

FORM APPROVED COUNTY COUNSEL 3/21/16
 BY: GREGORY P. PRIAMOS DATE

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

175



FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
 March 17, 2016

SUBJECT: Enterprise-wide master agreement with ServiceNow for help desk and other information technology management services, without seeking competitive bids [Districts: All]; [Total cost: Up to \$2.5 million over three years, 65% RCIT budget and up to 35% user department budgets].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to execute a master agreement with ServiceNow, without seeking competitive bids, in an amount up to \$2.5 million over three years;
2. Approve and authorize the Chairman to execute RCIT's initial ServiceNow order, in the amount of \$1,630,908, which establishes enterprise-wide guaranteed pricing at 50 percent of list cost;
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign County Counsel approved funded service order requests and amendments that do not change the substantive terms of the agreement.

BACKGROUND:

Summary
 See page 2

Departmental Concurrence

Steve Reneker
 Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 115,511	\$ 673,933	\$ Up to 2,500,000	\$ \$420,000	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: RCIT Budget \$1,630,908 over 3 years and User Department budgets, as approved, up to \$869,092.

Budget Adjustment: No
For Fiscal Year: FY 15/16-18/19

C.E.O. RECOMMENDATION:

APPROVE

 BY: Jennifer L. Sargent

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

PURCHASING & FLEET SERVICES: Lisa Brandl, Director

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: | District: | Agenda Number:

3-27

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FORM 11: Enterprise-wide master agreement with ServiceNow for help desk and other information technology management services, without seeking competitive bids [Districts: All]; Total cost: Up to \$2.5 million over three years, 65% RCIT budget and up to 35% user department budgets].

DATE: March 17, 2016

PAGE: 2 of 3

BACKGROUND:

Summary (continued)

The agreement with ServiceNow will provide technology management services, including: help desk, incident management, process control, asset management and analytics. Together, these functions are referred to as information technology service management (ITSM).

RCIT worked with Riverside University Health System (RUHS) to select a new ITSM system. There are direct cost and integration implications for RUHS on how the ITSM system will interact with Loma Linda's system, including the electronic health record and other ITSM systems. RUHS is required to implement ServiceNow by June 30, 2016 to comply with the initiative for a single ITSM solution, as such, RCIT requests approval of this agreement without seeking competitive bids. RUHS will submit their order shortly, based on their specific requirements.

RCIT supports implementation of ServiceNow following an extensive review of ServiceNow's capabilities, compared with the County's requirements. In addition, information technology leader, Gartner, ranked ServiceNow a leader in the realm of ITSM.

Through the consolidation effort, RCIT's focus is on reducing duplicative costs. A review process was conducted and it was discovered that many of the consolidated IT departments are using multiple tools to achieve ITSM. In addition, RCIT manages the largest existing, currently unsupported tool, Remedy help desk, which no longer meets the County's business needs. Therefore, RCIT proposes to implement an ITSM system which will upgrade the existing system and allow for consolidation of eight separate systems.

The system will also help departments track IT assets prior to uploading them into PeopleSoft. Analysis has shown that license tracking is inconsistent across the County, which comes with the additional risk of being out of compliance with manufacturer's licensing agreements, subjecting departments to audits, fines and penalties. Hardware assets are required to be tracked appropriately by the Auditor Controller, and as RCIT becomes the primary facilitator for controlling assets for 22 different departments, ServiceNow will monitor and properly track the life cycle of over 100,000 assets from cradle to grave.

Impact on Citizens and Businesses

IT Service Management is designed to essentially run the business of IT for the county which means better reporting, increased proficiencies, consolidation of services and an overall ability to manage the consolidation process going on at RCIT.

Departments solely rely on software and IT Services to support citizens and business. This ranges from EBT Cards to election polling services. When there are various outages, employees will be able to report them quickly and RCIT will respond appropriately in a manner that limits impact on citizens. Consolidation of helpdesks more efficiently use taxpayer dollars and helps county departments deliver services more efficiently.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Enterprise-wide master agreement with ServiceNow for help desk and other information technology management services, without seeking competitive bids [Districts: All]; Total cost: Up to \$2.5 million over three years, 65% RCIT budget and up to 35% user department budgets].

DATE: March 17, 2016

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SUPPLEMENTAL:
Additional Fiscal Information

RCIT Expenditure:

Description:	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total
One-time Costs:					
Trainings and Workshops	\$0.0	\$137,690	\$0.0	\$0.0	\$137,690
Professional Services	\$115,511	\$115,511	\$0.0	\$0.0	\$231,022
Ongoing Costs:					
Annual Subscription	\$0.0	\$420,732	\$420,732	\$420,732	\$1,262,196
Total Costs	\$115,511	\$673,933	\$420,732	\$420,732	\$1,630,908

Contract History and Price Reasonableness

RCIT and RUHS selected ServiceNow as the desired platform based on business requirements, industry research and the impact to the impending Epic system with Loma Linda. After detailed research with other customers and checking with Gartner, we were able to achieve a 50% discount for the primary subscription licenses for the three year period. This validates our research and indicates that ServiceNow is providing the appropriate discounts for our volume.



STEVE RENEKER

Chief Information Officer

DAVE ROGERS

Information Technology Officer

MEMORANDUM

LOUIS RAJA ARUL DOSS, ACIO
Enterprise Applications Bureau
VEVA HARGUINDEGUY, ACIO
Converged Communications Bureau
JIM SMITH, ACIO
Technology Services Bureau

To: Board of Supervisors/Purchasing Agent

Date: March 17, 2016

Via: RCIT, Procurement Contract Specialist

From: Steve Reneker, Chief Information Officer

Subject: Sole Source Procurement for an Information Technology Management System (ITSM) used for Help Desk workflow management.

The below information is provided in support of my Department requesting approval for a sole source.

1. Supplier being requested: ServiceNow Inc.

2. Vendor ID: 0000125689

3. Supply/Service being requested:

ServiceNow subscription for: (1) Service Management Suite v2, (2) ServiceWatch Mapping including Discovery and Service Mapping, (3) Approver User, (4) Performance Analytics, (5) training and professional services.

4. Alternative suppliers that can or might be able to provide supply/service and extent of market research conducted:

RCIT and RUHS conducted market research with other Government customers and an analysis with Gartner. All of which led to the selection of ServiceNow as the only vendor that was in the leaders quadrant of Gartner, met all our requirements including those related to RUHS and the Loma Linda partnership.

5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

RCIT and RUHS selected ServiceNow as the platform based on business requirements, industry research and the impact to the impending Epic system with Loma Linda. After detailed research with other customers and checking with Gartner, we were able to achieve a 50% discount for the primary subscription licenses. This conforms to our research and indicates that ServiceNow is providing the appropriate discounts for our volume.

6. Reasons why my department requires these unique features and what benefit will accrue to the county:

RCIT requires the unique features of ServiceNow to meet the goals of the county wide consolidation approved by the Board of Supervisors. ServiceNow provides a leading comprehensive platform that allows the county to consolidate 8 help desks, consolidate other IT systems and meet the needs of RUHS with their Loma Linda integration.

7. Period of Performance: From March 29, 2016 to March 29, 2019 (total number of years)

Is this an annually renewable contract? No Yes
 Is this a fixed-term agreement: No Yes

8. Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY 15/16	FY 16/17	FY 17/18	FY 18/19	Total
One-time Costs:					
Trainings and Workshops	\$0.0	\$137,690	\$0.0	\$0.0	\$137,690
Professional Services	\$115,511	\$115,511	\$0.0	\$0.0	\$231,022
Ongoing Costs:					
Annual Subscription	\$0.0	\$420,732	\$420,732	\$420,732	\$1,262,196
Total Costs	\$115,511	\$673,933	\$420,732	\$420,732	\$1,630,908

9. Price Reasonableness:

ServiceNow is offering the County of Riverside a 50% discount if the Board of Supervisors approves the Agreement by March 29, 2016. This special discount will be offered to all county entities for three years ending on March 29, 2019.

10. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain)?

No. Maintenance, support, and upgrades are included in the annual subscription.

11. Projected Board of Supervisor Date (if applicable):

March 29, 2016


 Steve Reneker, Chief Information Officer

3/16/2016
 Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 1,630,908.00

One time

Annual Amount through 6/30/19



3/21/16

16-492

Purchasing Agent

Date

Approval Number

(Reference of Purchasing Documents)

List Attachments:



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
 To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for
Internal Use Only

REQUESTED PURCHASE:	NEW IT SERVICE MANAGEMENT SERVICE FOR CONSOLIDATION		
DEPARTMENT/AGENCY:	RCIT		
CONTACT NAME/PHONE:	DAVE ROGERS/909-240-4014		
PURCHASE REQUEST:	<input checked="" type="checkbox"/> NEW EQUIPMENT/SERVICES	<input type="checkbox"/> UPGRADE	<input type="checkbox"/> REPLACEMENT
PURCHASE TYPE:	<input checked="" type="checkbox"/> PROFESSIONAL SERVICES	<input type="checkbox"/> SOFTWARE	<input type="checkbox"/> HARDWARE <input type="checkbox"/> RENEWAL
DESCRIBE REQUESTED PURCHASE	RCIT and RUHS have partnered to procure ServiceNow IT Management Service. It includes a 3 year Countywide Master Agreement for providing the service with a 50% discount on subscription pricing that can be leveraged by any county department. Both the subscription licensing as well as the implementation services for RCIT are being requested today. RUHS will come forward with its own separate order soon.		
BUSINESS NEEDS ADDRESSED	The County has an old unsupported ITSM (Help Desk) service that is running several critical services for RCIT and it needs replaced. Most important of these services is the County's Help Desk which now supports nearly half the County departments under the consolidation. The new system will help RCIT consolidate 8 helpdesks and provide the County with a system that provides Help Desk, Change Mangement, Knowledge Management, Asset Management and several business process workflow solutions including performance analytics to measure performance. The solution also provides a necessary bridge to the Loma Linda Health ITSM system for RUHS which will be critical to how RUHS supports their EPIC system going forward.		
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN		
BUSINESS CRITICALITY <input type="checkbox"/> Run the business <input type="checkbox"/> Grow the business <input checked="" type="checkbox"/> Transform the business	BUSINESS IMPACT (SELECT ALL THAT APPLY) <input checked="" type="checkbox"/> Support current operations <input type="checkbox"/> Reduce Expenses <input checked="" type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Improve Operational Efficiencies		
BUSINESS RISKS	Financial: Each Project scope of services will be added to the Master Agreement via written order based on available funding of each requesting agency. Operational:The risk is not approving. It will block the county from moving forward Customer:Without the system, RCIT will not be able to transform and consolidate		
ALTERNATIVE	1. [Solution]		




RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
To be completed for all departmental purchases of IT systems, services or renewals


Tracking Number for Internal Use Only

SOLUTIONS	2. [Solution] 3. [Solution] 4.			
TRANSACTION	<input checked="" type="checkbox"/> Cash Purchase <input type="checkbox"/> Lease Purchase Lease Years: _____			
PURCHASE COSTS				
Is this Bugeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Total 3 year project cost \$1,730,690		ESTIMATED COSTS FY16	ESTIMATED COST FY17	ESTIMATED COST FY18
	Annual Subscription Cost	\$0	\$450,000	\$450,000
	Training Cost	\$0	\$13,690	\$0
	Project Implementation Cost	\$183,000	\$184,000	\$0
	Total Costs	\$183,000	\$647,690	\$450,000
	Total 3 Year Subcrrption Cost = 1,350,000 (Annual Cost = \$450,000)			
	Total Project Implementation/Training Cost = \$380,690			
Department Head Signature: _____		Date: _____		

RCIT RECOMMENDATION – for purchases and renewals under \$100,000

Recommended: Yes No (Non-recommended requests submit to TSOC)


By:  Date: 3-15-16

Chief Information Officer Signature:  Date: 3/15/16

RCIT explanation for non-recommended requests:

TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals

Recommended: Yes No (In no, provide explanation below)

TSOC Chair Signature:  Date: 3/21/16


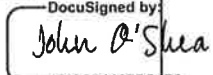
TSOC explanation for denied requests:

MASTER ORDERING AGREEMENT

This Master Ordering Agreement (including the Subscription Service Guide, attached hereto) ("**Agreement**") between ServiceNow, Inc. ("**ServiceNow**") and the customer set forth below ("**Customer**") is made as of the effective date set forth below ("**Effective Date**").

The Subscription Service Guide includes: (1) the Customer Support Policy; (2) the Upgrade Policy; (3) the Data Security Guide; and (4) any other attachment set forth or referenced in the Subscription Service Guide. The Subscription Service Guide is attached hereto and incorporated herein by reference.

THE PARTIES HEREBY EXECUTE THIS AGREEMENT AS OF THE EFFECTIVE DATE.

Customer's official name: County of Riverside	ServiceNow, Inc.
Individual signing: John J. Benolt (print name)	Individual signing: Chin Kim (print name)
Signature:	Signature: 
Title: Chairman, Board of Supervisors	Title: Senior Director, Orders to Cash
Signing date:	Effective Date: 3/18/2016
Customer address for notice: ATTN: PCS 3450 14th St Riverside, CA 92501	ServiceNow address for notice: ServiceNow, Inc. 2225 Lawson Lane Santa Clara, CA 95054 Attn: General Counsel cc: legalnotices@servicenow.com
	 472B0D3397DB480... John O'Shea Corporate Counsel 3/18/2016

BY: NEAL R. KIPNIS
 FORM APPROVED COUNTY COUNSEL
 DATE: 3/18/16

1. DEFINITIONS

1.1. "**Confidential Information**" means: (a) ServiceNow Core Technology (which is Confidential Information of ServiceNow); (b) Customer Data and Customer Technology (which are Confidential Information of Customer); (c) any other information of a party that is disclosed in writing or orally and is designated as *Confidential* or *Proprietary* at the time of disclosure (and, in the case of oral disclosures, summarized in writing within thirty (30) days of the initial disclosure and delivered to the receiving party), or that due to the nature of the information the receiving party would clearly understand it to be confidential information of the disclosing party; and (d) the specific terms and conditions of this Agreement, any Order Form, any SOW, and any amendment and attachment thereof, between the parties. Confidential Information shall not include any information that: (i) is or becomes generally known to the public through no fault or breach of this Agreement by the receiving party; (ii) was rightfully in the receiving party's possession at the time of disclosure without restriction on use or disclosure; (iii) is independently developed by the receiving party without use of the disclosing party's Confidential Information; or (iv) was or is rightfully obtained by the receiving party from a third party not under a duty of confidentiality and without restriction on use or disclosure.

1.2. "**Customer Data**" means electronic data uploaded by or for Customer and Customer's agents, employees and contractors, and processed in the Subscription Service, excluding the ServiceNow Core Technology.

1.3. "**Customer Technology**" means software, methodologies, templates, business processes, documentation or other material authored, invented or otherwise created or licensed (other than by or from

ServiceNow) by Customer using or for use with the Subscription Service, excluding the ServiceNow Core Technology.

1.4. "Development Tools" means source code, application programming interfaces (APIs), executable software and tools in human readable format made available by ServiceNow for the implementation, customization, configuration, and use of the Subscription Service, such as scripts, code snippets, sample code, and development tools published by ServiceNow.

1.5. "Documentation" means the ServiceNow product documentation relating to the operation and use of the Subscription Service, Software and Development Tools, including technical program or interface documentation, user manuals, operating instructions and release notes, as updated from time to time by ServiceNow.

1.6. "Order Form" means a written ordering document signed by Customer and ServiceNow.

1.7. "Product Overview" means the description of the ordered products and their functionalities attached to an Order Form or referenced therein.

1.8. "Professional Services" means any services provided by ServiceNow pursuant to an agreed SOW or Service Description.

1.9. "Service Description" means the written description for a packaged Professional Service, attached to an Order Form or referenced therein.

1.10. "ServiceNow Core Technology" means: (a) the Subscription Service; Software; Development Tools, Documentation; and ServiceNow technology and methodologies (including, without limitation, products, software tools, hardware designs, algorithms, templates, software (in source and object forms), architecture, class libraries, objects and documentation) existing as of the Effective Date or otherwise arising outside of work under a Professional Service; (b) updates, upgrades, improvements, configurations, extensions, and derivative works of the foregoing and related technical or end user documentation or manuals; and (c) intellectual property anywhere in the world relating to the foregoing.

1.11. "Software" means software provided by ServiceNow to Customer that operates on Customer-provided machines solely to facilitate the use of the Subscription Service.

1.12. "SOW" means a statement of work for Professional Services.

1.13. "Subscription Service" means the ServiceNow software as a service (SaaS) offering ordered by Customer under an Order Form.

1.14. "Subscription Term" means the term of authorized use of the Subscription Service as set forth in the Order Form.

1A. EXHIBITS

1A.1. EXHIBIT LIST. The following documents are attached to and incorporated in this Agreement:

Exhibit A - Order Form number ORD0090302-1.

Exhibit B – ServiceNow SOW number CON0090302-SOW1

Exhibit C – HIPAA Business Associate Agreement between the County of Riverside and ServiceNow, Inc.

2. GRANT OF USE RIGHTS

2.1. SUBSCRIPTION SERVICE. Subject to the terms of this Agreement, ServiceNow authorizes Customer to access and use the purchased Subscription Service during the Subscription Term as set forth in an applicable Order Form for its internal business purposes in accordance with the Documentation. Customer shall

not use or otherwise access the Subscription Service in a manner that exceeds Customer's authorized use as set forth in this Agreement and the applicable Order Form.

2.2. SOFTWARE. ServiceNow grants Customer a limited, personal, worldwide, non-sublicensable, non-transferable (except as set forth in Section 10.1 (Assignment)), non-exclusive license during the Subscription Term to install and execute Software on machines operated by or for Customer solely to facilitate Customer's authorized access to and use of the purchased Subscription Service. The Software may include code that is licensed under third party license agreements, including open source made available or provided with the Software. Software is licensed and not sold even if for convenience ServiceNow makes reference to words such as *sale* or *purchase*.

2.3. DEVELOPMENT TOOLS. In support of Customer's authorized internal business use of the Subscription Service during the Subscription Term, ServiceNow grants to Customer a limited, personal, worldwide, non-sublicensable, non-transferable (except as set forth in Section 10.1 (Assignment)), non-exclusive license to download and make a reasonable number of copies of the Development Tools, and to use, copy, modify and create derivative works of the Development Tools, in: (a) using, implementing and integrating the ServiceNow applications with other software and systems; and (b) creating applications on the ServiceNow platform (to the extent Customer has purchased authorized use of the Subscription Service to create applications on the ServiceNow platform). Customer shall not use the Development Tools in a manner that causes it to exceed the limits of its authorized use of the Subscription Service as set forth in this Agreement and the Order Form. From time to time, ServiceNow may provide Development Tools subject to the terms and conditions of separate agreements which will be provided to Customer for review and to which Customer will be required to agree prior to use of such Development Tools; provided that ServiceNow shall not require Customer to agree to separate terms and conditions for any Development Tool that is necessary for Customer's use of its ordered Subscription Service in conformance with the Product Overview unless set forth on the Order Form.

