically transmit surveys to Licensee for evaluation of the software, support and other services.

b) **Maintenance Services:** Upon receipt of notification from Licensee's designated support representative(s) of an apparent error in any supported release of the Licensed software, Licensor will use commercially reasonable efforts to promptly investigate the issue and determine whether or not there is in fact an error and advise Licensee that either an error does not exist or confirm that one does exist and what if any work-around exists. Errors will be deemed to be any design or programming error in the Licensed software which prevents the Licensed software from substantially complying with the functionality as set out in the user documentation (on-line or hard-copy) delivered with the Licensed Software and which materially affects the use, function or performance of the Licensed Software. When errors are confirmed, Licensor will use commercially reasonable efforts to correct such errors and provide Licensee with a correction or service pack for the Licensed Software as soon as it is practical in Licensor's sole discretion.

c) **Assignment of Priorities for Support Issues:** New support incidents are assigned one of the following four priority levels, each with its respective standard completion target:

Call Priority	Description	Standard Completion
A -System Down	Fatal issues that result in Licensee's inability to fulfill critical business functions (i.e. those pertaining to core functionality such as billing and receipting) & that have no reasonable work-around.	Within 12 hours
B - Urgent	Serious issues significantly impacting use of Licensed software but do not prevent core functions (defined above) from being fulfilled.	Within 24 hours
C - Normal	All other issues, except those classified as D (low)	Within 36 hours
D – Low	*Issues with minimal impact on operations requiring incommensurate support effort. (Work will be performed on a best efforts basis when requests with higher priorities do not take precedence.)* Issues such as proposed elective configuration changes that are by nature not time-sensitive and may be undertaken as planned Licensee service initiatives outside the scope of this agreement	None

Licensee may request a ranking of the call priority when initially reporting the incident. Should there be any disagreement over the priority assigned to a particular incident, or any other aspect of its handling by Licensor's support staff, Licensee's designated representative is encouraged to speak directly to the support representative dealing with the issue in order to arrive at an acceptable solution. In cases where escalation is desired or necessary, please contact the Support Services Supervisor with any concerns you may have.

d) **Excluded Services:** Without limitation, the following services are excluded from Software Support:

1. Those required to remedy problems that stem from ***changes to or defects in*** the initially installed/approved system configuration or in subsequent modified/approved Licensor system configurations;
2. Those required to remedy problems which do not stem from any defect in the Licensed Software
3. Those required to remedy issues resulting from untrained or inadequately trained Licensee staff.
4. Those required remedying problems caused by:
   a. improper use of the software
   b. unauthorized modifications to Licensor's data structure/configuration
   c. modifications to Licensee's data without use of Licensor approved methods (*i.e. application programming interfaces-API*).
5. Report rewrites requiring more than 15 minutes after approval of initial report customization(s).
6. Any & all hardware support, maintenance or troubleshooting issues, except as described in Section IV(a) regardless of the source of such hardware.

e) **Limited Warranty of Service:** Licensor warrants that all maintenance services provided hereunder will be performed in full conformity with this Software Maintenance Agreement, with the skill & care which would be exercised by those who perform similar services at the time the services are performed, and in accordance with accepted industry practice. The following actions shall void all maintenance and support obligations of this Software Maintenance Agreement:

- Use of any non-authorized application or support tool that modifies data in the database, whether created by Licensee or another party. (*Licensor regularly engages in custom projects to accomplish such objectives and is pleased to do so.*)
- Use or creation of any application that competes with or replaces a module available from Progressive Solutions Inc. to work with either the licensed application or the licensed application's database

In the event of a breach of the express warranties contained herein and/or in the event of non-performance and/or failure of Licensor to perform the services in accordance with

the Agreement, Licensor will, at no cost to Licensee, re-perform or perform the services so that the services conform to the warranties.

f) Nothing contained in this Agreement shall be construed to obligate Licensor to provide any services whatsoever subsequent to the expiration of this Agreement or any subsequent renewals of this Agreement. Upon expiration of this Agreement, Licensee may offer and Licensee may purchase continued Software Maintenance on a periodic basis.

IV. SUPPORT FEES AND PAYMENTS

Payment for 'Software Maintenance' services is due in advance and non-refundable. 'Software Maintenance' services will not be provided until such advance payment has been received. Licensor agrees to provide at least 90 days prior written notification prior to implementation of any annual fee change. Any annual fee change shall not become effective until the first day of any annual extension. *Maintenance for Revenue Enhancement functionality is excluded from any and all caps.*

Should Licensee terminate this agreement at any time after the most recent automatic renewal and cease all use of the Licensed software post expiration of the Licensed software, both parties agree that any billed and/or unpaid annual maintenance invoice amount submitted to Licensee prior to the automatic renewal shall be immediately due and promptly payable. If payment is not received by Licensor within 30 days from invoice date or 60 days post expiration of Licensee's right to use the licensed software (*whichever is earlier*), a late fee of 10% of the invoiced amount shall also be due and payable. If Licensee continues use of the Licensed software for more than 60 days post Licensee's right to use the software without payment and absent alternate written arrangements, Licensee shall remove the licensed software per the provisions of the Default Section (V) of this agreement.

To encourage Licensees to receive the benefits of the latest Software Maintenance Agreement, Licensor offers a 30 day Software Maintenance payment extension to Licensees that sign and return the Licensor provided Software Maintenance Agreement renewal without alternations to Licensor prior to expiration of each Software Maintenance term. Unless Licensor has received a newly signed Software Maintenance Agreement (*to extend the payment due date*) prior to the software expiration date, a reinstatement fee based of the delinquent maintenance balance (*identified on the cover page of this agreement*) shall be due for failure to tender payment either by the original expiration date or by the Licensor extended due date obtained by signing the new Maintenance Agreement. Further any payments not received by Licensor within 30 days from the invoice date, original contractually specified expiration or by any Licensor extended due date shall in addition to the reinstatement fee be subject to a finance charge of .05% per day from the support expiration date up to and including the date payment is received.

V. DEFAULT

(a) In the event Licensor or Licensee fails to exercise due care (*defaults*) with regard to its obligations under this Agreement, and has not remedied such default within 30 days after the date of written notice by the non-defaulting party, then the non-defaulting party shall be entitled to exercise any one or more of these remedies:

1. The non-defaulting party may terminate this Agreement, accelerate all amounts due and unpaid hereunder such that all amounts will become immediately due and payable.
2. **Suspension of Obligations**: The non-defaulting party may suspend performance & observance of any or all its obligations under this Agreement, without liability, until the other party's default is remedied. However, Licensee may only suspend its obligation to make payments for Software Maintenance and other Services provided a written 'Notice of Default' has been transmitted to Licensor prior to the most recent automatic renewal date. At such time as the noticed default has been remedied, such suspended payment shall be immediately released to Licensor.
3. If Licensee is the defaulting party, Licensor may allow the Licensed software to expire without demand or notice, without court order or other process of law, and without liability to Licensee for any damages occasioned by such expiration of the Licensed software.
4. The non-defaulting party may pursue any other remedy available at law or in equity, including injunctive relief. While an attempt at good faith Mediation participation per Section XI (f) of the 'Software and Services Agreement' is required in order for either party to collect any costs of litigation, therefore it is mutually agreed that any 'Notice of Default' transmitted to Licensee shall be deemed adequate notification of a Licensor claim to protect its private intellectual property per California Government Code Section 905.1 (*or similar code sections from any state where the software has been installed*).

(b) **Removal of Licensed Software**: For local implementations, upon 30 days from demand by Licensor made pursuant to the default provisions (Section V) of this agreement and/or the corresponding Software License Agreement pertaining to local licensed software implementations, Licensee shall discontinue use of Licensor's database/structure, software & related electronic forms. In addition, Licensee shall provide Licensor with written confirmation that: I) **all** previously licensed components have been erased and copies **no** longer reside on any computer system maintained or operated by: Licensee, Licensee's staff members, or Licensee authorized 3rd party vendors II) **all** backup tapes which contain a copy of Licensor's proprietary property shall be securely maintained with the same care as other confidential data and *overwritten* as part of the normal backup plan after execution of the transmitted Licensor's "Confirmation of Proprietary Rights and Destruction" III) *no attempt* shall be made to restore Licensor's proprietary property from backup tapes and IV) no breach of confidentiality relating to Licensor's intellectual property has occurred. Licensee agrees to complete and transmit Licensor's 'Confirmation of Proprietary Rights and Destruction' to Licensor within 30 days from expiration of the licensed software unless an alternative written agreement has been executed. Failure to transmit such statement prior to the 30 day due date shall result in a $1,000 charge for each subsequent 7 day period until such statement has been provided. Should any representation provided via a transmitted 'Confirmation of Proprietary Rights and Destruction' subsequently be found not to be true, the weekly penalty provision shall apply as if the statement had not been provided until the date subsequent proof has been tendered which verifies that any misrepresentation (*intentional or unintentional*) has been rectified.

VI. GENERAL PROVISIONS

(a) The Licensed software is subject to design and operational changes to allow for the use of new technologies and to correct known bugs as they are brought to the attention of the Licensor, either by the Licensor's own quality-control mechanisms or by the Licensee.

(b) Licensee acknowledges that the Licensed software is of such complexity that it may have inherent defects and agrees that as Licensor's sole liability for such inherent defects and as Licensee's sole remedy for such inherent defects, Licensor will provide, during the term of this Agreement, all reasonable software maintenance services arising from a hosted and/or unaltered locally implemented version of the delivered Licensed software *to correct 1) documented programming or documentation errors reported by Licensee and 2) failure of the Licensed software to meet the specifications identified in the electronic documentation provided with each release of the software.*

(c) Software maintenance is offered by Licensor to ensure that Licensee receives the quality support necessary to remain a highly satisfied customer. Support is offered for Licensed software and minor modifications to forms designed and/or created by Licensor to operate with the released software. Licensor utilizes Seagate's Crystal Report Writer™ to create most reports and forms. To ensure maximum flexibility, customers have the option to independently design, create and maintain additional forms, mailings, and/or reports. Licensor's annual software maintenance does not include technical support for user written Crystal Reports™or for minor individual modifications to accepted/completed forms that require more than 15 minutes technical support. However, Licensor is pleased to offer such support on a time expended or fixed fee basis (*should complete written specifications be available*).

(d) All documentation, programming and/or modifications shall be delivered via remote telecommunications from Licensor's place of business, to or through the Licensee's computer. Licensor shall not provide Licensee with possession of any tangible personal property such as storage media. Licensee shall reimburse Licensor for any state and or local requirements, which Licensor must meet or obtain to provide services under this Agreement (e.g. business licenses, additional insured statements, sales tax, etc.).

(e) No action regarding services or deliverables, regardless of form, may be brought more than one (1) year after the first to occur of either 1) the conclusion of services and/or delivery of any deliverables arising from this or the Software License Agreement, or 2) such party's knowledge of the event giving rise to such cause of action. This limitation does not apply to confidentiality obligations or to software license rights.

(f) Notices: All notices and other communications required or permitted to be given or made pursuant to this Agreement shall be in writing and deemed delivered one (1) day after being sent by a nationally recognized overnight courier service or three (3) days after being sent certified U.S. mail, return receipt requested, postage prepaid. All notices will be given to the designated contact at the address indicated in this Agreement.

(g) Should any conflict arise with any other unilateral writings of either party, this Agreement shall govern. This Agreement and any written modifications, amendments or addenda, executed pursuant to this Agreement constitute the entire agreement between the parties and supersede all negotiations and other proposals, oral or

written, and all previous and current negotiations and other communications between the parties pertaining to the subject matter herein. Any payment related obligations that occur one year after execution of this agreement shall be construed in accordance with and governed by Federal or state law where any resulting action is filed. All other obligations set forth in this Agreement shall be construed in accordance with and governed by Federal law or the laws of the state in which the software is situated, except when software licenses are granted for use in the state of Louisiana or in countries such as Canada or Mexico where the laws of California will apply. When California law applies, the Court of Orange County, California shall have non-exclusive jurisdiction over all disputes relating to this Agreement. This Agreement will not be governed by the conflict of law rules of any jurisdiction or the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded. This Agreement may be signed in several counterparts, each of which shall be deemed an original.

Any controversy or claim arising out of or relating to this Agreement or the breach thereof, ***may be*** settled by arbitration, if agreeable to both parties at in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

(h) Any change or revision to the terms and conditions hereof shall be made by written amendment and shall be executed by persons authorized to do so by the respective parties. No changes in specifications, requested or suggested by either party, shall be made except by written agreement of both parties.

Congress enacted the Electronic Signatures in Global and National Commerce Act (*E-Sign Act*) on June 30, 2000, to validate the legality of electronic contracts. Should either party receive a document signed with a valid electronic signature, such documents shall be accepted as if they were signed with a pen.

(i) Licensor agrees to indemnify, defend, and hold harmless Licensee and its elected officials, officers, directors, agents, attorneys and employees (each, an "Indemnitee") from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines, or judgments (each, a "Claim," and collectively, the "Claims"), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, incurred by, accrued against, charged to, or recoverable from any Indemnitee, by reason of any Claim arising out of or relating to any act, error or omission, negligence, or misconduct of Licensor, its officers, directors, agents, employees, and subcontractors, during the performance of this Agreement; provided, however, that the foregoing indemnity shall not apply to the extent that the applicable Claim resulted from the sole negligence or willful misconduct of an Indemnitee.

(j) Licensor shall, at its own expense, procure and maintain in full force and effect during the term of this Agreement, policies of insurance, of the types and in the minimum amounts as follows, with responsible insurance carriers duly admitted and qualified in California covering the operations of Licensor, pursuant to this Agreement: commercial general liability ($1,000,000 per occurrence, $2,000,000 aggregate); excess liability ($2,000,000 per occurrence, $2,000,000 aggregate); workers' compensation (statutory limits) and employers' liability ($500,000 per accident); and professional liability ($1,000,000 per occurrence, $1,000,000 aggregate). The Indemnitees shall be named as additional insureds in the commercial general and excess liability policies which shall contain standard cross liability clauses. Licensor shall cause the liability it assumed under this Agreement to be specifically insured under the contractual liability section of the liability insurance policies. The liability policies shall be primary without right of contribution from any Indemnitee, and Licensor waives all rights of subrogation with respect to said policies. Such policies shall require that Licensee be given no less than thirty (30) calendar days prior written notice of any cancellation thereof or material change therein. Licensor shall provide Licensee with certificates of insurance and original endorsements, evidencing all of the above coverage, including all special requirements specifically noted above, and shall provide Licensee with certificates of insurance evidencing renewal or substitution of such insurance thirty (30) calendar days prior to the effective date of such renewal or substitution.

(k) Licensor represents and warrants that it is an independent contractor with no authority to contract for Licensee or in any way to bind or to commit Licensee to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Licensee. Under no circumstances shall Licensor, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of Licensee. In recognition of Licensor's status as an independent contractor, Licensee shall carry no Workers' Compensation insurance or any health or accident insurance to cover Licensor or Licensor's agents or staff, if any. Licensee shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Licensor nor its staff, if any, shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or pension plan of Licensee.

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Joanne dela Cruz, Management Analyst

SUBJECT: Consider Adoption of a Resolution Authorizing the Purchase of Digital Forensics Product Suite from Cellebrite; Approving a Non-Standard Service Agreement; and Authorizing the Police Chief to Execute Future Agreements and Renewals

BACKGROUND:

The Police Department continues to experience an increase in criminal cases involving digital evidence extracted from mobile devices, applications, cloud accounts, and encrypted communications. Effectively accessing, analyzing, and managing this data is essential to supporting investigations, enhancing case outcomes, and maintaining prosecutorial integrity.

The Police Department currently relies on specialized in-house tools for digital forensic extractions from mobile phones, tablets, computers, video recording systems, and other electronic devices to lawfully and efficiently extract, preserve, and analyze evidence that is critical to modern investigations.

Cellebrite is a recognized global leader in digital intelligence, offering tools that empower law enforcement agencies to lawfully collect, review, analyze, and manage digital data from a wide range of sources. Cellebrite's Unified Digital Intelligence Platform includes mobile data extraction (UFED), analysis and reporting (Physical Analyzer), and case collaboration (Cellebrite Inspector). The Police Department has been using these tools for years and is looking to continue to have Cellebrite's Digital Forensics Product Suite available to our investigators.

These tools significantly enhance the Police Department's ability to process digital evidence in-house, reduce investigative delays, and strengthen the quality and reliability of evidence presented in criminal proceedings. The Police Department's contract with Cellebrite to continue utilizing their Digital Forensics Product Suite has come up for renewal.

DISCUSSION:

The Police Department requests authorization to renew the Cellebrite Digital Forensics Product Suite. Cellebrite's tools, in use for several years, are essential for digital investigations. The platform enhances the department's ability to lawfully extract, decrypt, and analyze data from devices and cloud sources. Investigators reconstruct user behavior, identify communication patterns, and generate visual link charts, all critical for solving complex cases.

Cellebrite's Physical Analyzer provides deep analysis of encrypted and deleted mobile device data. The Premium Extraction solution cracks passwords on most Android and many iOS devices. Cellebrite's software produces industry-standard evidence for presenting mobile and cloud data in the courtroom.

These capabilities directly align with the Police Department's mission. They enhance investigative effectiveness and reduce delays in processing digital evidence. The proposed contract would let the department deploy this platform across key units in Investigations and Digital Forensics.

The City's Award of Contract Policy, Resolution No. 2025-30, mandates City Council approval for contracts other than the City's standard form agreement. Software providers like Cellebrite often use standardized terms and conditions that cannot be altered. For this reason, it is necessary to use their terms rather than the City's standard form agreement. As a result, City Council authorization is required to approve entry into the non-standard agreement to acquire use of the Cellebrite Digital Forensics Product Suite (the "Agreement"). Staff, in consultation with the City Attorney, have reviewed these terms and found them acceptable.

Accordingly, staff recommends that the City Council authorize the City Manager to execute a one-year agreement with Cellebrite, acknowledging the variance in terms from the City's standard GSA, to continue access to this essential toolset within our investigative and forensic workflows.

To ensure continuity, staff recommend granting the Police Chief or designee the authority to execute future agreements that renew the Cellebrite Digital Forensics Product Suite - or similar licensing, software access, and associated hardware - under substantially similar terms to the approved Agreement. This authority would apply only for renewals or minor adjustments, within previously approved budget appropriations and purchasing thresholds.

This delegated authority would permit continued use of Cellebrite's Digital Forensics Product Suite, including minor adjustments for functionality or compatibility, as well as pricing changes within existing purchasing authority limits and approved budgets. Any substantial amendments would require separate approval from the City Council.

FISCAL IMPACT:

As proposed, this contract has a duration of one year, totaling $24,051.58. The services provided via this contract have already been appropriated in the FY 2025-26 Operating Budget. Sufficient funds are available within the Police Department's budget appropriations to cover this expense. Future annual renewal costs will be subject to the City's annual budget process and Council appropriation.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution that does the following:

1. Authorizing the Purchase of Digital Forensics Product Suite from Cellebrite;
2. Approving a Non-Standard Service Agreement; and
3. Authorizing the Police Chief to Execute Future Agreements and Renewals

ATTACHMENTS:

1. Resolution Authorizing the Purchase of Digital Forensics Technology and Execution of a Non-Standard Agreement
2. Cellebrite Quotation (February 28, 2026)
3. Cellebrite End User License Agreement

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE PURCHASE OF DIGITAL FORENSICS PRODUCT SUITE FROM CELLEBRITE; APPROVING A NON-STANDARD SERVICE AGREEMENT; AND AUTHORIZING THE POLICE CHIEF TO EXECUTE FUTURE AGREEMENTS AND RENEWALS

WHEREAS, modern criminal investigations increasingly rely on digital evidence obtained from mobile devices, computers, video recording systems, and other electronic sources; and

WHEREAS, the San Bruno Police Department requires specialized digital forensics hardware and software to lawfully extract, analyze, and preserve such evidence in support of criminal investigations and prosecutions; and

WHEREAS, the City Council of San Bruno places a high priority on deploying efficient and effective technologies to support the public safety missions of the police department; and

WHEREAS, the San Bruno Police Department has experienced a significant increase in the volume and complexity of digital evidence derived from mobile devices, cloud storage, and encrypted communication platforms; and

WHEREAS, Cellebrite is a recognized provider of digital intelligence solutions that support lawful data extraction, analysis, and management across multiple digital sources and device types; and

WHEREAS, Cellebrite's solution aligns with the Department's goals to modernize its digital forensics tools, ensure forensic integrity, and reduce delays in evidence processing; and

WHEREAS, Cellebrite licenses its products under standardized end-user license agreements that do not conform to the City's standard contract templates and are not subject to substantive negotiation; and

WHEREAS, the City Council desires to authorize the renewal purchase of this technology and provide limited delegated authority to ensure continuity of operations through future renewals and related agreements, subject to budgetary appropriation;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Bruno hereby:

1. Authorizes the purchase of Cellebrite's Digital Forensics Product Suite, in an amount not to exceed $24,052 for the one-year agreement; and

2. Approves execution of the associated non-standard End User License Agreement and related documents required to obtain and maintain access to the technology (together, the "Agreement"); and

3. Authorizes the Police Chief, or designee, to execute future agreements to renew the purchase of Cellebrite's Digital Forensics Product Suite, or similar licensing, software access, and required hardware components to support digital forensic extractions under substantially similar terms as the Agreement; and

4. Further Authorizes the Police Chief, or designee, to approve minor software and hardware additions and upgrades necessary to maintain functionality and compatibility substantially similar to the Cellebrite's digital forensics technology, as well as pricing adjustments, including inflationary or Consumer Price Index (CPI)-based increases, within the City Manager's purchasing authority and subject to the availability of funds appropriated by the City Council.

BE IT FURTHER RESOLVED that the City Manager, or designee, is authorized to take all necessary actions to carry out the intent of this Resolution.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Cellebrite Inc.
1861 International Drive, 3rd Floor
McLean VA 22102

Tel. +1 800 942 3415
Fax. +1 201 848 9982
Tax ID#: 22-3770059
DUNS: 033095568
CAGE: 4C9Q7
Company Website:
http://www.cellebrite.com

Quote

Quote#: Q-500889-2
Date: Feb 28, 2026

Billing Information
San Bruno Police Department
567 EL Camino Real
San Bruno, California 94066
United States

Contact: John Hampton
Phone:

Delivery Information
San Bruno Police Department
1177 Huntington Ave
San Bruno, CA 94066
United States

Contact: John Hampton
Phone:

Wire To:
Bank Routing Number: [redacted]
Account Number: [redacted]
Account Name: Cellebrite Inc.

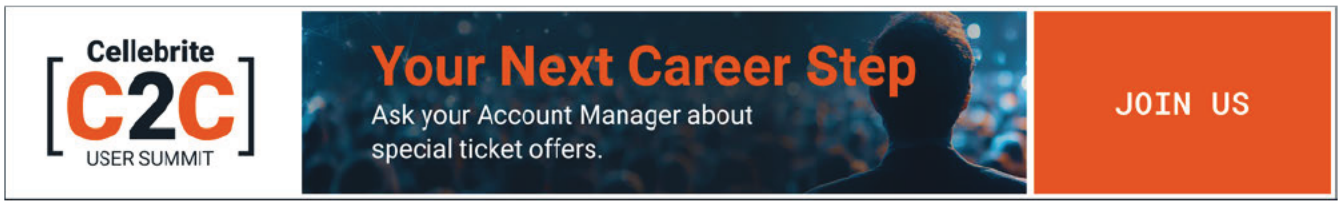
Check Remittance (Only for NA):
Cellebrite Inc. ,
PO BOX 23551
New York, NY, 10087-3551

End Customer: San Bruno Police Department
Click here to process with Credit Card payment
By clicking the link above and accepting this quote,
You are expressing your agreement and compliance to and with the terms contained on this quote.

Customer ID	Good Through	Payment Terms	Currency	Sales Rep
SF-00039097	Jun 29, 2026	Net 30	USD	Allison Asta

#	Product Code	Product Name	Qty	Start Date	End Date	Net Price\Unit	Net Price
1	B-CNR-05-001	Inseyets Online Pro	1	Jun 30, 2026	Jul 01, 2027		
2	S-UFD-20-003	Inseyets Pro UFED Subscription	1	Jun 30, 2026	Jul 01, 2027	4,876.58	4,876.58
3	S-UFD-20-006	Inseyets Pro PA Subscription	1	Jun 30, 2026	Jul 01, 2027	4,424.11	4,424.11
4	S-AIS-20-001	Inseyets Online Limited Unlocks subscription	40	Jun 30, 2026	Jul 01, 2027	314.72	12,588.80

SubTotal	USD 21,889.49
Shipping & Handling	USD 0.00
Sales Tax	USD 2,161.59
Total	USD 24,051.08



Comments:

ATTACHMENT 2

Terms and Conditions:
- This Quote/Proforma Invoice/Tax Invoice, together with the terms and conditions and license agreement listed below that are incorporated by reference to this Quote/Proforma Invoice (together, the "Agreement"), constitute an offer by Cellebrite. By signing this the Quote/Proforma Invoice, issuing a purchase order (or other ordering document) in connection with this the Quote/Proforma Invoice, or downloading and/or using the products identified in this the Quote/Proforma Invoice/Tax Invoice, the customer agrees to be bound by the terms of this Agreement. Any additional or different terms or conditions contained in any customer document, purchase order or other ordering document will not be binding upon Cellebrite unless expressly accepted in a document signed by a Cellebrite authorized signatory.
- Quote is subject to regulatory approval.

- Freight Terms: FCA (NJ)
- General: The following terms shall apply to any product at http://legal.cellebrite.com/us/index.html
- EULA: All Cellebrite Software is licensed subject to the end user license agreement available at https://legal.cellebrite.com/End-User-License-Agreement.html
- Advanced Services (CAS): The following terms apply to Cellebrite Advanced Services at https://legal.cellebrite.com/CB-us-us/index.html
- Premium and Inseyets Unlocks: The following terms shall apply only to Cellebrite Premium and Inseyets Unlocks at http://legal.cellebrite.com/intl/PremiumUS.htm
- Pathfinder: The following terms apply to Cellebrite Pathfinder at https://legal.cellebrite.com/PF-Addendum.htm
- Training Services: The following terms apply to Cellebrite Training Services at http://legal.cellebrite.com/intl/Training.htm
- SaaS: The following terms apply to Cellebrite SaaS Services at https://legal.cellebrite.com/SaaS.htm
- Endpoint SaaS: The following terms apply to Cellebrite Cellebrite Endpoint SaaS at https://legal.cellebrite.com/Endpoint-SAAS.html

In the event of any dispute as to which terms apply, Cellebrite shall have the right to reasonably determine which terms apply to a given purchase order.
Please indicate the invoice number when remitting payment

*SALES TAX DISCLAIMER: Cellebrite Inc. is required to collect Sales and Use Tax for purchases made from the following certain U.S. States. Orders are accepted with the understanding that such taxes and charges shall be added, as required by law. Where applicable, Cellebrite Inc. will charge sales tax unless you have a valid sales tax exemption certificate on file with Cellebrite Inc. Cellebrite Inc. will not refund tax amounts collected in the event a valid sales tax certificate is not provided. If you are exempt from sales tax, you must provide us with your sales tax exempt number and fax a copy of your sales tax exempt certificate to Cellebrite Inc.
Please include the following information on your PO for Cellebrite UFED purchase:
- Please include the ORGINAL QUOTE NUMBER (For example - Q-XXXXX) on your PO
- CONTACT NAME & NUMBER of individual purchasing and bill to address
- E-MAIL ADDRESS of END USER for monthly software update as this is critical for future functionality

I, the undersigned, hereby confirm that I am authorized to sign this Quote/Proforma Invoice on behalf the customer identified above, and I hereby approve that my signature is legally binding upon the customer identified above.

Customer Name: San Bruno Police Department

Signature: _____ **Effective Date:** _____/_____/_____

Name (Print): _____ **Title:** _____

Please sign and email to Allison Asta at allison.asta@cellebrite.com

<u>IMPORTANT</u>: PLEASE READ THIS END CUSTOMER LICENSE AGREEMENT CAREFULLY. DOWNLOADING, INSTALLING, ACCESSING OR USING CELLEBRITE-SUPPLIED SOFTWARE (AS PART OF A PRODUCT OR STANDALONE) CONSTITUTES EXPRESS ACCEPTANCE OF THIS AGREEMENT. CELLEBRITE IS WILLING TO LICENSE SOFTWARE TO CUSTOMER ONLY IF YOU AND CUSTOMER ACCEPT ALL OF THE TERMS SET OUT IN THE AGREEMENT (as defined below).

TO THE EXTENT OF ANY CONFLICT BETWEEN THIS END Customer LICENSE AGREEMENT, ANY ADDITIONAL TERMS IN AN AGREEMENT SIGNED BETWEEN Customer AND CELLEBRITE, ANY "CLICK-ACCEPT" AGREEMENT, ANY TERMS ON A PURCHASE ORDER, AND CELLEBRITE'S TERMS AND CONDITIONS, THE ORDER OF PRECEDENCE SHALL BE (A) THIS END CUSTOMER LICENSE AGREEMENT; (B) AN AGREEMENT SIGNED BY Customer AND CELLEBRITE;; (C) CELLEBRITE'S QUOTE AND GENERAL TERMS AND CONDITIONS; (D) TERMS AND CONDITIONS SET OUT IN CELLEBRITE'S DOCUMENTATION, INCLUDING USER GUIDES, "CLICK TO ACCEPT" ADDENDA TERMS AND ANY POP UP TERMS AND INSTRUCTIONS WITHIN CELLEBRITE PRODUCTS; AND LAST (E) CUSTOMER'S PURCHASE ORDER. BY DOWNLOADING, INSTALLING, ACCESSING, OR USING THE SOFTWARE, USING THE PRODUCT OR OTHERWISE EXPRESSING YOUR AGREEMENT TO THE TERMS CONTAINED IN THE AGREEMENT, YOU INDIVIDUALLY AND ON BEHALF OF THE ORGANIZATION THAT YOU REPRESENT (THE "LICENSEE" OR "CUSTOMER") EXPRESSLY CONSENT TO BE BOUND BY THIS AGREEMENT. IF YOU DO NOT OR ARE NOT AUTHORISED TO ACCEPT AND AGREE TO THE TERMS CONTAINED IN THE AGREEMENT, THEN (A) DO NOT DOWNLOAD, INSTALL, ACCESS, OR USE ANY SOFTWARE (OR, AS APPLICABLE, ANY PRODUCT IN WHICH ANY SOFTWARE IS EMBEDDED), AND (B) WITHIN THIRTY (30) DAYS AFTER RECEIPT OF ANY SOFTWARE (OR, IF AN AGREEMENT BETWEEN CUSTOMER AND CELLEBRITE PROVIDES A SHORTER TIME PERIOD FOR ACCEPTANCE, SUCH SHORTER TIME PERIOD FOR ACCEPTANCE), EITHER RETURN SUCH SOFTWARE TO CELLEBRITE OR TO THE APPLICABLE AUTHORIZED RESELLER FOR FULL REFUND OF THE SOFTWARE LICENSE FEE, OR, IF SUCH SOFTWARE IS EMBEDDED IN A PRODUCT FOR WHICH NO SEPARATE SOFTWARE LICENSE FEE WAS CHARGED, RETURN SUCH PRODUCT AND EMBEDDED SOFTWARE, UNUSED, TO CELLEBRITE OR TO THE APPLICABLE AUTHORIZED RESELLER FOR A FULL REFUND OF THE LICENSE FEE PAID FOR THE APPLICABLE SOFTWARE EMBEDDED IN SUCH PRODUCT. CUSTOMER'S RIGHT TO RETURN AND REFUND ONLY APPLIES IF Customer IS THE ORIGINAL PURCHASER AND LICENSEE OF SUCH SOFTWARE.

This EULA governs Customer's access to and use of any Software and/or any Product (as defined below) first placed in use by Customer on or after the release date of this EULA version (the "Release Date").

1. DEFINITIONS – In this Agreement, the following capitalized terms shall have the meaning set forth below:

"Affiliate" of a party means such party's parent corporation, an entity under the control of such party's parent corporation at any tier or an entity controlled by such party at any tier. For these purposes, "control" shall mean the power to direct or cause the direction of the management and policies of the entity, whether through the ownership of more than 50% of the outstanding voting interests in such entity or otherwise.

"Agreement" means this EULA, combined with the Cellebrite General Terms and Conditions (the "GTC") which is incorporated by reference herein, and any additional agreement in writing signed by Customer and Cellebrite.

"Authorization Product" means a product sold by Cellebrite, or an authorized reseller of Cellebrite, with embedded License Authorization Software, including but not limited to a USB dongle with embedded License Authorization Software.

"Authorized Users" means the number of Users that Customer is licensed to have access to the applicable Software, which may include Concurrent Users and/or Named Users, all as set forth in the Agreement. If the number of Authorized Users is not otherwise set forth in the Agreement, the number of Authorized Users shall be deemed to be equal to the number of Products (other than Authorization Products) purchased by Customer.

