

OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach CA 90802-4664

1 THIRD AMENDMENT TO MASTER SERVICES AGREEMENT NO. 34848

2 34848

3 THIS THIRD AMENDMENT TO AGREEMENT NO. 34848 is made and
4 entered, in duplicate, as of August 7, 2023, for reference purposes only, pursuant to a
5 minute order adopted by the City Council of the City of Long Beach at its meeting on July
6 18, 2023, by and between ARCADIS U.S., INC, a Delaware corporation ("Arcadis"), with a
7 place of business at 630 Plaza Drive, Suite 200, Highlands Ranch, CO 80129, and the
8 CITY OF LONG BEACH, a municipal corporation ("City").

9 WHEREAS, City and Arcadis (the "Parties") entered into Agreement No.
10 34848 (the "Agreement") whereby Arcadis agreed to provide services in connection with
11 the provision of Orion Project Portfolio Management ("Orion PPM") Software; and

12 WHEREAS, the Parties entered into a First Amendment to the Agreement to
13 extend the term to November 30, 2020; and

14 WHEREAS, the Parties entered into a Second Amendment to the Agreement
15 to extend the term to November 30, 2021; and

16 WHEREAS, the term of the Agreement lapsed and the parties desire to
17 retroactively extend the term;

18 WHEREAS, on July 18, 2023, City Council approved to extend the term of
19 the Agreement by one (1) additional one-year period, with the option to renew for four (4)
20 additional one-year periods at the discretion of the City Manager, and increase the authority
21 amount of the Subscription Service Agreement only to One Hundred Thousand Dollars
22 (\$100,000); and

23 WHEREAS, the Parties desire to increase the annual amount of the
24 Subscription Service Agreement by Ten Thousand Dollars (\$10,000), retroactively
25 exercise options to extend the agreement term, update the City's Representative, and
26 update the Subscription Services Agreement;

27 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
28 conditions herein contained, the Parties agree as follows:

- 1 1. Section 2.A. of the Agreement is hereby amended to read as follows:
2 “A. Implementation Work. Arcadis shall provide implementation of
3 services as specified in the attached Statement of Work in Exhibit “A”, and City shall pay
4 for these services in the manner described below, in a total amount not to exceed Five
5 Hundred Sixty-One Thousand Five Hundred Sixty-One Dollars (\$561,561), and the
6 Subscription Service Agreement in an annual amount not to exceed One Hundred
7 Thousand Dollars (\$100,000), at the rates or charges shown in Exhibit “B”.”
- 8 2. Section 6 of the Agreement is hereby amended to read as follows:
9 “6. TERM. The term of the Agreement shall commence at midnight on
10 December 1, 2017, and shall terminate at 11:59 p.m. on November 30, 2024, unless
11 sooner terminated as provided in this Agreement, or unless the services or the Project is
12 completed sooner. The term was retroactively extended and may be extended by two (2)
13 additional one-year periods, at the discretion of the City Manager.”
- 14 3. The Subscription Service Agreement in Exhibit “C” of the Agreement
15 is hereby amended in accordance with Exhibit “C-1”, attached hereto and incorporated by
16 this reference.
- 17 4. The City’s Representative in Exhibit “D” of the Agreement is hereby
18 amended in accordance with Exhibit “D-1”, attached hereto and incorporated by this
19 reference.
- 20 5. Except as expressly modified herein, all of the terms and conditions
21 contained in Agreement No. 34848 are ratified and confirmed and shall remain in full force
22 and effect.

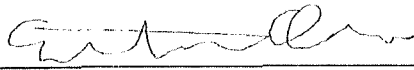
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IN WITNESS WHEREOF, the Parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

ARCADIS U.S. INC., a Delaware corporation

August 30, 2023

By 
Name Ertan Akbas
Title Vice President

August 30, 2023

By 
Name Christine Cotton
Title Senior Vice President

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

"Arcadis"

CITY OF LONG BEACH, a municipal corporation


9/29, 2023

By 
City Manager

"City"

This Third Amendment to Master Services Agreement No. 34848 is approved as to form on September 19, 2023.