2.4. RESTRICTIONS. Customer shall not (and shall not permit others to) do the following with respect to the ServiceNow Core Technology: (i) use the Subscription Service with external programs in a manner that intentionally circumvents contractual usage restrictions; (ii) license, sub-license, sell, re-sell, rent, lease, transfer, distribute or time share or otherwise make any of it available for access by third parties except as otherwise expressly provided in an Order Form; (iii) access it for the purpose of developing or operating products or services intended to be offered to third parties in competition with the Subscription Service; (iv) disassemble, reverse engineer or decompile it; (v) copy, create derivative works based on or otherwise modify it except as permitted in this Agreement; (vi) remove or modify a copyright or other proprietary rights notice in it; (vii) use it to reproduce, distribute, display, transmit or use material protected by copyright or other intellectual property right (including the rights of publicity or privacy) without first obtaining the permission of the owner; (viii) use it to create, use, send, store or run viruses or other harmful computer code, files, scripts, agents or other programs or otherwise engage in a malicious act or disrupt its security, integrity or operation; or (ix) access or disable any ServiceNow or third party data, software or network (other than Customer's instance of the Subscription Service in accordance with this Agreement). Before Customer exercises any of the foregoing actions that Customer believes it is entitled to, Customer shall provide ServiceNow with thirty (30) days' prior written notice to legalnotices@servicenow.com (or, if applicable law or the relevant court order does not allow for such notice, then the maximum amount of notice allowable), and provide reasonably requested information to allow ServiceNow to assess Customer's claim and, at ServiceNow's sole discretion, provide alternatives that reduce adverse impacts on ServiceNow's intellectual property and other rights.

3. ORDERING

3.1. ORDERS AND PAYMENT. Upon execution by Customer and ServiceNow, each Order Form is non-cancellable and non-refundable except as provided in this Agreement. Prices stated in each Order Form are final. Except as expressly set forth in the applicable Order Form, Subscription Service fees are invoiced annually in advance. Each Subscription Term as set forth in the Order Form is a continuous and non-divisible commitment for the full duration of the Subscription Term regardless of the invoice schedule. Except as expressly set forth in the applicable Order Form or SOW or Service Description, Professional Services fees are invoiced on a time and materials basis monthly in arrears. Customer shall pay each invoice in full within thirty (30) days after receipt of an

electronic invoice the date of invoice. Customer may issue a purchase order consistent with the terms of the Order Form, but a purchase order is not required. If Customer issues a purchase order, then it shall be for the full amount of the Order Form, and any additional or conflicting terms appearing in a purchase order shall not amend the Order Form or this Agreement. Upon request, ServiceNow shall reference the purchase order number on its invoices (solely for administrative convenience) so long as Customer provides the purchase order at least fifteen (15) business days prior to the date of the invoice. Late payments shall accrue interest at a rate of one and one-half percent (1.5%) per month or the legal maximum interest rate, whichever is lower. If Customer is delinquent in payment of amounts owed hereunder, ServiceNow may give notice to Customer of such delinquency and, in such case, Customer shall cure the delinquency within thirty (30) days from the date of ServiceNow's written notice. If Customer fails to cure the delinquency or regain compliance in accordance with Section 3.2 below, ServiceNow may suspend Customer's use of the Subscription Service or terminate this Agreement for cause in accordance with Section 9 (Term and Termination), in addition to other rights and remedies available.

3.2. USE VERIFICATION. ServiceNow may remotely review Customer's use of the Subscription Service, and upon ServiceNow's written request Customer shall provide any reasonable assistance, to verify Customer's compliance with the Agreement. If ServiceNow determines that Customer has exceeded its permitted use of the Subscription Service then ServiceNow will notify Customer and within thirty (30) days thereafter Customer shall either: (i) disable any unpermitted use or (ii) purchase additional subscriptions commensurate with Customer's actual use.

3.3. AFFILIATE ORDERING. "**Affiliates**" shall mean any person or entity directly or indirectly Controlling, Controlled by or under common Control with a party to the Agreement, where "**Control**" means the legal power to direct or cause the direction of the general management of the company, partnership or other legal entity. Customer may, at its option, provide access to the Subscription Service to one or more of its Affiliates ("**Customer Affiliates**") subject to the terms, conditions and restrictions in the Agreement. Customer shall be responsible for the acts and omissions of the Customer Affiliate for its use of the Subscription Service. No Customer Affiliate shall have the right to take any legal action against ServiceNow under the Agreement or any Order Form unless such Customer Affiliate executes an Order Form directly with ServiceNow, in which case such Customer Affiliate shall be treated as Customer under this Agreement in connection with such Order Form. If a Customer Affiliate desires to purchase the Subscription Service in North America, the Affiliate will be afforded the same pricing as the parent provided that the Affiliate (i) executes a mutually agreed upon Order Form; (ii) with a minimum annual subscription fee of at least \$42,000 US Dollars; and (iii) is licensed for a separate production environment than the parent. No additional production environment fees will apply on orders over \$42,000 US Dollars. If a Customer Affiliate desires to purchase the Subscription Service outside of North America, the Customer Affiliate must place its order with ServiceNow's applicable regional Affiliate ("**ServiceNow Affiliate**"), which will establish a new and separate agreement between the Customer Affiliate and the ServiceNow Affiliate, the terms and conditions of which shall be the same as the terms and conditions contained in this Agreement, except for the following without limitation: (i) a different tax rate or assessment may govern the Customer Affiliate order; (ii) any pricing commitments shall not apply; (iii) governing law and notice may be different; and (iv) Customer Affiliate will purchase ServiceNow's then current service offering.

3.4. TAXES. All payments required by this Agreement are stated exclusive of all taxes, duties, levies, imposts, fines or similar governmental assessments including sales and use taxes, value-added taxes ("**VAT**"), goods and services taxes ("**GST**"), excise, business, service, and similar transactional taxes imposed by any jurisdiction and the interest and penalties thereon (collectively, "**Taxes**"). Customer shall be responsible for and bear Taxes associated with its purchase of, payment for, access to or use of the Subscription Service and Professional Services. Taxes shall not be deducted from the payments to ServiceNow, except as required by law, in which case Customer shall increase the amount payable as necessary so that after making all required deductions and withholdings, ServiceNow receives and retains (free from any Tax liability) an amount equal to the amount it would have received had no such deductions or withholdings been made. Each party is responsible for and shall bear taxes imposed on its net income. If Customer is a tax-exempt entity or claims exemption from any Taxes under this Agreement, Customer shall provide a tax exemption number on the Order Form and a certificate upon execution of the Order Form and, after receipt of valid evidence of exemption, ServiceNow shall not charge Customer any Taxes from which it is exempt. If ServiceNow is required to invoice or collect Taxes associated with

Customer's purchase of, payment for, access to or use of the Subscription Service or Professional Services, ServiceNow will issue an invoice to Customer including the amount of those Taxes, itemized where required by law. Customer shall provide to ServiceNow its VAT or GST identification number(s) on the Order Form for (i) the country where Customer has established its business and/or (ii) any other country where Customer has a fixed establishment. Customer shall use the ordered Subscription Service and Professional Services for Customer's business use in the foregoing location(s) in accordance with the provided VAT or GST identification number(s). The parties' obligations under this Section shall survive the termination or expiration of this Agreement.

4. INTELLECTUAL PROPERTY

4.1. SERVICENOW OWNERSHIP. As between ServiceNow and Customer, all rights, title, and interest in and to all intellectual property rights in the ServiceNow Core Technology are owned exclusively by ServiceNow notwithstanding any other provision in this Agreement. Except as expressly provided in this Agreement, ServiceNow reserves all rights in the ServiceNow Core Technology and does not grant Customer any rights, express or implied or by estoppel.

4.2. CUSTOMER OWNERSHIP. As between Customer and ServiceNow, Customer shall retain all of its rights, title, and interest in and to its intellectual property rights in Customer Data and Customer Technology. Customer hereby grants to ServiceNow a royalty-free, fully-paid, non-exclusive, non-transferable (except as set forth in Section 10.1 (Assignment)), sub-licensable, worldwide right to use Customer Data and Customer Technology solely for the purpose of providing the Subscription Service and Professional Services to Customer.

4.3. FEEDBACK. ServiceNow encourages Customer to provide suggestions, proposals, ideas, recommendations or other feedback regarding improvements to ServiceNow's services and related resources. To the extent Customer provides such feedback, Customer grants to ServiceNow a royalty-free, fully paid, sub-licensable, transferable (notwithstanding Section 10.1 (Assignment)), non-exclusive, irrevocable, perpetual, worldwide right and license to make, use, sell, offer for sale, import and otherwise exploit feedback (including by incorporation of such feedback into the ServiceNow Core Technology) without restriction.

4.4. PROFESSIONAL SERVICES. Subject to the provisions of this Section 4.4, ServiceNow shall assign to Customer any Newly Created IP (as defined below) in Deliverables upon payment in full by Customer of all amounts due for the Professional Service under which the Deliverable was created. A "**Deliverable**" is a deliverable that is identified in the applicable SOW or Service Description and that is created by ServiceNow for Customer in the performance of the Professional Services. "**Newly Created IP**" means intellectual property in any inventions or works of authorship that are made by ServiceNow specifically for Customer in the course of performing Professional Services for Customer that is identified as "Newly Created IP" in an SOW, excluding the ServiceNow Core Technology. To the extent (if at all) any ServiceNow Core Technology is incorporated into a Deliverable, ServiceNow grants to Customer a non-exclusive, royalty-free, non-transferable, non-sublicensable worldwide license to use the ServiceNow Core Technology solely to use the Deliverable in connection with the Subscription Service as contemplated under this Agreement during the Subscription Term. Nothing in this Agreement shall be deemed to restrict or limit ServiceNow's right to perform similar Professional Services for any other party or to assign any employees or subcontractors to perform similar Professional Services for any other party or to use any information incidentally retained in the unaided memories of its employees providing Professional Services.

5. WARRANTIES

5.1. LIMITED SUBSCRIPTION SERVICE WARRANTY. ServiceNow warrants that during the Subscription Term Customer's production instances of the Subscription Service shall conform in all material aspects to the Product Overview. To submit a warranty claim under this Section, Customer shall (1) reference this Section; and (2) submit a support request to resolve the non-conformity as provided in the Subscription Service Guide. If the non-conformity persists without relief more than thirty (30) days after written notice of a warranty claim provided to ServiceNow under this Section 5.1, then Customer may terminate the affected Subscription Service and ServiceNow shall refund to Customer any prepaid subscription fees covering the remainder of the Subscription Term of the affected Subscription Service after the date of termination. Notwithstanding the foregoing, this warranty shall not apply to any non-conformity due to a modification of or defect in the Subscription

Service that is made or caused by any person other than ServiceNow or a person acting at ServiceNow's direction. THIS SECTION 5.1 SETS FORTH CUSTOMER'S EXCLUSIVE RIGHTS AND REMEDIES (AND SERVICENOW'S SOLE LIABILITY) IN CONNECTION WITH THIS WARRANTY.

5.2. LIMITED PROFESSIONAL SERVICES WARRANTY. ServiceNow warrants that the Professional Services will be performed in a competent and workmanlike manner in accordance with accepted industry standards and practices and all material requirements set forth in the SOW or Service Description. Customer shall notify ServiceNow in writing of any breach within forty-five (45) days after completion of the Professional Services under the SOW. Upon receipt of such notice, ServiceNow, at its option, shall either use commercially reasonable efforts to re-perform the Professional Services in conformance with these warranty requirements or shall terminate the affected Professional Services and refund to Customer any amounts paid for the nonconforming Professional Services. THIS SECTION 5.2 SETS FORTH CUSTOMER'S EXCLUSIVE RIGHTS AND REMEDIES (AND SERVICENOW'S SOLE LIABILITY) IN CONNECTION WITH THIS WARRANTY.

5.3. DISCLAIMER OF WARRANTIES. EXCEPT FOR THE WARRANTIES EXPRESSLY STATED IN THIS AGREEMENT, TO THE MAXIMUM EXTENT ALLOWED BY LAW, SERVICENOW DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING WARRANTIES ARISING UNDER STATUTE, WARRANTIES OF MERCHANTABILITY, ACCURACY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES ARISING FROM USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SERVICENOW SPECIFICALLY DOES NOT WARRANT THAT THE SUBSCRIPTION SERVICE, SOFTWARE, PROFESSIONAL SERVICES, DEVELOPMENT TOOLS, DOCUMENTATION OR DELIVERABLES WILL MEET THE REQUIREMENTS OF CUSTOMER OR OTHERS OR THAT THEY WILL BE ACCURATE OR OPERATE WITHOUT INTERRUPTION OR ERROR. CUSTOMER ACKNOWLEDGES THAT IN ENTERING THIS AGREEMENT IT HAS NOT RELIED ON ANY PROMISE, WARRANTY OR REPRESENTATION NOT EXPRESSLY SET FORTH HEREIN.

6. CONFIDENTIAL INFORMATION

6.1. CONFIDENTIALITY OBLIGATIONS. The recipient of Confidential Information shall: (i) at all times protect it from unauthorized disclosure with the same degree of care that it uses to protect its own confidential information, and in no event using less than reasonable care; and (ii) not use it except to the extent necessary to exercise rights or fulfill obligations under this Agreement. Each party shall limit the disclosure of the other party's Confidential Information to those of its employees and contractors with a need to access such Confidential Information for a party's exercise of its rights and obligations under this Agreement, provided that all such employees and contractors are subject to binding disclosure and use restrictions at least as protective as those set forth herein. Each party's obligations set forth in this Section 6 shall remain in effect during the term and three (3) years after termination of this Agreement. The receiving party shall, at the disclosing party's request or upon termination of this Agreement, return all originals, copies, reproductions and summaries of Confidential Information and other tangible materials and devices provided to the receiving party as Confidential Information, or at the disclosing party's option, certify destruction of the same. Provisions for the return of Customer Data are set forth in Section 9.4 (Return of Customer Data).

6.2. REQUIRED DISCLOSURES. A party may disclose the disclosing party's Confidential Information to a court or governmental body pursuant to a valid court order, law, subpoena or regulation, provided that the receiving party: (a) promptly notifies the disclosing party of such requirement as far in advance as possible to the extent advanced notice is lawful; and (b) provides reasonable assistance to the disclosing party in any lawful efforts by the disclosing party to resist or limit the disclosure of such Confidential Information.

6.3. EQUITABLE REMEDIES. The parties agree that the receiving party's disclosure of Confidential Information except as provided herein may result in irreparable injury for which a remedy in money damages may be inadequate. The parties further agree that in the event of such disclosure or threatened disclosure, the disclosing party may be entitled to seek an injunction to prevent the breach or threatened breach without the necessity of proving irreparable injury or the inadequacy of money damages, in addition to remedies otherwise available to the disclosing party at law or in equity.

7. INDEMNIFICATION

7.1. SERVICENOW OBLIGATION. Subject to the exclusions set forth below, ServiceNow shall: (i) defend Customer, its officers, directors and employees against any third party suit, claim, action or demand (each a "**Claim**") to the extent alleging: (A) that the Subscription Service used in accordance with this Agreement infringes any third party patent, copyright or trademark, or misappropriates any third party trade secret; or (B) that ServiceNow's personnel when onsite at Customer's premises caused death, bodily harm or damage to tangible personal property due to their negligence or willful misconduct; and (ii) pay any court-ordered award of damages or settlement amount to the extent arising from any such Claims. If any portion of the Subscription Service becomes the subject of a Claim under Section 7.1(i)(A), ServiceNow may: (a) contest the Claim; (b) obtain permission from the claimant for Customer's continued use of the Subscription Service; (c) replace or modify the Subscription Service to avoid infringement, if such replacement or modification has substantially the same capabilities as the Subscription Service; or, if the foregoing (a), (b), and (c) are not available on commercially reasonable terms in ServiceNow's judgment, then (d) terminate Customer's use of the affected Subscription Service upon sixty (60) days' written notice and pay to Customer a refund of any prepaid subscription fees covering the remaining portion of the applicable Subscription Term for the affected Subscription Service after the date of termination. Notwithstanding the above, ServiceNow shall have no obligation or liability for any Claim under Section 7.1(i)(A) arising in whole or in part from: (1) any use of the Subscription Service which exceeds the authorized use permitted under this Agreement or not in accordance with the Documentation; (2) Customer Data or Customer Technology; (3) use of the Subscription Service by Customer in violation of applicable law; (4) use of the affected Subscription Service after termination in accordance with clause (d) of this Section 7.1; (5) modifications to the Subscription Service made to Customer's specifications or otherwise made by any person other than ServiceNow or a person acting at ServiceNow's direction if the Claim would have been avoided by use of the unmodified Subscription Service; or (6) use of the Subscription Service in combination with any hardware, software, application or service that was not provided by ServiceNow, if the Claim would have been avoided by the non-combined or independent use of the Subscription Service.

7.2. CUSTOMER OBLIGATION. Customer shall: (i) defend ServiceNow, its officers, directors and employees against any Claim alleging that: (A) Customer Data, (B) Customer Technology or (C) a modification to the Subscription Service made to Customer's specifications or otherwise made by or on behalf of Customer by any person other than ServiceNow or a person acting at ServiceNow's direction (but only if the Claim would have been avoided by use of the unmodified Subscription Service), infringes any patent, copyright or trademark, misappropriates any third party trade secret, or violates any third party privacy rights; and (ii) pay any court-ordered award of damages or settlement amount to the extent arising from such Claim.

7.3. PROCESS. All of the foregoing indemnity obligations of ServiceNow and Customer are conditioned on the indemnified party notifying the indemnifying party promptly in writing of any actual or threatened Claim, the indemnified party giving the indemnifying party sole control of the defense thereof and any related settlement negotiations, and the indemnified party cooperating and, at the indemnifying party's request and expense, assisting in such defense. SECTION 7 STATES EACH PARTY'S ENTIRE LIABILITY AND THE OTHER PARTY'S EXCLUSIVE REMEDY FOR THIRD PARTY CLAIMS AND ACTIONS.

8. LIMITATIONS OF LIABILITY

8.1. LIMITATIONS OF LIABILITY. TO THE EXTENT PERMITTED BY LAW, THE TOTAL, CUMULATIVE LIABILITY OF EACH PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PRODUCTS OR SERVICES PROVIDED HEREUNDER WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL OR EQUITABLE THEORY, SHALL BE LIMITED TO THE GREATER OF ONE MILLION TWO HUNDRED THOUSAND U.S. DOLLARS (\$1,200,000) OR TWO (2) TIMES THE AMOUNTS PAID BY CUSTOMER FOR THE PRODUCTS OR SERVICES GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE FIRST EVENT GIVING RISE TO LIABILITY. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT ENLARGE THIS LIMIT. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO: (1) CUSTOMER'S OBLIGATION TO PAY FOR PRODUCTS, SERVICES OR TAXES; (2) A PARTY'S OBLIGATIONS IN SECTION 7 (INDEMNIFICATION); AND (3) INFRINGEMENT BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.

8.2. EXCLUSION OF DAMAGES. TO THE EXTENT PERMITTED BY LAW, NEITHER SERVICENOW NOR CUSTOMER SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR LOST PROFITS (WHETHER DIRECT OR INDIRECT) OR LOSS OF USE OR DATA, COVER, SUBSTITUTE GOODS OR SERVICES, OR FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES (INCLUDING DAMAGE TO BUSINESS, REPUTATION OR GOODWILL), OR INDIRECT DAMAGES OF ANY TYPE HOWEVER CAUSED, WHETHER BY BREACH OF WARRANTY, BREACH OF CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL OR EQUITABLE CAUSE OF ACTION EVEN IF SUCH PARTY HAS BEEN ADVISED OF SUCH DAMAGES IN ADVANCE OR IF SUCH DAMAGES WERE FORESEEABLE. THE FOREGOING EXCLUSIONS SHALL NOT APPLY TO: (1) PAYMENTS TO A THIRD PARTY ARISING FROM A PARTY'S OBLIGATIONS UNDER SECTION 7 (INDEMNIFICATION); AND (2) INFRINGEMENT BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.

8.3. GROSS NEGLIGENCE; WILFUL MISCONDUCT. AS PROVIDED BY LAW, NOTHING HEREIN SHALL BE INTENDED TO LIMIT A PARTY'S LIABILITY IN AN ACTION IN TORT (SEPARATE AND DISTINCT FROM A CAUSE OF ACTION FOR BREACH OF THIS AGREEMENT) FOR THE PARTY'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT.