“Beta Software” means a pre-commercial, evaluation, pilot, "alpha", or "beta" version of the Software.
“Cellebrite” means Cellebrite DI Ltd. or its Affiliate that has an agreement with Customer and/or issues invoices to Customer with respect to any Software and/or Product, as applicable.
“Concurrent Users” means the number of Authorized Users (whether Named Users or not) of Customer concurrently and/or simultaneously accessing, using or otherwise enjoying the benefit (except reviewing results of analyses generated by Software) of Software, either directly or indirectly from a remote location. If a single User connects to Software using multiple concurrent log-ins or connections, each such active logical connection or log-in is counted toward the number of Concurrent Users.
“Documentation” means any documentation related to any Software provided by Cellebrite.
“Embedded Software” means a copy of Software delivered embedded in or loaded onto a Product when such Product is sold by Cellebrite or an authorized reseller of Cellebrite. Any Updates or Upgrades to Embedded Software are also deemed “Embedded Software”, notwithstanding being separately delivered from the applicable Product.
“Law” shall mean any law, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction or requirement of or by any governmental authority, as may be amended, changed or updated from time to time.
“License Authorization Software” means Software that is provided together with hardware on which it is embedded that is used to validate the authorized use of standalone Software.
“License Term” means the term of a paid subscription to an instance of Software or a unit of Product.
“Named Users” means a User authorized by Customer to access or use the Software through the assignment of a single user ID, regardless of whether such User is using Software at any given time. A non-human device capable of accessing or access Software is counted as a Named User.
“Product” means a product manufactured by Cellebrite. The term “Product” includes without limitation Authorization Products.
“Remote Access Protocol” means any remote access application, including without limitation Remote Desktop Protocol (RDP) and Windows Remote Management (WinRM), used to connect a single remote computer (*e.g*., a laptop) to a single host computer (*e.g*., a desktop) with an Authorization Product directly connected to such host computer for each Authorization Product then licensed by Customer, as long as such Authorized User, single remote computer and single host computer with an Authorization Product are all located in the Territory.
“Software” means an instance of a program, module, feature, function, service, application, operation or capability of any Cellebrite-supplied software. The term “Software” includes without limitation any Embedded Software, Upgrade, Update, standalone software or any License Authorization Software.
“Territory” means the country (not including external territories) in which Product was purchased or Software was licensed from Cellebrite or an authorized reseller of Cellebrite.
“Third Party” means an individual or entity other than Customer, Cellebrite and Cellebrite’s Affiliates.
“Third Party Software” means certain software provided by a Third Party embedded in any Product, either as a standalone feature or as part of any Software, and which may be subject to additional end user license restriction and agreements.
“Customer System” means Customer’s internal website(s), servers, Cloud infrastructure, including Virtual Private Cloud, and other equipment, software or systems used in the conduct of Customer’s business.
“Update” means an update to any Software that is provided by Cellebrite and that may incorporate (i) corrections of any substantial defects; (ii) fixes of any minor bugs; (iii) at the sole discretion of Cellebrite, allowing additional compatibility of the Software with mobile devices provided by Third Parties; and/or (iv) at the sole discretion of Cellebrite, minor enhancements to the Software; provided, however, that Updates shall not include Upgrades. Updates are generally identified by Cellebrite by a change to the version number to the right of the first decimal point (*e.g.*, version 4.1 to 4.2).
“Upgrade” means a new release of any Software that incorporates substantial changes or additions that (i) provide additional value and utility; (ii) may be priced and offered separately as optional additions to any Software; and/or (iii) are not generally made available to Cellebrite’s Customers without a separate charge. Upgrades are generally identified by Cellebrite by a change to the version number to the left of the first decimal point (*e.g.*, version 4.2 to 5.0).
“User” means any individual able to gain access to any Software functionality.

"You" means the individual executing this EULA on behalf of the Customer.

2. LICENSE GRANT

A. Software. Subject to the terms and conditions of this EULA, during the License Term, Cellebrite grants Customer, and Customer accepts, upon delivery of any Software, a non-exclusive, non-transferable, royalty free, and non-sublicensable license to the Software to (i) allow Authorized Users to use such Software, in executable form only, and any accompanying Documentation, strictly for Customer's internal use for the Authorized Purposes identified below, and not for any other purpose, strictly in the Territory, only as authorized in this Agreement and subject to the terms hereof; and (ii) (iii) where the Software in not provided as Embedded Software, keep one (1) copy of Software strictly for backup, archival or disaster recovery purposes.

For purposes of this EULA, "Authorized Purposes" means strictly the following purposes:

- An internal investigation conducted by the Customer within the Customer's own organization;
- An investigation of fraud, intrusion or assault incidents, including DFIR conducted by the Customer within the Customer's own organization;
- An eDiscovery process performed as part of legal proceedings where the Customer is a Party;
- Data backup performed as part of a legal hold proceeding involving the Customer's organization;
- Law enforcement activities, crime and/or terrorism prevention;
- Data recovery within the Customer's organization; and/or
- Customer organization's compliance evaluation purposes.

Notwithstanding the foregoing, the "Authorized Purposes" restriction above shall not apply to usage of Cellebrite's Endpoint Inspector product which may be used for any internal use.

i. Embedded Software Limitations. Customer may only use Embedded Software for execution on the unit of Product originally delivered to Customer with such Embedded Software installed or any replacement unit provided under a warranty from Cellebrite. Any Update or Upgrade of such Embedded Software that Cellebrite has licensed to Customer may be loaded and executed only on the unit of Product on which any originally licensed Software is authorized to execute.

ii. License Exclusion. Notwithstanding anything to the contrary, except as may otherwise be required by applicable Law, no license is granted for installation or use of any Software on any Product resold by anyone who is not an authorized reseller of Cellebrite for such Product.

iii. Single Product; Single Authorization Product. Customer's license to any Embedded Software is limited to a license to use such Embedded Software on one (1) Product for each Product purchased from Cellebrite or Cellebrite's authorized reseller. Customer's license to any License Authorization Software is limited to a license to use such License Authorization Software on one (1) Authorization Product for each license to such standalone Software the authorized use of which is validated by such License Authorization Software and where such license is purchased from Cellebrite or Cellebrite's authorized reseller.

iv. Authorization Products. Without limiting Section 2.D, Customer shall not, and shall not permit any User to, use any Authorization Product on a computer other than the computer to which such Authorization Product is directly connected (*i.e.* not through a network), except that an Authorized User may use Remote Access Protocol with Cellebrite's UFED Physical Analyzer. Customer shall ensure that multiple users cannot use Remote Access Protocol to access UFED Physical Analyzer simultaneously. For the avoidance of doubt, subject to the terms and conditions of this EULA, sharing a USB dongle among Concurrent Users is permitted.

v. Remote Access Protocol. Customer expressly acknowledges, agrees and warrants that except as required for use by Concurrent Users as allowed by the Agreement and as provided herein each computer running an Authorization Product will be configured or at least limited to serve only one remote connection at a time. In other words, only one Authorized User can use a Remote Access Protocol at the same time. For example, if a host computer is installed with multiple instances of Cellebrite's UFED Physical Analyzer, Customer will ensure that it is not possible for multiple remote users to connect to the host computer and/or ensure that the foregoing does not occur. Regarding any other Cellebrite products or software other than Cellebrite's UFED Physical Analyzer, Customer may not use a Remote

Access Protocol unless expressly agreed to in writing by Cellebrite. Regarding Endpoint Inspector and/or Endpoint Mobile, it is hereby clarified and agreed that: (i) Customer may use Remote Access Protocol and allow Authorized and Concurrent Users to use outside of Territory, as detailed in the Agreement; and (ii) Cellebrite may, at its sole discretion, inform any Endpoint Inspector and/or Endpoint Mobile's custodian about the nature of the use of the Endpoint Inspector and/or Endpoint Mobile application that will be installed and/or operated on or in relation to the custodian's device.

vi. Named Users. If the Agreement specifies that any Software may be used by Named Users, Customer shall (i) assign a unique login credential for access and use of the Software to each Named User, (ii) ensure that the Software is used only by the applicable Named Users, (iii) ensure that Users do not share login credentials, and (iv) maintain the security and confidentiality of its Named User login credentials.

vii. Concurrent Users. If the Agreement specifies that any Software may be used by Concurrent Users, Customer may install one instance of such Software on one (1) designated host server for concurrent and simultaneous use and/or access by the applicable number of Concurrent Users. The number of Concurrent Users accessing such Software at any time may not exceed the number of Concurrent Users specified in the Agreement. Customer must keep a record of all Authorized Users who are Concurrent Users.

viii. Former BlackBag Software Users. Each copy of the Inspector, Digital Collector, Mobilyze, or SoftBlock Software may only be used, executed, or displayed by one (1) Authorized User and on one Licensed System at any given instance. The term "**Licensed System**" means a computer to which an activation key provided by BlackBag has been connected or accessed, as authorized by BlackBag in the applicable License Confirmation.

ix. Cellebrite Premium-aaS; Cellebrite InsEYEts; Mobile Ultra, Mobile Elite, Cellebrite Pathfinder Speech to text and/or translation Services ("Services") Access and Use. Subject to Customer's compliance with the terms and conditions contained in this Agreement and/or in any applicable quote issued to Customer by Cellebrite in connection with each of the Services listed above, Cellebrite further grants to Customer, during the relevant Subscription Term , a limited, non-exclusive, non-transferable (a) right to access and use the Service in accordance with any relevant printed, paper, electronic or online user instructions and help files made available by Cellebrite for use with the Service, as may be updated from time to time by Cellebrite, and (b) license to download any relevant Software where Software components are offered by Cellebrite for the purpose of using the Service, in each case strictly under the terms of License set out in this Section 2, solely for the Authorized Purposes and strictly for the benefit of Customer. By accessing and/or using the Service, Customer expressly acknowledges and agrees that operational and usage information shall be shared with Cellebrite for the purpose of providing the Service. Such information may include, but is not limited to the number of unlocking actions purchased by the Customer and/or left for use, types of Software downloaded by Customer for the purpose of using the Service, etc. The Service may be affected by factors beyond Cellebrite's control and may not be continuous and uninterrupted. Customer acknowledges that the Service may be subject to limitations and/or delays inherent in the use of the internet and electronic communications, and Cellebrite is not responsible or liable for any delays, delivery failures or other damage resulting from those technical difficulties beyond its control.

x. Cellebrite Premium-aaS; Cellebrite InsEYEts; Mobile Ultra and Mobile Elite Services ("Services") Placement and Use. Customer shall use the Services and place all related Software and hardware components provided with the Services, inside a secured room, lab, or office, where the security measures used to secure the Services and respective components are consistent with security measures undertaken by the Customer to protect its most sensitive activities.

x.i. The following are additional terms for the purchase of speech to text and/or translation services (the "Language Services"):
1.1. If the Language Services and the Pathfinder license are purchased together, both will be installed at the same time and licenses will start upon the completion and acceptance of the installation.

1.2. If the Language Services are purchased at a later date, as an addition to an existing Pathfinder license, then:
1.2.1. The term of the Language Services shall commence 60 days after the date of the Quote for the purchase of Language Services.
1.2.2. The term of the Language Services will expire at the end of the existing Pathfinder Subscription Term, which the Language Services have been added to.
1.3. Use of the Language Services is subject to the Agreement and the technical requirements for the Customer System therein, any additional technical requirements made by Cellebrite in writing and the completion of the Language Service installation.

B. Software Provisions.

i. Any use or operation of the Product, including the Software, with any product and/or mobile device developed, manufactured, produced, programmed, assembled and/or otherwise maintained by any person or entity shall be permitted only after the User has obtained any consents or approvals required (to the extent required) pursuant to applicable Law.

ii. UNDER NO CIRCUMSTANCES SHALL CELLEBRITE, ITS OFFICERS, EMPLOYEES OR REPRESENTATIVES BE LIABLE TO CUSTOMER, USER OR ANY THIRD PARTY UNDER ANY CAUSE OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE) FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR OTHER INDIRECT DAMAGES UNDER ANY LEGAL THEORY ARISING OUT OF OR RELATING TO THE USE OF ANY OF THE CELLEBRITE SOFTWARE IN CONNECTION WITH ANY PRODUCT AND/OR MOBILE DEVICE DEVELOPED, MANUFACTURED, PRODUCED, PROGRAMMED, ASSEMBLED AND/OR OTHERWISE MAINTAINED BY ANY PERSON OR ENTITY, WITHOUT OBTAINING EACH APPLICABLE CONSENT AND APPROVAL.

iii. No Obligation. Nothing in this EULA requires Cellebrite to provide Updates or Upgrades to Customer.

iv. Trial and Beta Software Licenses. Subject to the terms and conditions of this Agreement, Cellebrite may grant Customer with, and Customer accepts, a nonexclusive, time-limited and nontransferable license, effective upon delivery, to use a copy of Software or a Beta Version of the Software, in executable form only, and any accompanying Documentation, only for Customer's internal use to test, trial or evaluate such Software and/or provide feedback to Cellebrite with respect thereto, in the Territory, and not for any business or productive purposes, for a period as specified by Cellebrite at its sole discretion, and subject to the restrictions in Section 2.

Customer assumes all risks and all costs associated with its use of the Trial and/or Beta Software, any obligations on behalf of Cellebrite to indemnify, defend, or hold harmless under this Agreement are not applicable to Customer's use of any Trial and/or Beta Software. Customer's sole and exclusive remedy with respect to such Trial and/or Beta Software is termination of the license thereto. There is no guarantee that features or functions of the Trial and/or Beta Software will be available, or if available will be the same, as in the general release version of the Software. Cellebrite will be under no obligation to provide Customer any maintenance or support services with respect to the Trial and/or Beta Software.

IT IS CLARIFIED THAT THE LICENSE UNDER THIS SUB-SECTION IV IS PROVIDED "AS IS", WITHOUT ANY WARRANTY WHATSOEVER. CELLEBRITE DISCLAIMS ALL IMPLIED WARRANTIES, CONDITIONS AND REPRESENTATIONS IN RELATION TO THE TRAIL AND/OR BETA SOFTWARE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DURABILITY OR NON-INFRINGEMENT. IN NO EVENT WILL CELLEBRITE BE LIABLE TO Customer OR TO ANY OTHER PARTY FOR ANY LOSS, DAMAGE, COST, INJURY OR EXPENSE, INCLUDING LOSS OF

TIME, MONEY OR GOODWILL, OR FOR DAMAGES OF ANY KIND, WHETHER DIRECT, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL IN RELATION TO THE TRAIL AND/ OR BETA SOFTWARE.

v. Customer represents, warrants and covenants to Cellebrite that (a) only Users of Customer who have obtained any necessary consents and approvals pursuant to applicable Law shall be permitted to use any of the Products and/or Software; (b) Users of Customer shall only use any of the Products and/or Software in compliance with the terms of service, terms of use or other agreement with a Third Party; and (c) Customer and its Users shall only use any of the UFED family of Products in compliance with all applicable Laws.

C. License Prohibitions. Notwithstanding anything to the contrary, Customer shall not, and shall not permit, authorize or engage any Third Party to:

i. modify, reverse compile, reverse assemble, reverse engineer or otherwise translate all or any portion of any Software, or create derivative works thereof;

ii. assign, pledge, rent, lease, sublicense, share, distribute, sell or otherwise transfer the Software, any copy thereof, or any rights granted hereunder, to any third party, including without limitation selling any Product in a secondhand market;;

iii. use any Software to provide service to any Third Party including by use on a time sharing, service bureau, application service provider (ASP), software as a service (SAAS), cloud services, rental or other similar basis;

iv. make copies of or reproduce of any Software and/or Documentation, except as provided for in the license grant above;

v. remove, alter, deface, cover, obfuscate or destroy any proprietary markings, copyrights notices, proprietary legends, labels or marks placed upon or contained within any Products and/or Software (including, without limitation, any copyright or other attribution statements such as for open source software);

vi. use any Embedded Software other than with Products provided by Cellebrite or an authorized reseller of Cellebrite or for more than the number of Products purchased from Cellebrite or an authorized reseller of Cellebrite;

vii. disclose any results of testing or benchmarking of any Software to any Third Party;

viii. use any Update or Upgrade beyond those to which Customer is entitled or with any Software to which Customer does not have a valid, current license;

ix. deactivate, modify or impair the functioning of any disabling code in any Software;

x. circumvent or disable Cellebrite's copyright protection mechanisms or license management mechanisms;

xi. use the Product, any Software or any Third Party Software, alone or in combination with other activities, products or services, in any activity or manner that violates or supports, assists, facilitates, enables, constitutes or is otherwise deemed to be in violation of:

(1) any order, regulation or Law (including but not limited to any Law with respect to human rights or the rights of individuals) or to support any illegal activity;

(2) any human rights standards of any person, group, or community, and best practice including internationally recognized human rights instruments, such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work;

(3) any rights of any Third Party.

xii. use any Product for any training purposes, other than for training Customer's employees, where Customer charges fees or receives other consideration for such training, except as authorized by Cellebrite in writing;

xiii. combine or operate any Products or Software with other products or software, without prior written authorization of Cellebrite or its Affiliates, including without limitation any installation of any software on any Product; or,

xiv. attempt any of the foregoing.

The licenses set out hereunder are at all times subject to these prohibitions and any contravention thereof shall constitute a material breach of this Agreement. Cellebrite expressly reserves the right to seek all available legal and equitable remedies to prevent any of the foregoing and to recover any lost profits, damages or costs resulting from any of the foregoing.

For the purpose of this Section, it is hereby clarified that "Third Party" shall include: Customer's affiliates, employees, contractors, licensors, suppliers or Customers. If the event that the Customer is a governmental body the followings shall also be included: any federal, state, local, judicial or other governing body having jurisdiction over any of the foregoing.

D. Legal Exception. Customer agrees that, to the extent that any applicable Law (including without limitation national laws implementing 2009/24/EC on the Legal Protection of Computer Programs) grants Customer the right to reverse engineer any Software to make it interoperable without Cellebrite's consent, before Customer exercises any such rights, Customer shall notify Cellebrite of such desire and, no later than sixty (60) days following receipt of such request, Cellebrite may decide either to: (a) perform the work to achieve such interoperability and charge its then-standard rates for such work to Customer; or (b) permit Customer to reverse engineer parts of such Software only to the extent necessary to achieve such interoperability. Only if and after Cellebrite, at its sole discretion, partly or completely denies Customer's request, shall Customer exercise its statutory rights.

E. Network Usage. Customer understands and agrees that Cellebrite may use Customer's internal network and Internet connection for the limited purpose of transmitting license-related data at the time of installation, registration, use or update of Software to a Cellebrite-operated license server. At such time, Cellebrite may validate the license-related data in order to protect Cellebrite against unlicensed or illegal use of any Software. At its option, Cellebrite may only permit activation of Software upon exchange of license related data between Customer's computer and the Cellebrite license server.

F. Third Party Software. Customer acknowledges and agrees that the access and use of any Software (or certain features thereof) may involve access and/or use of Third Party Software. In addition to the Agreement, Customer shall comply with the terms and conditions applicable to any such Third Party Software, including without limitation the following terms and conditions:

i. Bing Maps - http://aka.ms/BingMapsMicrosoftPrivacy
ii. Azure Maps - https://www.microsoft.com/en-us/maps/product/terms-april-2011
iii. OpenStreetMap – http://www.openstreetmap.org/copyright
iv. Chainalysis Inc. - http://www.chainalysis.com/legal
v. Corellium products - https://www.corellium.com/legal/terms

Additional Third Party Licenses can be found here: https://www.cellebrite.com/en/blackbag-agreements/#third_party

G. No Implied Licenses. Except for the express licenses set forth herein, Cellebrite does not grant any license to Customer, whether by implication or otherwise.

H. Reserved.

I. Open Source Software.

i. Software may use and/or be provided with third party open source software, libraries or other components ("Open Source Component"), including those detailed in the open source notices files separately conveyed to Customer. To the extent so stipulated by the license that governs each Open Source Component ("Open Source License"), each such Open Source Component is licensed directly to Customer from its respective licensors and not sublicensed to Customer by Cellebrite, and such Open Source Component is subject to its respective Open Source License, and not to this Agreement. If, and to the extent, an Open Source Component requires that this Agreement effectively impose, or incorporate

by reference, certain disclaimers, permissions, provisions, prohibitions or restrictions, then such disclaimers, permissions, provisions, prohibitions or restrictions shall be deemed to be imposed, or incorporated by reference into this Agreement, as required, and shall supersede any conflicting provision of this Agreement, solely with respect to the corresponding Open Source Component which is governed by such Open Source License.

Open-Source Component list can be found under Cellebrite Customer Community here: https://community.cellebrite.com/s/product-and-licenses?activetab=products

ii. If Customer or another party on its behalf, modifies, replaces or substitutes any Open Source Component used in or provided with this Software, Customer hereby fully, forever, irrevocably and unconditionally releases and discharges Cellebrite, its Affiliates and its and their employees, officers, directors, resellers, distributors and representatives (collectively, "Released Parties") from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, covenants, liabilities, warranties, performance and maintenance and support obligations (collectively, "Released Claims"), of every kind and nature, with respect to such Software, including without limitation any such Released Claims that arise as a matter of applicable Law.

iii. If an Open Source License requires that the source code of its corresponding Open Source Component be made available to Customer, and such source code was not delivered to Customer with the Software, then Cellebrite hereby extends a written offer, valid for the period prescribed in such Open Source License, to obtain a copy of the source code of the corresponding Open Source Component, from Cellebrite. To accept this offer, Customer shall contact Cellebrite at support@cellebrite.com.

J. Personal Data. The parties acknowledge and agree that: (a) Within the scope of this Agreement, the Product is an on-premise solution used and operated solely by Customer without the involvement of Cellebrite; (b) Cellebrite is not engaged in any processing of 'personal data' (as this term is used in Laws governing data privacy and data protection) that flows through the Product; and therefore (c) with respect to Cellebrite activities in the scope of this Agreement, Cellebrite is neither a 'data controller' nor 'data processor' (as these terms are used in Laws governing data privacy and data protection).

K. Aggregated Statistics and Usage Data. Customer hereby agrees and consents that Cellebrite may monitor Customer's use of the Software, Products and Services and use Customer usage data or other information in an aggregate and anonymous manner, including to compile statistical and performance information related to the provision and operation of the Software, products and Services ("**Aggregated Statistics**"). As between Cellebrite and Customer, all right, title and interest in the Aggregated Statistics and all Intellectual Property Rights therein, shall belong to and are retained solely by Cellebrite. Customer acknowledges and agrees that Cellebrite will be compiling Aggregated Statistics including information and inputs Customer and by other Customers and Customer agrees that Cellebrite may (a) make such Aggregated Statistics publicly available, and (b) use such information to the extent and in the manner permitted by applicable law or regulation and for any purpose of data gathering, analysis, service and product enhancement and marketing, provided that such data and information does not identify Customer or its Confidential Information.

L. The Customer acknowledges and agrees that Cellebrite may deliver non-personalized in-app notifications, including pop-ups, updates, and product related services, as part of the Cellebrite product experience.

3. OWNERSHIP

A. Title to Software. Notwithstanding anything to the contrary, Software furnished hereunder is provided to Licensee subject to and in accordance with the terms and conditions of the EULA. All title and interest of the Software, Services and and/or any related Documentation and any derivative works thereof shall

remain solely and exclusively with Cellebrite or its licensors, as applicable. Nothing in this Agreement constitutes a sale, transfer or conveyance of any right, title or interest in any Software Service and/or Documentation or any derivative works thereof. Any reference to a sale of Products shall be understood as a license to Software or Services under the terms and conditions of this Agreement.

B. Intellectual Property. All intellectual property rights relating to the Software and/or the Products, including without limitation, all patents, trademarks, algorithms, binary codes, business methods, computer programs, copyrights, databases, know-how, logos, concepts, techniques, processes, methods, models, commercial secrets and any other intellectual property rights, including any new developments or derivative works of such intellectual property, whether registered or not, are and shall remain the sole and exclusive property of Cellebrite or its licensors, as applicable. All right, title and interest in and to any inventions, discoveries, improvements, methods, ideas, computer and other software or other works of authorship or other forms of intellectual property which are made, created, developed, written, conceived of or first reduced to practice solely, jointly with Licensee or on behalf of Licensee shall be and remain with Cellebrite or its licensors, as applicable. Any suggestions, improvements or other feedback provided by Licensee to Cellebrite regarding any Products, Software or services shall be the exclusive property of Cellebrite. Licensee hereby freely assigns any intellectual property rights to Cellebrite in accordance with this Section, including any moral rights, and appoints Cellebrite as its attorney-in-fact to pursue any such intellectual property rights worldwide.

4. CONFIDENTIALITY – The parties may each disclose to the other proprietary information related to the subject of the Agreement ("Confidential Information"). Software, Documentation, Trade Secrets, and any technical information related thereto are Confidential Information of Cellebrite without any marking requirement, but any other information disclosed in writing must be marked "confidential" or "proprietary" to be deemed the Confidential Information of a party. Information disclosed orally may be deemed Confidential Information if the disclosing party says it is proprietary and summarizes it in a writing to the other party within twenty (20) days of the oral disclosure.

Pursuant to 18 U.S.C. §1833(b) , Customer shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of Cellebrite's Trade Secrets (as defined below) only if such disclosure is made: (i) in confidence to a Federal, State, or local government official, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In court proceedings claiming retaliation by Cellebrite for Customer's reporting a suspected violation of law, Customer may only disclose Cellebrite Trade Secrets to Customer's legal counsel and may only use the Trade Secret information, if Customer (i) files documents containing Trade Secrets under seal; and (ii) Customer does not otherwise disclose Cellebrite Trade Secrets, except pursuant to a court order.
The term "Trade Secret" means all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if: (a) Cellebrite has taken reasonable measures to keep such information secret; and (b) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.
The receiving party shall: (a) hold Confidential Information in confidence using the same degree of care as it normally exercises to protect its own proprietary information but at least reasonable care, (b) restrict disclosure and use of Confidential Information to only employees (including any agents, contractors or consultants) with a need to know who are advised of their obligations with respect to Confidential Information, (c) not copy, duplicate, reverse engineer or decompile Confidential Information, (d) use Confidential Information only in furtherance of performance under the Agreement, and (e) upon expiration or termination of the Agreement, at the disclosing party's option, destroy or return all Confidential Information to the disclosing party.

The receiving party shall have no obligation regarding Confidential Information that: (a) was previously known to it free of any confidentiality obligation, (b) was independently developed by it, (c) is or becomes publicly available other than by unauthorized disclosure, (d) is disclosed to third parties by the disclosing party without restriction, or (e) is received from a third party without violation of any confidentiality obligation.
If a party is faced with legal action or a requirement under applicable Law to disclose or make available Confidential Information received hereunder, such party shall promptly notify the disclosing party and, upon request of the latter, cooperate in contesting such action or requirement at the disclosing party's expense. Neither party shall be liable for damages for any disclosure or unauthorized access pursuant to legal action or applicable Law or for inadvertent disclosure, access, or use if the customary degree of care as it uses with respect to its own proprietary information has been exercised and if, upon discovery of such inadvertent disclosure, access, or use the receiving party has endeavored to prevent any further (inadvertent or otherwise) disclosure or use.

5. EXCLUSIVE REMEDIES AND LIMITATION OF LIABILITY.

A. Definitions. For purposes of the exclusive remedies and limitations of liability set forth in this Section 5, Cellebrite shall be deemed to include its Affiliates and its and their directors, officers, employees, agents, representatives, shareholders, subcontractors and suppliers; and "damages" shall be deemed to refer collectively to all injury, damage, loss or expense incurred.

B. Exclusive Remedies. Cellebrite's entire liability and Customer's exclusive remedies against Cellebrite for any damages caused by any Product or Software defect or failure, or arising from the performance or non-performance of any obligation under the Agreement, regardless of the form of action, whether in contract, tort including negligence, strict liability or otherwise shall be:

i. For bodily injury or death to any person proximately caused by Cellebrite, Customer's direct damages; and
ii. For all other claims, Cellebrite's liability shall be limited to direct damages that are proven, in an amount not to exceed the total amount paid by Customer to Cellebrite during the twelve (12) month period that immediately preceded the event that gave rise to the applicable claim.

C. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY, CELLEBRITE SHALL NOT BE LIABLE FOR INCIDENTAL, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, SAVINGS OR REVENUES OF ANY KIND, WHETHER OR NOT CELLEBRITE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS PROVISION SHALL APPLY EVEN IN THE EVENT OF THE FAILURE OF AN EXCLUSIVE REMEDY.

D. No Liability to any Third Party. TO THE MAXIMUM PERMITTED EXTENT, CELLEBRITE DISCLAIMS ANY AND ALL LIABILITIES OR OBLIGATIONS WHATSOEVER RELATED TO ANY PRODUCT OR SOFTWARE OR LICENSING OF ANY SOFTWARE TO, OR USE BY, ANYONE OTHER THAN Customer.

E. Third Party Software and Customer System Liability. Notwithstanding anything to the contrary, Cellebrite shall not be liable to Customer or any User for any damages due to use of any Third Party Software or Customer System. The limitations and exclusions from liability under the terms and conditions applicable to any Third Party Software or Customer System (which are applicable to the arrangement between Customer and the applicable provider of such Third Party Software or System) shall govern and apply with respect to the use of each such Third Party Software or System. Additionally, Cellebrite does not provide any warranty with respect to any Third Party Software or Customer System. The warranty provided by the terms and conditions applicable to any Third Party Software or Customer System (which are applicable to the arrangement between Customer and the applicable provider of such Third Party Software or System) shall apply to Third Party Software or System.

F. AI-generated results: The results generated by AI features are automatically produced, not by humans, and may be inaccurate, incorrect, or contain non-unique elements, or display content similar to that shown to other customers or users. Manual or human review is required. The use of AI features is solely at the Customer's discretion, responsibility, and risk.

6. CUSTOMER INDEMNITY – To the maximum extent permitted by applicable Law, Customer shall, at its expense: (i) indemnify and hold Cellebrite and its Affiliates and its and their directors, officers, employees, agents, representatives, shareholders, subcontractors and suppliers harmless from and against any damages, claim, liabilities and expenses (including without limitation legal expenses) (whether brought by a Third Party or an employee, consultant or agent of Customer's) arising out of any (a) misuse or use of any Product or Software furnished under the Agreement in a manner other than as authorized under this EULA, including without limitation using the Product or Software in a manner that violates applicable Law including without limitation a person's Fourth Amendment rights under the United States Constitution (or its equivalent in the Territory); (b) misappropriation of any personal information, (c) failure to obtain consents and approvals required by applicable Law for the use of any of the Cellebrite's Products or Software, or; (g) use of any Product or Software in breach of or to violate the terms of any other agreement with a Third Party; (ii) reimburse Cellebrite for any expenses, costs and liabilities (including without limitation legal expenses) incurred relating to such claim; and (iii) pay all settlements, damages and costs assessed against Cellebrite and attributable to such claim.

7. CELLEBRITE INDEMNITY – Cellebrite will, at its expense: (i) indemnify, defend and hold Customer and its Affiliates and its and their officers and directors harmless from any Third Party claim to the extent alleging that any Software furnished under this Agreement directly infringes any patent, copyright or trademark or misappropriates any trade secret, in each case having legal effect in the Territory; (ii) reimburse Customer for any expenses, costs and liabilities (including reasonable attorney's fees) incurred relating to such claim; and (iii) pay all settlements, damages and costs assessed against Customer and attributable to such claim.

In connection with satisfying its obligations hereunder, Cellebrite may, at its option and expense: (a) procure for Customer and/or its Customers the right to continue using such Software or any Product on which such Software is embedded; (b) replace or modify any such Software or any Product on which such Software is embedded, to be free of such infringement; or (c) require return of such Software or any Product on which such Software is embedded, and refund the purchase price or license price depreciated on a straight-line basis over a three (3) year period from the delivery date.

Cellebrite shall have no obligations under this Section 7 with respect to any Excluded Item. The maximum liability of Cellebrite in relation to any claims under this Section 7 shall not exceed the amounts paid by Customer to license the infringing Software or purchase Products including the infringing Software in the twelve (12) months immediately preceding the claim. If there are any other indemnification obligations with respect to infringement of any patent, copyright or trademark or misappropriation of any trade secret under the Agreement, this Section 7 shall be of no force and effect.

Cellebrite's obligations under this Section 7 are conditioned upon: (1) Customer giving Cellebrite prompt written notice (within no more than thirty (30) days) after any such claim, unless Cellebrite would not be materially prejudiced thereby; (2) Cellebrite having complete control of the defense and settlement of such claim; (3) Customer cooperating fully with Cellebrite to facilitate the defense or settlement of such claim; and (4) Customer's substantial compliance with the Agreement.

The sale of any Product by Cellebrite shall not in any way confer upon Customer, or upon anyone claiming under Customer, any license (expressly, by implication, by estoppel or otherwise) under any patent claim of Cellebrite or others covering or relating to any combination, machine or process in which such Product is or might be used, or to any process or method of making such Product.

THE FOREGOING STATES THE SOLE AND EXCLUSIVE REMEDY AND OBLIGATION OF THE PARTIES HERETO FOR INFRINGEMENT OR OTHER VIOLATION OF ANY INTELLECTUAL PROPERTY RIGHTS ARISING OUT OF THIS AGREEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, IN REGARD THERETO.

8. DISABLING CODE

A. Disabling Code. Software may be provided to Customer with code that allows Cellebrite to disable such Software. Except as provided in Section 8.B, Cellebrite will not invoke such disabling code without Customer's prior consent.

B. Invocation of Disabling Code. Notwithstanding anything to the contrary, Cellebrite may invoke the disabling code without Customer's consent if (i) Cellebrite reasonably believes that such Software has been, is being, or will be used in violation of Laws; (ii) Cellebrite is required to do so because of a court or regulatory order; (iii) Customer has not paid an outstanding invoice more than sixty (60) days after such invoice is due, or; (iv) Customer has used the Software other than as authorized by Customer's license. Cellebrite shall have no liability to Customer for any good faith invocation of any such disabling code.

9. TERM AND TERMINATION

A. Term. The term of this EULA is while any Software is under Customer's control or possession. The License Term shall be determined in a separate agreement between Cellebrite and the Customer.

B. Termination. Cellebrite may terminate this EULA and revoke the license granted hereunder (i) upon thirty (30) days' prior written notice to Customer if Customer has not cured any material breach of this EULA by the end of such thirty (30) day notice period, or (ii) if Customer has not paid any invoice sixty (60) days after such invoice is due, or (iii) by providing a written notice to be immediately effective in case Cellebrite reasonably determines that it can no longer comply with the terms of the Agreement in accordance with the requirement of any applicable law, rule and/or regulations. Termination of the Agreement in accordance with this Section shall not impose on Cellebrite liability of any kind . Upon termination or expiration of this EULA, (a) Customer shall be responsible for payment for all purchase orders delivered to Customer by Cellebrite before the effective date of termination and (b) Customer shall destroy all copies of any Software under Customer's control or possession.

C. Survival. The provisions of Sections 1-5, 6, 9, and 10-15 of this EULA shall survive any termination or expiration of this EULA.

