



## SERVICES AGREEMENT

THIS SERVICES AGREEMENT ("Agreement") is made by and between the **County of Santa Barbara**, a political subdivision of the State of California ("**Client**"), and **RUNBECK ELECTION SERVICES, LLC**, an Arizona limited liability company, whose address is 2800 S. 36th Street, Phoenix, AZ 85034 ("**Runbeck**") (collectively, the "**Parties**").

## RECITALS

1. In connection with its election responsibilities, in 2014 Client purchased from Runbeck Election Services, Inc. an Agilis Ballot Sorting System ("Equipment"), and obtained a license to use accompanying software ("Software") to operate the Equipment. Agilis is an innovative inbound sorting solution designed to handle standard letters and flats in accordance with then-current USPS automation, including applicable thickness and rigidity guidelines. The system is capable of scanning and extracting signature images to support verification processes that utilize original voter signatures; however, it does not independently verify or certify the authenticity or legal sufficiency of such signatures. Under optimal operating conditions and proper configuration, Agilis can process up to 18,000 pieces per hour. Actual processing speed may vary depending on mail characteristics, operational environment, and user-defined workflows. The system can sort mail according to supplied routing data (e.g. precinct number), provided such data is compatible with system configuration and capabilities.
2. Client acknowledges that Runbeck Election Services, Inc. has been reorganized as Runbeck Election Services, LLC ("Runbeck"), and Runbeck Election Services, Inc. is no longer a contracting party. Subject to the terms and conditions of this Agreement, Client wishes to continue its license from Runbeck to use the Software to operate the Equipment, and continue to receive ongoing maintenance and support services from Runbeck. Runbeck agrees to provide such services under this Agreement. This Agreement supersedes any prior license or support arrangement, unless otherwise expressly incorporated herein.
3. Runbeck agrees to continue providing Client with a non-exclusive, non-transferable license to use the Software for the term of this Agreement, solely for Client's internal business purposes and in accordance with the terms and conditions set forth herein. Runbeck will also provide maintenance and support

services as described in the applicable exhibits or support schedule, subject to this Agreement's limitations.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the Parties agree as follows:

## **AGREEMENTS**

### **1. Equipment and Services**

In 2014, Runbeck Election Services, Inc. sold, and Client purchased, the Equipment, including hardware components and accessories, as specifically set forth in the Equipment Description attached hereto as Exhibit "D." Runbeck Election Services, LLC, as the successor entity, acknowledges and agrees to honor any unexpired warranties or ongoing obligations previously made by Runbeck Election Services, Inc. in connection with that sale, to the extent such obligations remain valid and enforceable as of the effective date of this Agreement. Any new or continuing support, maintenance, or service obligations for the Equipment shall be governed exclusively by the terms set forth in this Agreement, including Exhibit A, attached hereto.

### **2. Software License; Annual Fees; Restrictions**

Client continues to have an irrevocable, non-exclusive right and license to install, access, display and use the Software accompanying the Equipment for the term described in, and in accordance with the express terms of, the Software License Agreement attached hereto as Exhibit "B." Title to and ownership of the Software shall at all times remain with Runbeck and neither Client, nor its affiliates, agents, or employees, will reverse engineer or reverse compile any part of the Software without Runbeck's prior written consent. Client shall pay Runbeck an annual Agilis Software Fee for each Agilis Ballot Sorting System and an annual Agilis Software Automated Signature Recognition (ASR) (also referred to as Image Capture Processing Software) Fee (together, the "Annual Software Fees"), as specifically set forth in Exhibit "D." If this Agreement is renewed, all subsequent annual payments of these Fees shall be due on July 1<sup>st</sup> of each renewal term, following receipt of invoice as specified in this Agreement.

### **3. Equipment Maintenance and Support Services; Annual Equipment Maintenance and Support Services Fee**

Runbeck shall provide those Equipment maintenance support services that are specifically set forth in the Equipment Maintenance and Support Services Schedule attached hereto as Exhibit "C", along with the services set forth on Exhibit "A". Client shall pay Runbeck the annual Equipment Maintenance Fee for such maintenance and support services, as specifically set forth in Exhibit "D." If this Agreement is renewed, all subsequent annual payments of these Fees shall be due and payable in advance on July 1<sup>st</sup> of each renewal term, following receipt of invoice as specified in this Agreement.

#### **4. Designated Representative**

Martin Cobos at phone number (805) 696-8963 is the representative of Client and will administer this Agreement for and on behalf of Client. Rizwan Fidai at phone number (602) 884-0884 is the authorized representative for Runbeck. Changes in designated representatives shall be made only after advance written notice to the other party.

#### **5. Term**

The term of this Agreement shall commence on July 1, 2025, and continue through June 30, 2026, unless terminated earlier in accordance with the provisions of this Agreement.

#### **6. Independent Contractor**

The parties acknowledge and agree that Runbeck (including any and all of its officers, agents, and employees), shall perform all of the services under this Agreement as an independent contractor as to Client and not as an officer, agent, servant, employee, joint venturer, partner, or associate of Client. Nothing in this Agreement shall be interpreted to establish an employment relationship or entitle Runbeck or its personnel to any of the benefits provided to Client's employees, including but not limited to paid leave, health insurance, retirement, workers' compensation, or unemployment insurance. Runbeck shall be solely responsible for the compensation, benefits, and taxes of its employees and shall comply with all applicable federal, state, and local employment laws. Client shall not supervise or control the day-to-day performance of Runbeck's services but may administer this Agreement solely to confirm that Runbeck's performance is consistent with the terms and deliverables specified herein. Runbeck shall indemnify and hold harmless Client from and against any claims, liabilities, or penalties arising from Runbeck's failure to comply with its obligations under this Section. Runbeck may perform services for other clients during the term of this Agreement, provided such services do not interfere with its obligations to Client.

