

RESOLUTION 23-157

**A RESOLUTION AUTHORIZING SERVICE CHANGE
ORDER WITH VC3 FOR BACKUP SOLUTION**

WHEREAS, the City of Spring Hill service change order for the backup solution in our contract with VC3

WHEREAS, the City of Spring Hill Board of Mayor and Aldermen authorized VC3 to oversee the setup and maintenance of our backups; and

WHEREAS, funding for these items is included within the current budget. Line 110-41641-59710 (Other Machinery) for the equipment. Line 110-41641-52721 (Office Equipment Contracts) for the reoccurring fees.

NOW, THEREFORE BE IT RESOLVED, by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee that an expenditure of approximately \$15,737.50 one-time cost and a monthly increase to VC3 services of \$4,952.75 is hereby authorized for the purchase to upgrade and configure backup solution and support from VC3, as recommended by staff.

Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, this 7th day of August 2023.

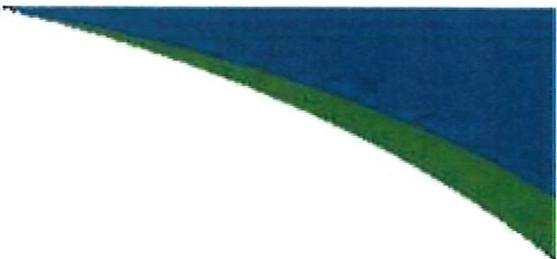

Jim Hagaman, Mayor

ATTEST:


April Goad, City Recorder

LEGAL FORM APPROVED:


Patrick M. Carter, City Attorney



STAFF MEMORANDUM

TO: Board of Mayor and Alderman
FROM: Tony Tolstedt, Assistant City Administrator
DATE: August 2, 2023
RE: Resolution 23-157

PURPOSE:

The provided quote denotes the ongoing monthly cost for backup of information and functions. These services will back up our Exchange, OneDrive, Teams, and SharePoint to the cloud utilizing msp365 products (Microsoft does not backup their O365 products). This is infinite cloud retention. This includes a new DATTO device for live snapshots. This will also back up the PD video footage to the cloud. The cost will increase over time as additional storage is needed. The provided quote is based on backing up 14TB of data. The additional fee is \$0.05/GB. DATTO provides backup, recovery, and business continuity for local, virtual and cloud workloads. Datto is centrally managed and protected by Datto Cloud.

BACKGROUND:

Managed Server Backups (\$15,737.50 hardware purchase, monthly recurring fee \$2,723.75)

Datto Backup Solution Hardware

Risk:

- The current DATTO is end-of-life with no hardware warranty. It is only backing up select servers and not all servers.

Recommendation:

- Replace the current hardware device that will back up all servers except for the Police Departments' video footage. The cloud-based retention will be infinite cloud retention.

SaaS Managed Backup – Monthly recurring fee \$4.99/user/month (estimate \$1,497.00/month for 300 users)

Solution for M365 (Outlook, Calendar, Contacts, OneDrive, Teams, SharePoint)

24x7 Monitoring and Incident Response Services



OFFICE OF THE CITY ADMINISTRATOR
199 Town Center Parkway • Spring Hill, Tennessee 37174
931-486-2252, ext 215
www.springhilltn.org

Risk:

- Microsoft does not provide a backup solution for its M365 SaaS-based products.

Recommendation:

- Implement a third-party solution that will provide backups for Outlook, Calendar, Contacts, OneDrive, Teams & SharePoint

Managed Backups: Police Department NAS Video Footage – Monthly recurring fees \$32.00/mo/server plus \$700.00/mo. for up to 14TB of data backup

Note: The monthly fee for data backup will increase as the backup grows. Refer to Service Advantage for a detailed fee schedule.

Risk:

- NAS device that stores Police Video footage does not provide an offsite backup solution.
- Risk of data loss if not backed up off-site.

Recommendation:

- Implement a cloud-based backup solution for all data as provided.

FINANCIAL IMPACT:

The proposed project cost is provided for in the attached quotes and totals \$15,737.50 for the denoted equipment and improvements. The provided quote includes both the equipment and labor necessary to implement the improvements.

The ongoing costs for the additional backups and services are denoted in the quote at \$4,952.75 per month. This includes Office 365 suite, PD video, and DATTO. This will provide for high availability of our data and multiple layers of redundancy. Funding for the recommended project is budgeted for this improvement in the current year's budget.