10. CHOICE OF LAW; JURISDICTION; GOVERNING LANGUAGE

A. Choice of Law; Jurisdiction.

i. The Parties agree to meet and discuss any dispute or claim relating to the Agreement prior to seeking any judicial resolution, for a period of at least thirty (30) days, during which either party may request confidential mediation. If either party requests confidential mediation, the Parties shall conduct a minimum of two (2) days of confidential mediation with a neutral mediator selected by the American Arbitration Association in New York, New York.

ii. This Agreement and any disputes or claims arising hereunder are governed by the Laws of, and subject to the exclusive jurisdiction of, the country of incorporation of the Cellebrite entity that sold any Product or licensed any Software to Customer, without giving effect to any choice of Law rules or principles. In case of sales or licenses in the United States of America, this Agreement and any disputes or claims arising hereunder are governed by the laws of the State of New York and subject to the exclusive jurisdiction of the federal or state courts in New York, without giving effect to any conflict of Law rules or principles. Notwithstanding anything to the contrary, in the vent that the entity that sold any Product or licensed any Software to the Customer is Cellebrite GmbH, this Agreement shall be governed by and construed in accordance with the law of England and Wales and the Parties hereby submit to the exclusive jurisdiction of the English courts and, without giving effect to any conflict of Law rules or principles. The United Nations Convention on Contracts for the International Sale of Goods (except that sales or licenses in the United States of America shall not exclude the application of General Obligations Law 5-1401), and the Uniform Computer Information Transactions Act do not apply to this Agreement. Cellebrite may, at its sole

discretion, initiate any dispute or claim against Customer, including for injunctive relief, in any jurisdiction permitted by applicable Law.

B. Litigation Support. Cellebrite will only provide litigation support or testimony related to this Agreement if Cellebrite is compensated for its participation, including all travel expense, attorneys' fees, lost opportunity costs, and other applicable amounts. Purchaser will contact Cellebrite for a quote.

C. Governing Language. The parties hereto have required that this EULA be drawn in the English language, and that the English language version shall control over any translations thereof. If Customer is located in Quebec, the following sentence shall apply: Les
parties conviennent que cette EULA soient rediges en anglais.

11. ASSIGNMENT – Except to the extent otherwise required by applicable Law or expressly provided for assignment generally in the Agreement, no license provided to Customer is sublicensable, transferable or assignable by Customer, including by operation of Law, change of control, merger, purchase or otherwise, without the prior written consent of Cellebrite in each instance. Other than as expressly permitted by the foregoing, any attempted sublicense, transfer or assignment by Customer shall be null and void.

12. NO-WAIVER – No course of dealing or failure of either party to strictly enforce any term, right or condition of the Agreement shall be construed as a waiver of such term, right or condition.

13. ENTIRE AGREEMENT – The terms and conditions contained in this EULA supersede all prior oral or written understandings between the parties and shall constitute the entire agreement between the parties with respect to the subject matter of this EULA, except as provided for in the preamble to this EULA.

14. CONSTRUCTION; SEVERABILITY – The headings used in this EULA are for reference purposes only and will not be deemed to limit, expand or in any way affect the interpretation of any term or provision hereof. If any provision of this EULA is held to be invalid or unenforceable for any reason, the validity, legality, and enforceability of the remaining provisions will not be affected or impaired. The parties shall interpret the affected provision in a manner that renders it enforceable while attempting to closely approximate the intent and effect of the affected provision.

15. USA GOVERNMENT USERS ONLY

This Section does *not* apply to any private enterprise, public or private corporation, law firm, consulting company, digital forensics company, non-law enforcement agency, private person, or any other corporate entity that is a Licensee.

A. U.S. Government Customers. The Software and Services were developed exclusively at private expense and qualifies as a "commercial item" consisting of "commercial computer software" and/or "computer software documentation" as such terms are defined and used at FAR (48 C.F.R.) 2.101. Use, duplication or disclosure of the Software by the U.S. Government are subject to restrictions set forth in this Agreement, in accordance with FAR 12.212 and/or DFARS 227.7202-4, as applicable.

B. **INAPPLICABLE TERMS AND PROVISIONS – *VOID AB INITIO***. This Section ***only applies*** to U.S. local, county, state, governmental agencies and other U.S. law enforcement agencies that are state or federally funded by the United States Government. Subject to the foregoing statements, to the extent that any term or provision of the Agreement, is considered ***void ab initio***, or is otherwise unenforceable against the Licensee pursuant to applicable U.S. Law that expressly prohibits Licensee from agreeing to such term or condition, then such conflicting term or provision in this Agreement shall be struck to the extent to make such term or provision enforceable, and the remaining language, if any, shall remain in full force and effect. Any Licensee policies or procedures which are not expressly required by U.S. Law, shall not apply or be incorporated into the Agreement.

16. WARRANITES

A. Hardware Warranty.

Subject to the remaining Sections of this Appendix I, Cellebrite warrants that each Product, including all firmware but excluding 1) Software, for which the warranty is only as provided under Section B, 2) other Accessories, for which the warranty shall be as provided below, and 3) related services or prototypes of any Product, shall perform in substantial conformance with its Documentation for twelve (12) months after delivery (the "**Warranty Period**"). If any failure to conform to such specification ("**Defect**") is suspected in any Product during the Warranty Period, Licensee, after obtaining return authorisation information from Cellebrite, shall ship suspected defective samples of the Product to Cellebrite in accordance with Cellebrite's instructions at Licensee's expense. No Product will be accepted for repair, replacement, credit or refund without the written authorization of Cellebrite. Cellebrite shall analyse the Defect and any technical information provided by Licensee to verify whether any Defect appears in the Product.

If a returned Product does not have a Defect, Licensee shall pay Cellebrite all costs of handling, inspection, repairs, and transportation at Cellebrite's then-prevailing rates. If a returned Product has a Defect, Cellebrite shall, at its option, either repair or replace the defective Product with the same or equivalent Product without charge. If, after a period of thirty days following Cellebrite's receipt of the returned Product, repair or replacement has not occurred then Cellebrite will credit or refund (at Cellebrite's option) the purchase price, provided: (i) Licensee notifies Cellebrite in writing of the claimed Defect within thirty (30) days after Licensee knows or reasonably should know of the claimed Defect, and (ii) the Defect appears within the Warranty Period. Cellebrite shall ship any replacement Product DAP, excluding Import VAT (Incoterms 2010), to Licensee's destination. Title to any replaced Product or replaced parts of any Product shall pass to Cellebrite upon delivery.

In no event shall Cellebrite be responsible for deinstallation or reinstallation of any Product or for the expenses thereof. Repairs and replacements covered by the above warranty will perform in substantial conformance with the Documentation for a period of (i) six (6) months from the date of repair or replacement or (ii) until the expiration of the original Warranty Period, whichever is later.

Accessories shall perform in substantial conformance with their Documentation for six (6) months after Licensee's receipt (the "**Accessories Warranty Period**"). If any Defect is suspected in any accessories during the Accessories Warranty Period, Licensee, after obtaining return authorisation information from Cellebrite, shall ship suspected defective Accessories to Cellebrite in accordance with Cellebrite's instructions. No Accessories will be accepted for repair or replacement without the written authorisation of Cellebrite. If returned Accessories do not have a Defect, Licensee shall pay Cellebrite all costs of handling, inspection, repairs and transportation at Cellebrite's then-prevailing rates. If returned Accessories have a Defect, Cellebrite shall either repair or replace the defective Accessories with the same or equivalent Accessories without charge. Title in any replaced Accessories shall pass to Cellebrite upon delivery of the replacement Accessories.

"**Accessories**" shall mean using any peripheral equipment which accompanies, or is used in conjunction with, the Products, including without limitation, cables, kits, connectors or other accessories.

B. Software Warranty:

Cellebrite warrants to Licensee that for a period of sixty (60) days after the date of shipment, the Software will perform substantially in conformance with its Documentation. As Purchaser's sole and exclusive remedy, Cellebrite will, at its sole expense, and as its sole obligation, promptly repair or replace any Software that fails to meet this limited warranty. Software shall be provided with an initial twelve (12) months license which may be renewed by Purchaser for additional terms against payment of the applicable subscription fees to Cellebrite (the "**Software License Period**"). During the Software License Period Cellebrite shall provide Purchaser with periodical Software Updates, at Cellebrite's sole and absolute discretion.

C. Exclusions:

Cellebrite is not responsible for any claimed breach of any warranty caused by: (a) Licensee's use of the Products or

Software in violation of Section 2(C) ("License Prohibitions"); (b) placement of the Products or Software in an operating environment contrary to specific written instructions and training materials provided by Cellebrite to Licensee; (c) Licensee's intentional or negligent actions or omissions, including physical damage, fire, loss or theft of a Product; (d) cosmetic damage to the outside of a Product, including ordinary wear and tear, cracks or scratches; (e) for any Product with a touch screen, any Defect in such a touch screen after thirty (30) days from the date of receipt of such Product, or any Defect caused in a touch screen by Licensee's negligence or wilful misconduct; (f) maintenance of the Products or Software in a manner that is contrary to written instructions provided by Cellebrite to Licensee; (g) a product or service not provided, authorised or approved by Cellebrite for use with the Products or Software; (h) any repair services not authorised or approved by Cellebrite; (i) any design, documentation, materials, test data or diagnostics supplied by Licensee that have not been authorised or approved by Cellebrite; (j) usage of any test units, experimental products, prototypes or units from risk lots (each of which is provided "AS IS" to the maximum extent permissible by law); (k) any third party original equipment manufacturer's restrictions on individual phones or models of phones that prevent the phones or models of phones from working with the Products or Software; (l) any damage to a third party device alleged to or actually caused by or as a result of use of a Product or Software with a device; (m) any Products that have had their serial numbers or month and year of manufacture or shipment removed, defected or altered; (n) any interactions or other effects relating to or arising out of the installation of copies of the Software beyond the number of copies authorised by an agreement between Cellebrite and Licensee; (o) use of Products or Software incorporated into a system, other than as authorised by Cellebrite; or (p) any Products or Software that has been resold or otherwise transferred to a third party by Licensee (any Product or Software affected by the cases in (a)-(p) is referred to hereinafter as an "**Excluded Item**"). The warranties herein do not apply to, and Cellebrite makes no warranties with respect to the computer or other platform on which the Software is installed or otherwise embedded.

D. Warranty Limitations:

EXCEPT AS STATED IN THIS WARRANTY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, CELLEBRITE, ITS SUBSIDIARIES AND AFFILIATES, SUBCONTRACTORS AND SUPPLIERS EXPRESSLY DISCLAIM ALL OTHER REPRESENTATIONS, WARRANTIES, AND CONDITIONS, EXPRESS OR IMPLIED, AT COMMON LAW OR BY STATUTE, AND SPECIFICALLY DISCLAIM ANY WARRANTY AND/OR CONDITION RELATING TO THE PRODUCTS, SERVICES, OR THE CONFIDENTIAL INFORMATION, INCLUDING THOSE OF MERCHANTABILITY, ACCURACY, PATENT SUFFICIENCY, FITNESS FOR A PARTICULAR PURPOSE, USE, VALUE, NONVIOLATION OF PRIVACY RIGHTS, OR NONINFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY, AND ALL WARRANTIES ARISING FROM ANY COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, AND THE EQUIVALENTS THEREOF UNDER THE LAWS OF ANY JURISDICTION OR THAT THE PRODUCTS WILL BE OF SATISFACTORY QUALITY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, LICENSEE'S SOLE AND EXCLUSIVE REMEDY FOR FAILURE OF AN ITEM TO CONFORM WITH ITS SPECIFICATIONS SHALL BE CELLEBRITE'S OBLIGATION (i) TO REPAIR OR (ii) TO REPLACE OR, (iii) IF NEITHER (i) NOR (ii) IS COMMERCIALLY FEASIBLE, TO CREDIT OR REFUND (AT CELLEBRITE'S OPTION) SUCH ITEM AS SET FORTH ABOVE. THIS DISCLAIMER AND EXCLUSION SHALL APPLY EVEN IF THE EXPRESS WARRANTY FAILS OF ITS ESSENTIAL PURPOSE.

Cellebrite expressly disclaims and renounces any warranty or representation that the Products and/or the Software can work with all types of devices, any particular device, or with any particular version of any operating system. Licensee assumes the entire risk and all liabilities that the Product and/or the Software will not work with respect to any such device. THE LICENSEE'S BENEFITS FROM THE SERVICES ARE PROVIDED BY CELLEBRITE ON AN "AS-IS" AND "WHERE IS" BASIS AND WITH ALL FAULTS.

E. Repaired or Replaced Products:

Before returning a Product for service, Licensee will back up any data contained in such Product. IN NO EVENT WILL CELLEBRITE, ITS AFFILIATES OR SUPPLIERS BE LIABLE TO LICENSEE OR ANY THIRD PARTY FOR ANY DAMAGES OF ANY KIND WHATSOEVER RELATING TO OR ARISING OUT OF DAMAGE TO, LOSS OF, OR CORRUPTION OF, ANY RECORDS, PROGRAMS, DATA OR INFORMATION RESULTING FROM CELLEBRITE'S REPAIR OR REPLACEMENT SERVICES UNDER THIS WARRANTY, OR AS A RESULT OF A FAILURE OR MALFUNCTION OF A PRODUCT.
EULA Version: May 2026

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Jeremy Brandenburg, Police Captain

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute a Five-Year Agreement with Axon Enterprise, Inc. for National Defense Authorization Act (NDDA) Compliant Replacement Unmanned Aircraft System Airframes, Management Software, Support Services, and FAA Certificate of Waiver Regulatory Filing Support

BACKGROUND:

The City of San Bruno has deployed its Unmanned Aircraft Systems (UAS) program as a joint venture between the police and fire departments; both departments have seen great use of technology over the past five plus years. UAS aircraft have been utilized to support public safety operations, including emergency response, critical incident management, search and rescue, disaster assessment, fire response support, crime scene documentation, and situational awareness during evolving incidents.

Both the Police and Fire Department's UAS fleet is over five years old and is approaching the end of its practical service life. Due to age, platform limitations, evolving FAA requirements, and the operational environment in and around San Bruno, the current fleet can no longer reliably meet FAA operational requirements in all deployment circumstances. The City's prior FAA Certificate of Authorization (COA, now termed CoW by the FAA) expired last year, further limiting the Department's ability to conduct certain public aircraft operations without renewed FAA authorization.

Replacement airframes are necessary to maintain operational readiness, support compliant UAS operations, and ensure the City has reliable equipment available for both police and fire operations. The proposed replacement platforms are Blue UAS/National Defense Authorization Act (NDAA) compliant public safety UAS configurations, which better align with public agency cybersecurity, supply chain, data security, and operational reliability expectations.

DISCUSSION:

To better meet the needs of evolving technology and to deploy operationally ready equipment, staff recommends entering into a five-year agreement with Axon Enterprise, Inc, to provide Skydio UAS airframes, the management software, other support services, and FAA CoW drafting and submitting support. The proposed agreement has a 60-month program length, with software and service coverage through March 31, 2032.

The agreement includes:

- Two Skydio X10 Patrol DFR hardware kits (UAS platform used primarily outdoors)
- Two Skydio R10 Patrol hardware kits (UAS platform used primarily indoors)
- Axon Air and Skydio software subscriptions
- Axon Evidence unlimited data storage per drone (service used to store recorded video / same system the police department uses for all body worn camera video)
- Skydio Connect data plans for the R10 units
- Professional implementation services
- X10 speakers and spotlights for enhanced operational capacity
- Built in hardware refresh during the contract cycle
- Skydio CoW application services for remote operations

The Skydio X10 and R10 platforms will support a broad range of public safety missions, including patrol support, fire response, search and rescue, overwatch during critical incidents, disaster assessment, perimeter searches, indoor searches, building checks, and documentation of major scenes. The associated software will assist with fleet management, operational accountability, flight documentation, data storage, evidence-related workflows, compliance tracking, and program oversight.

Using a shared platform also improves interoperability, training consistency, equipment standardization, and coordinated incident command during major events. This will allow a police department member to operate a UAS for a fire specific operation and vice versa. This allows additional cross department public safety personnel to assist with operations when resources are difficult.

Blue UAS/NDAA-Compliant Platform
The proposed Skydio platforms are being acquired as Blue UAS/NDAA-compliant public safety UAS configurations. This designation is important because public safety UAS programs increasingly require secure, trusted, and supportable platforms that align with federal supply chain, cybersecurity, and data protection expectations.

Using Blue UAS/NDAA-compliant equipment also supports long-term program resilience by reducing reliance on platforms that may create procurement, cybersecurity, data governance, or federal funding concerns. For a public safety agency operating near critical infrastructure and controlled airspace, platform security and operational trust are key considerations.

Skydio is also a local company headquartered in San Mateo County and have a manufacturing/ assembly location in the East Bay.

Skydio Patrol DFR Air Patrol Kit/Operational Capabilities
The proposed Axon Air DFR Patrol Plan includes Skydio X10 Patrol DFR hardware kits and related software and services designed to support patrol-led Drone as First Responder operations. In practical terms, the patrol DFR model allows a trained officer or public safety employee to deploy the aircraft from the field while an authorized remote pilot can assume control and fly the mission remotely when appropriate and authorized.

The Skydio X10 Patrol DFR platform is designed for outdoor public safety response and provides real-time aerial situational awareness for calls involving fleeing suspects, perimeter containment, missing persons, fire assessment, hazardous conditions, disaster response, traffic collisions, and critical incidents.

The proposal also includes two Skydio R10 Patrol hardware kits. The R10 platform expands the City's UAS capability into indoor and confined-space environments where an outdoor aircraft may not be appropriate. The R10 supports indoor searches, building checks, alarm calls, tactical assessment, and confined-space situational awareness.

Together, the X10 and R10 platforms provide complementary public safety capabilities. The X10 supports outdoor response, overwatch, aerial assessment, and patrol-led DFR operations, while the R10 supports indoor and confined-space response. This combination gives Police and Fire personnel more flexible tools for evaluating hazardous environments before placing personnel in potentially dangerous locations.

Included Software, Data, and Program Management Components
The proposal includes Axon Air and Skydio software subscriptions, Skydio Connect data plans for the R10 units, and Axon Evidence unlimited data storage per drone. These components support flight documentation, storage of UAS-related digital evidence, program oversight, and administrative management of the UAS fleet.

The software and data components will assist with automatic flight log documentation, hardware management, pilot activity tracking, secure program management, evidence retention, training documentation, audit readiness, and compliance with standing policy and reporting requirements.

Refresh Plan/Lifecycle Replacement
The proposal includes Skydio SAFE refresh hardware during the five-year term. The refresh component is an important lifecycle management feature because UAS platforms operate in field conditions, experience battery and component wear, and may become outdated as FAA, cybersecurity, software, and operational requirements evolve.

Under the delivery schedule in the Axon proposal, the City would receive the initial Skydio X10 Patrol DFR hardware kits and Skydio R10 Patrol hardware kits in 2027, with refresh hardware scheduled during the term of the agreement in September of 2029. The quote identifies refresh items for the X10 Patrol DFR hardware kits, R10 hardware kits, X10 spotlights, and X10 speakers.

The practical benefit of the refresh plan is that the City is not only purchasing replacement aircraft at the beginning of the contract term; it is also building in a planned equipment refresh to help maintain operational reliability, reduce unplanned replacement costs, and keep the UAS program aligned with current public safety technology standards.

FAA Certificate of Waiver or Authorization/Class B Airspace
San Bruno is located near San Francisco International Airport and within heavily controlled "Class B" airspace. UAS operations in controlled airspace require FAA authorization before flight. This is particularly important for public safety operations in and around San Bruno

because emergency response missions may occur in areas affected by SFO-controlled airspace.

For public safety agencies operating as public aircraft operators, the FAA Certificate of Waiver process provides a formal mechanism for requesting authorization to conduct specified UAS operations in the National Airspace System. Because the City's prior FAA Certificate of Authorization expired last year, the proposed waiver application services are necessary to help restore and expand the City's ability to conduct compliant public safety UAS operations, including operations in "Class B" airspace near SFO when authorized by the FAA.

Approval of this agreement does not authorize UAS flights in controlled airspace. Actual deployment will remain subject to FAA approval, the terms of any issued Certificate of Waiver or Authorization, City policy, pilot training, operational oversight, privacy safeguards, and applicable law.

Military Equipment Compliance/California Government Code Sections 7070-7075
Unmanned, remotely piloted, powered aerial vehicles are defined as "military equipment" under California Government Code section 7070. Because this purchase includes UAS airframes and related equipment, the acquisition, funding, deployment, use, reporting, and continued authorization of the equipment are subject to California Government Code sections 7070 through 7075.

The UAS airframe outlined in this staff report are "military equipment" item under California law. Approval of the Axon agreement and new equipment, will be notated on the yearly military equipment report as additional airframe manufactures and models.

Approval of the agreement does not replace or waive any separate requirement under the City's military equipment use policy, FAA requirements, or applicable law. UAS deployment and use shall remain subject to approved policy, training, operational oversight, privacy safeguards, FAA authorization, and all applicable legal requirements.

FISCAL IMPACT:

As proposed, this contract has a duration of five years, totaling $313,608.95. The services provided via this contract in year one have already been appropriated in the FY 2025-26 Operating Budget. Sufficient funds are available within the Police Department's budget to cover this expense. Future annual renewal costs will be subject to the City's annual budget process and Council appropriation. The ongoing yearly cost of this contract is $56,455.28 for the contract term.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Staff recommends that the City Council adopt a Resolution Authorizing the City Manager to Execute a Five-Year Agreement with Axon Enterprise, Inc. for National Defense Authorization Act (NDDA) Compliant Replacement Unmanned Aircraft System Airframes, Management Software, Support Services, and FAA Certificate of Waiver Regulatory Filing Support

ATTACHMENTS:

1. Resolution Authorizing the City Manager to Execute a Five-Year Agreement with Axon Enterprise, Inc. for National Defense Authorization Act (NDDA) Compliant Replacement Unmanned Aircraft System Airframes, Management Software, Support Services, and FAA Certificate of Waiver Regulatory Filing Support
2. Axon Quotation (June 15, 2026)
3. Axon Master Services Agreement

RESOLUTION NO. 2026 - ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AUTHORIZING THE CITY MANAGER TO EXECUTE A FIVE-YEAR AGREEMENT WITH AXON ENTERPRISE, INC. FOR NATIONAL DEFENSE AUTHORIZATION ACT (NDDA) COMPLIANT REPLACEMENT UNMANNED AIRCRAFT SYSTEM AIRFRAMES, MANAGEMENT SOFTWARE, SUPPORT SERVICES, AND FAA CERTIFICATE OF WAIVER REGULATORY FILING SUPPORT

WHEREAS, the City utilizes unmanned aircraft systems to support public safety operations, including police response, fire response, search and rescue, critical incident management, disaster assessment, scene documentation, and situational awareness during evolving incidents; and

WHEREAS, the City's current UAS fleet is over five years old, is approaching the end of its practical service life, and can no longer reliably meet FAA operational requirements in all deployment circumstances, requiring replacement equipment to maintain operational readiness and reliable public safety response capability; and

WHEREAS, the City Council of San Bruno places a high priority on deploying efficient and effective technologies to support the public safety missions of the police and fire departments; and

WHEREAS, San Bruno is located near San Francisco International Airport and within or near controlled Class B airspace, the City's prior FAA Certificate of Authorization expired last year, and updated FAA authorization is necessary to support certain public safety UAS operations in controlled airspace when approved by the FAA; and

WHEREAS, the proposed agreement with Axon Enterprise, Inc. is for a 60-month term and includes two Skydio X10 Patrol DFR hardware kits, two Skydio R10 Patrol hardware kits, Axon Air and Skydio software subscriptions, Axon Evidence unlimited data storage per drone, Skydio Connect data plans, professional implementation, related accessories, refresh hardware, and Skydio waiver application services for remote operations; and

WHEREAS, the proposed Blue UAS / NDAA-compliant public safety UAS platform will support police and fire operations, improve cybersecurity and supply chain confidence, provide outdoor and indoor situational awareness capabilities, support evidence and flight documentation, and provide planned lifecycle replacement through the included refresh hardware; and

WHEREAS, unmanned, remotely piloted, powered aerial vehicles are defined as "military equipment" under California Government Code section 7070, and the acquisition, funding, deployment, use, and reporting of the UAS equipment authorized by this resolution are subject to California Government Code sections 7070 through 7075, the City's approved military equipment use policy, public transparency requirements, annual reporting requirements, and any additional approvals required by law; and

WHEREAS, the total quoted cost is $302,276.40, plus estimated tax of $11,332.55, for an estimated total agreement amount of $313,608.95 over the five-year term; and

WHEREAS, Axon licenses its products and services under standardized license agreements that do not conform to the City's standard contract templates and are not subject to substantive negotiation; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Bruno hereby:

1. The City Council authorizes the City Manager to execute a five-year agreement with Axon Enterprise, Inc. NDAA-compliant replacement UAS airframes, associated management software, implementation services, support services, accessories, scheduled hardware refresh, and Certificate of Waiver or Authorization filing support services., in an amount not to exceed $313,608.95; and

2. Approves execution of the associated non-standard Master Services Agreement and related documents required to obtain and maintain access to the technology (together, the "Agreement"); and

3. The City Council finds that the UAS equipment authorized by this resolution is subject to California Government Code sections 7070 through 7075 and shall be acquired, deployed, used, reported, and maintained in accordance with the City's approved military equipment use policy, applicable annual reporting requirements, FAA requirements, policy, and all other applicable laws.

BE IT FURTHER RESOLVED that the City Manager, or designee, is authorized to take all necessary actions to carry out the intent of this Resolution.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 – ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Q-825909-46188KP

Issued: 06/15/2026

Quote Expiration: 06/30/2026

Estimated Contract Start Date: 04/01/2027

Account Number: 167855

Payment Terms: N30

Mode of Delivery: AUTO-GND

Credit/Debit Amount: $0.00

SHIP TO	BILL TO
San Bruno Police Dept. - CA 1177 Huntington Ave San Bruno, CA 94066-1500 USA	San Bruno Police Dept. - CA 1177 Huntington Ave San Bruno CA 94066-1500 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Kyle Panasewicz Phone: +1 4803294734 Email: kpanasewicz@axon.com Fax: (480) 905-2071	Jeremy Brandenburg Phone: (650) 616-7100 Email: jbrandenburg@sanbruno.ca.gov Fax:

Quote Summary

Program Length	60 Months
TOTAL COST	$302,276.40
ESTIMATED TOTAL W/ TAX	$313,608.95

Discount Summary

Average Savings Per Year	$0.08
TOTAL SAVINGS	$0.40

Payment Summary

Date	Subtotal	Tax	Total
Mar 2027	$56,455.28	$2,266.51	$58,721.79
Apr 2027	$20,000.00	$0.00	$20,000.00
Mar 2028	$56,455.28	$2,266.51	$58,721.79
Mar 2029	$56,455.28	$2,266.51	$58,721.79
Mar 2030	$56,455.28	$2,266.51	$58,721.79
Mar 2031	$56,455.28	$2,266.51	$58,721.79
Total	**$302,276.40**	**$11,332.55**	**$313,608.95**

Quote Unbundled Price:	**$75,088.10**
Quote List Price:	**$75,088.10**
Quote Subtotal:	**$302,276.40**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
A00046	AXON AIR DFR PATROL PLAN	2	60			$1,556.68	$186,801.60	$8,579.40	$195,381.00
A la Carte Hardware									
101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2			$265.00	$265.00	$530.00	$52.34	$582.34
101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2			$280.00	$280.00	$560.00	$55.30	$615.30
101211	AXON AIR - SKYDIO SPEAKER FOR X10	2			$320.00	$320.00	$640.00	$63.20	$703.20
101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2			$340.00	$340.00	$680.00	$67.15	$747.15
A00030	AXON AIR R10 PATROL KIT BUNDLE	2	60		$15,598.45	$596.53	$71,583.60	$2,515.16	$74,098.76
A la Carte Software									
102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	60		$179.01	$179.01	$21,481.20	$0.00	$21,481.20
A la Carte Services									
100968	AXON AIR - SKYDIO WAIVER APPLICATION - REMOTE OPS ESSENTIAL	1			$20,000.00	$20,000.00	$20,000.00	$0.00	$20,000.00
Total							**$302,276.40**	**$11,332.55**	**$313,608.95**

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
AXON AIR DFR PATROL PLAN	102765	AXON AIR - SKYDIO X10 PATROL DFR HW KIT	2	1	03/01/2027
AXON AIR R10 PATROL KIT BUNDLE	102471	AXON AIR - SKYDIO R10 PATROL HW KIT	2	1	03/01/2027
A la Carte	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	1	03/01/2027
A la Carte	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	1	03/01/2027
AXON AIR DFR PATROL PLAN	102767	AXON AIR - SKYDIO SAFE - X10 PATROL DFR HW KIT - REFRESH 1	2	1	09/01/2029
AXON AIR R10 PATROL KIT BUNDLE	102466	AXON AIR - SKYDIO SAFE R10 HW KIT - REFRESH 1	2	1	09/01/2029
A la Carte	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	1	09/01/2029
A la Carte	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	1	09/01/2029

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
AXON AIR DFR PATROL PLAN	102656	AXON AIR - AXON EVIDENCE UNLIMITED DATA STORAGE PER DRONE	2	04/01/2027	03/31/2032
AXON AIR DFR PATROL PLAN	102678	AXON AIR - SKYDIO X10 PATROL DFR SUBSCRIPTION PLAN W/ DATA	2	04/01/2027	03/31/2032
AXON AIR R10 PATROL KIT BUNDLE	102467	AXON AIR - SKYDIO R10 SUBSCRIPTION PLAN	2	04/01/2027	03/31/2032

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
AXON AIR R10 PATROL KIT BUNDLE	102656	AXON AIR - AXON EVIDENCE UNLIMITED DATA STORAGE PER DRONE	2	04/01/2027	03/31/2032
A la Carte	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	04/01/2027	03/31/2032

Services

Bundle	Item	Description	QTY
AXON AIR DFR PATROL PLAN	102667	AXON AIR - SKYDIO X10 PATROL DFR SERVICES - PREMIUM SOLUTION	2
AXON AIR R10 PATROL KIT BUNDLE	12021	AXON AIR - PROFESSIONAL IMPLEMENTATION	1
A la Carte	100968	AXON AIR - SKYDIO WAIVER APPLICATION - REMOTE OPS ESSENTIAL	1

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	1177 Huntington Ave	San Bruno	CA	94066-1500	USA

Payment Details

Mar 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 1	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	$128.00	$12.64	$140.64
Annual Payment 1	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	$106.00	$10.47	$116.47
Annual Payment 1	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	$112.00	$11.06	$123.06
Annual Payment 1	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	$136.00	$13.43	$149.43
Annual Payment 1	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	$4,296.24	$0.00	$4,296.24
Annual Payment 1	A00030	AXON AIR R10 PATROL KIT BUNDLE	2	$14,316.72	$503.03	$14,819.75
Annual Payment 1	A00046	AXON AIR DFR PATROL PLAN	2	$37,360.32	$1,715.88	$39,076.20
Total				**$56,455.28**	**$2,266.51**	**$58,721.79**

Apr 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Invoice Upon Fulfillment	100968	AXON AIR - SKYDIO WAIVER APPLICATION - REMOTE OPS ESSENTIAL	1	$20,000.00	$0.00	$20,000.00
Total				**$20,000.00**	**$0.00**	**$20,000.00**

Mar 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 2	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	$128.00	$12.64	$140.64
Annual Payment 2	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	$106.00	$10.47	$116.47
Annual Payment 2	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	$112.00	$11.06	$123.06
Annual Payment 2	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	$136.00	$13.43	$149.43
Annual Payment 2	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	$4,296.24	$0.00	$4,296.24
Annual Payment 2	A00030	AXON AIR R10 PATROL KIT BUNDLE	2	$14,316.72	$503.03	$14,819.75
Annual Payment 2	A00046	AXON AIR DFR PATROL PLAN	2	$37,360.32	$1,715.88	$39,076.20
Total				**$56,455.28**	**$2,266.51**	**$58,721.79**

Mar 2029

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 3	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	$128.00	$12.64	$140.64
Annual Payment 3	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	$106.00	$10.47	$116.47
Annual Payment 3	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	$112.00	$11.06	$123.06
Annual Payment 3	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	$136.00	$13.43	$149.43
Annual Payment 3	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	$4,296.24	$0.00	$4,296.24
Annual Payment 3	A00030	AXON AIR R10 PATROL KIT BUNDLE	2	$14,316.72	$503.03	$14,819.75
Annual Payment 3	A00046	AXON AIR DFR PATROL PLAN	2	$37,360.32	$1,715.88	$39,076.20
Total				**$56,455.28**	**$2,266.51**	**$58,721.79**

Mar 2030

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Annual Payment 4	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	$128.00	$12.64	$140.64

Mar 2030						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Annual Payment 4	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	$106.00	$10.47	$116.47
Annual Payment 4	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	$112.00	$11.06	$123.06
Annual Payment 4	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	$136.00	$13.43	$149.43
Annual Payment 4	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	$4,296.24	$0.00	$4,296.24
Annual Payment 4	A00030	AXON AIR R10 PATROL KIT BUNDLE	2	$14,316.72	$503.03	$14,819.75
Annual Payment 4	A00046	AXON AIR DFR PATROL PLAN	2	$37,360.32	$1,715.88	$39,076.20
Total				**$56,455.28**	**$2,266.51**	**$58,721.79**

Mar 2031						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Annual Payment 5	101211	AXON AIR - SKYDIO SPEAKER FOR X10	2	$128.00	$12.64	$140.64
Annual Payment 5	101229	AXON AIR - SKYDIO SPOTLIGHT FOR X10	2	$106.00	$10.46	$116.46
Annual Payment 5	101522	AXON AIR - SKYDIO SAFE - SPOTLIGHT REFRESH 1	2	$112.00	$11.06	$123.06
Annual Payment 5	101540	AXON AIR - SKYDIO SAFE - SPEAKER REFRESH 1	2	$136.00	$13.43	$149.43
Annual Payment 5	102468	AXON AIR - SKYDIO CONNECT DATA PLAN FOR R10	2	$4,296.24	$0.00	$4,296.24
Annual Payment 5	A00030	AXON AIR R10 PATROL KIT BUNDLE	2	$14,316.72	$503.04	$14,819.76
Annual Payment 5	A00046	AXON AIR DFR PATROL PLAN	2	$37,360.32	$1,715.88	$39,076.20
Total				**$56,455.28**	**$2,266.51**	**$58,721.79**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at https://www.axon.com/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Exceptions to Standard Terms and Conditions

Rewrite Estimates

Estimated Amounts and Contract Terminations. Any amounts stated as due under existing or terminated contracts — including contract transfer balances carried forward to new or pending contracts — are estimates based on payments received as of the calculation date. These estimates may be adjusted if new contracts are not executed on the anticipated dates or if expected payments are not made.

