

AGENDA ITEM NO. 2B

COUNCIL MEETING 5/2/2013

APPROVED BY

  
DEPARTMENT DIRECTOR

  
CITY MANAGER

May 2, 2013

**FROM:** CAROLYN T. HOGG, Director   
Information Services Department

**BY:** EDDIE HUGHES, Information Services Manager   
Information Services Department

**SUBJECT:** ACTIONS PERTAINING TO THE MAINTENANCE AND SUPPORT OF PEOPLESFT SOFTWARE – INFORMATION SERVICES DEPARTMENT

1. ADOPT RESOLUTON AUTHORIZING THE DIRECTOR OF INFORMATION SERVICES DEPARTMENT TO ENTER INTO A CONTRACT FOR MAINTENANCE AND SUPPORT OF THE PEOPLESFT SOFTWARE WITH RIMINI STREET, INC. UNDER THE SOLE SOURCE EXCEPTION WITHOUT COMPETITIVE BIDDING REQUIREMENT
2. AWARD A SOLE SOURCE AGREEMENT WITH RIMINI STREET INC. FOR MAINTENANCE AND SUPPORT OF THE PEOPLESFT SOFTWARE. AUTHORIZE THE DIRECTOR OF INFORMATION SERVICES TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY WITH THE AMOUNT NOT TO EXCEED \$219,936

## RECOMMENDATIONS

Staff recommends the City Council:

1. Adopt resolution authorizing the Director of Information Services Department to enter into a contract for maintenance and support of the PeopleSoft software with Rimini Street, Inc. under the sole source exception without competitive bidding requirement.
2. Award a sole source agreement with Rimini Street Inc. for maintenance and support of the PeopleSoft software. Authorize the Director of Information Services to execute the agreement on behalf of the City with the amount not to exceed \$219,936.

## EXECUTIVE SUMMARY

The Council is being requested to approve a sole source agreement with Rimini Street under the Sole Source Exception. The CIO or her designee is authorized to enter into an agreement for annual PeopleSoft maintenance and support, including tax table and regulatory updates, and support for customizations. The agreement should not exceed \$219,936 for fiscal year 2013-2014. PeopleSoft includes the mission critical Financial and Human Capital Management applications, as well as the Payroll system. The agreement allows the City to continue to receive maintenance and technical support for the PeopleSoft applications that the City currently owns. Included in the agreement are mandatory tax table updates for payroll processing. This agreement will allow the City to continue the annual maintenance and support that is essential to supporting

## REPORT TO CITY COUNCIL

Approve Sole Source Agreement to Rimini Street

May 2, 2013

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the availability of critical City applications. The \$219,936 amount is over a 50% savings over the previous agreement amount of \$461,145.

### BACKGROUND

ISD has diligently looked into options to reduce costs without reducing support levels. PeopleSoft maintenance is essential to supporting the availability of critical City applications. Maintenance and support is needed to ensure that the Human Capital Management applications including Payroll and Financial applications will operate securely and in a supported environment. Maintenance and support helps to minimize any downtime that may occur due to unforeseen circumstances. The criticality of these applications and mandated tax updates necessitates the need for maintenance and support. Missing in the current agreement are critical support issues that must be addressed. These issues include: 1) support of customizations; 2) shorter guaranteed response time window; and 3) an assigned senior U.S. based engineer. All of these issues have become more important with the reduction in ISD staffing. ISD began researching and analyzing support vendors who could provide our existing maintenance and support as well as resolve the previously mentioned three issues.

During ISD's analysis and research it was determined that only one vendor provides all of the critical and necessary elements needed. This vendor was Rimini Street. During the research it was found that other public agencies going through a similar process utilized a sole source agreement with Rimini Street. Recent public agencies with sole source agreements include: City of Santa Monica and City of Tallahassee. Rochester City school district completed an RFP process that resulted in only one respondent, Rimini Street. Renowned industry expert Ray Wang from Constellation Research has stated that Rimini Street is the only vendor that can provide the requested support items.

Rimini Street's pricing model is 50% of the current PeopleSoft support and maintenance costs. The significantly reduced cost as well as the required additional features, exceeds the desired goal of ISD providing equal or better support at lower or no additional cost.

### FISCAL IMPACT

Approval of this item saves the City approximately \$219,936 for fiscal year 2013-2014. The savings to the General Fund would be proportional to their charges of about 47%. This equates to over \$113,000. Subsequent years of the agreement will provide similar annual savings.

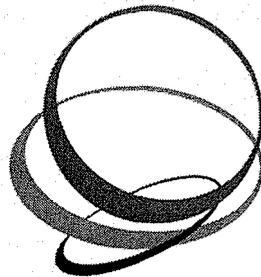
Attachment: Vendor Comparison Matrix  
Constellation Research Letter  
City Manager Approval  
Sole Source Resolution  
Services Agreement  
Scope of Work

**City of Fresno  
Comparison Chart**

**Department:** Information Services Department  
**Product:** PeopleSoft Maintenance and Support

| <b>Features</b>  | <b>Oracle</b> | <b>Rimini Street</b> | <b>Cedar Crestone</b> | <b>Dimension Systems Inc</b> | <b>SpearMC Consulting</b> |
|--|---------------|----------------------|-----------------------|------------------------------|---------------------------|
| 1. PeopleSoft Annual Support and Maintenance   | YES           | YES                  | YES                   | YES                          | YES                       |
| 2. Assigned senior level U.S. based support engineer   | NO            | YES                  | NO                    | NO                           | NO                        |
| 3. Service Level Agreement (SLA) of 30 minute response time for serious issues   | NO            | YES                  | NO                    | NO                           | NO                        |
| 4. Complete Tax, Legal, and Regulatory Updates   | YES           | YES                  | NO                    | NO                           | NO                        |
| 5. Support for Customizations  | NO            | YES                  | NO                    | NO                           | NO                        |
| 6. Total Cost  | \$461,145     | \$230,573            | N/A                   | N/A                          | N/A                       |
| <b>Explanation of Features</b>   |               |                      |                       |                              |                           |
| 1. All vendors can provide support and maintenance.  |               |                      |                       |                              |                           |
| 2. Only Rimini Street provides an assigned senior level U.S. based engineer. This provides an experienced engineer who will know our site and specifications, leading to better support and quicker resolution of issues.  |               |                      |                       |                              |                           |
| 3. Only Rimini Street provides a SLA of 30 minutes on serious issues. This is a guaranteed response time in the case of critical issues and/or work stoppages.   |               |                      |                       |                              |                           |
| 4. Only Oracle and Rimini Street provide mandatory tax, legal, and regulatory updates. Note: these updates are necessary to provide accurate and timely tax withholdings for Payroll.  |               |                      |                       |                              |                           |
| 5. Only Rimini Street supports application customizations that have been made by the City of Fresno. We have a significant number of customizations, particularly in the Human Capital Management e-application modules. With reducing staffing, support of customizations is a key concern. |               |                      |                       |                              |                           |
| 6. Oracle cost is our current annual amount. Rimini Street's pricing model is 50% of current Oracle charges. The remaining three vendors: Cedar Crestone, Dimension Systems Inc, and SpearMC Consulting are not applicable since they don't provide all of the required features.            |               |                      |                       |                              |                           |

# Official Statement



**constellation**  
RESEARCH



February 14, 2013

To Whom It May Concern at the City of Fresno:

We have been asked for a statement regarding Rimini Street services. Please find our professional opinion stated below:

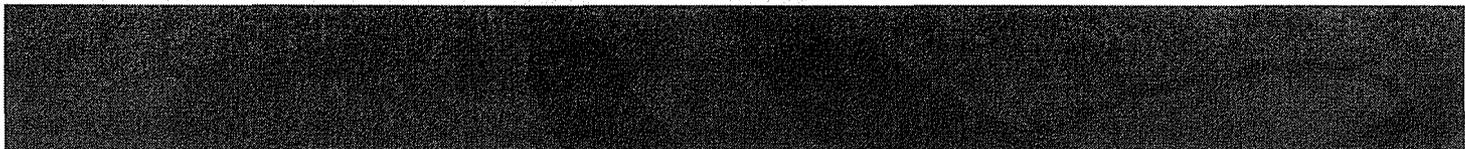
**"Rimini Street is the only independent vendor that provides PeopleSoft annual support services including full USA tax, legal and regulatory deliverables independent of Oracle and support for customizations."**

Should you have any additional questions, you can reach me directly at [r@constellationrg.com](mailto:r@constellationrg.com).

