

## PROFESSIONAL SERVICES AGREEMENT

**THIS AGREEMENT** is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and **Virtunet LLC**, herein after referred to as "CONTRACTOR".

### RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED \_\_\_\_\_.
2. CITY desires to utilize the services of CONTRACTOR to Provide and Install a Server and Storage System for an IVS System for the City of Garden Grove.
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

### AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination.** The term of the agreement shall be for period of three (3) years from full execution of the agreement. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONTRACTOR for work performed to date in accordance with proposal which is attached as Attachment A and is hereby incorporated by reference. Contractor is required to present evidence to support performed work.
2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of tasks as set forth in the Scope of Work. The Scope of Work is attached as Attachment A, and is incorporated herein by reference. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONTRACTOR shall be compensated as follows:
  - 3.1 **AMOUNT.** Compensation under this agreement shall be a firm fixed price of \$131,789.00 to provide the Server and Storage System and the Installation of the equipment, plus an amount not to exceed (NTE) of \$8,100.00 for 36 months of Next Business Day (NBD) Services, Support and Maintenance for a total contract amount of \$139,839.00. Payable in arrears and in accordance with Proposal Pricing Sheet (Attachment B). All work shall be in accordance with RFP No. S-1224.

- 3.2 Payment. For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this Agreement, a written authorization by CITY will be required, and payment shall be based on schedule included in Proposal (Attachment A).
- 3.3 Records of Expenses. CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to CITY.
- 3.4 Termination. CITY and CONTRACTOR shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by CITY, then the provisions of paragraph 3 would apply to that portion of the work completed.

#### 4. Insurance Requirements.

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
  - (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
  - (b) Automobile liability in an amount of \$1,000,000.00 combined single limit (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate CITY, it's officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, it's officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

*If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.*

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.
6. **Non-Discrimination.** CONTRACTOR covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONTRACTOR shall act and be an independent contractor and not an agent or employee of the CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.
8. **Compliance with Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government. CONTRACTOR shall comply with, and shall be responsible for causing all contractors and subcontractors performing any of the work pursuant to this Agreement to comply with, all applicable federal and state labor standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. The City makes no warranty or representation concerning

whether any of the work performed pursuant to this Agreement constitutes public works subject to the prevailing wage requirements.

9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
  - a. (Contractor)  
Virtunet LLC  
Attention: Parag Patkar  
1900 S. Norfolk Street, Suite 350  
San Mateo, CA 94403
  - b. (Address of CITY) (with a copy to):  
City of Garden Grove Garden Grove City Attorney  
11222 Acacia Parkway 11222 Acacia Parkway  
Garden Grove, CA 92840 Garden Grove, CA 92840
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONTRACTOR'S risk, until written instructions are received from CITY.
13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between

any subcontractor and CITY. All persons engaged in the work will be considered employees of CONTRACTOR. CITY will deal directly with and will make all payments to CONTRACTOR.

15. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
  
16. **Indemnification.** To the fullest extent permitted by law, CONTRACTOR shall defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR in the performance of the Agreement. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence, recklessness and/or wrongful conduct of CITY, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

17. **Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefor by the Garden Grove City Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the CITY.

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(Agreement Signature Block on Next Page)

**IN WITNESS THEREOF**, these parties have executed this Agreement on the day and year shown below.

Date: \_\_\_\_\_

**"CITY"  
CITY OF GARDEN GROVE**

By: \_\_\_\_\_  
**City Manager**

**ATTESTED:**

\_\_\_\_\_  
**City Clerk**

Date: \_\_\_\_\_

**"CONTRACTOR"  
Virtunet LLC**

By: *Parag Patkar*

Name: PARAG PATKAR

Title: CEO

Date: September 23, 2017

Tax ID No. 45-0800844

Contractor's License: Not applicable

Expiration Date: Not applicable

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

**APPROVED AS TO FORM:**

*Omar Vazquez*  
Garden Grove City Attorney

9-28-17  
Date



**ATTACHMENT "A"**  
**RFP NO. S-1224**

**SCOPE OF SERVICES**

**Provide and Install a Server and Storage System for an IVS System**

**INTRODUCTION**

The City of Garden Grove is soliciting proposals from qualified contractor to provide and install a server and storage system which will be used for an In-Car Video (IVS) System for the City of Garden Grove.

**REQUIREMENTS**

The following are the requirements for the Server and Storage System:

- 2 x rackmount servers with the following:
  - VMware esxi
  - vCenter for clustering
  - 256 GB RAM
  - 2 x 12 core processors
- 100 TB usable storage (as VMware data stores) across the cluster over iSCSI
- A hybrid storage solution for storage acceleration or read/write caching (please describe your solution)
- Scalable solution with no single point of failure
- 3-Year Next Business Day (NBD) support and maintenance
- Linear performance increases as nodes are added
- Deployment and/or installation services

**OTHER REQUIREMENTS**

- Proposer must provide five (5) references, ideally in local government. Public Sector references are not required but are highly desirable. Please include the clients name, project description, project/contract dates (starting and ending), client project manager name, email address and telephone number. ***Please make sure that the information provided for your references is current and accurate.*** References will not be considered if information provided is inaccurate. ***Please Do Not use the City of Garden Grove as a reference.***
- Proposer must state the number of years that the company has been in business.