Refresh Shipment Timing

Technology Assurance Plan (TAP) Refresh Prior to Renewal. For Customers with expiring agreements that include TAP refresh rights, Axon may, in its discretion, ship refresh hardware under the existing contract while renewal or replacement agreements are in progress. Any such shipments will be deemed made under the terms of the existing contract until the new contract is fully executed, after which any applicable updates, fees, or adjustments will apply.

Shipment Timing

Shipment Variance. Estimated shipment dates are provided for planning purposes only and are not guarantees. Axon may ship hardware before or after the estimated shipment date, and failure to meet an estimated shipment date will not, by itself, constitute a breach, provided Axon uses commercially reasonable efforts to meet estimated shipment dates.

Signature

Date Signed

6/15/2026

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc. ("**Axon**"), and the Customer listed below or, if no Customer is listed below, the customer on the Quote (as defined below) ("**Customer**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) date of acceptance of the Quote ("**Effective Date**"). Axon and Customer are each a "**Party**" and collectively "**Parties**". This Agreement governs Customer's purchase and use of the Axon Devices and Services detailed in the Quote. It is the intent of the Parties that this Agreement will govern all subsequent purchases by Customer for the same Axon Devices and Services in the Quote, and all such subsequent quotes accepted by Customer shall be also incorporated into this Agreement by reference as a Quote. The Parties agree as follows:

1. **Definitions.**

   1.1. "**Axon Cloud Services**" means Axon's web services, but excludes third-party applications, hardware warranties, and my.evidence.com.

   1.2. "**Axon Device**" means all hardware provided by Axon under this Agreement. Axon-manufactured Devices are a subset of Axon Devices.

   1.3. "**Quote**" means an offer to sell and is only valid for devices and services on the offer at the specified prices. Any inconsistent or supplemental terms within Customer's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any Quote by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

   1.4. "**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2. **Term.** This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

   2.1. All subscription plans begin on the date stated in the Quote. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

   2.2. Upon completion of the Subscription Term, the Subscription Term may renew upon mutual written agreement of the Parties for a mutually agreeable term ("**Renewal Term**"). For purchase of TASER 7 or TASER 10 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. New devices and services may require additional terms. Axon will not authorize new services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3. **Payment.** Axon invoices for Axon Devices upon shipment, or on the date specified within the invoicing plan in the Quote. Payment is due net 30 days from the invoice date. Axon invoices for Axon Cloud Services on an upfront annual basis prior to the beginning of the Subscription Term and upon the anniversary of the Subscription Term. Payment obligations are non-cancelable. Unless otherwise prohibited by law, Customer will pay interest on all past-due sums at the lower of one-and-a-half percent (1.5%) per month or the highest rate allowed by law. Customer will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Customer is responsible for collection and attorneys' fees.

4. **Taxes.** Customer is responsible for sales and other taxes associated with the order unless Customer provides Axon a valid tax exemption certificate.

5. **Shipping.** Axon may make partial shipments and ship Axon Devices from multiple locations. All shipments are EXW (Incoterms 2020) via common carrier. Title and risk of loss pass to Customer upon Axon's delivery to the common carrier. Customer is responsible for any shipping charges in the Quote.

6. **Returns.** All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7. **Warranty.**

   7.1. **Limited Warranty.** Axon warrants that Axon-manufactured Devices, except for TASER devices covered under the TASER Appendix, are free from defects in workmanship and materials for one (1) year from the date of Customer's receipt, except Signal Sidearm which Axon warrants for thirty (30) months from Customer's receipt and Axon-manufactured accessories, which Axon warrants for ninety (90) days from Customer's receipt, respectively, from the date of Customer's receipt. Extended warranties run from the expiration of the one- (1-) year hardware warranty through the extended warranty term purchased.

   7.2. **Disclaimer. All software and Axon Cloud Services are provided "AS IS," without any warranty of any kind, either express or implied, including without limitation the implied warranties of merchantability, fitness for a particular purpose and non-infringement. Axon Devices and Services that are not manufactured, published or performed by Axon ("Third-Party Products") are not covered by Axon's**

warranty and are only subject to the warranties of the third-party provider or manufacturer. If Customer purchases Axon Loki, Customer acknowledges the Loki device is designed for operation in enclosed, controlled environments and must be used in compliance with all applicable laws and safety guidelines. Operation in open or unapproved areas may result in signal interference, loss of control, or damage, and Axon assumes no liability for improper use, including any resulting harm or regulatory violations.

7.3. **Claims.** If Axon receives a valid warranty claim for an Axon-manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Axon-manufactured Device with the same or like Axon-manufactured Device, at Axon's option. A replacement Axon-manufactured Device will be new or like new. Axon will warrant the replacement Axon-manufactured Device for the longer of (a) the remaining warranty of the original Axon-manufactured Device or (b) ninety (90) days from the date of repair or replacement.

7.3.1. If Customer exchanges an Axon Device or part, the replacement item becomes Customer's property, and the replaced item becomes Axon's property. Before delivering an Axon-manufactured Device for service, Customer must upload Axon-manufactured Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Axon-manufactured Device sent to Axon for service.

7.4. **Spare Axon Devices.** At Axon's reasonable discretion, Axon may provide Customer a predetermined number of spare Axon Devices as detailed in the Quote ("**Spare Axon Devices**"). Spare Axon Devices are intended to replace broken or non-functioning units while Customer submits the broken or non-functioning units, through Axon's warranty return process. Axon will repair or replace the unit with a replacement Axon Device. Title and risk of loss for all Spare Axon Devices shall pass to Customer in accordance with shipping terms of this Agreement. Axon assumes no liability or obligation in the event Customer does not utilize Spare Axon Devices for the intended purpose.

7.5. **Limitations.** Axon's warranty excludes damage related to: (a) failure to follow Axon Device use instructions; (b) Axon Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Axon Device; (d) force majeure; (e) Axon Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Axon Devices with a defaced or removed serial number. Axon's warranty will be void if Customer resells Axon Devices.

7.5.1. **To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement. Customer confirms and agrees that, in deciding whether to sign this Agreement, Customer has not relied on any statement or representation by Axon or anyone acting on behalf of Axon related to the subject matter of this Agreement that is not in this Agreement.**

7.5.2. **Axon's cumulative liability to any party for any loss or damage resulting from any claim, demand, or action arising out of or relating to this Agreement will not exceed the purchase price paid to Axon for the Axon Device, or if for Services, the amount paid for such Services over the twelve (12) months preceding the claim. Neither Party will be liable for special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.**

7.6. **Online Support Platforms.** Use of Axon's online support platforms (e.g., Axon Academy and MyAxon) is governed by the Axon Online Support Platforms Terms of Use Appendix available at www.axon.com/sales-terms-and-conditions.

7.7. **Third-Party Hardware, Software and Services.** Use of hardware, software, or services other than those provided by Axon is governed by the terms, if any, entered into between Customer and the respective third-party provider, including, without limitation, the terms applicable to such software or services located at www.axon.com/sales-terms-and-conditions, if any.

7.8. **Axon Aid.** Upon mutual agreement between Axon and Customer, Axon may provide certain products and services to Customer, as a charitable donation under the Axon Aid program. In such event, Customer expressly waives and releases any and all claims, now known or hereafter known, against Axon and its officers, directors, employees, agents, contractors, affiliates, successors, and assigns (collectively, "**Releasees**"), including but not limited to, on account of injury, death, property damage, or loss of data, arising out of or attributable to the Axon Aid program whether arising out of the negligence of any Releasees or otherwise. Customer agrees not to make or bring any such claim against any Release, and forever release and discharge all Releasees from liability under such claims. Customer expressly allows Axon to publicly announce its participation in Axon Aid and use its name in marketing materials. Axon may terminate the Axon Aid program without cause immediately upon notice to the Customer.

8. **Free Trial.**

8.1. **Trial Period and License.** At any time during the Term, Customer and Axon may elect to enter a free trial of Axon Devices and Services new to the Customer for a designated period ("**Trial Period**") as described in a quote issued ("**Trial Quote**"). During the Trial Period, Axon grants Customer a nonexclusive, terminable, non-transferable, license to use new Axon Devices and Services provided for trial to the Customer ("**Trial Products**"). Trial Products may include Axon beta software or firmware which additional terms may be required and included within the Trial Quote. Axon may limit the number of Trial Products Customer receives within the Trial Quote. Axon may supply refurbished Trial Products. ALL FREE TRIAL PRODUCTS INCLUDING, WITHOUT LIMITATION, AXON CLOUD SERVICES, ARE PROVIDED "AS IS" AND TO THE EXTENT NOT PROHIBITED BY LAW, AXON DISCLAIMS ALL LIABILITY REGARDLESS OF THE CLAIM.

8.2. **Trial Quote Termination.** Upon at least 10 business days' prior written notice to Axon at any time prior to the end of the Trial Period, Customer may as its sole option, terminate the free Trial Period and underlying Trial Quote associated with the Trial Products for convenience. Customer's rights to the Trial Products will immediately terminate at the end of the Trial Period, and Customer will return any Trial Products hardware to Axon within 10 days after the effective date of such termination or at the end of the Trial Period, excluding used CEW cartridges. If any individual component of the Trial Products is not returned, Axon will invoice Customer the MSRP of the unreturned items. Customer agrees to pay the invoice along with any applicable taxes and shipping. Customer will return the Trial Products to Axon in good working condition, minus normal wear and tear. Axon may charge Customer if there is damage beyond normal wear and tear. Any Customer Content shall be stored and returned pursuant to the Axon Cloud Services Terms of Use Appendix

9. **Statement of Work.** Certain Axon Devices and Services, including, but not limited to, Axon Interview Room, Axon Channel Services, Axon Justice Implementation, FUSUS, and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Customer, Axon is only responsible for the performance of Services described in the SOW. Additional services outside of the SOW, Quote, or this Agreement are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. Any applicable SOW is incorporated into this Agreement by reference.

10. **Axon Device Warnings.** See www.axon.com/legal for the most current Axon Device warnings.

11. **Design Changes.** Axon may make design or feature changes to any Axon Device or Service without notifying Customer or making the same change to Axon Devices and Services previously purchased by Customer.

12. **Combined Offerings.** Some offerings in a Quote combine existing and pre-released Axon Devices or Services. Some offerings may not be available at the time of Customer's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to delay of availability or Customer's choice not to utilize any portion of a combined offering.

13. **Insurance.** Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

14. **IP Rights.** Axon owns and reserves all right, title, and interest in Axon-manufactured Devices and Services and suggestions to Axon, including all related intellectual property rights. Customer will not cause any Axon proprietary rights to be violated.

15. **IP Indemnification.** Axon will indemnify Customer against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon-manufactured Devices, Axon Cloud Services or Axon software ("**Axon Products**") infringes or misappropriates the third-party's intellectual property rights. Customer must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon Products by Customer or a third-party not approved by Axon; (b) use of Axon Products in combination with hardware or services not approved by Axon; (c) use of Axon Products other

than as permitted in this Agreement; or (d) use of Axon Products that is not the most current software release provided by Axon.

16. **Customer Responsibilities.** Customer is responsible for (a) Customer's use of Axon Devices; (b) Customer or a Customer-authorized user's breach of this Agreement or violation of applicable law; (c) disputes between Customer and a third-party over Customer's use of Axon Devices; (d) secure and sustainable destruction and disposal of Axon Devices at Customer's cost; and (e) any regulatory violations or fines, as a result of improper destruction or disposal of Axon Devices.

17. **Termination.**

    17.1. **For Breach.** A Party may terminate this Agreement for cause if it provides thirty (30) days written notice of the breach to the other Party, and the breach remains uncured thirty (30) days after written notice. If Customer terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

    17.2. **By Customer**. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Customer may terminate this Agreement. Customer will deliver notice of termination under this section as soon as reasonably practicable.

    17.3. **Effect of Termination**. Upon termination of this Agreement, Customer rights immediately terminate. Customer remains responsible for all fees incurred before the effective date of termination. If Customer purchases Axon Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Customer the difference between the MSRP for Axon Devices procured, including any Spare Axon Devices, and amounts paid towards those Axon Devices. Only if terminating for non-appropriation, Customer may avoid the MSRP fee by returning Axon Devices to Axon within thirty (30) days of termination. MSRP is the standalone price of the individual Axon Device at the time of sale. For multiple Axon Devices that may be combined as a single offering on a Quote, MSRP is the standalone price of all individual components.

18. **Confidentiality.** "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for five (5) years thereafter. To the extent permissible by law, Axon pricing is Confidential Information and competition sensitive. If Customer receives a public records request to disclose Axon Confidential Information, to the extent allowed by law, Customer will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

19. **General.**

    19.1. **Force Majeure**. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

    19.2. **Independent Contractors.** The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, Customer, fiduciary, or employment relationship between the Parties.

    19.3. **Third-Party Beneficiaries.** There are no third-party beneficiaries under this Agreement.

    19.4. **Non-Discrimination.** Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

    19.5. **Compliance with Laws.** Each Party will comply with all applicable federal, state, and local laws, including without limitation, import and export control laws and regulations as well as firearm regulations and the Gun Control Act of 1968. Customer acknowledges that Axon Devices and Services are subject to U.S. and international export control laws, including the U.S. Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR). Customer represents and warrants that neither it nor any End User is a "Restricted Person," meaning any individual or entity that (1) is subject to U.S. sanctions or trade restrictions, (2) appears on any U.S. government restricted party list, (3) engages in prohibited weapons proliferation activities, or (4) is owned or controlled by, or acting on behalf of, such persons or entities. Customer must promptly notify Axon of any change in status, and Axon may terminate this Agreement if Customer or any End User becomes a Restricted Person or violates export laws.

19.6. **Assignment.** Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

19.7. **Waiver.** No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

19.8. **Severability.** If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

19.9. **Survival.** The following sections will survive termination: Payment, Warranty, Axon Device Warnings, Indemnification, IP Rights, Customer Responsibilities and any other Sections detailed in the survival sections of the Appendices.

19.10. **Governing Law**. The laws of the country, state, province, or municipality where Customer is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement. The Parties expressly agree that either Party may appear for and attend all matters, remotely via teleconference or videoconference at the party's discretion, to the extent allowable by court.

19.11. **Notices.** All notices must be in English. Notices posted on Customer's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Notices to Customer shall be provided to the address on file with Axon. Notices to Axon shall be provided to Axon Enterprise, Inc. Attn: Legal, 17800 North 85th Street, Scottsdale, Arizona 85255 with a copy to legal@axon.com.

19.12. **Entire Agreement.** This Agreement, the Appendices, including any applicable Appendices not attached herein for the products and services purchased, which are incorporated by reference and located in the Master Purchasing and Services Agreement located at https://www.axon.com/sales-terms-and-conditions, Quote and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each Party, by and through its respective representative authorized to execute this Agreement, has duly executed and delivered this Agreement as of the date of signature.

AXON:	**CUSTOMER**:
Axon Enterprise, Inc.	_____
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Axon Cloud Services Terms of Use Appendix

1. **Definitions.**
   1.1. "**Data Controller**" means the natural or legal person, public authority, or any other body which alone or jointly with others determines the purposes and means of the processing of Personal Data.

   1.2. "**Data Processor**" means a natural or legal person, public authority or any other body which processes Personal Data on behalf of the Data Controller.

   1.3. "**Customer Content**" is data uploaded into, ingested by, or created in Axon Cloud Services within Customer's tenant, including media or multimedia uploaded into Axon Cloud Services by Customer. Customer Content includes Evidence but excludes Non-Content Data.

   1.4. "**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by Customer. Evidence is a subset of Customer Content.

   1.5. "**End User**" means the natural person subject to Customer's authorized license grant who ultimately uses the Cloud Services as provided under this Agreement. End Users must adhere to the terms of use and are subject to any usage restrictions or limitations specified in this Agreement.

   1.6. "**Non-Content Data**" is data, configuration, and usage information about Customer's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Customer Content.

   1.7. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

   1.8. "**Provided Data**" means de-identified, de-personalized, data derived from Customer's TASER energy weapon deployment reports, related TASER energy weapon logs, body-worn camera footage, and incident reports.

   1.9. "**Subprocessor**" means any third party engaged by the Data Processor to assist in data processing activities that the Data Processor is carrying out on behalf of the Data Controller.

   1.10. "**Transformed Data**" means the Provided Data used for the purpose of quantitative evaluation of the performance and effectiveness of TASER energy weapons in the field across a variety of circumstances.

2. **Access.** Upon Axon granting Customer a subscription to Axon Cloud Services, Customer may access and use Axon Cloud Services to store and manage Customer Content. Customer may not exceed the total number of End Users specified in the Quote. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence access granted solely for TASER, Customer may access and use Axon Evidence only to store and manage TASER CEW data ("TASER Data") and Customer may not upload non-TASER Data to Axon Evidence.

3. **Customer Owns Customer Content.** Customer controls and owns all rights, title, and interest in Customer Content. Except as outlined herein, Axon obtains no interest in Customer Content, and Customer Content is not Axon's business records. Customer is solely responsible for uploading, sharing, managing, and deleting Customer Content. Axon will only have access to Customer Content for the limited purposes set forth herein. Customer agrees to allow Axon access to Customer Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of the Axon products.

4. **Security.** Axon will implement commercially reasonable and appropriate measures to secure Customer Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Customer Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum for its digital evidence or records management systems.

5. **Customer Responsibilities.** Customer is responsible for (a) ensuring Customer owns Customer Content or has the necessary rights to use Customer Content (b) ensuring no Customer Content or Customer End User's use

of Customer Content or Axon Cloud Services violates this Agreement or applicable laws; (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services and (d) verify the accuracy of any auto generated or AI-generated reports. If Customer becomes aware of any violation of this Agreement by an End User, Customer will immediately terminate that End User's access to Axon Cloud Services.

5.1. Customer will also maintain the security of End User usernames and passwords and security and access by end users to Customer Content. Customer is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Customer regulation and standards. Customer may not sell, transfer, or sublicense access to any other entity or person. If Customer provides access to unauthorized third-parties, Axon may assess additional fees along with suspending Customer's access. Customer shall contact Axon immediately if an unauthorized party may be using Customer's account or Customer Content, or if account information is lost or stolen.

5.2. To the extent Customer uses the Axon Cloud Services to interact with YouTube®, such use may be governed by the YouTube Terms of Service, available at https://www.youtube.com/static?template=terms.

6. **Privacy.** Customer's use of Axon Cloud Services is subject to the Axon Cloud Services Privacy Policy, a current version of which is available at https://www.axon.com/legal/cloud-services-privacy-policy. Customer agrees to allow Axon access to Non-Content Data from Customer to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products and related services; and (c) enforce this Agreement or policies governing the use of Axon products.

7. **Axon Body Wi-Fi Positioning.** Axon Body cameras may offer a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Customer administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Customer chooses to use this service, Axon must also enable the usage of the feature for Customer's Axon Cloud Services tenant. Customer will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Customer's Axon Cloud Services tenant.

8. **Storage.**

8.1. **Unlimited Axon Device Storage**. For Axon Unlimited Device Storage subscriptions, Customer may store unlimited data in Customer's Axon Evidence account only if the Axon Device data is shared to Customer through Axon Evidence from a partner agency using Axon Evidence, or the data originates from Axon Capture or an Axon Device.

8.2. **Third-Party Unlimited Storage.** For Third-Party Unlimited Storage the following restrictions apply: (i) it may only be used in conjunction with a valid Axon Evidence user license; (ii) is limited to data of the law enforcement Customer that purchased the Third-Party Unlimited Storage and the Axon Evidence End User; (iii) Customer is prohibited from storing data for other customers or law enforcement agencies; and (iv) Customer may only upload and store data that is directly related to (1) the investigation of, or the prosecution or defense of a crime, (2) common law enforcement activities, or (3) any Customer Content created by Axon Devices or Axon Evidence.

8.3. **A-la-Carte Storage.** If Customer purchases a-la-carte storage and Customer exceeds the purchased storage amounts, Axon may charge Customer additional fees for exceeding purchased storage amounts.

8.4. **Retention Policy.** Customer must categorize and set a retention period for all Customer Content in accordance with applicable law and Customer policies within 30 days of upload. The retention policy can be from thirty (30) days to ninety-nine (99) years. Only 10% of Customer Content may be set at 20 years or more.

8.5. **Restrictions.** Customer may not save live-streamed video, continuous video feeds, including from CCTV systems, fixed surveillance cameras, third-party camera systems, or any other camera (including an Axon Device) or monitoring system, even if such content is ingested, integrated, or accessed through Axon Evidence ("Streaming Video") under the Axon Unlimited Storage Subscription. Customer may save clips of the Streaming Video under the Unlimited Storage Plan.

8.6. **Archival Storage.** Axon may place Customer Content in to archived storage if: (i) Customer Content has not viewed or accessed for six (6) months, or (ii) Customer Content has not been categorized within thirty (30) days of upload. Customer Content in archival storage will not have immediate availability and may take up to twenty-four (24) hours to access.

8.7. **Location of Storage.** Axon may transfer Customer Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Customer Content If Customer is located in the United States, Canada, or Australia, Axon will ensure all Customer Content stored in Axon Cloud Services remains in the country where Customer is located Ownership of Customer Content remains with Customer.

9. **Suspension.** Axon may temporarily suspend Customer's or any End User's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Customer or End User's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Customer remains responsible for all fees incurred through suspension. Axon will not delete Customer Content because of suspension, except as specified in this Agreement**.**

10. **Axon Cloud Services Warranty.** Axon disclaims any warranties or responsibility for data corruption or errors before Customer uploads data to Axon Cloud Services Service Offerings will be subject to the Axon Cloud Services Service Level Agreement, a current version of which is available at https://www.axon.com/products/axon-evidence/sla.

11. **Roles of the Parties.** To the extent that Customer is the Data Controller of Personal Data, Axon is its Data Processor. To the extent that Customer is a Data Processor of Personal Data, Axon is its Subprocessor. Notwithstanding the foregoing, to the extent any usage data (including query logs and metadata) and/or operations data (including billing and support data) in connection with Customer's use of the Services (collectively "Usage and Operations Data") is considered Personal Data, Axon is an independent Data Controller and shall Process such data in accordance with the Agreement and applicable data protection laws to develop, improve, support, and operate its products and services. For the avoidance of doubt, Axon will not disclose any Usage and Operations Data that includes confidential information with a third party except (a) in accordance with the relevant confidentiality provisions in the Agreement, or (b) to the extent the Usage and Operations Data is, in accordance with applicable data protection laws, anonymized, de-identified, and/or aggregated such that it can no longer directly or indirectly identify Customer or any particular individual.

12. **TASER Data Science Program.** Axon will provide a quantitative evaluation on the performance and effectiveness of TASER energy weapons in the field across a variety of circumstances.

12.1. If Customer purchases the TASER Data Science Program, Customer grants Axon, its affiliates, and assignees an irrevocable, perpetual, fully paid, royalty-free, and worldwide right and license to use Provided Data solely for the purposes of this Agreement and to create Transformed Data. Customer shall own all rights and title to Provided Data. Axon shall own all rights and title to Transformed Data and any derivatives of Transformed Data.

12.2. Axon grants to Customer an irrevocable, perpetual, fully paid, royalty-free, license to use to TASER Data Science report provided to Customer for its own internal purposes. The Data Science report is provided "as is" and without any warranty of any kind.

12.3. In the event Customer seeks Axon's deletion of Provided Data, it may submit a request to privacy@axon.com. Where reasonably capable of doing so, Axon will implement the request but at a minimum will not continue to collect Provided Data from Customer.

13. **Axon Records.** The following terms apply to Axon Records. Customers may purchase Axon Records either as part of an OSP 7 or OSP 10 plan or individually through a Quote**.**

13.1. Axon Record subscription begins on the later of the (1) start date of the Quote, or (2) the date Axon provisions Axon Records to Customer. The Axon Records Subscription Term will end upon the completion of the Axon Records Subscription as documented in the Quote, or if purchased as part of an OSP 7 or OSP 10 plan, upon completion of the OSP 7 or OSP 10 Term ("Axon Records Subscription Term").

13.2. An "Update" is a generally available release of Axon Records that Axon makes available from time to time. An "Upgrade" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications. During the Customer's Axon Records Subscription Term Axon will provide Update and Upgrade releases to the Customer on an if-and-when available basis.

13.3. New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included as part of the Axon Records Subscription.

13.4. End Users of Axon Records may upload files to entities (incidents, reports, cases, etc.) in Axon Records with no limit to the number of files and amount of storage. Notwithstanding the foregoing, Axon may limit usage should the Customer exceed an average rate of one-hundred (100) GB per user per year of uploaded files. Axon will not bill for overages.

14. **FUSUS. If Customer purchases a subscription to FUSUS, the following terms apply:**

14.1. **License and Storage.** The specific license number(s) and associated data storage terms for FUSUS subscription and Axon Devices shall be set forth in the applicable Quote provided by Axon.

14.2. **Third party Components.** Customer is responsible for use of any internet access devices and/or all third-party hardware, software, services, telecommunication services (including Internet connectivity), or other items used by Customer to access the service ("Third-Party Components") are the sole and exclusive responsibility of Customer, and Axon has no responsibility for such Third-party Components, FUSUS cloud services, or Customer relationships with such third parties. Customer agrees to at all times comply with the lawful terms and conditions of agreements with such third parties. Axon does not represent or warrant that the FUSUS cloud services and the Customer Content are compatible with any specific third-party hardware or software or any other Third-Party Components. Customer is responsible for providing and maintaining an operating environment as reasonably necessary to accommodate and access the FUSUS cloud services.

14.3. **Data Privacy.** Axon may collect, use, transfer, disclose and otherwise process Customer Content in the context of facilitating communication of data with Customer through their use of FUSUS cloud services FUSUS app (iOS or Android interface), complying with legal requirements, monitoring the Customer's use of FUSUS systems, and undertaking data analytics.

14.4. **Hardware Allowance.** If Customer purchases a hardware allowance, Customer may select hardware up to the value if the allowance. Axon does not provide refunds for unused portions of the allowance.

15. **Carbyne Products and Services**

15.1. **Privacy Policy**. Carbyne Privacy Policy governs the collection, use and disclosure of certain data provided to Axon in connection with Customer's use of the Carbyne products and services. The current policy is located: https://carbyne.com/app-privacy-policy/ and is incorporated into this Agreement by reference.

15.2. **Data Retention and Storage**. Unless Customer provides Axon with written instruction otherwise, Axon will retain Customer Content which uploaded to the Carbyne cloud services or which is recorded or stored in the course of your use of the Carbyne products and services, for a period of two years (the period we retain your data referred to as the "Data Retention Period"), provided that Customer acknowledges it is responsible for your compliance with any applicable data retention laws. Customer Content is automatically deleted after the Data Retention Period; however, at any time prior to such deletion, Customer may download Customer Content which has been stored on the Carbyne Cloud Services. Customer is solely responsible for the retention of such data for any applicable retention periods and for the purpose of any subsequent data requests.

15.3. **Disclaimer**. **CUSTOMER ACKNOWLEDGES THE CARBYNE PRODUCTS DO NOT PROVIDE TELEPHONE SERVICES, INTERCONNECTED VOIP SERVICES, OR 911 SERVICES. AXON MAKES NO REPRESENTATION THAT CARBYNE PRODUCTS ARE AN INTERCONNECTED VOIP SERVICE.**

16. **Prepared Products and Services.**

16.1. Prepared product deployment timelines for Prepared products within the Scope of Work (SOW) shall be mutually agreed to by the Parties in the SOW. The initial deployment of Assistive Call Taking (ACT) may take up to 12 months from the execution of the SOW and the service start date listed in the Agreement; deployments of the remaining Prepared products may take up to twenty-four (24) months from the execution of the SOW. Axon must confirm feasibility based on technical requirements for Prepared products prior to the execution of the SOW.

16.2. Customers using Solacom (Comtech CHE) call handling equipment in a multi-tenant configuration are not eligible for Prepared ACT or Prepared AQA, as call audio cannot be isolated to a single agency. Such Customers remain eligible for ANET and Assistive Dispatch. Customers on Solacom single-tenant configurations are eligible for all Prepared products, subject to SPAN port fees described below.

17. **Axon Community Request Storage.** If Community Request is included as part of Customer's Quote or combined offering, Customer may store an unlimited amount of data submitted through the public portal ("Portal Content"), within Customer's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content**.**
18. **Performance Auto-Tagging Data.** If Axon Performance is included in Customer's Quote or a combined offering, Axon will store call for service data from Customer's CAD or RMS in order to provide services and features of Axon Performance to Customer.
19. **Axon Cloud Services Restrictions.** Customer and Customer End Users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:
    19.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;
    19.2. reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;
    19.3. access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
    19.4. use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;
    19.5. access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;
    19.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or
    19.7. use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; material in violation of third-party privacy rights; or malicious code.
20. **After Termination.** Axon will not delete Customer Content for ninety (90) days following termination. Axon Cloud Services will not be functional during these ninety (90) days other than the ability to retrieve Customer Content. Customer will not incur additional fees if Customer downloads Customer Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Customer Content after these ninety (90) days and will thereafter, unless legally prohibited, delete all Customer Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Customer Content from Axon Cloud Services.
21. **Post-Termination Assistance.** Axon will provide Customer with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Customer Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.
22. **U.S. Government Rights.** If Customer is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Customer is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Customer will immediately discontinue use of Axon Cloud Services.
23. **Survival.** Upon any termination of this Agreement, the following sections in this Appendix will survive: Customer Owns Customer Content, Privacy, Storage, Axon Cloud Services Warranty, Customer Responsibilities and Axon Cloud Services Restrictions.

AI Technology Appendix

This AI Technology Appendix shall only apply to Customers who license Axon Cloud Services in a Quote that specifically utilizes AI Technology. Unless explicitly defined otherwise, capitalized terms used in this Appendix have the same meaning as those in the Agreement.

1. **Definitions.**
   1.1. **AI Technology.** Refers to artificial intelligence functionalities embedded in Axon's Cloud Services, which may include: (a) Enhanced Evidence Management; (b) AI-powered redaction tools; (c) Large Language Model-based tools (e.g., "Draft One" "Policy Chat"); (d) Predictive Analytics for operational insights; or (e) Natural Language Processing (NLP) for text and speech analysis.

   1.2. **Model Drift.** The degradation of AI model performance due to changes in input data or external conditions, requiring retraining or updates.

   1.3. **Bias Mitigation.** Strategies and techniques used to identify, measure, and minimize bias in AI Technology.

2. **Integration.** Axon AI Technology is intended to improve public safety, streamline operations, and ensure data accuracy. The AI functionalities will only be used as described in the Agreement or applicable documentation.

3. **Data Use.** Axon acts as a Data Processor for AI Technology. All inquiries submitted are processed solely to provide accurate responses based on Customer Content submitted. Customer remains the Data Controller of all Customer Content. Axon and Axon's subprocessors do not train their models on Customer Content. Customers who elect to participate in Axon's ACEIP program can enter into custom agreements to assist in product development efforts like AI model training. Even in those cases, Axon operates carefully on redacted data and not on Customer Content.

4. **Automatic Data Collection.** AI Technology may automatically collect Non-Content Data about user interactions with the service and their devices to enhance the functionality and security of the system. The details collected include, but are not limited to, the following:

   4.1. **User Engagement and Activity Metrics.** AI Technology may track key engagement statistics, including Daily Active Users (DAUs), Weekly Active Users (WAUs), and Monthly Active Users (MAUs). Additional metrics include new user activations, repeat usage rates, total queries submitted, follow-up query volume, session lengths, retention rates, and user satisfaction ratings (e.g., thumbs up/down feedback).

   4.2. **Sales and Adoption Tracking.** Axon monitors the number of licenses and agencies purchasing the service, including those in trial phases, fully deploying the service, and conversion rates from trials to paid subscriptions.

   4.3. **End User inputs.** Axon may process de-identified end-user inputs to the AI Technology, excluding Customer Content or any data that directly or indirectly identifies individuals.

5. **Axon Responsibilities.**
   5.1. **Ethical AI Development.** Axon shall: (a) Follow its responsible innovation framework; (b) Engage with the Ethics and Equity Advisory Council (EEAC) for feedback; (c) Conduct testing to minimize bias and ensure reliability; and (d) Implement Bias Mitigation techniques in model development and deployment.

   5.2. **Security Program.** Axon will maintain a comprehensive information security program, including logical and physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of digital evidence; and security education.

   5.3. **Transparency.** Axon will provide documentation describing AI functionalities and their intended use and disclose any material limitations, risks, or Model Drift incidents.

   5.4. **Incident Response.** Axon will promptly address and rectify anomalies in AI functionalities, as outlined in its incident management procedures.

   5.5. **Compliance.** Axon will ensure compliance with applicable laws, regulations, and standards, including but not limited to the EU AI Act, NIST AI standards, and ISO/IEC 27001.

6. **Customer Responsibilities**.

6.1. **Ownership of Customer Content.** Customer controls and owns all rights, title, and interest in Customer Content. Axon obtains no interest in Customer Content and will only access Customer Content for limited purposes as outlined in the Agreement.

6.2. **Use of AI Technologies.** Customer must: (a) review AI-generated outputs to ensure accuracy and appropriateness; (b) maintain control over Customer Content shared with AI Technologies (c) comply with applicable laws when using Axon AI Technology and Axon Services; (d) monitor for potential issues with AI outputs, including false positives or negatives; (e) actively opt-in for programs involving data sharing through Axon's ACEIP program; and (f) provide timely feedback on Axon AI Technology performance**.**

6.3. **Restrictions.** AI Technology is not designed for emergencies, and in such cases, users should contact appropriate emergency services directly. Axon disclaims liability for queries containing prohibited content, such as hate, sexual material, or violence, and reserves the right to restrict such usage. Axon translation products may not be used by healthcare providers (doctors, nurses, paramedics, etc.) for the purpose of providing healthcare services and are only meant to allow healthcare providers to de-escalate confrontations.