STAFF RECOMMENDATION:

Staff recommends approval of Resolution 23-157 as presented.



City of Spring Hill, TN

VC3 Service Advantage

Change Order



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Order Governed by the Master Agreement

This Order is subject to and governed by Company's Master Agreement in effect on the date this Order is entered into between Company and Client. The Master Agreement is available at <https://www.vc3.com/terms-of-service/> and is incorporated in full into and made a part of this Order by this reference. The Client may also request a copy of the Master Agreement by submitting an email request to betterit@vc3.com identifying the Client and the applicable Orders. Company's entering into this Order is conditioned on Client's agreement to the Master Agreement, and by entering into this Order with Company, Client accepts and agrees to the Master Agreement.

Summary of Scope of Services & Fees

Company will provide the following services listed in Tables A and B. Recurring services, if included, shall be provided for 60 Months, starting from the date of the first recurring invoice (Effective Services Start Date, August 1, 2022), unless terminated in accordance with the terms of this Order or the Master Agreement.

Company will audit the Client's usage of units on a monthly basis; for each unit found in excess of the amount listed in Table A, Company will increase the monthly fee by the corresponding amount indicated in Table A. Reductions in Units above the minimum threshold will be reflected on the invoice within 30 days of service removal. Additional services may be added at any time during the life of this contract at the unit rates listed below.

(See tables on next page)



Table A: Services & Fees

Description	Units	Unit Price	Monthly Fee	One-Time Fee	Annual Fee
Managed Backups: PD NAS Video Footage					
Data Recovery - Server Backup <i>VC3 Managed Backups per Server</i>	1.00	\$32.00	\$32.00	\$0.00	\$0.00
Data Recovery - Cloud Storage <i>Per GB data stored in backup repository. This number is an estimate and will vary from month to month depending on how much data is backed up, data optimization, and client retention requirements.</i>	14,000.00	\$0.05	\$700.00	\$0.00	\$0.00
Managed Backups: All Virtual Servers On Premise					
Rapid Data Recovery - 36TB Device (3yr commit) <i>Drives - 3x 20TB Storage Array - RAID 5 Storage Type - 3.5" Enterprise SAS HDD OS Drive - 2x 240GB m.2 RAID-1 on BOSS card SLOG Drive - 480GB SATA SSD CPU(s) - 2x Intel@ Xeon@ Gold 5218R (20c/40t, 2.1GHz) RAM - 192GB DDR4 ECC (12x 16) LAN Ports -2x 10Gb Base-T + 2x 16Gb Base-T Video - VGA Power Supply - Dual, redundant 750W</i>	1.00	\$15,437.50	\$0.00	\$15,437.50	\$0.00
Rapid Data Recovery - 36TB Capacity - Inf Retention	1.00	\$2,723.75	\$2,723.75	\$0.00	\$0.00
M365 Protection Suite					
Cloud Data Recovery - Infinite Retention for M365 SaaS Backups	300.00	\$2.99	\$897.00	\$0.00	\$0.00
Cloud Protect <i>Cloud Security Incident & Event Monitoring</i>	300.00	\$2.00	\$600.00	\$0.00	\$0.00
Total Services Monthly:			\$4,952.75		

Notes:



- Prices shown above are valid for 30 days from date of Order.

Table B: Summary of Fees

One-Time Fees*	Monthly Fees	Annual Fees
\$15,737.50	\$4,952.75	\$0.00

* One-Time fees may include implementation if required.

Deliverables & Services

VC3 Manage - On Premises

VC3 will provide the following functions and services as part of this Change Order:

A. Managed Backups:

1. Installation and Configuration:
 - i. VC3 will install backup agents and initialize backups on all protected servers within the Clients' environment.
 - ii. VC3 will perform an initial seed of the Client's backup data and will load that data into the cloud.
 - iii. VC3 will configure the cloud backups such that backups are performed per the backup retention schedule determined during implementation.
 - iv. VC3 will configure the backup monitoring to alert VC3 of backup failures.
 - v. VC3 will perform an initial backup of all systems and will confirm that backups are performing as expected.
 - vi. VC3 will setup M365 SaaS Backup portal for all users.
 - vii. VC3 will perform initial backup of M365 environment.
2. Backup Management:
 - viii. VC3 will monitor and maintain backup for the server protected.
 - ix. VC3 will perform periodic updates to the backup software such as patches and updates.
3. VC3 will provide replacement components for failures that occur as a result of internal equipment defects or end of life for VC3 provided hardware. This does not include physical damage to the equipment due to abuse or environmental factors (for example, fire, hurricane or flood damage).