9. TERM AND TERMINATION

9.1. TERM AND TERMINATION. The term of this Agreement extends from the Effective Date until four (4) years from the Effective Date and may be extended by written consent of the parties which consent shall include the execution of an Order Form for an additional Subscription Term. Each party may terminate this Agreement in its entirety either: (i) upon thirty (30) days' prior written notice to the other party, if at the time of notice there are no Order Forms in effect; or (ii) upon written notice if the other party becomes the subject of a petition in bankruptcy or any proceeding related to its insolvency, receivership or liquidation, in any jurisdiction, that is not dismissed within sixty (60) days of its commencement or an assignment for the benefit of creditors. Either party may terminate a Subscription Service or Professional Services upon written notice if the other party materially breaches this Agreement or the applicable Order Form for the affected service and does not cure the breach within thirty (30) days after receiving written notice thereof from the non-breaching party. Professional Services are separately ordered from the Subscription Service, and are not required for the Subscription Service. A breach by a party of its obligations with respect to Professional Services shall not by itself constitute a breach by that party of its obligations with respect to the Subscription Service even if the services are enumerated in the same Order Form.

9.2. TERMINATION FOR LACK OF FUNDING. Payment by the Customer for Subscription Service fees is dependent upon the appropriation and allocation of funds by the County Board of Supervisors. Should funds adequate to fulfill Customer's payment obligations for Subscription Services under this Agreement not be appropriated and allocated to the Customer, the Customer shall send a written notice of termination to ServiceNow detailing the loss of funding promptly but not less than thirty (30) day prior to the next annual invoice for the Subscription Services which termination will become effective at the end of the then-current annual term. Upon termination pursuant to this Section 9, Customer shall not be responsible for paying any future invoices for Subscription Services after the date of termination and Customer acknowledges and agrees that any prepaid fees paid by Customer prior to the effective date of termination shall not be refunded.

9.3. EFFECT OF TERMINATION OF SUBSCRIPTION SERVICE. Upon termination of the Subscription Service for any reason, Customer shall stop using, and ServiceNow shall stop providing, the Subscription Service and all rights granted to Customer in this Agreement shall terminate. ServiceNow shall within thirty (30) days following the effective date of a termination by Customer for ServiceNow's breach refund to Customer all prepaid fees received by ServiceNow covering the remaining portion of the Subscription Term for the affected Subscription Service after the date of the termination. Within thirty (30) days following the effective date of a termination by ServiceNow for Customer's breach, Customer shall pay all remaining amounts (if any) payable under this Agreement for the Subscription Term applicable to the terminated Subscription Service regardless of the due dates specified in the Order Form.

9.4. TRANSITION SERVICES. At least thirty (30) days prior to either the expiration of the Subscription Term (where Customer elects not to renew) or in connection with the termination by Customer of the Subscription Service in accordance with Section 9.1, Customer may purchase the following services: (i) one (1) extension of the Subscription Service for up to six (6) months ("**Transition Subscription Service**"); and (ii) Professional Services. Customer shall pay in advance for the Transition Subscription Service at the monthly subscription fee rate charged to Customer in the expiring Order Form plus an additional ten percent (10%). Customer shall pre-pay for any Professional Services ordered during the transition period plus verifiable travel and expenses. The parties shall sign a mutually agreed upon Order Form setting forth the fees and purchased Subscription Service and Professional Services prior to the commencement of any Transition Subscription Service or Professional Services.

9.5. RETURN OF CUSTOMER DATA. ServiceNow shall provide Customer Data in its standard database export format, excluding the ServiceNow Core Technology, to Customer upon Customer's written request and at no additional cost to Customer. After forty-five (45) days following the expiration or termination of this Agreement for the Subscription Service (including any Transition Subscription Service term, if applicable), if Customer has not requested the return of its Customer Data, ServiceNow shall have no obligation to maintain or provide any Customer Data and shall thereafter, unless legally prohibited, have the right to delete all Customer Data in its systems or otherwise in its possession or under its control and delete Customer's instances of the Subscription Service.

9.6. SURVIVAL. Sections 2.4 (Restrictions), 3.4 (Taxes), 4.1 (ServiceNow Ownership), 4.2 (Customer Ownership), 4.3 (Feedback) and 6 (Confidential Information) through 10 (General Provisions) of this Agreement, together with any other provision required for their construction or enforcement, shall survive termination of this Agreement for any reason.

10. GENERAL PROVISIONS

10.1. ASSIGNMENT. Neither party may assign its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other party. Notwithstanding the foregoing, either party may, upon notice and without the other party's consent: (i) in connection with a merger, reorganization or sale of all or substantially all of the assets or equity of such party, assign this Agreement in its entirety to such party's successor; and (ii) assign this Agreement in its entirety to any Affiliate (subject to the Affiliate ordering rules in Section 3.3). Any attempted or purported assignment in violation of this Section 10.1 will be null and void. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the parties, their respective successors and permitted assigns.

10.2. COMPLIANCE WITH LAWS. ServiceNow shall comply with any statutes and regulations that apply to its provision of the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables, under the Agreement, including but not limited to those applicable to the privacy and security of personal information, including trans-border data transfers and data breach notification requirements as required of ServiceNow by law. Customer shall comply with all laws that apply to its use of the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables, under the Agreement, including but not limited to those applicable to collection and processing of Customer Data in ServiceNow systems through the Subscription Service. Customer agrees to provide any required disclosures to and obtain any required consents for the transfer of Customer Data to ServiceNow. ServiceNow shall not be responsible for compliance with any laws applicable to Customer and its industry that are not generally applicable to information technology service providers.

10.3. EXPORT COMPLIANCE. Each party shall comply with United States and foreign export control laws and regulations. Customer acknowledges that the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables are subject to the U.S. Export Administration Regulations (the "**EAR**") and that Customer shall comply with the EAR. Without limiting the foregoing, Customer represents and warrants that: (i) Customer is not located in, and shall not use the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables from, any country that is subject to U.S. export restrictions (currently including, but not necessarily limited to, Cuba, Iran, North Korea, Sudan and Syria);

(ii) Customer shall not use the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables in the design, development or production of nuclear, chemical or biological weapons, or rocket systems, space launch vehicles, sounding rockets or unmanned air vehicle systems; and (iii) Customer is not prohibited from participating in U.S. export transactions by any federal agency of the U.S. government. In addition, Customer is responsible for complying with any local laws which may impact Customer's right to import, export or use the Subscription Service, Professional Services, Software, Documentation, Development Tools and Deliverables.

10.4. US GOVERNMENT RIGHTS. All ServiceNow software (including Software) is commercial computer software and all services are commercial items. "**Commercial computer software**" has the meaning set forth in Federal Acquisition Regulation ("**FAR**") 2.101 for civilian agency purchases and the Department of Defense ("**DOD**") FAR Supplement ("**DFARS**") 252.227-7014(a)(1) for defense agency purchases. If the software is licensed or the services are acquired by or on behalf of a civilian agency, ServiceNow provides the commercial computer software and/or commercial computer software documentation and other technical data subject to the terms of this Agreement as required in FAR 12.212 (Computer Software) and FAR 12.211 (Technical Data) and their successors. If the software is licensed or the services are acquired by or on behalf of any agency within the DOD, ServiceNow provides the commercial computer software and/or commercial computer software documentation and other technical data subject to the terms of this Agreement as specified in DFARS 227.7202-3 and its successors. Only if this is a DOD prime contract or DOD subcontract, the Government acquires additional rights in technical data as set forth in DFARS 252.227-7015. This U.S. Government Rights clause is in lieu of, and supersedes, any other FAR, DFARS or other clause or provision that addresses Government rights in computer software or technical data.

10.5. NOTICE. Except as otherwise provided herein, all notices shall be in writing and deemed given upon: (i) personal delivery; (ii) when received by the addressee if sent by a recognized overnight courier (receipt requested); (iii) the second business day after mailing; or (iv) the first business day after sending by email with confirmation of receipt, except that email shall not be sufficient for notices regarding a Claim. Notices shall be sent to the parties as set forth on the signature page of this Agreement or as subsequently updated in writing.

10.6. FORCE MAJEURE. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (excluding Customer's failure to pay amounts owed when due), when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including without limitation: strikes, lock-outs or other industrial disputes (whether involving its own workforce or a third party's), trespassing, sabotage, theft or other criminal acts, failure of energy sources or transport network, acts of God, export bans, sanctions and other government actions, war, terrorism, riot, civil commotion, interference by civil or military authorities, national or international calamity, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, explosions, collapse of building structures, fires, floods, storms, earthquakes, epidemics or similar events, natural disasters or extreme adverse weather conditions (each a "**Force Majeure Event**"). The party suffering a Force Majeure Event shall use reasonable efforts to mitigate against the effects of such Force Majeure Event.

10.7. HIGH RISK ACTIVITIES. Customer shall use the ServiceNow Core Technology within the intended business purposes described in the Documentation, and not for any purpose that requires fail-safe performance including, but not limited to, stock trading, financial transaction processing, management of hazardous facilities or applications for which failure could result in death, personal injury, or severe physical or environmental damage ("**High Risk Activity**"). ServiceNow, its licensors and suppliers expressly disclaim all warranties of fitness for any such use and Customer shall release and hold ServiceNow, its licensors and suppliers harmless from liability arising out of the use of the ServiceNow Core Technology for High Risk Activity.

10.8. USE OF AGGREGATE DATA. Customer agrees that ServiceNow may collect, use and disclose quantitative data derived from the use of the Subscription Service for industry analysis, benchmarking, analytics, marketing, and other business purposes. ServiceNow shall not share, sell, rent or trade such data with third parties for their promotional purposes. All data collected, used, and disclosed will be in aggregate form only and will not identify Customer or its users.

10.9. ENTIRETY. This Agreement, together with the Order Forms, Product Overviews, SOWs, Service Descriptions, and the Subscription Service Guide (including the Customer Support Policy, the Upgrade Policy and the Data Security Guide), is the final and entire agreement between the parties regarding the products and services provided hereunder and supersedes all prior or contemporaneous oral or written agreements, representations, understandings, undertakings and negotiations with respect to the subject matter hereof. The terms of this Agreement apply to the exclusion of any other terms that Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. Any purchase order submitted by Customer is for Customer's internal purposes only and its terms and conditions are superseded and replaced by this Agreement, and the purchase order terms and conditions have no force or effect. Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of ServiceNow that is not set out in this Agreement. Customer's orders are not contingent on, and Customer has not relied on, the delivery of any future functionality regardless of any verbal or written communication about ServiceNow's future plans. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

10.10. WAIVER AND AMENDMENT. A waiver of any right is only effective if it is in writing and only against the party who signed such writing and for the circumstances given. Any modification of this Agreement must be in writing and signed by authorized representatives of both parties.

10.11. RELATIONSHIP OF THE PARTIES. The parties are independent contractors. Nothing in this Agreement shall be construed to create a partnership, joint venture or agency relationship. Neither party shall have any right or authority to assume or create any obligation of any kind expressed or implied in the name of or on behalf of the other party.

10.12. GOVERNING LAW; JURISDICTION AND VENUE. This Agreement shall be governed by the laws of the state of California, without regard to its conflict of laws principles. The parties hereby irrevocably consent to the exclusive jurisdiction of, and venue in, any federal or state court of competent jurisdiction located in Riverside, California, for the purposes of adjudicating any dispute arising out of this Agreement. Each party hereto expressly consents to service of process by registered mail. To the extent permitted by law, choice of law rules and the United Nations Convention on Contracts for the International Sale of Goods shall not apply. Notwithstanding the foregoing, either party may at any time seek and obtain appropriate legal or equitable relief in any court of competent jurisdiction for claims regarding such party's intellectual property rights.

10.13. CONSTRUCTION. Products and services shall be provided in the English language unless agreed otherwise. The parties confirm that they have requested that this Agreement and all related documents be drafted in English at the express wishes of the parties. Les parties confirment avoir expressément exigé que le présent contrat et les documents de ServiceNow qui y sont attachés soient rédigés en anglais. Section headings are for convenience only and are not to be used in interpreting this Agreement.

SUBSCRIPTION SERVICE GUIDE

1. SUPPORT

During the Subscription Term, ServiceNow shall provide support for the Subscription Service as set forth in the **Customer Support Policy** attached hereto, and incorporated herein by reference.

2. UPGRADES

ServiceNow determines whether and when to develop, release and apply any Upgrade (as defined in the **Upgrade Policy** attached hereto, and incorporated herein by reference) to Customer's instances of the Subscription Service.

3. DATA SECURITY

ServiceNow shall implement and maintain security procedures and practices appropriate to information technology service providers to protect Customer Data from unauthorized access, destruction, use, modification, or disclosure, as described in the **Data Security Guide** attached hereto, and incorporated herein by reference.

4. INSURANCE

ServiceNow agrees to maintain in effect during the Subscription Term, at ServiceNow's expense, the following minimum insurance coverage:

- (i) (a) Workers' Compensation Insurance, in accordance with applicable statutory, federal, and other legal requirements and (b) Employers' Liability Insurance covering ServiceNow's employees in an amount of not less than \$1,000,000 for bodily injury by accident, \$1,000,000 policy limit for bodily injury by disease, and \$1,000,000 each employee for bodily injury by disease;
- (ii) Commercial General Liability Insurance written on an occurrence form and including coverage for bodily injury, property damage, products and completed operations, personal injury, advertising injury arising out of the services and/or products provided by ServiceNow under this Agreement with minimum limits of \$1,000,000 per occurrence/\$2,000,000 aggregate;
- (iii) Commercial Automobile Liability Insurance providing coverage for hired and non-owned automobiles used in connection with this Agreement in an amount of not less than \$1,000,000 per accident combined single limit for bodily injury and property damage;
- (iv) Combined Technology Errors' & Omission Policy with a \$5,000,000 per Claim limit, including: (a) Professional Liability Insurance providing coverage for the services and software in this Agreement. Such coverage to be maintained for at least two (2) years after the termination of this Agreement; and (b) Privacy, Security, and Media Liability Insurance providing liability coverage for unauthorized access or disclosure, security breaches or system attacks, as well as infringements of copyright and trademark that might result from this Agreement; and
- (v) Excess Liability over Employers' Liability, Commercial General Liability and Commercial Automobile Liability with a \$5,000,000 aggregate limit.

For the purpose of this Section, a "**Claim**" means a written demand for money or a civil proceeding which is commenced by service of a complaint or similar pleading.

5. AVAILABILITY SERVICE LEVEL

5.1. DEFINITIONS

- (a) "**Available**" means that the Subscription Service can be accessed by authorized users.
- (b) "**Excused Downtime**" means: (i) Maintenance Time of up to two (2) hours per month; and (ii) any time the Subscription Service is not Available due to circumstances beyond ServiceNow's control, including without limitation modifications of the Subscription Service by any person other than ServiceNow or a person acting at ServiceNow's direction, a Force Majeure Event, general Internet outages, failure of Customer's infrastructure or connectivity (including without limitation, direct connectivity and virtual private network (VPN) connectivity to the Subscription Service), computer and telecommunications failures and delays, and network intrusions or denial-of-service or other criminal attacks.

(c) **"Maintenance Time"** means the time the Subscription Service is not Available due to service maintenance.

(d) **"Availability SLA"** means the percentage of total time during which Customer's production instances of the Subscription Service are Available during a calendar month, excluding Excused Downtime.

5.2. AVAILABILITY

If Customer's production instances of the Subscription Service fall below the Availability SLA of ninety-nine and eight-tenths percent (99.8%) during a calendar month, Customer's exclusive remedy for failure of the Subscription Service to meet the Availability SLAs is either: (1) to request that the affected Subscription Term be extended for the number of minutes the Subscription Service was not Available in the month in accordance with the Availability SLA; or (2) to request that ServiceNow issue a service credit to Customer for the dollar value of the number of minutes the Subscription Service was not Available in the month in accordance with the Availability SLA (determined at the deemed per minute rate ServiceNow charges to Customer for Customer's use of the affected Subscription Service), which Customer may request ServiceNow apply to the next invoice for subscription fees.

5.3. REQUESTS

Customer must request all service credits or extensions in writing to ServiceNow within thirty (30) days of the end of the month in which the Availability SLA was not met, identifying the support requests relating to the period Customer's production instances of the Subscription Service was not Available. The total amount of service credits for any month may not exceed the subscription fee for the affected Subscription Service for the month, and has no cash value. ServiceNow may delay issuing service credits until such amounts reach one thousand U.S. dollars (\$1,000) or equivalent currency specified in the applicable Order Form.

CUSTOMER SUPPORT POLICY

This Customer Support Policy governs the support that ServiceNow will provide for its Subscription Service. This Policy may be updated from time to time.

Scope

The purpose of Customer Support is to resolve defects that cause the Subscription Service to perform not in substantial conformance to the Product Overview. A resolution to a defect may consist of a fix, workaround or other relief ServiceNow deems reasonable.

Customer Support does not include:

- implementation services
- configuration services
- integration services
- customization services or other custom software development
- training
- assistance with administrative functions

Customer Support is not required to provide resolutions for immaterial defects or defects due to modifications of the Subscription Service made by any person other than ServiceNow or a person acting at ServiceNow's direction.

Business Hours

Customer Support is available 24 hours a day, 7 days a week, including all holidays.

Access Contacts

- Support Portal at <https://hi.service-now.com/>. Customer may get login access to this self-service portal by contacting its ServiceNow administrator.
- Phone using one of the numbers at <http://servicenow.com/support/contact-support.html>.

Incident Priority

Incident priority for a defect is determined using the guidelines below:

Priority	Definition
P1	Any defect that causes an instance to be unavailable.
P2	Any defect that causes a critical function to fail.
P3	Any defect that significantly impedes work or progress.
P4	Any defect that does not significantly impede work or progress.

Response Times and Level of Effort

Customer submits an incident with ServiceNow via phone or web. All support requests are tracked online and can be viewed by Customer's authorized contacts. Response times do not vary if the incident was filed via phone or web.

ServiceNow will use reasonable efforts to meet the target response times and target level of effort stated in the table below.

Priority	Target Response Times	Target Level of Effort
P1	30 minutes	Continuously, 24 hours per day, 7 days per week
P2	2 hours	Continuously, but not necessarily 24 hours per day, 7 days per week
P3	1 business day	As appropriate during normal business hours
P4	N/A	Varies

Customer Responsibilities

Customer's obligations are as follows:

- (a) Customer agrees to receive from ServiceNow communications via email, phone or through the Support Portal regarding the Subscription Service.
- (b) Customer shall appoint no more than five (5) contacts ("**Customer Authorized Contacts**") to engage Customer Support for questions and/or technical issues.
 - (i) Only Customer Authorized Contacts are authorized to contact Customer Support.
 - (ii) Customer must ensure the information for these contacts is current in the Support Portal at <https://hi.service-now.com/>.
 - (iii) Customer Authorized Contacts are trained on the use and administration of the Subscription Service.
- (c) Customer shall cooperate to enable ServiceNow to deliver the Subscription Service and support for the service.
- (d) Customer is solely responsible for the use of the Subscription Service by its authorized users.

Support Resources

- ServiceNow Website (<http://www.servicenow.com/services/overview.html>)
- ServiceNow Community (<https://community.servicenow.com/welcome>)
- Release Notes (http://wiki.service-now.com/index.php?title=Main_Page)
- Product Documentation (http://wiki.service-now.com/index.php?title=Main_Page)
- Knowledge Base (https://hi.service-now.com/nav_to.do?uri=kb_home.do)
- Support Community (<https://community.servicenow.com/community/support>)

UPGRADE POLICY

1. UPGRADES

"**Upgrades**" are ServiceNow's releases of the Subscription Service for repairs, enhancements or new features applied by ServiceNow to Customer's instances of the Subscription Service at no additional fee during the Subscription Term. ServiceNow has the discretion to provide new functionality as an Upgrade or as different software or service for a separate fee. ServiceNow determines whether and when to develop, release and apply any Upgrade to Customer's instances of the Subscription Service.

