

City of Fayetteville Staff Review Form

*Added at Agenda
 Session 12-11-12
 D. 9.*

City Council Agenda Items
 and
 Contracts, Leases or Agreements

12/18/2012
 City Council Meeting Date
 Agenda Items Only

Fritz Gisler Media Services Communications
 Submitted By Division Department

Action Required:

Approval of Upgrade and Service Agreement with Granicus, Inc. before 12/31/2012, to take advantage of significant cost savings promotion by Granicus, Inc. and approval of an ordinance waiving the bid requirement. This program is budgeted for 2013, and no money will be spent until after 1/1/13. Signature of the agreement before 12/31/12 will secure \$4,800.00 in savings in 2013. Granicus, Inc. is the only source to upgrade their own services.

\$ 32,325.00	\$ 32,325.00	Legislative Management/Agenda Routing
Cost of this request	Category / Project Budget	Program Category / Project Name
4470.9470.5315.00	\$ -	Program / Project Category Name
Account Number	Funds Used to Date	
13010.00	\$ 32,325.00	Sales Tax Capital Improvements
Project Number	Remaining Balance	Fund Name

Budgeted Item Budget Adjustment Attached

[Signature] 12-16-12 Department Director Date Previous Ordinance or Resolution # _____
[Signature] 12-10-12 City Attorney Date Original Contract Date: _____
 Original Contract Number: _____
Paula A. Becher 12-10-2012 Finance and Internal Services Director Date
 Received in City Clerk's Office 12-10-12 P03:30 RCVD
[Signature]
 Received in Mayor's Office ENTERED 12/10/12 BCP
[Signature]
 Chief of Staff 12-10-12 Date
[Signature]
 Mayor 12/11/12 Date

Comments:

CITY COUNCIL AGENDA MEMO

To: The Fayetteville City Council

Thru: Mayor Lioneld Jordan
Don Marr, Chief of Staff

From: Fritz Gisler, Division Manager

Date: December 11, 2012

Subject: Approval of 2013 Legislative Management Project to secure cost savings

PROPOSAL:

The City currently employs a paper-based legislative management system whereby agenda items are developed, documented, managed and routed for approvals. The proposed system will replace the paper-based system by establishing an electronic, digital method to create, route, compile and archive all documents associated with agenda creation. It will also create an electronic 'portal' by which the staff, elected officials, and the public can access legislative and agenda items, and all their supporting documentation, without using staff time. Approval routing becomes automatic, without the need for staff involvement. Agenda creation, publication and distribution also becomes automatic. The system will integrate with open-government systems already in place to provide more immediate and relevant access to meeting records, minutes, and video, and provides upgrades to allow the use of mobile devices for agenda management, agenda distribution and playback of video and audio recordings.

In late 2011 we began the process of researching software systems that would allow the City Administration and City Clerk's Office to move the City Council meeting agenda management process from a paper-based process to a fully electronic, paper-less one. We identified many advantages to implementing a paper-less meeting agenda management system:

1. Cost savings due to reduction in use of paper, printing and supplies.
2. Labor savings associated with the elimination of managing paper-based agenda management, the manual routing process, and reduction of FOIA requests and the staff time necessary to respond.
3. More streamlined approval and routing process.
4. More consistent information presentation through the use of pre-configured item-type templates.
5. Greater accessibility to agenda items for staff during the approval process.
6. Greater accessibility to agenda and legislative items to staff and the public after meetings have been conducted.
7. Agenda items no longer being "lost" in the approval process.
8. Greater flexibility in the approval process.
9. More control available to users such as the City Clerk and Chief of Staff.
10. Ability to distribute and delegate some legislative management processes to individual departments and/or divisions.

11. More flexibility to include various types of supporting documents.
12. Greater accessibility to greater types of supporting documents.
13. Tighter integration of the various types of legislative items with meeting information and supporting information.
14. Enterprise-wide applicability and usability for every meeting body associated with the City Administration and City Council.
15. Providing information to the staff and public that allows a significant leap forward in support of the Administration's open government and information access initiatives.

The next step of the process was to identify specific functionality that was required to be available in a legislative management solution. We identified several:

1. Ability to eliminate the use of paper forms and documents in the creation of agenda items.
2. Automate the agenda item routing process.
3. Security functionality to prevent misuse of system.
4. Strong archiving and recordkeeping functions.
5. Tight integration with video services.
6. Integration with meeting minutes creation.
7. Cross-platform capability.
8. Enterprise-wide application so all meeting bodies can use it.
9. Searchable data and items.
10. Public portal to allow public access to legislative items, ability to research, key-word searching, and video access.
11. Integration with the City's current Electronic Document Management system.
12. Integration with the City's current video-on-demand systems.
13. User-friendly interfaces for staff, legislators and public.

As we were investigating possible service providers, we identified several key characteristics we required of any provider that might be considered:

1. Extensive experience in providing service to government clients.
2. Demonstrated ability to provide customer service in a timely, effective manner.
3. Cost-conscious.
4. Demonstrated experience in providing both legislative management services and video integration services.
5. Stable and dynamic, with demonstrated growth and innovation.

In our investigation we found only one company that could provide the level of service desired by the City Administration. There were several companies that provided services at differing levels, but none that could alone provide all the services desired. We looked at several companies, including:

Granicus, Inc.

NovuSystems

Swagit

(Swagit and NovusSystems work together to provide agenda and video service)

Agenda Quick

We immediately eliminated companies that did not offer integration with video streaming and indexing services. We also had a conversation with the City's Director of Information Systems regarding further development of the City's EDMS to provide the desired functionality. It was determined that it would most

likely be cost-prohibitive to acquire the appropriate licensing, and provide internal staff for development and support.

We attended focused, on-line demonstrations provided by Granicus and NovuSystems. Both companies offered well-developed agenda management systems and both provided integration with video services. We studied the implementation of AgendaQuick on client sites, as well as its presentation on its Web site.

Only one of these companies, Granicus, meets all the criteria described above. The others offer various levels of functionality, integration or service. We would like to point out specifically that Granicus is the only company that offers both agenda management and video integration from one source company; and it is the only one that is truly enterprise-wide in its capabilities.

It should be noted that the City has a long-standing relationship with Granicus, Inc., and has not had any complaints or issues with the services provided thus far.

We confidently recommend Granicus, Inc. to be the service provider for the City of Fayetteville's legislative management, meeting video delivery, agenda management, agenda integration and public information systems.