7. **Policy Chat**. This section outlines the specific terms and conditions related to the use of Policy Chat by the Customer. By utilizing Policy Chat, the Customer agrees to comply with the following provisions:

7.1. **License and Content Restrictions.** Any uploads beyond 5,000 pages may be limited by Axon. It is the Customer's responsibility to manage uploads to ensure system efficiency and compliance with these terms.

7.2. **Data Processing.** Inquiries submitted to Policy Chat are processed solely to provide accurate responses based on existing policy documents provided by the Customer. The Customer remains the Data Controller of all policy content, and Axon's role is strictly limited to facilitating access to this information through Policy Chat.

7.3. **Policy Chat Restrictions.** The information provided by Policy Chat is for informational purposes only and is based on the policy documents uploaded by the Customer. Axon does not guarantee the accuracy, completeness, or timeliness of the information, and disclaims all liability for any reliance placed on such information. Policy Chat is not a substitute for official policy documents, legal advice, or comprehensive training. Users should consult their supervisors, legal advisors, or official sources for the most accurate and up-to-date policy guidance. Changes to policies may not be reflected immediately, and it is the Customer's responsibility to ensure data integrity by uploading the most current documents and removing outdated versions.

8. **Draft One.** Specifically for Customers who utilize Draft One, Axon may impose usage restrictions if a single user generates more than three hundred (300) reports per month for two or more consecutive months.

9. **Brief One.** Brief One includes automatic summarization of all products that can be transcribed. If Customer subscribes to Brief One, Customer may utilize Brief One with no limit on the number of pieces of evidence or cases. Notwithstanding the foregoing, Axon may limit evidence and case summaries for cases with over one thousand (1000) pieces of evidence or after three hundred (300) cases per End User per month for two (2) consecutive months in a row**.**

10. **Auto-Transcribe.** This section outlines licensing terms for Customer's subscription of Auto-Transcribe:

10.1. **A-La-Carte Minutes.** Upon Axon granting Customer a set number of minutes, Customer may utilize Axon Auto-Transcribe, subject to the number of minutes allowed on the Quote. Customers cannot roll over unused minutes to future Auto-Transcribe terms. Axon may charge Customer additional fees for exceeding the number of purchased minutes. Axon Auto-Transcribe minutes expire one year after being provisioned to Customer by Axon.

10.2. **Axon Unlimited Transcribe.** Upon Axon granting Customer an Unlimited Transcribe subscription to Axon Auto-Transcribe, Customer may utilize Axon Auto-Transcribe with no limit on the number of minutes. Unlimited Transcribe includes automatic transcription of all Axon BWC and Axon Capture footage. With regard to Axon Interview Room, Axon Fleet, Axon Community Request, or third-party transcription, transcription must be requested on demand. Notwithstanding the foregoing, Axon may limit usage after 5,000 minutes per user per month for multiple months in a row. Axon will not bill for overages.

11. **Prepared Products.** This section applies to a Customer's AI Eras subscription for Prepared products:

11.1. Deploying Assistive Dispatch may require Axon to procure additional third party-licensing. Axon reserves the right to pass through these third-party costs to the Customer. Assistive Dispatch may also require

additional third-party hardware or services to be purchased by the Customer directly from the third-party vendor. AI Era pricing does not include these third-party hardware or services costs.

11.2. Assistive Dispatch is available for Customers using supported CAD and radio console configurations. A technical assessment will determine eligibility. Customers with analog radio consoles or unsupported digital console configurations are not eligible for Assistive Dispatch but may use other Prepared products included in AI Era (ACT, AQA, ANET). Axon will conduct eligibility assessment only when explicitly requested by customer.

11.3. PSAP eligibility for Prepared products under the AI Era Plan requires that AI Era licenses purchased to represent at least one-third (33%) of the total sworn officer count associated with the PSAP. For PSAPs serving multiple agencies, eligibility is calculated based on the aggregate AI Era licenses purchased by all participating agencies relative to the combined sworn officer count served by that PSAP. Axon retains sole discretion to determine PSAP eligibility, and may consider additional factors including call volume, deployment feasibility, and PSAP configuration in making its determination. If customer is interested in Prepared products as part of the purchase of AI Era Plan, Customer to assist Axon in making all eligibility determinations within 90 days of the date of quote signature.

Axon Customer Experience Improvement Program Appendix

The ACEIP is designed to accelerate Axon's development of technology, such as building and supporting automated features, aiming to increase safety within communities and efficiency in public safety. Axon may make limited use of Customer Content from participating customers to provide, develop, improve, and support current and future Axon products (collectively, "ACEIP Purposes"). ACEIP has 2 modes of participation, Basic and Custom. Customer is enrolled in ACEIP Basic by default. If Customer does not want to participate in ACEIP Basic, ACEIP Custom, or both, Customer can revoke its consent at any time via email to aceip@axon.com.

Axon Obligations

ACEIP Basic

When Axon uses Customer Content for ACEIP Purposes, Axon will:

- Use Customer Content only for ACEIP Purposes.
- Prohibit direct human access to Customer Content, including by Axon personnel and subprocessors, except as needed to perform or validate deletion.
- Retain Customer Content only as long as needed to create Transformed Content (defined below) and validate the transformations.
- Apply privacy-preserving transformations that remove identifying information appropriate to the use case ("Transformed Content"). AI model weights and similar insights that do not contain Customer Content are Transformed Content. Transformed Content is not Customer Content.
- Retain and permit direct human access to Transformed Content for ACEIP Purposes.
- Maintain security, privacy, and data governance programs as described in the Axon Cloud Services Terms Appendix, and apply them to ACEIP.

Transparency Portal Publication

Before activating a use case, Axon will publish it on the Axon Transparency Portal, including the product development purpose, data types involved, and privacy-preserving techniques used. Axon will also notify ACEIP participants when the Transparency Portal is updated with a new or materially changed use case. Fifteen (15) calendar days after notification, Axon may activate the use case for all Basic participants.

Opt Out

Customer may opt out of ACEIP Basic at any time via aceip@axon.com. Axon endeavors to implement opt outs within fifteen (15) calendar days. Transformations of Customer Content cease when Axon implements the opt out. Axon may retain Transformed Content created before it implemented the opt out request.

ACEIP Custom

Custom use cases may be governed by separate written terms between Axon and Customer. Those terms will control that use case. Please direct inquiries regarding Custom participation to aceip@axon.com.

Professional Services Appendix

If any of the Professional Services specified below are included on the Quote, this Appendix applies.

1. **Utilization of Services.** Customer must use professional services as outlined in the Quote and this Appendix within six (6) months of the Effective Date.

2. **Axon Full Service (Axon Full Service).** Axon Full Service includes advance remote project planning and configuration support and up to four (4) consecutive days of on-site service and a professional services manager to work with Customer to assess Customer's deployment and determine which on-site services are appropriate. If Customer requires more than four (4) consecutive on-site days, Customer must purchase additional days. Axon Full-Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Customer need • Register cameras to Customer domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Customer to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Customer • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other customers • Discuss the importance of entering metadata in the field for organization purposes and other best practices for digital data management • Provide referrals of other customers using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Customer's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence.
Axon instructor training (Train the Trainer) Training for Customer's in-house instructors who can support Customer's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations.
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing cases and evidence with local prosecuting agencies.
Users go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide.
Post go-live review

3. **Body-Worn Camera Starter Service (Axon Starter).** Axon Starter includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Customer to assess Customer's deployment and determine which Services are appropriate. If Customer requires more than one (1) day of on-site Services, Customer must purchase additional on-site Services. The Axon Starter options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Customer need

• Troubleshoot IT issues with Axon Evidence and Dock access
Dock configuration • Work with Customer to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Customer • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Customer's in-house instructors who can support Customer's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
User go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4. **Body-Worn Camera Virtual 1-Day Service (Axon Virtual).** Axon Virtual includes all items in the BWC Starter Service Package, except one (1) day of on-site services.

5. **CEW Services Packages.** CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Customer need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full-Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Customer 4–6 weeks before rollout.
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other customers. • Discuss the importance of entering metadata and best practices for digital data management. • Provide referrals to other customers using TASER CEWs and Axon Evidence. • **For the CEW Full-Service Package:** On-site assistance included. • **For the CEW Starter Package:** Virtual assistance included.
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Customer's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence.
Axon Evidence Instructor T raining • Provide training on the Axon Evidence to educate instructors who can support Customer's subsequent Axon Evidence training needs. • **For the CEW Full-Service Package:** Training for up to 3 individuals at Customer's facility • **For the CEW Starter Package:** Training for up to 1 individual virtually
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full-Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6. **Smart Weapon Transition Service.** The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Customer is replacing with newer Smart Weapon models.

Return of Old Weapons
Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Customer with a Certificate of Destruction.

*Note: CEW Full-Service packages for TASER 7 or TASER 10 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7. **VR Services Package.** VR Service includes advance remote project planning and configuration support and one (1) day of on-site service and a professional services manager to work with Customer to assess Customer's deployment and determine which Services are appropriate. The VR Service training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon VR headset content • Configure Customer settings based on Customer need • Troubleshoot IT issues with Axon VR headset
Axon instructor training (Train the Trainer) Training for up to five (5) Customer in-house instructors who can support Customer's Axon VR CET and SIM training needs after Axon has fulfilled its contracted on-site obligations.
Classroom and practical training sessions Step-by-step explanation and assistance for Customer's configuration of Axon VR CET and SIM functionality, basic operation, and best practices.

8. **Axon Air, On-Site Training.** Axon Air, On-Site training includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Customer to assess Customer's deployment and determine which Services are appropriate. If Customer requires more than one (1) day of on-site Services, Customer must purchase additional on-site Services. The Axon Air, On-Site training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon Air App (ASDS) • Configure Customer settings based on Customer need • Configure drone controller • Troubleshoot IT issues with Axon Evidence
Axon instructor training (Train the Trainer) Training for Customer's in-house instructors who can support Customer's Axon Air and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
Classroom and practical training sessions Step-by-step explanation and assistance for Customer's configuration of Axon Respond+ livestreaming functionality, basic operation, and best practices

9. **Axon Air, Virtual Training.** Axon Air, Virtual training includes all items in the Axon Air, On-Site Training Package, except the practical training session, with the Axon Instructor training for up to four hours virtually.

10. **Signal Sidearm Installation Service.**

    a. **Purchases of 50 SSA units or more:** Axon will provide one (1) day of on-site service and one professional services manager and will provide train the trainer instruction, with direct assistance on the first of each unique holster/mounting type. Customer is responsible for providing a suitable work/training area.

    b. **Purchases of less than 50 SSA units:** Axon will provide a 1-hour virtual instruction session on the basics of installation and device calibration.

11. **Axon Justice Implementation.** Axon Justice Implementation includes advanced remote project planning, configuration support, and training. Axon Justice Implementation includes:

System set up and configuration • Axon performs discovery to understand and document the Agency's needs. • Axon collaborates with the Client to configure workflows, permissions, and privileges within Axon Evidence based on the Client's needs. • Axon will facilitate a workflow discussion with the core admin team.

Disclosures • Axon enables the Client to share digital evidence to the defense through the following methods as determined by Client and Axon: 1. Public Defender Case Sharing 2. Disclosure Portal 3. Download Links
Training • Agency Trainers. Axon works with the Agency to identify the Agency trainers receiving instruction on the product. Axon provides a training guide that outlines the covered topics, intended audience, facility needs, and duration of the training. Axon will schedule a cadence of remote training sessions as needed, which are not to exceed three (3) 2-hour training sessions for Agency staff. Each session can accommodate up to 20 users and will train them in full system functionality. Training sessions provided by Axon are conducted on consecutive weekdays (Tuesday-Thursday) during normal business hours (9am-6pm with an hour break in between sessions). After the initial training, is responsible for any future training. Axon provides all training materials for successful training. • Partner Agencies: Axon will provide Train the Trainer training to the Agency so that it is equipped to train and support their partner agencies. Ensuring the partner agencies are trained to follow the ingestion method is the Agency's responsibility.
Go-Live Plan • Axon works in partnership with the Agency to build, coordinate, and execute a Go-Live plan to ensure successful system acceptance. Axon coordinates the Go-Live event.
Implementation document packet • Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

12. **Out of Scope Services.** Axon is only responsible to perform the professional services described in the Quote, this Appendix, and any applicable SOW. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

13. **Delivery of Services.** Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Customer travel time by Axon personnel to Customer premises as work hours.

14. **Access Computer Systems to Perform Services.** Customer authorizes Axon to access relevant Customer computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Customer. Customer is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Customer.

15. **Site Preparation.** Axon will provide a hardcopy or digital copy of current user documentation for the Axon Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional services and Axon Devices to operate per the Axon Device User Documentation. Before installation of Axon Devices (whether performed by Customer or Axon), Customer must prepare the location(s) where Axon Devices are to be installed ("**Installation Site**") per the environmental specifications in the Axon Device User Documentation. Following installation, Customer must maintain the Installation Site per the environmental specifications. If Axon modifies Axon Device User Documentation for any Axon Devices under this Agreement, Axon will provide the update to Customer when Axon generally releases it.

    Additional Trainings. If the Customer purchases a training voucher, Customer must use the voucher within one (1) year of issuance, or the voucher will be void. The voucher has no cash value. Customer cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Customer responsibility.

16. **Acceptance.** When Axon completes professional services, Axon will present an acceptance form ("**Acceptance Form**") to Customer. Customer will sign the Acceptance Form acknowledging completion. If Customer reasonably believes Axon did not complete the professional services in substantial conformance with this Agreement, Customer

must notify Axon in writing of the specific reasons for rejection within seven (7) calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within seven (7) calendar days of delivery of the Acceptance Form, the professional services will be deemed accepted by Customer.

17. **Customer Network.** For work performed by Axon transiting or making use of Customer's network, Customer is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Customer's network from any cause.

Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a combined offering including TAP is on the Quote, this appendix applies.

1. **Officer Safety Plan.** If Customer purchases an Officer Safety Plan ("**OSP**"), Customer will receive the deliverables detailed in the Quote. Customer must accept delivery of the TASER CEW and accessories as soon as available from Axon.

2. **OSP 7 or OSP 10 Term.** OSP 7 or OSP 10 begins on the date specified in the Quote ("**OSP Term**").

3. **TAP Refresh.** If Customer has no outstanding payment obligations and purchased TAP, Axon will provide Customer a new Axon Device ("**Device Refresh**") as scheduled in the Quote. If Customer purchased TAP, Axon will provide a Device Refresh that is the same or like Axon Device, at Axon's option. Axon makes no guarantee the Device Refresh will utilize the same accessories or Axon Dock.

4. **Dedrone Refresh**. Under the Dedrone Refresh Program ("Program"), you will receive replacement hardware for each covered product purchased under the Program. The replacement hardware will be the same model as, or a comparable model to, the original. The Program does not require Axon to provide next-generation or upgraded versions. You are not required to return the original hardware upon receipt of the replacement.

5. **TAP Dock Refresh.** If Customer has no outstanding payment obligations and purchased TAP, Axon will provide Customer a new Axon Dock, if required for an Axon Device, as scheduled in the Quote ("**Dock Refresh**"). Accessories associated with any Dock Refreshes are subject to change at Axon discretion. Dock Refreshes will only include a new Axon Dock Bay configuration unless a new Axon Dock core is required for Axon Device compatibility. If Customer originally purchased a single-bay Axon Dock, the Dock Refresh will be a single-bay Axon Dock model that is the same or like Axon Device, at Axon's option. If Customer originally purchased a multi-bay Axon Dock, the Dock Refresh will be a multi-bay Axon Dock that is the same or like Axon Device, at Axon's option.

6. **Refresh Delay.** Axon may ship the Axon Device and Dock Refreshes as scheduled in the Quote without prior confirmation from Customer unless the Parties agree in writing otherwise at least ninety (90) days in advance. Axon may ship the final Axon Device and Dock Refreshes as scheduled in the Quote sixty (60) days before the end of the Subscription Term without prior confirmation from Customer.

7. **Upgrade Change.** If Customer wants to upgrade Axon Device models from the current Axon Device to an upgraded Axon Device, Customer must pay the price difference between the MSRP for the current Axon Device and the MSRP for the upgraded Axon Device. If the model Customer desires has an MSRP less than the MSRP of the offered Axon Device Refreshes or Dock Refresh, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade. For Dedrone devices Axon does not guarantee that next-gen products will be available at the time of refresh.

8. **Return of Original Axon Device.** Except for any Dedrone devices, within thirty (30) days of receiving a Deviceor Dock Refresh, Customer must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Axon Devices. If Customer does not return or destroy the Axon Devices, Axon will deactivate the serial numbers for the Axon Devices received by Customer. For Dedrone hardware, the Customer has no obligation to return or destroy the hardware under the TAP program.

9. **Termination.** If TAP or OSP terminates or expires:

   9.1. TAP and OSP coverage terminate as of the date of termination and no refunds will be given.

   9.2. Axon will not and has no obligation to provide the Upgrade Models.

   9.3 Customer must make any missed payments due to the termination before Customer may purchase any future TAP or OSP.

TASER Device Appendix

This TASER Device Appendix applies to Customer's TASER 7, TASER 10, OSP 7, OSP 10, OSP Plus, OSP 7 Plus Premium OSP 10 Plus Premium and the TASER component of any TASER mounted drones purchased from Axon, if applicable.

1. **Duty Cartridge Replenishment Plan.** If the Quote includes "**Duty Cartridge Replenishment Plan**", Customer must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Customer may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2. **Training.** If the Quote includes a TASER On Demand Certification subscription, Customer will have on-demand access to TASER Instructor and TASER Master Instructor courses only for the duration of the TASER Subscription Term. Axon will issue a maximum of ten (10) TASER Instructor vouchers and ten (10) TASER Master Instructor vouchers for every one thousand TASER Subscriptions purchased. Customer shall utilize vouchers to register for TASER courses at their discretion; however, Customer may incur a fee for cancellations less than 10 business days prior to a course date or failure to appear to a registered course. The voucher has no cash value. Customer cannot exchange voucher for any other Device or Service. Any unused vouchers at the end of the Term will be forfeited. A voucher does not include any travel or other expenses that might be incurred related to attending a course.

3. **Limited Warranty.**

   3.1. **"Deployment**" means use of the TASER weapon resulting in the discharge of the conducted energy weapon ("**CEW**") cartridge probe. For TASER 10 each probe discharged is consider one Deployment and for TASER 7 the dual probe discharged is considered one Deployment.

   3.2. **Single User Warranty.** If the TASER Device is assigned and used by a single user, Axon warrants that Axon-manufactured TASER Device is free from defects in workmanship and materials for the earlier of: one (1) year from the date of Customer's receipt or 100.

   3.3. **Pooled User Warranty.** If the TASER Device is assigned and used by multiple users, Axon warrants that Axon-manufactured TASER Device is free from defects in workmanship and materials for the earlier of: one (1) year from the date of Customer's receipt or, 100 Deployments.

   3.4. **Training User Devices.** If the TASER Device is used for training, Axon warrants that Axon-manufactured TASER Device is free from defects in workmanship and materials for the earlier of: one (1) year from the date of Customer's receipt or 100 Deployments.

   3.5. **TASER 10L Devices.** If the TASER Device is a TASER 10L (TASER 10 Light) as defined in the Quote, Axon warrants that the TASER Device is free from defects in workmanship and materials for the earlier of one (1) year from the date of Customer's receipt or 100 Deployments.

   3.6. **CEW Cartridges.** Used CEW cartridges are deemed to have operated properly.

   3.7. **Remaining Terms.** The remaining Warranty terms of the Agreement including Disclaimer, Claims, Spare Axon Devices and Limitations shall apply to this TASER Device Appendix.

   3.8. **Registration.** Prior to use of the TASER Device, Customer must register each TASER Device in TASER Device Axon Evidence tenancy as a single user, pooled or training device. Failure to properly register the TASER Device prior to its use may void the warranty at Axon's sole discretion.

4. **Extended Warranty.** If the Quote includes an extended warranty, the extended warranty coverage period begins upon the expiration of the Limited Warranty and continues for the period defined in the Quote. Each additional year of warranty purchased will be in accordance with the applicable Limited Warranty category above. The maximum warranty period that may be purchased for an individual TASER Device will be the earlier of five (5) years or 500 Deployments, this includes the Limited Warranty. Limited Warranty. Reduced Life TASER 10L device has a maximum warranty that may be purchased will be the earlier of two (2) years or 200 including the Limited Warranty.

5. **Upgrade Change.** If Customer wants to upgrade TASER Device from the current TASER Device to an upgraded Axon TASER Device that was not available at the time the parties entered into the original Quote, Customer must pay the price difference between the MSRP for the current TASER Device and the MSRP for the upgraded TASER Device. If the model Customer desires has an MSRP less than the MSRP of the offered new TASER Device, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.

6. **Trade-in.** If the Quote contains a discount on CEW-related line items and that discount is contingent upon the trade-

in of hardware, Customer must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon within the below prescribed timeline. Customer must ship batteries via ground shipping. Axon will provide Customer with a pre-paid shipping label for the return of the Trade-In Units. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Customer the value of the trade-in credit. Customer may not destroy Trade-In Units and receive a trade-in credit.

Customer Size	Days to Return from Start Date of TASER 10 Subscription
Less than 100 officers	60 days
100 to 499 officers	90 days
500+ officers	180 days

7. **Customer Warranty.** If Customer is located in the US, Customer warrants and acknowledges that TASER 10 is classified as a firearm and is being acquired for official Customer use pursuant to a law enforcement agency transfer under the Gun Control Act of 1968.
8. **Purchase Order.** To comply with applicable laws and regulations, Customer must provide a purchase order to Axon prior to shipment of TASER 10.
9. **Apollo Grant (US only).** If Customer has received an Apollo Grant from Axon, Customer must pay all fees in the Quote prior to upgrading to any new TASER Device offered by Axon.
10. **Termination**. If payment for TASER Device is more than thirty (30) days past due, Axon may terminate Customer's TASER Device plan by notifying Customer. Upon termination for any reason, then as of the date of termination:

    10.1. TASER Device extended warranties and access to Training Content will terminate. No refunds will be given.

    10.2. Customer will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER Device plan.

    10.3. Axon will invoice Customer the remaining MSRP for TASER Devices received before termination. If terminating for non-appropriation, Axon will not invoice Customer if Customer returns the TASER Device, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within thirty (30) days of the date of termination.

Axon Auto-Tagging Appendix

If Auto-Tagging is included on the Quote, this Appendix applies.

1. **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Customer's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows End Users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Customer's CAD or RMS.

2. **Support.** For thirty (30) days after completing Auto-Tagging Services, Axon will provide up to five (5) hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, if Customer maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Customer changes its CAD or RMS.

3. **Changes.** Axon is only responsible to perform the Services in this Appendix for Auto-Tagging and any applicable SOW. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4. **Customer Responsibilities.** Axon's performance of Auto-Tagging Services requires Customer to:

   4.1. Make available relevant systems, including Customer's current CAD or RMS, for assessment by Axon (including remote access if possible);

   4.2. Make required modifications, upgrades or alterations to Customer's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;

   4.3. Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Customer safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;

   4.4. Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;

   4.5. Promptly install and implement any software updates provided by Axon;

   4.6. Ensure that all appropriate data backups are performed;

   4.7. Provide assistance, participation, and approvals in testing Auto-Tagging Services;

   4.8. Provide Axon with remote access to Customer's Axon Evidence account when required;

   4.9. Notify Axon of any network or machine maintenance that may impact the performance of the module at Customer; and

   4.10. Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5. **Access to Systems.** Customer authorizes Axon to access Customer's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify the resources and information Axon expects to use and will provide an initial list to Customer. Customer is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Customer.

Axon ALPR Appendix

If Axon Fleet 2, Axon Fleet 3, or any future generation of Axon Fleet (collectively, "**Axon Fleet**") or Axon Outpost or Axon Lightpost (collectively all "ALPR Products") is included on the Quote, this Appendix applies.

1. **Customer Responsibilities.**

   1.1. Customer must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon ALPR Products as established by Axon during the qualifier call and on-site assessment at Customer and in any technical qualifying questions. If Customer's representations are inaccurate, the Quote is subject to change.

   1.2. Customer is responsible for providing a suitable work area for Axon or Axon third-party providers to install Axon ALPR Products into Customer vehicles and/or at designated installation location(s).s Customer is responsible for making available all vehicles for which installation services were purchased and preparing all installation sites, during the agreed upon onsite installation dates, Failure to make vehicles available or prepare installation sites may require an equitable adjustment in fees or schedule

2. **Third-party Installer.** Axon will not be liable for the failure of Axon Fleet, Axon Outpost, or Axon Lightpost hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

3. **Axon Fleet Specific Terms.**

   3.1. **Cradlepoint.** If Customer purchases Cradlepoint hardware, software, or services, Customer will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. If Customer requires Cradlepoint support, Customer will contact Cradlepoint directly. By accepting a Quote including Cradlepoint products, Customer designates and authorizes Axon as its partner of record for purposes of Cradlepoint product renewals, support coordination, and other relevant functions. This designation applies to all Cradlepoint products acquired by Customer during the Subscription Term of the applicable Quote whether directly from Cradlepoint, through Axon, or through any third-party vendor or distributor. Axon shall have no liability to Customer or any third party arising out of or relating to Axon's acts or omissions as the Partner of Record. Customer has the right to opt out of this authorization at any time by providing prior written notification to both Axon and Cradlepoint. Upon such notification, the designation will be removed. This authorization remains effective until formally removed in accordance with this section or as otherwise agreed between the parties in the Agreement.

   3.2. **Axon Vehicle Software License.** Axon grants Customer a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "Axon Vehicle Software".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription

   3.3. **Restrictions.** Customer may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

   12. **Axon Outpost Specific Terms.**

   3.4. **Outpost License and Permits**. Customers will obtain, maintain all legally required permits, authorizations, and/or licensing in order to place, maintain, and/or remove the Axon Outpost device at the installation location including licenses or permits for fixed installation of poles. If mutually agreed by the parties, Axon or an Axon authorized subcontractor may assist with obtaining the necessary local, state, or Federal approvals before installing Axon Outpost.

   13. **Installation.** Customer will adhere to the installation requirements as agreed in the Outpost SOW.

   14. Vandalism or Motor Vehicle Accident Warranty. If Customer purchases the Vandalism and Accident warranty, Axon will provide up to two (2) replacements per warranty purchased if your Outpost is damaged due to vandalism or a motor vehicle accident. Axon will make a commercially reasonable effort to provide new installation free of

charge, but installation may require additional cost. Axon does not provide refunds or credits if the warranty is not used during the Term of the Quote.

15. **Axon Lightpost Specific Terms.**

3.5. **Ubicquia.** If Customer purchases Lightpost hardware and installation services, any warranties for the hardware are provided exclusively by the third-party manufacturer Ubicquia. All hardware-related support or warranty claims must be directed to the respective third-party provider. Axon is not responsible for servicing or replacing hardware. Axon will provide and support software components in accordance with the applicable Quote.

3.6. **Installation.** Installation of Axon Lightpost equipment will be performed by a third-party service provider authorized by Axon. Axon does not directly perform installation services.

3.7. **Power.** Customer agrees to supply a power source, in compliance with Lightpost requirements, at each site where a Lightpost device is installed. The power must be available on a 24-hour, 7 days per week (24/7) basis.

16. **Wireless Offload Server**

7.1 **License Grant.** Axon grants Customer a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Server ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

7.2 **Restrictions.** Customer may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

7.3 **Updates.** If Customer purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Customer is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

7.4 **WOS Support.** Upon request by Axon, Customer will provide Axon with access to Customer's store and forward servers solely for troubleshooting and maintenance.

17. **Acceptance Checklist.** If Axon provides Services to Customer pursuant to any statement of work in connection with Axon ALPR Products, within seven (7) days of the date on which Customer retrieves Customer's vehicle(s) from the Axon installer or Axon Outpost or Axon Lightpost installation is complete, said ALPR Products having been installed and configured with tested and fully and properly operational hardware and software identified above, Customer will receive a Professional Services Acceptance Checklist to submit to Axon indicating acceptance or denial of said deliverables. In the event Customer does not respond to the Professional Services Acceptance Checklist within seven (7) business days, the installation of the ALPR Products and services shall be deemed accepted.

Axon Respond Appendix

This Axon Respond Appendix applies to Axon Respond, Axon Respond Device Plus, and Device Connectivity if any are included on the Quote.

1. **Axon Respond Subscription Term.** If Customer purchases Axon Respond as part of a combined offering on a Quote, the Axon Respond subscription begins on the later of the (1) start date of that offering within the Quote, or (2) date Axon provisions Axon Respond to Customer. If Customer purchases Axon Respond as a standalone, the Axon Respond subscription begins the later of the (1) date Axon provisions Axon Respond to Customer, or (2) first day of the month following the Effective Date. The Axon Respond subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Respond.

2. **Scope of Axon Respond.** The scope of Axon Respond is to assist Customer with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Customer uses Axon Respond outside this scope, Axon may initiate good-faith discussions with Customer on upgrading Customer's Axon Respond to better meet Customer's needs.

3. **Axon Body LTE Requirements.** Axon Respond is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Customer utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is available in the United States including U.S. territories, Additional verification will be required for use in select international regions. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Customer's consent.

4. **Axon Fleet LTE Requirements.** Axon Respond is only available and usable with a Fleet 3 system configured with LTE modem and service. Customer is responsible for providing LTE service for the modem. Coverage and availability of LTE service is subject to Customer's LTE carrier.

5. **Axon Respond Service Limitations.** Customer acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area, and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

   5.1. With regard to Axon Body, Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Customer expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Customer is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

6. **Termination.** Upon termination of this Agreement, or if Customer stops paying for Axon Respond or combined offerings that include Axon Respond, Axon will end Axon Respond services, including any Axon-provided LTE service.

Axon Virtual Reality Content Terms of Use Appendix

If Virtual Reality is included on the Quote, this Appendix applies.

1. **Term.** The Quote will detail the products and license duration, as applicable, of the goods, services, and software, and contents thereof, provided by Axon to Customer related to virtual reality (collectively, "**Virtual Reality Media**").

2. **Headsets.** Customer may purchase additional virtual reality headsets from Axon. In the event Customer decides to purchase additional virtual reality headsets for use with Virtual Reality Media, Customer must purchase those headsets from Axon.

3. **License Restrictions.** All licenses will immediately terminate if Customer does not comply with any term of this Agreement. If Customer utilizes more users than stated in this Agreement, Customer must purchase additional Virtual Reality Media licenses from Axon. Customer may not use Virtual Reality Media for any purpose other than as expressly permitted by this Agreement. Customer may not:

   3.1. modify, tamper with, repair, or otherwise create derivative works of Virtual Reality Media;

   3.2. reverse engineer, disassemble, or decompile Virtual Reality Media or apply any process to derive the source code of Virtual Reality Media, or allow others to do the same;

   3.3. copy Virtual Reality Media in whole or part, except as expressly permitted in this Agreement;

   3.4. use trade secret information contained in Virtual Reality Media;

   3.5. resell, rent, loan or sublicense Virtual Reality Media;

   3.6. access Virtual Reality Media to build a competitive device or service or copy any features, functions, or graphics of Virtual Reality Media; or

   3.7. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Virtual Reality Media or any copies of Virtual Reality Media.

4. **Privacy.** Customer's use of the Virtual Reality Media is subject to the Axon Virtual Reality Privacy Policy, a current version of which is available at https://www.axon.com/axonvrprivacypolicy.

5. **Termination.** Axon may terminate Customer's license immediately for Customer's failure to comply with any of the terms in this Agreement.

Axon Evidence Local Software Appendix

This Appendix applies if Axon Evidence Local is included in the Quote.

1. **License.** Axon owns all executable instructions, images, icons, sound, and text in Axon Evidence Local. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Axon Evidence Local. "Use" means storing, loading, installing, or executing Axon Evidence Local exclusively for data communication with an Axon Device. Customer may use Axon Evidence Local in a networked environment on computers other than the computer it installs Axon Evidence Local on, so long as each execution of Axon Evidence Local is for data communication with an Axon Device. Customer may make copies of Axon Evidence Local for archival purposes only. Customer shall retain all copyright, trademark, and proprietary notices in Axon Evidence Local on all copies or adaptations.
2. **Term.** The Quote will detail the duration of the Axon Evidence Local license, as well as any maintenance. The term will begin upon installation of Axon Evidence Local.
3. **License Restrictions.** All licenses will immediately terminate if Customer does not comply with any term of this Agreement. Customer may not use Axon Evidence Local for any purpose other than as expressly permitted by this Agreement. Customer may not:
   - 3.1. modify, tamper with, repair, or otherwise create derivative works of Axon Evidence Local;
   - 3.2. reverse engineer, disassemble, or decompile Axon Evidence Local or apply any process to derive the source code of Axon Evidence Local, or allow others to do the same;
   - 3.3. access or use Axon Evidence Local to avoid incurring fees or exceeding usage limits or quotas;
   - 3.4. copy Axon Evidence Local in whole or part, except as expressly permitted in this Agreement;
   - 3.5. use trade secret information contained in Axon Evidence Local;
   - 3.6. resell, rent, loan or sublicense Axon Evidence Local;
   - 3.7. access Axon Evidence Local to build a competitive device or service or copy any features, functions, or graphics of Axon Evidence Local; or
   - 3.8. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Evidence Local or any copies of Axon Evidence Local.
4. **Support.** Axon may make available updates and error corrections ("**Updates**") to Axon Evidence Local. Axon will provide Updates electronically via the Internet or media as determined by Axon. Customer is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Customer is responsible for maintaining the computer equipment necessary to use Axon Evidence Local. Axon may provide technical support of a prior release/version of Axon Evidence Local for six (6) months from when Axon made the subsequent release/version available.
5. **Termination.** Axon may terminate Customer's license immediately for Customer's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Customer's right to login to Axon Evidence Local.

