

CITY CLERK
ORIGINAL

C-8786
01/28/2014

SERVICES AGREEMENT
(Not Construction Related)

Terra Verde

This Services Agreement ("Agreement") is entered into and effective between the CITY OF GLENDALE, an Arizona municipal corporation ("City") and Terra Verde LLC, an Arizona LLC, authorized to do business in the State of Arizona, ("Consultant") as of the 28th day of JANUARY, 2014 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds (the "Project");
- B. City desires to retain the professional services of Consultant to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit B**, Project Scope of Work ("Scope");
- C. Consultant desires to provide City with services ("Services") consistent with industry-best practices and the standards set forth in this Agreement, in order to complete the Project; and
- D. City and Consultant desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Consultants and Subcontractors.

1.1 Services. Consultant will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other consultants or contractors, retained by City.

1.2

2. Schedule. The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. Consultant's Work.

3.1 Standard. Consultant must perform Services in accordance with the standards of due diligence, care, and quality prevailing among consultants having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Consultant warrants that:

- a. Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- b. Neither Consultant nor any Subconsultant has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Consultant's contracting ability.
 - (2) Consultant must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Consultant to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

3.4 Work Product.

- a. Ownership. Upon receipt of payment for Services furnished, Consultant grants to City exclusive ownership of and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, all "architectural work" as defined in the United States Copyright Act, 17 U.S.C § 101, *et seq.*, and other intellectual work product as may be applicable ("Work Product").
 - (1) This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form.
 - (2) Consultant warrants, and agrees to indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests.
- b. Delivery. Consultant will deliver to City copies of the preliminary and completed Work Product promptly as they are prepared.
- c. City Use.
 - (1) City may reuse the Work Product at its sole discretion.
 - (2) In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product.
 - (3) In such case, City will also remove any seal and title block from the Work Product.

4. **Compensation for the Project.**

4.1 Compensation. Consultant's compensation for the Project, including those furnished by its Subconsultants or Subcontractors will not exceed Thirty Nine Thousand Seven Hundred Fifty Dollars (\$39,750) as specifically detailed in **Exhibit D** ("Compensation").

4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.

- a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
- b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Consultant without prior written authorization from the City.
- c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

4.3 Allowances. An "Allowance" may be identified only for work that is required by the Scope and the value of which cannot reasonably be quantified at the time of this Agreement.

- a. As stated in Sec. 4.1 above, the Compensation must incorporate all Allowance amounts and any unused allowance at the completion of the Project will remain with City.
- b. Consultant may not add any mark-up for work identified as an Allowance and which is to be performed by a Subconsultant.

- c. Consultant will not use any portion of an Allowance without prior written authorization from the City.
- d. Examples of Allowance items include, but are not limited to, subsurface pothole investigations, survey, geotechnical investigations, public participation, radio path studies and material testing.

5. **Billings and Payment.**

5.1 Applications.

- a. Consultant will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
- b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.

5.2 Payment.

- a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
- b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Consultant and its Subconsultants; and
 - (2) Unconditional waivers and releases on final payment from all Subconsultants as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.

5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.

- a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
- b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. **Termination.**

6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Consultant will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Consultant will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 For Cause. City may terminate this Agreement for cause if Consultant fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Consultant will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Consultant for Services furnished, City will pay the amount due to Consultant, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Consultant, Consultant must pay the difference to City immediately upon demand; however, Consultant will not be subject

to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Consultant acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or consultant of any other party to this Agreement.