2. NOTICE; MAINTENANCE DOWNTIME

ServiceNow shall use reasonable efforts to give Customer thirty (30) days prior notice of any Upgrade to the Subscription Service. ServiceNow shall use reasonable efforts to give Customer ten (10) days prior notice of any Upgrade to the cloud infrastructure network, hardware, or software used by ServiceNow to operate and deliver the Subscription Service if ServiceNow in its reasonable judgment believes that the infrastructure Upgrade will impact Customer's use of its production instances of the Subscription Service. ServiceNow will use commercially reasonable efforts to limit the period of time during which the Subscription Service is unavailable due to the application of Upgrades to no more than two (2) hours per month. Notwithstanding the foregoing, ServiceNow may provide Customer with a shorter or no notice period of an Upgrade if necessary, in the reasonable judgment of ServiceNow, to maintain the availability, security or performance of the Subscription Service or the ability of ServiceNow to efficiently provide the Subscription Service.

3. NOMENCLATURE

A pending Upgrade may be a "Feature Release", "Patch" or "Hotfix." A "**Feature Release**" is an Upgrade that includes new features or enhancements. A "**Patch**" or a "**Hotfix**" is an Upgrade to a Feature Release that maintains the functionality of the Feature Release and does not include new functionality. ServiceNow refers to each Feature Release and its associated Patches and Hotfixes as a "**Release Family**." For example, ServiceNow's Feature Release "Aspen" established the "Aspen" Release Family, and ServiceNow's subsequent Feature Release "Berlin" established the "Berlin" Release Family.

4. PINNING REQUESTS

Customer may submit a support request for "no Upgrade" not fewer than five (5) business days' prior to a pending Upgrade of the Subscription Service. Subject to the terms and conditions of this Upgrade Policy, Customer's "no Upgrade" request shall be granted, and the Upgrade shall not be applied to Customer's instances of the Subscription Service.

5. SUPPORTED AND NON-SUPPORTED RELEASE FAMILIES

ServiceNow offers support for the then current Release Family and the prior two (2) Release Families ("**Supported Release Families**") as set forth in the Customer Support Policy. A Customer using a Supported Release Family may be required to Upgrade to a Patch or Hotfix within the Supported Release Family to correct a defect. At its discretion, ServiceNow may offer limited support for additional Release Families ("**Non-Supported Release Families**"). Without limiting ServiceNow's discretion to determine the availability of support for Non-Supported Release Families, a Customer using a Non-Supported Release Family may be required to Upgrade to a Supported Release Family to correct a defect. Any service level agreements, recovery time objectives or recovery point objectives are not applicable to Non-Supported Release Families. Details of ServiceNow support are further set forth in the Customer Support Policy.

Customer acknowledges that the current Release Family is the most current feature, availability, performance and security version of the Subscription Service. Within a Supported Release Family, the most recent Patch contains the most current feature, availability, performance and security version of the Subscription Service for that Release Family. A Customer that has submitted a "no Upgrade" request may experience defects, for which Customer hereby agrees that ServiceNow is not responsible, including without limitation those that affect the features, availability, performance and security of the Subscription Service, that are fixed in the most current version of the Subscription Service.

6. REQUIRED UPGRADES

If Customer has requested "no Upgrade" it may nevertheless be required to Upgrade if in the reasonable

judgment of ServiceNow the Upgrade is necessary to maintain the availability, security or performance of the Subscription Service or the ability of ServiceNow to efficiently provide the Subscription Service, as follows:

6.1. SUPPORTED RELEASE FAMILY. If Customer is using a Supported Release Family, it may be required to Upgrade to a Patch or Hotfix within the Supported Release Family.

6.2. NON-SUPPORTED RELEASE FAMILY. If Customer is using a Non-Supported Release Family, it may be required to Upgrade to a Supported Release Family.

7. EXCEPTIONS

Notwithstanding the other provisions of this Upgrade Policy, Customer may not submit a support request for "no Upgrade" for any Upgrade to, or that is essential for, the infrastructure network, hardware, or software used by ServiceNow to operate and deliver the Subscription Service.

DATA SECURITY GUIDE

Security Statement of an Enterprise IT Cloud Company

The ServiceNow cloud is built for the enterprise customer with every aspect aimed towards meeting the customer's demand for reliability, availability and security. ServiceNow's comprehensive approach to address this demand is enabled by the following: (a) ServiceNow's robust cloud infrastructure runs on its own applications and utilizes industry best-of-breed technology to automate mission critical functionalities in the cloud service with around-the-clock and around-the-world delivery; (b) ServiceNow achieves flexibility and control in its ability to deliver a stable user experience to the customer by having a logical single tenant architecture; (c) ServiceNow's application development which has a paramount focus on quality, security, and the user experience is closely connected to the operations of delivering those applications in a reliable and secure cloud environment; (d) ServiceNow invests in a comprehensive compliance strategy that allows its customers to attain their own compliance to applicable laws by obtaining attestations and certifications and running its subscription service from paired data centers situated close to where its customers are located; and (e) ServiceNow's homogeneous environment where all applications are on a single platform offers ServiceNow a competitive advantage in being able to concentrate its efforts to make the customer's user experience the best possible.

This Data Security Guide describes the measures ServiceNow takes to protect Customer Data when it resides in the ServiceNow cloud. This Data Security Guide forms a part of any legal agreement into which this Data Security Guide is explicitly incorporated by reference (the "**Agreement**") and is subject to the terms and conditions of the Agreement. Capitalized terms that are not otherwise defined herein shall have the meaning given to them in the Agreement.

1. SECURITY PROGRAM

While providing the Subscription Service, ServiceNow shall maintain a written information security program of policies, procedures and controls ("**Security Program**") governing the processing, storage, transmission and security of Customer Data. The Security Program includes industry standard practices designed to protect Customer Data from unauthorized access, acquisition, use, disclosure, or destruction. ServiceNow may periodically review and update the Security Program to address new and evolving security technologies, changes to industry standard practices, and changing security threats, provided that any such update does not materially reduce the commitments, protections or overall level of service provided to Customer as described herein.

2. CERTIFICATIONS AND ATTESTATIONS

2.1. Certifications and Attestations. ServiceNow shall establish and maintain sufficient controls to meet the objectives stated in ISO 27001 and SSAE 16 / SOC 1 and SOC 2 Type 2 (or equivalent standards) (collectively, the "**Standards**") for the information security management system supporting the Subscription Service. At least once per calendar year, ServiceNow shall perform an assessment against such Standards ("**Assessment**"). Upon Customer's written request, which shall be no more than once per calendar year, ServiceNow shall provide a summary of the Assessment(s) to Customer. Assessments shall be Confidential Information of ServiceNow.

2.2. Safe Harbor. ServiceNow shall maintain self-certified compliance under the U.S.-EU and U.S.-Swiss Safe Harbor Frameworks developed by the U.S. Department of Commerce regarding the collection, use and retention of Personal Data (defined in Section 6 below) from European Union member countries and Switzerland.

3. PHYSICAL, TECHNICAL AND ADMINISTRATIVE SECURITY MEASURES

The Security Program shall include the following physical, technical and administrative measures designed to protect Customer Data from unauthorized access, acquisition, use, disclosure, or destruction:

3.1. Physical Security Measures

(a) Data Center Facilities: (i) Physical access restrictions and monitoring that may include a combination of any of the following: multi-zone security, man-traps, appropriate perimeter deterrents (for example, fencing, berms, guarded gates), on-site guards, biometric controls, CCTV, and secure cages; and (ii) fire detection and fire suppression systems both localized and throughout the data center floor.

(b) Systems, Machines and Devices: (i) Physical protection mechanisms; and (ii) entry controls to limit physical access.

(c) Media: (i) Industry standard destruction of sensitive materials before disposition of media; (ii) secure safe for storing damaged hard disks prior to physical destruction; and (iii) physical destruction of all decommissioned hard disks storing Customer Data.

3.2. Technical Security Measures

(a) Access Administration. Access to the Subscription Service by ServiceNow employees and contractors is protected by authentication and authorization mechanisms. User authentication is required to gain access to production and sub-production systems. Access privileges are based on job requirements and are revoked upon termination of employment or consulting relationship. Production infrastructure includes appropriate user account and password controls (for example, the required use of virtual private network connections, complex passwords with expiration dates, and a two-factored authenticated connection) and is accessible for administration.

(b) Logging and Monitoring. The production infrastructure log activities are centrally collected and are secured in an effort to prevent tampering and are monitored for anomalies by a trained security team.

(c) Firewall System. An industry-standard firewall is installed and managed to protect ServiceNow systems by residing on the network to inspect all ingress connections routed to the ServiceNow environment.

(d) Vulnerability Management. ServiceNow conducts periodic independent security risk evaluations to identify critical information assets, assess threats to such assets, determine potential vulnerabilities, and provide for remediation. When software vulnerabilities are revealed and addressed by a vendor patch, ServiceNow will obtain the patch from the applicable vendor and apply it within an appropriate timeframe in accordance with ServiceNow's then current vulnerability management and security patch management standard operating procedure and only after such patch is tested and determined to be safe for installation in all production systems.

(e) Antivirus. ServiceNow updates anti-virus, anti-malware, and anti-spyware software on regular intervals and centrally logs events for effectiveness of such software.

(f) Change Control. ServiceNow ensures that changes to platform, applications and production infrastructure are evaluated to minimize risk and are implemented following ServiceNow's standard operating procedure.

3.3. Administrative Security Measures

(a) Data Center Inspections. ServiceNow performs routine reviews at each data center to ensure that it continues to maintain the security controls necessary to comply with the Security Program.

(b) Personnel Security. ServiceNow performs background and drug screening on all employees and all contractors who have access to Customer Data in accordance with ServiceNow's then current applicable standard operating procedure and subject to applicable law.

(c) Security Awareness and Training. ServiceNow maintains a security awareness program that includes appropriate training of ServiceNow personnel on the Security Program. Training is conducted at time of hire and periodically throughout employment at ServiceNow.

(d) Vendor Risk Management. ServiceNow maintains a vendor risk management program that assesses all vendors that access, store, process or transmit Customer Data for appropriate security controls and business disciplines.

4. DATA PROTECTION AND SERVICE CONTINUITY

4.1. Data Centers; Data Backup. ServiceNow shall host Customer's instances in primary and secondary SSAE 16 Type II or ISO 27001 certified (or equivalent) data centers in the geographic regions specified on the Order Form for the Subscription Term. Each data center includes full redundancy (N+1) and fault tolerant infrastructure for electrical, cooling and network systems. The deployed servers are enterprise scale servers with redundant power to ensure maximum uptime and service availability. The production database servers are replicated in near real time to a mirrored data center in a different geographic region. Each customer instance is supported by a network configuration with multiple connections to the Internet. ServiceNow backs up all Customer Data in accordance with ServiceNow's standard operating procedure.

4.2. Personnel. In the event of an emergency that renders the customer support telephone system unavailable, all calls are routed to an answering service that will transfer to a ServiceNow telephone support representative, geographically located to ensure business continuity for support operations.

5. INCIDENT MANAGEMENT AND BREACH NOTIFICATION

5.1. Incident Monitoring and Management ServiceNow shall monitor, analyze and respond to security incidents in a timely manner in accordance with ServiceNow's standard operating procedure. Depending on the nature of the incident, ServiceNow security group will escalate and engage response teams necessary to address an incident.

5.2. Breach Notification. Unless notification is delayed by the actions or demands of a law enforcement agency, ServiceNow shall report to Customer the unauthorized acquisition, access, use, disclosure or destruction of Customer Data (a "Breach") promptly following determination by ServiceNow that a Breach occurred. The initial report shall be made to Customer security contact(s) designated in ServiceNow's customer support portal. ServiceNow shall take reasonable measures to promptly mitigate the cause of the Breach and shall take reasonable corrective measures to prevent future Breaches. As information is collected or otherwise becomes available to ServiceNow and unless prohibited by law, ServiceNow shall provide information regarding the nature and consequences of the Breach that are reasonably requested to allow Customer to notify affected individuals, government agencies and/or credit bureaus. Customer is solely responsible for determining whether to notify impacted Data Subjects (defined in 6.1 below) and for providing such notice, and for determining if regulatory bodies or enforcement commissions applicable to Customer or Customer Data need to be notified of a Breach.

5.3. Customer Cooperation. Customer agrees to cooperate with ServiceNow in maintaining accurate contact information in the customer support portal and by providing any information that is reasonably requested to resolve any security incident, identify its root cause(s) and prevent a recurrence.

6. DATA PROCESSING GUIDELINES; COMPLIANCE WITH LAWS

6.1. Customer as Data Controller. Customer acknowledges that in relation to Personal Data supplied and/or processed under the Agreement it acts as Controller and it warrants that it will duly observe all of its obligations under all applicable laws and regulations of the European Union, the European Economic Area and their member states regarding the processing of Personal Data (collectively referred to as "Data Protection Laws") including, without limitation, obtaining and maintaining all necessary notifications and obtaining and maintaining all necessary Data Subject Consents. Customer shall (i) have sole responsibility for the accuracy, quality, integrity, legality and reliability of Personal Data and of the means by which it acquired Personal Data, (ii) ensure that data processing instructions given to ServiceNow comply with applicable Data Protection Laws, and (iii) comply with all applicable Data Protection Laws in collecting, compiling, storing, accessing and using Personal Data in connection with the Subscription Service. For the purposes of this Data Security Guide, "Personal Data", "Controller", "Data Subject" and "Data Subject Consent" shall have the meaning given to these terms in Directive 95/46/EC. For clarity, "process" or "processing" means any operation or set of operations performed upon Customer Data.

6.2. ServiceNow as Data Processor. ServiceNow shall process or otherwise use Personal Data (including possible onward transfers) on behalf of Customer solely for the purpose of providing the services described in the Agreement and only in accordance with Customer's lawful instructions (limited to those instructions which ServiceNow can reasonably carry out in the provision of the Subscription Service), the terms of the Agreement, and this Data Security Guide. ServiceNow shall ensure that those employees to whom it grants

access to such Personal Data are directed to keep such Personal Data confidential and are informed of any additional data protection obligations applicable to such Personal Data. ServiceNow shall, to the extent legally permitted, promptly notify Customer with respect to any request or communication ServiceNow receives from any regulatory authority in relation to any data processing activities ServiceNow conducts on behalf of Customer. In addition, ServiceNow will cooperate and assist Customer, at Customer's cost, in relation to any such request and to any response to any such communication. ServiceNow will pass on to the Customer any requests of a Data Subject to access, delete, correct, or block Personal Data processed under the Agreement. If ServiceNow is compelled by law to disclose Customer's information as part of a civil proceeding to which Customer is a party, and Customer is not contesting the disclosure, Customer will reimburse ServiceNow for its reasonable cost of compiling and providing secure access to that information.

6.3. Subcontractors. ServiceNow may engage subcontractors for processing Customer Data under the Agreement, provided ServiceNow shall ensure compliance by such subcontractor(s) with the requirements of this Section 6 by entering into written agreements with such subcontractors which provide that the subcontractor will apply the Safe Harbor principles to the processing of Personal Data. ServiceNow's use of any subcontractor will not relieve, waive or diminish any obligation ServiceNow has under the Agreement or this Data Security Guide.

7. PENETRATION TESTS

7.1. By a Third Party. ServiceNow contracts with third party vendors to perform an annual penetration test on the ServiceNow platform to identify risks and remediation that help increase security.

7.2. By Customer. No more than once per calendar year Customer may request to perform, at its own expense, an application penetration test of its instances of the Subscription Service. Customer shall notify ServiceNow in advance of any test by submitting a request using ServiceNow's online support portal and completing a penetration testing agreement. ServiceNow and Customer must agree upon a mutually acceptable time for the test; and Customer shall not perform a penetration test without ServiceNow's express written authorization. The test must be of reasonable duration, and must not interfere with ServiceNow's day-to-day operations. Promptly upon completion of the penetration test, Customer shall provide ServiceNow with the test results including any detected vulnerability. Upon such notice, ServiceNow shall, consistent with industry standard practices, use all commercially reasonable efforts to promptly make any necessary changes to improve the security of the Subscription Service. Customer shall treat the test results as Confidential Information of ServiceNow.

8. SHARING THE SECURITY RESPONSIBILITY

8.1. Product Capabilities. The Subscription Service has the capabilities to: (i) authenticate users before access; (ii) encrypt passwords; (iii) allow users to manage passwords; and (iv) prevent access by users with an inactive account. Customer manages each user's access to and use of the Subscription Service by assigning to each user a credential and user type that controls the level of access to the Subscription Service.

8.2. Customer Responsibilities. ServiceNow provides the cloud environment that permits Customer to use and process Customer Data in the Subscription Service. The architecture in the Subscription Service includes, without limitation, column level encryption functionality and the access control list engine. Customer shall be responsible for using the column level encryption functionality and access control list engine for protecting all Customer Data containing sensitive data, including without limitation, credit card numbers, social security numbers, financial and health information, and sensitive personal data. Customer is solely responsible for the results of its decision not to encrypt such sensitive data. ServiceNow protects all Customer Data in the ServiceNow cloud infrastructure equally in accordance with this Data Security Guide, regardless of the classification of the type of Customer Data. Customer shall be responsible for protecting the confidentiality of each user's login and password and shall manage each user's access to the Subscription Service.

8.3. Customer Cooperation. Customer shall promptly apply any application upgrade that ServiceNow determines is necessary to maintain the security, performance or availability of the Subscription Service.

8.4. Limitations. Notwithstanding anything to the contrary in the Agreement or this Data Security Guide, ServiceNow's obligations extend only to those systems, networks, network devices, facilities and components over which ServiceNow exercises control. This Data Security Guide does not apply to: (i) information

shared with ServiceNow that is not data stored in its systems using the Subscription Service; (ii) data in Customer's virtual private network (VPN) or a third party network; or (iii) any data processed by Customer or its users in violation of the Agreement or this Data Security Guide.