#### **7. Standard of Performance**

Runbeck represents that it has the necessary skills, expertise, and all professional qualifications required to perform the services required under this Agreement and that it will perform such services in a competent and workmanlike manner, consistent with industry standards for similar services. Runbeck shall be responsible for obtaining and maintaining, at its own expense, any licenses or permits specifically required to perform the services under this Agreement as of the effective date.

Deliverables provided by Runbeck shall conform in all material respects to the requirements and specifications set forth in this Agreement. In the event that any material errors or omissions are identified within a reasonable time following delivery, and such errors or omissions are directly attributable to Runbeck, Runbeck shall use commercially reasonable efforts to correct them at no additional charge. This obligation shall not apply to issues resulting from misuse, third-party interference, changes in Client requirements, or modifications not authorized by Runbeck.

#### **8. Debarment and Suspension**

Runbeck certifies that, to the best of its knowledge and belief, neither it nor any of current its employees and principals assigned to perform under this Agreement is presently debarred, suspended, or otherwise declared ineligible to participate in federal, state, or county government contracts. Runbeck further agrees to make reasonable efforts not to engage any subcontractor who, to Runbeck's knowledge after reasonable inquiry, is so debarred or suspended.

#### **9. Taxes**

County shall be solely responsible for paying, when due, all applicable taxes that are imposed by any state, local or other government authority on County's possession or use of the products and services referred to in Sections 1, 2 and 3 of this Agreement. Runbeck shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under this Agreement and shall make any and all payroll deductions required by law. Client shall not be responsible for, and Runbeck shall indemnify Client against, any employment-related tax obligations arising solely from Runbeck's failure to comply with such requirements. In the event County is assessed any tax on Runbeck's behalf that Runbeck is legally obligated to pay, County shall provide prompt written notice to Runbeck, and Runbeck shall have the right to review, contest, or appeal such assessment prior to reimbursement. Any reimbursement shall be made only after final determination of the tax liability.

#### **10. Conflict of Interest**

Runbeck represents that, to the best of its knowledge, it does not currently have any direct or material financial or personal interest that would create an actual conflict of interest in performing its obligation under this Agreement. Runbeck agrees to use reasonable efforts to avoid any such conflict during the terms of this Agreement and shall promptly notify Client, in writing, upon becoming aware of any potential conflict that may arise. No employee or subcontractor of Runbeck who is knowingly subject to an actual conflict of interest shall be

assigned to perform services under this Agreement. The Client may, at its sole discretion, waive any disclosed conflict in writing. A conflict shall not be deemed a breach of this Agreement unless Runbeck fails to disclose it after becoming aware or refuses to take reasonable corrective action.

#### **11. No Publicity or Endorsement**

Runbeck shall not use Client's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. Runbeck shall not use Client's name or logo in any manner that would give the appearance that the Client is endorsing Runbeck. Runbeck shall not in any way contract on behalf of or in the name of Client. Runbeck shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the Client or its projects, without obtaining the prior written approval of Client. Nothing in this section shall prohibit Runbeck from disclosing information that is already publicly available or required to be disclosed by law.

#### **12. Client Property and Information**

All of Client's tangible property, documents, and information provided for Runbeck's use in connection with the services shall remain Client's property. Runbeck may use such items only in connection with providing the services hereunder. Runbeck shall not disseminate any Client property, documents, or information without Client's prior written consent, except as required by law or for routine subcontractor support under confidentiality obligations. Upon written request or termination of this Agreement, Runbeck shall return or securely delete Client's proprietary materials from active systems to the extent feasible, except for archival backups, legal compliance records, or data retained pursuant to Runbeck's internal record-keeping policies or legal obligations. Runbeck shall certify such deletion upon request and agrees to maintain confidentiality of any retained materials in accordance with this Agreement.

#### **13. Indemnification and Insurance**

Runbeck agrees to and shall comply with the indemnification and insurance provisions as set forth in Exhibit E attached hereto and incorporated herein by reference.

#### **14. Nonexclusive Agreement**

Runbeck understands that this is not an exclusive agreement and that Client shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Runbeck as the Client desires.

#### **15. Non-Assignment**

The Parties expressly agree that neither shall assign this Agreement without the prior written consent of the other. Runbeck shall not assign or transfer this Agreement or any of its rights or obligations under this Agreement without the prior written consent of Client and any attempt to so assign or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. All subcontracts are subject to the same terms,

conditions, and covenants contained within this Agreement. Runbeck may subcontract portions of its services under this Agreement to qualified subcontractors in the ordinary course of business, provided that (a) Runbeck remains fully responsible for the performance of its obligations hereunder, and (b) such subcontractors are bound by confidentiality and data protection terms no less protective than those in this Agreement. Runbeck shall obtain Client's prior written consent for any material subcontracting arrangement involving core deliverables.

## 16. Termination

A. By Client. Client may terminate this Agreement in whole or in part, as follows:

1. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or Client governments, or sufficient funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then Client will notify Runbeck upon written notice of such occurrence and Client may terminate or suspend this Agreement in whole or in part, upon written notice. Client will pay for all services rendered and work in progress up to the effective date of termination. Client will use reasonable efforts to give thirty (30) days' notice of any anticipated non-appropriation.
2. **For Cause.** Should Runbeck materially breach this Agreement and fail to cure such breach within thirty (30) days of receiving written notice from Client specifying the nature of the breach, Client may terminate this Agreement in whole or in part. Immediate termination may occur only if the breach is not reasonably curable or poses a significant operational risk.

B. Termination By Runbeck. Runbeck may terminate this Agreement upon thirty (30) days' written notice if Client fails to pay any undisputed amount due under this Agreement and does not cure such failure within such notice period. In addition, Runbeck may suspend performance during such period until payment is made.