8. **Insurance.**

8.1 Requirements. Consultant must obtain and maintain the following insurance ("Required Insurance"):

- a. Consultant and Subconsultants. Consultant, and each Subconsultant performing work or providing materials related to this Agreement must procure and maintain the insurance coverages described below (collectively referred to herein as the "Consultant's Policies"), until each Party's obligations under this Agreement are completed.
- b. General Liability.
 - (1) Consultant must at all times relevant hereto carry a commercial general liability policy with a combined single limit of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate limit.
 - (2) Subconsultants must at all times relevant hereto carry a general commercial liability policy with a combined single limit of at least \$1,000,000 per occurrence.
 - (3) This commercial general liability insurance must include independent contractors' liability, contractual liability, broad form property coverage, XCU hazards if requested by the City, and a separation of insurance provision.
 - (4) These limits may be met through a combination of primary and excess liability coverage.
- c. Professional Liability. Consultant must maintain a professional errors and omissions liability policy providing a minimum limit of \$1,000,000 for each claim and a \$2,000,000 annual aggregate limit.
- d. Auto. A business auto policy providing a liability limit of at least \$1,000,000 per accident for Consultant and \$1,000,000 per accident for Subconsultants and Subcontractors and covering owned, non-owned and hired automobiles.
- e. Workers' Compensation and Employer's Liability. Consultant must also maintain a workers' compensation and employer's liability policy providing at least the minimum benefits required by Arizona law.
- f. Notice of Changes. Consultant's Policies must provide for not less than 30 days' advance written notice to City Representative of:
 - (1) Cancellation or termination of Consultant's Policies;
 - (2) Reduction of the coverage limits of any of Consultant's Policies; and
 - (3) Any other material modification of Consultant's Policies related to this Agreement.
- g. Certificates of Insurance.
 - (1) Within 10 business days after the execution of the Agreement, Consultant must deliver to City Representative certificates of insurance for each of Consultant's Policies, which will confirm the existence or issuance of Consultant's Policies in accordance with the provisions of this section, and copies of the endorsements of Consultant's Policies in accordance with the provisions of this section.

- (2) City is and will be under no obligation either to ascertain or confirm the existence or issuance of Consultant's Policies, or to examine Consultant's Policies, or to inform Consultant or Subconsultant, in the event that any coverage does not comply with the requirements of this section.
 - (3) Consultant's failure to secure and maintain Consultant's Policies and to assure Consultant's Policies as required will constitute a material default under the Agreement.
- h. Other Contractors or Vendors.
- (1) Other contractors or vendors that may be contracted with in connection with the Project must procure and maintain insurance coverage as is appropriate to their particular contract.
 - (2) This insurance coverage must comply with the requirements set forth above for Consultant's Policies (e.g., the requirements pertaining to endorsements to name the parties as additional insured parties and certificates of insurance).
- i. Policies. Except with respect to workers' compensation and professional liability coverages, City must be named and properly endorsed as additional insureds on all liability policies required by this section.
- (1) The coverage extended to additional insureds must be primary and must not contribute with any insurance or self insurance policies or programs maintained by the additional insureds.
 - (2) All insurance policies obtained pursuant to this section must be with companies legally authorized to do business in the State of Arizona and reasonably acceptable to all parties.

8.2 Subconsultants.

- a. Consultant must also cause its Subconsultants to obtain and maintain the Required Insurance.
- b. City may consider waiving these insurance requirements for a specific Subconsultant if City is satisfied the amounts required are not commercially available to the Subconsultant and the insurance the Subconsultant does have is appropriate for the Subconsultant's work under this Agreement.
- c. Consultant must provide to the City proof of the Required Insurance whenever requested.

8.3 Indemnification.

- a. To the fullest extent permitted by law, Consultant must defend, indemnify, and hold harmless City and its elected officials, officers, employees and agents (each, an "Indemnified Party," collectively, the "Indemnified Parties") for, from, and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorneys' fees and litigation expenses (each, a "Demand or Expense" collectively "Demands or Expenses") asserted by a third-party (i.e. a person or entity other than City or Consultant) and that arises out of or results from the breach of this Agreement by the Consultant or the Consultant's negligent actions, errors or omissions (including any Subconsultant or Subcontractor or other person or firm employed by Consultant), whether sustained before or after completion of the Project.
- b. This indemnity and hold harmless provision applies even if a Demand or Expense is in part due to the Indemnified Party's negligence or breach of a responsibility under this Agreement, but in that event, Consultant will be liable only to the extent the Demand or

Expense results from the negligence or breach of a responsibility of Consultant or of any person or entity for whom Consultant is responsible.

- c. Consultant is not required to indemnify any Indemnified Parties for, from, or against any Demand or Expense resulting from the Indemnified Party's sole negligence or other fault solely attributable to the Indemnified Party.

