PredPol Predictive Policing SaaS Subscription Agreement

This Subscription Agreement ("**Agreement**") between PredPol, Inc., a California corporation, PO Box 2870, Santa Cruz, CA 95063-2870 ("**PredPol**") and the City of Merced, with offices at 678 W. 18th Street, Merced, CA 95340 ("**Client**") effective as of July 24, 2018 (the "**Effective Date**"). This Agreement governs Client's access to and use of the Services as they are defined herein.

This agreement replaces the previous Subscription Agreement effective July 24, 2015 which will automatically expire on July 23, 2018. The parties hereby agree to extend the relationship based upon the terms of this new agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is hereby mutually acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** All capitalized terms used in this Agreement and any attachments hereto shall have the meanings assigned to them below.

   A) "**Admin Account(s)**" means the administrative account(s) provided to Client by PredPol for the purpose of administering the Services. The use of the Admin Account(s) requires a password, which PredPol will provide to Client.

   B) "**Administrators**" means the Client-designated technical personnel who administer the Services to End Users on Client's behalf.

   C) "**Affiliate**" means any entity that directly or indirectly controls, is controlled by, or is under common control with a party.

   D) "**Brand Features**" means the trade names, trademarks, service marks, logos, domain names, and other distinctive brand features of each party, respectively, as secured by such party from time to time.

   E) "**Confidential Information**" means information disclosed by a party to the other party under this Agreement that is marked as confidential or would normally be considered confidential under the circumstances. Client Data is Client's Confidential Information. Confidential Information does not include information that: (a) the recipient of the Confidential Information already knew; (b) becomes public through no fault of the recipient; (c) was independently developed by the recipient; or (d) was rightfully given to the recipient by another party.

   F) "**Client Data**" means data, including crime data, provided, generated, transmitted or displayed via the Services by Client or End Users.

   G) "**Data Pipe**" means the server software used by PredPol to extract crime data from Client's RMS, encrypt it, and send to the PredPol servers to use to deliver the Service.

H) **"Emergency Security Issue"** means either: (a) Client's use of the Services in violation of the Acceptable Use Policy, which could disrupt: (i) the Services; (ii) other Client's use of the Services; or (iii) the PredPol network or servers used to provide the Services; or (b) unauthorized third party access to the Services.

I) **"End Users"** means the individuals Client permits to use the Services.

J) **"End User Account"** means a PredPol-hosted account established by Client through the Services for an End User.

K) **"Fees"** means the amounts invoiced to Client by PredPol for the Services as described in the Statement of Work.

L) **"Intellectual Property Rights"** means current and future worldwide rights under patent law, copyright law, trade secret law, trademark law, and moral rights law, and other similar rights.

M) **"RMS"** means Records Management System database, an agency-wide system that provides for the storage, retrieval, retention, manipulation, archiving, and viewing of information, records, documents, or files pertaining to law enforcement operations.

N) **"Services"** means the applicable PredPol product or service, as described in this Agreement or the Statement of Work.

O) **"SaaS"** means software as a service, which describes the manner in which PredPol delivers the Services via access to a hosted software platform rather than through a software license.

P) **"Services Term"** means the applicable Contract Term (see Section 3.A) and all renewal terms for the applicable Services as set out in the Statement of Work.

Q) **"Statement of Work"** means the statement of work attached hereto as Exhibit A that contains additional details regarding the Services to be provided to Client per the terms of this Agreement.

R) **"Subscription Terms"** means the order document reflecting the financial terms of the subscription, including: (i) the Services; (ii) Fees;; and (iii) Contract Term.

S) **"Suspend"** means the immediate disabling of access to the Services, or components of the Services, as applicable, to prevent further use of the Services.

T) **"Term"** means the term of the Agreement, which will begin on the Effective Date and continue until the earlier of (i) the end of the Services Term or (ii) termination date of the Agreement (or Statement of Work) as set forth herein.

2. **Product and Payment**.

A) **Product**. In consideration of the pricing and other obligations described herein, Client shall receive PredPol Services as they are described in Exhibit A.