RECOMMENDATION:

The City Administration recommends the approval of a resolution entering a new agreement with Granicus, Inc. for legislative and agenda management service and upgrades to the video archiving and streaming services, in addition to the current services it provides the City; and approval of an ordinance waiving the bid requirement for this expenditure.

The City has a current and on-going relationship with Granicus, Inc. since 2007. Granicus, Inc. is the only available provider to upgrade their own services. We therefore request an ordinance waiving the bid requirements for this project.

The reason for approving this agreement in December 2012 is that Granicus, Inc. is offering to reduce the ongoing service fees for the first year of operation by \$4,800.00 if the agreement is signed before December 31, 2012. No money will be spent until 2013. All budgeted expenditures have been approved in the 2013 budget.

BUDGET IMPACT:

Funds are available in the Legislative Management/Agenda Routing (#13010) project. Ongoing service fees are budgeted in the 2013 Operations Budget.

ORDINANCE NO. _____

AN ORDINANCE WAIVING THE REQUIREMENTS OF FORMAL COMPETITIVE BIDDING AND APPROVING A CONTRACT WITH GRANICUS, INC. IN THE TOTAL AMOUNT OF \$32,325.00 FOR FULLY INTEGRATED WEB STREAMING AND PAPERLESS AGENDA ROUTING SERVICES

WHEREAS, the City has used Granicus, Inc. services related to online video streaming and internet publication of meeting agendas and supporting documents; and

WHEREAS, the City requires an integrated solution with existing services to provide for paperless agenda routing and review; and

WHEREAS, Granicus, Inc. is the only solution which provides the degree of integration required by the City of Fayetteville, as well as being the only provider capable of upgrading its own pre-existing services; and

WHEREAS, integrated services including paperless agenda routing will create much greater workflow efficiency and ease of access to agenda items by the public;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines that an exceptional situation exists in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and approves a contract with Granicus, Inc. in the total amount of \$32,325.00 to provide for fully integrated web streaming and paperless agenda routing services.

PASSED and APPROVED this 18th day of December, 2012.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

GRANICUS, INC. SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the “**Agreement**”), dated as of December 4, 2012 (the “**Effective Date**”), is entered into between Granicus, Inc. (“**Granicus**”), a California Corporation, and the City of Fayetteville (the “**Client**”).

A. WHEREAS, Granicus is in the business of developing, licensing, and offering for sale various streaming media solutions specializing in Internet broadcasting, and related support services; and

B. WHEREAS, Granicus desires to provide and Client desires to (i) purchase the Granicus Solution as set forth in the Proposal, which is attached as Exhibit A, and incorporated herein by reference, (ii) continue with Client’s existing solution as described in the Current Solution document, which is attached as Exhibit B, and incorporated herein by reference, (iii) use the Granicus Software subject to the terms and conditions set forth in this Agreement, and (iv) contract with Granicus to administer the Granicus Solution through the Managed Services set forth in Exhibits A and B.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, representations and warranties herein contained, the parties hereto agree as follows:

1. GRANICUS SOFTWARE AND MANAGED SERVICES.

1.1 Software and Services. Subject to the terms and conditions of this Agreement, Granicus will provide Client with the Granicus Software and Managed Services that comprise the Granicus Solution as outlined in Exhibits A and B. “Managed Services” shall mean the services provided by Granicus to Client as detailed in Exhibits A and B. “Managed Services Fee” shall mean the monthly cost of the Managed Services, as detailed in Exhibits A and B.

2. GRANT OF LICENSE.

2.1 Ownership. Granicus, and/or its third party supplier, owns the copyright and/or certain proprietary information protectable by law in the Granicus Software.

2.2 Use. Granicus agrees to provide Client with a revocable, non-transferable and non-exclusive license to access the Granicus Software listed in the Solution Description and a revocable, non-sublicensable, non-transferable and non-exclusive right to use the Granicus Software. All Granicus Software is proprietary to Granicus and protected by intellectual property laws and international intellectual property treaties. Pursuant to this Agreement, Client may use the Granicus Software to perform its own work and work of its customers/constituents. Cancellation of the Client’s Managed Services will also result in the immediate termination of the Client’s Software license as described in Section 2.2 hereof.

2.3 Limited Warranty; Exclusive Remedies. Subject to Sections 6.1 and 6.2 of this Agreement, Granicus warrants that the Granicus Software, as provided by Granicus, will substantially perform in accordance with its applicable written specifications for as long as the Client pays for and receives Managed Services. Client’s sole and exclusive remedy for any breach by Granicus of this warranty is to notify Granicus, with sufficient detail of the nonconformance, and provide Granicus with a reasonable opportunity to correct or replace the defective Granicus

Software. Client agrees to comply with Granicus' reasonable instructions with respect to the alleged defective Granicus Software.

2.4 Limitations. Except for the license in Section 2.2, Granicus retains all ownership and proprietary rights in and to the Granicus Software, and Client is not permitted, and will not assist or permit a third party, to: (a) utilize the Granicus Software in the capacity of a service bureau or on a time share basis; (b) reverse engineer, decompile or otherwise attempt to derive source code from the Granicus Software; (c) provide, disclose, or otherwise make available the Granicus Software, or copies thereof, to any third party; or (d) share, loan, or otherwise allow another Meeting Body, in or outside its jurisdiction, to use the Granicus Software, or copies thereof, except as expressly outlined in the Proposal.

3. PAYMENT OF FEES

3.1 Client agrees to pay all costs as outlined in Exhibits A and B.

3.2 Monthly billing for Managed Services shall begin forty-five (45) days after the receipt of a fully executed Agreement or the receipt of a purchase order for the up-front costs, whichever occurs first, as agreed upon in Exhibit A.

3.3 Client agrees to pay all invoices from Granicus within thirty (30) days of receipt of invoice, provided that Client agrees to pay the Managed Services Fee to Granicus on a monthly basis, no later than the first day of each month in advance of services. Granicus, Inc. shall send all invoices to:

Name:
Title:
Address:

3.4 Upon renewal of this Agreement, Granicus may include (in which case Client agrees to pay) a maximum increase of the current CPI percentage rate (as found at The Bureau of Labor and Statistics website <http://www.bls.gov/CPI/>) or three (3) percent a year on Client's Managed Services Fee, whichever is larger.