9. Immigration Law Compliance.

- 9.1 Consultant, and on behalf of any Subconsultant, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Consultant, Subconsultant, or employee who performs work under this Agreement to ensure that the Consultant, Subconsultant, or any employee, is compliant with the warranty under this section.
- 9.4 City may conduct random inspections, and upon request of City, Consultant will provide copies of papers and records of Consultant demonstrating continued compliance with the warranty under this section. Consultant agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Consultant agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Consultant and expressly accrue those obligations directly to the benefit of the City. Consultant also agrees to require any Subconsultant to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 9.6 Consultant's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

11. Notices.

- 11.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
 - a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.

- d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
- e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

11.2 Representatives.

- a. Consultant. Consultant's representative (the "Consultant's Representative") authorized to act on Consultant's behalf with respect to the Project, and his or her address for Notice delivery is:

Terra Verde LLC
 7400 East Pinnacle Peak Road, Suite 100
 Scottsdale, Arizona 85255
 Facsimile No.: 864-752-3491
 Attn: Managing Director

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
 c/o Chuck Murphy
 6830 North 57th Drive

Glendale, Arizona 85301

With required copy to:

City Manager
 City of Glendale
 5850 West Glendale Avenue
 Glendale, Arizona 85301

City Attorney
 City of Glendale
 5850 West Glendale Avenue
 Glendale, Arizona 85301

- c. Concurrent Notices.
 - (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
 - (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
 - (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Consultant identifying the designee(s) and their respective addresses for notices.

13. Entire Agreement; Survival; Counterparts; Signatures.

13.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Consultant and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. Inconsistencies between the solicitation, any addenda attached to the solicitation, the response or any excerpts, if any,, and this Agreement, will be resolved by the terms and conditions stated in this Agreement.

13.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

13.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

13.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

13.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

13.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.

13.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

14. **Term.** The term of this Agreement commences upon the effective date and continues for a one (1) year initial period.

15. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Consultant and City will be resolved in accordance with **Exhibit E**. The final determination will be made by the City.

16. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Intentionally Omitted.
Exhibit B	Scope of Work
Exhibit C	Intentionally Omitted.
Exhibit D	Compensation
Exhibit E	Dispute Resolution

(Signatures appear on the following page.)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation



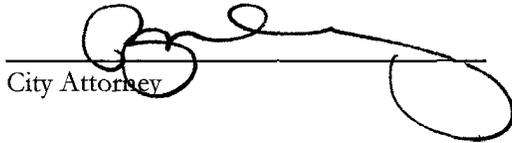
By: Brenda S. Fischer
Its: City Manager

ATTEST:



City Clerk (SEAL)

APPROVED AS TO FORM:



City Attorney

Terra Verde LLC,
an Arizona LLC



By: Edward Vasko
Its: Managing Director

EXHIBIT A
Services Agreement

Intentionally Omitted.

EXHIBIT B
Services Agreement

SCOPE OF WORK

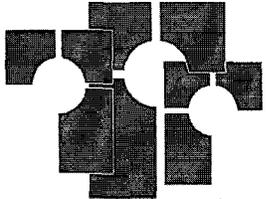
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TERRA VERDE SERVICES

SCADA Risk Assessment Proposal

RISK MANAGEMENT SERVICES
FOR: CITY OF GLENDALE



GLENDALE
[Handwritten signature]

January 23, 2014

Integrity. Experience. Value. >>>

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BACKGROUND

Glendale today is the sports destination for all of Arizona, as Jobing com Arena and NHL Coyotes continue to attract fans to new growth in the far western areas of the city. The state-of-the-art University of Phoenix Stadium in Glendale, Ariz. is also host to the Tostitos Fiesta Bowl, BCS Championship games, 2008 Super Bowl as well as the upcoming 2015 Super Bowl.

The City of Glendale realizes the need for secure operations at their Water Department Information Technology operations and the importance of assuring the confidentiality of the data that their operations collect and retain. To this end, the City of Glendale needs to perform a risk assessment of their Water Services department and its Supervisory Control and Data Acquisition (SCADA) environment. To assist the City of Glendale, Terra Verde Services has provided this proposal for risk management services that includes the following:

- ✦ Administrative Controls Review
- ✦ Technical Controls Review
- ✦ Physical Control Review
- ✦ Security Management Practices

Terra Verde Services feels confident that the services presented in this response will meet or exceed the objectives the City of Glendale has in maintaining its goals for a secure and available operating environment.