Sincerely,

A handwritten signature in black ink, appearing to be "R Wang", written in a cursive style.

R "Ray" Wang



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DATE: 4/18/13

TO: MARK SCOTT, City Manager

FROM: CAROLYN T. HOGG, Chief Information Officer

A handwritten signature in black ink, appearing to be "CH" or similar initials.

SUBJECT: APPROVE SOLE SOURCE AGREEMENT WITH RIMINI STREET NOT TO EXCEED \$230,573 FOR ANNUAL PEOPLESOFT MAINTENANCE AND SUPPORT, INCLUDING TAX TABLE AND REGULATORY UPDATES, AND SUPPORT FOR CUSTOMIZATIONS; AUTHORIZE THE CHIEF INFORMATION OFFICER (CIO) OR HER DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY – INFORMATION SERVICES DEPARTMENT (ISD)

Staff recommends approval of the sole source agreement with Rimini Street not to exceed \$230,573 for annual PeopleSoft maintenance and support, including tax table and regulatory updates, and support for customizations; authorize the CIO or her designee to execute the agreement on behalf of the City.

The CIO or her designee is authorized to enter into an agreement for annual PeopleSoft maintenance and support, including tax table and regulatory updates, and support for customizations. The agreement should not exceed \$230,573 for fiscal year 2013-2014. PeopleSoft includes the mission critical Financial and Human Capital Management applications, as well as the Payroll system. The agreement allows the City to continue to receive maintenance and technical support for the PeopleSoft applications that the City currently owns. Included in the agreement are mandatory tax table updates for payroll processing. This agreement will allow the City to continue the annual maintenance and support that is essential to supporting the availability of critical City applications. The \$230,573 amount is a 50% savings over the previous agreement amount of \$461,145.

Missing in the current agreement are critical support issues that must be addressed. These issues include: 1) support of customizations; 2) shorter guaranteed response time window; and 3) an assigned senior U.S. based engineer. All of these issues have become more important with the reduction in ISD staffing. ISD began researching and analyzing support vendors who could provide our existing maintenance and support as well as resolve the previously mentioned three issues.

During ISD's analysis and research it was determined that only one vendor provides all of the critical and necessary elements needed. This vendor was Rimini Street. During the research it was found that other public agencies going through a similar process utilized a sole source agreement with Rimini Street. Recent public agencies with sole source agreements include: City of Santa Monica and City of Tallahassee. Rochester City school district completed an RFP process that resulted in only one respondent, Rimini Street. Renowned industry expert Ray Wang from Constellation Research has stated that Rimini Street is the only vendor that can provide the requested support items.

Approval of this item saves the City approximately \$230,573 for fiscal year 2013-2014. The savings to the General Fund would be proportional to their charges of about 47%. This equates to over \$108,000. Subsequent years of the agreement will provide similar annual savings.

APPROVE REQUEST

DENY REQUEST

*Mark Scott*

*4-24-13*

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MARK SCOTT, City Manager

Date

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, TO DISPENSE WITH THE COMPETITIVE BIDDING REQUIREMENT AND AUTHORIZE THE DIRECTOR OF INFORMATION SERVICES DEPARTMENT TO ENTER INTO A CONTRACT FOR MAINTENANCE AND SUPPORT OF THE PEOPLESOFT SOFTWARE WITH RIMINI STREET, INC.

WHEREAS, the City of Fresno uses PeopleSoft applications for its financial and human resources management needs, including the payroll system; and

WHEREAS, these software applications require tax, legal, and regulatory updates, as well as maintenance and support, including repairs, upgrades, and support for customizations; and

WHEREAS, such repairs need to be accomplished quickly to avoid downtime requiring the need of an assigned senior level U.S. based support engineer as well as a guaranteed thirty minute response time for serious issues; and

WHEREAS, these services and features are required and imperative to supporting the availability of the City's mission critical PeopleSoft applications and are needed to ensure that these applications operate securely and in a supported environment; and

WHEREAS, after investigation by ISD and review by the Purchasing Manager, it has been determined that the only vendor capable of providing these required services and features is Rimini Street, Inc.; and

WHEREAS, Rimini Street, Inc. is willing to provide these services and features for an approximate annual cost of \$219,936, which is roughly 50% of the current vendor's cost which only includes the tax, legal, and regulatory updates; and

WHEREAS, City of Fresno Charter Section 1208 requires advertised competitive bidding for materials involving the expenditure of City monies in excess of \$127,000, unless Council determines that the work to be done or the goods to be supplied can only be provided by one source, and the purchase is authorized by resolution of the Council containing a declaration of the facts constituting the sole source.

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

- a. The Council has received and considered the report and recommendations of City staff.

- b. The maintenance and support of PeopleSoft applications, including tax, legal, and regulatory updates, with an assigned senior level U.S. based engineer, a thirty minute response time for serious issues, and support for customizations, are essential to the availability of the City's mission critical PeopleSoft applications.
- c. It is proper to dispense with the competitive bidding requirement in this instance and the City Chief Information Officer or designee is authorized to enter into a contract with Rimini Street, Inc. for PeopleSoft maintenance and support subject to approval as to form by the City Attorney.

\* \* \* \* \*

STATE OF CALIFORNIA )  
 COUNTY OF FRESNO ) ss.  
 CITY OF FRESNO )

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

AYES :  
 NOES :  
 ABSENT :  
 ABSTAIN :

Mayor Approval: \_\_\_\_\_, 2013  
 Mayor Approval/No Return: \_\_\_\_\_, 2013  
 Mayor Veto: \_\_\_\_\_, 2013  
 Council Override Vote: \_\_\_\_\_, 2013

YVONNE SPENCE, CMC  
 City Clerk

BY: \_\_\_\_\_  
 Deputy

APPROVED AS TO FORM:  
 CITY ATTORNEY'S OFFICE

BY: \_\_\_\_\_  
 Karen Ray, Deputy                      Date

KJR:prn [61648prn/reso] 04-19-13

**COPY**

## Services Agreement

This Services Agreement ("**Agreement**") is made as of \_\_\_\_\_, ("**Effective Date**") by and between Rimini Street, Inc. ("**Rimini Street**"), a Nevada corporation having a principal place of business at 7251 West Lake Mead Blvd., Suite 300, Las Vegas, NV 89128, and City of Fresno, a California municipal corporation ("**Client**"), having a principal place of business at 2600 Fresno Street, Fresno, CA 93721. Rimini Street and Client shall individually be referred to as a "**Party**" and jointly referred to hereinafter as "**the Parties**."

The Parties agree as follows:

### 1. Services

Rimini Street shall provide Client with certain services and/or certain deliverables as listed in the Scope of Work ("**SOW**") (hereafter collectively referred to as "**Services**") as described in Exhibit A. The Parties may modify this Agreement to increase or decrease the SOW or provide for the rendition of services not required by this Agreement. Any change in the SOW must be made by written amendment to the Agreement signed by an authorized representative for each party.

### 2. Term

This Agreement shall become effective at one minute past midnight (12:01 a.m.) United States Pacific Time on the Effective Date and shall continue in full force and effect until one minute before midnight (11:59 p.m.) United States Pacific Time on March 31, 2028 ("**Support Period**"), subject to an earlier termination in accordance with this Agreement.