3.5 Training Cancellation Policies. Granicus' policies on Client cancellation of scheduled trainings are as follows:

(a) Onsite Training. For any cancellations within forty-eight (48) hours of the scheduled onsite training, Granicus, at its sole discretion, may invoice the Client for one hundred (100) percent of the purchased training costs and all travel expenses, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

(b) Online Training. For any cancellations within twenty-four (24) hours of the scheduled online training, Granicus, at its sole discretion, may invoice the Client for fifty (50) percent of the purchased training costs, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

3.6 Additions. Granicus, at its' sole discretion, may add features or functionality to existing product suite bundles for various reasons, including to enhance Granicus' offerings, or

improve user satisfaction. During the initial period of this Agreement, the customer understands that the use of these additional products is included in the originally agreed upon monthly managed services fees.

At contract renewal, the customer acknowledges that this added functionality may have additional monthly managed service charges associated with it and that monthly managed services rates on renewals may have a higher rate than preceding years.

4. CONTENT PROVIDED TO GRANICUS

4.1 Responsibility for Content. The Client shall have sole control and responsibility over the determination of which data and information shall be included in the Content that is to be transmitted, including, if applicable, the determination of which cameras and microphones shall be operational at any particular time and at any particular location. However, Granicus has the right (but not the obligation) to remove any Content that Granicus believes violates any applicable law or this Agreement.

4.2 Restrictions. Client shall not provide Granicus with any Content that: (i) infringes any third party's copyright, patent, trademark, trade secret or other proprietary rights; (ii) violates any law, statute, ordinance or regulation, including without limitation the laws and regulations governing export control and e-mail/spam; (iii) is defamatory or trade libelous; (iv) is pornographic or obscene, or promotes, solicits or comprises inappropriate, harassing, abusive, profane, defamatory, libelous, threatening, indecent, vulgar, or otherwise objectionable or constitutes unlawful content or activity; (v) contains any viruses, or any other similar software, data, or programs that may damage, detrimentally interfere with, intercept, or expropriate any system, data, information, or property of another.

5. TRADEMARK OWNERSHIP. Granicus and Client's Trademarks are listed in the Trademark Information exhibit attached as Exhibit E.

5.1 Each Party shall retain all right, title and interest in and to their own Trademarks, including any goodwill associated therewith, subject to the limited license granted to the Client pursuant to Section 2 hereof. Upon any termination of this Agreement, each Party's right to use the other Party's Trademarks pursuant to this Section 5 terminates.

5.2 Each party grants to the other a non-exclusive, non-transferable (other than as provided in Section 5 hereof), limited license to use the other party's Trademarks as is reasonably necessary to perform its obligations under this Agreement, provided that any promotional materials containing the other party's trademarks shall be subject to the prior written approval of such other party, which approval shall not be unreasonably withheld.

6. LIMITATION OF LIABILITY

6.1 Warranty Disclaimer. Except as expressly provided herein, Granicus' services, software and deliverables are provided "as is" and Granicus expressly disclaims any and all express or implied warranties, including but not limited to implied warranties of merchantability, non-infringement of third party rights, and fitness for a particular purpose. Granicus does not warrant that access to or use of its software or services will be uninterrupted or error free. In the event of any interruption, Granicus' sole obligation shall be to use commercially reasonable efforts to restore access.

6.2 Limitation of Liabilities. To the maximum extent permitted by applicable law,

Granicus and its suppliers and licensors shall not be liable for any indirect, special, incidental, consequential, or punitive damages, whether foreseeable or not, including but not limited to: those arising out of access to or inability to access the services, software, content, or related technical support; damages or costs relating to the loss of: profits or revenues, goodwill, data (including loss of use or of data, loss or inaccuracy or corruption of data); or cost of procurement of substitute goods, services or technology, even if advised of the possibility of such damages and even in the event of the failure of any exclusive remedy. In no event will Granicus' and its suppliers' and licensors' liability exceed the amounts paid by client under this agreement regardless of the form of the claim (including without limitation, any contract, product liability, or tort claim (including negligence, statutory or otherwise)).

7. CONFIDENTIAL INFORMATION & OWNERSHIP.

7.1 Confidentiality Obligations. Confidential Information shall mean all proprietary or confidential information disclosed or made available by the other party pursuant to this Agreement that is identified as confidential or proprietary at the time of disclosure or is of a nature that should reasonably be considered to be confidential, and includes but is not limited to the terms and conditions of this Agreement, and all business, technical and other information (including without limitation, all product, services, financial, marketing, engineering, research and development information, product specifications, technical data, data sheets, software, inventions, processes, training manuals, know-how and any other information or material), disclosed from time to time by the disclosing party to the receiving party, directly or indirectly in any manner whatsoever (including without limitation, in writing, orally, electronically, or by inspection); provided, however, that Confidential Information shall not include the Content that is to be published on the website(s) of Client.

7.2 Each party agrees to keep confidential and not disclose to any third party, and to use only for purposes of performing or as otherwise permitted under this Agreement, any Confidential Information. The receiving party shall protect the Confidential Information using measures similar to those it takes to protect its own confidential and proprietary information of a similar nature but not less than reasonable measures. Each party agrees not to disclose the Confidential Information to any of its Representatives except those who are required to have the Confidential Information in connection with this Agreement and then only if such Representative is either subject to a written confidentiality agreement or otherwise subject to fiduciary obligations of confidentiality that cover the confidential treatment of the Confidential Information.

7.3 Exceptions. The obligations of this Section 7 shall not apply if receiving party can prove by appropriate documentation that such Confidential Information (i) was known to the receiving party as shown by the receiving party's files at the time of disclosure thereof, (ii) was already in the public domain at the time of the disclosure thereof, (iii) entered the public domain through no action of the receiving party subsequent to the time of the disclosure thereof, or (iv) is required by law or government order to be disclosed by the receiving party, provided that the receiving party shall (i) notify the disclosing party in writing of such required disclosure as soon as reasonably possible prior to such disclosure, (ii) use its commercially reasonable efforts at its expense to cause such disclosed Confidential Information to be treated by such governmental authority as trade secrets and as confidential.

8. TERM

8.1 The term of this Agreement shall commence on the date hereof and shall continue in full force and effect for eighteen (18) months after the date hereof. This Agreement shall

automatically renew for an additional three (3) terms of one (1) year each, unless either party notifies the other in writing at least thirty (30) days prior to such automatic renewal that the party does not wish to renew this Agreement.