OBJECTIVES AND SCOPE

ENGAGEMENT OBJECTIVES

RISK ANALYSIS OBJECTIVES

This risk assessment is a detailed look at the City of Glendale Water Services Department (Water Services) from an IT security perspective. We will visit the site(s), evaluate materials provided by the organization, interview employees, gathered detail information from observation and utilized sophisticated tools to evaluate the systems. The objective of our assessment is twofold. First, to provide the City of Glendale an understanding of possible risks associated with any identified control gaps. Second, to provide a pragmatic plan for remediation of identified gaps.

The City of Glendale leadership wishes to engage Terra Verde Services, to perform a series of security assessments to the Water Services department in support of their goals to determine/validate the current baseline level of security and identify any areas of specific concern. This engagement will identify vulnerabilities discovered during these assessments and provide recommendations to remediate them. The following areas define the objectives for this assessment:

Administrative Controls Objectives

Terra Verde Services will:

1. Evaluate and assess for the existence of and practices in the enforcement of information technology systems security policies and controls for the organization.
2. Review the following areas:
 - a) Policy Review
 - b) Security Awareness
 - c) Risk Management
 - d) Strategic Planning

- e) BCP/DR Plan Review
- f) Incident Response
- 3. Review of the Water Services Department's Security Policies and offer recommendations to ensure the completeness of the document.
 - a) Provide evidence that the policy(s) addresses the department's current vulnerabilities, risk levels and provides flexibility for future technological risks, business and security strategies.
 - b) Outline enforcement strategies with a list of technologies that will help to enforce the tenets of the policy.
- 4. Determine which security policies are not developed or in place. Report with a policy gap analysis

Technical Controls Objectives

1. Terra Verde Services will evaluate key network control points to include, but not limited to: network traffic routing and filtration rules of network devices to include firewalls, routers, switches and servers. This will include conducting vulnerability scanning, using various security assessment tools designed to identify vulnerabilities, threats and risks associated with the use of the Internet and Internal protected data hosts. These devices shall include but are not limited to, servers, Web Servers, FTP, E-Mail, Firewalls, Routers, Switches, programmable logic controllers (PLCs), and supporting network devices and services. Due care is to be taken to avoid impacting performance to users and automated data collection systems. The following areas will be reviewed:

- Access Controls and Password Management
- Anti-Virus, Spyware/Malware Protection
- Assess and report on mobile device management controls
- Encryption of sensitive data transmitted over the network(s)
- External Vulnerability Assessment
- IDS Audit
- Internal Vulnerability Assessment
- Logical and physical network perimeter access to Water Services' data
- Missing Patches and Updates
- Network Firewall Administration
- Network operating systems and systems software configuration controls
- Network Security administration and monitoring practices
- Network Topology
- Network VOIP/Telecommunication Systems and Administration
- Password Audit
- PCL isolation/control
- Platforms Review
- Port Usage
- Processes
- Router Audit
- Services
- Switch Audit
- System Configuration
- URL Filtering
- Wireless Access Audit

Physical Controls Objectives

Terra Verde Services will review:

1. Restricted areas, authorization, methods and controls – Assess the access controls relating to data networks and supporting equipment for restricted areas. Assess and evaluate the processes and protocols in use relating to proper authorization to access restricted areas of Water Service Department facilities including but not limited to controls such as: Cameras, Badging systems, Keys, and associated processes and procedures.
2. Motion Detectors, Physical Intrusion Detection, Sensors, and Alarms – Review, assess and evaluate for the existence and operations of burglar detection, their associated sensors and alarm functions in areas covered in
3. Fencing, security guards, and security badge types – Evaluate and assess for reasonable use of security fencing, on premise armed/unarmed security personnel (Guards). Report all findings relating to deficiencies and inadequate protections.

Security Management Practices

Terra Verde Services will:

1. Review Risk Management and Mitigation Practices and the following areas:
 - a) Data Classification
 - b) Access to Information
 - c) Defined Roles and Responsibilities
 - d) Separation of Duties
 - e) Remote Access
 - f) Backup Audit
 - g) Antivirus Management
 - h) Logging and monitoring
 - i) Configuration Management
2. Assess, evaluate and report on findings associated with risk acceptance, mitigation and compensating controls. Determine if documented processes exist and are used to sign off on acceptable risks and who is authorized to accept risks relating to the protection of data and systems.