DAWN MCINTOSH, City Attorney

By 
Deputy

OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach CA 90802-4664

Exhibit "C-1"
Subscription and Rates

Renee Williams
Capital Project Coordinator
City of Long Beach – Public Works
411 W. Ocean Blvd, 5th floor
Long Beach, CA 90802

Arcadis U.S., Inc.
445 South Figueroa
Street
Suite 3650
Los Angeles
California 90071
Phone: 213 486 9884
Fax: 213 486 9894
www.arcadis.com

Date: 12/5/2022 (rev. 1/24/2023)
Subject: PPM Subscription Service Renewal

Dear Ms. Williams,

Arcadis U.S., Inc. (Arcadis), is pleased to submit this proposal for Portfolio Insights (Orion) Project Portfolio Management (PPM) system. The proposal will provide up to five (5) years of PPM software subscription and user-support/maintenance.

Objectives

The objectives of providing long-term PPM support and maintenance to the City includes:

- Annual software improvements, updates, enhancements, error corrections, bug fixes, release notes, and upgrades, as developed by Arcadis and made generally available for all Orion PPM clients.
- Up to \$40,000 per year have been allocated towards as-needed user/technical support
- Hosting (unlimited users)

Full details on Orion services are found in the Master Service Agreement which has not changed from the original. A cost breakdown is also included at the end of the document.

Service Level Agreement

The Service Level Agreement is unchanged from the original contract and is as follows:

Capitalized terms, unless otherwise defined herein, shall be defined in the Master Agreement.

1. **Technical Assistance Terms:** Arcadis will provide Client with 24x7x365 technical assistance in accordance with this SLA.
2. **Service Availability:** Arcadis' Service Availability commitment for a given calendar month is 99.9%. Service Availability is calculated per month as follows: $((\text{Total} - \text{Unplanned Outage} - \text{Planned Maintenance}) / (\text{Total} - \text{Planned Maintenance})) \times 100$. Where "Total" is the total minutes in the month, "Unplanned Outage" is total minutes unavailable due to an unplanned outage in the month, and "Planned Maintenance" is total minutes of planned maintenance in the month.
3. **Service Response Times:** Service response commitment is that ninety (90) percent of all transactions are delivered within the Response Time Threshold. Critical Transactions shall have a Response Time Threshold of 2 seconds, Non-critical Transactions shall have a Response Time Threshold of 5 seconds.

Designation of specific transaction types as Critical and Non-critical shall be mutually agreed, in writing. This Service Response Time commitment excludes reports.

Definitions

“Response Time Threshold” is the total time measured from the instant at which a request for a transaction to be processed is received by the server to the instant at which the results of the transaction are generated for delivery to user, measured between 10am PT and 11am PT during Working Days.