Exhibit A

EXHIBIT A
Order Form



ServiceNow, Inc.
2225 Lawson Lane
Santa Clara, CA 95054

Order Number
ORD0090302-1

Pricing Expiration: 30 Mar 2016

SNC Account Exec	Chris Garn
Phone	+16692622051
E-mail	chris.garn@servicenow.com

Customer Invoice Address		Customer Ship To Address	
Company Name	County of Riverside	Company Name	County of Riverside
Address	3450 14th St.	Address	3450 14th St.
Suite		Suite	
City	Riverside	City	Riverside
State/Province	CA - California	State/Province	CA - California
Zip/Postal Code	92501	Zip/Postal Code	92501
Country	United States	Country	United States
Website	http://www.countyofriverside.us/	Website	http://www.countyofriverside.us/
AP Contact Name	Jenifer Rutherford	Business Contact	Dave Rogers
Title	Administrative Services Analyst II	Title	CTO
Phone		Phone	(951) 955-4544
E-mail	jenifer.rutherford@rivcoit.org	E-mail	dave.rogers@rivcoit.org
Account #	ACCT0039440		

Reference Contract #(s)	CON0090302	PO #	
Reference Statement of Work #(s)	CON0090302-SOW1	Tax exempt?	No
Currency	USD	Payment Terms	Net due in 15 days for 7/1/16 invoice dates, <i>Net due in 30 days for any subsequent invoice date</i>

Product Code	Subscription Product Name	Type	Units	Term (mos)	Term Start Date	Term End Date	Net Price (Monthly)	Net Price (Annual)	Net Price (Total)
PROD01275	ServiceNow® Service Management Suite v2	Fulfiller User	381	36 Months	31 Mar 2016	30 Mar 2019	\$ 50.00	\$ 228,600.00	\$ 685,800.00
PROD01171	ServiceNow® ServiceWatch Mapping (Discovery and Service Mapping included)	Node	1658	36 Months	31 Mar 2016	30 Mar 2019	\$ 7.00	\$ 139,272.00	\$ 417,816.00
PROD00170	ServiceNow® Approver User	Approver User	200	36 Months	31 Mar 2016	30 Mar 2019	\$ 12.50	\$ 30,000.00	\$ 90,000.00
PROD00535	ServiceNow® Performance Analytics	Application	1	36 Months	31 Mar 2016	30 Mar 2019	\$ 1,905.00	\$ 22,860.00	\$ 68,580.00

Subscription Product SubTotal \$ 420,732.00 \$ 1,262,196.00

Educational Services, Knowledge, & Other	Units	Net Price (Per Unit)	Total Price
ServiceNow® System Administration Training (3 days) - On-Site Class (per attendee, minimum 5 attendees)	5	\$ 1,900.00	\$ 9,500.00
ServiceNow® Knowledge 16 - Standard	2	\$ 1,595.00	\$ 3,190.00
ServiceNow® Fulfiller Training - Content Development - Change Management	1	\$ 8,000.00	\$ 8,000.00

Educational Services, Knowledge, & Other	Units	Net Price (Per Unit)	Total Price
ServiceNow® Fulfiller Training - Content Development - Asset Management	1	\$ 8,000.00	\$ 8,000.00
ServiceNow® Fulfiller Training - Content Development - Configuration Management	1	\$ 8,000.00	\$ 8,000.00
ServiceNow® Fulfiller Training - Content Development - Incident Management	1	\$ 8,000.00	\$ 8,000.00
ServiceNow® Fulfiller Training - Content Development - Service Catalog & Request Management	1	\$ 8,000.00	\$ 8,000.00
ServiceNow® Fulfiller Training (1 day) - On-Site Class (Instructor led, up to 15 attendees)	5	\$ 2,000.00	\$ 10,000.00

Professional Services	Units of Measure	Quantity	Net Price	Total Price
ServiceNow® Implementation - Tailored - T&M	Hours	993	\$ 211.50	\$ 210,019.50
ServiceNow® Best Practice Process Workshop - Change Management	Package	1	\$ 15,000.00	\$ 15,000.00
ServiceNow® Best Practice Process Workshop - Configuration Management	Package	1	\$ 15,000.00	\$ 15,000.00
ServiceNow® Best Practice Process Workshop - Asset Management	Package	1	\$ 15,000.00	\$ 15,000.00
ServiceNow® Discovery Implementation - Enhanced	Package	1	\$ 30,000.00	\$ 30,000.00

Travel and Expense Fees	Estimated T & E
Estimated Professional Services Travel and expense	\$ 21,001.95

Educational Services, Knowledge, and Professional Services Subtotal	\$ 347,709.50
Estimated Travel & Expense Fees	\$ 21,001.95
Pre-tax Total	\$ 1,630,907.45
Estimated Taxes	TBD
Estimated Grand Total	\$ 1,630,907.45

Invoice Schedule	Invoice Date	Amount	Est Taxes	Grand Total
Annual Subscription Fee	July 01, 2016	\$ 420,732.00	TBD	\$ 420,732.00
Knowledge & Other	July 01, 2016	\$ 3,190.00	TBD	\$ 3,190.00
Training Fees	July 01, 2016	\$ 59,500.00	TBD	\$ 59,500.00
Packaged Services	July 01, 2016	\$ 75,000.00	TBD	\$ 75,000.00
Services - Based on Hours Worked	Monthly In Arrears	\$ 210,019.50	TBD	\$ 210,019.50
Annual Subscription Fee	March 01, 2017	\$ 420,732.00	TBD	\$ 420,732.00
Annual Subscription Fee	March 01, 2018	\$ 420,732.00	TBD	\$ 420,732.00
Estimated Travel Expenses	Monthly In Arrears	\$ 21,001.95	TBD	\$ 21,001.95
		\$ 1,630,907.45	TBD	\$ 1,630,907.45

Hosting Details	
ServiceNow # of Instances:	1 Production 4TB Storage Limit, 2 Non Production 4TB Storage Limit
Instance Names:	rivcoitprod, rivcoitdev, rivcoittest
Customer ServiceNow Admin:	Lidia Maldonado
Email	Lidia.maldonado@rivcoit.org
Data Center	US

Payment Terms

Customer shall pay the first years invoice 15 days after receipt of the electronic invoice. Subsequent years' invoices will be paid 30 days after receipt of the electronic invoice.

Prices are stated exclusive of taxes, duties and similar assessments on Customer's use, which Customer agrees to pay, excluding taxes on ServiceNow's net income. Taxes shall not be deducted from the payments to ServiceNow, except as required by law, in which case Customer shall increase the amount payable as necessary so that after making all required deductions and withholdings, ServiceNow receives and retains (free from any tax liability) an amount equal to the amount it would have received had no such deductions or withholdings been made.

When applicable, Customer must provide its VAT or GST identification number(s) on this Order Form for (i) the country where Customer has established its business and/or (ii) any other country where Customer has a fixed establishment. Customer shall use the ordered Subscription Service and Professional Services for Customer's business use in the foregoing location(s). PREPAID FEES FOR PROFESSIONAL SERVICES, EDUCATIONAL SERVICES AND EVENTS SHALL EXPIRE IF UNUSED WITHIN ONE (1) YEAR OF THE DATE OF ORDER, WITH NO REFUND OR CREDIT FOR UNUSED OR UNPERFORMED SERVICE HOURS.

PRICES ARE FINAL. THIS ORDER IS NON-CANCELLABLE AND NON-REFUNDABLE. The order is for the entire subscription term and is undividable. Payments are due as per the invoice schedule. All remaining fees are due immediately if Customer fails to pay as stated.

Customer shall issue a purchase order (PO), but the PO and any other ordering document submitted by Customer will not modify or add to the terms of this Order Form. No fewer than fifteen (15) days prior to each Invoice Date, please submit a PO for the amount set forth above to accountsreceivable@servicenow.com or fax to 877-824-0673 or ServiceNow, Inc., Attention: Accounts Receivable, 4810 Eastgate Mall, San Diego, CA 92121

Educational Knowledge and Other

KNOWLEDGE ORDERS ARE FINAL, NON-CANCELLABLE, NON-REFUNDABLE AND NON-TRANSFERABLE. Tickets are valid for the specified event year (ie - a pass purchased for Knowledge15 is not transferable to Knowledge16). Terms for Knowledge offerings are set forth on <http://knowledge.servicenow.com/terms-and-conditions.html>.

Customer shall reimburse ServiceNow for travel and related expenses approved in advance in writing by Customer. ServiceNow shall substantially comply with the County travel policy (Board Policy D-1, Section A2 Exhibit 2 of the SOW).

Terms for Education Services offerings are set forth on www.servicenow.com/schedules.do

Professional Services

The above packaged services are described in the applicable Service Description and offered subject to the Master Ordering Agreement at <http://www.servicenow.com/schedules.do>, which is incorporated herein by reference.

Customer shall reimburse ServiceNow for travel and related expenses approved in advance in writing by Customer. ServiceNow shall substantially comply with the County travel policy (Board Policy D-1, Section A2 Exhibit 2 of the SOW).

Terms and Conditions

This Order Form is issued under and is incorporated into the signed definitive agreement(s) with the Reference Contract number(s) set forth above. ("Master Agreement"). If any provision of this Order Form conflicts with the Master Agreement then this Order Form shall control. Customer shall limit use to the purchased rights to the Subscription Products specified in this Order Form and the Product and Use Definitions attached to this Order Form.

Product Overview

The ServiceNow Product Overview containing descriptions of the ServiceNow applications and platform services included in the Subscription Products as described in the attached ServiceNow Order Form Product and Use Definitions are posted on www.servicenow.com/schedules.do

ServiceNow® Order Form - Product and Use Definitions

USER TYPE DEFINITIONS

"User" means any employee or contractor of Customer or Customer Affiliate. Each User must be assigned a unique username and password that may not be shared or transferred. Only employees and contractors that have a user profile in the subscription service which is designated as "active" may be given access to the subscription service.

"Approver User" is any User given the ServiceNow provided "Approver" role in the subscription service by Customer and no other role. An Approver User may only perform the functions set forth in the table below for Approver.

"End User" has the same use rights as **"Requester User."**

"Fulfiller User" is any User given a role in the subscription service by Customer other than the Approver role. A Fulfiller User may only perform the functions set forth in the table below for Fulfiller.

"Process User" has the same use rights as **"Fulfiller User."**

"Requester User" is any User without a role. A Requester User may perform only the functions defined in the table below for Requester.

FUNCTION / USE RIGHTS AUTHORIZED	USER TYPES		
	REQUESTER	APPROVER	FULLFILLER
USER ROLE(S) DEFINED IN SERVICE	None	"Approver" role only	Any role other than "Approver"
Create its own request	included	included	included
View its own request	included	included	included
Modify its own request	included	included	included
Search the Service Catalog	included	included	included
Search the Knowledge Base	included	included	included
Access public pages	included	included	included
Take surveys	included	included	included
Set its own notification preferences	included	included	included
View assets assigned to user	included	included	included
Access and post to Live Feed	included	included	included
Initiate Chat sessions	included	included	included
Participate in a Watch List	included	included	included
View a report published to them	included	included	included
Approve requests by email that are routed to user	-	included	included
Approve requests routed to user via system	-	included	included
Create any record	-	-	included
Delete any record	-	-	included
Modify any record	-	-	included
Drill through any report	-	-	included
Create any report	-	-	included
Delete any report	-	-	included
Modify any report	-	-	included
Perform development activities	-	-	included (see below)
Perform administrative activities	-	-	included

CONFIGURATION AND CUSTOMIZATION

(1) Use of the ServiceNow Platform for application configuration allows Customer to, with respect to the purchased ServiceNow application, change the values of pre-defined fields, add new fields to existing tables, add new tables that provide additional attributes around the process, build workflow for the process, modify the UI and form layouts, create business rules, integrate with external data sources, and tailor the process through custom scripting. Application configuration is restricted to the process included in the purchased ServiceNow application. "Configuration" of a ServiceNow application means configuring the application to meet the customer's specific needs without materially altering the purpose of the application or the type of business process that the application seeks to automate.

(2) The right to develop a new application in the Customers non-production instance(s) is granted with any ServiceNow application purchase.

(3) The right to deploy the developed application in the Customers production instance requires a Platform Runtime purchase.

(4) Customer shall not access the subscription service to develop or use a competing product or service. Custom application templates and other development materials are provided by ServiceNow without warranty and support.

SUBSCRIPTION PRODUCTS

Subscription Product Code/Name	Included ServiceNow Applications and Use Rights
PROD01275 ServiceNow® Service Management Suite v2 - Fulfiller User	Service Management Suite v2. Incident Management; Problem Management; Change Management; Release Management; Asset Management; Request Management; Cost Management; Facilities Service Management; Field Service Management; Finance Service Management; Legal Service Management; and Marketing Service Management. Customer is granted the rights for Fulfiller User as defined in the User Type Definitions Section.
PROD01171 ServiceNow® ServiceWatch Mapping (Discovery and Service Mapping included) - Node	Discovery and Service Mapping applications. Discovery application includes discovery of all supported Configuration Item (CI) types and entitlement for up to the number of purchased Nodes. Node is any physical or virtual server that is: (i) discovered by the Discovery application; and (ii) assigned as a CI by Configuration Management (CMDB). Service Mapping application includes service mapping of all supported CI types and entitlement for up to the number of purchased Nodes. Node is any physical or virtual server CI that is mapped by Service Mapping in the CMDB. Notwithstanding the User Type Definitions above, when Service Mapping is purchased, all Users, including Requester Users, may be assigned a sm_user role solely for read only access rights to the Service Mapping application.
PROD00170 ServiceNow® Approver User	Customer is granted the rights for Approver User as defined in the User Definitions Section.
PROD00535 ServiceNow® Performance Analytics - Application	Performance Analytics. Any User may use Performance Analytics with a ServiceNow application or Custom Application for which he or she has use rights. User types are defined in the User Type Definitions Section. The annual subscription fee for Performance Analytics ("PA User Fee") is based on the total of the annual subscription fees of all user-based products subscribed by Customer. As Customer exceeds capacity of purchased users or purchases additional users of any of the ServiceNow user-based products, additional PA User Fee may apply.

ACKNOWLEDGED AND AGREED:

End Customer: County of Riverside

ServiceNow, Inc.

Signature:	
Name:	
Title:	
Date:	

Signature:	DocuSigned by: <i>Chin Kim</i> FD43EFB02F264E8
Name:	Chin Kim
Title:	Senior Director, Orders to Cas
Date:	3/18/2016

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* DATE: *3/18/16*
NEAL R. KIPNIS DATE

Exhibit B

STATEMENT OF WORK FOR TIME AND MATERIALS ENGAGEMENT

Customer Name	County of Riverside
Project Name	Phase 1
ServiceNow SOW Number:	CON0090302-SOW1
Customer Project Number	

Customer Contact Information	Billing Contact	Project Contact
Contact Name	Jenifer Rutherford	
Street Address, City/town, State, Post Code, Country	3450 14 th Street Riverside, CA 92501	
Phone/Fax#		
Email	Jenifer.rutherford@rivcoit.org	

This Statement of Work (“SOW”), effective as of the last signature date noted below (“**Effective Date**”), is made between ServiceNow, Inc. (“**ServiceNow**”) and the customer entity set forth above (“**Customer**”) pursuant to the terms and conditions of the underlying master agreement executed by the parties, if any (“**Agreement**”). In the event of any inconsistency or conflict between the Agreement and this SOW, the terms of this SOW shall control with respect to the services set forth herein (“**Services**” or “**Project**”). The terms of this SOW are limited to the scope of this SOW and shall not be applicable to any other SOWs that may be executed between ServiceNow and Customer. Unless otherwise specified, capitalized terms in this SOW shall have the same meanings as set forth in the Agreement.

1 SCOPE OF PROJECT – EXECUTIVE SUMMARY

ServiceNow will manage this Project using the ServiceNow StartNow™ Methodology as described in **Appendix A-1**. ServiceNow prepared the estimated fees and timeline set forth in this SOW based on the information Customer has shared with ServiceNow with respect to Customer’s requirements for the ServiceNow products. The estimated fees and timeline may change as ServiceNow and Customer further define Customer’s requirements by working through the implementation phases. Changes to this SOW shall be implemented pursuant to the change order process provided in Appendix A-3.

Customer acknowledges that it has reviewed its requirements as reflected in this Statement of Work and the customers provided “RCIT Requirements” document referenced in Appendix A-2 as Exhibit 1 and agrees that the requirements are accurate. Customer’s Project Manager, Executive Sponsor and

Governance Committee and ServiceNow’s Engagement Manager will review the results of each Stage within the StartNow methodology and approve commencement of next Stage.

The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.

Upon signature of an applicable order form and this SOW, Customer is hereby purchasing the configuration services for the capabilities described in this SOW and the scope described in Appendix A-2.

Applications	Platform features	Integrations
Asset Management	Configuration Management (CDBM)	LDAP
Change Management	Discovery	ADFS
Knowledge Management		
Incident Management		
Request Management		

2 PROJECT ASSUMPTIONS

Customer acknowledges and agrees that the success of the Project and the provision of Services and deliverables are dependent upon Customer’s and ServiceNow’s timely participation and cooperation. The following assumptions are based on information provided by Customer to ServiceNow relating to the Project scope and Customer’s current business processes as of the Effective Date of this SOW. These assumptions have been used to compute the estimated level of effort and cost. Deviations from these assumptions are expected to lead to commensurate changes in the timeline and fees, such changes to be set forth in a Change Order in accordance with the procedure outlined in Appendix A-3.

2.1 General

- a) ServiceNow StartNow Methodology and application will be used to manage the Project.
- b) Customer will provide the required resources and ensure active participation to ensure the implementation is successful. This will include, without limitation, an executive decision-maker, project leadership and management, subject matter experts, and technical resources.
- c) Customer is responsible for providing the complete and correct definition and documentation of the IT business processes within scope for this Project and implementing all business process changes required to support the Project.
- d) In the event Customer purchases additional instances, ServiceNow will deliver instances as specified in the Order Form based on the current released version of the ServiceNow platform available at the date of the Order Form.
- e) During the Project, ServiceNow may apply updates containing fixes to relevant bugs. Except as provided in the Upgrade Policy, .
- f) ServiceNow resources will have remote access to Customer’s instances for the purposes of providing the Service.

- g) Customer will provide appropriate work areas, including Internet access, for ServiceNow consultants when they are onsite.

2.2 Data and Integrations

- a) Customer will supply all information to be imported in a Microsoft Excel compatible format. ServiceNow will not be responsible for data modification, cleansing or alteration before, during or after importing data.
- b) ServiceNow will not convert data from other systems (i.e. legacy systems).
- c) Customer is responsible for integration to and with other systems. If possible, ServiceNow will assist the Customer’s integration effort by recommending experts related to ServiceNow integration technologies.

3 ESTIMATED NUMBER OF HOURS AND FEES

Based on the scope, conditions and assumptions set forth herein, the Services shall be performed on a time and materials basis and invoiced monthly in arrears following the provision of Services. ServiceNow does not guarantee a certain outcome, and no acceptance shall apply to the Services or any accompanying deliverable provided under this SOW.

4 PERIOD OF PERFORMANCE

Based on current knowledge of Customer’s requirements and the assumptions provided herein, ServiceNow estimates the following:

- a) ServiceNow will use commercially reasonable efforts to confirm the mobilization plan and confirm the composition of the Project team with Customer within 3-4 weeks from the Effective Date.
- b) The Project will take approximately 22 weeks to complete including one (1) week of post-production support.

The below tables demonstrate the estimated effort by resource type and stage. The effort distribution may vary during the Project.

Consultant Role	Estimated Effort (hours)	List Rate (per hour)	Discount Rate (per hour)	Sales Price Subtotal	Currency
Engagement Manager	349	235.00	211.50	73,813.50	USD
Technical Consultant	644	235.00	211.50	136,206.00	USD

Total Hours	List Price (USD)	Discount (USD)	Sales Price (USD)	Currency
993	233,355.00	-23,335.50	210,019.50	USD

2. Fixed Price Packages	1. Package Type	3.	List Price	Extended	Currency
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		Quantity	(each)	Price	
Best Practice Process Workshop - Change Management	Best Practice Process Workshop	1	15,000.00	15,000.00	USD
Best Practice Process Workshop - Configuration Management	Best Practice Process Workshop	1	15,000.00	15,000.00	USD
Best Practice Process Workshop - Asset Management	Best Practice Process Workshop	1	15,000.00	15,000.00	USD
Fulfiller Training - Content Development - Asset Management	Fulfiller Training	1	8,000.00	8,000.00	USD
Fulfiller Training - Content Development - Change Management	Fulfiller Training	1	8,000.00	8,000.00	USD
Fulfiller Training - Content Development - Configuration Management	Fulfiller Training	1	8,000.00	8,000.00	USD
Fulfiller Training - Content Development - Incident Management	Fulfiller Training	1	8,000.00	8,000.00	USD
Fulfiller Training - Content Development - Service Catalog & Request Management	Fulfiller Training	1	8,000.00	8,000.00	USD
Fulfiller Training (1 day) - On-Site Class (Instructor led, up to 15 attendees)	Fulfiller Training	5	2,000.00	10,000.00	USD
Discovery Implementation - Enhanced	Discovery Implementation	1	30,000.00	30,000.00	USD

Extended Price	125,000.00	USD
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Summary	Total Hours	Avg Rate (USD)	Sales Price (USD)	Currency
T&M SOW	993	211.50	210,019.50	USD
T&E Expenses (Estimated)			21,001.95	USD
Best Practice Process Workshop	Quantity	3	45,000	USD
Discovery Implementation	Quantity	1	30,000	USD
Fulfiller Training	Quantity	10	50,000	USD
			356,021.45	USD

Except as otherwise specified, ServiceNow will provide the Services remotely. If the Project requires onsite Services, all reasonable travel, meals, and living expenses that are pre-approved by the County of Riverside for all ServiceNow personnel required to travel in support of the Project shall be billable at cost and all such expenses shall be borne solely by Customer. Customer shall reimburse ServiceNow for travel and related expenses approved in advance in writing by Customer. ServiceNow shall substantially comply with the County travel policy (Board Policy D-1, www.rivcocob.org/boardpolicies/policy-d/POLICY-D01). Customer shall pay all amounts under this SOW within thirty (30) days after date of invoice unless stated otherwise in the applicable Order Form. Customer is responsible for all applicable taxes, except for taxes due on the net income of ServiceNow.