B) **Fees and Payment Terms**. Fees due for the services described herein are outlined in Exhibit A. Fees for orders where PredPol issues an invoice are due upon Client's receipt of the invoice and are considered delinquent thirty days after the date of the applicable invoice. Payments shall be made in U.S. Dollars by either wire transfer or check.

C) **Revising Rates**. Rates may not be changed during the Services Term of this Agreement without consent of both Parties. Following the end of the Services Term, PredPol may revise its rates by providing Client written notice (which may be by email) at least thirty days prior to the effective date of the revision.

D) **Delinquent Payments**. Delinquent payments shall bear interest at the rate of one-and-one-half percent per month (or the highest rate permitted by law if less) from the payment due date until paid in full. Client will be responsible for all reasonable expenses (including attorneys' fees) incurred by PredPol in collecting such delinquent amounts except where such delinquent amounts are due to PredPol's billing inaccuracies.

3. **Term and Termination.**

A) **Term**. This Agreement shall begin on July 24, 2018 and continue for one (1) year ("Contract Term"). This Agreement shall then be renewed for additional terms of one (1) year each unless either Party provides the other Party with written notice of its intent not to renew no less than sixty (60) days prior to the end of the then current term.

B) **Termination Resulting from Breach of Agreement**. This Agreement may be terminated immediately by either Party upon the failure of the other Party to correct a material breach of this Agreement within thirty (30) days after notice of such material breach by the non-breaching Party to the other Party.

C) **Termination Resulting From Insolvency Events**. Either Party may terminate this Agreement immediately upon written notice to the other Party in the event a receiver, trustee or similar officer is appointed for the other Party or a substantial portion of the other Party's assets or businesses is assigned or transferred to a third party for the benefit of its creditors, or a petition or application is filed by or against the other Party under any bankruptcy law, or if an assignment is made of the other Party's business or assets for the benefit of its creditors.

D) **Obligations Upon Termination**. Upon any termination of this Agreement, the Parties shall return to each other any and all confidential information and any and all equipment, documents and materials, including all copies thereof, which it received from the other Party in connection with this Agreement.

E) Remedies for Breach of Agreement. If termination is the result of a material breach by a Party, the non-breaching Party shall be entitled to pursue any and all rights and remedies it has under law.

F) Survival Provisions. Termination of the Agreement shall not relieve either Party from its continuing obligation to protect Confidential Information and proprietary rights of the other Party. In addition, the rights and obligations of the Parties under Sections 1, 2, 3, 4, 6.G, 6.H, 8, 9, 10, 11, 12, 13 and 14 shall survive the expiration or termination of this Agreement.

4. License Grants, Ownership, and Security.

A) License. Subject to the terms and conditions of this Agreement and solely for the duration that it remains in effect, PredPol hereby grants to Client a limited, non-transferable, non-exclusive, non-sublicensable license to use the Services as provided as an SaaS. The Services are protected by copyright, trade secret, and other intellectual property laws. You are only granted the right to use the Services, and only for the purposes described herein. PredPol reserves all other rights in the Services.

B) Ownership. The Parties acknowledge and agree that, as between the Parties, all worldwide ownership rights, title and interest in and to the Services, its underlying software, and all other resulting material conceived, made or discovered by PredPol as a result of or in connection with the Services, together with any and all modifications and derivative works thereof, and any and all manuals, work in process, notes, drawings, designs, flowcharts, and other results of the Services, including, without limitation, each and every discovery, invention or improvement which may be conceived or developed as a result of or in connection with the Services (collectively as the "Work Products"), shall be the sole property of PredPol.

Notwithstanding anything to the contrary herein, each Party agrees that it shall not acquire any rights, title or interest in or to the other Party's Marks (as defined below) pursuant to this Agreement. Each Party will not contest the other Party's right, title or interest in and to the other Party's Marks.

"Marks" means the respective trademarks, service marks, trade names, domain names, or any other source identifiers of each Party.

C) Facilities and Data Transfer. Facilities used to store and process Client Data will adhere to security standards no less protective than the standards used for PredPol's own information and shall be compliant with applicable laws.

D) Modifications to the Services. PredPol may make commercially reasonable changes to the Services. If PredPol materially changes the Services, PredPol will inform Client.