4. **Arcadis Update Process and Notifications:** Periodically, Arcadis introduces new features and functionality in a new version of the Arcadis Service with enhanced functionality across all, or substantially all, Arcadis modules (“Update”). Prior to an Update, Production Clients will be provided with an Update sandbox for testing. Updates will take approximately twenty-four (24) hours to complete which will require the Service to be taken down for some or all of that time (which time shall not be considered an Unplanned Outage). Updates will be performed during a weekend following any Planned Maintenance. Clients shall provide a named Update Contact to schedule and manage Client through its Update process.
5. **Disaster Recovery:** Arcadis will maintain a disaster recovery plan for the Arcadis Production Service. Arcadis commits to a recovery time objective of twelve (12) hours - measured from the time that the Arcadis Production Service becomes unavailable until it is available again. The level of service provided following recovery shall meet all SLAs documented herein. Arcadis commits to a recovery point objective of one (1) hour - measured from the time that the first transaction is lost until the Arcadis Production Service becomes unavailable.
6. **Security and Site Audit:** During Business Hours, but no more frequently than once a year, the Client, at its sole expense, may perform a confidential audit of Arcadis’s operations as they pertain to the Application Software provided under this Agreement. Such audits shall be conducted based on a mutually agreed scope and date which shall be no more than ten (10) Business Days after the Client’s written notice of time, location, and duration, subject to reasonable postponement by Arcadis, upon Arcadis’s reasonable request, provided, however, that no such postponement shall exceed ten (10) Business Days. The Client will provide Arcadis a summary of the findings from each report prepared in connection with any such audit and discuss results, including any remediation plans. Arcadis agrees to promptly take action at its expense to correct those matters or items identified in any such audit that require correction.
7. **Case Submittal and Reporting:** Client’s Named Support Contacts may submit cases to Arcadis. Named Support Contacts must be trained on the Arcadis product(s) for which they initiate support requests. Each case will be assigned a unique case number. Arcadis will respond to each case in accordance with this SLA and will use commercially reasonable efforts to promptly resolve each case. Actual resolution time will depend on the nature of the case and the resolution itself. A resolution may consist of a fix, workaround, delivery of information or other commercially reasonable solution to the issue.
8. **Severity Level Determination:** Client shall reasonably self-diagnose each support issue and recommend to Arcadis an appropriate Severity Level designation. Arcadis shall validate Client’s Severity Level designation, or notify Client of a proposed change in the Severity Level designation to a higher or lower level with justification for the proposal. In the event of a conflict regarding the appropriate Severity Level designation, each party shall promptly escalate such conflict to its management team for resolution through consultation between the parties’ management, during which time the parties shall continue to handle the support issue in accordance with the Arcadis Severity Level designation. In the rare case, a conflict requires a management discussion, both parties shall be available within one hour of the escalation.
9. **Support Issue Production Severity Levels - Response and Escalation: Client Response Commitment** is the period from the time the Production case was logged in by Arcadis until Arcadis responds to Client and/or escalation within Arcadis, if appropriate. Resolution commitment is the period from the time the Production case was logged in by Arcadis until Arcadis responds to Client with a recommended permanent solution or work around.

Severity Level 1:

Definition: The Arcadis Service is unavailable for all users.

Arcadis Response Commitment: Arcadis will respond within one (1) hour of receipt of case.

Resolution: Arcadis will work 7x24x365 to resolve the problem until the Service is returned to normal operation. Client will be notified of status changes, via email or issue resolution portal.

Escalation: If the problem has not been resolved within one (1) hour, Arcadis will escalate the problem to the appropriate Arcadis organization. The escalated problem will have higher priority than ongoing support, development or operations initiatives.

Client Response Commitment: Client shall remain accessible by phone for troubleshooting from the time a Severity 1 issue is logged until such time as it is resolved.

Resolution Commitment: Arcadis commits that the issue is resolved within twenty-four (24) hours.

Severity Level 2:

Definition: The Arcadis Service contains a bug that prevents Client from executing one or more critical business processes with a significant impact and no workaround exists.

Arcadis Response Commitment: Arcadis will respond within one (1) hour of receipt of case.

Resolution: Arcadis will work to resolve the problem until the Service is returned to normal operation. Client will be notified of status changes each Business Day.

Escalation: If the problem has not been resolved within four (4) hours, Client may request that Arcadis escalate the problem to the appropriate Arcadis organization where the escalated problem will have higher priority than ongoing development or operations initiatives.

Client Response Commitment: Client shall remain accessible by phone for troubleshooting from the time a Severity 2 issue is logged until such time as it is resolved.

Resolution Commitment: Arcadis commits that a resolution is delivered to the Client within three (3) Business Days.

Severity Level 3:

Definition: The Arcadis Service contains a bug that prevents Client from executing one or more important business processes. A workaround exists but is not optimal.

Arcadis Response Commitment: Arcadis will respond within four (4) Business Hours of receipt of case.