8.2 Rights Upon Termination. Upon any expiration or termination of this Agreement, and unless otherwise expressly provided in an exhibit to this Agreement:

(a) Client's right to access or use the Granicus Solution, including Granicus Software, terminates and Granicus has no further obligation to provide any services;

(b) Client has the right to keep any purchased hardware, provided that Client removes and/or uninstalls any Granicus Software on such hardware. However, if Client has received hardware as part of a Granicus Open Platform Suite solution ("Open Platform Hardware"), Client understands that upon termination of this Agreement, Client shall immediately return the Open Platform Hardware to Granicus, Inc. The Open Platform Hardware must be returned within fifteen (15) days of termination, and must be in substantially the same condition as when originally shipped, subject only to normal wear and tear; and

(c) Client shall immediately return the Granicus Software and all copies thereof to Granicus, and within thirty (30) days of termination, Client shall deliver a written certification to Granicus certifying that it no longer has custody of any copies of the Granicus Software.

8.3 Obligations Upon Termination. Upon any termination of this Agreement,

(a) the parties shall remain responsible for any payments that have become due and owing up to the effective date of termination;

(b) the provisions of 2.1, 2.4, 3, 4, 5, 6.1, 6.2, 7, 8.3, and 10 of the agreement, and applicable provisions of the Exhibits intended to survive, shall survive termination of this Agreement and continue in full force and effect;

(c) pursuant to the Termination or Expiration Options Regarding Content, Granicus shall allow the Client limited access to the Client's Content, including, but not limited to, all video recordings, timestamps, indices, and cross-referenced documentation. The Client shall also have the option to order hard copies of the Content in the form of compact discs or other equivalent format; and

(d) Granicus has the right to delete Content within sixty (60) days of the expiration or termination of this Agreement.

9. PATENT, COPYRIGHT AND TRADE SECRET INFRINGEMENT.

9.1 Granicus' Options. If the Granicus Software becomes, or in Granicus' opinion is likely to become, the subject of an infringement claim, Granicus may, at its option and sole discretion, (i) obtain for Client the right to continue to use the Granicus Software as provided in this Agreement; (ii) replace the Granicus Software with another software product that provides similar functionality; or (iii) if Granicus determines that neither of the foregoing options are reasonably available, Granicus may cease providing the applicable services or require that Client cease use of and destroy the Granicus Software. In that event, and provided that Client returns or

destroys (and certify to such destruction of) all copies of the Granicus Software in Client's possession or control, if any, Granicus will refund to Client all license fees paid by Client under the current Agreement.

10. MISCELLANEOUS.

10.1 Amendment and Waiver. This Agreement may be amended, modified, waived or canceled only in writing signed by each of the parties hereto or, in the case of a waiver, by the party waiving compliance. Any failure by either party to strictly enforce any provision of this Agreement will not be a waiver of that provision or any further default.

10.2 Governing Law. The laws of the State of Arkansas shall govern the validity, construction, and performance of this Agreement, without regard to its conflict of law principles.

10.3 Construction and Severability. Wherever possible, each provision of this Agreement shall be interpreted so that it is valid under applicable law. If any provision of this Agreement is held illegal or unenforceable, that provision will be reformed only to the extent necessary to make the provision legal and enforceable; all remaining provisions continue in full force and effect.

10.4 Independent Contractors. The parties are independent contractors, and no other relationship is intended by this Agreement.

10.5 Force Majeure. Other than payment obligations, neither party is responsible for any delay or failure in performance if caused by any event outside the reasonable control of the party, including without limitation acts of God, government regulations, shortage of supplies, act of war, act of terrorism, earthquake, or electrical, internet or telecommunications outage.

10.6 Closed Captioning Services. Client and Granicus may agree that closed captioning or transcription services will be provided by a third party under this agreement. In such case, Client expressly understands that the third party is an independent contractor and not an agent or employee of Granicus. Granicus is not liable for acts performed by such independent third party.

[The remainder of this page left blank intentionally]

This Agreement consists of this Service Agreement as well as the following exhibits, which are incorporated herein by reference as indicated:

- Exhibit A: Proposal
- Exhibit B: Current Solution
- Exhibit C: Support Information
- Exhibit D: Hardware Exhibit
- Exhibit E: Trademark Information
- Exhibit F: Termination or Expiration Options Regarding Content

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives,

GRANICUS, INC.

By:  _____

Ed Roshitsh

Its: President

Address:

600 Harrison Street, Suite 120

San Francisco, CA 94107

[INSERT CLIENT NAME]

By: _____

Name: _____

Its: _____

Address:

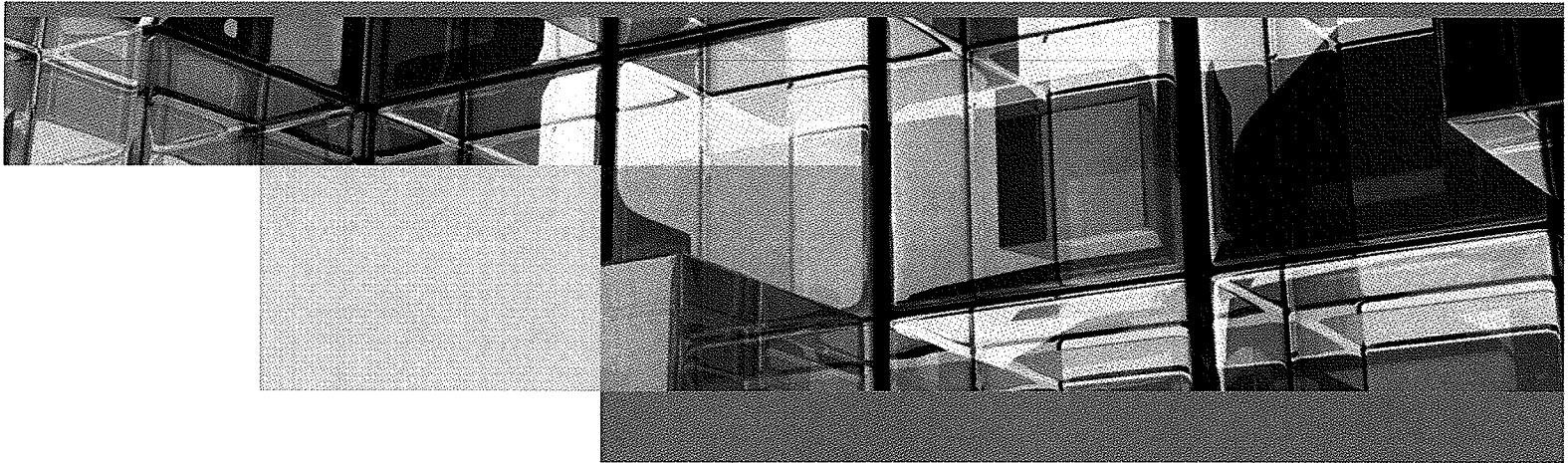
Date: _____

EXHIBIT A

PROPOSAL

Proposal for City of Fayetteville

Government Transparency and Agenda Workflow Solutions



Proposal presented to:
Fritz Gisler,
Manager
The Fayetteville Government Channel
April 1st, 2012



Granicus Proposal to the City of Fayetteville

April 1st, 2012

Dear Fritz,

Thank you for your continued consideration of Granicus. We have appreciated the opportunity to work with the City over the past four years and to continue to discuss the unique needs of Fayetteville. We're excited to support your transparency, citizen participation, and public meeting workflow initiatives/needs and we look forward to continuing our rewarding, long-term relationship with you.