Normal business day is any eight (8) hour period between the hours of 8AM and 6PM, Monday through Friday local time and excludes holidays. Any work performed outside of normal business hours will be charged at a time and a half rate (1.5 x the rate set forth in the Order Form).

Customer acknowledges and agrees that: (a) ServiceNow's obligations relating to Project are conditioned and dependent upon Customer's timely fulfillment of its responsibilities as set forth in this


January 2016

SOW; and (b) Customer's failure to timely fulfill its responsibilities may result in additional fees and that any resulting delay in the Project or timelines shall not be attributable to ServiceNow. Additional charges and other changes will apply for scope changes, change requests, delays caused by Customer or third parties contracted by Customer, failure of any specified assumptions or conditions, or events over which ServiceNow has no control. Any changes will be set forth in a Change Order in accordance with the procedure outlined in Appendix A-3.

5 EFFECTIVE PERIOD OF THIS SOW

This SOW is valid only if the Services start within ninety (90) days after the Effective Date stated in the Order Form signed by ServiceNow ("**Project Start Date**"). If Services do not start prior to the Project Start Date, then ServiceNow has the option of changing the prices provided in this SOW or the applicable Order Form.

ACKNOWLEDGED AND ACCEPTED:

County of Riverside	ServiceNow, Inc.
Individual signing: (print name)	Individual signing: (print name) Chin Kim
Signature:	Signature: 
Title:	Title: Senior Director, Orders to Cash
Signing date:	Signing date: 3/18/2016

FORM APPROVED COUNTY COUNSEL

BY:

NEAL R. KIPNIS

DATE

Neal R. Kipnis 3/18/16

DocuSigned by:

John O'Shea

47280D3367DB4B0...

John O'Shea

Corporate Counsel

3/18/2016

Exhibit B

Appendix A-1

APPENDIX A-1 -- SERVICENOW STARTNOW IMPLEMENTATION METHODOLOGY

THE FOLLOWING ASSUMES THAT CUSTOMER HAS PURCHASED THE UNDERLYING SERVICENOW APPLICATIONS.

ServiceNow implements its solutions for customers using the StartNow Methodology. The Services set forth in this Project will be undertaken by a Project team of representatives from ServiceNow and Customer (“**Project Team**”) and will be managed jointly by a Customer Project manager and a ServiceNow engagement manager. The composition of the Project Team will typically change during the various stages of the Project. Some Project members may play more than one role during the Project lifecycle.

STARTNOW METHODOLOGY

StartNow is based on ServiceNow’s best practices gathered over hundreds of implementations. StartNow uses a combination of traditional waterfall approach and Scrum to manage the implementation. The StartNow Methodology includes five (5) deployment stages: **Plan, Discover, Prepare, Deploy, and Operate** as outlined below. Each stage has its own set of unique tasks. Many tasks may be executed in parallel to one another within a given stage. The stages are further defined below.

1 STARTNOW STAGES

Customer acknowledges and agrees that as to any of the StartNow Stages provided below: (a) ServiceNow’s obligations relating to each Stage are conditioned and dependent upon Customer’s timely fulfillment of its responsibilities as set forth herein; and (b) Customer’s failure to timely fulfill its responsibilities may result in additional fees and that any resulting delay in the Project shall not be attributable to ServiceNow.

1.1 Plan Stage – Project Initiation

<p>What is required?</p>	<ul style="list-style-type: none"> ○ Initiate the Project by a meeting of members from Customer and ServiceNow ○ Review scope of the Project with Customer ○ Agree on the phased rollout approach ○ Load the StartNow application onto one Customer instance ○ Schedule system administration training, if purchased, for Customer ○ Plan and conduct a Project Kick-off workshop ○ Begin security discussions
<p>How is it done?</p>	<ul style="list-style-type: none"> ○ Introduce the StartNow Methodology to Customer ○ Introduce the best practices around the StartNow deployment approach ○ Walk through the sample project plan with Customer project manager ○ The parties will jointly determine onsite meeting requirements
<p>Who does what?</p>	<p>ServiceNow engagement manager:</p> <ul style="list-style-type: none"> ○ Establishes with Customer project manager the Project cadence and logistics ○ Kicks-off the Project and runs kick-off meetings

	<ul style="list-style-type: none"> ○ Loads the StartNow application and builds implementation project plan in the StartNow application ○ Organizes the system administration training if purchased ○ Identifies and schedules ServiceNow project resources ○ Manages onsite projects in order to control travel time and cost <p>Customer project manager:</p> <ul style="list-style-type: none"> ○ Identifies necessary technical resources as determined by ServiceNow ○ Receives an introduction on the StartNow Methodology ○ Identifies instance to install the StartNow application ○ Confirms scope of the Project ○ Reviews the preliminary Project plan with key dates and provides feedback ○ Identifies at least two (2) system administrators who will engage in the Project ○ Ensures that its system administrators complete the ServiceNow system administration course ○ Designates a project manager to manage onsite projects in order to control travel time and cost <p>Customer executive sponsor:</p> <ul style="list-style-type: none"> ○ Communicates the vision and tone for the initiative in the Project Kick-off workshop ○ Customer's Project Manager, Executive Sponsor and Governance Committee and ServiceNow's engagement manager will review Plan stage activities and approve commencement of the Discover stage. ○ The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.
<p>When will things happen?</p>	<ul style="list-style-type: none"> ○ Usually 4 weeks after both parties sign this Statement of Work

1.2 Discover Stage – Identification of Requirements

<p>What is required?</p>	<ul style="list-style-type: none"> ○ Process reviews to describe the out-of-the-box ServiceNow process functionality ○ Introduce ServiceNow design and configuration standards ○ Conduct a conference room pilot to review the out-of-the-box ServiceNow applications' functionalities ○ Conduct workshops for each process that is in the scope of this Statement of Work to identify differences between Customer requirements and ServiceNow best practices ○ Customer documents requirements (stories) in the Scrum application ○ The Project Team reviews and refines the Project plan in the StartNow application ○ Customer agrees and signs off on requirements before proceeding on each in-
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	scope application
How is it done?	<ul style="list-style-type: none"> ○ Onsite workshops with process owners at Customer’s facilities ○ Customer supplies a scribe to document requirements (stories) in Scrum
Who does what?	<p>ServiceNow’s responsibilities:</p> <ul style="list-style-type: none"> ○ Engagement manager identifies and schedules ServiceNow technical resources ○ Engagement manager provides workshop agenda ○ Business process consultant documents agreed-to process in Process Guide ○ Business process consultant documents the functional and configuration requirements as stories in the StartNow application ○ ServiceNow business process consultant will be responsible for the workshop and facilitate discussions <p>Customer’s responsibilities:</p> <ul style="list-style-type: none"> ○ Clearly defines Customer’s functional requirements ○ Confirms configuration requirements (stories) and estimated level of effort (points) ○ Customer process owners will walk through their processes or agree to ServiceNow processes ○ Customer’s Project Manager, Executive Sponsor and Governance Committee and ServiceNow’s engagement manager will review Discover stage activities and approve commencement of the Prepare stage. ○ The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.
When will things happen?	<ul style="list-style-type: none"> ○ After processes are agreed (either using Customer’s processes or ServiceNow’s out-of-the-box processes)

For each purchased application indicated in this SOW, ServiceNow will conduct a workshop at Customer’s site to review the available functionality with Customer (as set forth in Appendix A-2 - **Services Overview**) and document the functional specifications and configuration requirements. The configuration requirements will be documented as stories in the StartNow application. The functional specifications will be documented in the Process Guide. ServiceNow will provide a Process Guide for the ServiceNow Applications configured. The Process Guide will describe the process, process goals and objectives of each ServiceNow application. Process roles and responsibilities are detailed and summarized in a RACI matrix. For IT Service Management processes, the Process Guide is aligned with ITIL 2011.

1.3 Prepare Stage - Platform Configuration

<p>What is required?</p>	<ul style="list-style-type: none"> ○ Core system set-up (LDAPS, Locations, Groups, Roles, Security, Calendars, Schedules) ○ Sprint planning (building Sprints and organizing stories) ○ Review and refine Project plan ○ Update Risk, Issue, Decision, Actions, Changes (RIDAC) in the StartNow application
<p>How is it done?</p>	<ul style="list-style-type: none"> ○ ServiceNow's technical consultant enables Customer's system administrators on core system set-up ○ ServiceNow's engagement manager works with Customer project manager for Sprint planning
<p>Who does what?</p>	<ul style="list-style-type: none"> ○ ServiceNow technical consultants will guide and enable Customer's system administrators ○ Customer's system administrator will be teamed with ServiceNow technical consultant ○ ServiceNow engagement manager leads on the Sprint planning <p>ServiceNow's responsibilities:</p> <ul style="list-style-type: none"> ○ Set up Customer's ServiceNow instance and establish code promotion process ○ Sprint planning with Customer to prioritize the configuration requirements documented as stories during the Discover Stage into development sprints for the Deploy Stage ○ Provision a ServiceWatch instance in a hosted environment (if purchased) ○ If listed as in-scope in this SOW and if not already complete, help establish MID server(s) connectivity, and support and assist with the installation of the MID server(s). ○ Configure Customer logo and color scheme on Customer's instance ○ Load user records, locations, departments and groups into the instance ○ Configure welcome page and calendars ○ Configure email to allow inbound and outbound email traffic <p>Customer's responsibilities:</p> <ul style="list-style-type: none"> ○ Sprint planning with the ServiceNow engagement manager to prioritize the configuration requirements documented as stories during the Discover Stage into development sprints for the Deploy Stage ○ Provide a technical resource responsible for providing the necessary knowledge to set up any in-scope integrations, such as LDAP/SSO. Additional LDAP integration information may be found on the ServiceNow Wiki at http://wiki.servicenow.com/index.php?title=LDAP_Integration. ○ Customer will supply all data to be imported in a supported format. ServiceNow will not be responsible for data modification, cleansing or alteration before, during or after importing data. Supported formats are listed on the ServiceNow Wiki. http://wiki.servicenow.com/index.php?title=Importing_Data_Using_Import_Sets ○ Customer's Project Manager, Executive Sponsor and Governance Committee and

	<p>ServiceNow's engagement manager will review Prepare stage activities and approve commencement of the Deploy stage.</p> <p>The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.</p>
When will things happen?	<ul style="list-style-type: none"> ○ After Customer instances have been provisioned ○ After Customer's system administrators have been trained ○ After the technical workshops

During the Prepare Stage, the ServiceNow platform is configured. This includes an integration with a Lightweight Directory Access Protocol (LDAP) system and the loading of user data into Customer's instance. ServiceNow resources will facilitate this phase in partnership with Customer's system administrators and technical resources.

1.4 Deploy Stage – Applications Configuration

What is required?	<ul style="list-style-type: none"> ○ Work through the Scrum stories/requirements ○ Manage requirements in small Sprints, which comprise a particular release for testing ○ Review and refine Project plan ○ Update Risk, Issue, Decision, Actions, Changes (RIDAC) in the StartNow application
How is it done?	<ul style="list-style-type: none"> ○ Daily stand-up meetings (what did you do yesterday, what will you do today, and what roadblocks are in the way) ○ Collaboration in the Project Team
Who does what?	<ul style="list-style-type: none"> ○ ServiceNow technical consultants will guide and enable Customer's system administrators and technical resources ○ Customer's system administrators will work with ServiceNow technical consultant ○ Customer's Project Manager, Executive Sponsor and Governance Committee and ServiceNow's engagement manager will review Deploy stage activities and approve commencement of the Operate stage. ○ The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.
When will things happen?	<ul style="list-style-type: none"> ○ After core system set-up is complete and users have been loaded ○ Sprints are planned

1.5 Operate Stage – Transition to Operations

<p>What is required?</p>	<ul style="list-style-type: none"> ○ Training for Customer’s Fulfillers (if purchased) ○ Fulfiller pre-production testing & re-work ○ Go-live checklist completed ○ Customer end user pre-production testing ○ Go-live ○ Customer participates in the engagement survey to provide feedback to ServiceNow about the Project
<p>How is it done?</p>	<ul style="list-style-type: none"> ○ Testing done against the criteria on each Scrum story (Customer owns the test plans / use cases)
<p>Who does what?</p>	<p>ServiceNow’s responsibilities:</p> <ul style="list-style-type: none"> ○ Technical consultants rework issues discovered in pre-production testing ○ Engagement manager works with Customer during pre-production testing and conducts go-live checklist ○ Business process consultant provides guidance for Customer’s UAT process ○ Engagement manager provides process to support go-live, update set releases and cloning ○ Engagement manager drives completion of ServiceNow go-live checklist with Customer ○ Engagement manager coordinates handoff of Customer system administrators to ServiceNow support for post go-live support ○ Engagement manager verifies process is in place for post go-live support within instance ○ Provide one (1) week post go-live support <p>Customer’s responsibilities:</p> <ul style="list-style-type: none"> ○ System administrators rework issues discovered in pre-production testing ○ Conduct UAT prior to production deployment ○ Complete all end user training ○ Customer sets up communication plans ○ Customer’s Project Manager, Executive Sponsor and Governance Committee and ServiceNow’s engagement manager will review Operate stage activities and approve commencement of final Go-Live. ○ The ServiceNow Engagement Manager, upon approval, whether e-mail, a Task generated via ServiceNow or both will be logged into the StartNow application for audit and evidence of the approval.
<p>When things will happen?</p>	<ul style="list-style-type: none"> ○ After Scrum requirements are completed

Subject to the Agreement, ServiceNow hereby grants to Customer the use of Project Portfolio Management (PPM) and Software Development Lifecycle (SDLC) for the purpose of allowing Customer

to support its implementation using the StartNow application for the Project term and 45 days thereafter ("**Use Extension Period**"). After the Use Extension Period, if Customer's purchased rights do not include PPM and SDLC, Customer may use these applications only to read data about the implementation.

2 RESOURCE MANAGEMENT

ServiceNow may replace or re-assign its personnel during the Project upon notification to Customer. ServiceNow does not guarantee that certain designated ServiceNow personnel will be assigned to Customer's account. ServiceNow may at any time subcontract or delegate in any manner any or all of its obligations hereunder to any third party or agent.

CUSTOMER RESOURCES

Customer Resource	Responsibilities
Project Manager	Customer will provide a project manager who will have overall responsibility for the Project. Customer project manager will meet regularly with the ServiceNow engagement manager to review progress and resolve issues.
Technical Resource(s)	Customer will supply required technical resource(s) with ITIL and JavaScript expertise as required by the scope of the Project and to support the agreed configurations. To support the agreed integrations, Customer will also supply required technical resource(s) with web services and XML experience.
System Administrators	System Administrator training will be completed by Customer's assigned resource(s) no later than the beginning of the <i>Discover Stage</i> .
Process Owner(s)	Customer will provide subject matter experts who will be responsible for the correct and complete definition of each of the processes implemented within the ServiceNow instance.

SERVICENOW RESOURCES

ServiceNow Resource	Responsibilities
Engagement Manager	Responsible for the successful delivery of professional services engagements and Project, resource and financial management during the course of the Project. Provide implementation expertise, ensure adherence to the SOW, identify and allocate appropriate resources from ServiceNow, document and communicate status, at a minimum, weekly, and act as the single point of contact during the Project.
Technical	Help with application configuration and assist with knowledge transfer to

ServiceNow Resource	Responsibilities
Consultant	Customer resource(s).
Business Process Consultant	Facilitate the definition and alignment of current processes toward improvement and recommended ServiceNow best practices together with Customer process owners, key Customer sponsors and stakeholders. Ensure that all functional requirements are sufficiently documented.
Training Consultant	Develop the training material content for the ServiceNow applications purchased, and deliver the purchased training sessions.

Exhibit B

Appendix A-2

APPENDIX A-2 -- SERVICES OVERVIEW

The following is an overview of the ServiceNow services for ServiceNow Applications, some of which Customer may not have purchased. ServiceNow shall provide the services that are purchased and as described in this Statement of Work or Service Description agreed to by ServiceNow and Customer. Services not expressly stated below are not within Project scope and shall not be provided. Any additional services not listed herein may be provided upon a mutually executed Change Order and/or Order Form.

For each application listed below, the following standard application configuration services (“**Standard Application Configuration Services**”) are available and will be provided as determined during the **Discover Stage**:

- Application related fields
- Application related forms and views
- Application related dashboards and homepages
- Email notifications
- Application roles and access controls
- Relationship of application to other installed ServiceNow Applications
- Application reports and scheduled reports

The following application-specific configuration services are examples of the configuration activities for each application and platform, and the activities that are required for Customer shall be reviewed, discussed and finalized during the **Discover Stage** against the RCIT Requirements document that is appended to this Appendix A-2 as Exhibit 1:

Applications and Platform Features	Configuration Services Available
Asset Management	<p>Standard Application Configuration Services; Define process (creation, deployment, IMAC, and retirement); Set up the application (users, locations, stock rooms); Configure model categories and Configuration Management (CMDB) class mapping; Configure inventory and stock management; Configure contract management application; Configure procurement application</p> <p>Customer responsibilities: Data cleansing and normalization of data models (each record must have a unique field or combination of fields); Data analysis and review or assistance in normalization of data sources</p>
Change Management	<p>Configure request for change (RFC) process(es); Define change types and associated attributes; Configure change risk and impact and calculated prioritization; Configure change management workflows; Define change approval authority by configuration item; Configure capability for forward facing impact analysis of proposed change and backward correlation for incident attribution and triage; Configure Visual Task Boards</p>

Configuration Management Database (CMDB)	<p>Configure CMDB classes and forms; Configure access controls to CMDB forms and data; Create import sets and transform maps to support the import of configuration items (CI) in a supported format (.csv, spreadsheet, etc.); Load from static data sources and integration to CI data repositories; Configure CMDB modules and lists; Configure CI relationships; Configure business service map icons, indicators and filters</p> <p>Customer responsibilities: Data cleansing and normalization of data models (each record must have a unique field or combination of fields); Data analysis and review or assistance in normalization of data sources</p>
Discovery	<p>Execute using the standard enablement Discovery Deployment Model; Install, configure and tune MID server(s); Configure Discovery credentials; Configure IP networks; Configure Discovery schedules; Custom probe assistance; Configuration item lifecycle management; Data validation; Comprehensive training in Discovery best practices</p>
Incident Management	<p>Standard Application Configuration Services; Configure incident categorization; Configure incident prioritization; Configure service level agreements and inactivity rules; Configure assignment rules; Configure incident related filters and modules; Configure incident reports and dashboards; Configure Visual Task Boards</p>
Knowledge Management	<p>Enable and configure submission workflow; Configure notifications related to knowledge articles associated to the publishing process; Configure central repository for tracking and maintaining knowledge articles; Configure knowledge centered support functions; Configure ability to view searches; Configure ability to rate and provide feedback to knowledge articles</p>
Request Management (SC)	<p>Configure catalog items utilizing record producers, order guides and two step check-out; Configure workflows for Request Management; Configure Request, Request Item and Task forms; Configure Visual Task Boards; Configure Employee Self-Service portal with Out-Of-The-Box functionality, look and feel; Content Management System (CMS) configuration not included unless specifically described herein</p>

Integration Configuration Services

Integration	Integration Method (if known)	Direction to ServiceNow instance	Business Purpose of Integration
LDAP	LDAP Server	Inbound	Load users, groups, group membership and other data from Customer's Active Directory farm
SSO/ADFS	ADFS	Outbound	Configure standard single provider SSO integration with Customer's identity provider

Exhibit B

Appendix A-3

APPENDIX A-3 – SERVICES TERMS AND CONDITIONS

1 CHANGE REQUEST PROCESS/CHANGE ORDERS

Either party may initiate a written request to change the existing tasks, timeline or fees associated with the Project or any Phase thereof (each, a “Change Request”) because of a change in scope, assumptions, capability, or other new or revised information. Any Change Request signed by both parties shall be effective as of the date set forth therein (each, a “Change Order”).

