

Contract Summary Sheet

Contract (PO) Number: 29527

Specification Number: 122053

Name of Contractor: PALANTIR TECHNOLOGIES, INC.

City Department: DEPT OF INNOVATION & TECHNOLOGY

Title of Contract: REFERENCE CONTRACT OFF U.S. ARMY CONTRACT FOR
PALANTIR GOTHAM SOFTWARE LICENSE AND SERVICES

Term of Contract: Start Date: 1/6/2014

End Date: 1/31/2019

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):

\$14,000,000.00

Brief Description of Work: REFERENCE CONTRACT OFF U.S. ARMY CONTRACT FOR
PALANTIR GOTHAM SOFTWARE LICENSE AND SERVICES

Procurement Services Contract Area: PRO SERV CONSULTING \$250,000 or ABOVE

Please refer to the DPS website for Contact information under "Doing Business With The City".

Vendor Number: 56561052

Submission Date:

Jan 10, 2014

**Specification No. 122053
Contract P.O. 29527
Vendor No. 56561052A**

LICENSE AGREEMENT

BETWEEN

**THE CITY OF CHICAGO
DEPARTMENT OF INNOVATION AND TECHNOLOGY**

AND

PALANTIR TECHNOLOGIES INC.



GOTHAM SOFTWARE LICENSE AND SERVICES

**RAHM EMANUEL
MAYOR**

**Jamie L. Rhee
Chief Procurement Officer**

AGREEMENT

This Agreement is entered into as of the 06 day of JANUARY, 2014 ("Effective Date") by and between Palantir Technologies, Inc., a Delaware corporation ("Consultant" or "Contractor"), and the City of Chicago, a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Innovation and Technology ("City"), at Chicago, Illinois.

The City and the Consultant agree as follows:

TERMS AND CONDITIONS

1. The following attached Exhibits are made a part of this Agreement:

Exhibit 1	City of Chicago Terms and Conditions
Exhibit 2	Palantir License and Services Agreement
Exhibit 3	Compensation
Exhibit 4	Scope of Services and Time Limits for Performance

2. As of the Effective Date, Consultant grants the City a perpetual license to the Palantir Gotham software in the quantity of 16 server cores (the "Initial Cores"). Beginning in 2014, the City may purchase perpetual licenses to additional cores of Palantir Gotham software "the Option Period Cores." Compensation for licenses to the Initial Cores and the Option Period Cores are as set forth in Exhibit 3.

The Palantir Gotham software is a web-enabled advanced analytical platform that will enable the City to fuse, de-conflict, store, organize, access, retrieve, and correlate massive amounts of all-source information from multiple diverse data sets. The analytical data fusion platform enables both automated and human-driven analysis methods, provide sourcing of fused data and audit of data history, and includes functionality for secure information sharing and collaboration among analysts across echelons and City departments.

The three initial use cases are described in Exhibit 4 (the "Initial Use Cases"). Palantir expects that the sixteen Initial Cores will be sufficient to implement those use cases. In the event that the Initial Core amounts are not sufficient, Palantir will work in good faith to find a solution that can be implemented at no additional cost to the City. Palantir commits that this solution will not interrupt or unduly delay full implementation of the three Initial Use Cases, provided Palantir receives requisite access to City hardware and data resources.

3. The City is under no obligation to purchase any software licenses or services under the Agreement, except for the initial core purchase set forth in Exhibit 3 and Section 2 above. The City will be subject to no penalties for purchasing products and services in lower quantities than the quantities required for the volume discount pricing set forth in Exhibit 2, Option Period

Cores, to apply. The City shall retain a perpetual license to software purchased under the Agreement if the Agreement terminates for any reason, but the terms of the license as set forth in Exhibit 2 shall apply.

4. Consultant must provide the Services described in Exhibit 4, Scope of Services and Time Limits for Performance.

5. Consultant must provide the maintenance and support services described in Exhibits 2 and 4. Maintenance and support services are free as to any core purchased for one year after such purchase. Compensation for maintenance and support for one year after the order of licenses shall be included in the fee for the license. Compensation for maintenance and support after the first year shall be as set forth in Exhibit 3.

6. The terms of this Agreement, including the licenses granted hereunder, are for all uses of the City of Chicago and its departments, excluding, however, any use that is a Public Safety Deployment. "Public Safety Deployment" is a deployment in which the primary end-users of the Software will be (i) employees of the City of Chicago Office of Emergency Management and Communications (except for those employees associated with the City's 311 telephone system), and (ii) employees of the Chicago Police Department.

7. The parties agree to the changes to Exhibit 2, Palantir License and Services Agreement, listed below.

a. Section 1.2 is deleted.

b. In paragraph 4, the sentence that begins, "Periodically," is revised as follows: "Periodically, Palantir may request that Customer provide an accurate accounting of the number of cores that Customer is currently using. Palantir must provide such request in writing, and City shall have 10 days to provide such information. If City does not provide such information within said 10 day period, Palantir must provide notice to the City of such failure, and City shall have 30 days from receipt of such notice to provide the information."

c. Section 5 (Confidentiality), the first sentence is revised as follows: "To the extent allowed under applicable law, including the State of Illinois Freedom of Information Act, ..."

d. In Section 6, the sentence that reads "Any late payments shall be subject to the Prompt Payment Act" is deleted.

e. In Section 7, "use commercially reasonable efforts to" is deleted from the first sentence.

f. Section 8 is deleted.

g. The following language is added to Section 10: “The licenses granted hereunder to the City are perpetual, irrevocable, and fully paid upon complete payment for each license to the Initial Cores and to the Option Period Cores, per Exhibit 3, according to the terms and conditions set forth in the Agreement.”

h. In Section 10.1, the word “if” in the first sentence is deleted and replaced with “because.”

i. Section 10.2 is deleted.

j. Section 11, Indemnification, is deleted.

k. The last two sentences of Section 12.1 are deleted.

l. Section 12.2 is deleted.

m. Sections 13.1 and 13.2 are deleted and replaced with the following:

“The parties acknowledge that they negotiated the matters in Section 13.1 and 13.2 for uses not including Public Safety Deployment, as defined in this Agreement. Hence, this Section 13 governs all uses except for those uses relating to Public Safety Deployment. The parties acknowledge and agree that, prior to implementing the products for Public Safety Deployment, they will amend this Agreement to modify Section 13.1 and 13.2 for such uses.”

13.1

A. Disclaimer

Subject to Section (B) below, Palantir shall not be liable for any consequential damages arising out of performance or breach of this Agreement or the use or inability to use the products, or for any matter beyond Palantir’s reasonable control, even if Palantir has been advised as to the possibility of such damages.

B. Exclusions from Disclaimer

The Disclaimer in (A) shall not apply in the case of any of the following: (i) claims falling under Palantir’s indemnification obligations hereunder, (ii) claims arising from Palantir’s intentional breach or willful or wanton misconduct, (iii) claims for bodily injury, or (iv) fraud.

13.2 Limitation of Liability

Except for (i) claims falling under Palantir’s indemnification obligations hereunder, (ii) claims arising from Palantir’s intentional breach or willful or wanton misconduct, (iii) claims for bodily injury, and (iv) fraud, to the extent

permitted by law, Palantir's maximum aggregate liability on any claim of any kind, whether based in contract, tort (including but not limited to strict liability, product liability or negligence) or any other legal or equitable theory or resulting from this Agreement or any products or services furnished hereunder shall not exceed the greater of \$15,000,000 or two times amounts actually paid to Palantir hereunder.

n. In Section 14, the sentence that begins "Palantir may assign this Agreement in whole or in part" is deleted and replaced with the following: "Palantir may assign this Agreement in whole or in part to a Palantir Affiliate, provided such Affiliate is not debarred from contracting with the City. Palantir Affiliate shall mean an entity that is owned by the ownership of Palantir as that ownership appears on the Economic Disclosure Statement of Palantir submitted in connection with this Agreement."

8. Additional Terms

- a. Notwithstanding anything to the contrary in this Agreement, Consultant must comply with the additional terms and conditions set forth in Exhibit 1.
- b. In addition to the warranties described in Exhibits 1 and 2, Consultant warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.
- c. Consultant is not responsible for the procurement and maintenance of all necessary hardware including, without limitation, servers needed to fully operate and support the Palantir Gotham software, and for payment and licensing of the required Oracle Database 11g Licenses.

[Signature Pages, Exhibits and Schedules follow.]

Contract Signature Page

Contract No.: 29527

Specification No.: 122053

Vendor Name: Palantir Technologies, Inc.

Total Amount (Value): \$14,000,000.00

Fund Chargeable: 013-0100-0062005-0149-220149

PALANTIR TECHNOLOGIES, INC.

(Contractor)

By: Matt O 12/23/13

Its: General Counsel

Attest: _____

State of _____

County of _____

This instrument was acknowledged before me on this _____ day of _____, 20____ by
_____ as President (or other authorized officer) and
_____ as Secretary of _____ (Corporation Name).

(Seal)

Notary Public Signature

Commission Expires: _____

California Notarial
Loose Certificate
Attached

CITY OF CHICAGO

Kahn Emmanuel 327

DEC 30 2013

Mayor

Date

Bill Daley

10/29/13

[Signature]

Comptroller

Date

Jeanne M. Bumiller

DEC 30 2013

Chief Procurement Officer

Date:

[Signature]

ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Ventura

} ss.

On December 23, 2013

DATE

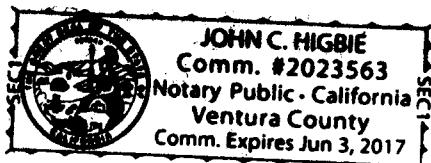
, before me, JOHN C HIGBIE

, Notary Public,

personally appeared Matthew A. Long

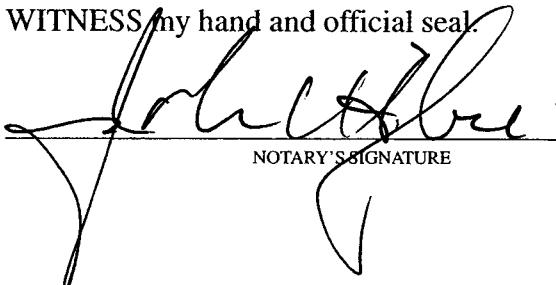
, who proved to me on the

basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

NOTARY'S SIGNATURE

PLACE NOTARY SEAL IN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER _____
- PARTNER(S) TITLE(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

License Agreement

TITLE OR TYPE OF DOCUMENT

Chicago / Palantir

NUMBER OF PAGES

-18-

DATE OF DOCUMENT

SIGNER (PRINCIPAL) IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

OTHER

RIGHT
THUMBNPRINT
OF
SIGNER

Top of thumbprint here

LIMITED POWER OF ATTORNEY

THIS LIMITED POWER OF ATTORNEY is made as of this 6th day of August 2013 by **PALANTIR TECHNOLOGIES INC.**, a Delaware corporation (the "Company").

WHEREAS, Article IV, Section 3 of the Company's Bylaws provides that the Board of Directors of the Company (hereinafter referred to as the "Board") may appoint agents, as it deems necessary, who may exercise such powers and perform such duties on behalf of the Company as shall be determined from time to time by the Board;

WHEREAS, on June 15, 2011, the Board appointed Matt Long as an agent of the Company and granted Mr. Long with authority to execute certain agreements in the name of and on behalf of the Company; and

WHEREAS, the undersigned, Alexander Karp, as Chief Executive Officer of the Company and a member of the Board, believes that it is in the best interests of the Company to further memorialize and certify, with this Limited Power of Attorney, the aforementioned grant of signature authority to Mr. Long.

NOW THESE PRESENTS WITNESS, on behalf of the Company, the undersigned:

HEREBY CERTIFIES AND CONFIRMS the appointment of Mr. Matthew Long as the Company's true and lawful attorney-in-fact, with full powers of authority to execute, on behalf of the Company, any and all corporate and legal documents and related obligations and agreements in connection with the normal course of business of the Company, or which may be accessory or preparatory thereto, such documents and agreements including, without limitation, commercial agreements and license agreements with the Company's customers and clients, corporate legal agreements, legal settlement agreements, employment agreements, consulting agreements, advisor agreements, employee offer letters, as well as any and all documents and agreements related to litigation and settlement matters, and to commence and conduct actions before courts, other authorities and before arbitrators, to accept service of notices and other communications, to receive and give receipt for payment, documents and other property, to conduct negotiations, enter into agreements on behalf of the Company, and to vote and to represent the interests of the Company in all other respects, such appointment as the Company's attorney-in-fact being effective, retroactively, with any and all actions taken by Mr. Long on behalf of the Company prior to the date hereof, hereby ratified, authorized and approved as acts by and on behalf of the Company, and does further declare that all and every deed, instrument, act and thing which shall be by Mr. Long given, made, executed or done for the aforesaid purposes shall be good, valid and effectual to all intents and purposes as if the same had been signed, sealed, delivered made or given by the Company's officers and directors, and the undersigned hereby undertakes, on behalf of the Company and the Board, to at all times ratify whatever Mr. Long shall lawfully do or cause to be done by virtue of this Limited Power of Attorney.

The authority granted under this Limited Power of Attorney may not be delegated or assigned without approval by the Board.

This Power of Attorney shall be governed by and construed in accordance with the laws of the State of California and shall continue in full force until revoked by the Board, or automatically upon Mr. Long ceasing to be employed by the Company, whichever shall occur first.

IN WITNESS WHEREOF, this Power of Attorney has been executed, by the undersigned, and stamped with the seal of the Company, as of the day, month and year first above written.

PALANTIR TECHNOLOGIES INC.

Alexander Karp
Chief Executive Officer and Director

ACKNOWLEDGMENT

State of California
County of Santa Clara)

On August 6, 2013 before me, Jeneen Cox, notary public
(insert name and title of the officer)

personally appeared Alexander Karp,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature Jeneen Cox

(Seal)

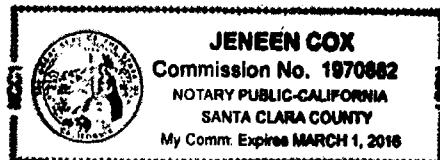


EXHIBIT 1

CITY OF CHICAGO TERMS AND CONDITIONS

ARTICLE 1. DEFINITIONS

1.1 Definitions

The following words and phrases have the following meanings for purposes of this Agreement:

"Additional Services" means those services which are within the general scope of Services of this Agreement, but beyond the description of services required under Section 2.1, and all services reasonably necessary to complete the Additional Services to the standards of performance required by this Agreement. Any Additional Services requested by the Department require the approval of the City in a written amendment under Section 9.3 of this Agreement before Contractor is obligated to perform those Additional Services and before the City becomes obligated to pay for those Additional Services.

"Agreement" means the Agreement to which this Exhibit is attached and into which this Exhibit is incorporated, including all exhibits to the Agreement and all Attachments to this Exhibit, and all amendments, modifications or revisions made in accordance with its terms.

"Chief Procurement Officer" means the Chief Procurement Officer of the City of Chicago and any representative duly authorized in writing to act on her behalf.

"Comptroller" means the City of Chicago Comptroller and any representative authorized in writing to act on the Comptroller's behalf.

"Commissioner" means the Commissioner of the City of Chicago Department of Innovation and Technology, and any representative authorized in writing to act on his behalf.

"Department" means the City of Chicago Department of Innovation and Technology.

"Mayor" means the Mayor of the City of Chicago and any representative duly authorized in writing to act on his behalf.

"Services" means, collectively, the services, duties and responsibilities described in this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement. Services includes the sale of perpetual, irrevocable, fully paid licenses and the services described in Exhibit 4 to this Agreement.

"Subcontractor" means any person or entity with whom Contractor contracts to provide

any part of the Services, including subcontractors and subcontractors of any tier, suppliers and materials providers, whether or not in privity with Contractor.

1.2 Interpretation

(a) The term "**include**" (in all its forms) means "include, without limitation" unless the context clearly states otherwise.

(b) All references in this Agreement to Articles, Sections or Exhibits, unless otherwise expressed or indicated are to the Articles, Sections or Exhibits of this Agreement.

(c) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the text of the Articles and Sections of this Agreement, and any table of contents or marginal notes appended to it, are solely for convenience or reference and do not constitute a part of this Agreement, nor do they affect the meaning, construction or effect of this Agreement.

(e) Words importing the singular include the plural and vice versa. Words of the masculine gender include the correlative words of the feminine and neuter genders.

(f) All references to a number of days mean calendar days, unless indicated otherwise.

1.3 Incorporation of Attachments to this Exhibit

The following Attachments are made a part of this Exhibit:

Attachment 1 Economic Disclosure Statement and Affidavit

Attachment 2 Insurance Requirements and Evidence of Insurance

Attachment 3 HIPAA Business Associate Agreement

Attachment 4 List of Key Personnel

Attachment 5 Special Conditions Regarding MBE/WBE Commitment

Attachment 6 City Data Security Policy

ARTICLE 2. DUTIES AND RESPONSIBILITIES OF CONTRACTOR

2.1 Scope of Services

This description of Services is intended to be general in nature and is neither a complete description of Contractor's Services nor a limitation on the Services that Contractor is to provide under this Agreement. Contractor must provide the Services in accordance with the standards of

performance set forth in Section 2.3.

2.2 Deliverables

In carrying out its Services, Consultant must prepare or provide to the City various Deliverables. "**Deliverables**" include work product, such as written reviews, recommendations, reports and analyses, produced by Consultant for the City. "Deliverables" shall not include any software licenses, or any Products as defined in the Palantir License and Service Agreement attached hereto as Exhibit 2 (including any updates, upgrades, modifications, or enhancements thereto), nor shall it include any generic Consultant documentation that is not specific to the City.

The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Consultant has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Consultant of its failure. If Consultant does not correct the failure, if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement under Section 8.1.

Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose for the benefit of the City and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Consultant of its obligations under this Agreement.

2.3 Standard of Performance

Consultant must perform all Services required of it under this Agreement with that degree of skill, care and diligence normally shown by a consultant performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. Consultant acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Consultant agrees to be held to the standard of care of a fiduciary. **Any review, approval, acceptance of Services or Deliverables or payment for any of the Services by the City does not relieve Consultant of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Consultant under this Agreement, at law or in equity.**

Consultant must be appropriately licensed to perform the Services, if required by law, and must ensure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed as may be required by law. Consultant must provide copies of any such

licenses. Consultant remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Consultant or its Subcontractors or others on its behalf. All Deliverables must be prepared in a form and content reasonably satisfactory to the Department and delivered in a timely manner consistent with the requirements of this Agreement.

If Consultant fails to comply with the foregoing standards, Consultant must, at the City's option, perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure, unless the reason is failure to have and maintain required licensure. See subsection 8.1 (b)(ii) regarding failure to comply with licensure requirements.

2.4 Personnel

(a) Adequate Staffing

Consultant must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. Consultant must include among its staff the Key Personnel and positions as identified below. The level of staffing may be revised from time to time by notice in writing from Consultant to the City and with prior written consent of the City.

(b) Key Personnel

[Reserved]

(c) Salaries and Wages

Consultant and Subcontractors must pay all salaries and wages due all employees performing Services under this Agreement unconditionally and at least once a month without deduction or rebate on any account, except only for those payroll deductions that are mandatory by law or are permitted under applicable law and regulations. If in the performance of this Agreement Consultant underpays any such salaries or wages, the Comptroller for the City may withhold, out of payments due to Consultant, an amount sufficient to pay to employees underpaid the difference between the salaries or wages required to be paid under this Agreement and the salaries or wages actually paid these employees for the total number of hours worked. The amounts withheld may be disbursed by the Comptroller for and on account of Consultant to the respective employees to whom they are due. The parties acknowledge that this Section 2.4(c) is solely for the benefit of the City and that it does not grant any third party beneficiary rights.

2.5 Minority and Women's Business Enterprises

In the performance of this Agreement, including the procurement and lease of materials or equipment, Contractor must abide by the minority and women's business enterprise commitment requirements of the Municipal Code of Chicago ("Municipal Code"), 2-92-420 *et seq.* (1990), except to the extent waived by the Chief Procurement Officer and the Special Conditions Regarding MBE/WBE Commitment set forth in Attachment 5. Contractor's completed Schedules C-1 and D-1 in Attachment 5, evidencing its compliance with this requirement, are a part of this Agreement, upon acceptance by the Chief Procurement Officer. Contractor must utilize minority and women's business enterprises at the greater of the amounts listed in those Schedules C-1 and D-1 or the percentages listed in them as applied to all payments received from the City.

2.6 Insurance

Contractor must provide and maintain at Contractor's own expense, during the term of this Agreement and any time period following expiration if Contractor is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverages and requirements specified in Attachment 2 to this Exhibit, insuring all operations related to this Agreement.

2.7 Indemnification

(a) Contractor must defend, indemnify, and hold harmless the City, its officers, representatives, elected and appointed officials, agents and employees from and against any and all Losses, including those related to:

- (i) injury, death or damage of or to any person or property;
- (ii) any infringement or violation of any property right (including any patent, trademark or copyright);
- (iii) Contractor's failure to perform or cause to be performed Contractor's promises and obligations as and when required under this Agreement, including Contractor's failure to perform its obligations to any Subcontractor;
- (iv) the City's exercise of its rights and remedies under Section 8.2 of this Agreement; and
- (v) injuries to or death of any employee of Contractor or any Subcontractor under any workers compensation statute.

(b) "**Losses**" means, individually and collectively, claims, demands, actions, suits, proceedings, judgments or settlements any or all of which in any way arise out of or relate to Contractor's breach of this Agreement or to Contractor's negligent or otherwise wrongful acts or

omissions or those of its officers, agents, employees, Contractors, Subcontractors or licensees.

(c) At the City Corporation Counsel's option, Contractor must defend all suits brought upon all such Losses and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Contractor of any of its obligations under this Agreement. Any settlement must be made only with the prior written consent of the City Corporation Counsel, if the settlement requires any action on the part of the City.

(d) To the extent permissible by law, Contractor waives any limits to the amount of its obligations to defend, indemnify, hold harmless, or contribute to any sums due under any Losses, including any claim by any employee of Contractor that may be subject to the Workers Compensation Act, 820 ILCS 305/1 *et seq.* or any other related law or judicial decision (such as, *Kotecki v. Cyclops Welding Corporation*, 146 Ill. 2d 155 (1991)). The City, however, does not waive any limitations it may have on its liability under the Illinois Workers Compensation Act, the Illinois Pension Code, any other statute or judicial decision.

(e) The indemnities in this section survive expiration or termination of this Agreement for matters occurring or arising during the term of this Agreement or as the result of or during Contractor's performance of Services beyond the term. Contractor acknowledges that the requirements set forth in this section to defend, indemnify, and hold harmless the City are apart from and not limited by the Contractor's duties under this Agreement, including the insurance requirements in Attachment 2 here to.

2.8 Ownership of Documents

All data, findings or information in any form provided to Contractor, or prepared, assembled or encountered by or provided by Contractor under this Agreement ("Data") are property of the City, including, as further described in Section 2.9 below, all copyrights inherent in them or their preparation. During performance of its Services, Contractor is responsible for any loss or damage to the Data while in Contractor's or any Subcontractor's possession. Any such lost or damaged Data must be restored at the expense of Contractor. If not restorable, Contractor must bear the cost of replacement and of any Loss suffered by the City on account of the destruction, as provided in Section 2.7. Palantir's Products, as defined in the Palantir License and Services Agreement attached hereto as Exhibit 2, shall not be considered "Documents" or "Data" hereunder

2.9 Copyright Ownership

Consultant and the City intend that, to the extent permitted by law, the Deliverables to be produced by Consultant at the City's instance and expense under this Agreement are conclusively deemed "**works made for hire**" within the meaning and purview of Section 101 of the United States Copyright Act, 17 U.S.C. '101 *et seq.*, and that the City will be the sole copyright owner of the Deliverables and of all aspects, elements and components of them in which copyright can

subsist, and of all rights to apply for copyright registration or prosecute any claim of infringement.