### 3. Payment Terms and Expenses

**A. Payment Terms.** Client agrees: (i) to pay Rimini Street all fees in accordance with the Payment Schedule set forth in the SOW, and all reimbursable expenses authorized, in the SOW (collectively, "**Payments**"); (ii) except as expressly provided otherwise, all Payments made by Client are non-refundable and shall be made without set-off or counter-claim; (iii) fees listed in any SOW do not include VAT or any other taxes or duties; (iv) all past due amounts will bear interest at one and one-half percent (1.5%) per month; and (v) if any invoiced Payments, taxes or duties related to this Agreement are more than fifteen (15) days past due for payment, Rimini Street, at its sole discretion and not in lieu of any other remedy, may cease providing Services until such time as Client is once again current in its invoiced Payments, taxes and duties to Rimini Street (as reasonably determined by Rimini Street). Further, Client agrees it is responsible for paying all sales, use, VAT, and any other applicable taxes however designated, other than those based on Rimini Street's net income, for the Services provided under this Agreement, as applicable. If Client requests that any such taxes not be included in the invoice, Client agrees to (i) provide a sales tax exemption letter or its functional equivalent in a form reasonably acceptable to Rimini Street ("**Tax Exemption Letter**") for the audit files of Rimini Street prior to invoicing; or (ii) if such Tax Exemption Letter is not provided prior to invoicing, pay such taxes and file a refund on its own behalf at a later date. Notwithstanding anything herein to the contrary, Client shall indemnify, defend and hold Rimini Street harmless from and against all claims and liability arising from Client's delay or failure, for any reason, to pay any tax or file any return or information required by law, rule or regulation, or by this Agreement to be paid or filed by Client.

**B. Travel and Living Expenses.** If situations arise that cause Rimini Street and/or Client representatives to agree that travel is appropriate for Rimini Street representatives in connection with the provision of Services, Rimini Street will seek pre-approval from Client before incurring any such travel and living expenses. Client agrees to reimburse Rimini Street within twenty (20) days after Rimini Street provides Client with reasonable and appropriate expense documentation.

#### 4. Termination by Client

Client may not terminate this Agreement at any time during Years 1 through 3 of the Support Period except for cause pursuant to the Agreement. Thereafter, Client may terminate the Agreement at the end of a Support Period Year with no less than ninety (90) calendar days written notice prior to the start date of any subsequent Support Period Year for any reason or no reason, provided that all fees and expense reimbursements shall be paid by Client to Rimini Street on or before the actual date of termination.

#### 5. Termination for Cause

A Party may terminate this Agreement if (a) the other Party is in default of any material term, condition or warranty and (b) such default is not cured within thirty (30) days after written notice of default is provided to the defaulting Party at the applicable address listed in Section 15.

#### 6. Client Obligations

Client shall perform the following obligations (collectively referred to as "**Client Obligations**"):

**A. Primary Contact.** Client will designate and provide one (1) Client primary point of contact, and this individual shall be Client's authorized representative working with Rimini Street while Services are being rendered.

**B. Personnel.** Client will provide sufficient, qualified, and knowledgeable personnel capable of: (i) performing Client Obligations; (ii) making necessary and timely decisions on behalf of Client; (iii) facilitating the testing of any deliverables provided by Rimini Street and/or Client's licensor; and (iv) customizing, installing, and configuring deliverables provided by Rimini Street and/or Client's licensor as needed for use with Client's system.

**C. Facility Access and Work Space.** Should Rimini Street need to travel to Client's facility in order to render Services, Client agrees to provide access to Client's facilities during Client's normal business hours and otherwise as reasonably requested by Rimini Street to enable Rimini Street to render the Services. Client also agrees to provide Rimini Street with equipment and office support (including, but not limited to broadband or digital phone lines for Internet access, phone lines for long distance and local calls related to the provision of Services, photocopying equipment, and the like), and an adequate environment where Rimini Street representatives can conduct work and meet with Client personnel and/or other Rimini Street representatives as necessary.

**D. Provision of Information.** Client will provide all information (including Confidential Information, if applicable, as defined in Section (8) required for Rimini Street to successfully render the Services pursuant to this Agreement and shall ensure that such information is accurate in all material respects.

**E. Timely Performance of Client Obligations.** Client acknowledges and agrees that Rimini Street's ability to perform the Services is conditioned upon Client's timely performance of Client Obligations described herein, and the performance of such Client Obligations is material to Rimini Street's ability to commence, proceed with, and successfully perform the Services.

**F. Final Testing of Fixes and Updates.** Client is responsible for all final system testing to assure that Rimini Street provided fixes and updates perform as documented with the PeopleSoft System before moving said fixes and updates into any production environment.

**G. Access to Software.** Client acknowledges that Rimini Street may need to access, install, work with, configure, test, and possibly modify certain product modules licensed to Client as listed in the SOW ("**Covered Products**") and Client Archives in order to render the Services pursuant to this Agreement, and Client hereby authorizes Rimini Street to do so. Client shall provide Rimini Street with

remote access to one or more non-production development and test environment(s) that include the Covered Products and Client Archives (if any), together with all license codes and other software required for their proper operation (each a "Non-Production Environment"). Each Non-Production Environment and remote access connectivity thereto must meet the technical guidelines provided by Rimini Street to Client.

**H. Work Product License Usage.** Notwithstanding anything to the contrary in this Agreement, Client may provide Client's employees or a third party access to Rimini Street Work Product for the sole purpose of supporting the Covered Products in the event that Client chooses to terminate this Agreement and undertake self-support or contract with a different service provider to provide support and maintenance services for the Covered Products. In such event, Client shall bind such employee or third party to obligations of non-disclosure and restricted use which are no less stringent than those contained within this Agreement.

**I. Internal Client Support.** Client is responsible for providing Help Desk Support and System Administration Support.

## **7. Rimini Street Obligations**

Subject to Client performing the Client Obligations, Rimini Street shall perform or cause to be performed the following obligations (collectively referred to as "**Rimini Street Obligations**"):

**A. Services.** Rimini Street will provide the Services to Client as described in the SOW in consideration of the Payments which shall be paid in accordance with the Payment Schedule described in the SOW and in accordance with the additional payment terms in Section 3(A) above. Unless otherwise specified in the SOW, the Parties understand and agree that all Services described in the SOW will only be rendered by Rimini Street in the English language.

**B. Communications.** Prior to the effective date of Services performed, Rimini Street will provide Client with detailed instructions about how to work with Rimini Street representatives to obtain the Services.

**C. Timely Performance of Rimini Street Obligations.** Rimini Street acknowledges and agrees that Client relies on Rimini Street for the timely performance of Rimini Street Obligations described herein.

## **8. Work Product**

Any expression of Rimini Street's findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, and other technical information, together with any programs, enhancements, source and object code that are not derivative works of Client's licensor(s), shall be deemed Rimini Street work product ("**Rimini Street Work Product**"). Rimini Street Work Product shall not include any intellectual property owned by Client or a third party, unless Rimini Street or Client has procured proper permission for the inclusion of such third party intellectual property in the Rimini Street Work Product. As between Rimini Street and the Client, all intellectual property rights (however designated) pertaining to Rimini Street, all Rimini Street Work Product, and the Services, in whole or in part, are and will remain the exclusive property of Rimini Street and its third party licensors.

Rimini Street hereby grants to Client a perpetual, irrevocable, royalty-free, and nonexclusive license to use the Rimini Street Work Product that is incorporated into the Services provided hereunder in accordance with the terms of this Agreement for its sole internal business purposes. The aforementioned Rimini Street Work Product license does not include a license for Client to sell, sublicense, distribute, rent, lease, transfer, share, or assign the Rimini Street Work Product to any other person, entity, affiliate, beneficiary, or contractor, regardless of their relationship to Client.

To the extent Client acquires any rights in the Rimini Street Work Product, Client hereby assigns those rights to Rimini Street. In furtherance of the aforementioned assignment, Client agrees to take such further actions and execute and deliver such further agreements and other instruments as Rimini Street may reasonably request to give effect to this Section 8.

## 9. Confidentiality

**A. Confidential Information.** During the course of the Parties' relationship, a Party may have access to the other Party's Confidential Information. The Parties agree that the term "**Confidential Information**" shall mean any information, technical data, or know-how, including, without limitation, that which relates to research, products, services, customers, markets, inventions, processes, designs, marketing, future business strategies, trade secrets, finances, and other nonpublic information, including employee information, of the disclosing Party, including the details of this Agreement. Subject to the Client Obligations in Section 6(D), the amount and type of Confidential Information to be disclosed is completely within the sole discretion of each Party.