Over 900 jurisdictions have selected Granicus as a partner to help them build trust with citizens, reduce staff time spent on processing meetings, and engage citizens in productive new ways. Granicus has over 35 years of government-focused experience which has allowed us to develop tools with government in mind and meet the market demand. We hope that you have found tremendous value in being a part of the Granicus client family.

On the following few pages, you will find a breakdown of the needs that we have uncovered, our proposed solution, some of our key differentiators, detailed pricing, and a checklist that outlines our next steps.

If I or any other member of the Granicus team can be of further assistance, please contact me at 415 357 3618 x1759.

Most Sincerely,

Erin English
Account Manager
Granicus, Inc.

Primary Business Mission

During our conversations and assessment of Fayetteville's primary business challenges, we discovered the following issues:

- Fayetteville is looking not only to achieve but to maintain over time a high level of transparency, efficiency and accessibility within and for its constituents.
- Fayetteville's current process of creating, approving and distributing agendas is paper heavy and labor intensive.
- Managing current encoding appliance uses up unnecessary time and resources, and does not provide necessary software, firewall, and technology upgrades.
- The current method of only offering live meeting coverage is restricting to those interested in participating in Fayetteville meeting proceedings.
- There are not enough mediums available for citizens to access meeting content on the Fayetteville website.
- Fayetteville Council, staff and citizens would benefit from the ability to access content from mobile devices.

Benefits of Suites Conversion

We have discussed some specific ways to address the challenges Fayetteville is facing. Below is a list that I believe represents the best possible solutions and corresponding benefits of transitioning to our Suites and managed hardware model.

Discussed Solutions

- Agreed that a hardware update would provide higher quality streaming.
- Outsourcing hardware management would provide Fayetteville with any and all necessary updates.
- Staff and citizens would benefit from the ability to access MP3 and MP4 recordings of meeting content.
- It would be greatly beneficial to offer meeting content that is viewable on mobile devices for the citizens of Fayetteville.
- City staff would benefit from the ability for council members to access and review agendas prior to and during council meetings as a replacement to current paper-heavy agenda delivery process.

Granicus Solution Components

- **H.264** - Mobile streaming architecture (streaming to mobile devices) available in our Government Transparency Suite
- **Podcasting** - Podcasting of live and on demand meeting content
- **Managed Hardware** – Granicus Encoding Appliance includes full patch management of Granicus software, operating system and anti-virus. Also provide customers with all necessary upgrades, repairs and replacements.
- **iLegislate** - Granicus native iPad application for paperless agenda review, marking follow-up tasks, and reducing printing costs associated with agenda packet production
- **Advanced Search** - Allows the public to more accurately define their search criteria by allowing them to search agenda items, meeting notes, actions, closed captions, etc.
- **VoteLog** - Allows the public to create segmented searches of meeting actions only by choosing to search a topic, agenda item or on a specific elected member to help track what's most important to them
- **Word Add-in** – Provides the ability to create/edit meeting minutes in a familiar environment, while maintaining searchability and the ability to push finished minutes documents out to the web

Budgetary Impact

Legislative Management Suite & Suites Conversion

<u>Product Component</u>	<u>Upfront Cost</u>	<u>Add'l MMS</u>
Legistar	\$28,575.00	\$680.00
Managed Hardware	\$0.00	\$275.00
Open Platform Suite, Government Transparency Suite, & Meeting Efficiency Suite	\$3,625.00	\$100.00
Shipping	\$125.00	\$0.00
Sub-Total	\$32,325.00	\$0.00
Tax	\$0.00	\$0.00
<u>Grand Total</u>	\$32,325.00	<u>\$1,055.00</u>
Promotion CMY12: Free Monthly Service Fees on the Open Platform & Government Transparency Suite Until January 1, 2013		-375.00/month

This promotion does not alter or delay the date on which your upfront payments will be due as defined in the Granicus Service Agreement. Offer valid until 6/30/2012. As part of this promotion, the Client will receive Monthly Managed Service Fees ("MMS") on the Granicus Open Platform and Government Transparency Suite at no cost to Client until 1/1/2013. Discounted billing for Monthly Managed Services will start after deployment has been completed. Clients are responsible to pay their Monthly Managed Service fees in full starting 1/1/2013, billing for this period starts on 12/15/2012. Up-front costs are not affected by this promotion. Monthly Managed service fees on existing products are not affected by this promotion. For sales including managed hardware, deployment will not begin unless a signed contract has been received. This offer is valid only with the purchase of these products: Open Platform and Government Transparency Suite.

Promotional Offer



SPECIAL OFFER

PROMO CODE: CMY12

granicus

FREE

**Monthly Service Fees on the
Open Platform & Government
Transparency Suite until
Dec. 31, 2012**

OFFER ENDS: 6/30/2012
See product terms for details

**Get BIG savings
on the Granicus cloud, video,
& open government solutions**

This promotion does not alter or delay the date on which your upfront payments will be due as defined in the Granicus Service Agreement. Offer valid until 6/30/2012. As part of this promotion, the Client will receive Monthly Managed Service Fees ("MMS") on the Granicus Open Platform and Government Transparency Suite at no cost to Client until 1/1/2013. Discounted billing for Monthly Managed Services will start after deployment has been completed. Clients are responsible to pay their Monthly Managed Service fees in full starting 1/1/2013, billing for this period starts on 12/15/2012. Up-front costs are not affected by this promotion. Monthly Managed service fees on existing products are not affected by this promotion. For sales including managed hardware, deployment will not begin unless a signed contract has been received. This offer is valid only with the purchase of these products: Open Platform and Government Transparency Suite.

This proposal expires on June 30th, 2012.