To the extent that any Deliverable does not qualify as a "work made for hire," Consultant hereby irrevocably grants, conveys, bargains, sells, assigns, transfers and delivers to the City, its successors and assigns, all right, title and interest in and to the copyrights and all U.S. and foreign copyright registrations, copyright applications and copyright renewals for them, and other intangible, intellectual property embodied in or pertaining to the Deliverables prepared for the City under this Agreement, and all goodwill relating to them, free and clear of any liens, claims or other encumbrances, to the fullest extent permitted by law. Consultant will, and will cause all of its Subcontractors, employees, agents and other persons within its control to, execute all documents and perform all acts that the City may reasonably request in order to assist the City in perfecting its rights in and to the copyrights relating to the Deliverables, at the sole expense of the City. Consultant warrants to the City, its successors and assigns, that on the date of transfer Consultant is the lawful owner of good and marketable title in and to the copyrights for the Deliverables and has the legal rights to fully assign them. Consultant further warrants that it has not assigned and will not assign any copyrights and that it has not granted and will not grant any licenses, exclusive or nonexclusive, to any other party, and that it is not a party to any other agreements or subject to any other restrictions with respect to the Deliverables. Consultant warrants that the Deliverables constitute a work of original authorship.

2.10 Records and Audits

(a) Records

(i) Contractor must deliver or cause to be delivered to the City all documents, including all Deliverables prepared for the City under the terms of this Agreement, promptly in accordance with the time limits prescribed in this Agreement, and if no time limit is specified, then upon reasonable demand for them or upon termination or completion of the Services under this Agreement. If Contractor fails to make such delivery upon demand, then Contractor must pay to the City any damages the City may sustain by reason of Contractor's failure.

(ii) Contractor must maintain any such records including Deliverables not delivered to the City or demanded by the City for a period of 5 years after the final payment made in connection with this Agreement. Any records that are required to be maintained pursuant to the Contractor's obligations under Attachment 3 and the regulations implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), which was part of the American Recovery and Reinvestment Act of 2009, specifically 45 C.F.R. § 164.530(j), must be retained for six years. Contractor must not dispose of such documents following the expiration of this period without notification of and written approval from the City in accordance with Article 10 and in accordance with the Local Records Act.

All records that are possessed by Contractor in its service to the City to perform a

governmental function are public records of the City pursuant to the Illinois Freedom of Information Act (“FOIA”), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.

(b) **Audits**

(i) Contractor and any of Contractor's Subcontractors must furnish the Department with all information that may be reasonably requested pertaining to the performance and cost of the Services. Contractor must maintain records showing actual time devoted and costs incurred. Contractor must keep books, documents, papers, records and accounts in connection with the Services open to audit, inspection, copying, abstracting and transcription and must make these records available to the City and any other interested governmental agency, at reasonable times during the performance of its Services.

(ii) To the extent that Contractor conducts any business operations separate and apart from the Services required under this Agreement using, for example, personnel, equipment, supplies or facilities also used in connection with this Agreement, then Contractor must maintain and make similarly available to the City detailed records supporting Contractor's allocation to this Agreement of the costs and expenses attributable to any such shared usages.

(iii) Contractor must maintain its books, records, documents and other evidence and adopt accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred for or in connection with the performance of this Agreement. This system of accounting must be in accordance with generally accepted accounting principles and practices, consistently applied throughout.

(iv) No provision in this Agreement granting the City a right of access to records and documents is intended to impair, limit or affect any right of access to such records and documents which the City would have had in the absence of such provisions.

(v) The City may in its sole discretion audit the records of Contractor or its Subcontractors, or both, at any time during the term of this Agreement or within five years after the Agreement ends, in connection with the goods, work, or Services provided under this Agreement. Each calendar year or partial calendar year is considered an audited period. If, as a result of any such audit, it is determined that Contractor or any of its Subcontractors has overcharged the City in the audited period, the City will notify Contractor. Contractor must then promptly reimburse the City for any amounts the City has paid Contractor due to the overcharges and also some or all of the cost of the audit, as follows:

A. If the audit has revealed overcharges to the City representing less than 5%

of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then the Contractor must reimburse the City for 50% of the cost of the audit and 50% of the cost of each subsequent audit that the City conducts;

- B. If, however, the audit has revealed overcharges to the City representing 5% or more of the total value, based on the Agreement prices, of the goods, work, or Services provided in the audited period, then Contractor must reimburse the City for the full cost of the audit and of each subsequent audit.

Failure of Contractor to reimburse the City in accordance with subsection A or B above is an event of default under Section 8.1 of this Agreement, and Contractor will be liable for all of the City's costs of collection, including any court costs and attorneys' fees.

2.11 Confidentiality

(a) All Deliverables and reports, data, findings or information in any form prepared, assembled or encountered by or provided by Contractor under this Agreement are property of the City and are confidential, except as specifically authorized in this Agreement or as may be required by law. Contractor must not allow the Deliverables to be made available to any other individual or organization without the prior written consent of the City. Further, all documents and other information provided to Contractor by the City are confidential and must not be made available to any other individual or organization without the prior written consent of the City. Contractor must implement such measures as may be necessary to ensure that its staff and its Subcontractors are bound by the confidentiality provisions in this Agreement.

(b) Contractor must not issue any publicity news releases or grant press interviews, and except as may be required by law during or after the performance of this Agreement, disseminate any information regarding its Services or the project to which the Services pertain without the prior written consent of the Commissioner.

(c) If Contractor is presented with a request for documents by any administrative agency or with a subpoena duces tecum regarding any records, data or documents which may be in Contractor's possession by reason of this Agreement, Contractor must immediately give notice to the Commissioner and the Corporation Counsel for the City with the understanding that the City will have the opportunity to contest such process by any means available to it before the records, data or documents are submitted to a court or other third party. Contractor, however, is not obligated to withhold the delivery beyond the time ordered by a court or administrative agency, unless the subpoena or request is quashed or the time to produce is otherwise extended.

(d) HIPAA, HITECH, and AIDS Confidentiality Act. To the extent not defined herein the capitalized terms below and in Attachment 3 will have the same meaning as set forth in the Health Insurance Portability and Accountability Act, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations (collectively

“HIPAA”). See 45 CFR parts 160, 162 and 164. Contractor and all its Subcontractors must comply with HIPAA and all rules and regulations applicable to it or them. Contractor must also comply with the Illinois AIDS Confidentiality Act (410 ILCS 305/1 through 16) and the rules and regulations of the Illinois Department of Public Health promulgated under it. If Contractor fails to comply with the applicable provisions under HIPAA or the Illinois AIDS Confidentiality Act, such failure will constitute an event of default under this Agreement for which no opportunity for cure will be provided.

Additionally, if Contractor is a Business Associate it must comply with all requirements of the HIPAA applicable to Business Associates including the provisions contained in Attachment 5.

2.12 Assignments and Subcontracts

(a) Contractor must not assign, delegate or otherwise transfer all or any part of its rights or obligations under this Agreement: (i) unless otherwise provided for elsewhere in this Agreement; or (ii) without the express written consent of the Mayor. The absence of such a provision or written consent voids the attempted assignment, delegation or transfer and is of no effect as to the Services or this Agreement. No approvals given by the Mayor or Comptroller, including approvals for the use of any Subcontractors, operate to relieve Contractor of any of its obligations or liabilities under this Agreement.

(b) All Subcontractors are subject to the prior approval of the Mayor. Approval for the use of any Subcontractor in performance of the Services is conditioned upon performance by the Subcontractor in accordance with the terms and conditions of this Agreement. If any Subcontractor fails to perform the Services in accordance with the terms and conditions of this Agreement to the satisfaction of the Department, the City has the absolute right upon written notification to immediately rescind approval and to require the performance of this Agreement by Contractor personally or through any other City-approved Subcontractor. Any approval for the use of Subcontractors in the performance of the Services under this Agreement under no circumstances operates to relieve Contractor of any of its obligations or liabilities under this Agreement.

(c) Contractor, upon entering into any agreement with a Subcontractor, must furnish upon request of the Mayor or the Department a copy of its agreement. Contractor must ensure that all subcontracts contain provisions that require the Services be performed in strict accordance with the requirements of this Agreement, provide that the Subcontractors are subject to all the terms of this Agreement and are subject to the approval of the Mayor. If the agreements do not prejudice any of the City's rights under this Agreement, such agreements may contain different provisions than are provided in this Agreement with respect to extensions of schedule, time of completion, payments, guarantees and matters not affecting the quality of the Services.

(d) Contractor must not transfer or assign any funds or claims due or to become due under this Agreement without the prior written approval of the Mayor. The attempted transfer or

assignment of any funds, either in whole or in part, or any interest in them, which are due or to become due to Contractor under this Agreement, without such prior written approval, has no effect upon the City.

(e) The City may make direct payments to Subcontractors for Services performed under this Agreement. Any such payment has the same effect as if the City had paid Contractor that amount directly. Such payment by the City to Contractor's Subcontractor under no circumstances operates to relieve Contractor of any of its obligations or liabilities under this Agreement. This section is solely for the benefit of the City and does not grant any third party beneficiary rights.

(f) The City reserves the right to assign or otherwise transfer all or any part of its interests under this Agreement to any successor.

2.13 City Data Security Policy

Contractor must comply with the additional terms and conditions set forth in Attachment 6.

ARTICLE 3.

3.1 Term

(a) The terms of the licenses granted hereunder are perpetual.

(b) The term of the maintenance and support services shall continue for a period of one year after the purchase of the licenses for which the services are performed or for as long as the City pays the maintenance and support fees in Exhibit 3, whichever is greater.

(c) The term of the services set forth in Exhibit 4 shall expire on December 31, 2018.

ARTICLE 4. COMPENSATION

4.1 Basis of Payment

The City will pay Contractor according to the Schedule of Compensation in Exhibit 3 of the Agreement for the completion of the Services in accordance with the Agreement, including the standard of performance in Section 2.3.

4.2 Method of Payment

Contractor must submit monthly invoices (in triplicate) to the City for labor and other direct costs as billed, as outlined in the Schedule of Compensation. The invoices must be in such detail as the City requests.

4.3 Funding

The source of funds for payments under this Agreement is Fund number 013-0100-0062005-0149-220149. Payments under this Agreement must not exceed \$14,000,000.00 without a written amendment in accordance with Section 9.3. Funding for this Agreement is subject to the availability of funds and their appropriation by the City Council of the City.

4.4 Non-Appropriation

If no funds or insufficient funds are appropriated and budgeted in any fiscal period of the City for payments to be made under this Agreement, then the City will notify Contractor in writing of that occurrence, and this Agreement will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted. Payments for Services completed to the date of notification will be made to Contractor except that no payments will be made or due to Contractor under this Agreement beyond those amounts appropriated and budgeted by the City to fund payments under this Agreement.

ARTICLE 5. DISPUTES

Except as otherwise provided in this Agreement, Contractor must and the City may bring any dispute arising under this Agreement which is not resolved by the parties to the Comptroller for decision based upon the written submissions of the parties. (A copy of the "Regulations of the Department of Procurement Services for Resolution of Disputes between Contractors and the City of Chicago" is available in City Hall, 121 N. LaSalle Street, Room 301, Bid and Bond Room, Chicago, Illinois 60602.) The Comptroller will issue a written decision and send it to the Contractor by mail. The decision of the Comptroller is final and binding. The sole and exclusive remedy to challenge the decision of the Comptroller is judicial review by means of a common law writ of certiorari.

ARTICLE 6. COMPLIANCE WITH ALL LAWS

6.1 Compliance with All Laws Generally

(a) Contractor must observe and comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later and whether or not they appear in this Agreement, including those set forth in this Article 6, and Contractor must pay all taxes and obtain all licenses, certificates and other authorizations required by them. Contractor must require all Subcontractors to do so, also. Further, Contractor must execute an Economic Disclosure Statement and Affidavit ("EDS") in the form attached to this Exhibit as Attachment 1. Notwithstanding acceptance by the City of the EDS, Contractor's failure in the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Contractor must promptly update its EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate. Contractor must abide by the terms of Section 2-154-020 of the Municipal Code of

Chicago. Contractor agrees that failure by the Contractor or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be a default for which no cure is available and grounds for termination of this Contract.

(b) Notwithstanding anything in this Agreement to the contrary, references to a statute or law are considered to be a reference to (i) the statute or law as it may be amended from time to time; (ii) all regulations and rules pertaining to or promulgated pursuant to the statute or law; and (iii) all future statutes, laws, regulations, rules and executive orders pertaining to the same or similar subject matter.

6.2 Nondiscrimination

(a) Contractor

Contractor must comply with applicable federal, state, and local laws and related regulations prohibiting discrimination against individuals and groups.

(i) Federal Requirements

Contractor must not engage in unlawful employment practices, such as (1) failing or refusing to hire or discharging any individual, or otherwise discriminating against any individual with respect to compensation or the terms, conditions, or privileges of the individual's employment, because of the individual's race, color, religion, sex, age, handicap/disability or national origin; or (2) limiting, segregating or classifying Contractor's employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect the individual's status as an employee, because of the individual's race, color, religion, sex, age, handicap/disability or national origin.

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Civil Rights Act of 1964, 42 U.S.C. sec. 2000e *et seq.* (1981), as amended and the Civil Rights Act of 1991, P.L. 102-166. Attention is called to: Exec. Order No. 11246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000e note, as amended by Exec. Order No. 11375, 32 Fed. Reg. 14,303 (1967) and by Exec. Order No. 12086, 43 Fed. Reg. 46,501 (1978); Age Discrimination Act, 42 U.S.C. ' ' 6101-6106 (1981); Age Discrimination in Employment Act, 29 U.S.C. ' ' 621-34; Rehabilitation Act of 1973, 29 U.S.C. ' ' 793-794 (1981); Americans with Disabilities Act, 42 U.S.C. '12101 *et seq.*; 41 C.F.R. Part 60 *et seq.* (1990); and all other applicable federal statutes, regulations and other laws.

(ii) State Requirements

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Illinois Human Rights Act, 775 ILCS 5/1-101 *et seq.* (1990), as amended and any rules and regulations promulgated in accordance with it, including the Equal Employment Opportunity Clause, 44 Ill. Admin. Code 750 Appendix A. Furthermore, Contractor must comply with the Public Works Employment Discrimination Act, 775 ILCS 10/0.01 *et seq.* (1990), as amended, and all other applicable state statutes, regulations and other laws.

(iii) City Requirements

Contractor must comply with, and the procedures Contractor utilizes and the Services Contractor provides under this Agreement must comply with, the Chicago Human Rights Ordinance, ch. 2-160, Section 2-160-010 *et seq.* of the Municipal Code of Chicago (1990), as amended, and all other applicable City ordinances and rules.

(b) Subcontractors

Contractor must incorporate all of this Section 6.2 by reference in all agreements entered into with any suppliers of materials, furnisher of services, Subcontractors of any tier, and labor organizations that furnish skilled, unskilled and craft union skilled labor, or that may provide any such materials, labor or services in connection with this Agreement. Further, Contractor must furnish and must cause each of its Subcontractor(s) to furnish such reports and information as requested by the federal, state, and local agencies charged with enforcing such laws and regulations, including the Chicago Commission on Human Relations.

6.3 Inspector General

It is the duty of any bidder, proposer or Consultant, all Subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Consultant, Subcontractor or such applicant to cooperate with the Legislative Inspector General or the Inspector General in any investigation or hearing, if applicable, undertaken pursuant to Chapters 2-55 or 2-56, respectively, of the Municipal Code. Consultant understands and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code. All subcontracts must inform Subcontractors of the provision and require understanding and compliance with it.

6.4 MacBride Ordinance

The City of Chicago through the passage of the MacBride Principles Ordinance seeks to promote fair and equal employment opportunities and labor practices for religious minorities in Northern Ireland and provide a better working environment for all citizens in Northern Ireland.

In accordance with Section 2-92-580 of the Municipal Code of the City of Chicago, if Contractor conducts any business operations in Northern Ireland, the Contractor must make all reasonable and good faith efforts to conduct any business operations in Northern Ireland in

accordance with the MacBride Principles for Northern Ireland as defined in Illinois Public Act 85-1390 (1988 Ill. Laws 3220).

The provisions of this Section 6.4 do not apply to contracts for which the City receives funds administered by the United States Department of Transportation, except to the extent Congress has directed that the Department of Transportation not withhold funds from states and localities that choose to implement selective purchasing policies based on agreement to comply with the MacBride Principles for Northern Ireland, or to the extent that such funds are not otherwise withheld by the Department of Transportation.

6.5 Business Relationships with Elected Officials

Pursuant to 2-156-030(b) of the Municipal Code , it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact either orally or in writing any other city official or employee with respect to any matter involving any person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. In addition, no elected official may participate in any discussion in any city council committee hearing or in any city council meeting or vote on any matter involving the person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. **Violation of Section 2-156-030(b) by any elected official with respect to this Agreement is grounds for termination of this Agreement.** The term financial interest is defined as set forth in 2-156 of the Municipal Code .

6.6 Chicago "Living Wage" Ordinance

(a) Section 2-92-610 of the Municipal Code provides for a living wage for certain categories of workers employed in the performance of City contracts, specifically non-City employed security guards, parking attendants, day laborers, home and health care workers, cashiers, elevator operators, custodial workers and clerical workers ("**Covered Employees**"). Accordingly, pursuant to Section 2-92-610 and regulations promulgated under it:

- (i) If Contractor has 25 or more full-time employees, and
- (ii) If at any time during the performance of this Agreement, Contractor and/or any Subcontractor or any other entity that provides any portion of the Services (collectively "**Performing Parties**") uses 25 or more full-time security guards, or any number of other full-time Covered Employees, then
 - (iii) Contractor must pay its Covered Employees, and must ensure that all other Performing Parties pay their Covered Employees, not less than the

minimum hourly rate as determined in accordance with this provision (the "Base Wage") for all Services performed under this Agreement.

(b) Contractor's obligation to pay, and to ensure payment of, the Base Wage will begin at any time during the term of this Agreement when the conditions set forth in (a)(i) and (a)(ii) above are met, and will continue until the end of the term of this Agreement.

(c) As of July 1, 2013, the Base Wage is \$11.78 per hour, and each July 1 thereafter, the Base Wage will be adjusted using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. The currently applicable Base Wage is available from the Department of Procurement Services. At all times during the term of this Agreement, Contractor and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement, and the prevailing wages for Covered Employees are higher than the Base Wage, then Contractor and all other Performing Parties must pay the prevailing wage rates.

(d) Contractor must include provisions in all subcontracts requiring its Subcontractors to pay the Base Wage to Covered Employees. Contractor agrees to provide the City with documentation acceptable to the Comptroller demonstrating that all Covered Employees, whether employed by Contractor or by a Subcontractor, have been paid the Base Wage, upon the City's request for such documentation. The City may independently audit Contractor and/or Subcontractors to verify compliance with this section. Failure to comply with the requirements of this section will be an event of default under this Agreement, and further, failure to comply may result in ineligibility for any award of a City contract or subcontract for up to 3 years.

(e) Not-for-Profit Corporations: If Contractor is a corporation having federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and is recognized under Illinois not-for-profit law, then the provisions of subsections (a) through (d) above do not apply.

6.7 Environmental Warranties and Representations

In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Contractor warrants and represents that it, and to the best of its knowledge, its subcontractors have not violated and are not in violation of the following sections of the Code (collectively, the Waste Sections):

- 7-28-390 Dumping on public way;
- 7-28-440 Dumping on real estate without permit;
- 11-4-1410 Disposal in waters prohibited;
- 11-4-1420 Ballast tank, bilge tank or other discharge;
- 11-4-1450 Gas manufacturing residue;
- 11-4-1500 Treatment and disposal of solid or liquid waste;
- 11-4-1530 Compliance with rules and regulations required;

11-4-1550 Operational requirements; and
11-4-1560 Screening requirements.

During the period while this Agreement is executory, Contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole discretion of the Comptroller. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity.

This section does not limit Contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement.

Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect Contractor's eligibility for future contract awards.

6.8 Prohibition on Certain Contributions, Mayoral Executive Order 2011-4

No Contractor or any person or entity who directly or indirectly has an ownership or beneficial interest in Contractor of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Contractor's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Contractor and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Contract or Other Contract, including while this Contract or Other Contract is executory, (ii) the term of this Contract or any Other Contract between City and Contractor, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

Contractor represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Contractor or the date the Contractor approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Contractor shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Contract resulting from this specification, the CPO may reject Contractor's bid.

For purposes of this provision:

"Other Contract" means any agreement entered into between the Contractor and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended.

6.9 Firms Owned or Operated by Individuals with Disabilities

The City encourages Contractors to use Subcontractors that are firms owned or operated by individuals with disabilities, as defined by Section 2-92-586 of the Municipal Code of the City of Chicago, where not otherwise prohibited by federal or state law.

6.10 Ineligibility to do Business with City.

Failure by the Contractor or any Controlling Person (defined in Section 1-23-010 of the Municipal Code) thereof to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code shall render this Contract voidable or subject to termination, at the option of the Chief Procurement Officer. Contractor agrees that Contractor's failure to maintain eligibility (or failure by Controlling Persons to maintain eligibility) to do business with the City in violation of Section 1-23-030 of the Municipal Code shall constitute an event of default.

6.11 Deemed Inclusion

Provisions required by law, ordinances, rules, regulations, or executive orders to be inserted in this Agreement are deemed inserted in this Agreement whether or not they appear in this Agreement or, upon application by either party, this Agreement will be amended to make the insertion; however, in no event will the failure to insert the provisions before or after this Agreement is signed prevent its enforcement.

ARTICLE 7. SPECIAL CONDITIONS

7.1 Warranties and Representations

In connection with signing and carrying out this Agreement, Contractor:

- (a) warrants that Contractor is appropriately licensed under Illinois law to perform the Services required under this Agreement and will perform no Services for which a professional license is required by law and for which Contractor is not appropriately licensed;
- (b) warrants it is financially solvent; it and each of its employees, agents and Subcontractors of any tier are competent to perform the Services required under this Agreement; and Contractor is legally authorized to execute and perform or cause to be performed this Agreement under the terms and conditions stated in this Agreement;
- (c) warrants that it will not knowingly use the services of any ineligible contractor or Subcontractor for any purpose in the performance of its Services under this Agreement;
- (d) warrants that Contractor and its Subcontractors are not in default at the time this Agreement is signed, and have not been deemed by the Comptroller to have, within 5 years immediately preceding the date of this Agreement, been found to be in default on any contract awarded by the City ;
- (e) represents that it has carefully examined and analyzed the provisions and requirements of this Agreement; it understands the nature of the Services required; from its own analysis it has satisfied itself as to the nature of all things needed for the performance of this Agreement; this Agreement is feasible of performance in accordance with all of its provisions and requirements, and Contractor warrants it can and will perform, or cause to be performed, the Services in strict accordance with the provisions and requirements of this Agreement;
- (f) represents that Contractor and, to the best of its knowledge, its Subcontractors are not in violation of the provisions of 2-92-320 of the Municipal Code , and in connection with it, and additionally in connection with the Illinois Criminal Code, 720 ILCS 5/33E as amended, and the Illinois Municipal Code, 65 ILCS 5/11-42.1-1;
- (g) acknowledges that any certification, affidavit or acknowledgment made under oath in connection with this Agreement is made under penalty of perjury and, if false, is also cause for termination under Sections 8.2 and 8.3 of this Agreement; and

(h) warrants and represents that neither Consultant nor an Affiliate of Consultant (as defined below) appears on the Specially Designated Nationals List, the Denied Persons List, the unverified List, the Entity List, or the Debarred List as maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the Bureau of Industry and Security of the U.S. Department of Commerce (or their successors), or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment. Affiliate of Consultant means a person or entity that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with Consultant. A person or entity will be deemed to be controlled by another person or entity if it is controlled in any manner whatsoever that results in control in fact by that other person or entity (either acting individually or acting jointly or in concert with others) whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

7.2 Ethics

(a) In addition to the foregoing warranties and representations, Contractor warrants:

(i) no officer, agent or employee of the City is employed by Contractor or has a financial interest directly or indirectly in this Agreement or the compensation to be paid under this Agreement except as may be permitted in writing by the Board of Ethics established under Chapter 2-156 of the Municipal Code .