Axon Application Programming Interface Appendix

This Appendix applies if Axon's API Services or a subscription to Axon Cloud Services are included on the Quote.

1. **Definitions.**

   1.1. "**API Client**" means the software that acts as the interface between Customer's computer and the server, which is already developed or to be developed by Customer.

   1.2. "**API Interface**" means software implemented by Customer to configure Customer's independent API Client Software to operate in conjunction with the API Service for Customer's authorized Use.

   1.3. "**Axon Evidence Partner API, API or Axon API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Customer's Axon Evidence account or integrate Customer's Axon Evidence account with other systems.

   1.4. "**Use**" means any operation on Customer's data enabled by the supported API functionality.

2. **Purpose and License.**

   2.1. Customer may use API Service and data made available through API Service, in connection with an API Client developed by Customer. Axon may monitor Customer's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Customer agrees to not interfere with such monitoring or obscure from Axon Customer's use of API Service. Customer will not use API Service for commercial use.

   2.2. Axon grants Customer a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Customer's Use in connection with Customer's API Client.

   2.3. Axon reserves the right to set limitations on Customer's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3. **Configuration.** Customer will work independently to configure Customer's API Client with API Service for Customer's applicable Use. Customer will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Customer will inform Axon promptly of any updates. Upon Customer's registration, Axon will provide documentation outlining API Service information.

4. **Customer Responsibilities.** When using API Service, Customer and its End Users shall not:

   4.1. use API Service in any way other than as expressly permitted under this Agreement;

   4.2. use in any way that results in, or could result in, any security breach to Axon;

   4.3. perform an action with the intent of introducing any virus, worm, defect, Trojan horse, malware, or any item of a destructive nature to Axon Devices and Services;

   4.4. interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

   4.5. reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

   4.6. create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

   4.7. provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

   4.8. frame or mirror API Service on any other server, or wireless or Internet-based device;

   4.9. make available to a third-party, any token, key, password or other login credentials to API Service;

   4.10. take any action or inaction resulting in illegal, unauthorized or improper purposes; or

   4.11. disclose Axon's API manual.

5. **API Content.** All content related to API Service, other than Customer Content or Customer's API Client content, is considered Axon's API Content, including:

5.1. the design, structure and naming of API Service fields in all responses and requests;

5.2. the resources available within API Service for which Customer takes actions on, such as evidence, cases, users, or reports;

5.3. the structure of and relationship of API Service resources; and

5.4. the design of API Service, in any part or as a whole.

6. **Prohibitions on API Content.** Neither Customer nor its End Users will use API content returned from the API Interface to:

6.1. scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2. copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3. misrepresent the source or ownership; or

6.4. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7. **API Updates.** Axon may update or modify the API Service from time to time ("**API Update**"). Customer is required to implement and use the most current version of API Service and to make any applicable changes to Customer's API Client required as a result of such API Update. API Updates may adversely affect how Customer's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Customer to update API Client to the most current version of API Service. Axon will provide support for one (1) year following the release of an API Update for all depreciated API Service versions.

Axon Channel Services Appendix

This Appendix applies if Customer purchases Axon Channel Service, as set forth on the Quote.

1. **Definitions**.

   1.1. "**Axon Digital Evidence Management System**" means Axon Evidence or Axon Evidence Local, as specified in the attached Channel Services Statement of Work.

   1.2. "**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

   1.3. "**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2. **Scope.** Customer currently has a third-party system or data repository from which Customer desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Customer's third-party data into an Axon Digital Evidence Management System or the transfer of Customer data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Customer Content. Customer is responsible for verifying all necessary data is migrated correctly and retained per Customer policy.

3. **Changes.** Axon is only responsible to perform the Services described in this Appendix and Channel Services SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

4. **Purpose and Use.** Customer is responsible for verifying Customer has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Customer is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Customer's network and systems to perform the Services described in the Channel Services SOW. Customer is responsible for facilitating this access per all laws and policies applicable to Customer.

5. **Project Management.** Axon will assign a Project Manager to work closely with Customer's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

6. **Warranty.** Axon warrants that it will perform the Channel Services in a workmanlike manner.

7. **Monitoring.** Axon may monitor Customer's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Customer agrees not to interfere with such monitoring or obscure from Axon Customer's use of channel services.

8. **Customer's Responsibilities.** Axon's successful performance of the Channel Services requires Customer:

   8.1. Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);

   8.2. Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Customer (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Customer premises with laptop personal computers and any other materials needed to perform the Channel Services);

   8.3. Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

   8.4. Ensure all appropriate data backups are performed;

   8.5. Provide Axon with remote access to the Customer's network and third-party systems when required for Axon to perform the Channel Services;

   8.6. Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

   8.7. Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

Axon Technical Account Manager Appendix

This Appendix applies if Axon Support Engineer services are included in the Quote.

1. **Axon Technical Account Manager Payment.** Axon will invoice for Axon Technical Account Manager ("**TAM**") services, as outlined in the Quote, when the TAM commences work on-site at Customer.

2. **Full-Time TAM Scope of Services.**

   2.1. A Full-Time TAM will work on-site four (4) days per week, unless an alternate schedule or reporting location is mutually agreed upon by Axon and Customer.

   2.2. Customer's Axon sales representative and Axon's Customer Success team will work with Customer to define its support needs and ensure the Full-Time TAM has skills to align with those needs. There may be up to a six- (6-) month waiting period before the Full-Time TAM can work on-site, depending upon Customer's needs and availability of a Full-Time TAM.

   2.3. The purchase of Full-Time TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Customer, and Customer is current on all payments for the Full-Time TAM Service.

   2.4. The Full-Time TAM **Service options are listed below:**

Ongoing System Set-up and Configuration Assisting with assigning cameras and registering docks Maintaining **Customer's Axon Evidence account** Connecting Customer to "Early Access" programs for new devices
Account Maintenance Conducting on-site training on new features and **devices for Customer leadership team(s)** Thoroughly documenting issues and workflows and suggesting new workflows to improve **the effectiveness of the Axon program** Conducting weekly meetings to cover current issues and program status
Data Analysis Providing on-demand Axon usage data to identify trends and insights for improving daily workflows Comparing **Customer's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support Providing on-site, Tier 1 and Tier 2 (as defined in Axon's Service Level Agreement) technical support for Axon Devices Proactively monitoring the health of **Axon equipment** Creating and monitoring RMAs **on-site** Providing Axon app support Monitoring and testing new firmware and workflows before they are released to Customer's production environment
Customer Advocacy Coordinating bi-**annual voice of customer meetings with Axon's Device Management team** Recording and tracking Customer feature requests and major bugs

3. **Regional TAM Scope of Services.**

   3.1. A Regional TAM will work on-site for three (3) consecutive days per quarter. Customer must schedule the on-site days at least two (2) weeks in advance. The Regional TAM will also be available by phone and email during regular business hours up to eight (8) hours per week.

   3.2. There may be up to a six- (6-) month waiting period before Axon assigns a Regional TAM to Customer, depending upon the availability of a Regional TAM.

   3.3. The purchase of Regional TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Customer and Customer is current on all payments for the Regional TAM Service.

   3.4. The Regional TAM service options are listed below:

Account Maintenance Conducting remote training on new features and **devices for Customer's leadership** Thoroughly documenting issues and workflows and suggesting new **workflows to improve the effectiveness of the Axon program** Conducting weekly conference calls to cover **current issues and program status** Visiting Customer quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Customer's goals for your Axon program, and continue to ensure a successful deployment of Axon Devices
Direct Support **Providing remote, Tier 1 and Tier 2 (As defined Axon's Service Level Agreement) technical support for Axon Devices** Creating and monitoring RMAs remotely
Data Analysis Providing quarterly Axon **usage data to identify trends and program efficiency opportunities** Comparing **Customer's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Customer Advocacy Coordinating bi-yearly Voice of **Customer meetings with Device Management team** Recording and tracking Customer feature requests and major bugs

4. **Out of Scope Services.** The TAM is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.
5. **TAM Leave Time.** The TAM will be allowed up to seven (7) days of sick leave and up to fifteen (15) days of vacation time per each calendar year. The TAM will work with Customer to coordinate any time off and will provide Customer with at least two (2) weeks' notice before utilizing any vacation days.

Axon Investigate Appendix

If the Quote includes Axon's On Prem Video Suite known as Axon Investigate or Third-Party Video Support License, the following appendix shall apply.

1. **License Grant.** Subject to the terms and conditions specified below and upon payment of the applicable fees set forth in the Quote, Axon grants to Customer a nonexclusive, nontransferable license to install, use, and display the Axon Investigate software ("**Software**") solely for its own internal use only and for no other purpose, for the duration of subscription term set forth in the Quote. This Agreement does not grant Customer any right to enhancements or updates, but if such are made available to Customer and obtained by Customer, they shall become part of the Software and governed by the terms of this Agreement.

2. **Third-Party Licenses.** Axon licenses several third-party codecs and applications that are integrated into the Software. Users with an active support contract with Axon are granted access to these additional features. By accepting this agreement, Customer agrees to and understands that an active support contract is required for all of the following features: DNxHD output formats, decoding files via the "fast indexing" method, proprietary file metadata, telephone and email support, and all future updates to the software. If Customer terminates the annual support contract with Axon, the features listed above will be disabled within the Software. It is recommended that users remain on an active support contract to maintain the full functionality of the Software.

3. **Restrictions on Use.** Customer may not permit any other person to use the Software unless such use is in accordance with the terms of this Agreement. Customer may not modify, translate, reverse engineer, reverse compile, decompile, disassemble or create derivative works with respect to the Software, except to the extent applicable laws specifically prohibit such restrictions. Customer may not rent, lease, sublicense, grant a security interest in or otherwise transfer Customer's rights to or to use the Software. Any rights not granted are reserved to Axon.

4. **Title.** Axon and its licensors shall have sole and exclusive ownership of all right, title, and interest in and to the Software and all changes, modifications, and enhancements thereof (including ownership of all trade secrets and copyrights pertaining thereto), regardless of the form or media in which the original or copies may exist, subject only to the rights and privileges expressly granted by Axon. This Agreement does not provide Customer with title or ownership of the Software, but only a right of limited use.

5. **Copies.** The Software is copyrighted under the laws of the United States and international treaty provisions. Customer may not copy the Software except for backup or archival purposes, and all such copies shall contain all Axon's notices regarding proprietary rights as contained in the Software as originally provided to Customer. If Customer receives one copy electronically and another copy on media, the copy on media may be used only for archival purposes and this license does not authorize Customer to use the copy of media on an additional server.

6. **Actions Required Upon Termination.** Upon termination of the license associated with this Agreement, Customer agrees to destroy all copies of the Software and other text and/or graphical documentation, whether in electronic or printed format, that describe the features, functions and operation of the Software that are provided by Axon to Customer ("**Software Documentation**") or return such copies to Axon. Regarding any copies of media containing regular backups of Customer's computer or computer system, Customer agrees not to access such media for the purpose of recovering the Software or online Software Documentation.

7. **Export Controls.** None of the Software, Software Documentation or underlying information may be downloaded or otherwise exported, directly or indirectly, without the prior written consent, if required, of the office of Export Administration of the United States, Department of Commerce, nor to any country to which the U.S. has embargoed goods, to any person on the U.S. Treasury Department's list of Specially Designated Nations, or the U.S. Department of Commerce's Table of Denials.

8. **U.S. Government Restricted Rights.** The Software and Software Documentation are Commercial Computer Software provided with Restricted Rights under Federal Acquisition Regulations and Customer supplements to them. Use, duplication or disclosure by the U.S. Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFAR 255.227-7013 et. Seq. or 252.211-7015, or subparagraphs (a) through (d) of the Commercial Computer Software Restricted Rights at FAR 52.227-19, as applicable, or similar clauses in the NASA FAR Supplement. Contractor/manufacturer is Axon Enterprise, Inc., 17800 North 85th Street, Scottsdale, Arizona 85255.

My90 Terms of Use Appendix

1. Definitions.

1.1. "**My90**" means Axon's proprietary platform and methodology to obtain and analyze feedback, and other related offerings, including, without limitation, interactions between My90 and Axon products.

1.2. "**Recipient Contact Information**" means contact information, as applicable, including phone number or email address (if available) of the individual whom Customer would like to obtain feedback.

1.3. "**Customer Data**" means

1.3.1. "My90 Customer Content" which means data, including Recipient Contact Information, provided to My90 directly by Customer or at their direction, or by permitting My90 to access or connect to an information system or similar technology. My90 Customer Content does not include My90 Non-Content Data.

1.3.2. "My90 Non-Content Data" which means data, configuration, and usage information about Customer's My90 tenant, and client software, users, and survey recipients that is Processed (as defined in Section 1.6 of this Appendix) when using My90 or responding to a My90 Survey. My90 Non-Content Data includes data about users and survey recipients captured during account management and customer support activities. My90 Non-Content Data does not include My90 Customer Content.

1.3.3. "Survey Response" which means survey recipients' response to My90 Survey.

1.4. "**My90 Data**" means

1.4.1. "My90 Survey" which means surveys, material(s) or content(s) made available by Axon to Customer and survey recipients within My90.

1.4.2. "Aggregated Survey Response" which means Survey Response that has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to, a particular individual.

1.5. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.

1.6. "**Processing**" means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure, or destruction.

1.7. "**Sensitive Personal Data**" means Personal Data that reveals an individual's health, racial or ethnic origin, sexual orientation, disability, religious or philosophical beliefs, or trade union membership.

2. **Access.** Upon Axon granting Customer a subscription to My90, Customer may access and use My90 to store and manage My90 Customer Content, and applicable My90 Surveys and Aggregated Survey Responses. This Appendix is subject to the Terms and Conditions of Axon's Master Service and Purchasing Agreement or in the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern.

3. **IP address.** Axon will not store survey respondents' IP address.

4. **Customer Owns My90 Customer Content.** Customer controls or owns all rights, titles, and interests in My90 Customer Content. Except as outlined herein, Axon obtains no interest in My90 Customer Content, and My90 Customer Content is not Axon's business records. Except as set forth in this Agreement, Customer is responsible for uploading, sharing, managing, and deleting My90 Customer Content. Axon will only have access to My90 Customer Content for the limited purposes set forth herein. Customer agrees to allow Axon access to My90 Customer Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of My90 and other Axon products.

5. **Details of the Processing.** The nature and purpose of the Processing under this Appendix are further specified

in Schedule 1 Details of the Processing, to this Appendix.

6. **Security.** Axon will implement commercially reasonable and appropriate measures to secure Customer Data against accidental or unlawful loss, access, or disclosure. Axon will maintain a comprehensive information security program to protect Customer Data including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; security education; and data protection. Axon will not treat Customer Data in accordance with FBI CJIS Security Policy requirements and does not agree to the CJIS Security Addendum for this engagement or any other security or privacy related commitments that have been established between Axon and Customer, such as ISO 27001 certification or SOC 2 Reporting.

7. **Privacy.** Customer use of My90 is subject to the My90 Privacy Policy, a current version of which is available at https://www.axon.com/legal/my90privacypolicy. Customer agrees to allow Axon access to My90 Non-Content Data from Customer to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products including My90 and related services; and (c) enforce this Agreement or policies governing the use of My90 or other Axon products.

8. **Location of Storage.** Axon may transfer Customer Data to third-party subcontractors for Processing. Axon will determine the locations for Processing of Customer Data. For all Customer, Axon will Process and store Customer Data within the country in which Customer is located. Ownership of My90 Customer Content remains with Customer.

9. **Required Disclosures.** Axon will not disclose Customer Data that Customer shares with Axon except as compelled by a court or administrative body or required by any law or regulation. Axon will notify Customer if any disclosure request is received for Customer Data so Customer may file an objection with the court or administrative body, unless prohibited by law.

10. **Data Sharing.** Axon may share data only with entities that control or are controlled by or under common control of Axon, and as described below:

    10.1. Axon may share Customer Data with third parties it employs to perform tasks on Axon's behalf to provide products or services to Customer.

    10.2. Axon may share Aggregated Survey Response with third parties, such as other Axon customers, local city agencies, private companies, or members of the public that are seeking a way to collect analysis on general policing and community trends. Aggregated Survey Response will not be reasonably capable of being associated with or reasonably linked directly or indirectly to a particular individual.

11. **License and Intellectual Property.** Customer grants Axon, its affiliates, and assignees the irrevocable, perpetual, fully paid, royalty-free, and worldwide right and license to use Customer Data for internal use including but not limited to analysis and creation of derivatives. Axon may not release Customer Data to any third party under this right that is not aggregated and de-identified. Customer acknowledges that Customer will have no intellectual property right in any media, good or service developed or improved by Axon. Customer acknowledges that Axon may make any lawful use of My90 Data and any derivative of Customer Data including, without limitation, the right to monetize, redistribute, make modification of, and make derivatives of the surveys, survey responses and associated data, and Customer will have no intellectual property right in any good, service, media, or other product that uses My90 Data.

12. **Customer Use of Aggregated Survey Response.** Axon will make available to Customer Aggregated Survey Response and rights to use for any Customer purpose.

13. **Data Subject Rights.** Taking into account the nature of the Processing, Axon shall assist Customer by appropriate technical and organizational measures, insofar as this is reasonable, for the fulfilment of Customer's obligation to respond to a Data Subject Request regarding any Personal Data contained within My90 Customer Content. If in regard to My90 Customer Content, Axon receives a Data Subject Request from Customer's data subject to exercise one or more of its rights under applicable Data Protection Law, Axon will redirect the data subject within seventy-two (72) hours, to make its request directly to Customer. Customer will be responsible for responding to any such request.

14. **Assistance with Requests Related to My90 Customer Content.** With regard to the processing of My90 Customer Content, Axon shall, if not prohibited by applicable law, notify Customer without delay after receipt, if Axon: (a) receives a request for information from the Supervisory Authority or any other competent authority regarding My90 Customer Content; (b) receives a complaint or request from a third party regarding the obligations of Customer or Axon under applicable Data Protection Law; or (c) receives any other communication which directly or indirectly pertains to My90 Customer Content or the Processing or protection of My90 Customer Content. Axon

shall not respond to such requests, complaints, or communications, unless Customer has given Axon written instructions to that effect or if such is required under a statutory provision. In the latter case, prior to responding to the request, Axon shall notify Customer of the relevant statutory provision and Axon shall limit its response to what is necessary to comply with the request.

15. **Axon Evidence Partner Sharing.** If Axon Evidence partner sharing is used to share My90 Customer Content, Customer will manage the data sharing partnership with Axon and access to allow only for authorized data sharing with Axon. Customer acknowledges that any applicable audit trail on the original source data will not include activities and processing performed against the instances, copies or clips that has been shared with Axon. Customer also acknowledges that the retention policy from the original source data is not applied to any data shared with Axon. Except as provided herein, data shared with Axon may be retained indefinitely by Axon.
16. **Data Retention.** Phone numbers provided to Axon directly by Customer or at their direction, or by permitting My90 to access or connect to an information system or similar technology will be retained for twenty-four (24) hours. Axon will not delete Aggregated Survey Response for four (4) years following termination of this Agreement. There will be no functionality of My90 during these four (4) years other than the ability to submit a request to retrieve Aggregated Survey Response. Axon has no obligation to maintain or provide Aggregated Survey Response after these four years and may thereafter, unless legally prohibited, delete all Aggregated Survey Response.
17. **Termination.** Termination of an My90 Agreement will not result in the removal or modification of previously shared My90 Customer Content or the potential monetization of Survey Response and Aggregated Survey Response.
18. **Managing Data Shared.** Customer is responsible for:
    18.1. Ensuring My90 Customer Content is appropriate for use in My90. This includes, prior to sharing: (a) applying any and all required redactions, clipping, removal of metadata, logs, etc. and (b) coordination with applicable public disclosure officers and related legal teams;
    18.2. Ensuring that only My90 Customer Content that is authorized to be shared for the purposes outlined is shared with Axon. Customer will periodically monitor or audit this shared data;
    18.3. Using an appropriately secure data transfer mechanism to provide My90 Customer Content to Axon;
    18.4. Immediately notify Axon if My90 Customer Content that is not authorized for sharing has been shared. Axon may not be able to immediately retrieve or locate all instances, copies or clips of My90 Customer Content in the event Customer requests to un-share previously shared My90 Customer Content;
19. **Prior to enrollment in My90.** Prior to enrolling in My90, Customer will:
    19.1. determine how to use My90 in accordance with applicable laws and regulations including but not limited to consents, use of info or other legal considerations;
    19.2. develop a set of default qualification criteria of what My90 Customer Content may be shared with Axon; and
    19.3. assign responsibilities for managing what My90 Customer Content is shared with Axon and educate users on what data may or not be shared with Axon.
20. **Customer Responsibilities.** Customer is responsible for:
    20.1. ensuring no My90 Customer Content or Customer End User's use of My90 Customer Content or My90 violates this Agreement or applicable laws;
    20.2. providing, and will continue to provide, all notices and has obtained, and will continue to obtain, all consents and rights necessary under applicable laws for Axon to process Customer Data in accordance with this Agreement; and
    20.3. maintaining necessary computer equipment and Internet connections for use of My90. If Customer becomes aware of any violation of this Agreement by an End User, Customer will immediately terminate that End User's access to My90. Customer will also maintain the security of End User's usernames and passwords and security and access by End Users to My90 Customer Content. Customer is responsible for ensuring the configuration and utilization of My90 meets applicable Customer regulations and standards. Customer may not sell, transfer, or sublicense access to any other entity or person. Customer shall contact Axon immediately if an unauthorized party may be using Customer's account or My90 Customer Content or if account information is lost or stolen.

21. **Suspension.** Axon may temporarily suspend Customer's or any End User's right to access or use any portion or all of My90 immediately upon notice, if Customer or End User's use of or registration for My90 may (a) pose a security risk to Axon products including My90, or any third-party; (b) adversely impact My90, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Customer remains responsible for all fees, if applicable, incurred through suspension. Axon will not delete My90 Customer Content or Aggregated Survey Response because of suspension, except as specified in this Agreement.

22. **My90 Restrictions.** Customer and Customer End Users, may not, or may not attempt to:

    22.1. copy, modify, tamper with, repair, or create derivative works of any part of My90;

    22.2. reverse engineer, disassemble, or decompile My90 or apply any process to derive any source code included in My90, or allow others to do the same;

    22.3. access or use My90 with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

    22.4. use trade secret information contained in My90, except as expressly permitted in this Agreement;

    22.5. access My90 to build a competitive product or service or copy any features, functions, or graphics of My90;

    22.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within My90; or

    22.7. use My90 to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

Schedule 1- Details of the Processing

1. **Nature and Purpose of the Processing.** To help Customer obtain feedback from individuals, such as members of their community, staff, or officers. Features of My90 may include:

   1.1. Survey Tool where Customer may create, distribute, and analyze feedback from individuals it designates. Customer may designate members of the community, staff or officers from whom they would like to obtain feedback;

   1.2. Creation of custom forms for surveys. Customer may select questions from a list of pre-drafted questions or create their own;

   1.3. Distribution of survey via multiple distribution channels such as text message;

   1.4. Ability to access and analyze Survey Response. Axon may also provide Customer Aggregated Survey Responses which contain analysis and insights from the Survey Response;

   1.5. Direct integration into information systems including Computer Aided Dispatch ("**CAD**"). This will enable Customer to share contact information easily and quickly with Axon of any individuals from whom it wishes to obtain feedback, enabling Axon to communicate directly with these individuals;

   1.6. Data Dashboard Beta Test ("**Data Dashboard**") where Survey Response and Aggregated Survey Response will be displayed for Customer use. Customer will be able to analyze, interpret, and share results of the Survey Response. My90 may provide beta versions of the Data Dashboard that are specifically designed for Customer to test before they are publicly available;

   1.7. Survey Responses will be aggregated and de-identified and may be subsequently distributed and disclosed through various mediums to: (1) Customer; (2) other Axon Customer; (3) private companies; and (4) members of the public. The purpose of disclosure is to provide ongoing insights and comparisons on general policing and community trends. Prior to disclosing this information, Axon will ensure that the Survey Response has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual; and

   1.8. Provide services and materials to engage Customer stakeholders, market the partnership to the public, and facilitate training.

Axon Event Offer Appendix

If the Agreement includes the provision of, or Axon otherwise offers, ticket(s), travel and/or accommodation for select events hosted by Axon ("Axon Event"), the following shall apply:

1. **General.** Subject to the terms and conditions specified below and those in the Agreement, Axon may provide Customer with one or more offers to fund Axon Event ticket(s), travel and/or accommodation for Customer-selected employee(s) to attend one or more Axon Events. By entering into the Agreement, Customer warrants that it is appropriate and permissible for Customer to receive the referenced Axon Event offer(s) based on Customer's understanding of the terms and conditions outlined in this Axon Event Offer Appendix.
2. **Attendee/Employee Selection.** Customer shall have sole and absolute discretion to select the Customer employee(s) eligible to receive the ticket(s), travel and/or accommodation that is the subject of any Axon Event offer(s).
3. **Compliance.** It is the intent of Axon that any and all Axon Event offers comply with all applicable laws, regulations and ethics rules regarding contributions, including gifts and donations. Axon's provision of ticket(s), travel and/or accommodation for the applicable Axon Event to Customer is intended for the use and benefit of Customer in furtherance of its goals, and not the personal use or benefit of any official or employee of Customer. Axon makes this offer without seeking promises or favoritism for Axon in any bidding arrangements. Further, no exclusivity will be expected by either party in consideration for the offer. Axon makes the offer with the understanding that it will not, as a result of such offer, be prohibited from any procurement opportunities or be subject to any reporting requirements. If Customer's local jurisdiction requires Customer to report or disclose the fair market value of the benefits provided by Axon, Customer shall promptly contact Axon to obtain such information, and Axon shall provide the information necessary to facilitate Customer's compliance with such reporting requirements.
4. **Assignability.** Customer may not sell, transfer, or assign Axon Event ticket(s), travel and/or accommodation provided under the Agreement.
5. **Availability.** The provision of all offers of Axon Event ticket(s), travel and/or accommodation is subject to availability of funds and resources. Axon has no obligation to provide Axon Event ticket(s), travel and/or accommodation.
6. **Revocation of Offer.** Axon reserves the right at any time to rescind the offer of Axon Event ticket(s), travel and/or accommodation to Customer if Customer or its selected employees fail to meet the prescribed conditions or if changes in circumstances render the provision of such benefits impractical, inadvisable, or in violation of any applicable laws, regulations, and ethics rules regarding contributions, including gifts and donations.

Axon Training Pod Appendix

1. **Customer Responsibilities.** Customer is responsible for: (i) all permits to use the Axon Training Pod; (ii) complying with all applicable laws pertaining to the use of the Axon Training Pod; (iii) any maintenance required for the Axon Training Pod; and (iv) disposal of the Axon Training Pod.

2. **Warranties. TO THE EXTENT NOT PROHIBITED BY LAW, AXON TRAINING POD IS SOLD "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.**

3. **Placement.** Axon will make its best efforts to work with Customer on the initial placement of the Axon Training Pod. After the initial placement, it is the Customer's responsibility to make any adjustments to the Axon Training Pod's placement.

4. **Deemed Acceptance.** The Axon Training Pod will be deemed accepted by Customer upon delivery. Customer waives any right to reject the Axon Training Pod except in the event of damage during shipment, which must be reported to Axon in writing within five (5) business days of delivery.

Dedrone Product Appendix

If the Quote includes Dedrone Hardware, Dedrone Software, and/or Airspace Security as a Service (collectively, "Dedrone Products"), this Dedrone Product Appendix shall apply.

1. **Definitions.**

1.1 **"Dedrone Data"** means data that Axon maintains regarding a wide variety of drone models and manufacturers in the marketplace ("DedroneDNA", formerly "DroneDNA"), as well as usability information that Axon collects regarding the performance of the Dedrone Software and Dedrone Hardware, aggregate or de-identified Collected Data compiled or used by Axon in accordance with Section 4.2, and any other information that Axon makes available to Customer by means of the Dedrone Software

1.2 **"Dedrone Hardware**" means the Axon drone detection hardware sensor or mitigation products set forth on a Quote and does not include any Third-Party Hardware.

1.3 **"Sensor"** means a radio frequency, video, radar or other hardware sensor for drone detection purchased by Customer from Axon or obtained from any third-party vendor.

1.4 **"Dedrone Software**" means (i) Axon's proprietary drone-tracking software, known as DedroneTracker (formerly DroneTracker), whether deployed on-premise or hosted by Axon as a cloud-based solution, (ii) Axon's video analytics software (currently known as Analytics Server), and/or (iii) software and/or firmware deployed or installed on the Dedrone Hardware or available for download and installation onto Customer's Third-Party Hardware.

1.5 **"Third-Party Hardware"** means hardware products owned by Customer or purchased by Customer from third parties that are used by Customer in conjunction with the Software.

2. **Customer License.**

2.1 **Software License.** Subject to the terms of this Agreement, Axon grants Customer a royalty-free, nonexclusive, nontransferable, worldwide right during each Quote Term to use the Dedrone Software, including the Dedrone Data and Collected Data, subject to the terms of the Agreement and this Appendix (the "License"). Customer must purchase a License to the Software for each unit of Dedrone Hardware and/or Third-Party Hardware using Dedrone Software. Accordingly, Customer may only use the Software quantity and type of Hardware and/or Third-Party Hardware units specified on the applicable Quote. If Customer purchases additional Licenses during a current Term, the Term of the new License(s) will be pro-rated to terminate at the end of the then-current License Term. Use of the Dedrone Software is subject to the terms of the Agreement between the parties

2.2 **Restrictions.** Customer will not: (i) use (or allow a third party to use) the Dedrone Products in order to monitor the availability, security, performance, or functionality of the Dedrone Products, or for any other benchmarking or competitive purposes; (ii) market, sublicense, resell, lease, loan, transfer, or otherwise commercially exploit the Dedrone Products; (iii) modify, create derivative works, decompile, reverse engineer, attempt to gain access to the source code, or copy the Dedrone Products or any of their components; (iv) use the Dedrone Products to conduct any fraudulent, malicious, or illegal activities; or (v) use the Dedrone Products in contravention of any applicable laws or regulations (each of (i) through (v), a ("Prohibited Use").

3. **Customer Obligations.**

3.1 **Compliance.** Customer will use the Dedrone Products only in accordance with applicable specifications (the "Specifications") and in compliance with all applicable laws, including all applicable export laws and regulations of the United States or any other country. Customer acknowledges that due to the nascent nature of drone detection and mitigation technologies applicable laws and regulations may be changing or emerging over time, and agrees that it is Customer's responsibility to keep itself aware and remain compliant with the current laws and regulations that may apply, including but not limited to those that may apply to advanced features available at Customer's option in the Dedrone Software. Customer will ensure that none of the Dedrone Products are directly or indirectly exported, re-exported, or used to provide services in violation of such export laws and regulations. Axon reserves the right to suspend use of any Dedrone Products operating in violation of such laws, following written notice to Customer. If Customer uses a radio jammer, or any other controlled device, in connection with the Dedrone Software, Customer represents to Axon that it is authorized to do so by the relevant authorities, that it will do so only in accordance with such authorization, and it will provide supporting documentation regarding such authorization upon request. Customer may be required to obtain legal

authorization before any purchase or use of hardware sold by third parties. Axon shall not be liable if any government export authorization is delayed, denied, revoked, restricted or not renewed, nor shall any such delay, denial, revocation, restriction or non-renewal shall not constitute a breach of the Agreement by Axon.

3.2 **Computing Environment.** Customer is responsible for the maintenance and security of its own network and computing environment that it uses to host and/or access the Dedrone Products and for ensuring that any Third-Party Hardware meets the necessary specifications for use with the Dedrone Software.

4. **Data Protection.**

4.1 **Data.** If Customer licenses Dedrone Software, as part of its operation, the Dedrone Software may collect and send to servers owned, operated or controlled by Axon data or other information regarding Customer's use of the Dedrone Software, which may include (i) information generated by each Sensor deployed by Customer, including information related to the date, time, and duration of the detection of the drone, as well as the locations of the detected drones and remote controls and of the Sensor itself (collectively, "Sensor Data"), and (ii) video recording of the detected drones, including flight path ("Video Data") (Sensor Data and Video Data are collectively referred to as "Collected Data").

4.2 **Use of Collected Data.** Axon has the right to use Collected Data for any purpose, including: (i) improving any Dedrone Product; (ii) analyzing any Dedrone Product or the performance of any Dedrone Product; or (iii) compiling or using aggregate or de-identified Collected Data with other customers, or government and law enforcement entities, with or without compensation. Customer acknowledges that Axon may learn from the performance or use of any Dedrone Product, and Axon shall have the sole right to exploit any modification, enhancement or improvement of any Dedrone Product resulting from such learning.

4.3 **User Data.** To the extent Axon uses User login information, including name, email, username, and password (collectively, "User Data") for any purpose other than to provide services to the Customer, such User Data will be deidentified and anonymized, and will not be identified as having come from Customer, except that Axon may disclose User Data where Axon, in good faith, believes that the law or legal process (such as a court order, search warrant or subpoena) requires Axon to do so.

4.4 **Security.** Axon maintains industry standard physical, technical, and administrative safeguards (the "Security Measures") to protect Collected Data.

4.5 **No Access.** Except for User Data, Axon does not (and will not) collect, process, store, or otherwise have access to any personal information, about End Users or users of Customer's products or services.

5. **Ownership.**

5.1 **Axon Property.** Axon owns and retains all rights, title, and interest in and to the Dedrone Data, Collected Data, the Dedrone Software, and all intellectual property embodied in the Dedrone Hardware, if the Dedrone Hardware is provided by Axon. Except for the limited license granted to Customer in Section 2.1, Axon does not by means of this Agreement or otherwise transfer or license any rights in the Dedrone Products to Customer, whether by implication, estoppel or otherwise. To the maximum extent permitted by applicable law Customer will take no action inconsistent with Axon intellectual property rights in the Dedrone Products or any Dedrone Data.

5.2 **Customer Property.** Customer owns and retains all right, title, and interest in and to the User Data and does not by means of this Agreement or otherwise transfer any rights in the User Data to Axon, except for the limited rights set forth in Section 4.3.