Instances in which a Change Order shall be required include: (1) Customer’s requests for out of scope Services; (2) discovery of new information that requires an increase in the scope of Services; (3) failure of any of the conditions or assumptions set forth in this SOW; (4) Customer’s failure to fulfill any of its responsibilities if such failure delays the Services or requires ServiceNow to incur additional time or costs in performing Services.

If the parties do not agree on a Change Order, the Project shall proceed as originally set forth in this SOW. If, however, the existing Project or any specific Services cannot proceed without an executed Change Order, ServiceNow may suspend Services until the Change Order is executed. If a Change Order is not executed within a commercially reasonable timeframe from such suspension, either party may, upon written notice, terminate this SOW, and: (a) Customer shall pay ServiceNow for all Services performed and deliverables provided prior to termination; (b) ServiceNow shall provide Customer with any deliverables completed prior to termination; and (c) ServiceNow shall not be obligated to refund any prepaid fees under the terminated SOW. In no event will ServiceNow be responsible for any additional Services or deliverables after such termination.

2 SCHEDULING POLICY

ServiceNow requires at least fifteen (15) days’ prior written notice to reschedule Service dates that have been scheduled by Customer. For scheduled Service days that are canceled or rescheduled by Customer with fewer than ten (10) business days’ prior written notice, Customer shall be charged and pay for (a) any travel expenses that cannot be canceled or refunded, and (b) the canceled/rescheduled Service days if ServiceNow is not able to reassign the personnel to another project. For the purposes of this Section, an email to the ServiceNow project manager will be considered sufficient written notice. ServiceNow shall not be responsible for delays due to the lack of access, facilities, cooperation or information requested by ServiceNow or changes to the approach or Services described in this SOW.

3 GENERAL

ServiceNow is in the business of providing IT service management applications and other applications on the ServiceNow platform and consulting services drawing upon the knowledge, understanding and expertise ServiceNow has gained in the course of working with many other customers. Nothing in this SOW shall assign rights in or limit ServiceNow’s use of any know-how or knowledge pertaining to the ServiceNow intellectual property rights or technology. ServiceNow shall have a fully-paid, royalty-free, worldwide, non-exclusive, transferable, sub-licensable, irrevocable, perpetual right to use any suggestions, enhancements, recommendations or other feedback provided by Customer and its users relating to the ServiceNow product or services.

LIMITED PROFESSIONAL SERVICES WARRANTY. ServiceNow warrants that the Services will be performed in a competent and workmanlike manner in accordance with accepted industry standards

and practices and all material requirements set forth in this SOW. Customer shall notify ServiceNow in writing of any breach within thirty (45) days after performance of the non-conforming Services. Upon receipt of such notice, ServiceNow, at its option, shall either use commercially reasonable efforts to re-perform the Services in conformance with these warranty requirements or shall terminate the affected Services and refund to Customer any amounts paid for the non-conforming Services. THIS SECTION SETS FORTH CUSTOMER'S EXCLUSIVE RIGHTS AND REMEDIES (AND SERVICENOW'S SOLE LIABILITY) IN CONNECTION WITH THIS WARRANTY.

DISCLAIMER OF WARRANTIES. EXCEPT FOR THE WARRANTIES EXPRESSLY STATED IN THIS SOW, THE SERVICES PROVIDED HEREUNDER AND ANY ACCOMPANYING DELIVERABLE ARE PROVIDED "AS-IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND AND, TO THE MAXIMUM EXTENT ALLOWED BY LAW, SERVICENOW DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING WARRANTIES ARISING UNDER STATUTE, WARRANTIES OF MERCHANTABILITY, ACCURACY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTIES ARISING FROM USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SERVICENOW SPECIFICALLY DOES NOT WARRANT THAT THE SERVICES AND ANY ACCOMPANYING DELIVERABLES WILL MEET THE REQUIREMENTS OF CUSTOMER OR OTHERS OR THAT THEY WILL BE ACCURATE OR OPERATE WITHOUT INTERRUPTION OR ERROR.

LIMITATIONS OF LIABILITY. TO THE EXTENT PERMITTED BY LAW, THE TOTAL, CUMULATIVE LIABILITY OF EACH PARTY ARISING OUT OF OR RELATED TO THIS SOW OR THE SERVICES PROVIDED HEREUNDER WHETHER BY CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL OR EQUITABLE THEORY, SHALL BE LIMITED TO THE AMOUNTS PAID BY CUSTOMER FOR THE SERVICES GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE FIRST EVENT GIVING RISE TO LIABILITY. THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT ENLARGE THIS LIMIT. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO: (1) BODILY INJURY OR DEATH; (2) INFRINGEMENT BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS; AND (3) CUSTOMER'S OBLIGATION TO PAY AMOUNTS OWED FOR SERVICES PROVIDED HEREUNDER OR TAXES APPLIED THERETO.

EXCLUSION OF DAMAGES. TO THE EXTENT PERMITTED BY LAW, NEITHER SERVICENOW NOR CUSTOMER SHALL BE LIABLE TO THE OTHER OR ANY THIRD PARTY FOR LOST PROFITS (WHETHER DIRECT OR INDIRECT) OR LOSS OF USE OR DATA, COVER, SUBSTITUTE GOODS OR SERVICES, OR FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES (INCLUDING DAMAGE TO BUSINESS, REPUTATION OR GOODWILL), OR INDIRECT DAMAGES OF ANY TYPE HOWEVER CAUSED, WHETHER BY BREACH OF WARRANTY, BREACH OF CONTRACT, IN TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL OR EQUITABLE CAUSE OF ACTION, EVEN IF SUCH PARTY HAS BEEN ADVISED OF SUCH DAMAGES IN ADVANCE OR IF SUCH DAMAGES WERE FORESEEABLE. THE FOREGOING EXCLUSIONS SHALL NOT APPLY TO: (1) BODILY INJURY OR DEATH; AND (2) INFRINGEMENT BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS.

Exhibit B

Appendix A-2

Exhibit 1

A-2 Exhibit 1

Riverside County IT Service Management Requirements

Help Desk					
Knowledge Base					
Item #	System Feature	Out of box	Requires customization	Required Module	Comments
1	Ability to provide Frequently Asked Questions support capability for requestors to view when submitting a request.				Yes, especially with use of Knowledge Management
2	Robust Frequently Asked Questions and Knowledge Base (KB) system that is tied to request types.				Can be easily configured
3	Ability to provide knowledge management capabilities by floating the most relevant hits to the top, in order of closest match to search.				Yes
4	Ability to automatically populate a knowledge article into an incident.				Yes
5	Ability to launch fast knowledge searches using the categorization (or partial categorization) selections as key value search parameters.				Meta tags on KB articles
6	Ability to support role-based knowledge items (i.e., a technical role can access either technical-facing or customer-facing articles).				User criteria on KBs
7	Ability to automatically create knowledge management entries from incident, problem and change modules.				Yes
8	Ability to manage full life cycle of knowledge articles through administration capabilities (e.g., submission, editing, review, approval, publishing, usage monitoring, etc.).				Yes
9	Ability to support hot topic (bulletin board frame or news flash window) within the graphical user interface for current major problems, such as network outages and scheduled down time of a system or application.				Yes
10	Provide customer with self-service portal where they can access knowledge base articles and Frequently Asked Questions, submit and update requests, and monitor the status of their requests.				Yes
11	Most searched Frequently Asked Questions and Knowledge Base (KB) items "float" to the top.				Yes. May require some configuration, depending on exact requirements
12	Knowledge Management ability to link knowledge base to configuration item records.				Yes
13	Ability to have a defined workflow process for reviewing and approving pending knowledge articles that can be displayed graphically.				Yes
14	Ability to support a variety of search methodologies, including metadata, fuzzy searching, hierarchical drill-downs, cross-references, attribute queries, category Web and file system external library searches, and to utilize natural language and proper stemming and Boolean search methodology.				Partially
15	Ability to allow user feedback to rate/score content for usefulness related to the inquiry.				Yes
Performance					
Item #	System Feature	Mandatory	Desirable		Comments
1	Professional Services are Information Technology Infrastructure Library (ITIL) Certified.				Yes
2	Solution capable of migrating data (including uploading legacy content) contained in existing ITSM applications, such as BMC Remedy and Track-It!				Yes
3	Integration with Active Directory Federation Services (ADFS), Active Directory (AD), System Center Configuration Manager (SCCM) including (import &/or direct link to assets in the System Center Configuration Manager (SCCM) database), System Center Operations Manager, Exchange and Office 365. <u>Point-to-Soft integration preferred.</u>				Yes, with configuration
4	The system has the ability to request, store, and utilize Project Codes.				Yes
Performance cont.					
Item #	System Feature	Mandatory	Desirable		Comments
5	Graphical User interface (GUI) for Configuration Management Database (CMDB).				Yes
6	Full Audit Trail capabilities available, showing ticket creation, modifications, approvals, and resolutions.				Yes
7	Solution includes integrated Configuration Management Database (CMDB) for managing key Information Technology Infrastructure Library (ITIL) functions and processes: IT Service Desk, Incident, Problem, Change, Release, Configuration, Service Level, and Financial Management.				Yes
8	Ability to configure the Graphical User interface by using "drag and drop" for all text windows and fields.				Yes
9	Ability to configure the Graphical User interface based on individual, group or role-based preferences (colors, layout, etc.).				Yes
10	Ability of the solution to enable rapid deployment of new users and administration of existing users.				Yes
11	Ability to support object-specific pop-up menus in the Graphical User interface.				Yes (Context help)
12	Technician can update the status of a request via mobile device or phone directly, without VPN.				Yes
13	The solution is easy to install.				No installation required
14	The solution is easy and inexpensive to customize.				Yes
15	The solution is easy to maintain.				Yes
16	Email Scraping (turning emails into tickets).				Yes
17	Multiple owners for one ticket.				Assignment Group if typically used, but something different can be easily configured
18	Internal and External Technical Notes within a service request. Solution has the ability for private notes and comments, not accessible by the customer.				Yes
19	Ability to generate different workflows (with different tasks) for different types of requests.				Yes
20	Ability for automatic routing for sending, receiving and logging of approvals for requests. These approvals can come from business users as well as those inside IT. The tool would provide for manual override of automation.				Yes
21	Ability to provide automated notifications of service request and change request creation, updates, escalations, and completion to the customer and "Also Notify" individuals.				Yes
22	Ability to limit viewing, creating and editing requests only to authorized requestors.				Yes
23	Ability to categorize and prioritize requests.				Yes
24	Ability to submit attachments (documents, spreadsheets, PDFs, screen scrapes, etc.) as part of a service request and are then stored with service request.				Yes
25	Ability to route and assign service request records to pre-defined support staff or groups including IT, HR, Procurement or other business functions.				Yes
26	Ability to match new requests against existing requests.				Yes
27	Ability to support a structured content framework (services, sub-services, etc.).				Yes
28	Ability to organize services into logical groupings or hierarchical structures.				Yes
29	Ability to compile services into customer and business relevant packages.				Yes
30	Ability to quickly find services via search engine.				Yes
31	Ability to create and publish service offerings with descriptions, service levels, available service bundles, and pricing related to service levels.				Yes
32	Ability to create and publish Service Components that may include both Professional Services and Technical Services.				Yes
33	Ability for non-IT based personnel to create service definitions, design service workflow and easily publish these services into the catalog.				Yes
Performance cont.					
Item #	System Feature	Mandatory	Desirable		Comments
34	Discovery capabilities for service dependencies highlighting potential impact if a service is added, modified or deleted.				Yes with Service Watch Mapping and/or Discovery
35	Ability to create and edit workflow templates by authorized users.				Yes
36	Ability for workflows to execute approval request actions in the system based on business rules and roles.				Yes
37	Ability to support automatic assignment and escalation of Request.				Yes
38	Ability to provide access to online service catalogs when creating request.				Yes
39	Ability to support both functional and hierarchical escalations.				Yes
40	Ability to customize workflows per each service provider unit (e.g. Facilities, IT, Purchasing, etc.).				Yes
41	Solution provides a Parent/Child Ticket system, whereby multiple segment tickets can be spun from a master request.				Yes
42	Availability of Ticket Templates / "Quick Tickets".				Yes
43	Help Desk Ticketing System integrated into a Service Catalog that categorizes business applications based on criticality.				Yes
44	Ability to provide an end-user interface through which employees can order standardized goods and services from various sources (e.g. HR, IT).				Yes
45	The solution facilitates the collection of data to measure capacity and performance levels of IT components from various domains/platforms used as part of an IT system.				Yes. May require some configuration
46	The solution facilitates the monitoring of configuration item (CI) performance and usage levels against customer defined thresholds.				Yes
47	The solution performs trend analysis by providing access to historic and time-based capacity and performance data.				Yes, enhanced with Performance Analytics
48	The solution will support the aggregation of availability data from multiple systems for service availability reporting.				Yes
49	The solution will monitor and calculate the end-to-end IT Service Availability as perceived by the customer of the Service.				Yes
50	The solution will integrate with event, discovery and provisioning tools to monitor various levels of the IT environment.				Yes
51	The solution supports the monitoring of established thresholds and can initiate alerts (i.e. Paging, email, digital bulletin board, etc.) if availability thresholds are exceeded.				Yes. Notify is required if SMS is desired
52	The solution provides functions for tracking Availability and Continuity exercise schedule and status.				Yes
53	The solution able to provide web services (SOAP, REST) as an access point for all managed data to be retrieved.				Yes
54	Ability to view ticket routing paths.				Yes
55	Time tracking (both within and separate from a ticket).				Yes

Item #	System Feature	Mandatory	Desirable	Comments
56	System is intuitive for the users.			This is subjective, but feedback on ease of use has been positive
Analysis/Resolution				
Item #	System Feature	Mandatory	Desirable	Comments
1	Ability to automate ticket generation (PowerShell or similar script) &/or system monitoring			ServiceNow has powerful integration capabilities to facilitate automated ticket generation
2	Ticket priority automatically determined by impact and urgency.			Yes
3	Ability to integrate chat to support self-service usage			Yes
4	Ability to reactivate incident on resolved status			Yes
5	Ability to show service history and trends			Yes
6	Ability to see countdown time left on response time (as associated with priority or Service Level Agreement).			Yes
7	Ability to differentiate between and incident and Request			Yes
8	Ability to generate different workflows (with different subtasks) for different types of requests.			Yes
Analysis/Resolution cont.				
Item #	System Feature	Mandatory	Desirable	Comments
9	Process (Work Flow) capabilities within & outside of IT. Feature must have "visual" cues for both the customer and the IT technician that allows the users to see the workflow, including the current step in the process.			Yes
10	Ability to provide access to online service catalogs when creating request			Yes
11	Ability to categorize and prioritize requests.			Yes
12	Ability for customers to cancel service requests through the self-service portal.			Yes
13	Ability to match new requests against existing requests			Yes
14	Ability to automate the receiving, reporting and billing of the ongoing costs of request management against particular cost centers or accounts.			Yes
15	The solution follows and supports the Information Technology Infrastructure Library (ITIL) Incident Management framework			Yes
16	Capability to link incidents to Problem Records, Knowledge Base, known workarounds and request for changes.			Yes
17	Ability to link to the Configuration Management Database (CMDB).			Yes
18	Flexible support for desired incident classification and logging schemas			Yes
19	Flexible Search capabilities for incident matching and trending			ServiceNow search can facilitate this
20	Ability to support highly flexible routing of incidents based on available resources located across multiple sites and other factors, such as time of day, tiered service values, etc			Yes
21	Ability of the tool to facilitate the automatic prioritization, assignment and escalation of incidents based on the record categorization.			Yes
22	Ability to automate incident models and workflows			Yes
23	Ability to integrate with event and alert monitoring tools, and allow for automatic creation, update and closure of tickets from these tools.			Yes
24	Ability to import free text, screen captures, and file attachments for the recording of incident descriptions and resolution activities.			Yes
25	Ability to associate incident records to user and customer data.			Yes
26	Ability to use knowledge and/or support scripts for incident diagnosis and resolution.			Yes Support scripts can be stored as Knowledge Base articles.
27	Ability to assign tasks to outside agencies (e.g., Hardware or Software service providers)			Yes
28	Ability to allow for multiple types of alerts (via pager and email), including deadline alerts, excessive reassignment alerts and usability alerts.			Yes Notify is required if SMS is desired
29	Ability to automatically create and track Service Requests through the Service Catalog.			Yes
30	Ability to support distributed, role-based Service Catalog management.			Yes
31	The Service Catalog provides an intuitive web interface that is also easy to use.			Yes
32	Service Catalog can be configured to contain security features that restrict users to see only what is available to them.			Yes
33	Ability to differentiate between a Trouble Ticket and Service Request.			Yes
34	Tool provides the ability to segregate tickets based on security and compliance requirements (HIPAA, FERPA, security incident information, etc.)			Yes
35	The system supports Information Technology Service Manager process workflow between solutions, including routing of request, electronic request approvals by actionable email, etc.			Yes
36	The solution supports a web-based client for user and administrative functions			Yes
37	The solution provides Search capabilities in all Information Technology Service Management (ITSM) processes - ad hoc queries, save queries, user queries, role-based queries, shared public queries.			Yes - Unified search and reporting across all applications is supported.
38	Service Catalog has child/parent relationships in relation to the service/equipment			Yes
Analysis/Resolution cont.				
Item #	System Feature	Mandatory	Desirable	Comments
39	Ability to make problem and known error details available to Incident Management for use in matching, troubleshooting and resolution.			Yes
40	Ability to create and assign problem records to pre-defined support staff or groups			Yes
41	Ability to present historical data on problems and known errors for use by support staff during the investigation process.			Yes
42	Ability for technical support staff to communicate status and progress reports, as well as temporary solutions and workarounds to the Help Desk staff.			Yes
43	Ability to track multiple tasks and assignments with a problem.			Yes
44	Ability to document root cause analysis.			Yes
45	Ability to provide configurable problem process and categorization templates.			Yes
46	Ability to provide automatic customer service surveys upon the completion of a ticket. Ability to develop, deliver and manage these surveys.			Yes
Reporting				
Item #	System Feature	Mandatory	Desirable	Comments
1	Ability to provide real-time reporting via graphical and configurable dashboards.			Yes
2	Ability to support a real-time dashboard display for each process that is customizable based on individual, role or informational needs.			Yes
3	Ability for dashboards to be accessed via a web browser			Yes
4	Ability for dashboards to be accessed via mobile devices, (iPhone, iPad, Droid and Windows)			Yes
5	Ability to report trending specific to each Information Technology Infrastructure Library (ITIL) process, (Incident Management, Problem Management, Change Management, etc.)			Yes
6	Ability to report incidents by priority, categorization, service-level adherence, technician and Configuration Item (CI)			Yes
7	Ability to report on usage by end user, location department, region, etc			Yes
8	Ability to view incident age report			Yes
9	Ability to report incidents linked to problem records.			Yes
10	Ability to report Configuration Items impacted by an incident.			Yes
11	Ability to report first-contact resolution rate.			Yes
12	Ability to report mean time to resolution.			Yes
13	Ability to report on change blackout data and times resulting in change freeze			Yes
14	Facilitates the monitoring of configuration item performance and usage levels against customer defined thresholds			Yes
15	Performs trend analysis by providing access to historic and time-based capacity and performance data.			Yes. Depending on specific requirements, Performance Analytics may be needed.
16	Supports the aggregation of availability data from multiple systems for service availability reporting			Yes
17	The solution facilitates the monitoring of configuration item performance and usage levels against customer defined thresholds.			Yes
18	The solution facilitates the collection of data to measure capacity and performance levels of IT components from various domains/platforms used as part of an IT system.			Yes
19	The solution performs trend analysis by providing access to historic and time-based capacity and performance data.			Yes. Depending on specific requirements, Performance Analytics may be needed.
20	Ability to provide proactive notification to stakeholders and change advisory board members for changes with critical business impact, collisions and compliance issues.			Yes
21	The solution provides functions for tracking Availability and Continuity exercise schedule and status.			Yes
22	The solution will monitor and calculate the end-to-end IT Service Availability as perceived by the customer of the Service.			Yes
Reporting cont.				
Item #	System Feature	Mandatory	Desirable	Comments
23	The solution will support the aggregation of availability data from multiple systems for service availability reporting.			Yes
24	The solution supports the monitoring of established thresholds and can initiate alerts (i.e., Paging, email, digital bulletin board, etc.) if availability thresholds are exceeded.			Yes
25	Ability to schedule Service Level Agreement/Operational Level Agreement/Underpinning Contracts review cycles and renewals.			Yes
26	Ability to auto verify that Service Level Agreement targets are supported by Operational Level Agreement and Underpinning Contracts targets.			Yes
27	Ability to measure and monitor Operational level agreements and supplier performance metrics in Underpinning contracts.			Yes
28	Ability to report on the business impact of failed changes.			Yes
29	Provide standard Key Performance Indicators.			Yes
30	Ability to create customized Key Performance Indicators.			Yes
31	Robust industry-standard reporting engine, not limited to third-party solution such as Crystal Reports.			Yes. The reporting engine and Performance Analytics are both fully integrated.
Procurement/Asset Management				
Item #	System Feature	Mandatory	Desirable	Comments