(ii) no payment, gratuity or offer of employment will be made in connection with this Agreement by or on behalf of any Subcontractors to Contractor or higher tier Subcontractors or anyone associated with them, as an inducement for the award of a subcontract or order.

(b) Contractor further acknowledges that any Agreement entered into, negotiated or performed in violation of any of the provisions of Chapter 2-156 is voidable as to the City.

7.3 Joint and Several Liability

If Contractor, or its successors or assigns, if any, is comprised of more than one individual or other legal entity (or a combination of them), then under this Agreement, each and without limitation every obligation or undertaking in this Agreement to be fulfilled or performed by Contractor is the joint and several obligation or undertaking of each such individual or other legal entity.

7.4 Business Documents

At the request of the City, Contractor must provide copies of its latest articles of incorporation, by-laws and resolutions, or partnership or joint venture agreement, as applicable.

7.5 Conflicts of Interest

(a) No member of the governing body of the City or other unit of government and no other officer, employee or agent of the City or other unit of government who exercises any functions or responsibilities in connection with the Services to which this Agreement pertains is permitted to have any personal interest, direct or indirect, in this Agreement. No member of or delegate to the Congress of the United States or the Illinois General Assembly and no alderman of the City or City employee is allowed to be admitted to any share or part of this Agreement or to any financial benefit to arise from it.

(b) Contractor represents that it, and to the best of its knowledge, its Subcontractors if any (Contractor and Subcontractors will be collectively referred to in this Section 7.5 as "**Consulting Parties**"), presently have no direct or indirect interest and will not acquire any direct or indirect interest in any project or contract that would conflict in any manner or degree with the performance of its Services under this Agreement.

(c) Upon the request of the City, Consulting Parties must disclose to the City their past client lists and the names of any clients with whom they have an ongoing relationship, to the extent permissible under law and applicable third-party confidentiality requirements. Consulting Parties are not permitted to perform any Services for the City on applications or other documents submitted to the City by any of Consulting Parties' past or present clients. If Consulting Parties become aware of a conflict, they must immediately stop work on the assignment causing the conflict and notify the City.

(d) Without limiting the foregoing, if the Consulting Parties are engaged to assist the City in determining the advisability or feasibility of a project or in recommending, researching, preparing, drafting or issuing a request for proposals or bid specifications for a project, the Consulting Parties must not participate, directly or indirectly, as a prime, subcontractor or joint venturer in that project or in the preparation of a proposal or bid for that project during the term of this Agreement or afterwards. The Consulting Parties may, however, assist the City in reviewing the proposals or bids for the project if none of the Consulting Parties have a relationship with the persons or entities that submitted the proposals or bids for that project.

(e) Further, Consulting Parties must not assign any person having any conflicting interest to perform any Services under this Agreement or have access to any confidential information, as described in Section 2.11 of this Agreement. If the City, by the Comptroller in his reasonable judgment, determines that any of Consulting Parties' services for others conflict with the Services that Consulting Parties are to render for the City under this Agreement, Consulting Parties must terminate such other services immediately upon request of the City.

(f) Furthermore, if any federal funds are to be used to compensate or reimburse Contractor under this Agreement, Contractor represents that it is and will remain in compliance with federal restrictions on lobbying set forth in Section 319 of the Department of

the Interior and Related Agencies Appropriations Act for Fiscal Year 1990, 31 U.S.C. § 1352, and related rules and regulations set forth at 54 Fed. Reg. 52,309 ff. (1989), as amended. If federal funds are to be used, Contractor must execute a Certification Regarding Lobbying, which is part of the EDS and incorporated by reference as if fully set forth here.

7.6 Non-Liability of Public Officials

Contractor and any assignee or Subcontractor of Contractor must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Agreement or because of the City's execution, attempted execution or any breach of this Agreement.

7.7 EDS / Certification Regarding Suspension and Debarment

Contractor certifies, as further evidenced in the EDS attached as Attachment 1, by its acceptance of this Agreement that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency. Contractor further agrees by executing this Agreement that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. If Contractor or any lower tier participant is unable to certify to this statement, it must attach an explanation to the Agreement.

ARTICLE 8. EVENTS OF DEFAULT, REMEDIES, TERMINATION, SUSPENSION AND RIGHT TO OFFSET

8.1 Events of Default Defined

The following constitute events of default:

(a) Any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance, made by Contractor to the City.

(b) Contractor's material failure to perform any of its obligations under this Agreement including the following:

(i) Failure to perform the Services with sufficient personnel and equipment or with sufficient material to ensure the timely performance of the Services;

(ii) Failure to have and maintain all professional licenses required by law to perform the Services;

(iii) Failure to timely perform the Services;

- (iv) Failure to perform the Services in a manner reasonably satisfactory to the Comptroller or the Mayor or inability to perform the Services satisfactorily as a result of insolvency, filing for bankruptcy or assignment for the benefit of creditors;
 - (v) Failure to promptly re-perform, as required, within a reasonable time and at no cost to the City, Services that are rejected as erroneous or unsatisfactory;
 - (vi) Discontinuance of the Services for reasons within Contractor's reasonable control;
 - (vii) Failure to comply with Section 6.1 in the performance of the Agreement;
 - (viii) Failure promptly to update EDS(s) furnished in connection with this Agreement when the information or responses contained in it or them is no longer complete or accurate;
 - (ix) Failure to comply with any other material term of this Agreement, including the provisions concerning insurance and nondiscrimination; and
 - (x) Any other acts specifically stated in this Agreement as constituting an act of default.
- (c) Any change in ownership or control of Contractor without the prior written approval of the Comptroller (when such prior approval is permissible by law), which approval the Comptroller will not unreasonably withhold.
- (d) Contractor's default under any other agreement it may presently have or may enter into with the City for the duration of this Agreement. Contractor acknowledges that in the event of a default under this Agreement the City may also declare a default under any such other agreements.
- (e) Contractor's violation of City ordinance(s) unrelated to performance under the Agreement such that, in the opinion of the Comptroller, it indicates a willful or reckless disregard for City laws and regulations.
- (f) Contractor's failure to update its EDS to reflect any changes in information, including changes in ownership, and to provide it to the City as provided under Section 6.1(a).

8.2 Remedies

- (a) Notices. The occurrence of any event of default permits the City, at the City's sole option, to declare Contractor in default as to all or any part of this Agreement. The Comptroller may in his sole discretion give Contractor an opportunity to cure the default within a certain period of time, which period of time must not exceed 30 days unless extended by the Comptroller. Whether to declare Contractor in default is within the sole discretion of the

Comptroller and neither that decision nor the factual basis for it is subject to review or challenge under the Disputes provision of this Agreement.

The Comptroller will give Contractor written notice of the default, either in the form of a cure notice ("Cure Notice"), or, if no opportunity to cure will be granted, a default notice ("Default Notice"). If the Comptroller gives a Default Notice, he will also indicate any present intent he may have to terminate this Agreement, and the decision to terminate is final and effective upon giving the notice. If the Comptroller decides not to terminate, this decision will not preclude him from later deciding to terminate the Agreement in a later notice, which will be final and effective upon the giving of the notice or on the date set forth in the notice, whichever is later. The Comptroller may give a Default Notice if Contractor fails to effect a cure within the cure period given in a Cure Notice. When a Default Notice with intent to terminate is given as provided in this Section 8.2 and Article 10, Contractor must discontinue any Services, unless otherwise directed in the notice, and deliver all materials accumulated in the performance of this Agreement, whether completed or in the process, to the City.

(b) Exercise of Remedies. After giving a Default Notice, the City may invoke any or all of the following remedies:

(i) The right to take over and complete the Services, or any part of them, at Contractor's expense and as agent for Contractor, either directly or through others, and bill Contractor for the cost of the Services, and Contractor must pay the difference between the total amount of this bill and the amount the City would have paid Contractor under the terms and conditions of this Agreement for the Services that were assumed by the City as agent for Contractor under this Section 8.2;

(ii) The right to terminate this Agreement as to any or all of the Services yet to be performed effective at a time specified by the City;

(iii) The right of specific performance, an injunction or any other appropriate equitable remedy;

(iv) The right to money damages;

(v) The right to withhold all or any part of Contractor's compensation under this Agreement;

(vi) The right to deem Contractor non-responsible in future contracts to be awarded by the City;

(vii) The right to declare default on any other contract or agreement Contractor may have with the City.

(c) City's Reservation of Rights. If the Comptroller considers it to be in the City's best interests, he may elect not to declare default or to terminate this Agreement. The parties

acknowledge that this provision is solely for the benefit of the City and that if the City permits Contractor to continue to provide the Services despite one or more events of default, Contractor is in no way relieved of any of its responsibilities, duties or obligations under this Agreement, nor does the City waive or relinquish any of its rights.

(d) Non-Exclusivity of Remedies. The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy is cumulative and is in addition to any other remedies, existing now or later, at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any event of default impairs any such right or power, nor is it a waiver of any event of default nor acquiescence in it, and every such right and power may be exercised from time to time and as often as the City considers expedient.

8.3 Early Termination

(a) In addition to termination under Sections 8.1 and 8.2 of this Agreement, the City may terminate this Agreement, or all or any portion of the Services to be performed under it, at any time by a notice in writing from the City to Contractor. The City will give notice to Contractor in accordance with the provisions of Article 10. The effective date of termination will be the date the notice is received by Contractor or the date stated in the notice, whichever is later. If the City elects to terminate this Agreement in full, all Services to be provided under it must cease and all materials owned or to be owned by City that may have been accumulated in performing this Agreement, whether completed or in the process, must be delivered to the City effective 10 days after the date the notice is considered received as provided under Article 10 of this Agreement (if no date is given) or upon the effective date stated in the notice. For the avoidance of doubt, early termination will not result in the termination of the licenses for which the City has made payment hereunder.

(b) After the notice is received, Contractor must restrict its activities, and those of its Subcontractors, to winding down any reports, analyses, or other activities previously begun. No costs incurred after the effective date of the termination are allowed. Payment for any Services actually and satisfactorily performed before the effective date of the termination is on the same basis as set forth in Article 4, but if any compensation is described or provided for on the basis of a period longer than 10 days, then the compensation must be prorated accordingly. No amount of compensation, however, is permitted for anticipated profits on unperformed Services. The City and Contractor must attempt to agree on the amount of compensation to be paid to Contractor, but if not agreed on, the dispute must be settled in accordance with Article 5 of this Agreement. The payment so made to Contractor is in full settlement for all Services satisfactorily performed under this Agreement.

(c) Contractor must include in its contracts with Subcontractors an early termination provision in form and substance equivalent to this early termination provision to prevent claims against the City arising from termination of subcontracts after the early termination. Contractor will not be entitled to make any early termination claims against the City resulting from any Subcontractor's claims against Contractor or the City.

(d) If the City's election to terminate this Agreement for default under Sections 8.1 and 8.2 is determined in a court of competent jurisdiction to have been wrongful, then in that case the termination is to be considered to be an early termination under this Section 8.3.

8.4 Suspension

The City may at any time request that Contractor suspend its Services, or any part of them, by giving 15 days prior written notice to Contractor or upon informal oral, or even no notice, in the event of emergency. No costs incurred after the effective date of such suspension are allowed. Contractor must promptly resume its performance of the Services under the same terms and conditions as stated in this Agreement upon written notice by the Comptroller and such equitable extension of time as may be mutually agreed upon by the Comptroller and Contractor when necessary for continuation or completion of Services. Any additional costs or expenses actually incurred by Contractor as a result of recommencing the Services must be treated in accordance with the compensation provisions under Article 4 of this Agreement.

No suspension of this Agreement is permitted in the aggregate to exceed a period of 45 days within any one year of this Agreement. If the total number of days of suspension exceeds 45 days, Contractor by written notice to the City may treat the suspension as an early termination of this Agreement under Section 8.3.

8.5 Right to Offset

(a) In connection with Contractor's performance under this Agreement, the City may offset any incremental costs and other damages the City incurs in any or all of the following circumstances:

- (i) if the City terminates this Agreement for default or any other reason resulting from Contractor's performance or non-performance;
- (ii) if the City exercises any of its remedies under Section 8.2 of this Agreement;
- (iii) if the City has any credits due or has made any overpayments under this Agreement.

The City may offset these incremental costs and other damages by use of any payment due for Services completed before the City terminated this Agreement or before the City exercised any remedies. If the amount offset is insufficient to cover those incremental costs and other damages, Contractor is liable for and must promptly remit to the City the balance upon written demand for it. This right to offset is in addition to and not a limitation of any other remedies available to the City.

(b) As provided under ' 2-92-380 of the Municipal Code, the City may set off from Contractor's compensation under this Agreement an amount equal to the amount of the fines and penalties for each *outstanding parking violation complaint* and the amount of any *debt* owed by Contractor to the City as those italicized terms are defined in the Municipal Code.

(c) In connection with any liquidated or unliquidated claims against Contractor, and without breaching this Agreement, the City may set off a portion of the price or compensation due under this Agreement in an amount equal to the amount of any liquidated or unliquidated claims that the City has against Contractor unrelated to this Agreement. When the City's claims against Contractor are finally adjudicated in a court of competent jurisdiction or otherwise resolved, the City will reimburse Contractor to the extent of the amount the City has offset against this Agreement inconsistently with such determination or resolution.

ARTICLE 9. GENERAL CONDITIONS

9.1 Entire Agreement

(a) General

The Agreement, and the exhibits attached to it and incorporated in it, constitute the entire agreement between the parties and no other terms, conditions, warranties, inducements, considerations, promises or interpretations are implied or impressed upon this Agreement that are not addressed in this Agreement.

(b) No Collateral Agreements

Contractor acknowledges that, except only for those representations, statements or promises contained in this Agreement and any exhibits attached to it and incorporated by reference in it, no representation, statement or promise, oral or in writing, of any kind whatsoever, by the City, its officials, agents or employees, has induced Contractor to enter into this Agreement or has been relied upon by Contractor, including any with reference to: (i) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (ii) the nature of the Services to be performed; (iii) the nature, quantity, quality or volume of any materials, equipment, labor and other facilities needed for the performance of this Agreement; (iv) the general conditions which may in any way affect this Agreement or its performance; (v) the compensation provisions of this Agreement; or (vi) any other matters, whether similar to or different from those referred to in (i) through (vi) immediately above, affecting or having any connection with this Agreement, its negotiation, any discussions of its performance or those employed or connected or concerned with it.

(c) No Omissions

Contractor acknowledges that Contractor was given ample opportunity and time and was requested by the City to review thoroughly all documents forming this Agreement before signing

this Agreement in order that it might request inclusion in this Agreement of any statement, representation, promise or provision that it desired or on that it wished to place reliance. Contractor did so review those documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, Contractor relinquishes the benefit of any such omitted statement, representation, promise or provision and is willing to perform this Agreement in its entirety without claiming reliance on it or making any other claim on account of its omission.

9.2 Counterparts

This Agreement is comprised of several identical counterparts, each to be fully signed by the parties and each to be considered an original having identical legal effect.

9.3 Amendments

No changes, amendments, modifications or discharge of this Agreement, or any part of it are valid unless in writing and signed by the authorized agent of Contractor and by the Mayor or their respective successors and assigns. The City incurs no liability for Additional Services without a written amendment to this Agreement under this Section 9.3.

Whenever under this Agreement Contractor is required to obtain the City's prior written approval, the effect of any approval that may be granted pursuant to Contractor's request is prospective only from the later of the date approval was requested or the date on which the action for which the approval was sought is to begin. In no event is approval permitted to apply retroactively to a date before the approval was requested.

9.4 Governing Law and Jurisdiction

This Agreement is governed as to performance and interpretation in accordance with the laws of the State of Illinois.

Contractor irrevocably submits itself to the original jurisdiction of those courts located within the County of Cook, State of Illinois, with regard to any controversy arising out of, relating to, or in any way concerning the execution or performance of this Agreement. Service of process on Contractor may be made, at the option of the City, either by registered or certified mail addressed to the applicable office as provided for in this Agreement, by registered or certified mail addressed to the office actually maintained by Contractor, or by personal delivery on any officer, director, or managing or general agent of Contractor. If any action is brought by Contractor against the City concerning this Agreement, the action must be brought only in those courts located within the County of Cook, State of Illinois.

9.5 Severability

If any provision of this Agreement is held or deemed to be or is in fact invalid, illegal, inoperative or unenforceable as applied in any particular case in any jurisdiction or in all cases because it conflicts with any other provision or provisions of this Agreement or of any

constitution, statute, ordinance, rule of law or public policy, or for any other reason, those circumstances do not have the effect of rendering the provision in question invalid, illegal, inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions in this Agreement invalid, illegal, inoperative or unenforceable to any extent whatsoever. The invalidity, illegality, inoperativeness or unenforceability of any one or more phrases, sentences, clauses or sections in this Agreement does not affect the remaining portions of this Agreement or any part of it.

9.6 Assigns

All of the terms and conditions of this Agreement are binding upon and inure to the benefit of the parties and their respective legal representatives, successors and assigns.

9.7 Cooperation

Contractor must at all times cooperate fully with the City and act in the City's best interests. If this Agreement is terminated for any reason, or if it is to expire on its own terms, Contractor must make every effort to ensure an orderly transition to another provider of the Services, if any, orderly demobilization of its own operations in connection with the Services, uninterrupted provision of Services during any transition period and must otherwise comply with the reasonable requests and requirements of the Department in connection with the termination or expiration.

9.8 Waiver

Nothing in this Agreement authorizes the waiver of a requirement or condition contrary to law or ordinance or that would result in or promote the violation of any federal, state or local law or ordinance.

Whenever under this Agreement the City by a proper authority waives Contractor's performance in any respect or waives a requirement or condition to either the City's or Contractor's performance, the waiver so granted, whether express or implied, only applies to the particular instance and is not a waiver forever or for subsequent instances of the performance, requirement or condition. No such waiver is a modification of this Agreement regardless of the number of times the City may have waived the performance, requirement or condition. Such waivers must be provided to Contractor in writing.

9.9 Independent Contractor

(a) This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize a joint venture, partnership, corporation or other formal business association or organization of any kind between Contractor and the City. The rights and the obligations of the parties are only those set forth in this Agreement. Contractor must perform under this Agreement as an independent contractor and not as a representative, employee, agent, or partner of the City.

(b) This Agreement is between the City and an independent contractor and, if Contractor is an individual, nothing provided for under this Agreement constitutes or implies an employer-employee relationship such that:

(i) The City will not be liable under or by reason of this Agreement for the payment of any compensation award or damages in connection with the Contractor performing the Services required under this Agreement.

(ii) Contractor is not entitled to membership in any City Pension Fund, Group Medical Insurance Program, Group Dental Program, Group Vision Care, Group Life Insurance Program, Deferred Income Program, vacation, sick leave, extended sick leave, or any other benefits ordinarily provided to individuals employed and paid through the regular payrolls of the City.

(iii) The City is not required to deduct or withhold any taxes, FICA or other deductions from any compensation provided to Contractor.

(c) SHAKMAN

(i) The City is subject to the May 31, 2007 Order entitled “Agreed Settlement Order and Accord” (the “Shakman Accord”) and the June 24, 2011 “City of Chicago Hiring Plan” (the “City Hiring Plan”) entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United State District Court for the Northern District of Illinois). Among other things, the Shakman Accord and the City Hiring Plan prohibit the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

(ii) Contractor is aware that City policy prohibits City employees from directing any individual to apply for a position with Contractor, either as an employee or as a subcontractor, and from directing Contractor to hire an individual as an employee or as a subcontractor. Accordingly, Contractor must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Contractor under this Agreement are employees or subcontractors of Contractor, not employees of the City of Chicago. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Contractor.

(iii) Contractor will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual’s political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or

financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

(iv) In the event of any communication to Consultant by a City employee or City official in violation of Section (ii) above, or advocating a violation of Section (iii) above, Consultant will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Agreement. Consultant will also cooperate with any inquiries by IGO Hiring Oversight or the Shakman Monitor's Office related to the contract.

9.10 Duty to report corrupt or unlawful activity.

It is the duty of the Contractor to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows or should reasonably know to involve corrupt or other unlawful activity by its employees or the employees of any of its subcontractors, in connection with the performance of city work, or by any person dealing with the city which concerns the person's dealings with the city. Knowing failure to make such a report will be an event of default under this Agreement.

ARTICLE 10. AUTHORITY

Execution of this Agreement by Contractor is authorized by a resolution of its Board of Directors, if a corporation, or similar governing document, and the signature(s) of each person signing on behalf of Contractor have been made with complete and full authority to commit Contractor to all terms and conditions of this Agreement, including each and every representation, certification and warranty contained in it, including the representations, certifications and warranties collectively incorporated by reference in it.



Attachment 2
Insurance Requirements and Evidence of Insurance

PROFESSIONAL SERVICES INSURANCE REQUIREMENTS

Department of Innovation and Technology
Software License Agreement
Palantir Technologies Inc.

Consultant must provide and maintain at Consultant's own expense, during the term of the Agreement and any time period following expiration if Consultant is required to return and perform any of the Services or Additional Services under this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

A. INSURANCE TO BE PROVIDED

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury and property damage liability. Coverages must include the following: All premises and operations, products/completed operations, separation of insureds, defense and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the Services.

Subcontractors performing work or services for the Consultant must maintain limits of not less than \$1,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with Services to be performed, Consultant must provide Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Professional Liability

When any web architects, web engineers, EDP professionals or any other professionals consultants perform Services in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions must be maintained with limits of not less than \$2,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of Services on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of 2 years.

Subcontractors performing professional services for the Consultant must maintain limits of not less than \$1,000,000 with the same terms herein.

5) Valuable Papers

When any media, data, records, reports including audits and any other documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

B. ADDITIONAL REQUIREMENTS

Consultant must furnish the City of Chicago, Department of Procurement Services, City Hall, Room 806, 121 North LaSalle Street, Chicago IL. 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. Consultant must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached as Exhibit-) or equivalent prior to execution of Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements of Agreement. The failure of the City to obtain certificates or other insurance evidence from Consultant is not a waiver by the City of any requirements for the Consultant to obtain and maintain the specified coverages. Consultant must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Consultant of the obligation to provide insurance as specified in this Agreement. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to suspend this Agreement until proper evidence of insurance is provided, or the Agreement may be terminated.

The Consultant must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be

borne by Consultant.

Consultant hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents or representatives.

The coverages and limits furnished by Consultant in no way limit the Consultant's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by Consultant under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Consultant is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Consultant must require all Subcontractors to provide the insurance required herein, or Consultant may provide the coverages for Subcontractors. All Subcontractors are subject to the same insurance requirements of Consultant unless otherwise specified in this Agreement.