E) Retention. PredPol will have no obligation to retain archived Client Data.

5. **License to Client Data**. Client understands and agrees that Client is solely responsibility for ensuring it has all rights in or to any Client Data as necessary to upload such data to the System without violation of any laws, regulations or guidelines, or any privacy or property rights of any third parties. In connection with such data, Client hereby represents and warrants that:

   A) Client owns, or otherwise has the necessary licenses, rights, consents, and permissions under all intellectual property and/or proprietary rights in Client Data to enable inclusion and use of the Client Data by PredPol and its agents in the manner permitted by this Agreement;

   B) PredPol's receipt and/or storage of such Client Data on the System pursuant to this Agreement, does not and will not: (a) infringe, violate, or misappropriate any third-party right, including any copyright, trademark, patent, trade secret, moral right, privacy right, right of publicity, or any other intellectual property or proprietary right; (b) slander, defame, libel, or invade the right of privacy, publicity or other property rights of any other person; or (c) violate any applicable law, regulation or guideline; and

   C) Client retains ownership at all times of the Client Data. Client hereby grants to PredPol and its agents the right to use, store, publish, reproduce, and otherwise possess and utilize the Client Data in connection with and as reasonably necessary for PredPol to provide the Services to Client hereunder, and to disclose Client Data to its officers, employees, agents, consultants, contractors and representatives for the purposes of performing Services for the Client.

   Client hereby agrees to indemnify and hold harmless PredPol from any third party claim arising from or otherwise related to Client's breach of any of the representations and warranties in this Section 5.

6. **Additional Client Obligations**.

   A) The Client also agrees to: a) support testing of new features/tools; b) contribute to requested case studies; c) respond to inquiries from other agencies regarding Client's use of PredPol; and d) provide user feedback.

   B) Client shall (i) continue to provide access to the Internet at Client's own expense from a provider selected by Client so that Client can continue to communicate with the System, and (ii) select, obtain and maintain all equipment necessary to permit Client to communicate with the Web based interfaces of the Software. PredPol will have no obligations with respect to any hardware, software, or services chosen and/or used by Client to access the Services. Notwithstanding anything to the contrary within this Agreement, PredPol's obligation to provide Services is met upon PredPol making the relevant data accessible to Client via the internet. PredPol will not have any liability if Client is unable to access or utilize the Services due to a fault or failure in any such hardware, software and/or services.

C) Client shall continue to provide access for the Data Pipe to the Client's server which houses applicable crime data. Client shall ensure their server is running at all times and communicate any pertinent changes to their server or database to PredPol in a timely manner.

D) **Compliance**. Client will use the Services in accordance with this Agreement, the Statement of Work and all applicable laws.

E) **Login IDs and Passwords**. Client is solely responsible for monitoring and protecting the confidentiality of all Login IDs and Passwords issued to it and its End Users.

F) **Client Administration of the Services**. Client may specify one or more Administrators with the rights to administer the End User Accounts. Client is responsible for: (a) maintaining the confidentiality of the password and Admin Account(s); (b) designating individuals authorized to access the Admin Account(s); and (c) ensuring activities that occur in connection with the Admin Account(s) comply with this Agreement. Client agrees that PredPol's responsibilities do not extend to Client's internal management or administration of the Services.

G) **Unauthorized Use**. Client will use commercially reasonable efforts to prevent unauthorized use of the Services and to terminate any unauthorized use. Client will promptly notify PredPol of any unauthorized use of or access to the Services of which it becomes aware.