SCOPING CONSIDERATIONS

Specific details relating to the scope are listed below. The SCADA Risk Assessment is limited to the City of Glendale's Water Services Department Information Technology operations. Scoping details were provided by the City of Glendale through documents and/or interviews. Assumptions of time and effort have been made based upon industry practices. Significant variance from this information may incur additional labor or license fees and result in a Change Order. Terra Verde Services will not perform any additional work outside of the scope of work described in this proposal without the expressed permission of authorized City of Glendale personnel, which will include a signed Change Order.

Description	Qty
Physical locations	5 (optionally 7 ¹)
VMware ESX	5
Windows 2003	12
Windows 2008	25
PLCs	40
Raspberry Pi	17
Windows 7	16
Windows XP	10
Switches	39
Firewall	1
VPN endpoints	4

LOCATIONS

1. Arrowhead: 8180 West Union Hills Road. Glendale, AZ 85310
2. Cholla: 4805 West Cholla Avenue. Glendale, AZ. 85304
3. Oasis: 7070 West Northern Avenue. Glendale, AZ. 85303
4. Pyramid: 28101 North 63 Ave. Phoenix, AZ. 85083
5. West Area: 5901 North Glen Harbor Blvd. Glendale, AZ. 85307

Optional locations as addressed in footnote 1 below:

1. Field Operations-6210 W. Myrtle Ave, Glendale, AZ 85301
2. EOC (GRPSTC)-11550 W. Glendale Avenue, Glendale, AZ 85307

¹ Five (5) Locations are budgeted, two (2) additional locations will be reviewed if time permits

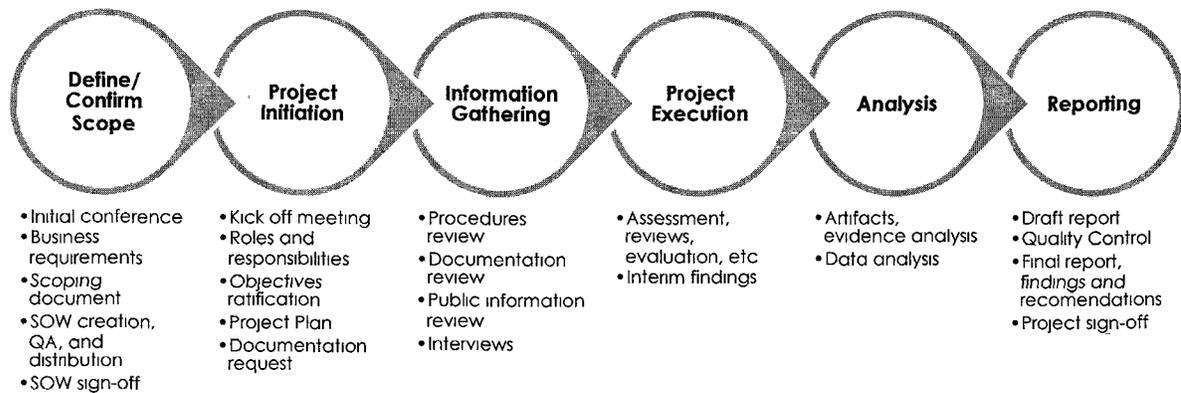
PROPOSED SERVICES

Based on City of Glendale's Objectives, Scope and Deliverables, Terra Verde Services presents the following services for consideration.

OVERALL PROJECT MANAGEMENT AND COMMUNICATIONS

Upon execution of a Master Services Agreement and this engagement letter, Terra Verde Services will schedule a kick-off meeting with key personnel where the overall requirements and approach will be confirmed. During this session, we will recap assumptions as well as data collection methods. Terra Verde Services will request that available documentation be provided during this meeting and those responsible parties, including the project sponsor, be identified.

Throughout the project, the assigned Terra Verde Services Project Manager will ensure appropriate communication occurs, maintain the project plan, weekly status reports, conduct status meetings, manage all issues and project risks, address potential scope adjustments, and work with the Project Sponsor as needed to obtain timely review, approval, and acceptance of deliverables.