C. Effect of Termination. Upon termination, each party shall return or, if requested, securely delete the other party's Confidential Information and property, to the extent feasible and not otherwise required for archival, legal, or regulatory compliance. Runbeck shall retain all rights in its proprietary tools, software, and methodologies. Client shall pay Runbeck for all services rendered, authorized expenses incurred, and any non-cancellable obligations entered into by Runbeck in good faith prior to termination. In no event shall Runbeck be obligated to refund amounts already paid for services properly rendered. In no event shall Runbeck be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service.

The parties shall mutually determine the reasonable value of partially completed work. If a dispute arises, the matter shall be resolved through good faith negotiation.

#### **17. Section Headings**

The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

#### **18. Remedies Not Exclusive**

No remedy herein conferred upon or reserved to Client is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

#### **19. No Waiver of Default**

No delay or omission by either party in exercising any right or remedy upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or any subsequent default. All rights and remedies provided under this Agreement shall be cumulative and may be exercised from time to time, as deemed appropriated by the non-defaulting party.

#### **20. Entire Agreement and Amendment**

In conjunction with the matters considered herein, this Agreement, including all Exhibits and attachments hereto, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be amended only by a written instrument duly executed by both parties to this Agreement and by no other means. Each party acknowledges that it is not relying on any promises, representations, or warranties not expressly set forth in this Agreement.

#### **21. Compliance with Law**

Runbeck shall comply with all applicable County, State and Federal ordinances and regulations in connection with its performance under this Agreement. Runbeck shall be responsible for such compliance at its own expense, unless such compliance obligations arise from changes in law that materially affect the cost or feasibility of performance, in which case the parties shall negotiate in good faith to equitably adjust the Agreement. A final judgment by a court of competent jurisdiction specifically involving performance under this Agreement may be used by Client as evidence of non-compliance. However, no such judgment or admission in an unrelated proceeding shall be deemed conclusive in this context without Runbeck being given an opportunity to respond or cure.

#### **22. California Law and Jurisdiction**

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court, unless otherwise agreed in writing or as required by law.

#### **23. Execution of Counterparts**

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

#### **24. Authority**

All signatories and parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Each party further represents that the execution and delivery of this Agreement, and the performance of its obligations under it, do not and will not knowingly violate any other agreement or legal obligation to which it is a party or by which it is bound, the breach of which would materially affect its ability to perform under this Agreement.

#### **25. Survival**

The following provisions shall survive the termination or expiration of this Agreement: those relating to confidentiality, intellectual property rights, payment obligations, indemnification, and any other provisions that by their express terms or by their nature are intended to survive. No provision shall survive beyond the period reasonably necessary to fulfill its intended purpose.

#### **26. Precedence**

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions in the main body of this Agreement shall control, unless the Exhibit expressly states that it is intended to override specific provisions of this Agreement. Any such override must clearly identify the section(s) being superseded.

#### **27. Records, Audit and Review**

All records relating to the products and services provided under this Agreement and supporting documentation for invoices submitted to Client by Runbeck shall be retained by Runbeck and made available by Runbeck for audit by Client, its duly authorized representatives, the State of California (including, but not limited to, the Auditor of the State of California,

Inspector General or duly appointed law enforcement officials) and agencies of the United States government.

Runbeck shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Runbeck's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles. Client shall have the right to audit and review all such documents and records at any time during Runbeck's regular business hours and upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), Runbeck shall be subject to the examination and audit of the California State Auditor, at the request of the Client or as part of any audit of the Client, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). Runbeck shall participate in any audits and reviews, whether by Client or the State, at no charge to Client.

If federal, state or Client audit exceptions are made relating to this Agreement, Runbeck shall reimburse the amount of the audit exceptions and all costs incurred by federal, state, and/or Client governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from Client, Runbeck shall reimburse the amount of the audit exceptions and any other related costs directly to Client as specified by Client in the notification. This Records, Audit, and Review provision shall survive expiration or termination of this Agreement.

#### **28. Severability**

If any term or provision of this Agreement shall be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

#### **29. Non-Discrimination**

Client hereby notifies Runbeck that Client's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and Runbeck agrees to comply with said ordinance.

Runbeck certifies it is an equal opportunity employer and shall remain in compliance with state and federal civil rights and nondiscrimination laws and regulations including, but not limited to, Title VI, and Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975, and the Age Discrimination in Employment Act, as amended.

During the performance of its obligations under this Agreement, Runbeck will not discriminate against any employee, contract worker, or applicant for employment because of race, color, religion, sex, sexual orientation, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief, or place of birth. Runbeck will take affirmative action to ensure that during employment, all employees are treated without regard to race, color, religion, sex, national origin, ancestry, disability, Vietnam-era veteran status, age, political belief, or place of birth. These provisions apply also to contract workers. Such action shall include, but is not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff, or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Runbeck agrees to post in conspicuous places, available to employees and applicants for employment, notices stating Runbeck complies with all applicable federal and state non-discrimination laws.

Runbeck, or any person claiming through Runbeck, agrees not to establish or knowingly permit any such practice or practices of discrimination or segregation in reference to anything relating to this Agreement, or in reference to any contractors or subcontractors of Runbeck.

### **30. Waiver**

Any waiver by either party of any right, provision or condition under this Agreement shall not be construed or deemed to be a waiver of any other right, provision, or condition of this Agreement, nor a waiver of a subsequent breach of the same right, provision, or condition.

### **31. Risk of Loss**

Runbeck agrees to bear all risk of loss, injury, or destruction of goods and materials, including Equipment, ordered as a result of this Agreement which occurs prior to delivery to the Client. Upon delivery by Runbeck to the Client, and Client taking possession of such goods and materials, including the Equipment and Software, Client agrees to bear all risk of loss, injury, or destruction of such goods and materials.

### **32. Warranty**

Runbeck warrants and represents that the services provided by Runbeck pursuant to this Agreement, including any attached or referenced exhibits, shall be timely performed in a professional manner in accordance with applicable industry standards, and that Runbeck has the requisite ownership, authority, and license rights to furnish the Software provided to Client in connection with this Agreement.