H) **Restrictions on Use.** Unless PredPol specifically agrees in writing, Client will not, and will use commercially reasonable efforts to make sure a third party does not: (i) intentionally store or send software viruses, worms, Trojan horses or other harmful computer code, files, scripts or programs; (ii) modify any software programs on the System; (iii) use any programs on the System other than the Application as installed and maintained by PredPol; (iv) access the System in any manner other than via the Software's Web based administrative, user and mobile interfaces; (v) remove, circumvent, disable, damage or otherwise interfere with any security-related features of the System, or features that enforce limitations on the use of the System; (vi) attempt to gain unauthorized access to the System, or any part of it, other accounts, computer systems or networks connected to the System through hacking, password mining or any other means; (vii) assign, sell, resell, rent, lease, distribute, delegate or otherwise transfer any rights or obligations under or in connection with this Agreement or the System; (viii) use the System, or sell access to the System, on a time-sharing, service bureau, application service provider, or similar basis; (ix) reverse engineer, decompile, reverse compile, disassemble, or reverse assemble, any aspect or element of the System, or attempt to do so, except if and to the extent permitted by relevant law applicable to Client; (xi) take any action the intent or likely result of which would be to reveal or reconstruct all or any portion of the design of the System; (xii) use the System in a manner that violates any applicable law; (xv) use the facilities or capabilities of the System to conduct any business or activity or solicit the performance of any activity which is prohibited by law; or (xvi) upload into the System, or cause or permit the

System to store, copy, process, communicate, distribute or publish, any data, information or materials (including without limitation, the Crime Data) to the extent that so doing actually, or allegedly, (a) creates any liability for, or imposes any obligations upon, PredPol (b) violates any legal requirement, violates any rights of any person or entity or violates any duty to any person or entity, (c) damages any person or entity, (d) would be abusive, profane or sexually offensive to an average person as judged by PredPol, (e) infringes, misappropriates or violates any intellectual property right or any personal right of any person or entity anywhere at any time, including, but not limited to, rights arising out of, or related to, copyright, patent, trade secret, trademark, service mark, privacy and publicity or (f) gives rise to any claims by any person or entity anywhere at any time for slander, liable, false light, invasion of privacy, unfair competition or misappropriation.

I) **Third Party Requests**. Client is responsible for responding to Third Party Requests. PredPol will, to the extent allowed by law and by the terms of the Third Party Request: (a) promptly notify Client of its receipt of a Third Party Request; (b) comply with Client's reasonable requests regarding Client's efforts to respond to a Third Party Request; and (c) provide Client with the information or tools required for Client to respond to the Third Party Request. Client will first seek to obtain the information required to respond to the Third Party Request on its own and will contact PredPol only if it cannot reasonably obtain such information.

J) **End User Requests**. Client will, at its own expense, respond to questions and complaints from End Users or third parties. Client will use commercially reasonable efforts to resolve support issues before escalating them to PredPol. Should Client need to escalate the issue to PredPol, contact will be made in accordance with Notices, Section 14(b).

7. Suspension Of End User Accounts by PredPol.

A) If PredPol becomes aware of an End User's violation of the Agreement, PredPol may request that Client suspend the applicable End User Account. If Client fails to comply with PredPol's request, PredPol may suspend the End User Account. The suspension will continue until the applicable End User has cured the breach.

B) If there is an emergency security issue (determined solely in PredPol's reasonable business judgment), PredPol may suspend the offending use without Client's consent. Suspension will be to the extent and duration required to prevent or terminate the emergency security issue. If PredPol suspends an End User Account without prior notice to Client, at Client's request, PredPol will provide Client the reason for the suspension.

8. Confidential Information.

A) **Asset of PredPol.** Client acknowledges and agrees that the System and results generated therefrom constitute valuable, proprietary and confidential assets of PredPol and its licensors, successors and assigns. The foregoing shall be considered the Confidential Information of PredPol.

For purposes of this Agreement, "Confidential Information" means any tangible or intangible information relating to or disclosed in the course of performing the Agreement that is marked or designated as confidential by the disclosing Party, including, without limitation, designs, specifications, routines, protocols, formulas, source codes, technical processes, unpublished financial information, product and business plans, projections, customer information and employee information. Confidential Information does not include information that (i) becomes publicly known through no fault of the receiving Party, (ii) is lawfully received from a third party not bound by confidentiality obligations, or (iii) is independently developed by a Party without using any Confidential Information of the other Party.

B) **Obligations.** Each party will: (a) protect the other party's Confidential Information with the same standard of care it uses to protect its own; and (b) not disclose Confidential Information except to affiliates, employees and agents who need to know it and who have agreed in writing to keep it confidential. Confidential Information may only be used to exercise rights and fulfill obligations under this Agreement, while using reasonable care to protect it. Each party is responsible for the actions of its affiliates' employees.