*** NOTE: The pricing in this preliminary proposal is SUBJECT-TO-CHANGE. While this preliminary proposal will provide you with our best possible estimate of what your solution will look like, it is not considered complete until a network assessment has been completed. Our goal here at Granicus is to make sure that every new client has a successful deployment and to make sure that our products exceed your expectations. We believe that spending the time to accurately conduct an assessment of your network and documents will help us meet our goals and will ensure that you have the best experience possible. ***

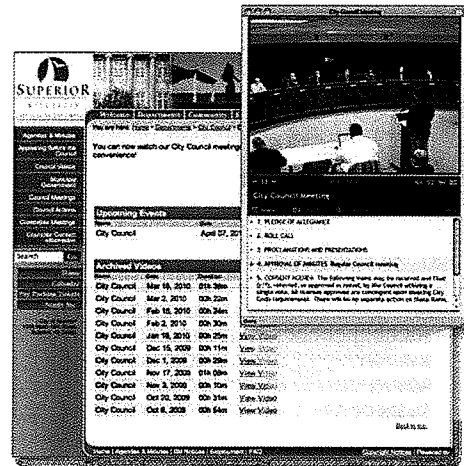
Proposed Solution

Granicus® Open Platform

The Granicus® Open Platform allows you to stream an unlimited number of meetings and events online and over mobile devices – play video in H.264* and Silverlight. Publish all of your content online with indefinite retention schedules. Granicus Encoding Appliance gives you unlimited bandwidth and storage as well as local live and on-demand streaming for up to 50 concurrent viewers. You can also access a library of community content and start publishing videos immediately. Finally, leverage an open architecture and connect in-house or third-party solutions to Granicus. [Click here](#) for more information on the Granicus Open Platform.

- Stream unlimited meeting bodies and events
- Indefinite retention schedules
- Intelligent media routing
- Community content library
- Open architecture and SDK

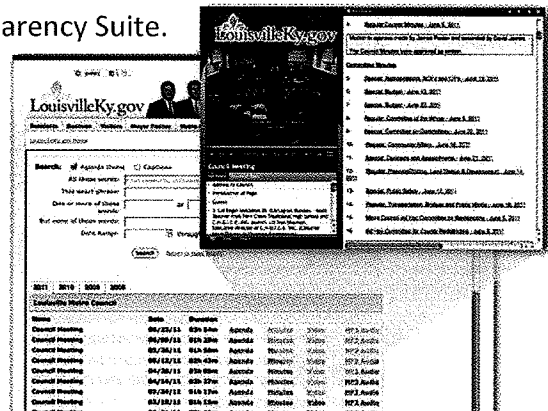
* In pilot, will be available to all customers upon release



Government Transparency Suite

The Government Transparency Suite gives your citizens greater access to public meetings and records online. Take the next step towards greater transparency and link related documents to your video, offer your full agenda packet, and provide advanced searching of archives. Connect agenda data to the iPad to review agendas and support documents, take notes and more. Reach a broader audience with podcasting - download media in MP3 and MP4 formats and view video offline. Granicus' reporting tools give you a detailed analysis of visitor statistics to help you better understand viewership trends. [Click here](#) for more information on the Government Transparency Suite.

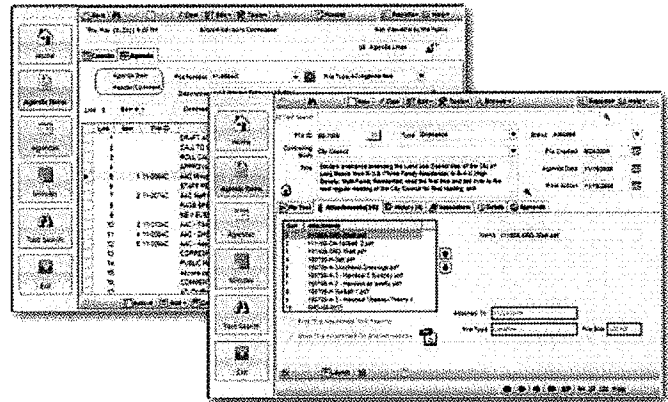
- Publish agenda packets with video
- Link relevant materials
- Build reports and analytics
- Index videos live
- Offer downloadable formats (MP3 & MP4)



Legislative Management Suite

The Legislative Management Suite offers a complete and automated agenda workflow solution. Create agenda items and assign them to the appropriate agenda, making agenda creation seamless. Item approvals are done automatically – approvers are notified when it's their turn to review. Once the agenda is generated, a minutes report is automatically created with the same data. All attendance, actions, movers/seconders, votes and notes can be captured for the public record. This Suite also allows you to track legislation from inception through approvals and actions taken. [Click here](#) for more information on the Legislative Management Suite.

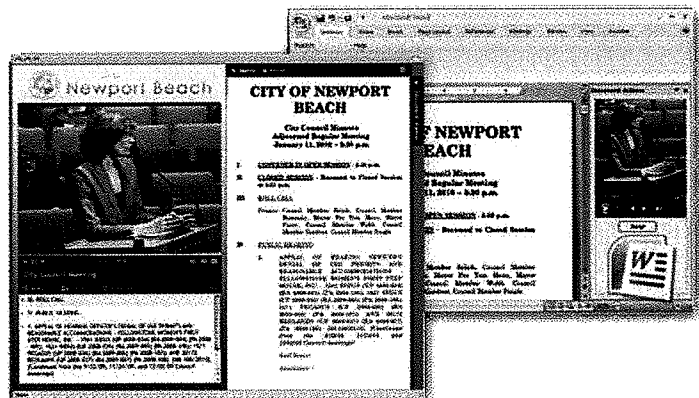
- Agenda item drafting
- Electronic approval process
- Agenda packet generation and publication
- Meeting minutes
- Track and search legislative data



Meeting Efficiency Suite

The Meeting Efficiency Suite is a live meeting workflow solution that combines minutes with a meeting's recording. Capture and publish minutes, saving staff time and cutting administrative costs. Record roll-call, agenda items, speakers, motions, votes, and notes through a simple interface. After the meeting, finalize minutes quickly and easily in Microsoft Word™. With VoteLog, allow the public to track legislation, ordinances and even voting member records through your website. This Suite you can seamlessly integrate with agenda solutions already in place. [Click here](#) for more information on the Meeting Efficiency Suite.

- Meeting preparation tools
- Live minutes automation
- Quick notes and text expansion
- Minutes editing and publishing
- Generate linked minutes



Granicus Implementation Timeline

We can typically get your organization live with its new Granicus solution within 45 days of receiving your Purchase Order or Signed Service Agreement. At this point, we consider your deployment in progress and will schedule a Kickoff Call with key players at your organization and Granicus. You can follow your agency's progress 24x7 with our online deployment tracker tool, helping you stay on schedule for your next big milestone. We know how exciting it can be to get your Granicus solution up and running, so to help things run quickly and smoothly it's important that resources are allocated for at your agency. Granicus is dedicated to ensuring that your deployment stays on track and meets your needs.