**B. Non-Confidential Information.** The Parties agree that Confidential Information does not include a Party's information which the other Party can establish by legally sufficient evidence: (i) was in the possession of, or was rightfully known by a Party without an obligation to maintain its confidentiality prior to its receipt from the other Party; (ii) is or becomes generally known to the public without violation of this Agreement; (iii) is obtained by a Party in good faith from a third party having the right to disclose it without an obligation of confidentiality; (iv) is independently developed by a Party without use, directly or indirectly, of Confidential Information received from the other Party; or (v) is authorized in writing by a Party to be released from the confidentiality obligations herein.

**C. Non-Disclosure.** Each Party agrees that it shall not use or permit the use of any Confidential Information of the other Party except for purposes of this Agreement, nor disclose or permit to be disclosed the Confidential Information of the other Party to any person or entity (other than its own employees, agents, representatives, or affiliated entities having a reasonable need for such information in order to provide the Services), nor duplicate any Confidential Information of the other Party which consists of computer software or documentation or other materials expressly restricted against copying or which carry the notation "Confidential," "Company Confidential," and/or "Proprietary", unless such duplication, use or disclosure is specifically authorized in writing by the other Party. Each Party agrees that damages may not be adequate to protect the other Party in the event of a threatened breach of this Section 8, and that either Party may take equitable action, including seeking injunctive relief, to enforce this Section 8. The provisions of this Section 8 shall survive the termination or expiration of this Agreement. Trade secret information will remain confidential for as long as the information remains a trade secret.

**D. Legal Disclosure.** If it is reasonably necessary for the receiving Party to disclose any Confidential Information to (i) enforce this Agreement, (ii) comply with a judicial or administrative proceeding or similar process, or (iii) comply with a stock exchange rule, or rule of any other regulatory authority which has jurisdiction over receiving Party, the receiving Party will, if permitted, provide the disclosing Party with prompt written notice so the disclosing Party may, at the disclosing Party's sole expense, seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event such protective order or other remedy is not obtained, the receiving Party will not be in breach of Section 9(C) by furnishing such Confidential Information as legally required and will exercise commercially reasonable efforts to obtain assurance that confidential treatment will be accorded the Confidential Information so disclosed, at the disclosing Party's expense.

## 10. Indemnity

**A. Rimini Street Indemnity.** Provided that Rimini Street is given prompt written notice of an alleged infringement claim and is given information, reasonable assistance, and the sole authority to defend or settle such claim, Rimini Street shall indemnify, defend or, at its sole option, settle, and hold Client harmless against any third party claims that the Rimini Street Work Product delivered to Client

pursuant to this Agreement infringes any third party intellectual property rights; provided, however, that Rimini Street shall have no such indemnification obligation to Client to the extent: (i) the alleged infringement is based on information, software code or other material not furnished by Rimini Street, its agents, representatives, and suppliers; (ii) the alleged infringement is the result of a modification made by anyone other than Rimini Street directly or through a subcontractor or is the result of software provided to Rimini Street by Client, its agents, representatives, and/or suppliers; (iii) such claim would have been avoided but for the combination or use of the Rimini Street Work Product, the Services, or portions thereof, with other products, processes or materials where the alleged infringement relates to such combination; (iv) Client uses the Rimini Street Work Product or the Services other than in accordance with this Agreement or other than in accordance with a license agreement between Client and one or more third parties; (v) Client continues the allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement; or (vi) such claim is based on any portion of Rimini Street Work Product or Services that, in whole or part, embodies Client's Confidential Information, software code, or ideas or other Client material including, without limitation, any portion of Rimini Street Work Product or the Services that is developed pursuant to Client's specifications [(i) through (vi) collectively referred to as the "**Client Indemnifiable Claims.**"]

In the event of a threatened or actual claim, and in addition to providing any indemnification owed to Client by this section 9(A), Rimini Street may, in its reasonable judgment, and at its option and expense: (i) obtain for Client the right to continue using the Rimini Street Work Product; (ii) replace or modify the Rimini Street Work Product so that it becomes noninfringing; or (iii) terminate the right to use the Rimini Street Work Product and return only the Services fees paid by Client for such portion of the Rimini Street Work Product which is allegedly infringing, prorated over a one (1) year term from the date of delivery of such portion of the Rimini Street Work Product. Rimini Street will not enter into any settlement that imposes any legal liability or financial obligation on the Client without the Client's prior written consent. Client will have the right, at its option, to participate in the settlement or defense of the claim, with its own counsel and at its own expense, but Rimini Street will have primary control of the settlement or defense.

**B. Client Indemnity.** Provided that Client is given prompt written notice of an alleged infringement claim and is given information, reasonable assistance, and the sole authority to defend or settle such claim, Client shall indemnify, defend or, at its sole option, settle, and hold Rimini Street harmless against any claims that the Rimini Street Work Product or the Services delivered to Client pursuant to this Agreement infringes any third party intellectual property rights to the extent of one or more Client Indemnifiable Claims. Client will not enter into any settlement that imposes any legal liability or financial obligation on Rimini Street without Rimini Street's prior written consent. Rimini Street will have the right, at its option, to participate in the settlement or defense of the claim, with its own counsel and at its own expense, but Client will have the right to sole control of the settlement or defense.

**C. Personal Injury Indemnity.** Each Party ("**Indemnifying Party**") shall indemnify and hold the other Party ("**Indemnified Party**") harmless against any claim, including costs and reasonable attorney's fees, in which the Indemnified Party is named as a result of the negligent or intentional acts or failure to act by the Indemnifying Party or its employees or agents while performing its obligations pursuant to this Agreement that result in death or personal injury. This indemnification obligation is contingent upon the Indemnified Party's providing the Indemnifying Party with prompt written notice of such claim, information, all reasonable assistance in the defense of such action, and the sole authority to defend or settle such claim.

**D. Entire Liability.** THE FOREGOING PROVISIONS OF THIS SECTION 9 (NINE) STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF RIMINI STREET, AND THE EXCLUSIVE REMEDY OF CLIENT, WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE SERVICES AND THE DEVELOPMENT AND/OR USE OF THE RIMINI STREET WORK PRODUCT, OR ANY PART THEREOF.

## 11. Insurance

**A.** Throughout the life of this Agreement, Rimini Street shall pay for and maintain in full force and effect all insurance as required in **Exhibit B** or as may be authorized in writing by Client's Risk Manager or his/her designee at any time and in his/her sole discretion.

**B.** If at any time during the life of the Agreement or any extension, Rimini Street or any of its subcontractors, if applicable, fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to Rimini Street shall be withheld until notice is received by Client that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to Client. Any failure to maintain the required insurance shall be sufficient cause for Client to terminate this Agreement. No action taken by Client pursuant to this section shall in any way relieve Rimini Street of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by Client that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

**C.** The fact that insurance is obtained by Rimini Street shall not be deemed to release or diminish the liability of Rimini Street, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify Client shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Rimini Street. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Rimini Street, its principals, officers, agents, employees, persons under the supervision of Rimini Street, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

**D.** Upon request of Client, Rimini Street shall immediately furnish Client with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

## 12. Limited Warranty

**A. Warranty.** Rimini Street warrants that the Services will be performed consistent with generally accepted industry standards. No specific result from provision of the Services is assured or guaranteed. Client warrants that it has full legal authority to enter into this Agreement and perform its obligations hereunder, and that no third party rights or permissions are required in order for it to do so. Each Party shall comply fully with all applicable export control and economic sanctions laws and regulations of the United States and other countries and territories relevant to the Services provided under this Agreement (collectively "**Foreign Trade Regulations**"). Each Party shall take all reasonable steps to assure that the Services are not exported, directly or indirectly, in violation of Foreign Trade Regulations or intended to be used for any purposes prohibited by the Foreign Trade Regulations. OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN, THE PARTIES DISCLAIM ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES AND THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

**B. Remedies.** Client's sole remedy and Rimini Street's sole obligation in the event of a breach of the warranty contained herein is, at Rimini Street's sole option for the first 90 days, and at Client's option thereafter: (i) to re-perform the Services; or (ii) to refund the amounts paid by Client for the Services which were not as warranted. This remedy is contingent upon Rimini Street receiving written notice from Client within thirty (30) days of the completion of the Services that Client alleges were not performed consistent with the warranty in Section 12(A).