C) **Required Disclosure.** Each party may disclose the other party's Confidential Information when required by law but only after it, if legally permissible: (a) uses commercially reasonable efforts to notify the other party; and (b) gives the other party the chance to challenge the disclosure.

9. Intellectual Property Rights; Brand Features.

A) **Intellectual Property Rights.** Except as expressly set forth herein, this Agreement does not grant either party any rights, implied or otherwise, to the other's content, brand features or intellectual property.

10. Disclaimers.

A) **Disclaimers.** TO THE EXTENT PERMITTED BY LAW, EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN; (i). PREDPOL MAKES NO WARRANTIES OR REPRESENTATIONS ABOUT CONTENT OR INFORMATION MADE ACCESSIBLE BY OR THROUGH THE SERVICES AND DOES NOT GUARANTEE THAT THE SERVICES WILL PREDICT ALL CRIMES IN YOUR JURISDICTION; AND (ii) THE SERVICES ARE PROVIDED "AS IS" AND WITHOUT WARRANTIES OR CONDITIONS OF ANY KIND, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUIET ENJOYMENT, ACCURACY OF DATA, SYSTEM INTEGRATION, COURSE OF PERFORMANCE AND FITNESS FOR A PARTICULAR PURPOSE. PREDPOL AND ITS SUPPLIERS DO NOT GUARANTEE OR WARRANT THAT THE USE OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. CLIENT ACKNOWLEDGES THAT THE SERVICES ARE NOT A TELEPHONY SERVICE AND THAT THE SERVICES ARE NOT CAPABLE OF PLACING OR RECEIVING ANY CALLS INCLUDING

EMERGENCY SERVICES CALLS OVER PUBLICLY SWITCHED TELEPHONE NETWORKS.

B) **Warranty.** PredPol warrants all work performed or services rendered under the Agreement to be of good quality and free from any defective or faulty material and workmanship.

11. Indemnification.

A) **By Client.** Client will indemnify, defend, and hold harmless PredPol from and against all liabilities, damages, and costs (including settlement costs and reasonable attorneys' fees) arising out of a third party claim: (i) regarding Client Data; or (ii) regarding Client's use of the Services in violation of this Agreement or applicable law.

B) **By PredPol.** PredPol will defend and hold harmless Client against any third party claim that the Services infringe or misappropriate the intellectual property of a third party ("Infringement Claim"), and indemnify Client from all resulting costs and damages actually awarded against Client to the third party making such Infringement Claim by a court of competent jurisdiction or agreed to in settlement. PredPol will have no obligations or liability under this section arising from: (i) use of any Services or PredPol Brand Features in a modified form or in combination with materials not furnished by PredPol, (ii) any content, information or data provided by Client, End Users or other third parties; (iii) any modifications or additions made at the request of Client and/or per Client's instructions; or (iv) use of the Services in any manner not expressly allowed per the terms of this Agreement.

C) **General.** The party seeking indemnification will promptly notify the other party of the claim and cooperate in defending the claim. The indemnifying party will have full control and authority over the defense, except that: (a) any settlement requiring the party seeking indemnification to admit liability or to pay money will require that party's prior written consent, such consent not to be unreasonably withheld or delayed; (b) the other party reasonably cooperates with requests for assistance; and (c) the other party may join in the defense with its own counsel at its own expense. THE INDEMNITIES ABOVE ARE A PARTY'S SOLE REMEDY FOR VIOLATION BY THE OTHER PARTY OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS.

12. Possible Infringement.

A) **Repair, Replace, or Modify.** If PredPol reasonably believes the Services infringe a third party's Intellectual Property Rights, then PredPol will: (a) obtain the right for Client, at PredPol's expense, to continue using the Services; (b) provide a non-infringing functionally equivalent replacement; or (c) modify the Services so that they no longer infringe.

B) **Suspension or Termination.** If PredPol does not believe the foregoing options are commercially reasonable, then PredPol may suspend or terminate Client's use of the

impacted Services. If PredPol terminates the impacted Services, then PredPol will provide a pro-rata refund of the unearned fees.