Runbeck warrants and represents that the Equipment shall be free from any defects in material or workmanship which negatively impact their function for a period of one (1) year after installation, and the Software shall be free from any defects in material or workmanship which negatively impact their function for a period of one (1) year after installation (collectively, the "Warranty Periods"); provided, however, that if the manufacturer's warranty extends beyond one (1) year for any part, product, or service item, the longer warranty shall apply. This warranty

extends to i) any defect reported during the Warranty Periods but not corrected; ii) any defect reported and thought to be corrected but that reoccurs in the same form, format, or from the same cause outside of the Warranty Periods; iii) any defect misdiagnosed during the Warranty Periods and discovered to reoccur outside of the Warranty Periods; and iv) any defect discovered after the Warranty Periods, but which can be documented to have started during the Warranty Periods. Runbeck agrees to a one-day grace period beyond the end of the Warranty Periods for notification purposes for defects discovered during the Warranty Periods. Runbeck shall, at its own election and expense, either repair or replace any component which Client discovers to be defective in material or workmanship, provided that Client has furnished timely written notice to Runbeck. Runbeck shall respond to requests for warranty assistance within three (3) hours while an election is being conducted.

**EXCEPT FOR THE WARRANTIES PROVIDED HEREIN, RUNBECK HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY KIND OR NATURE CONCERNING THE EQUIPMENT, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

### **33. Limitation of Runbeck Liability**

Runbeck shall not be responsible for the Software's operation or failure to operate, to the extent such operation or failure results from, arises out of, or is related to Client's improper or negligent use or operation of the Software. Other than any obligation to indemnify for any reason, IN NO EVENT SHALL RUNBECK OR ANY OF ITS REPRESENTATIVES BE LIABLE TO CLIENT OR ANY THIRD-PARTY FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS, BUSINESS INTERRUPTION, OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER RUNBECK WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. RUNBECK SHALL NOT BE RESPONSIBLE FOR THE SOFTWARE OR EQUIPMENT'S OPERATION OR FAILURE TO OPERATE, EXCEPT TO THE EXTENT OF REPAIR OR REPLACEMENT OF COMPONENTS OF THE SAME AS OTHERWISE PROVIDED HEREIN.

RUNBECK'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL NOT EXCEED THE TOTAL AMOUNT PAID OR PAYABLE BY CLIENT TO RUNBECK UNDER THIS AGREEMENT IN THE ONE (1) YEAR PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

### **No Third-Party Beneficiary**

Enforcement of the terms of this Agreement and all rights of action relating to enforcement are strictly reserved to the Parties. Nothing contained in this Agreement allows any claim or right of action in any third person or entity. Any person or entity other than Client or

Runbeck receiving services or benefits pursuant to this Agreement is an incidental beneficiary only.

#### **34. Notices**

All written notices required under this Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid as follows:

|                 |                                                                                                                                     |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------|
| To Client:      | Santa Barbara County<br>PO Box 159<br>Santa Barbara, CA 93102<br>Attention: Martin Cobos<br>Chief Deputy ROV                        |
| To Runbeck:     | Runbeck Election Services, LLC<br>2800 S. 36th Street<br>Phoenix, Arizona 85034<br>Attention: Rizwan Fidai<br>Chief Revenue Officer |
| With a copy to: | Andrei Toma<br>8325 W Happy Valley Rd, Suite 220<br>Peoria, Arizona 85383                                                           |

Notices hand delivered or sent by overnight courier are effective upon delivery; notices sent by certified mail are effective upon receipt; and notices sent by U.S. mail are effective upon the expiration of five (5) mail delivery days from deposit (postmarked) with the U.S. Postal Service. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

#### **35. Confidential Information**

Runbeck represents that the Equipment, Software, and related documentation provided under this Agreement, including, but not limited to, the source code, the Software design, structure and organization, the user interface and the engineering know-how implemented in the Software (collectively "Runbeck Confidential Information") constitute the valuable properties and trade secrets of Runbeck, embodying substantial creative efforts which are secret, confidential, and not generally known by the public. Client agrees to hold the Runbeck Confidential Information, including any copies thereof and any documentation related thereto, in strict confidence and to not permit any unauthorized person or entity to obtain access to it to the extent permitted under applicable law. Within this context, Client agrees not to disseminate, transmit, license, sublicense, assign, lease, release, publish, post on the internet, transfer, sell,

permit access to, distribute, allow interactive rights to, or otherwise make available the Runbeck Confidential Information or any part thereof to any other party in any form of media for any purpose other than as required to perform its obligations under this Agreement. Client further agrees not to disclose or distribute to any other party, in whole or in part, any Runbeck Confidential Information without written consent from Runbeck, unless required to do so by applicable law.

All information owned, possessed, or used by Client, which is communicated to, learned, or otherwise acquired by Runbeck or its employees, agents, or contractors in the performance of the terms of this Agreement shall be deemed and remain "Client Confidential Information", except for such information that is i) publicly available, or ii) which is obtained or can be obtained by Runbeck through lawful means. Runbeck shall not, beginning on the date of first association or communication of Client Confidential Information between the Client and Runbeck, and continuing through the term of this Agreement and thereafter, disclose, communicate, or divulge to another, or use for Runbeck's own benefit or the benefit of another, any such Client Confidential Information without the prior written consent of the Client.

#### **36. No Construction Against Drafting Party**

The Parties and their respective counsel have had the opportunity to review this Agreement, and the Agreement will not be construed against any party merely because this Agreement was prepared by a particular party.

#### **37. Successors and Assigns**

The rights and obligations of the Parties herein set forth shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns permitted under this Agreement.

#### **38. Time is of the Essence**

The Parties agree that in the performance of the terms of this Agreement, time shall be of the essence, it being understood by the Parties that the Equipment, the Software, their respective components, and Runbeck's services related thereto, are essential to the Client's ability to conduct statewide and local elections and related business operations.