### **13. Limitation of Liability**

NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING OR ALLEGED, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. RIMINI STREET DOES NOT WARRANT OR REPRESENT THAT SERVICES PROVIDED PURSUANT TO THIS AGREEMENT ARE ERROR-FREE. RIMINI STREET'S AGGREGATE LIABILITY FOR DAMAGES ARISING OUT OF, RELATING TO OR IN ANY WAY CONNECTED WITH THE RELATIONSHIP OF THE PARTIES, THIS AGREEMENT, ITS NEGOTIATION OR TERMINATION, OR THE PROVISION OR NONPROVISION OF SERVICES OR SOFTWARE PURSUANT TO ANY SOW (WHETHER IN CONTRACT OR TORT) SHALL IN NO EVENT EXCEED TWO (2) TIMES THE AMOUNT OF FEES RECEIVED BY RIMINI STREET FROM CLIENT PURSUANT TO THE APPLICABLE SOW FOR THE PRECEDING TWELVE MONTHS IN WHICH THE ALLEGED LIABILITY AROSE, AND IF SUCH DAMAGES RESULT FROM SPECIFIC SERVICES, SUCH LIABILITY SHALL BE LIMITED TO TWO (2) TIMES THE AMOUNT OF FEES RECEIVED BY RIMINI STREET FROM CLIENT FOR THE SPECIFIC SERVICES GIVING RISE TO THE LIABILITY IN RESPECT OF WHICH THE CLAIM AROSE IN THE SUPPORT PERIOD YEAR IN WHICH THE ALLEGED LIABILITY AROSE. THE PARTIES ACKNOWLEDGE AND AGREE TO THE ALLOCATION OF LIABILITY SET FORTH IN THIS SECTION 13 (THIRTEEN). CLIENT ACKNOWLEDGES THAT WITHOUT ITS AGREEMENT TO THE LIMITATIONS CONTAINED HEREIN, RIMINI STREET HAS COMMUNICATED TO CLIENT THAT THE FEES CHARGED FOR THE SERVICES WOULD BE HIGHER.

### **14. Independent Contractor Status**

Rimini Street performs its obligations pursuant to this Agreement as an independent contractor, not as an employee of Client. Nothing in this Agreement is intended to create or be construed as the existence of a partnership, joint venture, or general agency relationship between the Parties.

### **15. Notice**

All notices shall be in writing and sent by United States mail with return receipt, registered mail, overnight mail, or well-known courier service, delivered to the addresses indicated below, or such other address as either party may provide to the other party at least ten (10) business days prior to the date of any notice provided hereunder, unless otherwise provided in this Agreement. Notices shall be deemed to have been provided as required by this Section on the date of delivery as shown on the receipt evidencing delivery of the notice.

For Rimini Street:

Rimini Street, Inc.  
Attn: Legal Dept.  
7251 W. Lake Mead Blvd.  
Suite 300  
Las Vegas, NV 89128

For Client:

City of Fresno, California  
Attn: Legal Dept.  
2600 Fresno Street  
Fresno, CA 93721

## **16. Section Headings**

The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

## **17. Survival**

The terms of Sections 3, 8 through 15, 16, and 18 through 26 shall survive the termination of this Agreement.

## **18. Severability**

If any provision of this Agreement is held to be invalid, illegal or unenforceable, its invalidity shall not affect the remainder of this Agreement, and to the maximum extent possible, such provision shall be interpreted to give effect to the original intent of the Parties while meeting the minimum requirements for validity, legality, and enforceability.

## **19. Legal Construction**

No provision of this Agreement shall be construed against either Party by virtue of the fact of having drafted such provision. Each Party represents that it had a sufficient opportunity to consult with legal counsel and to fully consider and negotiate the provisions of this Agreement.

## **20. Waiver**

The failure by a Party to exercise any right hereunder shall not operate as a waiver of such Party's right to exercise such right or any other right in the future.

## **21. Amendments**

All amendments to the Agreement must be in writing and executed by authorized representatives of each Party.

## **22. Force Majeure**

Except for Client's obligation to pay Rimini Street for Services already rendered, reimburse expenses already incurred on behalf of Client, and to pay taxes, duties, and customs fees owed in relation to the Services, each Party's failure to perform in a timely manner shall be excused to the extent caused by conditions beyond the reasonable control of the affected Party and which it could not, by reasonable diligence, have avoided. Such conditions may include but are not limited to natural disaster, fire, accidents, actions or decrees of governmental bodies, Internet or other communication line failure not the fault of the affected party, strikes, acts of God, wars (declared and undeclared), acts of terrorism, riots, embargoes, civil insurrection, acts of vendors and suppliers, and concealed acts of employees or contractors, but shall not include a lack of funds or insufficiency of resources caused by lack of funds. The Party affected shall immediately give notice to the other Party of such delay and shall resume timely performance as soon as such condition is terminated. If the period of *force majeure* exceeds thirty (30) days from the receipt of notice, the non-affected Party may terminate this Agreement.

## **23. General**

This Agreement is made in and shall be governed by the laws of the State of Nevada, United States of America, without regard to the choice of law principles of any jurisdiction. Jurisdiction and venue shall be deemed proper in Las Vegas, Nevada, United States of America. Except for actions for non-payment or breach of Rimini Street's proprietary rights in the Rimini Street Work Product, no action, regardless of

form, arising out of this Agreement may be brought by either Party more than one year after the cause of action accrued. This Agreement constitutes the entire agreement between the Parties concerning the subject matter contained herein. This Agreement replaces and supersedes any prior verbal or written understandings, proposals, quotations, communications, and representations between the Parties relating to the subject matter hereof. Nothing in this Agreement is meant to create or creates any rights, obligations, or benefits directly or indirectly to any party not a signatory of this Agreement. Except as otherwise specifically stated herein, remedies shall be cumulative and there shall be no obligation to exercise a particular remedy. Neither Party shall assign this Agreement or transfer its responsibilities under this Agreement, nor any interest in this Agreement, except with written consent of the other Party, which consent shall not be unreasonably withheld. The Parties agree that assignment by operation of law in the context of the sale of all or substantially all of a party's stock or assets shall not constitute an "assignment" for purposes of this prohibition. This Agreement and any SOW hereunder may be signed in duplicate originals, or in separate counterparts, which are as effective as if the parties signed a single original. A facsimile or electronic copy of an original signature is considered as effective as an original.

**24. Attorney's Fees**

If either Party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

**25. Cumulative Remedies**

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**26. Signatures**

The undersigned represent and warrant that they are authorized, as representatives of the Party on whose behalf they are signing, to sign this Agreement and to bind their respective Party thereto.

**For Client:**

**For Rimini Street, Inc.:**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM:  
CITY OF FRESNO  
CITY ATTORNEY'S OFFICE  
BY: [Signature] 4-19-13  
DEPUTY Karen J. Ray

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## Exhibit A

### Scope of Work Service Agreement between Rimini Street, Inc. ("Rimini Street") and City of Fresno ("Client")

#### PeopleSoft Support Services

#### 1. Services

Rimini Street shall provide Client with certain support services and certain deliverables as follows for the Covered Products listed in Schedule A (hereafter collectively referred to as "**Services**"), and subject to the capitalized definitions and additional terms found in Section 4 below:

**A. Product Support.** Rimini Street will provide Client with diagnostic services, advice, and recommendations relating to the proper operation of Client's PeopleSoft System.

**B. Product Fixes.** Rimini Street will provide fixes for Issues Client encounters in the Covered Products listed in Schedule A, used in the PeopleSoft Production Release (as well as the Target PeopleSoft Production Release for any PeopleSoft upgrade project Client currently has underway). Rimini Street will provide fixes to the original code as delivered by Oracle Corporation (as successor in interest to PeopleSoft USA, Inc.) and Client-Made Customized Code for on-line, batch, and report code.

**C. Tax, Legal and Regulatory Updates.** Rimini Street will provide tax, legal and regulatory updates during the Support Period for the Covered Products and jurisdictions on Schedule A.

**D. Installation Support.** Rimini Street will provide support for re-installations of the PeopleSoft System if required as a result of an Issue with Client's development, test, or production environments. Installation support shall include advice and recommendations for the execution of installation scripts, configuring the PeopleSoft Technology Foundation, and advice and recommendations for the installation and configuration of supported versions of third-party products from MicroFocus and Crystal Reports. Installation support shall also include advice and recommendations related specifically to Client's choice of a Rimini Street Supported RDBMS platform and Client's choice of a Rimini Street Supported Operating System platform for the PeopleSoft Technology Foundation servers and RDBMS servers.