Resolution: If resolution requires an Arcadis bug fix, Arcadis will add the bug fix to its development queue for future Update and suggest potential workaround until the problem is resolved in a future Update. Client will be notified of status changes.

Escalation: If the problem has not been resolved within five (5) Business Days, Client may request that Arcadis escalate the problem to the appropriate Arcadis organization where the escalated problem will have higher priority than ongoing development or operations initiatives.

Client Response Commitment: Client will respond to Arcadis requests for additional information and implement recommended solutions in a timely manner.

Resolution Commitment: Arcadis commits that either a resolution, or documented work-around is delivered to the Client within three (3) Business Days. If a work-around is provided, Arcadis commits to providing a permanent solution within fifteen (15) Business Days.

Severity Level 4:

Definition: The Arcadis Service contains an issue that may disrupt important business processes where a workaround is available or functionality is not imperative to Client's business operations.

Arcadis Response Commitment: Arcadis will respond one Business Day of receipt of case.

Resolution: If resolution requires an Arcadis bug fix, Arcadis will add the bug fix to its development queue for future Update and suggest potential workaround until the problem is resolved in a future Update. Client will be notified of status changes.

Escalation: None.

Client Response Commitment: Client will respond to Arcadis requests for additional information and implement recommended solutions in a timely manner.

Resolution Commitment: Arcadis commits that either a resolution, or documented work-around is delivered to the Client within three (3) Business Days. If a work-around is provided, Arcadis commits to providing a permanent solution within thirty (30) Business Days.

Client Care or Operations Request (Severity Level 5):

Definition: Non-system issues such as Named Support Contact change, requests for SLA reports or business documents, etc. Questions about configuration and functionality should be addressed to the Arcadis contact. If necessary to open a Support case requesting assistance, Severity 5 should be used.

Arcadis Response Commitment: Arcadis will respond within one (1) Business Day of receipt of case.

Resolution Commitment: Arcadis will respond to request. Client will be notified of status changes on a weekly basis.

Escalation: None.

Client Commitment: Client will respond to Arcadis requests for additional information in a timely manner.

Resolution Commitment: Arcadis and Client shall agree on a mutually acceptable schedule for resolution on a case-by-case basis.

10. **Arcadis Support Scope:** Arcadis will support functionality that is developed by Arcadis and under its direct control. For all other functionality, and/or issues or errors in the Arcadis Service caused by issues, errors and/or changes in Client's information systems and/or third-party products or services, Arcadis may assist Client and its third-party providers in diagnosing and resolving issues or errors, but Client acknowledges that these matters are outside of Arcadis' support obligations. Service Level failures attributable to (i) Client's acts or omissions; and (ii) force majeure events shall be excused.
11. **Service Credits:** In the event of a failure by Arcadis to meet the Service Availability and Service Response minimums as set forth in this SLA, at Client's request, Arcadis shall provide service credits in accordance with the Master Subscription Agreement. Credits are defined as a percentage of the monthly hosting fee provided against future payments.
12. **Performance Credit and Performance Incentive Cap**

No single Service Level will result in Service Credits that are greater than 50% of the monthly Fees. The Service Credits will be netted each month and the net total of Service Credits will not exceed 50% of the monthly Fees. For the purpose of calculating Service Credits, each measurement will be rounded to the nearest whole number unless specifically noted within the Service Credit terms below:

PPM Subscription Service Renewal
 12/5/2022 (revised 1/23/2023)