//

//

**Services Agreement between the County of Santa Barbara and Runbeck Election Services, LLC.**

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on July 1, 2025.

**ATTEST:**

Mona Miyasato  
County Executive Officer  
Clerk of the Board

By: Katherine Douglas  
Deputy Clerk

**COUNTY OF SANTA BARBARA:**

By: LAC  
Laura Capps, Chair  
Board of Supervisors

Date: 8/19/2025

**RECOMMENDED FOR APPROVAL:  
CLERK-RECORDER-ASSESSOR-  
REGISTRAR OF VOTERS**

By: Joseph E. Holland  
Department Head  
Joseph E. Holland  
County Clerk, Recorder, Assessor  
and Registrar of Voters

**CONTRACTOR:**

**RUNBECK ELECTION SERVICES, LLC**

By: Rizwan Fiday  
Authorized Representative

Name: Rizwan Fiday  
Title: Chief Revenue Officer

**APPROVED AS TO FORM:**

Rachel Van Mullem  
County Counsel

By: Anne Rierson  
Deputy County Counsel

**APPROVED AS TO ACCOUNTING FORM:**

Betsy M. Schaffer, CPA, CPFO  
Auditor-Controller

By: Shawna Jorgensen  
Deputy

**APPROVED AS TO FORM:**

Risk Management

By: Greg Milligan  
Risk Management

## EXHIBIT A

### SET-UP AND MAINTENANCE SERVICES

The following services offered by Runbeck and available to Client for the Fees and costs set forth herein:

#### **Software Maintenance**

- Runbeck shall provide technical support resources during the Client's critical ballot processing period beginning 15 days prior to Election Day and 7 days after Election Day. Client must provide Runbeck notice of election at least 75 days in advance of 1st day that services will be required.
- Runbeck shall install software updates as required for the smooth operation of the Software. Provided Client has paid all Fees owed to date, such software updates will be made at no additional cost to Client.
- Runbeck shall provide periodic and as-requested testing and validation of all software updates.

#### **Hardware Maintenance**

- Runbeck shall provide technical support resources during the Client's critical ballot processing period beginning 15 days prior to Election Day and 7 days after Election Day. Client must provide Runbeck notice of election at least 75 days in advance of 1st day that services will be required.
- Client also agrees to allow Runbeck employees access to the equipment, when requested, during normal working hours, including remote access. On-site support fees, as indicated below, may apply if Runbeck utilizes approved remote software.

#### **Repair Services**

During the term of the Agreement, should any component of the Equipment, to include hardware and Software items listed above, become damaged and require repair as a result of Client's actions, Client agrees to pay Runbeck a Repair Fee per the On-site Support Fee as indicated below.

#### **Election Data**

At the conclusion of the election, Runbeck will provide phone assistance with the export of all election data from the Equipment. This data will be retained by the Client. Media (DVDs, jump drives, etc.) for this data will be provided by the Client. Client is responsible for the retention of this media and data.



## **Training**

Additional training requires payment of the on-site support fee, indicated below.

## **Materials Management**

- Client is responsible for ordering, obtaining, storing, and installing any pre-election inventory of Equipment consumables.
- Client is responsible for purchasing consumables, including the shipping and taxes associated with such consumables.
- Client is responsible for providing storage areas that provide adequate space and maintain proper environmental conditions for stocking of supplies.
- Client is responsible for installation of all consumables while operating the Equipment during the term of the Agreement. Should the Client request a Runbeck employee to replace consumable items, it will be subject to On-site Support Fee, indicated below.

## **Dedicated Electrical Requirements**

- The Equipment requires client to provide a minimum of two (2) dedicated 20-amp circuits. Dependent upon the desired Equipment configuration, additional dedicated 20-amp circuits may be required. Client is to ensure that all requested outlets are NEMA 5-20, 115 VAC, 60 Hz 20-amp outlets and are available in the location of the Equipment. These requirements and associated costs are the sole responsibility of the Client.
- Equipment requiring electrical connections for operation shall be connected to Client-provided dedicated circuits, each of a minimum of 20-amps. All connections shall be made by Runbeck and accomplished in accordance with National Electrical Code requirements. Electrically operated equipment shall be available in the following voltage: 115 volts for 20-amp circuit each. Any necessary modification costs will be the sole responsibility of the Client.

## **On-Site Support Fees**

Optional dedicated on-site support and/or training (does not include election set-up or routine maintenance) may be requested and will be billed at a rate of \$1,750.00 for the first day (an eight-hour workday) and \$1,500 for each additional eight-hour workday. The amount billed shall be due and payable within thirty (30) days of the invoice date. This service is subject to availability.

## **Other**

## **Shipping Fees**



Shipping fees will apply as goods may be purchased and need to be shipped to the Client. Shipping fees are the sole responsibility of the Client.

**End of Contract Options – Subject to the terms of the Agreement, Client may:**

- Renew with existing system, for which new Usage, Maintenance and Service agreements shall apply.
- Renew with upgrade to existing system, for which new Usage, Maintenance and Service agreements shall apply.

**THE REMAINDER OF THIS PAGE**

**INTENTIONALLY LEFT BLANK**

**Exhibit B to follow**



**EXHIBIT B**  
**SOFTWARE LICENSE AGREEMENT**

This SOFTWARE LICENSE AGREEMENT (“Agreement”) is made as of July 1, 2025, by and between Runbeck Election Services, LLC, an Arizona limited liability company ( “Vendor”), and the County of Santa Barbara, California (“County”), and is a part of the Services Agreement between the Parties effective July 1, 2025.

**Recitals**

County desires to continue to license from Vendor certain software products and related documentation and continue to obtain certain Software license rights and services as described herein in connection with its ownership of an Agilis Ballot Sorting System which is more particularly described in the Services Agreement, and Vendor desires to continue to license to County such software products and related documentation.