13. Limitation of Liability.

A) **Limitation on Indirect Liability.** NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND EVEN IF DIRECT DAMAGES DO NOT SATISFY A REMEDY.

B) **Limitation on Amount of Liability.** EXCEPT AS PROVIDED HEREIN, PREDPOL SHALL NOT BE HELD LIABLE UNDER THIS AGREEMENT FOR MORE THAN THE AMOUNT PAID BY CLIENT TO PREDPOL HEREUNDER DURING THE TWELVE MONTHS PRIOR TO THE EVENT GIVING RISE TO LIABILITY.

C) **Exceptions to Limitations.** These limitations of liability apply to the fullest extent permitted by applicable law but do not apply to breaches of confidentiality obligations, violations of a party's Intellectual Property Rights by the other party, or indemnification obligations.

14. Miscellaneous.

A) **Privacy Rights:** Without limiting any of the foregoing, Client hereby agrees to strictly comply with all laws, regulations and guidelines relating to the privacy rights of any individuals applicable to its use of the System, including, without limitation, personally identifiable information.

B) **Notices.** (a) All notices must be in writing and addressed to the attention of the other party's legal department and primary point of contact and (b) notice will be deemed given: (i) when verified by written receipt if sent by personal courier, overnight courier, or when received if sent by mail without verification of receipt; or (ii) when verified by automated receipt or electronic logs if sent by facsimile or email.

Point of Contact, PredPol:
Customer Account Management:
Customers@predpol.com

Point of Contact, Client:
Christopher Goodwin, Interim Chief of Police
611 W. 22nd Street, Merced, CA 95340 (209) 385-6913
goodwinc@cityofmerced.org

C) **Change of Control.** Upon a change of control (a) the party experiencing the change of control will provide written notice to the other party within thirty days after the change of control; and (b) upon such change of control by Client, PredPol may terminate this Agreement any time between the change of control and thirty days after it receives the notice.

D) **Force Majeure.** Neither party will be liable for inadequate performance to the extent caused by a condition (for example, natural disaster, act of war, riot, labor condition, governmental action, and Internet disturbance) beyond the party's reasonable control; provided, that obligations that are purely financial in nature shall not be subject to this provision

E) **No Waiver.** Failure to enforce any provision of this Agreement will not constitute a waiver.

F) **Severability.** If any provision of this Agreement is found unenforceable, the balance of the Agreement will remain in full force and effect.

G) **No Agency.** The Parties are independent contractors, and this Agreement does not create an agency, partnership or joint venture.

H) **Equitable Relief.** Nothing in this Agreement will limit either party's ability to seek equitable relief.

I) **Governing Law.** This Agreement is governed by California law, excluding that state's choice of law rules. FOR ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES CONSENT TO PERSONAL JURISDICTION IN, AND THE EXCLUSIVE VENUE OF, THE COURTS IN SANTA CRUZ COUNTY, CALIFORNIA. The Parties explicitly agree that no other laws, treaties or regulations shall control this Agreement.

J) **Amendments.** Any amendment must be in writing and expressly state that it is amending this Agreement.

K) **Entire Agreement.** This Agreement, and all documents referenced herein, is the Parties' entire agreement relating to its subject and supersedes any prior or contemporaneous agreements on that subject.

L) **Interpretation of Conflicting Terms.** If there is a conflict between the documents that make up this Agreement, the documents will control in the following order: the Agreement, the terms located at any URL, then the Subscription Terms set forth in any separate quote prepared by PredPol. If Client signs a physical agreement with PredPol to receive the Services, the physical agreement will override any online agreement.

M) Counterparts. The Parties may enter into this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.

[Signature page follows.]

EXECUTED as a sealed instrument as of the day and year first set forth below by the last counter-signatory.

Each party represents that it has full power and authority to enter into the Agreement. If you are accepting on behalf of your employer or another entity, you represent and warrant that: (i) you have full legal authority to bind your employer, or the applicable entity, to these terms and conditions; (ii) you have read and understand this Agreement; and (iii) you agree, on behalf of the party that you represent, to this Agreement.   Each party warrants that it will comply with all laws and regulations applicable to its provision, or use of the Services.