We use a thorough approach to security management that combines several methodologies and best practices. This allows for alignment with the Water Service Department's assorted business areas and functions. Our governance model experience provides us with an enterprise view of all aspects of Information Technology. Our staff members have assessed and created information security strategies and programs for all sizes of government agencies. Our approach to engagements is pragmatic, built through our extensive experience, and addresses three key questions:

- ❖ Where are you today? (Assess Current State)
- ❖ Where do you want to be? (Architect Desired State)
- ❖ How do you get there? (Integration and Improvement)

The information security management system approach is based on a risk-justified approach, to establish, implement, operate, monitor, review, maintain, and improve information security. The Security Assessment is usually one of the first steps in an Enterprise Information Security Strategic Plan and Program.

Our methodology is derived from pragmatic practices and has been validated by successful engagements for public and private organizations across the nation. This methodology is based on best practices and standards, including:

- ❖ ISO/IEC 27001:2013 the International Standards Organization (ISO), has identified the information security requirements for Information Security Management Systems (ISMS).
- ❖ ISO/IEC 27002 provides best practice recommendations on information security management for use by those who are responsible for initiating, implementing or maintaining Information Security Management Systems (ISMS)
- ❖ NIST SP800-82; Guide to Industrial Control Systems (ICS) Security, provides methods and standards.
- ❖ NIST SP Series; Specifically NIST 800-30 – Risk Management Guide for Information Technology Systems, provides an approach to risk planning requirements.
- ❖ Payment Card Industry Data Security Standard (PCI-DSS) was developed by the major credit card companies as a guideline to help organizations that process card payments prevent credit card fraud, cracking and various other security vulnerabilities and threats.
- ❖ Information Technology Infrastructure Library (ITIL) which gives a detailed description of a number of important IT practices with comprehensive checklists, tasks and procedures that can be tailored to any IT organization.
- ❖ CoBIT Maturity Model – This controls model is used to assist in benchmarking the maturity of, and decision-making for, IT capability improvements.

Our processes build on the ISO/IEC 27001:2013 model being utilized by the International Standards Organization. This model has four major components:

- ❖ The **Plan** phase is about designing the ISMS, assessing information security risks and selecting appropriate controls.
- ❖ The **Do** phase involves implementing and operating the controls.
- ❖ The **Check** phase's objective is to review and evaluate the performance (efficiency and effectiveness) of the ISMS.
- ❖ In the **Act** phase, changes are made where necessary to bring the ISMS back to peak performance

The result of these activities will help ensure that City of Glendale has an understanding of the organization's baseline of Security on which to begin to assemble an effective enterprise information security program that complies with regulations, industry standards, and common best practice.

DELIVERABLES

REPORTING

During the assessment, we provide verbal results on all high-risk findings on a daily or as needed basis. Weekly reports will summarize the progress and status of the project. Two final reports will be generated for this assessment.

The first report contains a short and graphical "executive summary" section, a narrative "body" which details major events which occurred during the project. The executive summary contains a statement of the project scope as well as non-technical descriptions of all our high-risk findings along with their inherent business risk. The narrative body of the report restates the scope and approach and presents the engagement results for a non-technical audience. In addition, we provide the broad "next steps" which City of Glendale can take to address security deficiencies from an architectural and solutions implementation perspective.

The second report, contains detailed findings section is structured to facilitate immediate remedial action by technical staff, and although we can omit and add additional areas (such as management response) by

request, the listing typically includes the following information for each vulnerability found as part of our assessment efforts:

- ☛ A text description of the vulnerability;
- ☛ The host(s) affected by the vulnerability;
- ☛ The technical risks inherent in the vulnerability;
- ☛ The vulnerability classification (high, medium or low) that describes the risk level as a function of the role the technology plays in servicing the application. For example, the data layer (database component) of an application may pose a higher risk than the presentation layer (application component) if the database accepts updates from widely available ad-hoc database access tools;
- ☛ Technical description of how to reduce or eliminate the exposures inherent in the vulnerabilities;
- ☛ An estimate of the resources required to implement the fix

In addition, Terra Verde Services will provide details on the related areas reviewed, including the results of our discovery / scanning tasks for City of Glendale.

QUALITY ASSURANCE

Our corporate culture is based upon rigorous quality control measures to support our client processes. Our Quality Assurance (QA) Program assures that our services are not only of high quality but also satisfy or exceed client requirements and expectations. The goal of our QA Program is to encompass and implement the best practices throughout all phases of client engagements. Our QA program identifies deficiencies and/or non-conformities, promotes problem resolution, manages changes, and provides data, reports, and project deliverables that are accurate, reliable, and acceptable for the intended purpose. Our QA program has been designed based on the following key goals:

- ☛ Provide the highest quality services to the customer.
- ☛ Continually evaluate the quality of our services and processes to find every opportunity for improvement.