Service Level Description	Service Level Calculation	Service Credit	Measurement Period	Service Level Target
System Availability	$((\text{Total} - \text{Unplanned Outage} - \text{Planned Maintenance}) / (\text{Total} - \text{Planned Maintenance})) \times 100$	5% of fee for outage >15min and <30min 10% for outage from >30min and <1hr 25% for outage >1hr	Monthly	System availability \geq 99.9% (excluding non Business Hours and planned maintenance)
System Responsiveness	Time measured from the instant at which a request for a transaction to be processed is received by the server to the instant at which the results of the transaction are generated for delivery to user	5% of fee for meeting RTT less than 90% but greater than 80% of transactions 10% of fee for meeting RTT less than 80% of transactions	Monthly	90% of Daily Transactions <u>are delivered within the Response Time Threshold (RTT)</u>
Disaster Recovery	The time that the Orion Production Service is deemed inoperable by consensus of Client and Arcadis until it is available again	35% of Fee	As occurred	Less than or equal to twelve (12) hours
Support Issue (severity 1) – <u>Arcadis Response Commitment</u>	Time when Arcadis receives case to delivered solution	25% of Fee	Monthly	Less than or equal to one (1) hour
Support Issue (severity 2) – <u>Arcadis Response Commitment</u>	Time when Arcadis receives case to delivered solution	25% of Fee	Monthly	Less than or equal to one (1) hour
Support Issue (severity 3) – <u>Arcadis Response Commitment</u>	Time when Arcadis receives case to delivered solution	10% of Fee	Monthly	Less than or equal to four (4) hours
Support Issue (severity 1) – Resolution Commitment	Time when Arcadis receives case to delivered solution	25% of Fee	Monthly	Less than or equal to twenty-four (24) hours
Support Issue (severity 2) – Resolution Commitment	Time when Arcadis receives case to delivered solution	25% of Fee	Monthly	Less than or equal to three (3) business days
Support Issue (severity 3) – Resolution Commitment	Time when Arcadis receives case to delivered solution	10% of Fee	Monthly	Less than or equal to three (3) business days (work-around); fifteen (15) days for permanent solution

Summary

For any City staff requiring Orion system support, a City Orion Administrator will be identified as the first line of support. The City Orion Administrator will be part of the help desk workflow with the ability to assign tasks to Orion developers for resolution. The City Orion Administrator will provide service to users and will have the training needed to resolve basic issues such as login/permissions, or more complex configuration changes. The City Orion Administrator will be empowered to use the Arcadis -provided support mechanisms when necessary.

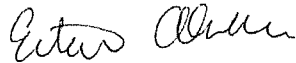
Budget and Schedule

Support will be provided at Hourly rates as follows: Project Principal/Manager \$265, Project Senior Analyst \$200, Technical Lead \$200, Developer \$185, Solution Architect \$185. The same hourly rate applies to on-site or remote support. A four percent (4%) per year hourly rate escalation will be applied to account for cost-of-living adjustments.

Task	Year 1 (2023)	Year 2 (2024)	Year 3 (2025)	Year 4 (2026)	Year 5 (2027)	Total (5Years)
Annual License Renewal Cost	\$0	\$0	\$0	\$0	\$0	\$0
Support (not to exceed, hourly support)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
Hosting Fee (unlimited users \$5,000/mo)	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

PPM Subscription Service Renewal
12/5/2022 (revised 1/23/2023)

Sincerely,
Arcadis U.S., Inc.



Ertan Akbas
Vice President

Email: Ertan.Akbas@arcadis.com
Direct Line: 914.641.2661
Mobile: 914.602.5247

CC. Adrian Pavon
Angelina Del Cid

This proposal and its contents shall not be duplicated, used or disclosed — in whole or in part — for any purpose other than to evaluate the proposal. This proposal is not intended to be binding or form the terms of a contract. The scope and price of this proposal will be superseded by the contract. If this proposal is accepted and a contract is awarded to Arcadis as a result of — or in connection with — the submission of this proposal, Arcadis and/or the client shall have the right to make appropriate revisions of its terms, including scope and price, for purposes of the contract. Further, client shall have the right to duplicate, use or disclose the data contained in this proposal only to the extent provided in the resulting contract.

Exhibit "D-1"

City's Representative is

Marilyn Surakus, Manager,
Project Management Bureau
Marilyn.Surakus@longbeach.gov
562.570.5793