**Agreement**

In consideration of the foregoing Recitals (which are incorporated herein) and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Incorporation of Terms and Conditions of Services Agreement.** The Recitals, Definitions, terms and conditions of the Services Agreement are hereby incorporated into this Agreement as if fully rewritten herein and shall apply to the performance of the Parties and the terms and conditions of this Agreement unless specifically otherwise stated in this instrument. The terms and conditions of this Agreement shall be in addition to and not in lieu or derogation of the terms and conditions of the Services Agreement.
2. **Grant and Scope of License.**
  - A. **Grant of License.** Vendor hereby grants to County an irrevocable, non-exclusive right and license to install, access, display and use the Software pursuant to the terms of this Agreement.
  - B. **Title.** Vendor shall at all times retain title to the Software provided by it hereunder and Vendor does not convey any proprietary interest therein to County.
  - C. **Updates.** For payment of the required fees by the County as set forth herein and in the Services Agreement, Vendor shall provide to County updates of any Software licensed hereunder at no additional charge and continue to maintain the Software in accordance with the requirements of the Services Agreement as long as County continues to pay annual license and support services with respect to such Software.
  - D. **Breach.** In the event Client commits a material breach of its obligations



under this Agreement, to expressly include its failure to timely pay any fees due hereunder, and Client fails to cure the breach within thirty (30) days after receiving notice thereof, Vendor may terminate this Agreement, and the license hereunder, immediately upon delivery of written notice to Client.

3. **Annual Software Fees.**

A. **Fees.** Vendor will invoice County for the annual Agilis Software Fee and Agilis Software Automatic Signature Recognition (ASR) Fee (together the “Annual Software Fees”) specified in Exhibit D.

If this Agreement is renewed, payment of the Annual Software Fees shall be made on each successive anniversary term of this Agreement, as specifically set forth in Exhibit “D”. The Annual Software Fees are subject to an annual adjustment not to exceed five percent (5%).

B. **Invoices.** Vendor’s invoices will conform to the format requirements of the County. County will pay Vendor’s valid invoices within thirty (30) days after receipt.

4. **Maintenance of Software; Term and Termination.**

A. **Maintenance Services.** During the term of this Agreement and subject to payment of any required fees by County, Vendor agrees to provide maintenance and support services for the Software ("Maintenance Services").

B. **Response Time.** Vendor agrees to respond to requests for Software maintenance within three (3) hours while an election is being conducted.

C. **Term and Termination.** The parties declare, acknowledge and agree that the term of this Agreement shall be one year, beginning on July 1, 2025, subject to the County’s right to terminate as set forth in Section 16 of the Services Agreement.

D. **Software Maintenance:** During the term of this Agreement and subject to payment of any required fees by the County, Vendor shall provide updates to the Software as they become available. Installation of Software updates will include testing and validation of the updated Software.

5. **Warranties.** In addition to any warranties which may be contained in the Services Agreement, Vendor provides the following warranties:

A. **Non-Infringement.** Vendor warrants that Vendor owns the Software, including all associated rights, and has the right to grant County the licenses provided pursuant to this Agreement, free from all liens, claims, encumbrances, security interests and other restrictions. Vendor warrants that the Software does not, and use of the Software will not, infringe any valid patents, copyrights, trademarks, trade secrets, or other proprietary rights of any third parties.

B. **Correction of Defects.** In the event of discovery of any material defect in the



Software, County agrees to provide Vendor with sufficient detail to allow Vendor to verify and reproduce the error, and Vendor shall use reasonable diligence to correct such defect. Vendor shall use its reasonable efforts to promptly respond and thereafter to diagnose and correct the material defect. Vendor is not responsible for any error in the Software that has been modified by County without Vendor's prior written consent. County's sole remedy in the event of a breach of this warranty is to require that Vendor correct any material defects.

C. Compliance with Laws. Vendor represents and warrants that, at the time of installation, each item of Software will comply with all applicable federal and state laws, rules, regulations and standards.

D. Performance of Services. Vendor represents and warrants that all services provided by Vendor to County will be performed in a timely, competent and workmanlike manner. Vendor further represents and warrants that it has a sufficient number of competent, qualified employees to provide the Services to support the Software.

E. Compliance with Specifications. Vendor shall provide to the County the Vendor's Agilis Software and Automatic Signature Recognition Software, installed on the System, along with corresponding copies of documentation and written materials describing the functionality and use thereof. Vendor warrants that the Software and services, when used in accordance with the documentation and on Vendor-approved hardware and configurations, will materially conform to the specifications and descriptions set forth in the Services Agreement, including its exhibits and attachments, which are all incorporated herein by reference. Vendor does not warrant uninterrupted or error-free operation but agrees to use commercially reasonable efforts to remedy any material nonconformities.

F. Improvements. Vendor warrants that all post-Acceptance updates, upgrades, changes, or modifications to the Software, services and documentation by Vendor will be compatible with the supported system configuration and will not materially degrade the core features or functionality of the Software, services, Equipment and/or Licensor content when used on the Equipment in accordance with the documentation..

G. Disabling Code. Vendor represents and warrants that, to the best of its knowledge and using commercially reasonable industry practices, the Licensed Product, Software, including all Upgrades, and Updates provided under this Agreement do not contain any code intentionally designed to disrupt, disable, harm, or otherwise interfere with the normal operation of the Software, Services or County's systems, including but not limited to, viruses, worms, Trojan horses, or other known malicious code.

This warranty does not apply to: (a) any disclosed license enforcement mechanisms, access controls, or usage restrictions included to manage subscription scope, protect system integrity, or prevent unauthorized access; or (b) performance issues resulting from misuse, unsupported configurations, or third-party systems outside Vendor's control. Vendor will promptly notify the County upon discovery of any such disabling or malicious code and will take commercially reasonable steps to remediate the issue.