6. **Government Restricted Rights.** To the extent that Customer is an agency or instrumentality of the U.S. government, the parties agree that the Dedrone Software and documentation are commercial computer software and commercial computer software documentation, respectively, and Customer's rights therein are as specified in this License, per FAR 12.212 and DFARS 227.7202-3, as applicable, or in the case of NASA, subject to NFS 1852.22.

7. **Updates.** The Dedrone Software may include functionality that allows it to automatically download updates that may be made available by Axon. Customer consents to the installation of such functionality.

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Peter Gilli, Community Development Director

SUBJECT: Consider Adoption of a Resolution Authorizing the City Manager to Execute the Second Amendment to the Cooperation Agreement Between the City of San Bruno and San Mateo County Agreement Enabling the City to Access Federal Funding Related to the Community Development Block Grant Program, the Home Investment Partnership Program, and the Emergency Solutions Grant Program

BACKGROUND:

Cities with populations under 50,000 are considered a "non-entitlement" jurisdiction and cannot receive a direct allocation of funding from the U.S. Department of Housing and Urban Development (HUD). San Bruno and other non-entitlement cities in the County have historically entered into an Urban County Cooperation Agreement that allows the County to receive additional funding under the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) programs on our behalf. The County uses that funding for several countywide programs that San Bruno residents have access to, or to specific projects within the Urban County area.

The purpose of this item is to consider adoption of a resolution authorizing the City Manager to execute the Second Amendment to the Urban County Cooperation Agreement between the City of San Bruno and the County of San Mateo, enabling the City to remain eligible for federal funding through the CDBG Program administered by HUD.

DISCUSSION:

To maintain Urban County status, San Mateo County must periodically requalify with HUD and enter into cooperation agreements with participating non-entitlement jurisdictions. Through participation in the Urban County Program, the City remains eligible to apply for CDBG funding and participate in the HOME and ESG programs.

As part of the current Urban County qualification process for Federal Fiscal Years 2027, 2028, and 2029, HUD has required updates to the existing Cooperation Agreement. The County has advised participating jurisdictions that, for this qualification period, the required amendments must be approved by each jurisdiction's governing body and executed by its chief executive officer.

The Second Amendment updates the existing Cooperation Agreement to reflect HUD's current Urban County qualification requirements. The amendment includes revisions related to program

administration, participation requirements, federal compliance obligations, and other provisions required by HUD. The amendment also extends participation in the Urban County Program for Federal Fiscal Years 2027, 2028, and 2029 and one subsequent three-year qualification period. Additionally, the amendment includes language acknowledging that San Mateo County is a plaintiff in King County et al. v. Turner et al., 2:25-cv-00814-BJR (W.D. Wash.), a lawsuit challenging certain terms and conditions imposed on federal grant awards. The amendment clarifies that, to the extent the Cooperation Agreement contains terms or conditions that are subject to the Preliminary Injunction issued in that case, San Mateo County is not bound by those enjoined provisions. According to the County, this provision is intended to acknowledge the court's order and does not affect the obligations of participating jurisdictions under the Agreement.

Approval of the Second Amendment will allow the City to continue participating in the Urban County Program and maintain eligibility for future CDBG, HOME, and ESG funding opportunities.

FISCAL IMPACT:

There is no direct fiscal impact to the City from the proposed action to authorize the Second Amendment of the Cooperation Agreement. A decision not to execute the new Agreement would preclude the City from participating in the Block Grant Program and from eligibility to receive funding in the future.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council’s action is not considered a “Project” per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt a Resolution Authorizing the City Manager to Execute the Second Amendment to the Cooperation Agreement Between the City of San Bruno and San Mateo County Agreement Enabling the City to Access Federal Funding Related to the Community Development Block Grant Program, the Home Investment Partnership Program, and the Emergency Solutions Grant Program

ALTERNATIVES:

1. Do not authorize the City Manager to execute the Second Amendment to the Cooperative Agreement.

ATTACHMENTS:

1. Resolution
2. Cooperation Agreement
3. Amendment 2 to the Cooperation Agreement

RESOLUTION NO. 2026 - ___

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE SECOND AMENDMENT TO THE COOPERATION AGREEMENT BETWEEN THE CITY OF SAN BRUNO AND SAN MATEO COUNTY AGREEMENT ENABLING THE CITY TO ACCESS FEDERAL FUNDING RELATED TO THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIP PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM

WHEREAS, the City of San Bruno participates in the San Mateo County Urban County Program, which enables the City to access federal funding through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs; and

WHEREAS, the City entered into a Cooperation Agreement with the County of San Mateo in 2017 to participate in the Urban County Program and approved the First Amendment to the Cooperation Agreement in 2023; and

WHEREAS, as part of the Urban County qualification process for Federal Fiscal Years 2027, 2028, and 2029, the U.S. Department of Housing and Urban Development (HUD) has required updates to the existing Cooperation Agreement; and

WHEREAS, HUD now requires that amendments to the Cooperation Agreement be approved by the governing body of each participating jurisdiction and executed by its chief executive officer; and

WHEREAS, approval of the Second Amendment will allow the City to continue participating in the Urban County Program and remain eligible for future CDBG, HOME, and ESG funding opportunities.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of San Bruno hereby approves the Second Amendment to the Urban County Cooperation Agreement between the City of San Bruno and the County of San Mateo.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the Second Amendment in substantially the form presented to the City Council, together with such non-substantive changes as may be approved by the City Attorney.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

County of San Mateo ∽ Minor Cooperative Agreement Amendment

Cooperation Agreement dated September 20, 2017 **Amendment Number:** 1 (First)

Agreement between the COUNTY OF SAN MATEO and the CITY OF SAN BRUNO

THE AGREEMENT IS CHANGED AS FOLLOWS

I. **Section 2 (Term), Paragraph 1 is hereby ☐ added ☒ amended as follows:**

Adds the following emboldened, italicized phrase:

"As provided by HUD rules and regulations, this Agreement shall automatically be renewed for participation in successive three-year qualification period, unless County or City provides written notice ***to the County with a copy to the HUD Field Office by the date specified in the urban county qualification schedule*** electing not to participate in the new qualification period..."

II. **Section 3a (County's Responsibilities as Applicant), Paragraph 1 is hereby ☐ added ☒ amended as follows:**

Adds the following emboldened, italicized phrase:

"County, as applicant, has ultimate responsibility for executing the housing and community development programs on behalf of the Urban County, following its Consolidated Plan, which provides for an analysis of housing and non-housing community development needs of the geographic area, and meeting the requirements of other applicable laws, including but not limited to the National Environmental Policy Act, the Uniform Relocation Act, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, ***and the implementing regulations at 24 CFR Part 8, Title II of*** the Americans with Disabilities Act of 1990."

III. **Section 3a (County's Responsibilities as Applicant), Paragraph 4 is hereby ☐ added ☒ amended as follows:**

Adds the following emboldened, italicized phrase:

"Therefore, County requires City, and City agrees to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities, strictly adhere to the Consolidated Plan as approved and to all assurances and certifications provided to HUD, including taking all actions necessary to comply with the Urban County's certifications under Section 104(b) of Title I of the Act, Title VI of the Civil Rights Act of 1964, ***implementing regulations at 24 CFR Part 1,*** the Fair Housing Act, ***and implementing regulations at 24 CFR Part 100 and will*** affirmatively further fair housing. All parties to the Cooperation Agreement must comply with 24 CFR § 91.225(a) ***and Affirmatively Furthering Fair Housing Definitions and Certifications (86 FR 30779, June 10, 2021), to be codified at 24 CFR 5.151 and 5.152, available at https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmativelyfurthering-fair-housing-definitions-and-certifications*** and to comply with section 109 of Title I of the Housing and Community Development Act of 1974, ***and the implementing regulations at 24 CFR Part 6,*** which incorporates Section 504 of the Rehabilitation Act of 1973 and ***the implementing regulations at 24 CFR Part 35,*** the Age Discrimination Act of 1975. County requires City, and City agrees to comply with all other applicable laws."

ATTACHMENT 2

IV. **Section 8a (County's Responsibility to City) is hereby ☐ added ☒ amended as follows:**

Adds the following emboldened, italicized phrase:

"County shall, in preparing Consolidated Plans, Annual Action Plans, and any relevant future plans ("plan") under the Act, solicit to the extent allowed by the Act and all lawful HUD regulations, City's participation in the development of such future plans which refer to City's activities under the Act. ***County will sign the assurances and certificates in the HUD 424-B.***"

Other changes: None

This change is effective as of: July 1, 2024

ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT REMAIN UNCHANGED.

[redacted]
Signature
(City Manager)

May 22, 2023
Date

Alex D. McIntyre
Name (please print)
City of San Bruno

[redacted]
Requestor Signature
County of San Mateo

5/3/23
Date

KAREN COPPOCK
Requestor Name (please print)
County of San Mateo

HCD SUPERVISOR
Requestor Title (please print)

I hereby certify that the requested changes are required per the United States Department of Housing and Urban Development.

[redacted]
Department Head Signature
Director of Housing
County of San Mateo

7/12/23
Date

Raymond Hodges
Department Head

CERTIFIED COPY

RESOLUTION NO. 2017 - 79

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A COOPERATION AGREEMENT BETWEEN THE CITY OF SAN BRUNO AND SAN MATEO COUNTY ENABLING THE CITY TO ACCESS FEDERAL FUNDING RELATED TO THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME INVESTMENT PARTNERSHIP PROGRAM, AND THE EMERGENCY SOLUTIONS GRANT PROGRAM FOR 2018, 2019, AND 2020 AND SUBSEQUENT THREE-YEAR PERIODS

WHEREAS, entering into a Cooperative agreement with San Mateo County will ensure that the County can secure and award federal funds through the process of Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG) to eligible public entities; and

WHEREAS, public entities that do not otherwise come within the definition of an eligible public agency may cooperate and participate with an eligible public entity such as an urban county; and

WHEREAS, the County of San Mateo has heretofore qualified as an urban county under the Act, the County again solicits the cooperation and co-participation of the City of San Bruno in its application for federal assistance under the Act for the Federal Fiscal Years 2018, 2019 and 2020 and subsequent three-year periods thereafter; and

WHEREAS, a Cooperation Agreement by and between the City of San Bruno and the County establishes the formal relationship to cooperate and co-participate and is specifically authorized under the provisions of Government Code Section 6502 and 26227; and

WHEREAS, San Bruno has previously, by an official act of pronouncement expressed its intent and desire to cooperate and participate with County in its plan application and to engage in housing and community development activities within its incorporated limits thereunder; and

WHEREAS, the City understands that in becoming part of the Urban County, San Bruno automatically participates in the HOME and ESG Programs, which provide eligible local jurisdictions with federal funds for affordable housing activities; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of San Bruno that the City Council hereby authorizes a Cooperation Agreement with San Mateo County to award Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG) to eligible public entities.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute documents necessary to effectuate the Cooperation Agreement with San Mateo County.

---oOo---

I hereby certify that foregoing **Resolution No. 2017 - 79** was introduced and adopted by the San Bruno City Council at a regular meeting on September 12, 2017, by the following vote:

AYES: Councilmembers: M. Medina, R. Medina, O'Connell, Mayor Ruane

NOES: Councilmembers: None

ABSENT: Councilmembers: Ibarra excused absence for this item, arrived at 8:02 p.m

I hereby certify this to be a full, true and correct copy of the document it puports to be, the original of which is on file in my office.

Dated: 9-19-17

[redacted] Deputy City Clerk

City Clerk of the City of San Bruno

CITY OF SAN BRUNO ★ INCORPORATED DEC. 23RD 1914 ★ SAN MATEO CO CAL

[redacted]

Carol Bonner, City Clerk

COOPERATION AGREEMENT

This Cooperation Agreement (the "Agreement"), entered into this 19th day of September 2017, between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("County""), and the CITY OF SAN BRUNO, a duly incorporated City within the County of San Mateo ("City").

WITNESSETH

WHEREAS, the Housing and Community Development Act of 1974, as amended (the "Act"), provides for the distribution of federal funds through the Community Development Block Grant ("CDBG") program to eligible public entities; and

WHEREAS, those public entities which are eligible to receive said federal funds are cities with a population more than 50,000, "hold harmless" public entities, and urban counties; and

WHEREAS, public entities that do not otherwise come within the definition of an eligible public entity may cooperate and participate with an eligible public entity such as an Urban County; and

WHEREAS, since County has heretofore qualified as an "Urban County" under the Act, County again solicits the cooperation and co-participation of public entities such as City in its application for federal assistance under the Act for the Federal Fiscal Years of 2018, 2019 and 2020 and subsequent three-year periods thereafter; and

WHEREAS, City, having a population of less than 50,000, desires to cooperate and co-participate with County in this venture; and

WHEREAS, this Agreement by and between City and County establishes the formal relationship to cooperate and co-participate and is specifically authorized under the provisions of California Government Code sections 6502 and 26227; and

WHEREAS, County has received a communication from the United States Department of Housing and Urban Development ("HUD"), regarding additional language which must be included in this Agreement; and

WHEREAS, the Agreement with this additional language must be executed by the parties and submitted to HUD by September 21, 2017; and

WHEREAS, City has previously, by an official act of pronouncement, expressed its intent and desire to jointly participate in the housing and community development programs of the Urban County and to submit a joint application to establish or re-establish the Urban County for the fiscal years 2018, 2019 and 2020 and subsequent three-year periods thereafter, as designated under Government Code Sections 6502 and 26227 as required by the U.S. Department of Housing and Urban Development; and

WHEREAS, City understands that in becoming part of the Urban County, City automatically

participates in the HOME Investment Partnership ("HOME") Program and the Emergency Solutions Grant ("ESG') Program, which provide eligible local jurisdictions with federal funds for housing and community development activities; and

WHEREAS, City now desires to enter into this Agreement with County so that it may qualify, under applicable provisions of the Act and HUD regulations, as co-participant with County in eligible activities under the Act.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, the parties hereto agree as follows:

1. **Purpose:**
   County and City agree to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, specifically urban renewal and publicly assisted housing; economic development, neighborhood facilities, housing rehabilitation, and other appropriate housing assistance to primarily benefit lower and moderate income people. This Agreement includes participation in the CDBG, HOME and ESG Programs.

2. **Term:**
   The term of this Agreement shall be for the Federal Fiscal Years of 2018, 2019 and 2020, after which the term shall be automatically renewed unless action is taken by the City to terminate this Agreement. As provided by HUD rules and regulations, this Agreement shall automatically be renewed for participation in successive three-year qualification periods, unless County or City provides written notice electing not to participate in a new qualification period, provided however, that this Agreement shall remain in effect until CDBG, HOME and ESG funds and income received with respect to the three-year qualification period are expended and the funded activities are completed. County and City cannot terminate or withdraw from this Agreement while the Agreement remains in effect.

   By the date specified in HUD's Urban County Qualification Notice CPD – 17-03, and for a subsequent qualification period of three years, County will notify City in writing of its right not to participate. Should there be changes necessary to meet the requirements for cooperation agreements set forth in the Urban County Qualification Notice applicable for a subsequent three-year Urban County qualification period, amendment(s) to this Agreement shall be executed between County and City and then submitted to HUD. Failure to do so will void the automatic renewal of such qualification period.

3. **County's Responsibilities as Applicant:**
   a. County, as applicant, has ultimate responsibility for executing the housing and community development programs on behalf of the Urban County, following its Consolidated Plan, which provides for an analysis of housing and non-housing community development needs of the geographic area, and meeting the requirements of other applicable laws, including but not limited to the National Environmental Policy Act, the Uniform Relocation Act, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, and the Americans with Disabilities Act of 1990.

      County is the lead agent for carrying out the Urban County CDBG Program and the ESG

Program. The Urban County, as a CDBG entitlement jurisdiction, is qualified to receive its own allocation of federal HOME funds. However, to increase HOME funding access to County overall, County has formed the San Mateo County HOME Consortium, of which the Urban County is a member.

County is also the lead agent for the HOME Consortium. The HOME Consortium is technically responsible for preparing and submitting to HUD the Consolidated Plan, which covers the geographic area of the Consortium. The Urban County is responsible for submitting its own non-housing community development plan, an Action Plan, and required certifications as part of the Consortium's Consolidated Plan. As lead agent for the Urban County and the HOME Consortium, County is responsible for coordinating all activities necessary to prepare and submit a five-year Consolidated Plan on behalf of the Urban County, including providing assurances or certifications to HUD.

Therefore, County requires City, and City agrees to cooperate to undertake, or assist in undertaking, community renewal and lower-income housing assistance activities, strictly adhere to the Consolidated Plan as approved and to all assurances and certifications provided to HUD, including taking all actions necessary to comply with the Urban County's certifications under Section 104(b) of Title I of the Act, Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and affirmatively further fair housing. All parties to the Cooperation Agreement must comply with 24 CFR § 91.225(a) and to comply with section 109 of Title I of the Housing and Community Development Act of 1974, which incorporates Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975. County requires City, and City agrees to comply with all other applicable laws.

This Agreement shall also prohibit the Urban County from funding activities in or in support of, any cooperating unit of general local government that does not affirmatively further fair housing within its own jurisdiction or that impedes County's actions to comply with its own fair housing certification. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e. the Urban County) that may, in turn, provide cause for funding sanctions or other remedial actions by HUD.

County shall not provide CDBG, HOME or ESG funds for activities in, or in support of City that does not affirmatively further fair housing within its own jurisdiction or for activities that impede County's actions to comply with its fair housing certification. In addition, County and City are responsible for taking all required actions to comply with the provisions of the National Environmental Policy Act of 1969.

b. Further, pursuant to 24 CFR § 570.501(b), County, as applicant, has the responsibility for ensuring that CDBG, HOME and ESG funds are used in accordance with all program requirements, determining the adequacy of performance under agreements and procurement contracts, and taking appropriate action when performance problems arise. Therefore, before disbursing any CDBG, HOME or ESG funds to City or projects in City, County will require City, and City agrees to enter into a written agreement for each individual project.

c. City may not sell, trade, or otherwise transfer all or any portion of CDBG funds to

another such metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds on exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended. This requirement applies to the qualification and requalification of an Urban County and is contained in the Transportation, Housing and Urban Development, and Related Agencies Appropriation Act, 2014 Pub. L113-76.

4. **City Subject to Same Requirements as Subrecipients:**
Pursuant to 24 CFR § 570.501(b), City is subject to the same requirements applicable to subrecipients, including the requirement of a written agreement set forth in 24 CFR § 570.503. As applicant, County has the responsibility for ensuring that CDBG, HOME and ESG funds are used in accordance with all program requirements, determining the adequacy of performance under agreements and procurement contracts, and taking appropriate action when performance problems arise. Therefore, before disbursing any CDBG, HOME or ESG funds to City or projects in City, County will require City, and City agrees to enter into a written agreement for each individual project.

5. **City's Adoption and Enforcement of Policies:**
   a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

   b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.

6. **City Eligibility for CDBG, HOME and ESG Funding**

   By executing this Agreement, the City understands that it

   a. May not apply for grants from appropriations under the Small Cities or State CDBG Programs for fiscal years during the period in which it participates in the Urban County's CDBG Program;

   b. May participate in HOME Program only through the Urban County. Thus, even if the Urban County does not receive a HOME formula allocation, City cannot form a HOME Consortium with other local governments; and

   c. May receive a formula allocation under the ESG Program only through the Urban County, although this does not preclude the urban county or a unit of government participating with the urban county from applying to the State for ESG funds, if the State allows.

7. **Affirmative Action:**
Under County's ultimate supervision and responsibility, City covenants and agrees that it will abide by and enforce all applicable affirmative action requirements including, but not limited to Executive Order No. 11246, the Equal Employment Opportunities Act, the San Mateo County Affirmative Action Plan and local affirmative action plans.

8. **County's Responsibility to City:**
In addition to the foregoing obligations:

a. County shall, in preparing Consolidated Plans, Annual Action Plans, and any relevant future plans ("plan") under the Act, solicit to the extent allowed by the Act and all lawful HUD regulations, City's participation in the development of such future plans which refer to City's activities under the Act.

b. In accordance with instructions from HUD, County agrees to permit City to carry out the essential community development and housing assistance activities provided for in the application and in future Consolidated and/or Annual Action Plans.

c. County agrees to distribute funding it receives from its current Annual Action Plan and in future Consolidated and/or Annual Action Plans, in accordance with the terms and provisions therein contained, or in accordance with such terms and conditions as required by the Act or HUD.

9. **City's Responsibilities to County.**
In addition to the foregoing obligations:

a. City agrees to expend any funds received by virtue of any of the Urban County's plans only in accordance with the terms and conditions stated therein, or as amended by HUD.

b. City agrees to cooperate with the Urban County, as it has heretofore, with the development of current and future Consolidated Plans for the Urban County in which housing and community development activities are funded by CDBG, HOME and/or ESG to be continued or undertaken by City within its boundaries are included.

10. **Program Income.**

a. City must inform County of any income generated by the expenditure of CDBG, HOME or ESG funds received by City.

b. Any such program income must be paid to County, or City may retain the program income subject to requirements set forth in this Agreement.

c. Any program income City is authorized to retain may only be used for eligible activities in accordance with all CDBG, HOME or ESG requirements as may then apply.

d. County has the responsibility for monitoring and reporting to HUD on the use of any such program income, and County shall require appropriate recordkeeping and reporting by City as may be needed for this purpose.

e. In the event of close-out or change in status of City, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to County.

11. Acquisition, Change in Use, and Disposition of Real Property Acquired or Improved with CDBG Funds:

If at any time after CDBG funds are allocated, in whole or in part, for the acquisition or improvement of real property, which is within the control of City, and if there is a change in the proposed use of said property, including disposition, City shall notify County of the proposed change. City shall reimburse County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-CDBG funds) of property acquired or improved with CDBG funds that is sold or transferred for a use which does not qualify under the CDBG regulations at any time prior to or subsequent to the close-out, change of status or termination of this Agreement between County and City.

12. Headings:

The headings in this document are merely for the convenience of the parties, and do not form a material part of this document. Headings shall not be considered in the construction of this document.

13. Minor Amendments to the Agreement.

Notwithstanding paragraph 2 above, should it become necessary to change the language of this Agreement to meet HUD approval, without making major changes and without altering the intent of the Agreement, such changes may be made administratively by City Manager of City.

All remaining provisions of said Agreement shall remain in full force and effect for the term provided herein.

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

COUNTY OF SAN MATEO

[redacted]

By
President, Board of Supervisors

ATTEST: [redacted]

Clerk of Said Board

CITY OF SAN BRUNO

APPROVED AS TO FORM:
[redacted]
CITY ATTORNEY

[redacted]

By
Chief Executive Officer

ATTEST: [redacted]

City Clerk

Certificate of Delivery
(Government Code Section 25103)
I certify that a copy of the original document filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.

[redacted]

By
Clerk of the Board of Supervisors

Cooperation Agreement dated September 20, 2017 **Amendment Number**: 2 (Second)
Cooperation Agreement Amendment #1 dated July 2023

Agreement between the COUNTY OF SAN MATEO and the CITY OF SAN BRUNO

THE AGREEMENT IS CHANGED AS FOLLOWS

I. Witnesseth Section is hereby ☐ added ☒ amended as follows:

Adds the following emboldened, italicized phrase:

WHEREAS, the County of San Mateo has heretofore qualified as an urban county under the Act, the County again solicits the cooperation and co-participation of public entities such as the City in its application for federal assistance under the Act for ***Federal Fiscal Years 2027, 2028 and 2029 and one subsequent three-year period thereafter***; and

II. Witnesseth Section is hereby ☐ added ☒ amended as follows:

Adds the following as a new Whereas provision:

WHEREAS, the City Executive of the City is authorized to execute this Amendment on the City's behalf, and the County Executive is authorized to execute this Amendment on the County's behalf.

III. Section 1 (Purpose) is hereby ☐ added ☒ amended as follows:

Replaces the first sentence with the following emboldened, italicized phrase:

"***The County and City agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities in and for the benefit of the City, as approved or authorized between the parties in the CDBG Agreements, including the Consolidated Plan.*** This Agreement includes..."

IV. Section 2 (Term), 1 is hereby ☐ added ☒ amended as follows:

Amends and restates the first paragraph in its entirety as follows:

"This Agreement shall remain in effect for the three-year program period of Federal Fiscal Years 2027, 2028 and 2029, and until funds granted and program income received during the three-year program period are expended and the funded activities completed. Neither the County nor the City may terminate, withdraw, or be removed from the program during the three-year program period. The Agreement will renew automatically for participation in one successive three-year Urban County qualification period (Federal Fiscal Years 2030, 2031, and 2032), unless the City or the County provide written notice to the other party that it elects not to participate in a new qualification period. The terminating party shall send a copy of the notice of termination to the HUD field office by the date specified on the HUD Exchange Urban Counties website. The County will notify the City in writing of the City's right to make this election. A copy of the County's notification must be sent to the HUD field office by the date specified on the HUD Exchange Urban Counties website."

V. Section 3 (County's Responsibilities as Applicant) is hereby ☐ added ☒ amended as follows:

Amends and restates Paragraphs 4 and 5 of Subsection a. in their entirety as follows:

"Therefore, the County and City agree to cooperate to undertake, or assist in undertaking, essential community development and housing assistance activities in and for the benefit of the City, as approved or authorized between the parties in the CDBG Agreements, including the Consolidated Plan. The County and City will also strictly adhere to the Consolidated Plan as approved and to all assurances and certifications provided to HUD, including taking all actions necessary to comply with the Urban County's certifications under Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, that the grant will be conducted and administered in conformity with:

- Title VI of the Civil Rights Act of 1964, implementing regulations at 24 CFR Part 1; and
- the Fair Housing Act, and implementing regulations at 24 CFR Part 100 and will comply with the obligation to affirmatively further fair housing; and
- Section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR Part 6, which incorporates: Section 504 of the Rehabilitation Act of 1973, and the
- implementing regulations at 24 CFR Part 8; and
- Title II of the Americans with Disabilities Act of 1974, and the implementing regulations at 28 CFR Part 35; and
- the Age Discrimination Act of 1975, and the implementing regulations at 24 CFR Part 146; and
- Section 3 of the Housing and Urban Development Act of 1968; and
- Uniform Relocation and Real Property Policies Act of 1970 and the implementing regulations at 49 CFR Part 24; and
- Section 104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 42; and
- all other applicable laws and regulations.

The Parties acknowledge that the Urban County is a plaintiff in King County et al. v. Turner et al., 2:25-cv-00814-BJR (W.D. Wash.) and through this litigation has obtained a Preliminary Injunction against HUD. To the extent that this Agreement purports to impose terms or conditions that are enjoined pursuant to that Preliminary Injunction, the Urban County is not bound to those enjoined terms or conditions.

The Parties agree that Urban County funding in no event will be used for activities in, or in support of, any cooperating unit of general local government that impedes the County's actions to comply with the County's fair housing certification and duty to affirmatively further fair housing. This provision is required because noncompliance by a unit of general local government included in an urban county may constitute noncompliance by the grantee (i.e. the Urban County) that can, in turn, provide cause for funding sanctions or other remedial actions by the Department."

VI. Section 3 (County's Responsibilities as Applicant), is hereby ☐ added ☒ amended as follows:

Amends and restates Subsection c. in its entirety as follows:

"Parties to this Agreement understand and agree that they may not sell, trade, or otherwise transfer all or any portion of CDBG funds to a City, Urban County, unit of general local government, or insular area that directly or indirectly receives CDBG funds in exchange for any funds, credits, or non-Federal considerations, but must use such funds for activities eligible under Title I of the Housing and Community Development Act of 1974, as amended."

VII. Section 5 is hereby ☐ added ☒ amended as follows:

Adds the following italicized and underlined language:

The City and County has each adopted and is enforcing:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;

b. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.

VIII. Section 8 (County's Responsibility to City), is hereby ☒ added ☐ amended as follows:

Adds the following new Subsection d.:

"d. The Urban County agrees that the CDBG funds that the City is entitled to will be utilized to benefit the City."

IX. Section 10 (Program Income) is hereby ☐ added ☒ amended as follows:

Amends and restates Subsection e. in its entirety as follows:

"e. The County and City shall not terminate or withdraw from the Agreement while it remains in effect. The County may transfer the program income to the City, upon its termination of Urban County participation, provided that the City begins participating as an independent CDBG Entitlement grantee and agrees to use the program income in its own CDBG Entitlement program."

X. Section 13 (Minor Amendments to the Agreement) is hereby ☐ added ☒ amended as follows

Amends and restates Section 13 in its entirety as follows:

13. Amendments to the Agreement.

"The Parties agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s), when applicable. Failure by either Party to adopt any such amendment, and to submit such amendment to HUD, will void the Agreement for such qualification period."

Other changes: None

I hereby certify that the requested changes are required per the United States Department of Housing and Urban Development.

[redacted]

Requestor Signature
County of San Mateo

June 4, 2026
Date

Karen Coppock
Requestor Name (please print)
County of San Mateo

HCD Supervisor
Requestor Title (please print)

This change is effective as of: July 1, 2027

ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT REMAIN UNCHANGED.

In witness of and in agreement with this Amendment's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For City:

_____	_____	_____
Signature (City Manager)	**Date**	**Name (please print)**

For County:

_____	_____	_____
Signature (County Executive)	**Date**	**Name (please print)**

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Nick Pegueros, Administrative Services Director & Chief Financial Officer
Ashley Crociani, Management Analyst
Ana Morales, Management Analyst

SUBJECT: Hold a Public Hearing on the Fiscal Year 2026-27 Capital Improvement Program Budget; and Consider Approving: (i) a Resolution Adopting the Fiscal Year 2026-27 Operating and Capital Improvement Program Budget, (ii) a Resolution Adopting the Fiscal Year 2026-27 Appropriations Limit (GANN LIMIT) of $61,941,911, and (iii) a Resolution Amending the Fiscal Year 2025-26 Adopted Budget and Authorizing Closure of the CityNet Fund as of June 30, 2026

BACKGROUND:

The City Manager's Recommended Fiscal Year 2026-27 Budget (FY27 or FY27 Recommended Budget) transmittal message was published on May 8, 2026, followed by the operating budget on May 15, 2026, and the capital budget on May 22, 2026. These publications followed multiple public meetings at which City Council received updates and provided direction on essential elements of the budget development. The FY27 Recommended Budget was balanced through difficult vacancy reductions while still including investments in the City's future. The City Council formally received and discussed the FY27 Recommended Budget at their June 9, 2026, meeting. At that meeting Council directed staff to return with enabling resolutions to adopt the budget on June 23, 2026. The City's fiscal year begins on July 1, 2026.

EXECUTIVE SUMMARY:

At this stage of the budget process, after conducting a public hearing, the City Council needs to approve resolutions necessary to enact the programs, services, and capital infrastructure improvements captured in the City Council Adopted FY27 Budget (Attachment 1). The recommended actions in this report fulfill regulatory requirements and operational policies and procedures for the expenditure of public funds in FY27.

Members of the public have had the opportunity to participate in the budget process at ten public meetings focused on budget development, adoption of City Council FY27 Priority Initiatives and budget principles, the Revenue Measure Oversight Committee's feedback on the FY27 Measure G spending plan, and ratification of five labor agreements with most of the City's represented employees. Ratification of the labor agreements represented the single largest point of growth in City expenditures year-over-year and were necessary to ensure a competitive compensation package to provide quality services to the community.

The budget adoption staff report is organized into several sections, each directly related to adoption of the FY27 Budget:

- Section 1 – Capital Improvement Program Public Hearing. Government Code 66002 provides that the City's Capital Improvement Program (CIP) shall be adopted by resolution at a noticed public hearing. The Planning Commission is scheduled to review the CIP for conformity with the City's General Plan on June 22, 2026. One important change to the CIP budget was that the Council received a report from the San Bruno Community Foundation's (Foundation) on June 9, 2026, which reiterated the Foundation's interest in funding up to $18 million in costs to rebuild Fire Station No. 52 as a legacy project. Given that the FY27 Recommended Budget included use of Measure Q to purchase land for Station 52 in FY27, staff updated the budget document to reflect the Foundation's interest in funding the new fire station.

- Section 2 – FY27 Budget Adoption Resolution (Attachment 1). The FY27 Budget Adoption resolution authorizes revenue across all funds totaling $220.9 million and expenditures across all funds totaling $329.1 million. The recommended resolution incorporates several changes focused on improving the Budget Book's usability and corrections to special revenue and enterprise funds appropriations as later discussed. The increase in overall budget appropriations is attributed to the CIP carryover and new appropriations introduced after the budget was initially presented on May 8, 2026.

- Section 3 – FY27 Gann Initiatives Appropriations Limit Adoption (Attachment 2). The enabling FY27 Appropriations Limit resolution fulfills requirements under the Gann Initiatives to calculate the City's ability to collect and subsequently appropriate general taxes. The City revenues subject to the Appropriations Limit total $52.8 million, or 17.2% below the Appropriations Limit for FY 2026-27 of $61.9 million.

- Section 4 – Amendments to the Fiscal Year 2025-26 Budget. Several amendments to the capital improvement program budget are being requested for FY26.

DISCUSSION:

Section 1 – Capital Improvement Program Public Hearing
Table 1 summarizes new and carryover appropriations by Fund for the Capital Improvement Program Budget. Project details are available in the City Council Adopted FY27 Budget, available online at Archive Center • Budgets (https://www.sanbruno.ca.gov/Archive.aspx?AMID=36), beginning at *Part 4: Building San Bruno's Future – The Capital Improvement Program*.