B. Cloud Protect:

1. **Provision Cloud Protect** – Cloud Platform Security Event and Incident Reporting platform.
 - i. Authentication with Client Microsoft 365 tenant.
 - ii. Alerting Threshold tuned to meet industry best practices.
2. **24x7 Monitoring and Incident Response Services:**
 - i. Provide 24x7 Incident response services for all included deployed services.
 - ii. Track all incidents through an ITIL (Information Technology Infrastructure Library) based Service Desk system. All requests will be prioritized and processed per the 'Priority' guidelines listed in Addendum A.

- iii. Provide 24x7 Partner Security Operations Center (SOC) monitoring for all endpoints with Endpoint Protection deployed.
- iv. 24x7 response to critical event driven Incidents.
- v. Utilize industry best practices for remote access, control and management of all devices.

3. Quarterly Summary

- i. Includes a report of the activities that have taken place within the Cloud Protect platform.

EXCLUSIONS

Items other than those included above are expressly excluded from the Services provided within this Change Order. The following exclusions and clarifications are intended to clarify the scope of services for this Change order:

- A. When client requests services by VC3 not explicitly included in this agreement, they are agreeing to invoicing of said services per the terms outlined in the Master Services Agreement. For all services which incur additional hourly fees, VC3 will notify the client that these services are outside the scope of this work order and will receive approval from client prior to rendering these additional services.
- B. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.
- C. Software and licensing purchased by the client directly from a third-party vendor are not included as a part of services to be supported.
- D. Architectural changes, mass deployment, database management, data visualization and business process automation / troubleshooting are considered excluded from this Work Order.
- E. Should deficiencies, malware infections, or critical vulnerabilities be discovered during the deployment of services, VC3 will bring to Client attention and discuss the impact of the deficiencies on VC3's ability to provision the Services and provide client with options to correct the deficiencies. Initial remediation hours will be billed outside of this Work Order unless otherwise explicitly stated in this Work Order.
- F. Equipment not included in RMM deployment or third-party and employee-owned personal devices. Mobile phones, laptops, tablets, and any non-corporate device.
- G. Support for operating systems, applications, or hardware no longer supported by the manufacturer (I.e. Windows 7, Windows Server 2008)
- H. Voice / VOIP systems security, scanning, remediation, or updates.
- I. On-site Instructor Lead Training Services.



CLIENT RESPONSIBILITIES

- A. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage Company to adjust Microsoft subscription counts and terminations prior to 12 months from the order.

ASSUMPTIONS

- A. The Change Order will not become effective unless and until it is agreed upon and signed by the Client and Company.
- B. If Company is providing or managing Client 's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here: <https://www.microsoft.com/licensing/docs/customeragreement>
- C. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.



Invoicing

Company will invoice Client per Table C. Company will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the effective services start date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. Any taxes related to services purchased or licensed pursuant to this Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is higher.

The terms of this Order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided to Company no fewer than 90 calendar days prior to expiration of the current active term.

Table C

Milestone Billing	Milestone Description / Date	Invoice Amount
One-Time Fees	Invoiced at signing of the Order.	\$15,737.50
Monthly Fees (60 Months)	Invoicing to begin when recurring services begin.	\$4,952.75
Annual Fees (60 Months)	Invoiced at signing of the Order.	\$0.00

**Refer to Table B for implementation fee and monthly fee amounts.*

VC3, Inc

City of Spring Hill, TN

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Addendum A – Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. Company utilizes the following priorities, criteria and response metrics:

A. Priority 1:

- System/device/service down causing work to cease and critical impact to the organization or a whole department; no workaround available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

B. Priority 2:

- System/device/service down causing work to cease and potential business impact for an individual user; no workaround available.
- Level of service degraded causing impact to the organization or a whole department; no workaround available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

C. Priority 3:

- Level of service degraded causing impact to an individual user; no work around available.
- Operational impact to the organization or a whole department though work continues as a result of implementing a workaround or use of other system/device/service.
- A request to enable or configure a system/device/service within 2 business days.
- Incidents related to Backup system failures.
- **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