**E. Interoperability Support.** Rimini Street will provide advice, recommendations, and testing assistance with Issues determined to likely involve interoperability issues between the PeopleSoft Technology Foundation, PeopleSoft Applications, Rimini Street Supported RDBMS platform, Rimini Street Supported Operating System, implemented Crystal Reports software, and implemented MicroFocus software.

**F. Performance Tuning Support.** Rimini Street will provide performance tuning diagnostics, advice, and recommendations for the PeopleSoft Technology Foundation and PeopleSoft Applications using proprietary and commercially available tools. Rimini Street will use commercially reasonable efforts to provide advice and recommendations for performance tuning Client's Rimini Street Supported RDBMS, Rimini Street Supported Operating System, and other third-party products used in the PeopleSoft System.

**G. Upgrade Process Support.** Rimini Street will provide upgrade process support from Client's current PeopleSoft Production Release to any Target PeopleSoft Production Release available prior to termination of Client's Oracle support services agreement for the Covered Products and noted as a target release on Schedule A. Rimini Street will make upgrade support available to any such Target

PeopleSoft Production Release for at least ten (10) years after the PS SOW Effective Date, provided this PS SOW remains in effect without interruption during said ten (10) year period.

**H. Archiving Assistance.** Provided that Client's Oracle support services agreement for the Covered Products has not expired (the expiration date referred to as the "**Maintenance End Date**"), Rimini Street shall assist Client in identifying and obtaining copies of the Covered Products, software updates to the Covered Products, and other support-related materials for the Covered Products. Accordingly, Client designates Rimini Street as an authorized, designated Oracle support contact and shall provide Rimini Street with all temporary logins and passwords needed to access Oracle Corporation's web sites as Client's limited agent for the purpose of identifying and obtaining copies of the Covered Products, software updates to the Covered Products, and other support-related materials for the Covered Products (collectively referred to as the "**Client Archives**"). Client's authorization of Rimini Street's limited agency and right to utilize the provided logins and passwords shall expire on the earlier of: (i) the Maintenance End Date; (ii) when the Client Archives are obtained; or (iii) upon receipt by Rimini Street of written notice from Client terminating Rimini Street's limited agency and authorization. Client shall also provide Rimini Street with remote access to a file storage location where the Client Archives will be transferred once obtained from Oracle Corporation's web sites (the file storage location referred to as the "**Client Archive Repository**"). The Client Archive Repository and remote access connectivity thereto must meet the technical guidelines provided by Rimini Street to Client.

## 2. Service Level Agreement

During the Support Period, Client will be entitled to receive support twenty-four (24) hours a day, seven (7) days a week (including major holidays) for Critical Issue (P1) cases. Response time commitment for a first live conversation with a Rimini Street engineer after Client contacts Rimini Street with a request for support on a Critical Issue case is less than thirty (30) minutes. Client will be entitled to receive support for all other Issues during Rimini Street Business Hours as specified in Schedule A. Response time commitments and communication update intervals for each Issue are detailed in Table 1 below. Business Impact Guidelines for each Client Priority Level are detailed in Table 2 below.

Further, Rimini Street will provide Client with at least one Named Primary Support Engineer. Client's Named Primary Support Engineer shall be the point of contact at Rimini Street for Client's personnel and agents reporting and working to resolve Issues with the Covered Products listed in Schedule A during the Support Period. When Client's Named Primary Support Engineer is unavailable due to on-call rotations or days off, a temporary on-call Named Primary Support Engineer shall be available to Client.

**Table 1**

| Issue Severity | Client Priority Level | Rimini Street Initial Response Commitment | Client Communications Update Commitment* |
|----------------|-----------------------|---|--|
| Critical Issue | Priority 1            | 30 Elapsed Minutes                        | Every 2 Elapsed Hours                    |
| Serious Issue  | Priority 2            | 2 Business Hours                          | Every 4 Business Hours                   |
| Standard Issue | Priority 3            | 1 Business Day                            | Every 5 Business Days                    |
| Q&A            | Priority 4            | 1 Business Day                            | As appropriate                           |

\*If resolution of an Issue is dependent upon some interim measure, such as developing a software patch, etc., an alternative communication update commitment may be defined and agreed upon with Client.

**Table 2**

| Client Priority Level | Business Impact Guidelines   |
|-----------------------|--|
| Priority 1            | Issue where a supported Covered Product is completely unavailable to users or is working at a severely degraded capacity/performance level for multiple users that makes Covered Product unusable; or<br>Issue has a major impact to external client/customer; or<br>Issue is impacting revenue or time sensitive regulatory compliance<br>AND no acceptable workaround exists.  |
| Priority 2            | Issue where a supported Covered Product's functionality has become limited or is working at marginally degraded capacity or performance for multiple users<br>AND no acceptable workaround exists; or<br>Issue where a Covered Product component is unavailable or is working at a severely degraded capacity/performance<br>AND an acceptable workaround exists.  |
| Priority 3            | Issue where a single user is unable to use a Covered Product or a component of a Covered Product that is necessary for the user to perform their primary work activities; or<br>Issue that is not critical is encountered with the Covered Product that leads to a minimal loss of functionality, capacity or performance; or<br>A feature is unavailable where another can be readily used (i.e. routing to a different printer). |
| Priority 4            | General request for information or "how to" (Q&A); or<br>Report of event not causing impact to work operation or production.   |

### 3. Fees and Payment Schedule

**A. Annual Support Fees.** In consideration for Services provided, Client agrees to pay Rimini Street fees ("Annual Support Fees") for each year the Agreement remains in effect in accordance with the terms set forth herein as follows: For the periods April 30, 2013 through May 31, 2014 (Year 1 of the Support Period), June 1, 2014 through May 31, 2015 (Year 2 of the Support Period), and June 1, 2015 through May 31, 2016 (Year 3 of the Support Period), the Annual Support Fee shall be \$ 219,936.00 USD per Year. Unless terminated pursuant to Section 3, the Annual Support Fee for Years 4 through 15 of the Support Period shall increase each Year by 5% over the fee for Services paid by Client for the immediately preceding contiguous Year.

Notwithstanding the foregoing, in the event that Client adds additional licensed products to the Covered Products listed in Schedule A or increases the license usage of any Covered Product beyond the "Maximum License Metric" listed in Schedule A for one or more Covered Products (whether or not such increased usage required Client to pay Oracle Corporation additional license fees), Client agrees to an equitable adjustment of the Annual Support Fees to reflect 50% of the projected Covered Product support and maintenance fees that would have been paid by Client to Oracle for annual support services on the expanded license or expanded license usage of the Covered Products. Any such equitable adjustment of the Annual Support Fees shall also be subject to the annual percentage increase described in the first paragraph of this Section 3(A).

**B. Payment Schedule.** Annual Support Fees are due and payable by Client to Rimini Street according to the following agreed payment schedule ("Payment Schedule"):

| Payment Schedule   | Amount (USD)     |
|--|------------------|
| Year 1 of the Support Period: Payment and PO (if required by Client) shall be due and payable on the PS SOW Effective Date | \$ 219,396.00    |
| Subsequent Support Period Years: Payment and PO (if required by Client) shall be due and payable on or before the          | \$ As Calculated |

|   |  |
|---|--|
| start date of the next subsequent Support Period Year |  |
|---|--|

Client certifies that the Annual Support Fee for Year 1 of the Support Period (prior to any Rimini Street discounting for multi-year pre-payment) is no less than 50% of the total maintenance fees being charged by, and reflected in the most recent invoice(s) received from, the original software vendor (excluding all applicable taxes) for the Covered Products covering the period from June 1, 2012 to May 31, 2013 ("**Maintenance Invoices**"). Client further certifies that the Covered Products listed in Schedule A including but not limited to the license metrics and user counts of such products, are identical to those products covered by the Maintenance Invoices. For purposes of clarity, Client agrees that the Schedule A Covered Products do not, and shall not, have any additions to or omissions from the products covered in the Maintenance Invoices.