Table 1 – FY27 Capital Improvement Program Appropriations

Fund		Resources; Revenue, Transfers In & Use of Assigned Fund Balance	Requirements: Expenditures & Transfers Out
003	One-Time Revenue		2,685,659.00
102	Measure A		150,000.00
104	Measure W		100,000.00
160	Community Facility Impact Fee		3,756,841.00
163	Transportation Facility Impact Fee		87,500.00
201	Parks and Facilities Capital	11,755,000.00	31,465,774.99
203	Streets Capital	8,860,000.00	30,901,806.71
207	Technology Capital		1,852,602.34
299	Measure Q General Bond Reimbursement		12,860,000.00
611	Water Fund		47,743,727.67
621	Stormwater Fund	1,000,000.00	7,043,460.36
631	Wastewater Fund		42,713,778.75
	TOTAL CIP APPROPRIATIONS	**21,615,000.00**	**181,361,150.82**

Section 2 – FY27 Budget Adoption Resolution (Attachment 1)
The City Council received the City Manager's FY27 Recommended Budget at their meeting on June 9, 2026. The City Council Adopted FY27 Budget Summary, which is Exhibit A to the Budget Adoption Resolution (Attachment 1), formally adopts the FY27 budget appropriations by fund and authorizes the expenditure of those funds in FY27. As presented on June 9, the overall expenditure appropriations totaled $281 million. The budget has been updated to incorporate an increase in the overall expenditure appropriations to $329 million, as summarized in Table 2.

Table 2 – Appropriations Reconciliation: Recommended to Adopted FY27 Budget

Budget by Fund	City Manager's Recommended FY27 Budget Appropriations (Rounded; In Millions)	City Council Adopted FY27 Budget Appropriations (Rounded; In Millions)
General Funds	$81.6	$84.3
Special Revenue Funds	$13.7	$17.8
Enterprise Funds	$129.4	$137.5
General Capital Project Funds	$43.3	$76.3
Internal Service & Debt	$13.2	$13.2
Total	**$281.2**	**$329.1**

Material changes to the Recommended FY27 Budget that are now included in the Adopted FY27 Budget Summary are the result of and update to CIP carryover appropriations and inclusion of the CIP interfund transfers which were not in the May 8, 2026 City Manager's Budget Transmittal due to the focus on reimaging the CIP budget in light of staff reductions related to State actions threatening City revenue:

1. Interfund transfers for Capital Improvement Program (CIP) funding included in the City Manager's FY27 Recommended Budget. The CIP was finalized after preparation of the operating budget, and the funding schedule did not have the opportunity to record the required interfund transfers to fund the identified projects.

Therefore, the increase of approximately $48 million is primarily attributable to General Capital Project Funds, which increased by approximately $33.0 million. As referenced above, this reflects updated capital project appropriation needs, including carryover and project funding adjustments that were included after the Recommended Budget was released. Additional increases were also made in Enterprise Funds by approximately $8.1 million, Special Revenue Funds by approximately $4.1 million, and General Funds by approximately $2.7 million. Internal Service and Debt appropriations remained unchanged.

Overall, the difference between the Recommended and Adopted Budget totals is largely driven by final adjustments to capital, restricted, and enterprise fund appropriations rather than a broad increase in ongoing General Fund operating costs. The Adopted Budget total provides the final appropriation authority for FY27 based on the most current fund-level and project-level information available at the time of adoption.

Section 3 – FY27 Gann Initiatives Appropriations Limit Adoption (Attachment 2)
The Gann Initiatives, Proposition 4 and 111, established the Gann or Appropriations Limit (Limit) to regulate tax revenue management for all public agencies in California. As approved by California voters, the Limit caps the tax-generated revenue that a public agency can receive and appropriate each year. The Limit is determined based on each agency's 1978-79 base year appropriation of tax proceeds and is adjusted annually to account for cost-of-living and population growth. The Gann Initiatives Appropriations Limit for San Bruno is adjusted according to indexes provided by the California State Department of Finance. For San Bruno, the FY26 Limit was $59,038,112.

For FY27, the City's Limit is $61,941,911, and the FY27 General Fund appropriations subject to the Limit total $52.8 million. Therefore, the City's FY27 budget is 14.7% below the FY27 Limit. If proceeds from taxes subject to the Limit exceed the Limit, the City must determine whether to seek voter approval to override the Limit or refund taxes collected more than the Limit. To determine compliance with the Limit, the City compares revenues subject to the Limit with estimated proceeds from taxes adjusted for certain exemptions. Revenues subject to the Limit are proceeds from property, sales, cannabis, transient occupancy, and business taxes. Exemptions from the Limit include certain expenditures, such as those for debt service, capital outlay, and federal mandates.

The adjustment of last year's limit and the worksheet for determining whether appropriated funds are within the limit are included as Exhibit A to the Resolution adopting the City's Fiscal Year 2026-27 Appropriations Limit (Attachment 2).

Section 4 – Amendments to the Fiscal Year 2025-26 Budget and Closure of the CityNet Fund
City staff request several amendments to the operating and capital improvement program budget for FY26. The amendments document activity to track legislative approval of changes to the CIP. The recommended FY26 budget amendments are summarized below in Tables 3.

Table 3 - Capital Improvement Program Budget Amendments

Program Area	Project Name & No.	Amendment Request
Facilities	Senior Center Improvement Program #51030	Close 51030 and transfer remaining funds to new CIP Facilities project: Senior Center Renovation Project
Parks	Recreation and Aquatic Center Landscaping Improvement #51045	Transfer $100k from Measure G (from General Fund (001) to Parks and Facilities (201)).
Streets	Sidewalk Repair Program #60036, 60040, 60049, 60056	Close out 4 projects and transfer all remaining funds to new CIP: 2026-27 Clear Path Sidewalk Project
Technology	Enterprise Resource Planning System Replacement #81024	Close the following two CIPs and transfer funds to 81024: - Business Continuity - IT Disaster Recovery Plan (81023) - EOC Equipment Upgrade (81022)
Wastewater	Ave 2-3 #31011 Ave 3-2 #31013	Combine Ave 2-3 (31011) & 3-2 (31013) Sewer Main Replacement Project Keep 31011 as the project number Update project name to: Ave 2-3 and 3-2 Sewer Main Replacement Project Transfer budget from 31013 to 31011
Water	Cunningham Tank #85100 Cunningham PRV #11018	Combine Cunningham Tank (85100) and Cunningham PRV (11018) Keep 85100 as the project number Update project name to: Cunningham Tank and Pressure Regulator Station Replacement Transfer the budget from 11018 to 85100
Water	Ave 2-3 #11026 Ave 3-2 #11010	Combine Ave 2-3 (11026) & 3-2 (11010) Water Main Replacement Project Keep 11010 as the project number Update project name to: Ave 2-3 and 3-2 Water Main Replacement Project Transfer budget from 11026 to 11010

Water	Whitman Pump Station #11012 Princeton Pump Station #11021	Combine Whitman (11012) and Princeton (11021) Pump Station Generator Project Keep 11012 as the project number Update project name to: Whitman and Princeton Pump Station Generator Project Transfer budget from 11021 to 11012

Staff is also requesting authority to formally close the CityNet Fund as of June 30, 2026. The CityNet Fund is no longer required with the sale of CityNet in 2025-26. Staff continues to conduct the year-end closing procedures, and a final accounting of the Fund is anticipated in August 2026.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council's action is not considered a "Project" per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Conduct a Public Hearing on the Fiscal Year 2026-27 Capital Improvement Program Budget; and Approve: (i) a Resolution Adopting the Fiscal Year 2026-27 Operating and Capital Improvement Program Budget, (ii) a Resolution Adopting the Fiscal Year 2026-27 Appropriations Limit of $61,941,911, and (iii) a Resolution Amending the Fiscal Year 2025-26 Budget and Authorizing Closure of the CityNet Fund as of June 30, 2026

ATTACHMENTS:

1. Resolution Adopting the Fiscal Year 2026-27 Budget
2. Resolution Adopting the City's Fiscal Year 2026-27 Appropriation Limit (Gann Limit) of $61,941,911
3. Resolution Amending the Fiscal Year 2025-26 Budget and Authorizing Closure of the CityNet Fund as of June 30, 2026

RESOLUTION NO. 2026 - __

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ADOPTING THE FISCAL YEAR 2026-27 BUDGET

WHEREAS, the City Council is the legislative body for the City of San Bruno and the San Bruno Public Financing Authority, and serves as the Board of Directors of the Successor Agency to the San Bruno Redevelopment Agency; and

WHEREAS, the City prepares and adopts a balanced annual budget with the intent of providing a planned policy program for City services and a financial system to carry out the planned program of services; and

WHEREAS, Municipal Code Section 2.12.060 requires the City Manager to prepare and transmit a recommended budget annually; and

WHEREAS, the City Council adopted their Fiscal Year 2026-27 (FY27) Budget Principles and Priority Initiatives at their meeting on February 10, 2026; and

WHEREAS, the Revenue Measure Oversight Committee met on February 19, 2026 to receive staff's recommended uses of Measure G Sales Tax funds for Fiscal Year 2026-27 to fund continuation of the Cleanup San Bruno initiative, offset General Fund street maintenance operations through the pavement repair patch truck and related maintenance activities, support the Council Priority Initiative Catalyze Innovation with limited term funding for a Special Project Manager through June 30, 2028, and supplement the General Fund to fill the gap between projected and actual increases in Public Safety salaries resulting from new labor agreements entered into in 2026; and

WHEREAS, the City Manager transmitted the City Manager's Recommended Fiscal Year 2026-27 Budget (FY27 Recommended Budget) transmittal message on May 8, 2026, followed by the operating budget on May 15, 2026, and the capital budget on May 22, 2026; and

WHEREAS, the City Manager presented the FY27 Recommended Budget to the community at a budget workshop on June 3, 2026; and

WHEREAS, the FY27 Recommended Budget fully funded City Council's top five priority initiatives and adhered to the City Council adopted budget principles; and

WHEREAS, the FY27 Recommended Budget fully complies with the City Council adopted Fund Balance Policy by funding the Budget Stabilization Reserve and Contingency Reserve at the policy's targets resulting in thirty percent (30%) of the proposed General Fund Fiscal Year 2026-27 budgeted expenditures; and

WHEREAS, the FY27 Recommended Budget fully funds City's Fiscal Year 2026-27 unfunded pension liability payment and Pension Obligation Bonds debt service payment; and

WHEREAS, the City Council finds that the proposed Capital Improvement Program is consistent with the General Plan policies because it will enhance the achievement of the General Plan by maintaining and upgrading public facilities, increasing energy efficiency and improve infrastructure; and

WHEREAS, the City Manager presented the FY27 Recommended Budget, including the Capital Improvement Program budget, to the City Council at their June 9, 2026 meeting and City

Council provided direction for staff's preparation of the City Council Adopted Budget on June 23, 2026; and

WHEREAS, the published City Council Adopted FY27 Budget will reflect the revised appropriations totaling $329 million as shown in Exhibit A; and

WHEREAS, the published City Council Adopted FY27 Budget will further incorporate updates to the Capital Improvement Program as referenced in the June 23, 2026 Staff Report and update program totals to reflect carryovers and budgeted expenditures after the June 30, 2026 year-end close; and

WHEREAS, the City Council, being fully advised and informed and having fully reviewed the City Council Adopted FY27 Budget, finds that the Fiscal Year 2026-27 Budget should be adopted and prepared in final form.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Bruno hereby:

1. Adopts the Fiscal Year 2026-27 Budget as provided in Exhibit A; and
2. Authorizes an administrative budget amendment and requisite journal entries necessary to adjust the Adopted Fiscal Year 2026-27 Budget to the audited starting balances in unassigned funds, reserves, projects, and encumbrances following the issuance of the June 30, 2026 financial statements; and
3. Directs City staff to compile and publish the final City Council Adopted Fiscal Year 2026-27 Budget.

Exhibit A - City Council Adopted Fiscal Year 2026-27 Appropriations

—oOo—

I hereby certify that foregoing **Resolution No. 2026 -** ____
was introduced and adopted by the San Bruno City Council at a regular meeting on
June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

EXHIBIT A

EXHIBIT A
City Council Adopted Fiscal Year 2026-27 Appropriations

Fund Name	Est. Beginning Fund Balance, 7/1/26	FY27 Appropriations Revenues	FY27 Appropriations Expenditures	Net Revenue / (Expenditure)	Est. Ending Fund Balance, 6/30/27
General Fund	26,823,065	75,425,071	75,240,727	184,344	27,007,409
Budget Stabilization Reserve	13,530,462	-	-	-	13,530,462
One-Time Revenue	11,353,429	-	5,770,442	(5,770,442)	5,582,987
Contingency Reserve	10,839,919	4,000,000	-	4,000,000	14,839,919
Measure G District Sales Tax	1,268,292	3,500,000	3,250,000	250,000	1,518,291
Total General Funds	63,815,166	82,925,071	84,261,169	(1,336,098)	62,479,068
Community Development	3,380,721	7,246,300	5,867,592	1,378,708	4,759,429
Recreation & Aquatics	(260,651)	4,438,724	4,466,828	(28,104)	(288,755)
Gas Tax	871,701	2,490,829	625,000	1,865,829	2,737,529
Measure A Transportation Tax	1,132,616	1,386,150	150,000	1,236,150	2,368,766
Street Special Revenue	156,905	5,100	-	5,100	162,005
Measure W Transportation Tax	1,167,216	540,920	100,000	440,920	1,608,136
Police Asset Forfeiture	538,778	16,000	59,765	(43,765)	495,013
Police Special Revenue	306,674	192,000	125,000	67,000	373,674
Federal/State Grants	(486,259)	270,000	103,909	166,091	(320,168)
Solid Waste/Recycl.	431,466	273,321	199,863	73,458	504,924
In-Lieu Fees	4,091,269	414,500	300,947	113,553	4,204,822
Agency On Aging	(490,585)	857,951	1,072,289	(214,338)	(704,923)
Restricted Revenues	3,413,757	359,000	863,545	(504,545)	2,909,212
Emergency Disaster Reserve	174,038	107,000	-	107,000	281,038
Developer Project Contributions	25,277	-	521	(521)	24,757
Affordable Housing	10,357,597	345,000	-	345,000	10,702,597
RDA Obligation Retirement Fund	700,649	100	-	100	700,749
Community Facility Impact Fee	4,064,992	135,000	3,756,841	(3,621,841)	443,151
Public Safety Impact Fee	24,821	1,000	-	1,000	25,821
General Government Impact Fee	234,340	8,000	-	8,000	242,340
Transportation Facility Impact Fee	6,243,559	205,000	87,500	117,500	6,361,059
Utility Facility Impact Fee	360,304	13,000	-	13,000	373,304
Bayhill Area Development Impact Fee	4,325,698	162,000	-	162,000	4,487,698
Community Benefit Fund	9,973,108	350,000	-	350,000	10,323,108
Total Special Revenue Funds	50,737,992	19,816,895	17,779,601	2,037,293	52,775,285
Parks And Facilities Capital	19,965,981	11,805,000	30,795,775	(18,990,775)	975,206
Street Improvement Projects	22,254,173	8,960,000	30,859,073	(21,899,073)	355,100
Technology Capital	1,930,847	200,000	1,852,602	(1,652,602)	278,245
Measure Q	-	34,000,000	12,860,000	21,140,000	21,140,000
Total Capital Project Funds	44,151,001	54,965,000	76,367,451	(21,402,451)	22,748,550
Water Fund	88,140,085	21,927,000	66,084,814	(44,157,814)	43,982,271
Stormwater Fund	3,574,398	2,526,000	9,431,747	(6,905,747)	(3,331,349)
Wastewater Fund	90,315,352	23,853,000	60,257,472	(36,404,472)	53,910,880
Parking Fund	2,033,929	1,160,000	1,717,547	(557,547)	1,476,382
Total Enterprise Funds	184,063,764	49,466,000	137,491,579	(88,025,579)	96,038,185
Central Garage	201,918	1,676,510	1,681,262	(4,752)	197,167
Facility Maint.Fund	668,248	2,987,132	2,993,517	(6,385)	661,862
Technology Development	1,060,780	2,831,816	2,538,414	293,402	1,354,182
Self Insurance	1,969,231	4,827,271	4,619,113	208,158	2,177,389
Total Internal Service Funds	3,900,177	12,322,729	11,832,306	490,423	4,390,600
Lease Debt Service	-	1,370,500	1,367,283	3,217	3,217
Total Debt Service Funds	-	1,370,500	1,367,283	3,217	3,217
All Funds	346,668,099	220,866,194	329,099,389	(108,233,195)	238,434,904

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ADOPTING THE CITY'S FISCAL YEAR 2026-27 APPROPRIATIONS LIMIT (GANN LIMIT) OF $61,941,911

WHEREAS, the City Council acts as the legislative body for the City of San Bruno and the San Bruno Public Financing Authority, and serves as the Board of Directors of the Successor Agency to the San Bruno Redevelopment Agency; and

WHEREAS, Article XIII of the California Constitution and Section 7900 et seq. of the California Government Code require cities to adopt limits on appropriations for each fiscal year; and

WHEREAS, the California Department of Finance issued their annual transmittal to Fiscal Officers in May 2026, detailing estimated changes in Price Factor and Population Information as of January 1, 2026 which are necessary to calculate the Appropriations Limit; and

WHEREAS, the Price Factor and Population Information memorandum estimates that the statewide change in cost of living using per capita personal income will increase 4.95% for Fiscal Year 2026-27; and

WHEREAS, the Price Factor and Population Information memorandum estimates that San Mateo County's population decreased by 0.03 percent and San Bruno's population decreased by 0.37 percent from January 1, 2025 to January 1, 2026; and

WHEREAS, City staff have calculated the Appropriations Limit using the statewide change in per capita income of 4.95 percent and the County of San Mateo's population increase of 0.03 percent, for a blended adjustment factor of the City Council adopted Fiscal Year 2025-26 Appropriations Limit of 4.92 percent; and

WHEREAS, the City Council, being fully advised and informed and having fully reviewed the Appropriations Limit Report, finds and determines that Appropriations Limit should be adopted and prepared in final form;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Bruno hereby:

1. Selects the change in statewide per capita personal income and the change in population for San Mateo County as provided in the May 2026 letter from the California Department of Finance to Fiscal Officers; and

2. Adopts the Appropriations Limit for Fiscal Year 2026-27 of $61,941,911 and the report detailing the Appropriation Limit calculation detailed in Exhibit A; and

3. Reserves the right to recalculate this Appropriations Limit utilizing Non-Residential Assessed Valuation.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

EXHIBIT A

Exhibit A

City of San Bruno
FY 2026-27 Gann Appropriation Limit
Date Prepared: 6/15/25

FY 2025-26 Appropriation Limit		$ 59,038,112
Calculation of FY 2026-27 Adjustment Factor		
Annual Change Factors		
Cost of Living Adjustment Factors for FY 2026-27		
California Per Capita Personal Income (CPCPI)	4.95%	
Population Adjustment Factors for FY 2026-27		
San Mateo County Population Change	-0.03%	
Adjustment Factor for FY 2026-27		
(1 +0.0495 x (1 - 0.0003)		1.04918515
FY 2026-27 Appropriation Limit		**61,941,911**
Proceeds of Taxes		56,859,775
Exclusions:		
Qualified Capital Projects and Debt		(4,025,477)
FY 2026-27Appropriations Subject to Limit		**52,834,298**
Over (Under) Appropriations Limit		$ (9,107,613)
Percent Over (Under)	-14.70%	

RESOLUTION NO. 2026 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO AMENDING THE FISCAL YEAR 2025-26 ADOPTED BUDGET AND AUTHORIZING CLOSURE OF THE CITYNET FUND AS OF JUNE 30, 2026

WHEREAS, the City prepares and adopts its budgets with the intent of funding City Council priority initiatives, operations, and capital improvements through a planned program of services adopted in the annual budget and recorded in the City's financial system; and

WHEREAS, the City Council approved Resolution No. 2025-62 adopting the Fiscal Year 2025-26 (FY26) Operating and Capital Budget on June 24, 2025; and

WHEREAS, the City Council may amend the adopted budget as necessary to account for changing conditions and supplemental budget requests; and

WHEREAS, the City closed CityNet services in 2025 through the successful sale of the system to Comcast; and

WHEREAS, City staff is in the process of compiling the final accounting entries for full closure of the CityNet Fund as of June 30, 2026, and will report to City Council in the first quarter of Fiscal Year 2026-27 the recommended disposition of remaining assets and liabilities held in the CityNet Fund; and

WHEREAS, the City Council has received and fully considered the recommended amendments;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of San Bruno hereby:

1. Approves the recommended year-end budget amendments to the FY26 budget as follows:

Capital Improvement Program Budget Amendments

Program Area	Project Name & No.	Amendment Request
Facilities	Senior Center Improvement Program #51030	Close 51030 and transfer remaining funds to new CIP Facilities project: Senior Center Renovation Project
Parks	Recreation and Aquatic Center Landscaping Improvement #51045	Transfer $100k from Measure G (from General Fund (001) to Parks and Facilities (201)).
Streets	Sidewalk Repair Program #60036, 60040, 60049, 60056	Close out 4 projects and transfer all remaining funds to new CIP: 2026-27 Clear Path Sidewalk Project
Technology	Enterprise Resource Planning System Replacement #81024	Close the following two CIPs and transfer funds to 81024: - Business Continuity - IT Disaster Recovery Plan (81023) - EOC Equipment Upgrade (81022)
Wastewater	Ave 2-3 #31011 Ave 3-2 #31013	Combine Ave 2-3 (31011) & 3-2 (31013) Sewer Main Replacement Project

		Keep 31011 as the project number Update project name to: Ave 2-3 and 3-2 Sewer Main Replacement Project Transfer budget from 31013 to 31011
Water	Cunningham Tank #85100 Cunningham PRV #11018	Combine Cunningham Tank (85100) and Cunningham PRV (11018) Keep 85100 as the project number Update project name to: Cunningham Tank and Pressure Regulator Station Replacement Transfer the budget from 11018 to 85100
Water	Ave 2-3 #11026 Ave 3-2 #11010	Combine Ave 2-3 (11026) & 3-2 (11010) Water Main Replacement Project Keep 11010 as the project number Update project name to: Ave 2-3 and 3-2 Water Main Replacement Project Transfer budget from 11026 to 11010
Water	Whitman Pump Station #11012 Princeton Pump Station #11021	Combine Whitman (11012) and Princeton (11021) Pump Station Generator Project Keep 11012 as the project number Update project name to: Whitman and Princeton Pump Station Generator Project Transfer budget from 11021 to 11012

2. Directs staff to make the appropriate entries to the City's financial system to reflect this action.

3. Authorizes staff to formally close the CityNet Fund as of June 30, 2026.

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

City Council Agenda Item
Staff Report

CITY OF SAN BRUNO

DATE: June 23, 2026

TO: Honorable Mayor and Members of the City Council

FROM: Alex D. McIntyre, City Manager

PREPARED BY: Lupita Huerta, City Clerk

SUBJECT: Consider Adoption of a Resolution Establishing a Policy Addressing Disruption of Telephonic or Internet Services Occurring During City Council Meetings Pursuant to Senate Bill 707

BACKGROUND:

The Ralph M. Brown Act, commonly known as the "Brown Act," is found in the California Government Code commencing with Section 54950[1]. In 2025, the California Legislature passed Senate Bill 707 ("SB 707"), which became effective January 1, 2026, which extensively amended the Brown Act.

SB 707 added Section 54953.4 to require specific actions by an "eligible legislative body" to make meetings more accessible to the public. The San Bruno City Council is an "eligible legislative body," as defined by Section 54953.4(e)(2). Beginning July 1, 2026, public meetings held by an eligible legislative body are required to include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform (such as Zoom), commonly referred to as a "hybrid meeting."

In conjunction with hybrid meetings, SB 707 requires the City Council on or before July 1, 2026, to approve a policy regarding the disruption of telephonic or internet services occurring during its meetings. The adoption of such policy must occur at a noticed public meeting of the City Council and not as an item on the consent calendar.

DISCUSSION:

The purpose of the proposed policy is to ensure that members of the public continue to have meaningful access to City Council meetings when technical disruptions affect remote participation.

The proposed policy ensures meaningful efforts to restore service when disruptions to telephone or internet services affect remote participation. A summary of the Disruption Policy is below. For the full text, please see Attachment 1, Exhibit A to the Resolution.

1. **Designation of Responsibility:** The City Manager shall designate a City employee to operate, or oversee the operation of, the two-way audiovisual platform or two-way telephonic service, referred to herein as the "Hybrid Platform."

[1] All section references are to the California Government Code.

2. Disruption - Notification to the Mayor. If a disruption affects the public's ability to hear or participate in a meeting, the Responsible Person or City Clerk must immediately notify the Mayor. Disruptions caused by an individual participant's personal technological issues do not qualify.

3. Announcement by the Mayor. The Mayor announces the disruption and calls a recess of up to one hour, or until service is restored.

4. Recordation of the Time Recess is Called. The City Clerk records the time the recess begins.

5. Good Faith Attempt to Restore Service to the Hybrid Platform. During the recess, the Responsible Person must make a good-faith effort to restore service, including trouble-shooting equipment, software, internet or telephone connections, and contacting support providers.

6. Troubleshooting Hybrid Platform is Successful. The City Clerk notifies the Mayor that the matter has been resolved. The Mayor reconvenes the meeting and the public informed that service has been restored. The City Clerk records the time the meeting was reconvened.

7. Troubleshooting Hybrid Platform is Not Successful. The City Clerk informs the Mayor and describes restoration efforts. The meeting is reconvened. The City Council may vote to continue the meeting if it finds that good-faith efforts were made; and the public interest in continuing the meeting outweighs the public interest in remote participation. If the finding is approved, the meeting continues; otherwise, the meeting must be adjourned.

8. Documentation. The City Clerk must document in meeting minutes: (i) the nature and time of the disruption, (ii) the time recess was called, (iii) the restoration efforts taken, (iv) the time the meeting was reconvened, and (v) any actions regarding continuing the meeting.

9. Certain Meetings Exempt. Certain meetings are exempt from the remote participation requirements, including (i) judicial or administrative proceedings involving the City; (ii) real or personal property inspections; (iii) meetings with state or federal officials on legislative or regulatory issues; (iv) meetings at City facilities concerning those facilities; and (v) emergency meetings pursuant to Government Code Section 54956.5.

10. Closed Session During Recess. The City Council may meet in closed session during this period for items listed in the closed session agenda for that meeting.

FISCAL IMPACT:

Adoption of the proposed policy is not expected to have a significant fiscal impact. Existing technology systems and staffing resources will be utilized to implement the policy. Future costs associated with technology upgrades or backup communication systems, if any, will be considered through the City's annual budget process.

ENVIRONMENTAL IMPACT:

The action is not a project subject to CEQA. City Council’s action is not considered a “Project” per CEQA Guidelines and therefore no further environmental analysis is required.

RECOMMENDATION:

Adopt Resolution Establishing a Policy Addressing Disruption of Telephonic or Internet Services Occurring During City Council Meetings Pursuant to Senate Bill 707.

ALTERNATIVES:

Do not adopt the policy as presented, and direct staff to make changes.

ATTACHMENTS:

1. Resolution with Exhibit A, Internet Service and Telephonic Service Disruption Policy

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BRUNO ESTABLISHING A POLICY ADDRESSING DISRUPTION OF TELEPHONIC OR INTERNET SERVICES OCCURRING DURING CITY COUNCIL MEETINGS PURSUANT TO SENATE BILL 707

WHEREAS, the Ralph M. Brown Act, codified in California Government Code section 54950 et seq., establishes requirements for open and public meetings of legislative bodies; and

WHEREAS, the California Legislature enacted Senate Bill 707 (SB 707), effective January 1, 2026, which amended the Brown Act and added Government Code section 54953.4; and

WHEREAS, Government Code section 54953.4 requires eligible legislative bodies, including the City Council of the City of San Bruno, to provide members of the public with the opportunity to attend public meetings through a two-way telephonic service or two-way audiovisual platform beginning July 1, 2026; and

WHEREAS, Government Code section 54953.4 further requires eligible legislative bodies to adopt, on or before July 1, 2026, a policy addressing disruptions of telephonic or internet services occurring during public meetings; and

WHEREAS, the City Council desires to establish procedures that ensure meaningful public access to City Council meetings when disruptions to telephonic or internet services affect remote participation; and

WHEREAS, the City Council finds that adoption of the policy set forth herein is exempt from the California Environmental Quality Act (CEQA) because it is not a project pursuant to CEQA Guidelines section 15378.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of San Bruno hereby establishes the Internet Service and Telephonic Service Disruption Policy as provided in the Policy attached hereto as Exhibit A. Said Policy will take effect on July 1, 2026.

Exhibit A: Internet Service and Telephonic Service Disruption Policy

---oOo---

I hereby certify that foregoing **Resolution No. 2026 - ___**
was introduced and adopted by the San Bruno City Council at a regular meeting on June 23, 2026, by the following vote:

AYES: Councilmembers:

NOES: Councilmembers:

ABSENT: Councilmembers:

_____
Lupita Huerta, City Clerk

Exhibit A
INTERNET SERVICE AND TELEPHONIC SERVICE DISRUPTION POLICY
City of San Bruno

Background

The Ralph M. Brown Act, commonly known as the "Brown Act," is found in the California Government Code commencing with Section 54950.[1] In 2025, the California Legislature passed Senate Bill 707 ("SB 707"), which became effective January 1, 2026 and extensively amended the Brown Act.

SB 707 added Section 54953.4 to require specific actions by an "eligible legislative body" to make meetings more accessible to the public. The San Bruno City Council is an "eligible legislative body," as defined by Section 54953.4(e)(2). Beginning July 1, 2026, public meetings held by an eligible legislative body are required to include an opportunity for members of the public to attend via a two-way telephonic service or a two-way audiovisual platform (such as Zoom), commonly referred to as a "hybrid meeting."

In conjunction with hybrid meetings, SB 707 requires the City Council on or before July 1, 2026, to approve a policy regarding the disruption of telephonic or internet services occurring during its meetings. The adoption of such policy must occur at a noticed public meeting of the City Council and not as an item on the consent calendar.

Policy

1. Designation of "Responsible Person" for the City's Two-Way Audiovisual Platform or Two-Way Telephonic Service. The City Manager or the City Manager's designee shall identify a City employee ("Responsible Person") who is responsible for operating, or overseeing the operation of, the two-way audiovisual platform or two-way telephonic service, referred to herein as the "Hybrid Platform."

2. Disruption - Notification to the Mayor. At such time that the Responsible Person or the City Clerk determines that the City is experiencing a disruption of the telephone or internet service that affects the Hybrid Platform, the Responsible Person or the City Clerk shall immediately inform the Mayor (or inform the Vice Mayor, in the Mayor's absence) that the Hybrid Platform service has been disrupted and a recess is required to restore service. A disruption exists when the Hybrid Platform service experiences a technological issue that obstructs the public's ability to hear, or verbally participate in, the meeting. A disruption does not exist when public participation is obstructed by telephone, internet, or other technological issues that are unique to or under the control of a public participant.

3. Announcement by the Mayor. The Mayor (or Vice Mayor, in the Mayor's absence) shall make an announcement regarding the need to call a recess because there is a disruption to the Hybrid Platform service. After such announcement, the Mayor (or Vice Mayor, in the Mayor's absence) shall call the recess and inform the audience that the recess will last for up to an hour or until service is restored to the Hybrid Platform, whichever is earlier.

4. Recordation of the Time Recess is Called. The City Clerk shall record the time at which the recess is called.

5. Good Faith Attempt to Restore Service to the Hybrid Platform. During the recess, the Responsible Person shall make a good faith attempt to restore service to the Hybrid Platform. A good faith attempt includes, but is not limited to, checking the internet or telephonic

[1] All section references are to the California Government Code.

connection, checking, resetting, repairing, or replacing cameras, speakers, microphones and other similar equipment, contacting support staff or service providers, and troubleshooting software and hardware.

6. Troubleshooting Hybrid Platform is Successful. If the Responsible Person restores service to the Hybrid Platform within one hour of calling the recess, then the City Clerk shall inform the Mayor (or Vice Mayor, in the Mayor's absence) that the matter has been resolved. The Mayor (or Vice Mayor, in the Mayor's absence) shall then reconvene the City Council meeting and inform the public that service has been restored to the Hybrid Platform. The City Clerk shall record the time at which the City Council meeting is reconvened.

7. Troubleshooting Hybrid Platform is Not Successful. If the Responsible Person is not successful in restoring service to the Hybrid Platform within one hour of calling the recess, then the City Clerk shall inform the Mayor (or Vice Mayor, in the Mayor's absence) that the City cannot restore service to the Hybrid Platform. The City Clerk or Responsible person shall provide a description of the Responsible Person's efforts made to restore service. The Mayor (or Vice Mayor, in the Mayor's absence) shall subsequently reconvene the City Council meeting. Upon reconvening the meeting, the Mayor (or Vice Mayor, in the Mayor's absence) shall inform the City Council and the public that services to the Hybrid Platform were unable to be restored and the Mayor (or Vice Mayor, in the Mayor's absence) may request the City Council make a finding: (i) that good faith efforts to restore the telephonic or internet service have been made in accordance with the City's Internet Service and Telephonic Service Disruption Policy; and (ii) that the public interest in continuing the meeting outweighs the public interest in remote public access. The Mayor or Vice Mayor, in the Mayor's absence) shall call for a motion, ask for a second and ask the City Clerk to take a roll call vote. If the motion making the finding is passed, the City Council may continue the City Council meeting. If the City Council does not approve the finding, then the City Council must adjourn the meeting.

8. Documentation. The City Clerk shall enter a brief statement into the meeting minutes including the following: (i) the nature and time of the disruption, (ii) the time recess was called, (iii) the restoration efforts taken, (iv) the time the meeting was reconvened, and (v) any actions regarding continuing the meeting.

9. Certain Meetings Exempt. The requirement set forth in Government Code Section 54953.4 that open and public meetings shall include an opportunity for members of the public to attend the City Council meeting via a two-way remote system (either telephonically or via an audiovisual platform), does not apply to the following meetings: (i) a meeting to attend a judicial or administrative proceeding to which the City is a party; (ii) a meeting to inspect real or personal property provided that the topic of the meeting is limited to items directly related to the real or personal property; (iii) a meeting with elected or appointed officials of the United States or the State of California, solely to discuss a legislative or regulatory issue affecting the city and over which the federal or state officials have jurisdiction; (iv) a meeting in or nearby a facility owned by the City, provided that the topic of the meeting is limited to items directly related to the facility; and (v) a meeting in an emergency situation pursuant to Government Code Section 54956.5.

10. Closed Session During a Recess. During the recess described herein, the City Council may meet in closed session during this period for items listed in the closed session agenda for that meeting.