D. Priority 4:

- Operational impact to the organization, department or user exists though work continues as a result of implementing a workaround or use of another system/device/service.
- A request to enable or configure a system/device/service within 5 business days.
- **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

E. Priority 5:

- Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
- Requests that have longer lead times to implement than possible within 5 business days.
- **Business Hours Support:** Priority 5 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

(See tables on next page)



Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
1	60 Min	95%
2	2 business hours	95%
3	4 business hours	95%
4	8 business hours	95%
5	N/A	95%

Addendum B – Maintenance Windows

All work performed within Company’s Hosting or Client Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on Company’s Hosting or Client Infrastructure by Company engineers or staff is defined as “Scheduled Maintenance”. During Scheduled Maintenance, some or all of Company’s Hosting or Client Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the Company Service Desk ten business days in advance.
 - a. **Notification:** If Company decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of Company’s Hosting or Client Infrastructure within the control of Company is defined as “Emergency Maintenance”. Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.
 - a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.
3. The Company Hosting or Client Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.



City of Spring Hill, TN

VC3 Service Advantage

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(See tables on next page)



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Cloud Protect <i>Cloud Security Incident & Event Monitoring</i>	300.00	\$2.00	\$600.00	\$0.00	\$0.00
Total Services Monthly:			\$4,952.75		

Notes:



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Table B: Summary of Fees

One-Time Fees*	Monthly Fees	Annual Fees
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Deliverables & Services

VC3 Manage - On Premises

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 - viii. VC3 will monitor and maintain backup for the server protected.
 - ix. VC3 will perform periodic updates to the backup software such as patches and updates.
3. VC3 will provide replacement components for failures that occur as a result of internal equipment defects or end of life for VC3 provided hardware. This does not include physical damage to the equipment due to abuse or environmental factors (for example, fire, hurricane or flood damage).

B. Cloud Protect:

1. **Provision Cloud Protect** – Cloud Platform Security Event and Incident Reporting platform.
 - i. Authentication with Client Microsoft 365 tenant.
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2. **24x7 Monitoring and Incident Response Services:**
 - i. Provide 24x7 Incident response services for all included deployed services.
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- B. Cybersecurity event or incident response activities or remediation efforts exceeding eight (8) hours of technician, engineer or project management time.
- C. Software and licensing purchased by the client directly from a third-party vendor are not included as a part of services to be supported.
- D. Architectural changes, mass deployment, database management, data visualization and business process automation / troubleshooting are considered excluded from this Work Order.
- E. Should deficiencies, malware infections, or critical vulnerabilities be discovered during the deployment of services, VC3 will bring to Client attention and discuss the impact of the deficiencies on VC3's ability to provision the Services and provide client with options to correct the deficiencies. Initial remediation hours will be billed outside of this Work Order unless otherwise explicitly stated in this Work Order.
- F. Equipment not included in RMM deployment or third-party and employee-owned personal devices. Mobile phones, laptops, tablets, and any non-corporate device.
- G. Support for operating systems, applications, or hardware no longer supported by the manufacturer (I.e. Windows 7, Windows Server 2008)
- H. Voice / VOIP systems security, scanning, remediation, or updates.
- I. On-site Instructor Lead Training Services.



CLIENT RESPONSIBILITIES

- A. Client will be financially responsible for any remaining or ongoing charges from Microsoft. Microsoft subscriptions can each have their own terms and renewal dates. It is the client's responsibility to engage Company to adjust Microsoft subscription counts and terminations prior to 12 months from the order.

ASSUMPTIONS

- A. The Change Order will not become effective unless and until it is agreed upon and signed by the Client and Company.
- B. If Company is providing or managing Client 's Microsoft Licenses, then Client agrees to the Microsoft terms and conditions as stated in the Microsoft Customer Agreement found here: <https://www.microsoft.com/licensing/docs/customeragreement>
- C. Microsoft NCE licenses and subscriptions run on an annual basis and cannot be terminated nor altered mid-term.



Invoicing

Company will invoice Client per Table C. Company will invoice the Client a pro-rated monthly fee based on any partial month of service plus the first full month of service on the effective services start date. All subsequent service months will be invoiced at the start of the month in which services are to be rendered. Services activated after the first of month may be invoiced on a pro rata basis the following month. Any taxes related to services purchased or licensed pursuant to this Order shall be paid by Client or Client shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes and freight charges shall be billed as a separate item on the invoice.