Granicus Differentiators

- World's most experienced provider of government transparency, citizen participation, meeting efficiency, legislative management, and training management solutions with:
 - Over 900 clients in all 50 states, at every level of government
 - Over 31 million government webcasts viewed
 - More than 265,350 government meetings online
- First fully integrated legislative workflow management system for local government
- Open API architecture and SDK allow for seamless integrations with systems already in place
- Certified integrations provide flexibility and choice of agenda workflow solutions
- Only government webcasting service to provide encoding, minutes annotation, transcription, and closed captioning services
- Truly unlimited storage and distribution for all meeting bodies and non-meeting content
- Indefinite retention schedules for all archived meeting and non-meeting content
- Only provider of both government webcasting and citizen participation services
- Only provider of both government webcasting and training management services
- Access a library of peer-created government media content from over 900 Granicus users
- 24/7/365 customer service and support
- 97% customer satisfaction rating, 99% client retention rating
- Ranked 185 on Deloitte 500 fastest growing companies
- Ranked 419 on Inc 500 fastest growing companies
- Client Success stories are available here: <http://www.granicus.com/Clients/Case-Studies.aspx>

Future Possibilities

Electronic Voting and Public Displays (suite add-ons)

This addition to the Meeting Efficiency Suite gives elected officials a new way to participate in public meetings using touch-screen displays to record motions and votes as well as request to speak. View full agendas, supporting materials, the current item, speakers and vote results all from the touch-screen display. Record actions directly from elected members and ensure greater accuracy. Help your audience follow fast-paced meetings with a public display that shows current item, vote results and more.

- Touch-screen displays
- Digital speaker queue
- Vote and roll call automation
- Review paperless agenda packets

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EXHIBIT B

CURRENT SOLUTION

- MediaManager software license
- MinutesMaker software license
- Twelve months meeting content storage and retention
- 50 hours non-meeting content storage and retention
- Hosted viewpage

Subtotal	13,458.96
Discount	0.00
Tax	0.00
<hr/>	
Total Invoice Due:	13,458.96

EXHIBIT C

SUPPORT INFORMATION

1. Contact Information. The support staff at Granicus may be contacted by the Client at its mailing address, general and support-only telephone numbers, and via e-mail or the Internet.

(a) Mailing Address. Mail may be sent to the support staff at Granicus headquarters, located at 568 Howard Street, Suite 300, San Francisco, California, 94105.

(b) Telephone Numbers. Office staff may be reached from 8:00 AM to 7:00 PM Pacific time at (415) 357-3618 or toll-free at (877) 889-5495. The technical support staff may be reached at (415) 357-3618 opt 1 from 5:00 AM to 6:00 PM Pacific time. After hours or in case of a technical support emergency, the support staff may be reached at (415) 655-2414, twenty-four (24) hours a day, seven (7) days a week.

(c) Internet and E-mail Contact Information. The website for Granicus is <http://www.granicus.com>. E-mail may be sent to the support staff at support@granicus.com.

2. Recognized Client Representatives. Granicus strives to provide unparalleled support to its Clients by ensuring that Client staff is properly educated and is prepared to maximize its Granicus Solution. Any Client Representative who wishes to participate and receive Granicus customer advocacy services shall participate in and complete the training program that is suited for the Granicus Solution. Once a Client Representative completes the training, that Representative will be recognized in Granicus' internal system as qualified to receive support and ongoing education services. All Client Representatives are eligible to receive technical support services, regardless of participation in the training program.

3. Support Policy. When Granicus receives notification of an issue from Client, a Granicus account manager or technical support engineer will respond directly to the Client via phone or e-mail with (a) an assessment of the issue, (b) an estimated time for resolution, and (c) will be actively working to resolve the issue as appropriate for the type of issue. Notification shall be the documented time that Granicus receives the Client's call or e-mail notifying Granicus of an issue or the documented time that Granicus notifies Client there is an issue. Granicus reserves the right to modify its support and maintenance policies, as applicable to its customers and licensees generally, from time to time, upon reasonable notice.

4. Scheduled Maintenance. Scheduled maintenance of the Granicus Solution will not be counted as downtime. Granicus will clearly post that the site is down for maintenance and the expected duration of the maintenance. Granicus will provide the Client with at least two (2) days prior notice for any scheduled maintenance. All system maintenance will only be performed during these times, except in the case of an emergency. In the case that emergency maintenance is required, the Client will be provided as much advance notice, if any, as possible under the circumstances.

5. Software Enhancements or Modifications. The Client may, from time to time, request that Granicus incorporate certain features, enhancements or modifications into the licensed Granicus Software. Subject to the terms and conditions to this exhibit and the Service Agreement, Granicus and Client will use commercially reasonable efforts to perform all tasks in the Statement of Work ("SOW"). Upon the Client's request for such enhancements/modifications, the Client shall prepare a SOW for the specific project that shall define in detail the Services to be performed. Each such SOW signed by both

parties is deemed incorporated in this exhibit by reference. Granicus shall submit a cost proposal including all costs pertaining to furnishing the Client with the enhancements/modifications.

5.1 Documentation. After the SOW has been executed by each party, a detailed requirements and detailed design document shall be submitted illustrating the complete financial terms that govern the SOW, proposed project staffing, anticipated project schedule, and other information relevant to the project. Such enhancements or modifications shall become part of the licensed Granicus Software.

5.2 Acceptance. Client understands that all work contemplated by this exhibit is on a "time-and-materials" basis unless otherwise stated in the SOW. Within ten (10) business days of Granicus' completion of the milestones specified in the SOW and delivery of the applicable enhancement/modification to Client, Client will provide Granicus with written notice of its acceptance or rejection of the enhancement/modification, based on the acceptance criteria set forth in the SOW. Client agrees that it will not reject any enhancement/modification so long as it substantially complies with the acceptance criteria.

5.3 Title to Modifications. All such modifications or enhancements shall be the sole property of the Granicus.

6. Limitation of Liability; Exclusive Remedy. IN THE EVENT OF ANY INTERRUPTION, GRANICUS' SOLE OBLIGATION, AND CLIENT'S EXCLUSIVE REMEDY, SHALL BE FOR GRANICUS TO USE COMMERCIALY REASONABLE EFFORTS TO RESTORE ACCESS AS SOON AS REASONABLY POSSIBLE.