Annual Support Fee invoices for subsequent Support Period Years will be mailed to Client approximately sixty (60) days prior to the next subsequent Support Period Year start date.

#### 4. Additional Services Terms

The following additional terms apply to the Services described in Section 1:

- A. **Definitions.** The following definitions are used throughout the SOW:
- I. **Client-Made Customized Code:** Changes or updates made by Client or Client's representatives to PeopleTools objects, COBOL objects, SQR, Crystal Reports, and Visual Basic (VB) subroutines called from PeopleTools that vary from the standard, unmodified, but fix-mastered code line delivered by Oracle in its fix-mastered Applications.
  - II. **Covered Products:** The individual product modules licensed to Client and set forth in Schedule A.
  - III. **Crystal Reports:** A software product that performs as a reporting tool, and is bundled and licensed by Oracle for use with PeopleSoft Systems.
  - IV. **PeopleSoft Application:** An Oracle product whose definition, design, and operating characteristics are defined as on-line and batch code that is managed in PeopleTools or as a callout subroutine from PeopleTools and that can be altered using PeopleTools, SQR, Crystal Reports, Visual Basic (VB), or MicroFocus COBOL.
  - V. **PeopleSoft Production Release:** The PeopleSoft product release level that Client is currently using in its live, production environment.
  - VI. **PeopleSoft System:** Includes the Client's PeopleSoft Technology Foundation and PeopleSoft Applications listed on Schedule A operating on the PeopleSoft Production Release.
  - VII. **PeopleSoft Technology Foundation:** Includes the group of PeopleSoft and third party products known as PeopleTools, application servers, web servers, and middleware products such as BEA Weblogic, IBM Websphere, and Oracle Fusion Middleware.
  - VIII. **RDBMS:** Relational Database Management System. Examples include DB2 or Informix, Sybase, Oracle, and SQL Server products by IBM, Sybase, Oracle, and Microsoft, respectively.
  - IX. **Rimini Street Supported Operating System:** An operating system and operating system release level supported by Oracle on or before Client terminates its Oracle Support Services Agreement, or subsequently agreed to be supported by Rimini Street for use with Client's PeopleSoft Production Release.

- X. **Rimini Street Supported RDBMS Release:** An RDBMS and RDBMS release level supported by Oracle on or before Client terminates their Oracle Support Services Agreement, or subsequently agreed to be supported by Rimini Street for use with Client's PeopleSoft Production Release.
- XI. **Issue:** An issue to be addressed pursuant to Table 1 in Section 4 that meets all of the following criteria: (i) found by Client in the PeopleSoft Technology Foundation, PeopleSoft Applications, or Crystal Reports implementation, or in any updates and fixes provided to Client by Rimini Street, or by Oracle and obtained from Oracle by Client up through Client's Maintenance End Date; (ii) Client becomes aware of the issue during the Support Period and reports the issue to Rimini Street during the Support Period; and (iii) meets one of the four Priority Level criteria set forth on Table 2 of Section 4.
- XII. **Target Peoplesoft Production Release:** The PeopleSoft product release level that Client is planning to upgrade to as its next, live, production environment, as specified in Schedule A as a target release, and which release has been obtained by Client from Oracle Corporation prior to Client's Maintenance End Date.
- XIII. **Help Desk Support:** Means first line, simple corrective assistance by one or more individuals or a third party organization designated and/or contracted by Client to be the first point of contact for Client's entire user population for Covered Products. Help Desk Support provides an initial front-line response to all Client user-reported cases, and resolves certain low-level user reported issues. Common issues to be resolved by Help Desk Support include general system information requests, Covered Product user administration (e.g. user setup and security), Client-specific operational procedures, hardware issues and infrastructure availability (e.g. LAN, web, Internet Service Provider, application, and database access), and similar activities.
- XIV. **System Administration Support:** Means in-depth technical and system administration support that includes technical troubleshooting, analysis and resolution options for the Covered Products. System Administration Support services are more advanced than those generally provided by Help Desk Support and typically staffed with product trained personnel experienced with the Covered Products. Issues with Covered Products reported by Client end users to Help Desk Support that are not fully resolved by Help Desk Support may be escalated to System Administration Support. System Administration Support may include assisting Help Desk Support with resolution of issues, independent System Administration Support diagnosis and resolution of more advanced issues, and/or installation and configuration of software workarounds, updates or fixes made available and provided by Rimini Street. Issues not able to be resolved by System Administration Support may be escalated to Rimini Street.
- XV. **Business Hour:** A single hour of time during the Rimini Street Business Hours specified in Schedule A.
- XVI. **Business Day:** Nine (9) Business Hours
- XVII. **Elapsed Minutes:** Actual accrued time from a specific event (such as logging a case).

**B. PeopleTools, Third Party Products, and Language Support.** Rimini Street will provide support for PeopleSoft PeopleTools under the Agreement. However, Client understands and acknowledges that Rimini Street is not able and will not provide any fixes or updates for the PeopleSoft PeopleTools product or any third party, non-PeopleSoft products used with, embedded, integrated, or bundled with the Covered Products since Client does not have source code for these products. For purposes of example only, such third party products include, but are not limited to, operating systems, database systems, application servers, web servers, online and batch processing tools, reporting tools

and analytic tools (such as Actuate, Oracle Hyperion, Oracle OBIEE, SAP Business Objects and Crystal Reports). The scope of the SOW expressly excludes support for any Panel and Report object issues other than for those listed as covered in any Schedule A.

**C. Installation Support.** Installation Support does not include any of the following: initial, first-time installations and configurations of PeopleSoft products that the Client was not using in production on or before the Support Period; Project planning, advice, or recommendations relating to the migration of RDBMS platforms or PeopleSoft Technology Foundation server and RDBMS server operating system platforms (i.e., Oracle to DB2 RDBMS or Windows 2000 to UNIX); nor installations of a new major release of PeopleSoft products performed as the first step in an upgrade project to a new production PeopleSoft major release (i.e., PeopleSoft 8.8 SP1 to PeopleSoft 9.1).

**D. Interoperability Support.** Interoperability Support will be available to Client for its PeopleSoft System so long as the combination of products and platforms is supported and designed for compatible use in the PeopleSoft System and such combination of products and platforms has been fully tested for proper interoperability prior to production rollout and go-live. Client is fully responsible for any interoperability issues related to third-party products that are incompatible with, or that were not properly tested for proper operation with, Client's PeopleSoft System. Rimini Street will provide upon request, at an additional fee per request and with Client providing copies of all source and target software releases, interoperability testing for operating system and RDBMS release updates that have not been tested by PeopleSoft for proper operation with the PeopleSoft System prior to the termination of Client's PeopleSoft Support Services Agreement.

**E. Performance Tuning.** Client is responsible for ensuring that adequate and reasonable functional, scalability, and regression testing have been completed in the development and test phases prior to production rollout and go-live. Performance tuning support includes recommendations and advice for configuration, deployment model, and parameter settings for the PeopleSoft Technology Foundation and PeopleSoft Applications.

**F. Upgrade Support.** Notwithstanding any assistance to be provided to Client under Section 1(H), Client is responsible for requesting and receiving from Oracle all licensed and available software releases that Client may wish to eventually utilize as a Target PeopleSoft Production Release, as well as all related and available PeopleSoft Upgrade deliverables that include upgrade script templates, patches, PeopleSoft Fix Bundles, PeopleSoft Hot Fixes, release notes, release documentation, upgrade documentation, or necessary license keys. Rimini Street recommends that Client request each and every deliverable Client is entitled to under the terms of its Oracle software license agreement for the Covered Products prior to the Maintenance End Date.

**G. Upgrade Process Support.** Client is responsible for actual upgrade project planning, resourcing, and execution.

**H. Client-Made Customized Code Support.** Client must make its Client-Made Customized Code and related customized documentation available to Rimini Street with reasonable lead time prior to the first support request by Client. Further, only customizations that have been implemented and coded using PeopleSoft Tools, SQR, Crystal Reports, MicroFocus COBOL, and VB/eScripting will be supported as part of the Agreement, and said Client-Made Customized Code must have been tested and proven functionally stable in a development and/or test environment and must have undergone reasonable, industry-standard functional, regression, and scalability testing prior to production rollout and go-live.