If Consultant or Subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provisions in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/17/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFRS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Woodruff-Sawyer & Co. 50 California Street, Floor 12 San Francisco CA 94111		CONTACT NAME: Kelly McMaster PHONE (A/C, No. Ext): 415-391-2141 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURERA: Lloyds of London - Beazley INSURERB: Travelers Casualty Insurance Company INSURERC: Federal Insurance Company INSURERD: Great American Insurance Company INSURERE: INSURERF:
INSURED Palantir Technologies, Inc. 100 Hamilton Ave., Suite 300 Palo Alto CA 94301		NAIC # 19046 20281 16691

COVERAGES

CERTIFICATE NUMBER: 722176

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
C	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		Y	35955670	6/26/2013	6/26/2014	EACH OCCURRENCE	\$1,000,000	DAMAGE TO RENTED PREMISES (ea occurrence)
							MED EXP (Any one person)	\$10,000	PERSONAL & ADV INJURY
							GENERAL AGGREGATE	\$2,000,000	PRODUCTS - COMP/OP AGG
								\$	
C	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PROJECT LOC								
C	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS HIRED AUTOS		X SCHEDULED AUTOS NON-OWNED AUTOS	73568511	6/26/2013	6/26/2014	COMBINED SINGLE LIMIT (ea accident)	\$1,000,000	BODILY INJURY (Per person)
							BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)
								\$	
C	UMBRELLA LIAB EXCESS LIAB	X	OCCUR CLAIMS-MADE	79882360 TUE0306971	6/26/2013 6/26/2013	6/26/2014 6/26/2014	EACH OCCURRENCE	\$20,000,000	AGGREGATE
D	DED X RETENTION \$None							\$20,000,000	\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N N	Y / N N/A	HJUB5C95662413	12/10/2013	12/10/2014	X WC STATUTORY LIMITS E.L. EACH ACCIDENT	\$1,000,000	OTH-ER E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT
A	Errors & Omissions			W11B52130301	6/26/2013	6/26/2014	Limit	10,000,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City of Chicago is an additional insured as respects operations and activities of, or on behalf of the named insured, performed under contract with or permit from the City of Chicago. Insurance is Primary and Non-Contributory. A waiver of subrogation applies for workers compensation.

CERTIFICATE HOLDER

CANCELLATION

City of Chicago, Department of Procurement Services City Hall, Room 806, 121 North LaSalle Street Chicago IL 60602 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
12/17/2013

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERNS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY Woodruff-Sawyer & Co. 50 California Street, Floor 12 San Francisco CA 94111	PHONE (A/C, No. Ext): 415-391-2141	COMPANY Federal Insurance Company
FAX (A/C, No): 415-989-9923	E-MAIL ADDRESS: kmcmaster@wsandco.com	
CODE:	SUB CODE:	
AGENCY CUSTOMER ID #: PALATEC-01		
INSURED Palantir Technologies, Inc. 100 Hamilton Ave., Suite 300 Palo Alto CA 94301	LOAN NUMBER	POLICY NUMBER 35955670
	EFFECTIVE DATE 6/26/2013	EXPIRATION DATE 6/26/2014
	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
	THIS REPLACES PRIOR EVIDENCE DATED:	

PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Blanket Personal Property Coinsurance Business Income/Extra Expense Earthquake and Flood coverage for EDP Only included in Blanket Limit	\$15,767,158 \$12,750,000	\$1,000 24 hrs

REMARKS (Including Special Conditions)

Issued as Evidence of Insurance.

*Limit above includes coverage for valuable papers.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS City of Chicago, Department of Procurement Services City Hall, Room 806, 121 North LaSalle Street Chicago IL 60602 USA	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
AUTHORIZED REPRESENTATIVE		

Attachment 3
Health Insurance Portability and Accountability Act

BUSINESS ASSOCIATE AGREEMENT

The City of Chicago (“City”) and Palantir Technologies Inc. (“Business Associate”) agree to the following terms and conditions, which are intended to comply with the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations:

The terms below that are capitalized and in bold have the same meanings as set forth in the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Health Act, which is part of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder, including the privacy, security, breach, omnibus, and enforcement rules, as each may be amended from time to time (collectively, “HIPAA”). See 45 CFR parts 160 and 164.

Specifically, the following terms used in the Business Associate Agreement shall have the same meaning as in HIPAA: **Breach, Business Associate, Covered Entity, Data Aggregation, Designated Record Set, Disclosure, Financial Remuneration, Fundraising, Health Care Operations, Individual, Marketing, Minimum Necessary, Notice of Privacy Practices, Protected Health Information (“PHI”), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.** The term “**Breach**” has the meaning as set forth in HIPAA when capitalized below, but has the ordinary dictionary meaning when not capitalized below.

For purposes of this Business Associate Agreement, the term “Protected Health Information” or “PHI” includes electronic PHI, also known as ePHI.

1. Interpretation of this Business Associate Agreement. A reference in this Business Associate Agreement to HIPAA means the section in effect or as amended. If there is a dispute as to whether Business Associate is, in fact, a Business Associate, the Business Associate must provide a legal memorandum to the City indicating why the Business Associate does not fall under the definition of Business Associate in HIPAA. If the City disagrees with the legal memorandum regarding the Business Associate’s conclusion that Business Associate is not a Business Associate, the City may choose to report a Breach to the Secretary or take other measures as deemed necessary to ensure the City’s compliance with HIPAA. Any ambiguity or inconsistency in this Business Associate Agreement shall be resolved in favor of a meaning that permits City to comply with HIPAA.

2. Amendment of this Business Associate Agreement. The parties hereto agree to negotiate in good faith to amend this Agreement from time to time as is necessary for City to comply with the requirements of HIPAA and for Business Associate to provide services to City. However, no change, amendment, or modification of this Agreement shall be valid unless it is set forth in

writing and signed by both parties.

3. Designation of HIPAA Officer(s). Business Associate agrees to designate, in writing, a HIPAA Privacy and Security Officer(s) who will communicate with the City's HIPAA Privacy and Security Officers for purposes of this Agreement. Business Associate agrees to notify the City's HIPAA Privacy and Security Officers of such designation and the contact information of such officer(s):

Vanessa Burrows
HIPAA Privacy Officer
312-747-9698
hipaaprivacyofficer@cityofchicago.org

Arlan McMillan
HIPAA Security Officer
312-744-1345
hipaasecurityofficer@cityofchicago.org

4. Uses and Disclosures of PHI. Business Associate must not use or further disclose Protected Health Information ("PHI") other than as permitted or required by this Agreement, as necessary to perform the services in this Agreement, or as Required By Law.

- a. Business Associate will not sell PHI or use or disclose PHI for the purposes of marketing or fundraising.
- b. Business Associate shall not directly or indirectly receive financial remuneration in exchange for any PHI of an individual or in exchange for making communications regarding treatment or health care operations purposes, unless otherwise allowed in this Agreement.
- c. If Business Associate is authorized to use PHI to provide the City with de-identified information, Business Associate is not permitted to use or disclose the de-identified information for purposes other than those specified in the Agreement.
- d. Business Associate may use PHI to provide data aggregation services to the City, relating to the health care operations of the City.
- e. Business Associate may use and disclose PHI received by the Business Associate in its capacity as a Business Associate to the City, if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, as to any such disclosure, the following requirements are met:
 - i. The disclosure is required by law; or
 - ii. The Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been the subject of a Breach.
- f. Except as otherwise limited in this Agreement, Business Associate may use and disclose PHI obtained from or on behalf of the City to perform functions, activities, or services for, or on behalf of, the City as specified in the Agreement, provided that such use or disclosure would not violate HIPAA if done by the City.

5. Minimum Necessary. Business Associate shall use, disclose, or request only the minimum necessary PHI necessary to accomplish the intended purpose of the use, disclosure, or request. Business Associate represents that the PHI used, disclosed, or requested by Business Associate is the minimum necessary to carry out purposes of the Agreement. Prior to any use or disclosure, Business Associate shall determine whether a limited data set would be sufficient for these purposes.

6. Safeguards of PHI. Business Associate must use appropriate safeguards with respect to PHI that it creates, receives, maintains, or transmits on behalf of the City to prevent the use or disclosure of PHI other than as provided for in this Agreement. The safeguards must reasonably protect PHI from any intentional or unintentional use or disclosure in violation of HIPAA privacy regulations (45 CFR Part 164, subpart E) and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement. The safeguards must also reasonably and appropriately protect the confidentiality, integrity, and availability of PHI that Business Associate creates, receives, maintains, or transmits on the City's behalf as required by the HIPAA security regulations (45 CFR Part 164, subpart C). Where applicable, Business Associate must comply with the HIPAA security regulations (45 CFR Part 164, subpart C) with respect to electronic protected health information, to prevent the use or disclosure other than as provided for by this Agreement. Where feasible, PHI will not leave the City's facilities and will be accessed under the supervision of City employees.

7. Applicability of Business Associate Agreement to Subcontractors and Agents. Business Associate must ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits PHI on behalf of the Business Associate agrees to the same restrictions, conditions, and requirements that apply through this Agreement to Business Associate with respect to such information, by entering into a contract or other arrangement that complies with HIPAA. An agent or subcontractor of a Business Associate is not permitted to use or disclose PHI in a manner that would not be permissible if done by the Business Associate. Business Associate will ensure that its subcontractors and agents to which Business Associate is permitted by this Agreement or in writing by the City to disclose PHI agree to implement reasonable and appropriate safeguards to protect PHI. Business Associate will obtain reasonable assurances from any subcontractors and agents to which Business Associate discloses PHI that the subcontractor or agent will hold PHI in confidence and further use or disclose PHI only for the purpose for which Business Associate disclosed PHI to the subcontractor or agent or as Required By Law.

Business Associate will obtain reasonable assurances that any subcontractor or agent to which Business Associate discloses PHI will notify the Business Associate within 5 calendar days (who will, in turn, notify the City within 5 calendar days, as described below) of any instance in which the subcontractor or agent becomes aware of a Breach of unsecured PHI; possible Breach of unsecured PHI; any security incident of which it becomes aware, including: any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with agent or subcontractor's system operations of which agent/subcontractor becomes aware.

Agent/subcontractor is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on agent/subcontractor's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, agent/subcontractor may delay notification to Business Associate for the time period specified in HIPAA. Agent or subcontractor's report will include the information described in 45 CFR 164.404(c) and such other information as the Business Associate or the City may reasonably request.

8. Reporting of Breaches, Potential Breaches, and Security Incidents. Business Associate must report to the City any use or disclosure of the PHI not provided for by this Agreement of which it becomes aware, as well as any Breach of Unsecured PHI; potential Breach of unsecured PHI; any security incident of which it becomes aware; any attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI; or any attempted or successful interference with Business Associate's system operations of which Business Associate becomes aware.

Business Associate will make the report to the City's HIPAA Privacy and Security Officers not more than five (5) calendar days after Business Associate discovers such non-permitted use or disclosure, Breach, security incident, or other incident as described above. Business Associate shall provide any reports or notices required by HIPAA as a result of Business Associate's Breach. On behalf of the City, Business Associate will provide such reports or notices to any party or entity (including but not limited to media, Secretary, and individuals affected by the Breach) entitled by law to receive the reports or notices. Business Associate agrees to pay the costs associated with notifying individuals affected by the Breach, which may include, but are not limited to, paper, printing, and mailing costs.

Business Associate is not required to report the following types of unsuccessful security incidents: pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, or disclosure of PHI.

If a delay is requested by a law enforcement official in accordance with 45 CFR 164.412, Business Associate may delay notifying City for the time period specified in HIPAA. Business Associate's report will include the information described in 45 CFR 164.404(c) and such other information as the City may reasonably request.

9. Mitigation and Penalties. Business Associate must mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Breach or of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement. Business Associate shall take reasonable steps to put corrective measures in place to prevent future Breaches (such as retraining employees and upgrading security systems). At the City's request, Business Associate shall take reasonable steps to mitigate the harm to affected Individuals whose PHI has

been or may have been compromised as a result of a Breach by Business Associate, including obtaining credit monitoring services and offering identity theft insurance. To the extent that the City incurs civil or criminal monetary penalties as a result of a Breach by the Business Associate, the Business Associate agrees to reimburse the City for such penalties.

10. Designated Record Sets - Access. If the Business Associate has PHI in a Designated Record Set, then Business Associate must provide access to or otherwise make available, at the request of the City, and in the time and manner designated by the City, PHI in a Designated Record Set, to the City or, as directed by City, to an Individual in order to meet the requirements under 45 CFR 164.524.

11. Designated Record Sets – Amendments. If the Business Associate has PHI in a Designated Record Set, then Business Associate must make any amendments to PHI in a Designated Record Set that the City directs or agrees to pursuant to 45 CFR 164.526 at the request of City or an Individual, and in the time and manner designated by the City.

12. Internal Practices, Books, and Records. Business Associate must make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of, the City available to the Secretary for purposes of determining compliance with HIPAA. Business Associate also must make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, the City available to the City in a time and manner designated by the City, for purposes of the Secretary determining City's compliance with HIPAA.

13. Accounting of Disclosures - Documentation. Business Associate must document the disclosures of PHI and information relating to such disclosures as would be required for City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with HIPAA, specifically 45 CFR 164.528.

14. Accounting of Disclosures – Provision of Information. Business Associate must provide to City or an individual, in time and manner designated by City, information collected which relates to the disclosure of PHI, to permit City to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. If the Business Associate receives a request for accounting of disclosures directly from the individual, the Business Associate must respond to such request for an accounting of disclosures, provide the accounting of disclosures to the individual within the time required by 45 CFR 164.528, and provide the information regarding such request to the City, in the time and manner designated by the City.

15. Survival, Termination, and Return or Destruction of PHI. Upon termination of this Agreement for any reason, the Business Associate's obligations under these contractual obligations shall survive termination and remain in effect:

(a) until Business Associate has completed the return or destruction (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized

Individuals) of all of the PHI provided by City to Business Associate, or created or received by Business Associate on behalf of City, and
(b) to the extent that Business Associate retains any PHI.

Upon the expiration or termination of the underlying Agreement, if feasible, the Business Associate must either:

- (1) return all PHI received from the City, or created, maintained, or received by Business Associate on behalf of the City, which the Business Associate still maintains in any form, to the City or
- (2) destroy it, at the City's option (in accordance with the US Department of Health and Human Services' Guidance to Render Unsecured Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals).

This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

If Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If it is infeasible for Business Associate to obtain, from a subcontractor or agent any PHI in the possession of the subcontractor or agent, Business Associate shall require the subcontractors and agents to agree to extend any and all protections, limitations and restrictions contained in this Agreement to the subcontractors' and/or agents' use and/or disclosure of any PHI retained after the termination of this Agreement, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible.

In the event of a breach of the terms of these contractual obligations, the cure and remedies of the Agreement shall govern. HIPAA's privacy rule (45 CFR § 164.504(e)(2)) requires that the Business Associate will authorize termination of the contract by the City, if the City determines that the Business Associate has violated a material term of these contractual obligations.

16. Compliance with Obligations. To the extent the Business Associate is to carry out one or more of City's obligation(s) under Subpart E of 45 CFR Part 164, the Business Associate must comply with the requirements of Subpart E that apply to the City in the performance of such obligation(s). Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by the City.

17. No Third Party Rights. The terms and conditions of this Agreement are intended for the sole benefit of Business Associate and City and do not create any third party rights.

18. Governing Law. To the extent not preempted by federal law, the Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

Attachment 4
List of Key Personnel

Attachment 5
Special Conditions Regarding MBE/WBE Commitment



DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

REQUEST FOR FULL WAIVER

TO: Jamie L. Rhee, Chief Procurement Officer
FROM: Joseph Chan, Sr. Procurement Specialist
DATE: DEC 12 2013

User Department: Department of Innovation and Technology

Description of Services: Gotham Software License and Services

Contract Period: Five (5) years

Specification No. 122053

Contract No. 29527

Vendor: Palantir Technologies, Inc.

Contract Amount: \$300,000.00

Waiver Amount: 25.0% MBE = \$75,000.00

5.0% WBE = \$15,000.00

REASON(S) PURSUANT TO ORDINANCE AND REGULATIONS FOR APPROVAL:

On December 5, 2013, Department of Innovation and Technology (DoIT) submitted a requisition to negotiate a contract with Palantir Technologies, Inc., a Delaware corporation, to assist various City departments in the analysis of data to identify fraudulent business practice, tax stamp violation and problem business reporting for the City of Chicago.

Palantir is the sole provider of the Gotham software solution for DoIT. Palantir uses commercial off the shelf (COTS) proprietary software for data fusion and retains exclusive ownership of the Gotham software source code. No subcontractor can access or modify the Palantir source code or convert the proprietary data format and therefore not available to subcontracting participation. Palantir has made good faith effort to support the City's MBE/WBE requirement in reviewing its indirect suppliers for future orders as stated in their letter. Therefore, DoIT and Palantir request a full waiver of MBE and WBE commitments in the amount and percentages referenced above, as full participation on this contract is impracticable. See the Palantir waiver request letter dated 12/2/13 and the DoIT concurrence memorandum dated 12/5/13, copies attached.

() RECOMMEND:

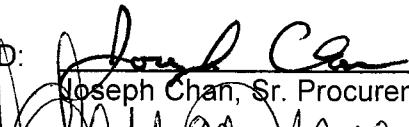
() NOT RECOMMEND:

() CONCUR:

() NOT CONCUR:

() APPROVE:

() DISAPPROVE:


Joseph Chan, Sr. Procurement Specialist

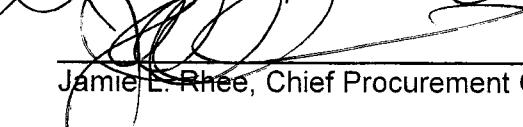
12/10/13

DATE


Monica Jimenez, Deputy Procurement Officer

12/12/13

DATE


Jamie L. Rhee, Chief Procurement Officer

12/12/13

DATE



DEPARTMENT OF INNOVATION AND TECHNOLOGY
CITY OF CHICAGO
MEMORANDUM

To: Jamie Rhee
Chief Procurement Officer
Department of Procurement Services

From: Brenna Berman
Chief Information Officer
Department of Innovation and Technology

Date: December 5, 2013

Subject: Requisition for Reference Agreement with Palantir Technologies Inc.
Requisition No. 87289
Specification No. 122053

bmb

DoIT requests DPS approval to enter into a referenced agreement with Palantir Technologies Inc. for software licensing.

Key aspects of this contract include:

- This contract leverages the U.S General Services Administration (GSA) prices list for Palantir software, referencing manufacturing part number PT-PG-000001 to ensure the most advantageous pricing. Discounts from the GSA pricelist have been negotiated for each term of the contract and are highlighted on the price list included in the contract
- Upon the advice of the City Department of Law, this contract also leverages the City's ability to do a reference contract based on a publically bid contract with another public entity, in this case the Army. As required, this contact reflects an extremely similar scope to the Army contract, better pricing than that contact and improved terms as well as all required City terms and conditions.
- Palantir is requesting a full waiver of minority and women business enterprise participation as this is a contract for proprietary software and the training related only to that specific software. There are no other firms in Chicago, or elsewhere, available to provide this very specific training. I support their application for a full waiver and ask for your concurrence to that request.
- This is a 5 year commodities contract that provides the City with the option to buy Palantir software at discounted rates. The contract does not require the City to exercise those options

at any point in time. They City has only allocated specific funding for options in 2013 and 2014, totaling \$800,000. We will assess out needs and available funding before exercising any additional options in later years.

The Palantir software will have applications in almost every service provided by the City and the contract has been written to provide flexibility for technical expansion during the term of the contract to any department, excepting CPD and OEMC, though 311 is included in this contract. We have specifically laid out plans for the adoption of Palantir in 2014 to ensure its successful adoption and realization of our investment. We will focus on completion of the DPS implementation and full training of targeted DPS staff. Additional implementation will address BACP and the detection and assessment of bad businesses across the City as well as a project with CDPH to target enforcement of the cigarette taxes. We have also defined a planning processes each year to define target use cases for each following year.

Included in this packet is a copy of the requisition, the referenced contract with the US Army, and the required project checklist. If additional information is required, please contact me at x4-9396 or Hema Sundaram at x2-6768 and Hema.Sundaram@cityofchicago.org.

Thank you for your consideration to this request.

attachments

cc: J. Chan/DPS
H. Sundaram/DoIT
J.Mims/DoIT



December 2, 2013

Brenna Berman
Commissioner & CIO
Office of the Chief Information Officer (CIO)

Dear Ms. Berman,

Palantir Technologies Inc. (Palantir) submits this letter to seek a full waiver from the MBE/WBE commitments as provided for in Section 2-92-450 of the Municipal Code of Chicago. By granting this relief, the City will safeguard its best interests due to the following reasons:

Need: The City's need for a data fusion platform is satisfied entirely by the purchase of Palantir Gotham commercial-off-the-shelf computer software licenses at a firm-fixed price. This procurement strategy comports with Palantir's standard industry practice of fielding a highly adaptive software solution to meet the scope of its federal, state, local, and commercial customers' data fusion needs.

Practicability/Industry Practices: Palantir is a commercial computer software publisher that develops, supports, and maintains the "Palantir Gotham" commercial-off-the-shelf software product. Palantir retains exclusive ownership of Palantir Gotham source code and the fixed-price of the Palantir Gotham software licenses being offered to the City of Chicago includes software maintenance, updates, upgrades and product support to meet customer requirements. Palantir is the only available seller of these Palantir Gotham licenses to the City of Chicago. Therefore the procurement of such software licenses from Palantir does not include any Commercially Useful Functions (as defined by the City of Chicago's procurement guidance) for which Palantir could solicit bids for subcontractor work to a MBE/WBE.

Time/Cost: Palantir has developed a singular commercial product at fixed price that meets the City's data fusion needs immediately. To attempt to develop a comparable product using the services of local computer software developers would require a period of years, vast expenditures, and substantial performance risk.

Based on the foregoing factors, we believe the City will safeguard its best interests by granting Palantir a full waiver from MBE/WBE commitments.

If, circumstances change, and if Palantir receives a future order under which a bona fide need offers an opportunity to partner with local businesses certified as MBE and/or WBE in accordance with Section 2-92-420, then Palantir commits to making good faith efforts to meet the City's MBE/WBE goals.

Please direct all questions to Brendan Cooney (650.815.2366; bcooney@palantir.com) and Peter Sorrentino (703.270.3049; psorrentino@palantir.com).

Regards,

A handwritten signature in black ink, appearing to read "Matt Long".

Matt Long
General Counsel



CITY OF CHICAGO
Department of Procurement Services
Jamie L. Rhee, Chief Procurement Officer
121 North LaSalle Street, Room 403
Chicago, Illinois 60602-1284
Fax: 312-744-3281

SPECIAL CONDITIONS FOR PROFESSIONAL SERVICES MBE & WBE

SPECIAL CONDITIONS REGARDING MINORITY BUSINESS ENTERPRISE COMMITMENT AND WOMEN BUSINESS ENTERPRISE COMMITMENT FOR MBE/WBE PROFESSIONAL SERVICES

I. POLICY AND TERMS

It is the policy of the City of Chicago that Local Businesses certified as Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) in accordance with Section 2-92-420 et seq. of the Municipal Code of Chicago and Regulations Governing Certification of Minority and Women-owned Businesses, and all other Regulations promulgated under the aforementioned sections of the Municipal Code, as well as MBEs and WBEs certified by Cook County, Illinois, shall have full and fair opportunities to participate fully in the performance of this agreement. Therefore, the contractor shall not discriminate against any person or business on the basis of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, and shall take affirmative action to ensure that MBEs and WBEs shall have full and fair opportunities to compete for and perform subcontracts for supplies or services.