[End of Support Information]

EXHIBIT D

GRANICUS, INC.

HARDWARE EXHIBIT

THIS HARDWARE EXHIBIT is entered into by Granicus and Client, as an attachment to the Service Agreement between Granicus and Client, for the hardware components of the Granicus Solution (the "**Hardware**") provided by Granicus to Client. This exhibit is an additional part of the Service Agreement and is incorporated therein by reference. Capitalized terms used but not defined in this exhibit have the meanings given in the Service Agreement.

1. **Price.** The price for the Hardware shall be the price specified in the Proposal.
2. **Delivery.** Any scheduled ship date quoted is approximate and not the essence of this exhibit. Granicus will select the shipment method unless otherwise mutually agreed in writing. Granicus retains title to the Hardware. Granicus retains title to and ownership of all Granicus Software installed by Granicus on the Hardware, notwithstanding the use of the term "sale" or "purchase."
3. **Acceptance.** Use of the Hardware by Client, its agents, employees or licensees, or the failure by Client to reject the Hardware within fifteen (15) days following delivery of the Hardware, constitutes Client's acceptance. Client may only reject the Hardware if the Hardware does not conform to the applicable written specifications.
4. **Service Response Time.** For Hardware issues requiring replacement, Granicus shall respond (via written or verbal acknowledgment) to the request made by the Client within twenty-four (24) hours. If confirmed by Granicus that Hardware requires replacement, Granicus will deliver replacement hardware directly to the Client after such confirmation via overnight shipping. The Hardware and software will be configured to the original specs of the client. Once the Hardware is received Client's responsibilities will include:
 - a. Mount server on client rack (if applicable)
 - b. Connecting original network cables.
 - c. Connecting original audio and video cables (if applicable).
5. **DISCLAIMER OF WARRANTIES.** NOTWITHSTANDING THE MAINTENANCE PROVIDED UNDER SECTION 7 BELOW, GRANICUS DISCLAIMS ANY AND ALL EXPRESS, IMPLIED OR STATUTORY WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, OF MERCHANTABILITY AND AGAINST INFRINGEMENT, WITH RESPECT TO THE HARDWARE. NO PERSON IS AUTHORIZED TO MAKE ANY WARRANTY OR REPRESENTATION ON BEHALF OF GRANICUS.
6. **LIMITATION OF LIABILITY.** GRANICUS SHALL NOT BE LIABLE FOR CONSEQUENTIAL, EXEMPLARY, INDIRECT, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATING TO THIS EXHIBIT INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, WHETHER SUCH LIABILITY ARISES UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT PRODUCT LIABILITY OR OTHERWISE, EVEN IF GRANICUS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGE COULD HAVE BEEN REASONABLY FORESEEN. IN NO EVENT WILL GRANICUS' LIABILITY TO CLIENT ARISING OUT OF OR RELATING TO THIS EXHIBIT EXCEED THE AMOUNT OF THE PRICE PAID TO GRANICUS BY CLIENT FOR THE HARDWARE.

7. **Managed Hardware.** In the event of malfunction for Managed Hardware provided by Granicus, Granicus Hardware that is maintained as part of a managed Open Platform service will be repaired or replaced as part of the managed services as long as Client is current with Client's monthly subscription payment. The key features of the Managed Hardware are as follows:

- Robust support for hardware, O/S, and applications
- 7x24x365 phone, chat and email support from certified experts
- In the event of Hardware failure, Granicus will deliver overnight replacement hardware directly to the Client.

Escalation management. Granicus provides the above mentioned services under Client's acknowledgment that all Granicus tools, and systems will be installed by the manufacturer chosen by Granicus within the Managed Hardware, provided to the client. These software tools have been qualified by Granicus to allow the highest level of service for the client. While it is Granicus' intention to provide all Clients with the same level of customer care and warranty, should the Client decline these recommended tools, certain levels of service and warranty may not be guaranteed.

8. **Purchased Hardware Warranty.** For Hardware purchased from Granicus by Client, Granicus will provide to Client any warranty provided by the manufacturer with respect to the Hardware. Granicus shall repair or replace any Hardware provided directly from Granicus that fails to function properly due to normal wear and tear, defective workmanship, or defective materials as long as such Hardware is then under the manufacturer's warranty.

9. **Use of Non-Approved Hardware.** The Granicus platform is designed and rigorously tested based on Granicus-approved Hardware. In order to provide the highest level of support, Granicus requires the use of Granicus-approved Hardware in your solution. While it is Granicus' intention to provide all clients with the same level of customer care and continuous software upgrades, Granicus does not make any guarantees whatsoever in the event Client uses non-approved hardware.

10. **Client Changes to Managed Hardware Prohibited.** In the event changes are made by Client to the managed hardware without the approval of Granicus, Granicus may charge Client a one-time fee of two hundred fifty (\$250.00) dollars to restore the system back to standard settings. Such changes may include, but are not limited to: operating system level changes; third party software installations; changes to Granicus software, and/or configurations; and/or changes to third party system and/or network monitoring tools.

[end of Hardware Exhibit]

EXHIBIT E

TRADEMARK INFORMATION

Granicus Registered Trademarks ®



Granicus logo as a mark

Granicus®

MediaVault®

Mobile Encoder®

Outcast Encoder®

StreamReplicator®

Granicus Trademark Names ™

Integrated Public Record™

Intelligent Routing™

LinkedMinutes™

LiveManager™

MediaCenter™

MediaManager™

MeetingMember™

MeetingServer™

Simulcast Encoder™

VoteCast™

VoteCast™ Classic

VoteCast™ Touch

Client Trademarks

EXHIBIT F

TERMINATION OR EXPIRATION OPTIONS REGARDING CONTENT

In case of termination by Client or expiration of the Service Agreement, Granicus and the Client shall work together to provide the Client with a copy of its Content. The Client shall have the option to choose one (1) of the following methods to obtain a copy of its Content:

- Option 1: Video/Audio files made available through optional media: data CD, external hard drive, or Granicus provided FTP site. A CSV, XML, and/or database file will be included providing clip information, and/or legislative content.
- Option 2: Provide the Content via download from MediaManager or from a special site created by Granicus. This option shall be provided free of charge.
- Option 3: Granicus shall provide the means to pull the content using the Granicus Application Programming Interface. This option shall be provided free of charge.

The Client and Granicus shall work together and make their best efforts to transfer the Content within the sixty (60) day termination period. Granicus has the right to delete Content from its services after sixty (60) days.