RESOURCES

With a detailed understanding that one size does not fit all, Terra Verde Services delivers the right mix of services that are commensurate with your organizations size, risk appetite, and regulatory footprint. Our seasoned personnel are extremely experienced in the areas of information security, and have all worked in the industry for a minimum of ten (10) years.

ENGAGEMENT TIMELINE

The following timeline is presented based on the scope, objectives presented. Timelines are subject to change.

Task	Week 1	Week 2	Week 3	Week 4
Project Management				
☛ Administrative Controls Review				
☛ Technical Controls Review				
☛ Physical Controls Review				
☛ Security Management Practices				
Reporting				

CLIENT RESPONSIBILITIES AND ENGAGEMENT ASSUMPTIONS

CLIENT RESPONSIBILITIES

In order to receive the benefits of the proposed project the City of Glendale must also be responsible for certain resources and activities.

- ✦ The City of Glendale will designate an authorized employee as a “project sponsor” who will make all management decisions with respect to this engagement.
- ✦ At the start of the engagement, the City of Glendale staff will participate in a planning exercise and decision-makers will officially accept the timeline and costs.
- ✦ The City of Glendale will provide Terra Verde with prompt access to all individuals, documentation, systems (as needed) and sites/locations needed to complete project deliverables.
- ✦ The City of Glendale project sponsor will communicate with managers and vendors as needed to ensure awareness is raised and support will be provided.
- ✦ Desks/cubes, power, network, and telephone access (if required) will be available for project-assigned Terra Verde Services employees when they are working on the City of Glendale.
- ✦ The City of Glendale must examine final deliverables and deem them acceptable or provide explanation of deficiencies in writing.

ENGAGEMENT ASSUMPTIONS

The scope and timeline of this project are based on the following assumptions. If these prove to be untrue, the deliverables and/or finish date may need to change, which may also impact total cost.

- ✦ All client responsibilities noted above including prompt access to all individuals, documentation, systems (as needed) and sites/locations needed to complete project deliverables will be provided at the start of, and throughout, the engagement.
- ✦ At the kickoff meeting, the City of Glendale will provide documentation (e.g. control documentation, network diagrams, prior assessment work) needed to start the engagement including lists of key personnel and their contact information.
- ✦ Significant rework of the environment will not be necessary in order to conduct the assessment.
- ✦ Infrastructure assessments may be performed against production systems. Terra Verde Services will make reasonable efforts to minimize impact to production systems
- ✦ Terra Verde Services will not be responsible for:
 - Third party software functionality within Client's existing technical environment;
 - Management decisions with respect to this project;
 - Data consistency and integrity issues; and
 - Activities related to system programming and certification of reporting results.
- ✦ Regulatory requirements are subject to change. Terra Verde Services will work with the City of Glendale to ensure the latest criteria are used. Changes may impact the overall hours and requirements needed to complete this engagement.
- ✦ Any special conditions, not stipulated at the time of this quotation, such as late evening/early morning hour requirements (Monday-Friday 5PM-8AM and weekends), or any other special testing windows not stated during the initial scoping, may result in additional fees and may require a Change Order.
- ✦ Although no out-of-state travel is anticipated for this engagement and all in-scope facilities are accessible via remote methods, fees quoted do not include travel and living costs. Should such travel become necessary, it is our intention to minimize travel costs associated with the engagement. The City of Glendale will be responsible for paying all travel-related expenses including billable travel time at 50% of standard hourly rate, if travel outside the Phoenix-metro area is required for

completion of this engagement. If requested by the City of Glendale and prior to travel arrangements being made, Terra Verde Services will adopt the City's travel-related policies

- Client must provide accounting contact information and email address below

Accounting Contact:

Name: _____

Address: _____

Email: _____

During the various phases of this process, Terra Verde Services may assign more than one resource to complete the evaluations within each phase. As such, Terra Verde Services may require access to more than one internal the City of Glendale resource. Although Terra Verde Services does not anticipate this to be an issue, the risk of delay can progressively increase as additional simultaneous resources are involved. Terra Verde Services will make every possible effort to minimize impact to the City of Glendale resources. Nonetheless, the City of Glendale staff may be required to escort Terra Verde Services consultants, provide access to facilities, answer evaluation questionnaires, provide documentation and/or configurations, and participate in project meetings

TERRA VERDE SERVICES OVERVIEW

Headquartered in Scottsdale, Arizona, Terra Verde Services is a value-provider of professional information risk management services and solutions with experienced professionals to help you navigate the risky waters of modern business.