Pursuant to Section 2-92-430 of the Municipal Code of Chicago, the Chief Procurement Officer has established a goal of awarding not less than 25% of the annual dollar value of all non-construction contracts to certified MBEs and 5% of the annual dollar value of all non-construction contracts to certified WBEs.

Accordingly, the Contractor commits to make Good Faith Efforts to expend at least the following percentages of the total contract price (inclusive of any and all modifications and amendments), if awarded, for contract participation by MBEs and WBEs:

MBE Contract Goal: 25%
WBE Contract Goal: 5%

The commitment is met by the contractor's status as an MBE or WBE, or by a joint venture with one or more certified MBEs or WBEs that will perform work on the project, or by subcontracting a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the performance of the contract from one or more MBEs or WBEs, or by the indirect participation of MBEs or WBEs in other aspects of the contractor's business (but no dollar of such indirect MBE or WBE participation shall be credited more than once against a contractor's MBE or WBE commitment with respect to all government contracts of such contractor), or by any combination of the foregoing.

Note: MBE/WBE participation goals are separate and those businesses certified with the City of Chicago as both MBE and WBE may only be listed on a bidder's compliance plan as either a MBE or a WBE, but not both to demonstrate compliance with the contract goals.

As noted above, the contractor may meet all or part of this commitment by contracting with MBEs or WBEs for the provision of goods or services not directly related to the performance of this contract. However, in determining the manner of MBE/WBE participation, the contractor shall first consider involvement of MBEs/WBEs as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract. In appropriate cases, the Chief Procurement Officer will require the contractor to demonstrate the specific efforts undertaken to involve MBEs and WBEs in direct participation in the performance of this contract.

The contractor also may with prior approval of the Chief Procurement Officer or designee, meet all, or part, of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in private sector projects.

II. DEFINITIONS

- a. "Area of Specialty" means the description of a MBEs or WBE firm's business which has been determined by the Chief Procurement Officer to be most reflective of the MBE or WBE firm's claimed specialty or expertise. Each MBE and WBE letter of certification contains a description of the firm's Area of Specialty. This information is also contained in the Directory (defined below). Credit towards this Contract's MBE and WBE participation goals shall be limited to the participation of firms performing within their Area of Specialty.

NOTICE: The City of Chicago does not make any representation concerning the ability of any MBE/WBE to perform work within their Area of Specialty. It is the responsibility of all contractors to determine the capability and capacity of MBEs/WBEs to satisfactorily perform the work proposed.

- b. "B.E.P.D." means an entity certified as a Business enterprise owned or operated by people with disabilities as defined in MCC 2-92-586.
- c. "Bid" means a bid, proposal, or submittal detailing a description of the services or work to be provided by the contractor in response to a bid solicitation, request for proposal, request for qualification of task order request (issued in accordance with the Master Consulting Agreement) that issued by the City.
- d. "Bidder" means any person or business entity that submits a bid, proposal, qualification or submittal that seeks to enter into a contract with the City, and includes all partners, affiliates and joint ventures of such person or entity.
- e. "Broker" means a person or entity that fills orders by purchasing or receiving supplies from a third party supplier rather than out of its own existing inventory and provides no commercially useful function other than acting as a conduit between his or her supplier and his or her customer.

- f. "Chief Procurement Officer" or "CPO" means the Chief Procurement Officer of the City of Chicago or his or her designee.
- g. "Commercially Useful Function" means responsibility for the execution of a distinct element of the work of the contract, which is carried out by actually performing, managing, and supervising the work involved, evidencing the responsibilities and risks of a business owner such as negotiating the terms of (sub)contracts, taking on a financial risk commensurate with the contract or its subcontract, responsibility for acquiring the appropriate lines of credit and/or loans, or fulfilling responsibilities as a joint venture partner as described in the joint venture agreement.
- h. "Contract Specific Goals" means the subcontracting goals for MBE and WBE participation established for a particular contract.
- i. "Contractor" means any person or business entity that has entered into a contract with the City as described herein, and includes all partners, affiliates, and joint ventures of such person or entity.
- j. "Direct Participation" the total value of payments made to MBE or WBE firms for work that is completed in their Area of Specialty directly related to the performance of the subject matter of the Contract will count as Direct Participation toward the Contract Specific Goals.
- k. "Directory" means the Directory of Certified "Minority Business Enterprises" and "Women Business Enterprises" maintained and published by the City of Chicago. The Directory identifies firms that have been certified as MBEs and WBEs, and includes both the date of their last certification and the area of specialty in which they have been certified. Contractors are responsible for verifying the current certification status of all proposed MBE, and WBE firms.
- l. "Good Faith Efforts" means actions undertaken by a bidder or contractor to achieve a Contract Specific Goal that the CPO or his or her designee has determined, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program's requirements.
- m. "Indirect Participation" refers to the value of payments made to MBE or WBE firms for work that is done in their Area of Specialty related to other aspects of the Contractor's business. (Note: no dollar of such indirect MBE or WBE participation shall be credited more than once against a contractor's MBE or WBE commitment with respect to all government contracts held by that contractor.)
- n. "Joint venture" means an association of a MBE or WBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which each joint venture partner contributes property, capital, efforts, skills and knowledge, and in which the MBE or WBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest.
- o. "Minority Business Enterprise" or "MBE" means a firm awarded certification as a minority owned and controlled business in accordance with City Ordinances and

Regulations as well as a firm awarded certification as a minority owned and controlled business by Cook County, Illinois.

- p. "Municipal Code of Chicago" or "MCC" means the Municipal Code of the City of Chicago.
- q. "Supplier" or "Distributor" refers to a company that owns, operates, or maintains a store, warehouse or other establishment in which materials, supplies, articles or equipment are bought, kept in stock and regularly sold or leased to the public in the usual course of business. A regular distributor or supplier is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials or supplies required for performance of the Contract are bought, kept in stock, and regularly sold to the public in the usual course of business. To be a regular distributor the firm must engage in, as its principal business and in its own name, the purchase, and sale of the products in question. A regular distributor in such bulk items as steel, cement, gravel, stone, and petroleum products need not keep such products in stock if it owns or operates distribution equipment.
- r. "Women Business Enterprise" or "WBE" means a firm awarded certification as a women owned and controlled business in accordance with City Ordinances and Regulations as well as a firm awarded certification as a women owned business by Cook County, Illinois.

III. Joint Ventures

The formation of joint ventures to provide MBEs and WBEs with capacity and experience at the prime contracting level, and thereby meet the contract's MBE/WBE participation goals (in whole or in part) is encouraged. A joint venture may consist of any combination of MBEs, WBEs, and non-certified firms as long as one member is an MBE or WBE.

- A. The joint venture may be eligible for credit towards the contract's MBE/WBE participation goals only if:
 - 1. The MBE or WBE joint venture partner's share in the capital contribution, control, management, risks and profits of the joint venture is equal to its ownership interest;
 - 2. The MBE or WBE joint venture partner is responsible for a distinct, clearly defined portion of the requirements of the contract for which it is at risk;
 - 3. Each joint venture partner executes the bid to the City; and
 - 4. The joint venture partners have entered into a written agreement specifying the terms and conditions of the relationship between the partners and their relationship and responsibilities to the contract, and all such terms and conditions are in accordance with the conditions set forth in Items 1, 2, and 3 above in this Paragraph A.
- B. The Chief Procurement Officer shall evaluate the proposed joint venture agreement,

the Schedule B submitted on behalf of the proposed joint venture, and all related documents to determine whether these requirements have been satisfied. The Chief Procurement Officer shall also consider the record of the joint venture partners on other City of Chicago contracts. The decision of the Chief Procurement Officer regarding the eligibility of the joint venture for credit towards meeting the contract's MBE/WBE participation goals, and the portion of those goals met by the joint venture, shall be final.

The joint venture may receive MBE or WBE credit for work performed by the MBE or WBE joint venture partner(s) equal to the value of work performed by the MBE or WBE with its own forces for a distinct, clearly defined portion of the work.

Additionally, if employees of the joint venture entity itself (as opposed to employees of the MBE or WBE partner) perform the work then the value of the work may be counted toward the contract's MBE/WBE participation goals at a rate equal to the MBE or WBE firm's percentage of participation in the joint venture as described in Schedule B.

The Chief Procurement Officer may also count the dollar value of work subcontracted to other MBEs and WBEs. Work performed by the forces of a non-certified joint venture partner shall not be counted toward the contract's MBE/WBE participation goals.

C. Schedule B: MBE/WBE Affidavit of Joint Venture

Where the bidder's Compliance Plan includes the participation of any MBE or WBE as a joint venture partner, the bidder must submit with its proposal a Schedule B and the proposed joint venture agreement. These documents must both clearly evidence that the MBE or WBE joint venture partner(s) will be responsible for a clearly defined portion of the work to be performed, and that the MBE's or WBE's responsibilities and risks are proportionate to its ownership percentage. The proposed joint venture agreement must include specific details related to:

1. The parties' contributions of capital, personnel, and equipment and share of the costs of insurance and bonding;
2. Work items to be performed by the MBE's or WBE's own forces and/or work to be performed by employees of the newly formed joint venture entity;
3. Work items to be performed under the supervision of the MBE or WBE joint venture partner; and
4. The MBE's or WBE's commitment of management, supervisory, and operative personnel to the performance of the contract.

Notice: Vague, general descriptions of the responsibilities of the MBE or WBE joint venture partner do not provide any basis for awarding credit. For example, descriptions such as "participate in the budgeting process," "assist with hiring," or "work with managers to improve customer service" do not identify distinct, clearly defined portions of the work. Roles assigned should require activities that are performed on a regular,

recurring basis rather than as needed. The roles must also be pertinent to the nature of the business for which credit is being sought. For instance, if the scope of work required by the City entails the delivery of goods or services to various sites in the City, stating that the MBE or WBE joint venture partner will be responsible for the performance of all routine maintenance and all repairs required to the vehicles used to deliver such goods or services is pertinent to the nature of the business for which credit is being sought.

Notice: The City requires that, whenever a joint venture is proposed as the prime Contractor, each joint venture partner must separately sign the proposal to the City, in the pages captioned TO BE EXECUTED BY A CORPORATION; TO BE EXECUTED BY A PARTNERSHIP; and/or TO BE EXECUTED BY A SOLE PROPRIETOR, as applicable.

IV. COUNTING MBE/WBE PARTICIPATION TOWARD THE CONTRACT GOALS

Refer to this section when preparing the MBE/WBE compliance plan and completing Schedule D-1 for guidance on what value of the participation by MBEs and WBEs will be counted toward the stated Contract Specific Goals. The "Percent Amount of Participation" depends on whether and with whom a MBE or WBE subcontracts out any portion of its work and other factors.

Firms that are certified as both MBE and WBE may only be listed on a bidder's compliance plan as either a MBE or a WBE to demonstrate compliance with the Contract Specific Goals. For example, a firm certified as both a MBE and a WBE may only listed on the bidder's compliance plan under one of the categories, but not both. **Only payments made to MBE and WBE firms that meet BOTH the Commercially Useful Function and Area of Specialty requirements above will be counted toward the Contract Specific Goals.**

- A. Only expenditures to firms that perform a **Commercially Useful Function** as defined above may count toward the Contract Specific Goals.
 1. The CPO will determine whether a firm is performing a commercially useful function by evaluating the amount of work subcontracted, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing and the credit claimed for its performance of the work, industry practices, and other relevant factors.
 2. A MBE or WBE does not perform a commercially useful function if its participation is only required to receive payments in order to obtain the appearance of MBE or WBE participation. The CPO may examine similar commercial transactions, particularly those in which MBEs or WBEs do not participate, to determine whether non MBE and non WBE firms perform the same function in the marketplace to make a determination.
- B. Only the value of the dollars paid to the MBE or WBE firm for work that it performs in its **Area of Specialty** in which it is certified counts toward the Contract Specific Goals.
- C. If the MBE or WBE performs the work itself:
 1. 100% of the value of work actually performed by the MBE's or WBE's own forces shall be counted toward the Contract Specific Goals, including the cost of supplies and materials purchased or equipment leased by the MBE or WBE from

third parties or second tier subcontractors in order to perform its (sub)contract with its own forces (except supplies and equipment the MBE or WBE subcontractor purchases or leases from the prime contractor or its affiliate). **0% of the value of work at the project site that a MBE or WBE subcontracts to a non-certified firm counts toward the Contract Specific Goals**

D. If the MBE or WBE is a manufacturer:

1. 100% of expenditures to a MBE or WBE manufacturer for items needed for the Contract shall be counted toward the Contract Specific Goals. A manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises the materials or supplies obtained by the bidder or contractor.

E. If the MBE or WBE is a distributor or supplier:

1. 60% of expenditures for materials and supplies purchased from a MBE or WBE that is certified as a regular dealer or supplier shall be counted toward the Contract Specific Goals.

F. If the MBE or WBE is a broker:

1. 0% of expenditures paid to brokers will be counted toward the Contract Specific Goals.
2. As defined above, Brokers provide no commercially useful function.

G. If the MBE or WBE is a member of the joint venture contractor/bidder:

1. A joint venture may count the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the MBE or WBE performs with its own forces toward the Contract Specific Goals; or
2. If employees of this distinct joint venture entity perform the work then the value of the work may be counted toward the Contract Specific Goals at a rate equal to the MBE or WBE firm's percentage of participation in the joint venture as described in Schedule B.
3. A joint venture may also count the dollar value of work subcontracted to other MBEs and WBEs, however, work subcontracted out to non-certified firms may not be counted.

H. If the MBE or WBE subcontracts out any of its work:

1. 100% of the value of the work subcontracted to other MBEs or WBEs performing work in its Area of Specialty may be counted toward the Contract Specific Goals.
2. 0% of the value of work that a MBE or WBE subcontracts to a non-certified firm counts toward the Contract Specific Goals (except as allowed by C.1. above).
3. The fees or commissions charged for providing a *bona fide* service, such as professional, technical, consulting or managerial services or for providing bonds or insurance and assistance in the procurement of essential personnel, facilities, equipment, materials or supplies required for performance of the Contract, may be counted toward the Contract Specific Goals, provided that the fee or commission is determined by the Chief Procurement Officer to be reasonable and not excessive as compared with fees customarily allowed for similar services.
4. The fees charged for delivery of materials and supplies required on a job site (but not the cost of the materials and supplies themselves) when the hauler, trucker, or delivery service is not also the manufacturer of or a regular dealer in the materials and supplies, provided that the fee is determined by the Chief

- Procurement Officer to be reasonable and not excessive as compared with fees customarily allowed for similar services.
5. The fees or commissions charged for providing any bonds or insurance, but not the cost of the premium itself, specifically required for the performance of the Contract, provided that the fee or commission is determined by the Chief Procurement Officer to be reasonable and not excessive as compared with fees customarily allowed for similar services.

V. REGULATIONS GOVERNING REDUCTIONS TO OR WAIVER OF MBE/WBE GOALS

The following Regulations set forth the standards to be used in determining whether or not a reduction or waivers of the MBE/WBE commitment goals of a particular contract are appropriate. If a bidder determines that it is unable to meet the MBE and/or WBE goal percentage on a City of Chicago contract, a written request for the reduction or waiver of the commitment must be included in the bid or proposal.

The written request for reduction or waiver from the commitment must be in the form of a signed petition for grant of relief from the MBE/WBE percentages submitted on the bidder's letterhead, and must demonstrate that all required efforts as set forth in this document were taken to secure eligible Minority and Women Business Enterprises to meet the commitments. The Chief Procurement Officer or designee shall determine whether the request for the reduction or waiver will be granted.

All bidders will be considered responsive to the terms and conditions of these Regulations if, at the time of bid, it submits a waiver request and all supporting documentation that adequately addresses the conditions for waiver of MBE/WBE goals, including proof of notification to assist agencies except:

- 1) Bidders responding to Request for Proposals (RFPs) who have been identified as a sort listed candidate and/or a prospective awardee will be given a designated time allowance, but no more than fourteen (14) calendar days to submit to the Department of Procurement Services complete documentation that adequately addresses the conditions for waiver described herein; and
- 2) Bidders responding to Request for Information and or Qualifications (RFI/RFQs) deemed by the Chief Procurement Officer or authorized designee to be the most responsive and responsible shall submit documentation that adequately addresses the conditions for waiver described herein during negotiations.

Failure to submit documentation sufficient to support the waiver request will cause the bid/proposal to be found non-responsive by the Chief Procurement Officer, and the bid/proposal will be rejected. In such cases the remedies to be taken by the Chief Procurement Officer, in his or her discretion, may include, but are not limited to, forfeiture of bid deposit; negotiating with the next lowest bidder; or re-advertising the bid/proposal. All bidders must submit all required documents at the time of bid opening to expedite the contract award.

A. Direct/Indirect Participation

Each of the following elements must be present in order to determine whether or not such a reduction or waiver is appropriate.

1. The bidder has documented the unsuccessful solicitation for either

subcontractors or joint venture partners of at least 50% (or at least five when there are more than eleven certified firms in the commodity area) of the appropriate certified MBE/WBE firms to perform any direct or indirect work identified or related to the advertised bid/proposal.. Documentation must include but is not necessarily limited to:

- a. A detailed statement of efforts to identify and select portions of work identified in the bid solicitation for subcontracting to MBEs and WBEs;
- b. A listing of all MBEs and WBEs contacted for the bid solicitation that includes:
 - i. Name, address, email and telephone number of MBE/WBE firms solicited;
 - ii. Date and time of contact;
 - iii. Person contacted;
 - iv. Method of contact (letter, telephone call, facsimile, email, etc.).
- c. Copies of letters or any other evidence of mailing that substantiates outreach to MBE/WBE vendors that includes:
 - i. Project identification and location;
 - ii. Classification/commodity of work items for which quotations were sought;
 - iii. Date, item, and location for acceptance of subcontractor bids;
 - iv. Detailed statements summarizing direct negotiations with appropriate MBEs and WBEs for specific portions of the work and indicating why negotiations were not successful;
 - v. Affirmation that Good Faith Efforts have been demonstrated by: choosing subcontracting opportunities likely to achieve MBE/WBE goals; not imposing any limiting conditions which were not mandatory for all subcontractors; providing notice of subcontracting opportunities to M/WBE firms and assist agencies at least five (5) business days in advance of the initial bid due date.

OR

2. Subcontractor participation will be deemed excessively costly when the MBE/WBE subcontractor proposal exceeds the average price quoted by more than twenty percent (20%). In order to establish that a subcontractor's quote is excessively costly, the bidder must provide the following information:
 - a. A detailed statement of the work identified for MBE/WBE participation for which the bidder asserts the MBE/WBE quote(s) were excessively costly (in excess of 20% higher).
 - b. A listing of all potential subcontractors contacted for a quotation on that work item;
 - c. Prices quoted for the subcontract in question by all such potential subcontractors for that work item.
3. Other documentation that demonstrates to the satisfaction of the Chief Procurement Officer that the MBE/WBE proposals are excessively costly, even though not in excess of 20% higher than the average price quoted. This determination will be based on factors that include, but are not limited to the

following:

- a. The City's estimate for the work under a specific subcontract;
- b. The bidder's own estimate for the work under the subcontract;
- c. An average of the bona fide prices quoted for the subcontract;
- d. Demonstrated increase in other contract costs as a result of subcontracting to the M/WBE or other firm.

B. Assist Agency Participation

Every waiver and/or reduction request must include evidence that the bidder/contractor has provided timely notice of the need for subcontractors to an appropriate association/assist agency representative of the MBE/WBE business community shown in Attachment A. This notice must be given at least five (5) business days in advance of the initial bid due date.

The notice requirement of this Section will be satisfied if a bidder contacts at least one of the associations on Attachment A when the prime contractor seeks a waiver or reduction in the utilization goals. Attachment B provides the letter format that a prime contractor may use. Proof of notification prior to bid submittal (e.g. certified mail receipt or facsimile transmittal receipt) will be required for any bid/proposal submitted to be deemed responsive on the date of bid opening. If deemed appropriate, the Contract Compliance Officer may contact the assist agency for verification of notification.

C. Impracticability

1. If the Chief Procurement Officer determines that a lesser MBE and/or WBE percentage standard is appropriate with respect to a particular contract subject to competitive bidding prior to the bid solicitations for such contract, bid specifications shall include a statement of such revised standard.
2. The requirements set forth in these Regulations shall not apply where the Chief Procurement Officer determines prior to the bid solicitations that MBE/WBE subcontractor participation is impracticable.

This may occur whenever the Chief Procurement Officer determines that for reasons of time, need, industry practices, or standards not previously known by the Chief Procurement Officer, or such other extreme circumstances as may be deemed appropriate, such a Waiver is in the best interests of the City. This determination may be made in connection with a particular contract, whether before the contract is let for bid, during the bid or award process, before or during negotiation of the contract, or during the performance of the contract.

For all notifications required to be made by bidders in situations where the Chief Procurement Officer has determined that time is of the essence, documented telephone contact may be substituted for letter contact.

VI. PROCEDURE TO DETERMINE BID COMPLIANCE

A bid may be rejected as non-responsive if it fails to submit one or more of the following with its bid demonstrating its Good Faith Efforts to meet the Contract Specific Goals by reaching out to MBEs and WBEs to perform work on the contract: 1) An MBE/WBE

compliance plan demonstrating how the bidder plans to meet the Contract Specific Goals; and/or 2) a request for reduction or waiver of the Contract Specific Goals in accordance with Section 2-92-450 of the MCC.

Only compliance plans utilizing MBE and WBE firms that meet BOTH the Commercially Useful Function and Area of Specialty requirements will be counted toward the Contract Specific Goals.

The following Schedules and described documents constitute the bidder's MBE/WBE proposal, and must be submitted in accordance with the guidelines stated:

A. Schedule C-1: Letter of Intent from MBE/WBE to Perform as Subcontractor, Supplier, and/or Consultant

The bidder must submit the appropriate Schedule C-1 with the bid for each MBE and WBE included on the Schedule D-1. Suppliers must submit the Schedule C-1 for Suppliers, first tier subcontractors must submit a Schedule C-1 for Subcontractors to the Prime Contractor, and second or lower tier subcontractors must submit a Schedule C-1 for second tier Subcontractors. The City encourages subcontractors to utilize the electronic fillable format Schedule C-1, which is available at the Department of Procurement Services website, <http://cityofchicago.org/forms>. Each Schedule C-1 must accurately detail the work to be performed by the MBE or WBE and the agreed upon rates/prices. Each Schedule C-1 must also include a separate sheet as an attachment on which the MBE or WBE fully describes its proposed scope of work, including a description of the commercially useful function being performed by the MBE or WBE in its Area of Specialty. If a facsimile copy of the Schedule C has been submitted with the bid, an executed original Schedule C must be submitted by the bidder for each MBE and WBE included on the Schedule D-1 within five (5) business days after the date of the bid opening.

Failure to submit a completed Schedule C-1 in accordance with this section shall entitle the City to deem the bid/proposal non-responsive and therefore reject the bid/proposal.

B. Letters of Certification.

A copy of each proposed MBE/WBE firm's current Letter of Certification from the City of Chicago or Cook County, Illinois, must be submitted with the bid/proposal. All Letters of Certification issued by the City of Chicago and Cook County include a statement of the MBE/WBE firm's Area of Specialty. The MBE/WBE firm's scope of work, as detailed by their Schedule C-1, must conform to their stated Area of Specialty.