**I. Twenty-First Century Dates.** PeopleSoft designed two-digit year displays to resolve into four-digit years for storage and manipulation. Therefore, two-digit year displays in online panels or reports are not programming errors or considered an Issue in the context of this SOW.

**J. Additional Consulting.** Any services required by Client outside the defined Services in this SOW are expressly excluded from the scope of this SOW. Rimini Street will not perform out-of-scope services without Client's pre-approval. If Client desires Rimini Street to provide additional out-of-scope services, separate agreements in the form of an amendment will need to be executed by the Parties prior to Rimini Street performing such services.

**K. Trade Names.** The PeopleSoft name, PeopleSoft product names, and PeopleSoft release names are trademarks of Oracle Corporation. All other names and product names are the property of their respective owners.

## 5. Schedule A – Covered Products - Instance No. 1

|   |                           |
|---|---------------------------|
| Data Center Location(s):                                  | Fresno, CA 93721          |
| Client Support Team Location(s):                          | Fresno, CA 93721          |
| Support to be provided in the following language(s):      | English                   |
| Client Support Team Business Hours/Time Zone              | 7:00 a.m. - 5:00 p.m. PST |
| Rimini Street Business Hours/Time Zone                    | 7:00 a.m. - 5:00 p.m. PST |
| Responsibility for Maintaining and Supporting Interfaces: | Client                    |
| Production Instances Supported:                           | One                       |
| DBMS Hardware Platform, OS, and RDBMS:                    | Oracle                    |
| Oracle Maintenance End Date ("MED"):                      | May 31, 2013              |

**Geographies Supported:** United States (**Note:** Subject to reasonable fees to be agreed upon by the Parties, additional Geographies may be added at the Client's discretion. Client shall provide Rimini Street a written request for new Geography additions at least 90 days in advance of Client's desired go-live date with each Geography addition.)

**Panel Languages Supported:** English (**Note:** Subject to reasonable fees to be agreed upon by the Parties, additional Panel Languages may be added at the Client's discretion. Client shall provide Rimini Street a written request for new Panel Languages at least 90 days in advance of Client's desired go-live date with each Panel Language addition.)

**Report Languages Supported:** English (**Note:** Subject to reasonable fees to be agreed upon by the Parties, additional Report Languages may be added at the Client's discretion. Client shall provide Rimini Street a written request for new Report Languages at least 90 days in advance of Client's desired go-live date with each Report Language addition.)

### Applications Data: HCM

| PeopleSoft Modules                                     | Current Release and Patch Level | Future Target Release(s) and Minimum Patch Level(s) | Tax, Legal & Regulatory Updates? | Applicable Tax & Regulatory Jurisdiction | Maximum License Metric | Notes            |
|--|---------------------------------|---|----------------------------------|--|------------------------|------------------|
| PeopleSoft Enterprise Talent Acquisition Manager       | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise Absence Management               | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise Time and Labor for Public Sector | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise Human Resources                  | 8.9                             | 9.1   | Yes                              | United States                            | 4,812 Employees        | US Federal Forms |
| PeopleSoft Enterprise Candidate Gateway                | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise ePay                             | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise eProfile                         | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise eDevelopment                     | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise eCompensation                    | 8.9                             | 9.1   | No                               |  | 4,812 Employees        |                  |
| PeopleSoft Enterprise Payroll for                      | 8.9                             | 9.1   |                                  | United States                            | 4,812 Employees        | US Federal + 50  |

|                                   |         |      |     |  |  |  |
|-----------------------------------|---------|------|-----|--|--|--|
| Public Sector                     |         |      | Yes |  |  | States; Specify year and schedule (A-F) first update required, i.e. 1 <sup>st</sup> Required Update: Oracle 2013-C |
| PeopleSoft Enterprise PeopleTools | 8.48.10 | 8.53 | No  |  |  |  |

## Schedule A – Covered Products- Instance No. 2

Applications Data: FSCM

| PeopleSoft Modules  | Current Release and Patch Level | Future Target Release(s) and Minimum Patch Level(s) | Tax, Legal & Regulatory Updates? | Applicable Tax & Regulatory Jurisdiction | Maximum License Metric | Notes                           |
|---|---------------------------------|---|----------------------------------|--|------------------------|---------------------------------|
| PeopleSoft Enterprise General Ledger                        | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Asset Management for Public Sector    | 8.9                             | 9.1   | Yes                              | United States                            | \$600,000,000 Rev      | US Federal Depreciation Updates |
| PeopleSoft Enterprise Accounts Payable                      | 8.9                             | 9.1   | Yes                              | United States                            | \$600,000,000 Rev      | US IRS Form 1099 Updates        |
| PeopleSoft Enterprise Purchasing                            | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Accounts Receivable for Public Sector | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Billing for Public Sector             | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Project Costing for Public Sector     | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Inventory for Public Sector           | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise Billing                               | 8.9                             | 9.1   | No                               |  | \$600,000,000 Rev      |                                 |
| PeopleSoft Enterprise PeopleTools                           | 8.51                            | 8.53  | No                               |  | N/A                    |                                 |

## 6. Client Contacts

| Primary Contact                 | Billing Contact       | Shipping Contact      |
|---------------------------------|-----------------------|-----------------------|
| Name: Eddie Hughes              | Name: Same as Primary | Name: Same as Primary |
| Address1: 2600 Fresno Street    | Address1:             | Address1:             |
| Address2:                       | Address2:             | Address2:             |
| City, St, Zip: Fresno, CA 93721 | City, St, Zip:        | City, St, Zip:        |
| Phone: (559) 621-7169           | Phone:                | Phone:                |
| Fax:                            | Fax:                  | Fax:                  |
| Email: eddie.hughes@fresno.gov  | Email:                | Email:                |

## Exhibit B

### INSURANCE REQUIREMENTS

#### Service Agreement between Rimini Street, Inc. ("Rimini Street") and City of Fresno ("Client")

##### Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto).
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to Rimini Street's profession.

##### Minimum Limits of Insurance

Rimini Street shall maintain limits of liability of not less than:

1. General Liability:
  - \$1,000,000 per occurrence for bodily injury and property damage
  - \$1,000,000 per occurrence for personal and advertising injury
  - \$2,000,000 aggregate for products and completed operations
  - \$2,000,000 general aggregate applying separately to the work performed under the Agreement
2. Automobile Liability:
  - \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:
  - \$1,000,000 each accident for bodily injury
  - \$1,000,000 disease each employee
  - \$1,000,000 disease policy limit
4. Professional Liability (Errors and Omissions):
  - \$1,000,000 per claim/occurrence
  - \$2,000,000 policy aggregate

### **Umbrella or Excess Insurance**

In the event Rimini Street purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

### **Deductibles and Self-Insured Retentions**

Rimini Street shall be responsible for payment of any deductibles contained in any insurance policy(ies) required hereunder and Rimini Street shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the Client's Risk Manager or his/her designee. At the option of the Client's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Client, its officers, officials, employees, agents and volunteers; or (ii) Rimini Street shall provide a financial guarantee, satisfactory to Client's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall Client be responsible for the payment of any deductibles or self-insured retentions.

### **Other Insurance Provisions**

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

1. Client, its officers, officials, employees, agents and volunteers are to be covered as additional insureds.
2. The coverage shall contain no special limitations on the scope of protection afforded to Client, its officers, officials, employees, agents and volunteers.
3. Rimini Street's insurance coverage shall be primary and no contribution shall be required of Client.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision: Rimini Street and its insurer shall waive any right of subrogation against Client, its officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Rimini Street.
2. Insurance must be maintained and evidence of insurance must be provided for at least 5 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 5-year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Rimini Street, Rimini Street must purchase extended reporting coverage for a minimum of 5 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to Client for review.
5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to Client. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Rimini Street shall furnish Client with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for Client, Rimini Street shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

#### **Acceptability of Insurers**

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or authorized by Client's Risk Manager.

#### **Verification of Coverage**

Rimini Street shall furnish Client with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the Client's Risk Manager or his/her designee prior to Client's execution of the Agreement and before work commences.

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