H. Vendor Disclaimer of All Other Warranties. Except as otherwise expressly stated



in the Services Agreement and in this Agreement, Vendor makes no representations or warranties concerning the Software. THE FOREGOING WARRANTIES ARE IN LIEU OF, AND VENDOR HEREBY EXPRESSLY DISCLAIMS, ALL OTHER WARRANTIES, BOTH EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE.

6. **Training.**

If County's personnel require training in order to properly use the Software and system, Vendor will provide such training for all users designated by County, at a time agreed to by the Parties. All initial training by Vendor in the proper use of the Software and system shall be at no additional charge unless a fee for such training is otherwise agreed upon and funds are appropriated and certified as available for such purposes by the County in accordance with the Agreement.

Optional dedicated On-Site Support and/or training (does not include election set-up or routine maintenance) may be requested by the Client and will be subject to Runbeck's availability. All such services must be scheduled and confirmed in writing by both parties. Standard on-site support will be billed at a rate of \$1,750.00 for the first eight-hour workday and \$1,500 for each additional eight-hour workday. Services must be booked at least four (4) weeks in advance of the requested service dates.

If on-site support is requested with less than four (4) weeks' notice, and Runbeck can accommodate the request, the rate will be \$2,000.00 for the first eight-hour workday, plus a minimum of \$1,500.00 for each additional eight-hour workday.

All amounts billed shall be due and payable within thirty (30) days of the invoice date.

**THE REMAINDER OF THIS PAGE**

**INTENTIONALLY LEFT BLANK**

**Exhibit C to follow**



## EXHIBIT C

### EQUIPMENT MAINTENANCE AND SUPPORT SERVICES

Upon payment of the required fees by Client, Runbeck shall provide Equipment maintenance and support services as set forth in this Exhibit "C."

#### **Equipment Maintenance Services**

For payment of the Equipment Maintenance Fee specified in Exhibit D, Runbeck shall perform preventative maintenance on Equipment once each year. The Fee is subject to an annual adjustment, not to exceed five percent (5%). The maintenance will be performed on a date and time that is mutually acceptable to the Parties. The maintenance performed shall be Pre-election or Post-election Maintenance as described below:

##### A. Pre-election Preventative Maintenance

- a) Cleaning and inspection of the Equipment
- b) Replacement of any worn parts that need to be replaced\*
- c) Correct any hardware or Software issues
- d) Post maintenance testing

##### B. Post-election Preventative Maintenance

- i. Cleaning and inspection of the Equipment
- ii. Replacement of any worn parts that need to be replaced\*
- iii. Assisting the Client with the extracting of election data and archiving such data. Archive media will be provided by the Client.
- iv. All systems will be properly shut down and power will be removed.

\* The Client is solely responsible for paying the cost (including the shipping costs and any applicable taxes) of any replacement parts and consumables that are needed for the Equipment.



## **Consumables**

The Client acknowledges that the Equipment includes consumable items that require replacement. The consumables include, but are not limited to, such things as belts, rollers, and tray tags. Client shall be solely responsible for the cost (including the shipping costs and any applicable taxes) to purchase all consumables that are needed for the Equipment. The Client is responsible for installation of the consumables.

## **Additional Remote Support**

Runbeck will provide the Client with a toll-free telephone number that it may use for assistance in addressing any Equipment issues that may arise or for general questions related to the use of the Equipment.

## **Additional On-Site Support**

If additional on-site support is desired, the Client's Designated Representative and Runbeck will mutually agree in writing on the scope of the services, timing and availability based on Runbeck's then-current resource capacity. Such support may include, for example, additional training or on-site assistance during an active election, as mutually determined by the parties. The parties will mutually agree on the support that is required and the dates on which the support will be provided. All on-site support must be pre-approved in writing by both parties and scheduled at least ten (10) business days in advance, subject to Runbeck's availability. Upon completion of the agreed-upon services, Runbeck will invoice the Client a rate of \$1,750.00 for the first eight-hour work day and \$1,500.00 for each subsequent eight-hour work day. Any work beyond eight hours per day will be billed at Runbeck's then-current overtime rate, if applicable. Invoices are due and payable within thirty (30) days of the invoice date.

## **Term**

The parties declare, acknowledge and agree that the term of this Equipment Maintenance and Support Services Agreement shall be one (1) year, beginning on July 1, 2025, subject to the Client's right to terminate as set forth in Section 16 of the Services Agreement.

**THE REMAINDER OF THIS PAGE**

**INTENTIONALLY LEFT BLANK**

**Exhibit D to follow**



## EXHIBIT D

### EQUIPMENT DESCRIPTION

#### The Equipment includes:

| Product Name                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------|
| 1 Agilis Ballot Sorting System – Original Purchase 2014<br>2 Stackers, 8 pockets<br>2 Label printers<br>Servers<br>Monitor<br>Keyboard |

Agilis is an innovative inbound sorting solution, designed to handle standard letters and flats in accordance with then-current USPS automation standards for the handling of mailing including applicable thickness and rigidity guidelines. The system is capable of scanning and extracting signature images to support verification processes that utilize original voter signatures; however, it does not independently verify or certify the authenticity or legal sufficiency of such signatures. Under optimal operating conditions and proper configuration, Agilis can process up to 18,000 pieces per hour. Actual processing speed may vary depending on mail characteristics, operational environment, and user-defined workflows. The system can sort mail according to supplied routing data (e.g. precinct number), provided such data is compatible with system configuration and capabilities.