C. Joint Venture Agreements.

If the bidder's MBE/WBE proposal includes the participation of an MBE/WBE as joint venture on any tier (either as the bidder/contractor or as a subcontractor), the bidder must provide a copy of the joint venture agreement and a Schedule B along with all other requirements listed in Section III above. In order to demonstrate the MBE/WBE partner's share in the ownership, control, management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) contributions of capital and equipment; (2) work responsibilities or other performance to be undertaken by the MBE/WBE; and (3) the commitment of

management, supervisory and operative personnel employed by the MBE/WBE to be dedicated to the performance of the contract. The joint venture agreement must also clearly define each partner's authority to contractually obligate the joint venture and each partner's authority to expend joint venture funds (e.g., check signing authority).

D. Schedule D-1: Affidavit of MBE/WBE Goal Implementation Plan

Bidders must submit, together with the bid, a completed Schedule D-1 committing them to the utilization of each listed MBE/WBE firm. The City encourages bidders to utilize the electronic fillable format Schedule D-1, which is available at the Department of Procurement Services website, <http://cityofchicago.org/forms>. Except in cases where the bidder has submitted a request for a complete waiver of or variance from the MBE/WBE commitment in accordance with Section V herein, the bidder must commit to the expenditure of a specific dollar amount of participation by each MBE/WBE firm included on their Schedule D-1. The total dollar commitment to proposed MBEs must at least equal the MBE goal, and the total dollar commitment to proposed WBEs must at least equal the WBE goal. Bidders are responsible for calculating the dollar equivalent of the MBE and WBE goals as percentages of their total base bids or in the case of Term Agreements, depends upon requirements agreements and blanket agreements, as percentages of the total estimated usage. All commitments made by the bidder's Schedule D-1 must conform to those presented in the submitted Schedule C-1. If Schedule C-1 is submitted after the opening, the bidder may submit a revised Schedule D-1 (executed and notarized to conform with the Schedules C-1). Bidders shall not be permitted to add MBEs or WBEs after bid opening to meet the Contract Specific Goals, however, contractors are encouraged to add additional MBE/WBE vendors to their approved compliance plan during the performance of the contract when additional opportunities for participation are identified. Except in cases where substantial and documented justification is provided, bidders will not be allowed to reduce the dollar commitment made to any MBE or WBE in order to achieve conformity between the Schedules C-1 and D-1.

All commitments for joint venture agreements must be delineated in the Schedule B.

VII. REPORTING REQUIREMENTS DURING THE TERM OF THE CONTRACT

- A. The Contractor will, not later than thirty (30) calendar days from the award of a contract by the City, execute formal contracts or purchase orders with the MBEs and WBEs included in their approved MBE/WBE Utilization Plan. These written agreements will be made available to the Chief Procurement Officer upon request.
- B. The contractor will be responsible for reporting payments to all subcontractors on a monthly basis in the form of an electronic audit. Upon the first payment issued by the City of Chicago to the contractor for services performed, on the first day of each month and every month thereafter, email and or fax audit notifications will be sent out to the contractor with instructions to report payments that have been made in the prior month to each subcontractor. The reporting of payments to all subcontractors must be entered into the Certification and Compliance Monitoring System (C2), or whatever reporting system is currently in place, on or before the fifteenth (15th) day of each month.
- C. Once the prime contractor has reported payments made to each MBE and WBE, including zero dollar amount payments, the MBE and WBE will receive an email and or

fax notification requesting them to log into the system and confirm payments received. All monthly confirmations must be reported on or before the 20th day of each month. Contractor and subcontractor reporting to the C2 system must be completed by the 25th of each month or payments may be withheld.

- D. All subcontract agreements between the contractor and MBE/WBE firms or any first tier non-certified firm and lower tier MBE/WBE firms must contain language requiring the MBE/WBE to respond to email and/or fax notifications from the City of Chicago requiring them to report payments received for the prime or the non-certified firm.

Access to the Certification and Compliance Monitoring System (C2), which is a web based reporting system, can be found at: <https://chicago.mwdbe.com>

- E. The Chief Procurement Officer or any party designated by the Chief Procurement Officer, shall have access to the contractor's books and records, including without limitation payroll records, tax returns and records and books of account, to determine the contractor's compliance with its commitment to MBE and WBE participation and the status of any MBE or WBE performing any portion of the contract. This provision shall be in addition to, and not a substitute for, any other provision allowing inspection of the contractor's records by any officer or official of the City for any purpose.
- F. The contractor shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs, retaining these records for a period of at least five years after final acceptance of the work. Full access to these records shall be granted to City, federal or state authorities or other authorized persons.

VIII. CHANGES TO COMPLIANCE PLAN

- A. No changes to the Compliance Plan or contractual MBE and WBE commitments or substitution of MBE or WBE subcontractors may be made without the prior written approval of the Contract Compliance Officer. Unauthorized changes or substitutions, including performing the work designated for a subcontractor with the contractor's own forces, shall be a violation of these Special Conditions and a breach of the contract with the City, and may cause termination of the executed Contract for breach, and/or subject the bidder or contractor to contract remedies or other sanctions. The facts supporting the request for changes must not have been known nor reasonably could have been known by the parties prior to entering into the subcontract. Bid shopping is prohibited. The bidder or contractor must negotiate with the subcontractor to resolve the problem. If requested by either party, the Department of Procurement Services shall facilitate such a meeting. Where there has been a mistake or disagreement about the scope of work, the MBE or WBE can be substituted only where an agreement cannot be reached for a reasonable price for the correct scope of work.
- B. Substitutions of a MBE or WBE subcontractor shall be permitted only on the following basis:
1. Unavailability after receipt of reasonable notice to proceed;
 2. Failure of performance;
 3. Financial incapacity;
 4. Refusal by the subcontractor to honor the bid or proposal price or scope;
 5. Mistake of fact or law about the elements of the scope of work of a solicitation where

- a reasonable price cannot be agreed;
 - 6. Failure of the subcontractor to meet insurance, licensing, or bonding requirements;
 - 7. The subcontractor's withdrawal of its bid or proposal;
 - 8. Subcontractor provided false information; or
 - 9. De-certification the subcontractor as a MBE or WBE (graduation from the MBE/WBE program does not constitute de-certification).
- C. If it becomes necessary to substitute a MBE or WBE or otherwise change the Compliance Plan, the procedure will be as follows:
- 1. The bidder or contractor must notify the Contract Compliance Officer and Chief Procurement Officer in writing of the request to substitute a MBE or WBE or otherwise change the Compliance Plan. The request must state specific reasons for the substitution or change. A letter from the MBE or WBE to be substituted or affected by the change stating that it cannot perform on the contract or that it agrees with the change in its scope of work must be submitted with the request.
 - 2. The City will approve or deny a request for substitution or other change within 15 business days of receipt of the written request.
 - 3. Where the bidder or contractor has established the basis for the substitution to the satisfaction of the Chief Procurement Officer, it must make Good Faith Efforts to meet the Contract Specific Goal by substituting a MBE or WBE subcontractor. Documentation of a replacement MBE or WBE, or of Good Faith Efforts, must meet the requirements in section V. If the MBE or WBE Contract Specific Goal cannot be reached and Good Faith Efforts have been made, as determined by the Chief Procurement Officer, the bidder or contractor may substitute with a non-MBE or non-WBE.
 - 4. If a bidder or contractor plans to hire a subcontractor for any scope of work that was not previously disclosed in the Compliance Plan, the bidder or contractor must obtain the approval of the Chief Procurement Officer to modify the Compliance Plan and must make Good Faith Efforts to ensure that MBEs or WBEs have a fair opportunity to bid on the new scope of work.
 - 5. A new subcontract must be executed and submitted to the Contract Compliance Officer within five business days of the bidder's or contractor's receipt of City approval for the substitution or other change.
- D. The City shall not be required to approve extra payment for escalated costs incurred by the contractor when a substitution of subcontractors becomes necessary to comply with MBE/WBE contract requirements.

IX. NON-COMPLIANCE AND DAMAGES

- A. Without limitation, the following shall constitute a material breach of this contract and entitle the City to declare a default, terminate the contract, and exercise those remedies provided for in the contract at law or in equity: (1) failure to demonstrate good faith efforts to comply with MBE or WBE participation requirements; and (2) disqualification as a MBE or WBE of the contractor or any joint venture partner, subcontractor or supplier if its status as an MBE or WBE was a factor in the award of the contract and such status was misrepresented by the contractor.
- B. Payments due to the contractor may be withheld until corrective action is taken.

- C. Pursuant to 2-92-445, remedies or sanctions may include a penalty in the amount of the discrepancy between the amount of the MBE/WBE participation commitment and the achieved amount of MBE/WBE participation, disqualification from contracting or subcontracting on additional City contracts for up to three years. The consequences provided herein shall be in addition to any other criminal or civil liability to which such entities may be subject.
- D. The contractor shall have the right to protest the determination of non-compliance and the imposition of any penalty by the Chief Procurement Officer pursuant to 2-92-445 of the Municipal Code of the City of Chicago, within 15 business days of the determination.

X. Arbitration

- A. In the event a contractor has not complied with the contractual MBE/WBE percentages in its Schedule D, underutilization of MBEs/WBEs shall entitle the affected MBE/WBE to recover from the contractor damages suffered by such entity as a result of being underutilized; provided, however, that this provision shall not apply to the extent such underutilization occurs pursuant to a waiver or substitution approved by the City. The Ordinance and contracts subject thereto provide that any disputes between the contractor and such affected MBEs/WBEs regarding damages shall be resolved by binding arbitration before an independent arbitrator other than the City, with reasonable expenses, including attorney's fees, being recoverable by a prevailing MBE/WBE in accordance with these regulations. This provision is intended for the benefit of any MBE/WBE affected by underutilization and grants such entity specific third party beneficiary rights. Any rights conferred by this regulation are non-waivable and take precedence over any agreement to the contrary, including but not limited to those contained in a subcontract, suborder, or communicated orally between a contractor and a MBE/WBE.
- B. An MBE/WBE desiring to arbitrate shall contact the contractor in writing to initiate the arbitral process. Except as otherwise agreed to in writing by the affected parties subject to the limitation contained in the last sentence of the previous paragraph, within ten (10) calendar days of the contractor receiving notification of the intent to arbitrate from the MBE/WBE the above-described disputes shall be arbitrated in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), a not-for-profit agency, with an office at 225 North Michigan Avenue, Suite 2527, Chicago, Illinois 60601-7601 [Phone: (312) 616-6560; Fax: (312) 819-0404]. All such arbitrations shall be initiated by the MBE/WBE filing a demand for arbitration with the AAA; shall be conducted by the AAA; and held in Chicago, Illinois.
- C. All arbitration fees are to be paid *pro rata* by the parties, however, that the arbitrator is authorized to award reasonable expenses, including attorney's and arbitrator fees, as damages to a prevailing MBE/WBE.
- D. The MBE/WBE must send the City a copy of the Demand for Arbitration within ten (10) calendar days after it is filed with the AAA. The MBE/WBE also must send the City a copy of the decision of the arbitrator within ten (10) calendar days of receiving such decision. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

XI. Equal Employment Opportunity

Compliance with MBE and WBE requirements will not diminish or supplant equal employment opportunity and civil rights provisions as required by law related to bidder or contractor and subcontractor obligations.

CITY OF CHICAGO
Department of Procurement Services
Assist Agencies

Alliance of Business Leaders & Entrepreneurs (ABLE)
150 N. Michigan Ave. Suite 2800
Chicago, IL 60601
Phone: (312) 624-7733
Fax: (312) 624-7734
Web: www.ablechicago.com

Alliance of Minority and Female Contractors
c/o Federation of Women Contractors
5650 S. Archer Avenue
Chicago, IL 60638
Phone: (312) 360-1122
Fax: (312) 360-0239

American Brotherhood of Contractors Business Development Center
11509 S. Elizabeth
Chicago, IL 60643
Phone: (773) 928-2225
Fax: (773) 928-2209
Web: www.american-brotherhood.org

Asian American Institute
4753 N. Broadway St. Suite 904
Chicago, IL 60640
Phone: (773) 271-0899
Fax: (773) 271-1982
Web: www.aaichicago.org

Association of Asian Construction Enterprises
333 N. Ogden Avenue
Chicago, IL 60607
Phone: (847) 525-9693
Email: nakmancorp@aol.com

Black Contractors United
400 W. 76th Street, Suite 200
Chicago, IL 60620
Phone: (773) 483-4000
Fax: (773) 483-4150
Web: www.blackcontractorsunited.com

Chatham Business Association Small Business Development, Inc.
8441 S. Cottage Grove Avenue
Chicago, IL 60619
Phone: (773) 994-5006
Fax: (773) 994-9871
Web: www.cbaeworks.org

Chicago Area Gay & Lesbian Chamber of Commerce
3656 N. Halsted
Chicago, IL 60613
Phone: (773) 303-0167
Fax: (773) 303-0168
Web: www.glcchamber.org

Chicago Minority Supplier Development Council, Inc.
105 W. Adams, Suite 2300
Chicago, IL 60603-6233
Phone: (312) 755-8880
Fax: (312) 755-8890
Web: www.chicagomsdc.org

Chicago Urban League
4510 S. Michigan Ave.
Chicago, IL 60653
Phone: (773) 285-5800
Fax: (773) 285-7772
Web: www.cul-chicago.org

Cosmopolitan Chamber of Commerce
203 N. Wabash, Suite 518
Chicago, IL 60601
Phone: (312) 499-0611
Fax: (312) 332-2688
Web: www.cosmochamber.org

Federation of Women Contractors
5650 S. Archer Avenue
Chicago, IL 60638
Phone: (312) 360-1122
Fax: (312) 360-0239
Web: www.fwcchicago.com

Hispanic American Construction Industry Association (HACIA)
901 West Jackson Boulevard, Suite 205
Chicago, IL 60607
Phone: (312) 666-5910
Fax: (312) 666-5692
Web: www.haciaworks.org

Illinois Hispanic Chamber of Commerce
855 W. Adams, Suite 100
Chicago, IL 60607
Phone: (312) 425-9500
Fax: (312) 425-9510
Web: www.ihccbusiness.net

<p>Latin American Chamber of Commerce 3512 West Fullerton Avenue Chicago, IL 60647 Phone: (773) 252-5211 Fax: (773) 252-7065 Web: www.latinamericanchamberofcommerce.com</p>	<p>Chicago Women in Trades (CWIT) 4425 S. Western Blvd. Chicago, IL 60609-3032 Phone: (773) 376-1450 Fax: (312) 942-0802 Web: www.chicagowomenintrades.org</p>
<p>National Association of Women Business Owners Chicago Chapter 230 E. Ohio, Suite 400 Chicago, IL 60611 Phone: (312) 224-2605 Fax: (312) 6448557 Web: www.nawbochicago.org</p>	<p>Coalition for United Community Labor Force 1253 W. 63rd Street Chicago, IL 60636 Phone: (312) 243-5149</p>
<p>Rainbow/PUSH Coalition International Trade Bureau 930 E. 50th Street Chicago, IL 60615 Phone: (773) 256-2781 Fax: (773) 373-4104 Web: www.rainbowpush.org</p>	<p>Illinois Black Chamber of Commerce 331 Fulton Street, Suite 530 Peoria, IL 61602 Phone: (309) 740-4430 Fax: (309) 672-1379 www.ilbcc.org</p>
<p>Suburban Minority Contractors Association 1250 Grove Ave. Suite 200 Barrington, IL 60010 Phone: (847) 852-5010 Fax: (847) 382-1787 Web: www.suburbanblackcontractors.org</p>	<p>Englewood Black Chamber of Commerce P.O. Box 21453 Chicago, IL 60621</p>
<p>Uptown Center Hull House 4520 N. Beacon Street Chicago, IL 60640 Phone: (773) 561-3500 Fax: (773) 561-3507 Web: www.hullhouse.org</p>	<p>South Shore Chamber, Incorporated Black United Funds Bldg. 1750 E. 71st Street Chicago, IL 60649-2000 Phone: (773) 955- 9508</p>
<p>Women Construction Owners & Executives (WCOE) Chicago Caucus 308 Circle Avenue Forest Park, IL 60130 Phone: (708) 366-1250 Fax: (708) 366-5418 Web: www.wcoeusa.org</p>	<p>United Neighborhood Organization (UNO) 954 W. Washington Blvd., 3rd Floor Chicago, IL 60607 Phone: (312) 432-6301 Fax: (312) 432-0077 Web: www.uno-online.org</p>
<p>Women's Business Development Center 8 South Michigan Ave., Suite 400 Chicago, IL 60603 Phone: (312) 853-3477 Fax: (312) 853-0145 Web: www.wbdc.org</p>	<p>National Organization of Minority Engineers 33 West Monroe Suite 1540 Chicago, Illinois 60603 Phone: (312) 425-9560 Fax: (312) 425-9564 Web: www.nomeonline.org</p>



SCHEDULE C-1

MBE/WBE Letter of Intent to Perform as a Subcontractor, Supplier, or Consultant

**FOR
NON-CONSTRUCTION
PROJECTS ONLY**

Project Name: _____

Specification No.: _____

From: _____
(Name of MBE/WBE Firm)

To: _____ and the City of Chicago.
(Name of Prime Contractor)

The MBE or WBE status of the undersigned is confirmed by the attached City of Chicago or Cook County, Illinois Certification Letter. 100% MBE or WBE participation is credited for the use of a MBE or WBE "manufacturer." 60% participation is credited for the use of a MBE or WBE "regular dealer."

The undersigned is prepared to perform the following services in connection with the above named project/contract. If more space is required to fully describe the MBE or WBE proposed scope of work and/or payment schedule, including a description of the commercially useful function being performed. Attach additional sheets as necessary:

The above described performance is offered for the following price and described terms of payment:

SUB-SUBCONTRACTING LEVELS

A zero (0) must be shown in each blank if the MBE or WBE will not be subcontracting any of the work listed or attached to this schedule.

_____ % of the dollar value of the MBE or WBE subcontract that will be subcontracted to non MBE/WBE contractors.

_____ % of the dollar value of the MBE or WBE subcontract that will be subcontracted to MBE or WBE contractors.

NOTICE: If any of the MBE or WBE scope of work will be subcontracted, list the name of the vendor and attach a brief explanation, description and pay item number of the work that will be subcontracted. MBE/WBE credit will not be given for work subcontracted to Non-MBE/WBE contractors, except for as allowed in the Special Conditions Regarding Minority Business Enterprise Commitment and Women Business Enterprise Commitment.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, within three (3) business days of your receipt of a signed contract from the City of Chicago.

The undersigned has entered into a formal written mentor protégé agreement as a subcontractor/protégé with you as a Prime Contractor/mentor: () Yes () No

NOTICE: THIS SCHEDULE AND ATTACHMENTS REQUIRE ORIGINAL SIGNATURES.

(Signature of President/Owner/CEO or Authorized Agent of MBE/WBE)

(Date)

(Name/Title-Please Print)

(Email & Phone Number)



SCHEDULE D-1
Compliance Plan Regarding MBE/WBE Utilization
Affidavit of Prime Contractor

**FOR
NON-CONSTRUCTION
PROJECTS ONLY**

MUST BE SUBMITTED WITH THE BID. FAILURE TO SUBMIT THE SCHEDULE D-1 WILL CAUSE THE BID TO BE REJECTED. DUPLICATE AS NEEDED.

Project Name: _____

Specification No.: _____

In connection with the above captioned contract, I HEREBY DECLARE AND AFFIRM that I am a duly authorized representative of _____

(Name of Prime Consultant/Contractor)

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by the City of Chicago and/or Cook County, Illinois (Letters of Certification Attached).

I. Direct Participation of MBE/WBE Firms:

NOTE: The bidder/proposer shall, in determining the manner of MBE/WBE participation, first consider involvement with MBE/WBE firms as joint venture partners, subcontractors, and suppliers of goods and services directly related to the performance of this contract.

- A. If bidder/proposer is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification, Schedule B form and a copy of Joint Venture Agreement clearly describing the role of each MBE/WBE firm(s) and its ownership interest in the joint venture.
- B. Complete this section for each MBE/WBE Subcontractor/Supplier/Consultant participating on this contract:

1. Name of MBE/WBE: _____

Address: _____

Contact Person: _____

Phone Number: _____

Dollar Value of Participation \$ _____

Percentage of Participation % _____

Mentor Protégé Agreement (attach executed copy): () Yes () No Add'l Percentage Claimed:¹ _____ %

Total Participation % _____

2. Name of MBE/WBE: _____

Address: _____

Contact Person: _____

¹ The Prime Contractor may claim an additional 0.333 percent participation credit (up to a maximum of five (5) percent) for every one (1) percent of the value of the contract performed by the MBE/WBE protégé firm.

Schedule D-1: Prime Contractor Affidavit-MBE/WBE Compliance Plan

Phone Number: _____

Dollar Value of Participation \$ _____

Percentage of Participation % _____

Mentor Protégé Agreement (attach executed copy): () Yes () No Add'l Percentage Claimed: ____ %

Total Participation % _____

2. Name of MBE/WBE: _____

Address: _____

Contact Person: _____

Phone Number: _____

Dollar Value of Participation \$ _____

Percentage of Participation % _____

Mentor Protégé Agreement (attach executed copy): () Yes () No Add'l Percentage Claimed: ____ %

Total Participation % _____

3. Name of MBE/WBE: _____

Address: _____

Contact Person: _____

Phone Number: _____

Dollar Value of Participation \$ _____

Percentage of Participation % _____

Mentor Protégé Agreement (attach executed copy): () Yes () No Add'l Percentage Claimed: ____ %

Total Participation % _____

4. Name of MBE/WBE: _____

Address: _____

Contact Person: _____

Phone Number: _____

Dollar Value of Participation \$ _____

Percentage of Participation % _____

Mentor Protégé Agreement (attach executed copy): () Yes () No Add'l Percentage Claimed: ____ %

Total Participation % _____

5. Attach Additional Sheets as Needed

Schedule D-1: Prime Contractor Affidavit-MBE/WBE Compliance Plan

The Prime Contractor designates the following person as its MBE/WBE Liaison Officer:

(Name- Please Print or Type)

(Phone)

I DO SOLEMNLY DECLARE AND AFFIRM UNDER PENALTIES OF PERJURY THAT THE CONTENTS OF THE FOREGOING DOCUMENT ARE TRUE AND CORRECT, THAT NO MATERIAL FACTS HAVE BEEN OMITTED, AND THAT I AM AUTHORIZED ON BEHALF OF THE PRIME CONTRACTOR TO MAKE THIS AFFIDAVIT.

(Name of Prime Contractor – Print or Type)

State of: _____

(Signature)

County of: _____

(Name/Title of Affiant – Print or Type)

(Date)

On this _____ day of _____, 20_____, the above signed officer _____
(Name of Affiant)

personally appeared and, known by me to be the person described in the foregoing Affidavit, acknowledged that (s)he executed the same in the capacity stated therein and for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and seal.

(Notary Public Signature)

SEAL:

Commission Expires: _____

Attachment 6
City Data Security Policy

“Breach” means the acquisition, access, use, or disclosure of Protected Information that compromises the security or privacy of the Protected Information.

“Contractor” means an entity that receives or encounters Protected Information. Contractor includes, without limitation, entities that store Protected Information, or host applications that process Protected Information. The provisions of this Data Policy includes not only the entity that is a signatory to this Policy but all subcontractors, of whatever tier, of that entity; the signatory must inform and obtain the agreement of such subcontractors to the terms of this Data Policy. The provisions of this Data Security Policy shall apply to Contractor to the extent relevant to Contractor’s treatment (including handling and/or storage) of Protected Information.

“Protected Information” means all data provided by City to Contractor or encountered by Contractor in the performance of the services to the City, including, without limitation, all data sent to Contractor by City and/or stored by Contractor on its servers. Protected Information includes, but is not limited to, employment records, medical and health records, personal financial records (or other personally identifiable information), research data, and classified government information. To the extent there is any uncertainty as to whether any data constitutes Protected Information, the data in question shall be treated as Protected Information.