Terra Verde Services has provided services to clients around the world. Large government agencies, Fortune 500 companies as well as small single-practitioner offices, have seen the value of our services and solutions. These services include assessing, designing and implementing technology solutions that are both secure and value-driven. With an average of over 18 years of experience, each of our seasoned professionals are uniquely positioned to help our clients achieve their technology goals, seize new opportunities to serve their customers while also mitigating technology risks, keeping critical systems secure and efficient, and protecting sensitive data.

Terra Verde Service is unique in the following ways:

- Terra Verde Services is the largest IT Security services and solution provider headquartered in Arizona.
- Terra Verde Services is the only Payment Card Industry Qualified Security Assessor (PCI QSA) headquartered in Arizona.
- Terra Verde Services professionals have a minimum of 10 years of experience and an average of 18 years of experience. Because of the depth and breadth of experience that we have, we have a holistic approach to risk management.
- Unlike our competitors, Terra Verde provides customized creative solutions. We provide customized need based solutions that support our client's goals first, not just our own goals. This approach ensures a long-standing valuable relationship with our clients.

Mission Statement

"Our mission is to provide value driven, high quality technology services and solutions our clients will recommend to their associates, partners and peers."

ESTIMATED COSTS

All fees quoted are set on a "not to exceed" basis for labor only. This provides the City of Glendale with a reasonable understanding of the maximum fees expected for each phase.

Fees quoted do not include travel and living costs for travel. Travel is not expected for this engagement. If travel is required, the City of Glendale will be responsible for paying all travel-related expenses including billable travel time at 50% of the hourly rate. If requested by the City of Glendale and prior to travel arrangements being made, Terra Verde Services will adopt the City of Glendale's travel-related policies.

Item	Hours	Cost
Project Management	18	\$2,400 00
Information security risk assessment, including		
☐ Administrative Controls Review		
☐ Technical Controls Review	180	\$26,100 00
☐ Physical Controls Review		
☐ Security Management Practice		
Reporting	90	\$11,250 00
Total	288	\$39,750.00

During this engagement, if the City of Glendale should add to the project or ask for additional services the scope of this agreement can be extended upon approval of both parties with a simple amendment.

A signed copy of this agreement is due prior to the work commencing

For Terra Verde Services:

City of Glendale:

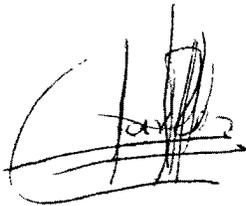
Carlos Villalba
 Director of Security Services
 Office: (480) 840-1744 x21
 Fax: (864) 752-3491
 Email: carlos.villalba@terraverdeservices.com
 January 23, 2014

 Signature

 Printed Name

 Title

 Date



CONCLUSION AND CONTACT INFORMATION

Terra Verde Services is uniquely qualified to provide this assessment because of the experienced personnel we will leverage to achieve the goals and objectives of this engagement. If there are any questions or wishes to further tailor the contents of this proposal, please contact Edward Vasko.

BUSINESS DEVELOPMENT

Edward Vasko
Co-Founder/Managing Director
(480) 840-1744 x4
edward.vasko@terraverdeservices.com

EXHIBIT C
Services Agreement

Intentionally Omitted.

EXHIBIT D
Services Agreement

COMPENSATION

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Consultant for full completion of all work required by the Project during the entire term of the Project must not exceed Thirty Nine Thousand Seven Hundred Fifty Dollars (\$39,750).

DETAILED PROJECT COMPENSATION

See attached Scope of Work.

EXHIBIT E
Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Consultant must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Consultant in accordance with this Agreement.

4. **Exceptions.**

- 4.1 Third Party Claims. City and Consultant are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Consultant.
- 4.2 Liens. City or Consultant may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.