PredPol, Inc.:   **Client:**

By: _Brian MacDonald_   By: _____

Name: _____   Name: _STER CHULICAN_

Title: _CEO_____   Title: _CITY MANAGER_

Date: _7/16/18_____   Date: _7/3/18_____

                                       APPROVED AS TO FORM:

Account Number: 061-1026-522-17-00

Amount: 14,900.00

VERIFIED

BY: _____ 6/29/18
Finance Officer

FINANCE ENTRY	
Contract No:	300656
Vendor Number:	17452
P.O. Number:	131022
Funds Available:	Within the Approved
FY 18/19 Budget.	MUR 6/27/18

PL 6/28/18

ATTEST:
CITY CLERK

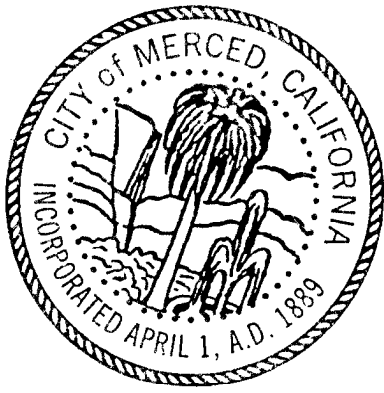BY _____
Assistant/Deputy City Clerk

EXHIBIT A

STATEMENT OF WORK

PREDPOL SAAS SERVICES DESCRIPTION

PredPol shall provide client with the following services per the terms of this Agreement

1. SERVICE OVERVIEW

PredPol provides predictions for where and when crime is most likely to occur ("Predictive Services"). This includes property crime, gun violence, gang activity, and traffic incidents. Predictions may be generated for different time windows and delivered on paper or to any internet-connected device. The predictions are shown on maps as 500 foot by 500 foot boxes (approximately the size of a large intersection; referred to herein as "Prediction Boxes") that officers may patrol during their shift when not responding to calls for service or performing other duties.

Three types of crime data – type of crime, place of crime, and time of crime – are delivered through a secure Data Pipe from Client's RMS to the PredPol Service. Predictions are then generated and made available anytime the Client logs in to the system.

An additional service is Automated Vehicle Location ("AVL") Integrated Dosage Calculations. With this service, PredPol provides AVL based, real time dosage reporting for patrols using our predictive services. Reports are accessible from the web based interface by command staff and patrol supervisors (filtered by user permissions) and provide feedback on which zones are being under patrolled, patrolled sufficiently, or over patrolled to prevent crime. This feature provides visibility into vehicle path which shows the path history for a selected vehicle.

2. SERVICES DESCRIPTION

    A. Services and Technical Support

        a. Services. PredPol will make the following Services accessible to Client via the internet per the terms of the Service Level Agreement set out below, for the duration that this Agreement and this Statement of Work remain in effect.

            i. Predictive Services: Data to be transferred is restricted to fields related to type of crime, place of crime, and time of crime. There shall be no limit on the number of Client users, mission and shift combinations predicted or prediction views.

                1. Predictions of where and when specific crimes are most likely to occur including latitude and longitude information of the center of Prediction Boxes. Prediction Boxes shall be for crime types as defined and mutually agreed to by Client and PredPol;

2. Historical location of Prediction Boxes as defined and mutually agreed to by Client and PredPol;

3. Ability to manage patrol operations including the ability to set missions by shift and district; and

4. Analytics and reporting that will provide deeper insight into crime patterns and patrol operations.

    b. AVL Integrated Dosage Calculations.

    c. Technical Support. PredPol will provide Client with online and e-mail technical and operational use support.

3. SERVICE LEVEL AGREEMENT

A. Service Availability. The PredPol SaaS service shall have an uptime of 98%, calculated as the percentage time said service is accessible from the Internet in any whole calendar month after SaaS service initiation ("Service Month"). Downtime resulting from scheduled maintenance and force majeure events shall not be included in the uptime calculation. Additionally, in the situation where the Client's technical architecture or the RMS data formats within the record management system are changed by the Client without 60- day advance notice, any resulting downtime will not be included in the uptime calculation.