1. Information Security. Contractor agrees to the following:

1.1.General. Notwithstanding any other obligation of Contractor under this policy, Contractor agrees that it will not lose, alter, or delete, either intentionally or unintentionally, any Protected Information, and that it is responsible for the safe-keeping of all such information, except to the extent that the City directs the Contractor in writing to do so. In the event that Contractor fails to comply, Contractor must restore all Protected Information at no cost to the City.

1.2.Access to Data. In addition to the records to be stored / maintained by Contractor, all records that are possessed by Contractor in its service to the City of Chicago to perform a governmental function are public records of the City of Chicago pursuant to the Illinois Freedom of Information Act (FOIA), unless the records are exempt under the Act. FOIA requires that the City produce records in a very short period of time. If the Contractor receives a request from the City to produce records, the Contractor shall do so within 72 hours of the notice.

1.3.Minimum Standard for Data at Rest and Data in Motion. Contractor must, at a minimum, comply, in its treatment of Protected Information, with National Institute of Standards and Technology (NIST) Special Publication 800-53 Moderate Level Control. Notwithstanding this requirement, Contractor acknowledges that it must fully comply with each additional obligation contained in this policy. If data is protected health

information or electronic protected health information, as defined in the Health Insurance Portability and Accountability Act and Health Information Technology for Economic and Clinical Health Act (HIPAA/HITECH) and regulations implementing these Acts (see 45 CFR Parts 160 and 164), it must be secured in accordance with “Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals,” available on the United States Department of Health and Human Services (HHS) website (<http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/index.html>), or at Volume 74 of the Federal Register, beginning at page 42742. That guidance from the HHS states that valid encryption processes for protected health information data at rest (e.g., protected health information resting on a server), must be consistent with the NIST Special Publication 800-111, Guide for Storage Encryption Technologies for End User Devices. Valid encryption processes for protected health information data in motion (e.g., transmitted through a network) are those which comply with NIST Special Publications 800-52, Guidelines for the Selection and Use of Transport Layer Security Implementation; 800-77, Guide to IPsec VPNs; or 800-113, Guide to SSL VPNs, or others which are Federal Information Processing Standards (FIPS) 140-2 validated.

- 1.4. Where Data is to be Stored. All data must be stored only on computer systems located in the continental United States.
- 1.5. Requirement to Maintain Security Program. Contractor acknowledges that the City has implemented an information security program to protect the City’s information assets, which Program is available on the City website at http://www.cityofchicago.org/city/en/depts/doit/supp_info/initiatives-informationsecurity.html (“City Program”). Contractor shall be responsible for establishing and maintaining an information security program that is designed to: (i) ensure the security and confidentiality of Protected Information; (ii) protect against any anticipated threats or hazards to the security or integrity of Protected Information; (iii) protect against unauthorized access to or use of Protected Information; (iv) ensure the proper disposal of Protected Information; and, (v) ensure that all subcontractors of Contractor, if any, comply with all of the foregoing.
- 1.6. Undertaking by Contractor. Without limiting Contractor’s obligation of confidentiality as further described herein, in no case shall the safeguards of Contractor’s information security program be less stringent than the information security safeguards used by the City Program.
- 1.7. Right of Audit by the City of Chicago. The City of Chicago shall have the right to review Contractor’s information security program prior to the commencement of Services and from time to time during the term of this Agreement. During the performance of the Services, from time to time and with 15 days notice, the City of Chicago, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor’s information security program. In lieu of an on-site audit, upon request by

the City of Chicago, Contractor agrees to complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the City of Chicago or the City of Chicago's designee regarding Contractor's information security program.

- 1.8. Audit by Contractor. No less than annually, Contractor shall conduct an independent third-party audit of its information security program shall inform the City of Chicago of any findings relating to Contractor's handling of Protected Information, all at the Contractor's sole expense.
- 1.9. Audit Findings. Contractor shall implement at its sole expense any remedial actions as identified by the City as a result of the audit.
- 1.10. Demonstrate Compliance - PCI. No less than annually, as defined by the City of Chicago and where applicable and requested by the City, the Contractor agrees to demonstrate compliance with PCI DSS (Payment Card Industry Data Security Standard). Upon City's request, Contractor must be prepared to demonstrate compliance of any system or component used to process, store, or transmit cardholder data that is operated by the Contractor as part of its service. Similarly, upon City's request, Contractor must demonstrate the compliance of any third party it has sub-contracted as part of the service offering. As evidence of compliance, the Contractor shall provide upon request a current attestation of compliance signed by a PCI QSA (Qualified Security Assessor).
- 1.11. Demonstrate Compliance – HIPAA / HITECH. If the Protected Information includes protected health information or electronic protected health information covered under HIPAA/HITECH, Contractor must execute, and be governed by, the provisions in its contract with the City regarding HIPAA/HITECH, the regulations implementing those Acts, and the Business Associate Agreement in its contract with the City. As specified in 1.3, protected health information must be secured in accordance with the "Guidance Specifying the Technologies and Methodologies that Render Protected Health Information Unusable, Unreadable, or Indecipherable to Unauthorized Individuals."
- 1.12. Data Confidentiality. Contractor shall implement appropriate measures designed to ensure the confidentiality and security of Protected Information, protect against any anticipated hazards or threats to the integrity or security of such information, protect against unauthorized access or disclosure of information, and prevent any other action that could result in substantial harm to the City of Chicago or an individual identified with the data or information in Contractor's custody.
- 1.13. Compliance with All Laws and Regulations. Contractor agrees that it will comply with all laws and regulations.

- 1.14. **Limitation of Access.** Contractor will not knowingly permit any Contractor personnel to have access to any City of Chicago facility or any records or data of the City of Chicago if the person has been convicted of a crime in connection with (i) a dishonest act, breach of trust, or money laundering, or (ii) a felony. Contractor must, to the extent permitted by law, conduct a check of public records in all of the employee's states of residence and employment for at least the last five years in order to verify the above. Contractor shall assure that all contracts with subcontractors impose these obligations on the subcontractors and shall monitor the subcontractors' compliance with such obligations.
- 1.15. **Data Re-Use.** Contractor agrees that any and all data exchanged shall be used expressly and solely for the purposes enumerated in the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. As required by Federal law, Contractor further agrees that no City of Chicago data of any kind shall be revealed, transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by an officer of the City of Chicago with designated data, security, or signature authority.
- 1.16. **Safekeeping and Security.** Contractor will be responsible for safekeeping all keys, access codes, passwords, combinations, access cards, personal identification numbers and similar security codes and identifiers issued to Contractor's employees, agents or subcontractors. Contractor agrees to require its employees to promptly report a lost or stolen access device or information to their primary business contact and to the City of Chicago Information Security Office.
- 1.17. **Mandatory Disclosure of Protected Information.** If Contractor is compelled by law or regulation to disclose any Protected Information, the Contractor will provide to the City of Chicago with prompt written notice so that the City of Chicago may seek an appropriate protective order or other remedy. If a remedy acceptable to the City of Chicago is not obtained by the date that the Contractor must comply with the request, the Contractor will furnish only that portion of the Protected Information that it is legally required to furnish, and the Contractor shall require any recipient of the Protected Information to exercise commercially reasonable efforts to keep the Protected Information confidential.
- 1.18. **Data Breach.** Contractor agrees to comply with all laws and regulations relating to data breach, including without limitation, the Illinois Personal Information Protection Act and other applicable Illinois breach disclosure laws and regulations. Data breaches of protected health information and electronic protected health information shall be governed by the provisions regarding HIPAA/HITECH, and the regulations implementing those Acts, in the Contractor's contract with the City, specifically the Business Associate Agreement in such contract. Contractor will immediately notify the City if security of any Protected Information has been breached, and will provide information as to that breach in such detail as requested by the City. Contractor will, if

requested by the City, notify any affected individuals of such breach at the sole cost of the Contractor.

- 1.19. Data Sanitization and Safe Disposal. All physical and electronic records must be retained per federal, state and local laws and regulations, including the Local Records Act. Where disposal is approved, the Contractor agrees that prior to disposal or reuse of all magnetic media (e.g. hard disk, floppy disk, removable media, etc.) which may have contained City of Chicago data shall be submitted to a data sanitization process which meets or exceeds DoD 5220.28-M 3-pass specifications. Certification of the completion of data sanitization shall be provided to the City of Chicago within 10 days of completion. Acceptance of Certification of Data Sanitization by the Information Security Office of the City of Chicago is required prior to media reuse or disposal. All other materials which contain City of Chicago data shall be physically destroyed and shredded in accordance to NIST Special Publication 800-88, Guidelines for Media Sanitization, specifications.
- 1.20. End of Agreement Data Handling. The Contractor agrees that upon termination of this Agreement it shall return all data to the City of Chicago in a useable electronic form, and erase, destroy, and render unreadable all data in its entirety in accordance to the prior stated Data Sanitization and Safe Disposal provisions. Data must be rendered in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities. Certification in writing that these actions have been completed must be provided within 30 days of the termination of this Agreement or within 7 days of a request of an agent of the City of Chicago, whichever shall come first.

EXHIBIT 2

Palantir License and Services Agreement



Incorporated herein is Palantir's License and Services Agreement ("Agreement"), by and between Contractor ("Palantir Technologies Inc." or "Palantir") and the ordering entity ("Customer"). This Agreement sets forth the terms and conditions pursuant to which Customer will license certain Palantir software products and contract for certain services from Palantir and pursuant to which Palantir will provide such products and services to Customer.

APPENDIX A – PALANTIR LICENSING TERMS AND CONDITIONS

1. Certain Definitions. Capitalized terms will have the meaning indicated above unless otherwise specifically defined in these Terms and Conditions or in any Exhibits hereto.

1.1 "Palantir Server Core license" shall mean a license to the Product to be used on one server core for the duration of this Agreement.

1.2 "Implementation Ninja Service Hour" shall mean one hour of Professional Services for installation, implementation, and/or integration of the Product.

1.3 "Product" means Palantir's proprietary "Palantir Gotham" and/or "Palantir Metropolis" commercial off the shelf software, in object code format, including any updates, modifications, patches, and upgrades thereto that Palantir provides to Customer hereunder.

2. Grant of Limited License. Subject to Customer's continued and full compliance with all of the terms and conditions of this Agreement, Palantir hereby grants to Customer a non-transferable, non-exclusive, limited license, without any right to sublicense, during the Term (as defined below), to install, execute and use the Products solely for its internal purposes, and only (i) in accordance with the technical specification documentation provided to Customer by Palantir with regard to the Products ("Documentation") and (ii) on the number of server cores specified in the Order.

3. Ownership. Except for the limited license rights expressly provided herein, Palantir retains all rights, title and interest in and to the Products, Documentation and any other related documentation or materials provided by Palantir hereunder (including, without limitation, all patent, copyright, trademark, trade secret and other intellectual or industrial property rights embodied in any of the foregoing). Customer acknowledges that it is obtaining only a limited license right to the Products, notwithstanding any reference to the terms "purchase" or "customer" herein. The Products are licensed and not sold, and no ownership rights are being

conveyed to Customer under this Agreement. Customer will maintain the copyright notice and any other notices or product identifications that appear on or in any Products and any associated media.

4. Restrictions. Customer will not (and will not allow any third party to): (i) reverse engineer or attempt to discover any source code or underlying ideas or algorithms of any Product (except to the extent that applicable law expressly prohibits such a reverse engineering restriction); (ii) provide, lease, lend, use for timesharing or service bureau purposes or otherwise use or allow others to use a Product for the benefit of any third party; (iii) list or otherwise display or copy any object code of any Product; (iv) copy any Product (or component thereof), except that Customer may make a reasonable number of copies of the Products and/or Documentation solely for backup, archival or disaster recovery purposes; (v) develop any improvement, modification or derivative work thereof or include a portion thereof in any other equipment or item; (vi) allow the transfer, transmission, export, or re-export of any Product (or any portion thereof) or any Palantir technical data; or (vii) perform benchmark tests without the prior written consent of Palantir (any results of such permitted benchmark testing shall be deemed Confidential Information of Palantir). Notwithstanding these restrictions, nothing shall prevent Customer from development of software that interfaces with Palantir's public APIs. Periodically, Palantir may request that Customer provide an accurate accounting of the number of cores that Customer is currently using. Customer shall provide this information in writing within ten (10) business days of Palantir's request. All the limitations and restrictions on Products in this Agreement also apply to Documentation. Notwithstanding the foregoing, or any statement to the contrary herein, portions of the Product may be provided with notices and open source licenses from such communities and third parties that govern the use of those portions, and any licenses granted hereunder do not alter any rights and obligations you may have under such open source licenses; however, the disclaimer of warranty

and limitation of liability provisions in this Agreement will apply to all such software in this Product distribution.

5. Confidentiality. To the extent allowed under applicable law (e.g. The Freedom of Information Act, 5 USC 552), Customer shall treat as confidential all Confidential Information (as defined below) of Palantir, and shall not use such Confidential Information except to exercise its rights and perform its obligations herein, and shall not disclose such Confidential Information to any third party other than disclosure on a need to know basis to a party's own advisors, attorneys, and/or bankers whom are each subject to obligations of confidentiality at least as restrictive as those stated herein. Without limiting the foregoing, Customer shall use at least the same degree of care as it uses to prevent the disclosure of its own confidential information of like importance, but in no event less than reasonable care. Customer shall promptly notify Palantir of any actual or suspected misuse or unauthorized disclosure of Palantir's Confidential Information. "Confidential Information" shall mean (i) Products, (ii) Documentation and (iii) any other business, technical or engineering information provided by Palantir to Customer, including third party information, disclosed by Palantir to Customer, in any form and marked or otherwise designated as "Confidential" or "Proprietary" or in any form and by the nature of its disclosure would be understood by a reasonable person to be confidential and proprietary. Notwithstanding the foregoing, Confidential Information shall not include any information that (a) is or becomes part of the public domain through no act or omission of Customer in breach of this Agreement, (b) is known to Customer at the time of disclosure without an obligation to keep it confidential, (c) becomes rightfully disclosed to Customer from another source without restriction on disclosure or use, or (d) Customer can document by written evidence that such information is independently developed by Customer without the use of or any reference or access to Confidential Information, by persons who did not have access to the relevant Confidential Information. Customer is responsible for any breaches of this Section by its employees and agents. Customer's obligations with respect to Palantir's Confidential Information survives termination of this Agreement for a period of five (5) years; provided, that Customer's obligations hereunder shall survive and continue in perpetuity after termination with respect to any Confidential Information that is a trade secret under applicable law.

6. Payment and Delivery. Customer shall pay to Palantir the total amount of the fees set forth in the Order. All payments shall be made in the currency set forth on the invoice via check or wire transfer to an account designated by Palantir. All fees are due within thirty (30) days after the date of issuance of Palantir's invoice. Any late payments shall be subject to the Prompt Payment Act. Products are deemed delivered upon Palantir's initial e-mail communication providing Customer with access to Palantir's electronic support portal, through which Customer may download Products and Documentation.

7. Support Services. Subject to the payment of the applicable fees set forth in the Order as they become due, Palantir shall use commercially reasonable efforts to provide Customer with the Support Services and Product upgrades in accordance with and subject to Palantir's standard support services terms and conditions ("Support Services") for the period of time specified in the Order ("Support Services Period"). If Customer elects to renew Support Services, Customer must renew Support Services for all cores that Customer has purchased. If Customer fails to pay the by the end of the then-current Support Services Period, Customer shall be deemed to have cancelled Support Services and Palantir shall no longer provide Customer with Support Services. Customer may reinstate Support Services after a period in which it was cancelled, provided (i) Palantir then offers Support Services, and (ii) in order to receive Product updates which Customer had not received due to cancellation, Customer pays Palantir the current year's Support Services fee and any Support Services fees that would have been payable during the period during which Support Services were cancelled.

8. Professional Services. In addition to any Support Services and Training discussed above, upon payment of the applicable fees set in the Order, Palantir will provide Customer with the number of Implementation Ninja Service Hours specified thereon ("Professional Services"), if any such hours are specified. From time to time at Customer's request, and upon mutual written agreement of the parties, Palantir shall provide additional services with respect to Customer's use of the Products.

9. Government Matters. The Product, Support Services, Training and Professional Services are "commercial items" as defined at 48 C.F.R. 2.101, consisting of "commercial computer software, commercial computer software documentation and commercial services. If Customer or end user is a U.S. governmental entity, then Customer acknowledges and agrees that (i) use, duplication, reproduction, release, modification, disclosure, or transfer of the Products and any related documentation of any kind, including, without limitation, technical data and manuals, will be restricted in accordance with Federal Acquisition Regulation 12.212 for civilian purposes and Defense Federal Acquisition Regulation Supplement 227.7202 for military purposes, (ii) the Products were developed fully at private expense and (iii) all other use of the Products except in accordance with the license grant provided above is strictly prohibited. If Customer is a U.S. nondefense agency, this License Agreement shall be incorporated by reference in, and included as an attachment to, the government contract or purchase order, and the clause entitled Commercial Computer Software-Restricted Rights, Federal Acquisition Regulation (FAR) [48 C.F.R.] 52.227-19 shall apply. The Software and Documentation are provided with the Restricted Rights identified in FAR 52.227-14, subject to the terms and conditions of this Agreement. In the event of any conflict between the Restricted Rights identified in (c) (2) and a provision of this Agreement, the former shall govern.

10. Term and Termination. This Agreement shall begin on the Effective Date and remain in effect for the period of time specified as set forth in the Order ("Term"), unless otherwise terminated as provided herein.

10.1 If a Palantir Server Core license is specified, this Agreement will remain in effect in perpetuity unless otherwise terminated as provided herein. During the Term of the Palantir Server Core license this Agreement may be terminated by Customer without cause upon at least thirty (30) days prior written notice to Palantir.

10.2 If a Palantir Cloud license is specified, the Term shall be the number of months or years set forth in the Order. During the Term of the Palantir Cloud license, this Agreement may be terminated by Customer without cause upon at least ninety (90) days prior written notice to Palantir, but in any case will terminate upon the expiration of the Term.

10.3 Termination or expiration does not affect either party's rights or obligations that accrued prior to the effective date of termination or expiration (including without limitation, payment obligations). Sections 3, 4, 5 (but only for the period of time specified therein), 6, 11.4, 12, 13.2, 14, and 15 shall survive any termination or expiration of this Agreement. Termination is not an exclusive remedy and all other remedies will remain available.

11. Indemnification. Palantir shall indemnify and hold harmless Customer from and against damages, costs, and attorneys' fees, if any, finally awarded against Customer from any claim of infringement or violation of any U.S. patent, copyright, or trademark asserted against Customer by a third party based upon Customer's use of the Products in accordance with the terms of this Agreement, provided that Palantir shall have received from Customer: (i) notice of such claim within twenty (20) days of Customer receiving notice of such claim and (ii) all reasonable necessary cooperation of Customer. If Customer's use of any of the Products are, or in Palantir's opinion is likely to be, enjoined due to the type of infringement specified above, or if required by settlement, Palantir may, in its sole discretion: (a) substitute for the Products substantially functionally similar programs and documentation; (b) procure for Customer the right to continue using the Products; or (c) if Palantir reasonably determines that options (a) and (b) are commercially impracticable, terminate this Agreement and refund to Customer for Palantir Server Core licenses, the license fee paid hereunder by Customer as reduced to reflect a four-year, straight-line amortization from the date on which such Products were first delivered by Palantir, or, Palantir Cloud licenses, refund to Customer a pro-rated portion of the license fee paid that reflects the remaining portion of the Term at the time of termination. The foregoing indemnification obligation of Palantir shall not apply: (1) if the Products are modified by any party other than Palantir, but only to the extent the alleged infringement would not have occurred but for such modification; (2) if the Products are modified by Palantir at the request of Customer, but

only to the extent the alleged infringement would not have occurred but for such modification; (3) if the Products are combined with other non-Palantir products or processes not authorized by Palantir, but only to the extent the alleged infringement would not have occurred but for such combination; (4) to any unauthorized use of the Products; (5) to any superseded release of the Products if the infringement would have been avoided by the use of a current release of the Products that Palantir has provided to Customer prior to the date of the alleged infringement; or (6) to any third party software code contained within the Products. THIS SECTION SETS FORTH PALANTIR'S SOLE LIABILITY AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY CLAIM OF INTELLECTUAL PROPERTY INFRINGEMENT.

12. Palantir Limited Warranty and Disclaimer.

12.1 Palantir warrants for a period of ninety (90) days from the date the initial Products were delivered by Palantir, the Products will substantially conform to Palantir's then current Documentation for such Products. This warranty covers only problems reported to Palantir in writing (including a test case or procedure that recreates the failure and by full documentation of the failure) during the warranty period. In the event of a material failure of the Products to perform substantially in accordance with the specifications during the warranty period ("Defect"), Palantir shall use reasonable efforts to correct the Defect or provide a suitable work around as soon as reasonably practical after receipt of Customer's written notice as specified above. A Defect shall not include any defect or failure attributable to improper installation, operation, misuse or abuse of the Products or any modification thereof by any person other than Palantir. If Palantir has not remedied the Defect within thirty (30) days of its receipt of Customer's written notice, Customer may give Palantir written notice of termination of this Agreement, which termination will be effective ten (10) days after Palantir's receipt of the notice, unless Palantir is able to remedy the Defect prior to the effective date of termination. In the event of the termination of this Agreement pursuant to Customer's exercise of its right under this Section, Customer shall be entitled to receive from Palantir, as its sole and exclusive remedy, a refund of all amounts paid to Palantir hereunder.

12.2 ALL SALES ARE FINAL. NO PURCHASES OF PRODUCTS ARE REFUNDABLE, EXCHANGEABLE OR OFFSETTABLE EXCEPT AS SET FORTH IN SECTION 12.1. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 12.1, THE PRODUCTS AND SERVICES ARE PROVIDED "AS-IS" WITHOUT ANY OTHER WARRANTIES OF ANY KIND AND PALANTIR AND ITS SUPPLIERS HEREBY DISCLAIM ALL WARRANTIES, BOTH EXPRESS AND IMPLIED, ORAL OR WRITTEN, RELATING TO THE PRODUCTS AND ANY SERVICES PROVIDED HEREUNDER OR SUBJECT MATTER OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO

ANY WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, TITLE OR FITNESS FOR A PARTICULAR PURPOSE. PALANTIR DOES NOT WARRANT THAT THE PRODUCTS, DOCUMENTATION, TRAINING, OR SERVICES WILL MEET CUSTOMER REQUIREMENTS OR THAT OPERATION OF THE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE.

13. Limitations of Liability.

13.1 EXCEPT FOR ANY AMOUNTS AWARDED TO THIRD PARTIES ARISING UNDER SECTION 11 OF THIS AGREEMENT, AND EXCEPT FOR BODILY INJURY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PALANTIR SHALL NOT BE LIABLE TO CUSTOMER OR TO ANY THIRD PARTY WITH RESPECT TO ANY PRODUCT, SERVICE OR OTHER SUBJECT MATTER OF THIS AGREEMENT FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOSS OR ALTERATION OF DATA, COST OF REPLACEMENT, DELAYS, LOST PROFITS, OR SAVINGS ARISING OUT OF PERFORMANCE OR BREACH OF THIS AGREEMENT OR THE USE OR INABILITY TO USE THE PRODUCTS, OR FOR ANY MATTER BEYOND PALANTIR'S REASONABLE CONTROL, EVEN IF SUCH PARTY HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES. This clause shall not impair the U.S. Government's right to recover for fraud or crimes arising out of or related to this Contract under any federal fraud statute, including the False Claims Act, 31 U.S.C. §§ 3729-3733.