**ATTACHMENT "B"**  
**RFP NO. S-1224**  
**(Server and Storage System for an IVS System)**

**PROPOSAL PRICING-Page 1 of 2**

Proposal must include ALL costs and fees associated with providing the services. **Any fees, costs or charges that are not identified in this proposal will NOT be considered or paid by the CITY.**

**Please DO NOT change/alter this page in any way! This page must be submitted with your proposal.**

<b>A. PROPOSAL PRICING</b>	
1. Total Cost of all Equipment	\$ <u>121,500</u>
2. Total Cost of NBD (Next Business Day) Support and Maintenance for 36 months	\$ <u>8,100</u>
3. Total Cost of Deployment/Installation Services	\$ <u>3,000</u>
4. Sales Tax	\$ <u>7,239</u>
<b>TOTAL COST OF FOR 36 MONTHS</b>	<b>\$ <u>139,839</u></b>

***NOTE: Please include an itemized breakdown of all costs including equipment, installation, and support/maintenance. If additional charges apply please provide a breakdown of those costs. Please attach additional pages for these costs.***

**PLEASE DO NOT LEAVE ANY LINES BLANK. IF THERE IS NO COST, PLEASE INDICATE N/A ON THE LINE.**

**CONTRACTOR must be able to provide all services requested. PARTIAL PRICING PROPOSALS WILL NOT BE ACCEPTED! ALL LINES ON THIS FORM MUST BE COMPLETED OR THE CITY MAY DEEM YOUR PROPOSAL AS NON-RESPONSIVE.**



**ATTACHMENT "B"**  
**RFP NO. S-1224**  
**(Server and Storage System for an IVS System)**

**PROPOSAL PRICING-Page 2 of 2**

The undersigned hereby certifies that this Proposal is genuine and is not sham or collusive, or made in the interest or in behalf of any person not herein named, and that the undersigned has not directly or indirectly induced or solicited any other bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the undersigned has not in any manner sought, by collusion, to secure for himself an advantage over any other bidder.

Please check your calculations before submitting your Proposal; the City of Garden Grove will not be responsible for Proposer miscalculations and may deem your proposal as non-responsive

BY: 

(Signature)

1 (510) 418 2912

Telephone Number

PARAG PATKAR

(Type or Print Name)

CEO

(Title)

PARAG@VIRTUNETSYSTEMS.COM

(Email Address)

VIRTUNET

(Company Name)



**Virtunet Quote for:**

Sandra Segawa,  
 Purchasing Manager, City of Garden Grove  
 11222 Acacia Parkway  
 Garden Grove, CA 92840

Quote Number: gardengr09022017-P1  
 Quote Date: September 2, 2017  
 Validity: Pricing valid for 180 days

Line Item	SKU	Description	Price Per Unit	Units	Cost
1	Comp-hpg9-xe26-256	HP Gen9 server with 256GB RAM, 2x Xeon 12-core E5-26XX processor, 4x 10gbps NICs.	\$8,700	2	\$17,400
2	Comp-hpg9-xe26-256-s	3-year support for line item 1 above.	\$600	2	\$1,200
3	Esxi-plus-3-host	VMware ESXi software license with all supported features - vCenter, DRS, HA, vMotion, clustering, for a maximum of 3 physical servers.	\$7,100	1	\$7,100
4	Esxi-plus-3-host-s	3-year support for line item 3 above.	\$900	1	\$900
5	vstor-216tb-iscsi	VirtuStor 216TB raw storage over iSCSI. Storage cluster with 36 cores, 288GB RAM, 12 10gbps ports. 1.8TB SSDs in storage nodes, 9.6TB SSD in VMware 2-node cluster.	\$76,000	1	\$76,000
6	vstor-216tb-iscsi-s	3-year support for line item 5 above.	\$5,000	1	\$5,000
7	Vnx-5tbssd-sw	Virtucache host side caching software only.	\$10,500	2	\$21,000
8	Vnx-5tbssd-sw-s	3-year support for line item 7 above.	\$500	2	\$1,000
9	Ntwrk-svcs	Services to configure Garden Grove provided switches.	\$3,000	1	\$3,000
Taxes (at 7.75% of only hardware costs)					\$7,239
Total cost, inclusive of taxes and shipping paid to Virtunet at Net 30 days Payment Terms					\$139,839



**Exhibit B – Parameters to compare us with other proposals**

We are listing out the below parameters that you could use to compare the capacity, performance, and feature set provided by other RFP responders to the solution that we have proposed.

Parameter	Virtunet response	Virtunet Competitor
Usable and raw storage capacity: Since this project involves video, and video is already compressed and deduped on the camera, an important criteria for the storage system is usable storage capacity calculated by NOT taking into account storage appliance based dedupe and compression, and taking into account the overhead from only RAID or replication. A simpler option is to compare \$/raw storage capacity across vendors.	216TB raw. At least 108TB usable.	
Cost/GB hard drive.	43 cents/GB	
Raw SSD capacity.	11.4TB	
Cost/GB SSD.	\$1.9/GB	
Cost/IOPS (4K Transfer size, 80-20 random read-write ratio).	22cents/IOP	
Use commodity parts only - servers, HDDs and SSDs.	Yes	
Mix and match any SSDs, HDDs, servers, NICs, etc. No vendor lock-in for hardware.	Yes	
Hot add/hot replace HDDs, SSDs, and servers.	Yes	
Replacing parts is simpler since these are commodity server parts.	Yes	