THE REMAINDER OF THIS PAGE

INTENTIONALLY LEFT BLANK

Invoice Schedule to follow



**FOR INVOICING PURPOSES:**

**Invoice Schedule**

Invoice To: Santa Barbara County  
Clerk-Recorder-Accessor-Registrar of Voters  
PO Box 61510  
Santa Barbara, California 93160-1510

Contract Period: July 1, 2025 – June 30, 2026

**FOR INVOICING PURPOSES:**

| Item                             | Year 1<br>(25/26)  |
|----------------------------------|--------------------|
| Agilis Software Fee              | \$17,017.09        |
| Agilis ASR Software Fee          | \$8,508.54         |
| Agilis Equipment Maintenance Fee | \$9,116.30         |
| <b>Total</b>                     | <b>\$34,641.93</b> |

NOTES

Any applicable taxes are the sole responsibility of the Client

The total maximum amount paid to Runbeck under this Agreement, including cost reimbursements, shall not exceed \$45,000.00. Runbeck shall submit to the Client Designated Representative at the address designated in the Notices section of this Agreement an invoice or certified claim on the County Treasury. This invoice or claim must cite the assigned Contract Number. Client Designated Representative shall evaluate the quality of the service performed and/or the item(s) delivered and if found to be satisfactory shall initiate payment processing. Payment by Client shall only be required following Client's receipt of complete and correct invoice in accordance with this section. Payment shall be net thirty (30) days from presentation of invoice. Runbeck's invoices will conform to the reasonable requirements of the Client.



## EXHIBIT E

### Indemnification and Insurance Requirements (For Information Technology Contracts)

For purposes of this Exhibit E, Runbeck is referred to as CONTRACTOR, and Client is referred to as COUNTY.

#### 1. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR agrees to defend, indemnify, and hold harmless COUNTY from and against any third-party claim, suit, demand, or action alleging the Equipment, Software, or any component thereof, as delivered by CONTRACTOR and used in accordance with this Agreement, infringes upon any copyright, trade secret, U.S. patent or any other proprietary right of any third party, and CONTRACTOR shall indemnify COUNTY against any final judgment, award or amount paid in settlement to which CONTRACTOR has consented in writing. COUNTY shall:

- a) provide CONTRACTOR prompt written notice of such claim, suit, demand, or action;
- b) cooperate reasonably with CONTRACTOR in the defense and settlement of the claim; and
- c) allow CONTRACTOR sole control over the defense and settlement or compromise of the claim, provided that no settlement that imposes any obligation or admission of liability on COUNTY shall be entered into without COUNTY's prior written consent, which shall not be unreasonably withheld or delayed.

In the event of a temporary or a permanent injunction preventing COUNTY's use of the Equipment or Software due to an infringement claim, c, CONTRACTOR shall, at its sole option and expense, either:

- 1. Procure for COUNTY the right to continue using the Equipment and Software; or
- 2. Replace or modify Equipment or Software to avoid infringement awhile maintaining substantially equivalent functionality..

#### 2. LIMITATION OF LIABILITY FOR THIRD-PARTY COMPONENTS

COUNTY agrees to indemnify and hold harmless CONTRACTOR, its officers, employees, and agents from and against any and all losses, damages, injuries, claims, demands and expenses, including reasonable legal expenses, arising from:

- a) COUNTY's misuse, unauthorized modification, or improper use of the Equipment and/or Software;
- b) Any third-party claims resulting from COUNTY's failure to comply with applicable laws or regulations in its use of the Equipment or Software after delivery,

#### 3. GENERAL INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend and hold harmless



COUNTY and its officers, officials, employees, agents (collectively, "Indemnitees") from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement and against third-party claims, damages, liabilities, and reasonable costs or expenses (including reasonable attorneys' fees) arising out of the negligent acts, errors and omissions of CONTRACTOR in the performance of services under this Agreement. CONTRACTOR'S obligation to defend shall be with legal counsel of its choice, subject to COUNTY's reasonable approval. This indemnification shall not include claims or suits arising from the sole or willful misconduct of COUNTY or any Indemnatee unauthorized modifications or misuse of CONTRACTOR's products or services.

#### 4. **NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS**

CONTRACTOR shall notify COUNTY within a commercially reasonable time in the event of any material accident or injury arising directly out of Contractor's performance under this Agreement, to the extent Contractor is aware of such event. County shall likewise notify Contractor of any accident, incident, or data breach involving Contractor systems or County facilities that may give rise to a claim under this Agreement.

The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement solely with respect to third-party claims that arose during the term of the Agreement and subject to any applicable statutes of limitation.

#### 5. **INSURANCE**

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors. CONTRACTOR may meet these requirements through a combination of primary policies, umbrella policies, or self-insurance, subject to COUNTY's reasonable approval.

##### A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Coverage may be satisfied through a combination of primary and umbrella liability policies.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage. This requirement applies only if CONTRACTOR or its subcontractors use vehicles in the performance of services under this Agreement.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **(Not required if CONTRACTOR provides written verification that it has no employees)**



4. **Professional Liability** (Errors and Omissions) Insurance appropriate to the CONTRACTOR'S profession, with limit of no less than \$1,000,000 per claim, \$2,000,000 in the aggregate.
5. **Cyber Liability Insurance:** Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage may include industry-standard policies that address security breaches, privacy violations, data loss, or system failures arising from CONTRACTOR's systems or services. Equivalent coverage is acceptable subject to COUNTY's reasonable review.

If the CONTRACTOR maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR'S insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, to the extent of CONTRACTOR's negligence or fault, the CONTRACTOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
4. **Waiver of Subrogation Rights** – CONTRACTOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management or equivalent rating as approved by COUNTY's Risk Manager, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".



7. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR'S obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
9. **Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
  - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  - ii. Insurance must be maintained and evidence of insurance must be provided for at least two (2) years after completion of contract work.
  - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. Any changes to insurance requirements shall be mutually agreed upon in writing via amendment.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by mutual agreement of the Parties via a written amendment to this Agreement. CONTRACTOR shall not be unreasonably withheld from agreeing to such amendment if the proposed changes are commercially reasonable and directly related to material changes in scope or applicable law. CONTRACTOR agrees to negotiate such amendment in good faith within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements shall not be deemed as a waiver of any rights on the part of COUNTY; however, such failure shall not expand CONTRACTOR's obligations beyond those expressly set forth in this Agreement.