13.2 EXCEPT FOR ANY AMOUNTS AWARDED TO THIRD PARTIES ARISING UNDER SECTION 11 OF THIS AGREEMENT, AND EXCEPT FOR BODILY INJURY, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY AGREES THAT THE MAXIMUM AGGREGATE LIABILITY OF PALANTIR ON ANY CLAIM OF ANY KIND, WHETHER BASED ON CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO, STRICT LIABILITY, PRODUCT LIABILITY OR NEGLIGENCE) OR ANY OTHER LEGAL OR EQUITABLE THEORY OR RESULTING FROM THIS AGREEMENT OR ANY PRODUCTS OR SERVICES FURNISHED HEREUNDER SHALL NOT EXCEED THE SUMS PAID TO PALANTIR BY CUSTOMER HEREUNDER. This clause shall not impair the U.S. Government's right to recover for fraud or crimes arising out of or related to this Contract under any federal fraud statute, including the False Claims Act, 31 U.S.C. §§ 3729-3733.

14. Miscellaneous. Neither this Agreement nor the licenses granted hereunder are assignable or transferable by Customer; any attempt to do so shall be void. Palantir may assign this Agreement in whole or in part. Any notice, report, approval or consent required or permitted hereunder shall be in writing and sent by first class U.S. mail, confirmed facsimile, a U.S. government email system with Read Receipt or major commercial rapid delivery courier service to the address specified in the Order. As between the parties, Palantir will own all intellectual property rights in Products and Documentation and anything else created pursuant to this Agreement, including but not limited to all copies, improvements, modifications and derivative works thereof, related documentation and materials. If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be unenforceable or invalid, that provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and be enforceable. Any and all modifications, waivers or amendments must be made by mutual agreement and shall be effective only if made in writing and signed by each party. No waiver of any breach shall be deemed a waiver of any subsequent breach. Customer's obligations under this Agreement are subject to compliance with all applicable export control laws and regulations. This Agreement is incorporated into the Government contract documents. Palantir is in no way affiliated with, or endorsed or sponsored by, The Saul Zaentz Company d.b.a. Tolkien Enterprises or the Estate of J.R.R. Tolkien.

EXHIBIT 3
Compensation

I. Initial Cores

A. As of the Effective Date, Consultant grants the City a perpetual, irrevocable, fully paid (except as provided in I.B. below) license to the Palantir Gotham software in the quantity of 16 server cores, including maintenance and support services for a period of 1 year, for a fee of \$800,000.

City will process payment of the fee for the purchase of the initial 16 server cores according to the following installment schedule:

By January 31, 2014: \$300,000

By December 31, 2014: \$500,000

Consultant may invoice the City for the initial payment upon execution of this Agreement.

B. If City ceases to make the installment payments set forth above, after notice and opportunity to cure, Consultant's sole remedy shall be the revocation of the license to the initial 16 cores. The City reserves the right, in its discretion, to make accelerated payments in the above payment schedule.

Payments made by the City shall be applied first to the license fee owed by the City for the initial 16 cores, then to purchases of products and services made in option period years.

II. Option Period Cores

Beginning in 2014, the City may purchase perpetual irrevocable, fully paid licenses to Consultant's software as follows:

- (a) Unit Pricing. During the Term of the Agreement, the City may purchase perpetual licenses to any quantity of cores of Gotham software for a license fee of \$141,015.42 per core, which fee includes one year of maintenance and support for such cores.
- (b) Volume Discount. In any given year, if the City orders at least the quantity of cores set forth in Table 1 for that year, the license fee set forth in II.(a) above shall be discounted by the percentage set forth for that year in Table 1.

The City will process payment within 60 days of receiving Consultant's invoice.

Table 1
Discounts by Year

Year	Minimum Quantity of Server Cores Required to be Purchased to Receive Discount	Amount of Discount
2014	16	60%
2015	16	30%
2016	16	38%
2017	32	48%
2018	56	51%

Ongoing Maintenance and Support Services

Up to and including the year 2018, maintenance and support services after the expiration of the one year period of maintenance and support included in the license fees may be purchased by the City for \$23,126.53 per core per year. However, if the City purchases in a given year (i) additional cores in a quantity that qualifies the City for the discount set out in Table 1 above, and (ii) support and maintenance services for all previously purchased cores hereunder, then the City will also qualify for the same corresponding percentage discount on its purchase of support and maintenance for that year. For instance, if the City purchases 16 new cores in 2015, and support and maintenance on the 32 previously purchased cores, then the City may apply the 30% discount to the purchase of support and maintenance for the 32 cores that year. For further example, maintenance and support for the initial 16 cores purchased under this agreement shall be free for a period of one year after acceptance by the City; \$23,126.53 discounted by 38% per core in 2016 (if the City qualifies for the 38% discount in its purchase of new cores and also purchases support and maintenance services on all existing cores); and \$23,126.53 discounted by 51% in 2018 (if the City qualifies for the 51% discount in its purchase of new cores and also purchases support and maintenance services on all existing cores).

Hardware & Database Licenses

Palantir Gotham software runs on commercial hardware and Oracle database licenses. Upon award, the customer will bear no additional cost for up to \$100k of required hardware and database software licenses. If additional hardware or database software is required, the customer may purchase these requirements “at cost” (i.e. without mark-up) using Palantir’s reseller agreements with hardware and software OEMs.

No Additional Cost

All Services described in Exhibit 4, Scope of Services and Time Limits For Performance, shall

be provided by Consultant at no additional cost (except for the maintenance and support services as described above.)

Exhibit 4

Scope of Services and Time Limits for Performance

Palantir must provide the following during the term of the Agreement:

Palantir Gotham (“Palantir”) platform implementation scope of services:

1. Business Scope for Initial Implementation:

Below is the scope defined for the initial implementation of Palantir (which shall also serve as the outline for subsequent deployments hereunder). Citywide business processes will be evaluated and included in Palantir implementation as needed in the future.

Palantir’s general implementation timeline and approach are described in Section 3.

DPS: Identifying potential fraudulent business practice

Palantir concluded a multi-month pilot with the Department of Procurement Services (DPS) analyzing contract data sets to determine potentially fraudulent or bad actors. Based on this work, Palantir will continue to support DPS to build out training and expand upon findings in year one.

BACP implementation: Problem business reporting process

Business Affairs and Consumer Protection department maintains the current “flagged business list” and associated process, which involves notifying licensees with three administrative hearings within a year of a monthly review of the status of their licenses. One shortfall identified was that the threshold of three admin hearings was so high as to preclude identifying issues sooner. BACP needs a reporting mechanism which relaxes the requirement of the three admin hearings, while broadening the categories of data brought into the report, to include not just ordinance violations, but also 311/911 police/fire events, (in particular garbage and loitering calls, single cigarette sales) arrests, warrants, public health, and others. Currently the consolidation of data from multiple departments is done “by hand,” “cut & paste.” E-mail alerts will greatly increase productivity. Data analytics solution will help the City to identify “flagged businesses” more efficiently and faster. This will help in creating a fair market place and preventing unfair acts, as much as violence prevention and quality of life issues.

CDPH/BACP: Tax stamp Violations

The City of Chicago and Cook County have the responsibility to enforce Chicago's cigarette and tobacco legislation. This includes the inspection and enforcement of payment for the county's and city's tax stamp. Investigators are dispatched by managers to find "black market" cigarettes and levy fines. Recently, the cigarette tax was raised by \$0.50 to discourage the use of cigarettes among Chicago's residents. In combination of federal, state, county, and city taxes, cigarettes bought in Chicago will have the highest combined taxes. The tax increase, however, will increase the incentive to avoid paying required taxes.

This project will use information on companies, their location, and past violations to forecast the areas most likely to be in violation of county or city ordinances. The information on these potential violations will be provided to county and city inspectors to help schedule their current visits. The automated system will update on a regular basis to

improve the efficiency of cigarette inspection operations and reduce the work required to schedule inspections. The goal of the project is to increase the number and proportion of violators found by city and county inspectors.

2. Requirements:

In meeting the performance needs of the City, Palantir shall deliver the following items to the City Program Manager (PM) to the location (within the state of Illinois, unless otherwise agreed in writing between the parties) to be identified by the City:

Description

- Palantir Perpetual Server Core licenses in the quantity set forth in the contract purchase. Software shall be delivered by electronic delivery only.
- Palantir Support and Maintenance for the first year of each perpetual core purchase, and for such additional years as may be purchased by the City.

The Contractor shall provide technical support from the Contractor's facility and on-site as needed and agreed, and shall allow remote administration/support as necessary.

2.1 Support Effort: Palantir team will maintain all Palantir software and train users as required. This may be done remotely or on site or as a combination based on the agreement between City of Chicago and Palantir project teams in accordance with contract terms and conditions, and SLAs. The contractor shall ensure trainers are prepared for the user locations in Chicago. The contractor will offer face-to-face formal training sessions at each department as follows:

Training

Palantir will provide training to users in the workspace to ensure that users are comfortable with the data and capabilities available through Palantir for analysis. Training will be comprised of the following:

- Introductory training: Deliver an overview of the platform and functionality to equip users with independence in data search and discovery as well as basic analytics. Typically delivered over a ½ to full day session. Palantir training is often more successful when the data sets being used by the trainee group match to their relevant department data sets
- Deskside training: In follow-up from an introductory session, Palantir will provide training resources to continue building skill and comfort in the workspace. Palantir team members as well as training materials will be available to deliver this more individual support.
- Advanced training: Building upon the introductory session, advanced training will be provided for select users. Advanced training includes additional support in more specific analytic tools available in the Palantir platform.

- Train the trainer support: As the City of Chicago begins to build a user base, Palantir will look to support any users who become skilled in the platform and are designated as a department resource in training others in the Palantir workspace.

2.2 System Administration

- The Palantir technical point of contract must receive advanced warning from the responsible City administrator before any third-party patches, updates, or installs are pushed to production system on which the Palantir stack resides.
- Palantir shall remotely administer, monitor, and maintain the installed Palantir systems, including monthly backups of production systems and weekly back-ups of data. All back-ups shall be stored in the facility designated by the City.
- The Contractor shall provide the technical assistance necessary to allow the City to develop and document the necessary processes and plans to provide disaster recovery of data in the event of a failure at any location. The Contractor shall provide technical assistance to administrator(s), identified by the City, at each site to perform this function.
- The contractor shall provide remote support in accordance with the contract terms and conditions, and SLAs. The contractor shall ensure that remote support includes administration and maintenance as well as data integration, issue resolution, and product enhancements. The contractor shall perform integration with data sources.
- The contractor shall perform installation of software, configuration of software, data integration(s), troubleshooting and support. The contractor shall also make available product documentation to support, and train, qualified systems administrators in the operation and maintenance of the analytic software. The contractor shall conduct investigations, detail recommended corrective actions in a technical report and include it in the weekly project update. Upon approval by the PM, the contractor shall execute the recommendation. The contractor shall compile and deliver technical data pertaining to changes and improvements of the training and software to the PM in the next monthly report.
- The Contractor shall provide release improvements and updates to the software in accordance with the terms and conditions of the purchase
- The contractor shall provide expert technical reach back support to users to address technical issues.

- The contractor shall continue integrating data sources at the request of the PM based on the priorities and schedules provided by the PM.
- The Contractor shall extract the data and analytical products to a location and format specified by the PM. The PM will also provide a schedule as Government Furnished Information (GFI) at the time the PM assigns this action. The Contractor shall make available technical instructions and procedures on the extraction of the data.

2.3 Software Transition Support

The contractor shall make available technical instructions and provide support in exporting data that is stored in various City of Chicago databases.

2.4 Integration with Data Sources

- The contractor shall integrate data sources upon request from the PM or designated representative. A non-exhaustive list of such data sources is attached as Attachment B to this Exhibit. The contractor shall provide requirements for data integration to the PM. The contractor shall provide a schedule to the PM before beginning any data integration. The contractor shall request access to required data sources, data descriptions, metadata, web services, schemas, documentation, and other materials that assist in data integration to the PM before any work is started. The PM will promptly facilitate access to required data sources.
- Information about City systems or data sources shall constitute “Data” to be owned by the City.

2.5 Security

- The contractor shall adhere to the City of Chicago data security policy.

3. System Implementation:

3.1 Typical Project Timeline:

- By adhering to Silicon Valley’s standard of execution and culture of agility, we can stand up a Palantir deployment in a matter of weeks. We typically have Palantir up and running for a customer within eight weeks of contract signing.

WEEK	1	2	3	4	5	6	7	8	9	10	11	12+
	INITIATION		ONTOLOGY DEVELOPMENT									
						WORKFLOW SUPPORT						
			DATA INTEGRATION						USER TRAINING			
										CONTINUOUS IMPROVEMENT		

3.2 General Implementation Approach

Palantir proposes the following project plan to address the City's need for a data fusion platform deployed across multiple City business units:

Phase I: Planning (Weeks 1-2)

During Phase I, Palantir will meet with City staff to discuss implementation details in depth. Phase I can begin immediately upon contract award and Palantir can work with City staff to quickly move to Phase II. Key elements of Phase I will include:

- Discussing the data collection process, the desired ontology model, relevant analytical workflows, and report design at initial planning meetings.
- Securing access to legacy data and data from the City's internal groups and related organizations.
- Creating a detailed training schedule to ensure City users are trained to use Palantir by the end of Phase II.
- Partnering with City staff to identify relevant future desired functionality to be implemented in Phase III.

At the completion of Phase I, Palantir will be prepared to quickly implement the platform, train all users, and ensure a smooth transition.

Phase II: Implementation (Weeks 3 – Onward)

During Phase II, Palantir will implement Palantir Gotham at the City deployments and enable users to access the full range of the platform's key capabilities. Key elements of Phase II will include:

- Standing up the Palantir instance (hardware and software).
- Configuring the ontology.
- Integrating data sources as needed/agreed.
- Training City users on Palantir Gotham.
- Designing and generating required reports and enabling users to query and analyze data and generate reports.
- Identifying additional critical workflows and beginning development of necessary application helper programs/plug-ins to address additional user needs.

At the completion of Phase II, Palantir will have fully implemented the Palantir Gotham Platform, integrated all key data sources, trained key users across the City deployments and begun to develop customized tools and plug-ins to address critical user workflows.

Phase III: Additional Integration and Functionality Development (Weeks 9 – Onward)

During Phase III, Palantir will continue to work closely with the City to identify and integrate additional systems and data sources that the City wishes to interface with Palantir, if any. Palantir will also continue to develop customized tools and plug-ins to meet needs of stakeholders across the organization, if the City desires additional functionality.

3.3 Reporting:

All project reports shall be submitted electronically using standard word processing software unless otherwise required in the relevant Contract Data Requirement List (CDRL).

- I. Project Management Plan: The Contractor and City shall schedule and conduct a Kick-off Meeting within thirty (30) days after contract award. The contractor shall prepare a Project Management Plan (PMP) for this effort that includes the purpose of this effort, a description of each task, a list of resources required and a detailed project schedule. Upon approval of the PMP, the contractor shall set a project schedule baseline so that the subsequent updates reflect the true status of the project. The contractor shall provide update to the PMP and schedule during key project meetings. These key project meetings shall take place at a frequency designated by the PM.
- II. Project Documentation: The contractor shall provide regular Weekly Status Reports (WSRs) to the PM. The contractor shall submit the WSRs by Monday of the week for the previous week's progress.
- III. Weekly Status Report: The contractor shall provide project updates on a weekly basis for program management including operational and programmatic developments via video or telephonic conference as designated by the PM. The contractor shall include the status of the deliverables and issues in the weekly update.
- IV. The Contractor and City shall monitor and manage the schedule, conduct and quality of all products, personnel, infrastructure,

support, and work performed in accordance with City requirements.

- V. The Contractor shall support/host program reviews and technical meetings, as reasonably required by the City, by preparing and delivering materials such as electronic and hardcopy presentations, pamphlets, pictures, video, or other requested media relating to program status, accomplishments, and deliverables.
- VI. Other Deliverables: The contractor shall provide all relevant technical documentation including data integration design and software configuration specific to the City of Chicago. After the review and agreement that is specific to the City the documentation is owned by the City. Documentation not specific to the City is owned by Palantir.

Attachment A

Palantir Product Service Level Agreement

PALANTIR O&M/SUPPORT SERVICES

1. SUPPORT SERVICES. Support Services consist of (a) Error Correction and Telephone Support provided to a single technical support contact concerning the installation and use of the then-current release of the applicable Product and the Previous Sequential Release and (b) Product Major Releases that Palantir in its discretion makes generally available without additional charge to a Customer that is up to date on all fees due under its current License and Services Agreement (any such update will be subject to the Agreement as though it were the applicable Product).
2. ERROR PRIORITY LEVELS. Palantir shall exercise commercially reasonable efforts to correct any Error reported by Customer in the current unmodified release of Product in accordance with the priority level reasonably assigned to such Error by Palantir.
 - P0 Errors - Palantir shall promptly commence the following procedures: (i) assigning Palantir engineers to correct the Error(s); (ii) notifying Palantir management that such Errors have been reported and of steps being taken to correct such Error(s); (iii) providing Customer with periodic reports on the status of the corrections; (iv) initiating work to provide Customer with a Hotfix; and (v) if appropriate, providing Palantir representatives on site at Customer's facilities.
 - P1 Errors - Palantir shall promptly commence the following procedures: (i) assigning Palantir engineers to correct the Error; (ii) notifying Palantir management that such Errors have been reported and of steps being taken to correct such Error(s); (iii) providing Customer with periodic reports on the status of the corrections; (iv) initiating work to provide Customer with a Hotfix; and (v) if appropriate, providing Palantir representatives on site at Customer's facilities.
 - P2 Errors - Palantir may include the Fix for the Error in the next Major Release.
 - P3 Errors - Palantir may include the Fix for the Error in the next Major Release.

If Palantir believes that a problem reported by Customer may not be due to an Error in a Product, Palantir will so notify Customer. At that time, Customer may (1) instruct Palantir to proceed with problem determination at Customer's possible expense as set forth below or (2) instruct Palantir that Customer does not wish the problem pursued at Customer's possible expense. If Customer requests that Palantir proceed with problem determination at Customer's possible expense and Palantir determines that the error was not due to an Error in the Product, Customer shall pay Palantir, according to Palantir's then-current published rate chart for consulting services, for all work performed in connection with such determination, plus reasonable related expenses incurred therewith. Customer shall not be liable for (i) problem determination or repair to the extent that problems are due to Errors in the Product; (ii) work performed under this paragraph in excess of its instructions; or (iii) work performed after Customer has notified Palantir that it no longer wishes work on the problem determination to be continued at Customer's possible expense (such notice shall be deemed given when actually received by Palantir). If Customer

instructs Palantir that it does not wish the problem pursued at Customer's possible expense or if such determination requires effort in excess of Customer's instructions, Palantir may, at its sole discretion, elect not to investigate the error with no liability therefore.

3. RESPONSE TIMES. Palantir will use diligent efforts to meet the following response times:

Severity	Response Time	Targeted Resolution Service Level
P0	12 clock hours, 365 days a year	Onsite if appropriate within 24 clock hours of issue until Error is resolved
P1	12 Business Hours	Onsite if appropriate within 36 business hours of issue until Error is resolved
P2	24 Business Hours	Error resolved with Major Release
P3	60 Business Hours	Error resolved at Palantir's discretion

4. EXCLUSIONS. Palantir shall have no obligation to support: (i) altered or damaged Product or any portion of a Product incorporated with or into other software; (ii) Product that is not the then-current release or immediately Previous Sequential Release; (iii) Product problems caused by Customer's negligence, abuse or misapplication, use of Product other than as specified in the Palantir's user manual, or other causes beyond the control of Palantir; (iv) Product installed on any hardware that is not supported by Palantir; (v) any Product for which Palantir has released a Hotfix or Major Release that has not been implemented by Customer within six (6) months after the date first made available by Palantir. Palantir shall have no liability for any changes in Customer's hardware which may be necessary to use Product due to a Workaround or maintenance release.

5. CUSTOMER PREREQUISITES. As a prerequisite to Palantir's obligations hereunder, Customer agrees to the following support procedures.

5.1 Customer will establish and maintain a qualified support team that includes:

- System engineers familiar with the environment and configuration who are trained and facile in use of the diagnostic tools provided by Palantir with the Product, including the ability to screen and release this information in a timely manner.
- Trained Oracle DBAs with access to, and knowledge of, the underlying Oracle databases.
- Providing Palantir Trainers with reasonable access to end-users to enable direct reporting problems or issues.

In addition, this support team must be generally available and able to collect data and report it back to Palantir within 24 to 48 hours of requests made by Palantir.

5.2 Customer will back up Palantir files and associated databases regularly.

5.3 Customer will follow the Upgrade Guide and other instructions provided by Palantir when upgrading Product.

5.4 Customer will test Major Releases in a staging environment before deploying the Major Release to a production environment.

6. DEFINITIONS.

- “Business Hours” means hours occurring during the period of each day in which Palantir offers Support Services, 8 A.M.-4 P.M. Pacific Standard Time.
- “Error” means an error in a Product that is reproduced by Palantir and which significantly degrades such Product as compared to the Palantir’s published performance specifications.
- “Error Correction” means the use of reasonable commercial efforts to correct Errors.
- “Fix” means the repair or replacement of object or executable code versions of a Product to remedy an Error.
- “Hotfix” means a single, cumulative package that includes one or more files containing Fixes or Workarounds that are used to address P0 or P1 Errors. “Hotfixes” address a specific customer situation and may not be distributed outside the customer organization.
- “Major Release” means a Product update that represents incremental improved features, functionality, and usability and is released during the normal course of development. An update is indicated as an increment to the major version number in the software (version 1.2 can be updated to version 1.3).
- “Previous Sequential Release” means the release of a Product which has been replaced by a subsequent release of the same Product. Notwithstanding anything else, a Previous Sequential Release will be supported by Palantir only for a period of twelve (12) months after release of the subsequent release.
- “P0 Error” means an Error which renders a Product inoperative or causes such Product to fail catastrophically.
- “P1 Error” means an Error which substantially degrades the performance of a Product or materially restricts Customer’s use of such Product.
- “P2 Error” means an Error which causes only a minor impact on the Customer’s use of Product functionality.
- “P3 Error” means an Error which causes only a very minor impact on the Customer’s use of a Product, such as documentation typos or handled error messages.
- “Support Services” means Palantir support services as described in Section 1.
- “Telephone Support” means technical support telephone assistance provided by Palantir to the Technical Support Contact during Palantir’s normal business hours concerning the installation and use of the then current release of a Product and the Previous Sequential Release.
- “Upgrade Guide” means the documentation provided by Palantir specifying appropriate procedure for upgrading Product.
- “Workaround” means a change in the procedures followed or data supplied by Customer to avoid an Error without substantially impairing Customer’s use of a Product.

THESE TERMS AND CONDITIONS CONSTITUTE A SERVICE CONTRACT AND NOT A PRODUCT WARRANTY. ALL PRODUCTS AND MATERIALS RELATED THERETO ARE

SUBJECT EXCLUSIVELY TO THE WARRANTIES SET FORTH IN THE AGREEMENT.
THIS ATTACHMENT IS AN ADDITIONAL PART OF THE AGREEMENT AND DOES
NOT CHANGE OR SUPERSEDE ANY TERM OF THE AGREEMENT EXCEPT TO THE
EXTENT UNAMBIGUOUSLY CONTRARY THERETO.

Attachment B Data Sources

- City Debarred List
- EPLS
- IL Political Contributions
- FMPS
- ARMS
- IRIS
- Hansen 7
- IPI (Hansen 8)
- DTRAK
- EDS
- C2
- Administrative Hearings
- Select datasets from the City of Chicago Data Portal