Unit rates will automatically increase annually on the anniversary of the Effective Services Start Date equivalent to the CPI change for All Urban Consumers or by 4.00%, whichever is higher.

The terms of this Order will automatically renew for an additional term of equivalent length to the current active term unless notice of termination is provided to Company no fewer than 90 calendar days prior to expiration of the current active term.

Table C

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Annual Fees (60 Months)	Invoiced at signing of the Order.	\$0.00

**Refer to Table B for implementation fee and monthly fee amounts.*

VC3, Inc

City of Spring Hill, TN

Signature: _____

Signature: Jim Hagaman

Name: _____

Name: Jim Hagaman

Title: _____

Title: Mayor

Date: _____

Date: 08-07-2023

Addendum A – Service Desk Priorities

Incidents and Service Requests are triaged and prioritized to effectively resolve the most important issues in a timely manner. Company utilizes the following priorities, criteria and response metrics:

A. Priority 1:

- System/device/service down causing work to cease and critical impact to the organization or a whole department; no workaround available; Client is in danger of or is experiencing a financial loss or the ability to make strategic business decisions is impaired; begin resolution activities immediately.
- **24x7 Support:** Priority 1 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

B. Priority 2:

- System/device/service down causing work to cease and potential business impact for an individual user; no workaround available.
- Level of service degraded causing impact to the organization or a whole department; no workaround available.
- **24x7 Support:** Priority 2 incidents will be addressed on a 24 hours a day, 7 days a week basis including holidays.

C. Priority 3:

- Level of service degraded causing impact to an individual user; no work around available.
- Operational impact to the organization or a whole department though work continues as a result of implementing a workaround or use of other system/device/service.
- A request to enable or configure a system/device/service within 2 business days.
- Incidents related to Backup system failures.
- **Business Hours Support:** Priority 3 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

D. Priority 4:

- Operational impact to the organization, department or user exists though work continues as a result of implementing a workaround or use of another system/device/service.
- A request to enable or configure a system/device/service within 5 business days.
- **Business Hours Support:** Priority 4 incidents will be addressed during normal business hours Monday-Friday, 8:00am to 5:00pm excluding holidays.

E. Priority 5:

- Operational impact to the organization, department or user is minimal or is mitigated by a reliable workaround.
- A request to enable or configure a system/device/service beyond 5 business days from the date of the request.
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(See tables on next page)



Call Priority	Initial Client Contact Guidelines	Initial Client Contact Percentages
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4	8 business hours	95%
5	N/A	95%

Addendum B – Maintenance Windows

All work performed within Company's Hosting or Client Infrastructure is a form of maintenance. Such work may or may not result in a disruption of service depending on the scope of the activity.

1. **Scheduled Maintenance:** All planned work performed on Company's Hosting or Client Infrastructure by Company engineers or staff is defined as "Scheduled Maintenance". During Scheduled Maintenance, some or all of Company's Hosting or Client Infrastructure may be out of service and therefore may not be accessible to users. Regularly Scheduled Maintenance will occur on Mondays between 2 AM and 5 AM. A 15-minute downtime is expected during this window. If Client has a business need to avoid said outage, they must provide their request via the Company Service Desk ten business days in advance.
 - a. **Notification:** If Company decides to perform Scheduled Maintenance beyond the standard 15-minute downtime, Client will be notified via email ten business days before the Scheduled Maintenance window.
2. **Emergency Maintenance:** All work performed in response to a disruption or a threat to the availability of a component of Company's Hosting or Client Infrastructure within the control of Company is defined as "Emergency Maintenance". Emergency Maintenance will be conducted based upon the timeframe that the emergency exists. Normal business hours will see an immediate response. For issues that occur during non-business hours, the impact of the event will be evaluated as soon as possible, and appropriate measures taken to return the system to normal availability.
 - a. **Notification:** Client will be notified via email should Emergency Maintenance be necessary.
3. The Company Hosting or Client Infrastructure includes is not limited to the following areas: E-mail hosting, server hosting, website hosting, Content Management System, Hosted Applications, Internet Service Provider, Hosted Voice, and custom application hosting.