B. Service Response Time. PredPol shall take reasonable measures to ensure that the SaaS service response times do not materially fall behind industry standards.

C. Service Credits. Client's sole remedy for any failure for PredPol to meet the foregoing shall be a credit of 1/12 a percent for each percent below 98% the calculated uptime is in a Service Month, on Client's next annual invoice. Said credits shall have no cash value.

4. FEES

A. SaaS and Technical Support Fees. As consideration for the services provided per Section 2.A of this Exhibit A, Client shall pay to PredPol an annual subscription fee of $14,900 for Predictive Services and AVL for the Initial Services Term and every year that this contract remains in effect thereafter. The subscription fee due for the Services Term shall be invoiced upon the full execution of this Agreement. The subscription fee due for subsequent one (1) year periods that this contract remains in effect shall be invoiced thirty (30) days prior to the conclusion of the Services Term, and the annual anniversaries thereof.

B. Software updates to the SaaS provided herein shall be provided at no additional charge during the Services Term. The fee for the continued provision of said software updates shall be mutually agreed to by the parties at the conclusion of the Services Term.

C. All fees described herein shall be paid by Client within thirty (30) days of the invoice date.

5. CLIENT OBLIGATIONS

A. Client shall make commercially reasonable efforts to performing the following during the term of this Agreement:

    i.   utilize the PredPol services according to PredPol's recommended best practices;

    ii. generally support the deployment of any new features and/or tools, including providing user feedback, as requested by PredPol;

    iii. provide access to relevant databases and shared databases to which Client has access, pursuant to all applicable laws and access agreements; and

    iv. occasionally respond to inquiries from other agencies.

File #: 18-299

Meeting Date: 7/2/2018

Report Prepared by: Lance Eber, Crime Analyst, Police Department

SUBJECT: Approval of Agreement with PredPol, Inc., for Predictive Policing Software Subscription

REPORT IN BRIEF
Considers approving an agreement with Predpol, Inc. to provide predictive policing software that will assign probabilities and locations of future crimes.

RECOMMENDATION
City Council - Adopt a motion approving the contract with Predpol, Inc., and; authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES
1. Approve execution of the contract as recommended; or
2. Decline to award contract; or
3. Refer to staff with direction

AUTHORITY
Section 3.04.120 of the Merced Municipal Code

CITY COUNCIL PRIORITIES
To enhance police staffing by providing tools to assist officers in carrying out law enforcement duties.

DISCUSSION
Predictive policing will enhance the Department's ability to assign probabilities of future crime events to each districts, present estimated crime risk in a useable framework to law enforcement decision makers and lead to more efficient & more accurate resource deployment by local law enforcement agencies.

How PredPol Works:

Using only three data points - past type, place and time of crime and a unique algorithm based on criminal behavior patterns, PredPol's powerful software provides Merced Police Department with customized crime predictions for the places and times that crimes are most likely to occur. PredPol pinpoints small areas, depicted in 500 feet by 500 feet boxes on maps - that are automatically generated for each shift of each day.

PredPol's tool enables law enforcement to enhance and better direct the patrol resources they have. It does not replace, but requires, the insights of veteran officers and crime analysts. Typically, patrol officers spend a few minutes in PredPol boxes to deter crime when they're not responding to calls for service or performing other duties. Some of these boxes are places that officers routinely cover, but many others are places that might not otherwise receive attention. This also provides officers an opportunity to interact with residents, aiding in relationship building and strengthening community ties.

The Merced Police Department's Command Staff recommends the use of this software to help reduce crime and provide more efficient service to our community. Modesto Police Department has already started using this technology and appears to have been beneficial to their city.

City Council approved a contract for this service on July 20, 2015, for the contract amount of $44,700 for the period of 7/2015 through 7/2018. That original contract is expiring. This contract is for one year to run 7/2018 through 7/2019 at a cost of $14,900. The contract can be renewed annually for one-year terms.

IMPACT ON CITY RESOURCES
Funding is available in the Fiscal Year 2018-19 budget under account 061-1026-522-17-00.

ATTACHMENTS
1. Predpol contract