1	Integrates with Capacity Management allowing for configuration item information that is readily available regarding capacity/usage/availability status and metrics.				Yes
2	Integrates with Availability Management allowing for configuration item information that is readily available regarding availability status and metrics.				Yes
3	Integrates with Service Catalog to provide configuration item information as it relates to service offerings.				Yes
4	Knowledge Integrates with Knowledge Management allowing for the linking of knowledge to configuration item records.				Yes
5	Ability to interface with all internal MDRs (i.e. System Center Operations Manager) allowing the tool to compare authorized configurations with the actual configurations stored in the MDRs.				Yes
6	Ability to interface with, and make use of, barcode scanners and/or Radio Frequency Identification (RFID).				Yes
7	Bulk import of licensing data – save time with simultaneous uploading of multiple licensing records				Yes
8	Support for Multiple Licensing Models – from off-the-shelf application through to company-wide and version maintenance agreements.				Yes
9	Ability to track hardware warranties, software licenses, leases, etc. within the product. Includes the ability to perform software license management and automated notification of license expiration and non-compliance and reporting, tracking and auditing.				Yes
10	Ability to tie tickets to assets.				Yes
11	Ability to support a web-based front end				Yes
12	Ability to support both flexible data import/export, and simple points of integration for associated tools				Yes
13	"Shopping Cart" feature that allows customers to order computers and other equipment. Feature must have security &/or capability to limit what the customer can order based on their permissions.				Yes
14	IT Asset Management (ITAM) capability and manage non-IT assets and software assets "cradle to grave". Product able to manage contracts and purchasing.				Yes
15	IT asset repository that can function as a central store for required financial, contractual and physical data.				Yes
16	Hardware and Software Asset Management.				Yes
17	Provide current inventory and usage information.				Yes
18	Ability to manage IT and Non IT assets.				Yes
19	IT asset discovery.				Yes
20	Ability to define a minimum asset inventory level that can trigger an ordering process.				Yes
21	Integration of discovered asset and usage data.				Yes
Procurement/Asset Management cont.					
Item #	System Feature	Mandatory	Desirable		Comments
22	Software License Management				Yes
23	Non-Managed Assets – Basic hardware Data (e.g. network devices & printers)				Yes
24	Desktop/Laptop – hardware and software Asset & Usage Data				Yes
25	The Solution must provide application whitelisting and the ability to deliver software solutions on demand within the product				Yes
26	Asset Lifecycle Management: Complete coverage of the entire IT asset life cycle, from requisition to retirement.				Yes
27	Ability to track Asset status and lifecycle management such as procurement, stored, configured, deployed, active and retired stages to support release impact analysis, planning, rollout and deployment activities.				Yes
28	Ability to export and import utilities for mass import of IT data, such as (but not limited to) inventory, assets, software, licensing, users, etc.				Yes
29	On demand software deployment.				Management of license entitlements is part of the solution, deploying software to client devices is possible with an integration to software such as SCCM.
30	The system can reduce/eliminate spreadsheets currently required for software licensing contract renewals and upgrades and can manage software license usage and compliance.				Yes
31	Capable of importing vendor inventory catalogs (e.g., Staples, Granger, etc.)				ServiceNow has powerful integration capabilities. Meeting this requirement depends on the integration capabilities of the external system.
32	Ability to Interface with Procurement and IT Financial Systems				ServiceNow has powerful integration capabilities. Meeting this requirement depends on the integration capabilities of the external system.
33	New Employee Set Up: Provide a method for provisioning PCs, phones, email, cell phones, access badges, and tools to new staff. Solution would create the appropriate SIDs and send to the correct lines of business.				Yes
Change Management					
Item #	System Feature	Mandatory	Desirable		Comments
1	Ability to provide configurable change process and categorization templates.				Yes
2	Provide template workflow best practices and/or Information Technology Infrastructure Library (ITIL) for emergency, normal and pre-approved change.				Yes
3	Ability to document back-out procedures, installation and turnover documents within the Request For Change (RFC).				Yes
4	Ability to provide proactive notification to stakeholders and change advisory board (CAB) members for changes with critical business impact, collisions and compliance issues.				Yes
5	Ability to support a "Virtual" Change Advisory Board (i.e. approvals times automated and stored electronically).				Yes
6	Ability to provide role-based approval, re-escalation or rescheduling of Request For Changes.				Yes
7	Ability to support release and deployment management as part of the change process				Yes. Typically this is achieved by leveraging the Project Management and/or SDLC applications along with Change Management, although Change Management could be used on its own.
8	Ability to automatically create a request for unauthorized changes to Configuration Items.				Yes
9	Ability to integrate Forward Schedule of Changes (FSC) with Microsoft Exchange calendaring system.				The system can be configured to send calendar items for Change Requests and Tasks via email to an Exchange account.
10	Ability to allow for scheduling of recurring events, such as certain types of maintenance.				Yes
11	Ability to support maintenance, release and milestones (block status) for freeze windows.				Yes
12	Ability to automatically generate risk and impact analysis of multiple Change Requests, and provide visual depictions of upstream and downstream Configuration Items that can be navigated in Configuration Management Database.				Yes
13	Ability to open an Request For Change (RFC) against an incident/problem/known error record, and automatic population of the Request For Change (RFC).				Yes
14	Automated notification of Request For Change's to appropriate persons 1) when change is updated, status change, etc. Automated Approval workflow - 1. Ability to automatically send approval requests to designated approvers. 2. Ability to pick up and record approver responses. 3. Ability to change status if approval criteria met. 4. Send notification of approval (rejection) to change owner and change manager.				Yes
15	Ability to restrict denied deployment dates during Change request submission based on minimum lead times.				Yes
Change Management cont.					
Item #	System Feature	Mandatory	Desirable		Comments
17	Ability to provide real-time dashboards				Yes
18	Native integration with: • Incident Management • Problem Management • Configuration Management • Service Level Management				Yes
19	The ability to monitor and track the lifecycle of a request.				Yes
20	Ability to communicate information of changes and schedules that can be distributed to the key groups such as the Service Desk and user groups.				Yes
Budget/Billing					
Item #	System Feature	Mandatory	Desirable		Comments
1	The ability to view what assets are deployed, their interdependencies, usage and financial assessments.				Yes
2	Service tickets support Time and Materials (T&M) billing and collection.				May require some configuration
3	The system supports reconciliation of billing system to TeleMaster, and will continue current billing practices to include billing from the Service Request.				ServiceNow has powerful integration capabilities. Meeting this requirement depends on the integration capabilities of TeleMaster.
4	The system provides the ability to create Requisitions.				Yes
5	The system can be configured to convert purchase orders (POs) to PeopleSoft Purchase orders.				ServiceNow has powerful integration capabilities. Meeting this requirement depends on the integration capabilities of PeopleSoft.
6	Support asset reconciling with Accounting and tracking of sub-system components that are a part of a larger asset, to include a method of identifying locations of assets and the tracking of any changes in these locations. Included is the tracking of all related assets.				Yes
7	The system distinguishes between capital and non-capital assets				May require some configuration
8	System integration with PeopleSoft for capital asset information				ServiceNow has powerful integration capabilities. Meeting this requirement depends on the integration capabilities of PeopleSoft.
9	Support inventory reconciliations with Accounting and support of multiple inventory warehouses for each group or department.				Yes
10	Ability to automate the recording, reporting and billing of the ongoing costs of request management against particular cost centers or accounts.				Yes. Also, is there a need for the ITFM application?
11	Provides the ability to import, or create for export, common PeopleSoft Financials Interface Files.				Most likely. More information is needed about the file formats.
12	Low Total Cost of Ownership (TCO)				We can work with you to identify the TCO, however we find that ServiceNow tends to have a lower TCO when compared to competitors, especially on-premise solutions.
13	IT asset repository that can function as a central store for required financial, contractual and physical data.				Yes

Exhibit B

Appendix A-2

Exhibit 2

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Policy:**1. Scope**

This policy establishes procedures and standards for reimbursement of necessary actual expenses incurred by appointed department heads, employees, and other authorized persons, for whom allowance of expenses is authorized by or pursuant to law, resolution, or ordinance because they occur during performance of official county business. The Board of Supervisors and elective constitutional officers as well as their employees are exempt from this portion of the Board policy. This policy also specifies the types of occurrences that qualify a member of the Board of Supervisors to receive reimbursement for expenses relating to travel, meals, lodging, and other actual and necessary expenses in accordance with Government Code Section 53232.2(b). The Board of Supervisors, elective constitutional officers and each department head is charged with the responsibility of authorizing travel and including it in the proposed budget and ensuring such expenditures are within the approved budget.

The Auditor-Controller shall refer to the Executive Officer any reimbursement claim that is considered to not be in conformance with Board policy. The Executive Officer shall have the authority to approve the payment of any claim if there is lack of certainty regarding the application of Board policy to the questioned claim, or if the action of the department head was not unreasonable in light of all the circumstances. If the Executive Officer denies approval, the department head may place the matter on the agenda of the Board of Supervisors for final disposition.

Board of Supervisors

Members of the Board of Supervisors shall be allowed their actual expenses in going to, attendance at, and returning from state association meetings and their actual and necessary traveling expenses when traveling outside of the county on official business pursuant to Government Code Section 25008. Members of the Board of Supervisors may receive reimbursement for expenses relating to travel, meals, lodging, and other actual and necessary expenses incurred in the performance of official duties. Reimbursement for such expenses is subject to the provisions of this policy and California Government Code Sections 53232.2 and 53232.3. In accordance with Government Code section 53232.2(c), the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication, shall be used to determine reimbursement rates for members of the Board of Supervisors. Types of occurrences that qualify a legislative body member to receive reimbursement of expenses relating to travel, meals, lodging and other actual and necessary expenses include the following:

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- A. Meeting with representatives of regional, state, national and foreign government on policy positions adopted by the Board of Supervisors;
- B. Attending educational seminars designed to improve officials' skill and information levels;
- C. Participating in regional, state, and national organizations whose activities affect the county's interests;
- D. Attending county events;
- E. Implementing a county-approved strategy for attracting or retaining businesses to the county, which will typically involve at least one staff member and;
- F. Attending meetings for which a meeting stipend is expressly authorized.

In accordance with Government Code Section 53232.2(f), all expenses that do not fall within this policy shall be considered for approval by the Board of Supervisors prior to incurring the expense, unless the expense involves a meeting in which a member of the Board of Supervisors is required to make a public report (see section 12). All expenses must be verified by a valid original receipt, as required by Government Code Section 53232.3(c), which includes the name of the vendor (e.g. hotel, restaurant) date of service and actual amount charged.

Members of the Board of Supervisors and elective constitutional officers, as well as their employees, shall be exempt from Sections 2 through and including 10 of this Board Policy.

2. Lodging

Actual cost for lodging, not to exceed \$159 per night inclusive of all occupancy and accommodation taxes and other room related taxes and fees, is allowed provided such cost is reasonable for the location and is consistent with government and/or conference/convention rates, if available, or usual charges established for the general public. For lodging in high cost cities as defined by the Internal Revenue Service (e.g., San Francisco, New York, Washington D.C., as described in IRS publication 1542) or by the Board of Supervisors (Sacramento) actual cost not to exceed \$239 per night, or applicable conference rate at conference hosting hotel is allowed. Lodging costs exceeding the established limit may be reimbursed at a higher rate if a written statement explaining the reason for the expense is submitted by the department head to the designated Executive Office analyst along with a completed employee reimbursement form. Lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the

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member of a legislative body at the time of the booking. Higher rates based upon late registration or negligence by the department head in making an early reservation will be reimbursed at the \$159 rate.

An employee reimbursement claim for lodging must provide an explanation of the business purpose of the stay and be supported by a receipt/facility folio.

A government rate, if available, should be requested when booking a room (county employees should be prepared to provide proof of employment with the county). Only the single occupancy rate may be claimed for the reimbursement except when two or more county employees participating in the same function share a room; then a double occupancy rate may be claimed by dividing the cost between two claim forms and providing a memorandum explaining the shared room along with the lodging folio.

The department head may approve extended lodging if the cost is less than daily travel expenses without the extended stay. Approval of extended lodging for any location in Riverside, Orange, San Diego, Imperial, Los Angeles and San Bernardino counties is required prior to the travel occurrence and must be less costly than a daily commute.

.3. Meal Expenses

Actual (not to exceed maximum, see below) cost shall be allowed for meals related to attendance at conventions, scheduled meetings, conferences, seminars, special assignments or an assignment **that requires an overnight stay. A meal/s during attendance at any single day event will not be reimbursed.**

- A. The maximum reimbursement for meals per day is \$51, inclusive of taxes and tip. Tips in excess of 20% of the cost of a meal will not be reimbursed. Tips made at fast food restaurants and/or convenience stores will not be reimbursed even if the meal cost is less than the maximum reimbursement rate (e.g. meal at \$6.00, tip \$1.20 equals a reimbursement of \$7.20).

The maximum reimbursement for meals per day in high cost cities (as described in item 2 above) is \$71, inclusive of taxes and tip.

- B. An employee reimbursement claim is based on actual (not to exceed maximum) cost.
- C. Reimbursement for meals may exceed the maximum amounts of \$51, but no more than \$71, only if the meal is organized by a non-county entity where the established price of the meal includes facility, speaker, or other costs and is a required portion of the meeting and/or conference. A written statement explaining the necessity for incurring such expense and supporting

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documentation (e.g. flyer, agenda or brochure) must be submitted with the employee reimbursement claim.

- D. Where the cost of a meal is included as part of a registration charge or fee, no additional employee reimbursement may be claimed for that meal.
- E. For same day travel, expenses for meals are limited to activities outside normal work duties. No reimbursement for meals will be made for same day travel. Reimbursement for a meal is provided when it is not reasonable for employees to provide their own meal. Special situations may be considered on a case-by-case basis. A memo from the employee to the department head is required and the department head's concurrence must be noted before the memo is forwarded to the designated Executive Office analyst for review and approval.
- F. Travel to a temporary worksite does not qualify an employee for meal reimbursement.
- G. No reimbursement shall be made for alcoholic beverages of any kind.
- H. Employees attending training or conferences for an extended period of time, more than seven consecutive days, may elect to purchase groceries and prepare their meals during the training/conference. In this event, grocery receipts are to be retained and submitted for reimbursement. Grocery charges exceeding the maximum daily cost will not be reimbursed. An employee electing to purchase and prepare food during an extended stay may purchase only food to be consumed during the designated period; no reimbursement will be made for incidentals including kitchen utensils, cookware, kitchen supplies and sundries.

4. Transportation

Actual cost of common carrier services, including taxicabs, car rentals and baggage fees, when necessary, shall be allowed. Departments are to utilize on-line travel services and secure the least expensive flights and car rental arrangements possible. Upon request from the Auditor/Controller supporting documentation that the flights and car reservations made were the least expensive option available is to be provided by the department. Travel in business class, first class or any category on any flight above the coach/economy level is allowable if (1) the traveler pays the cost difference or (2) the department can document that no other option exists and the selected flight is the only option for travel. Reservations for air transportation should be booked as early as is reasonable to take advantage of lower cost air fares. Airline government and group rates must be used when available.

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Claims for payment or employee reimbursement shall be accompanied by a receipt for the purchase and a copy of the ticket purchased or other voucher for common carrier expense. Flight insurance is covered in Policy D-5.

5. Rental Cars

The county maintains a contract with a vehicle rental company and every effort should be made to use the contract company. If available, a county issued corporate rental vehicle card or Purchasing Card (P-card) shall be used for all travel requiring the use of a rental vehicle when the contract company cannot be used. Government and group rates must be used when available. Actual costs evidenced by an original, dated receipt and inclusive of all related taxes and other rental fees should be submitted along with actual gas receipts (dated, vendor name printed on the receipt) obtained for the purchase of gas for the rental vehicle.

The rental vehicle may include a global positioning system if said equipment is standard; only standard equipment is allowed and no rental car reimbursement will be made for cars above the mid-range size unless four or more employees are traveling in the same vehicle and this information is documented in the reimbursement information.

If a county issued corporate card is unavailable, the county requires employees to purchase the Loss Damage Waiver (LDW) so the employee is not held responsible for damage (under normal circumstances) to the rental vehicle and such cost will be reimbursed. However, the county will not reimburse employees for the cost of other optional insurance. (e.g. liability, uninsured/underinsured motorist, personal accident & personal effects), as the county is self-insured for vehicle liability & third party physical damage and provides worker's compensation coverage.

Employees are required to notify Human Resources, Risk Management Division at (951) 955-3540 and the employee's supervisor as soon as possible (within 24 hours) of any event, incident or accident related to the rental car. The employee must complete "County Vehicle Accident/Incident Report," Form 942-6 (Safety Division form).

6. Private Automobile

Reimbursement for use of a private vehicle shall be allowed upon authorization of the department head, Executive Officer, or the Board of Supervisors. The county's private vehicle mileage reimbursement rate is the same rate as the Internal Revenue Service (IRS) standard mileage rate for private vehicles and will be effective concurrently with IRS' periodic establishment of such a rate.

If an employee is required to use the employee's personal vehicle while in the course and scope of employment, the employee must, prior to using said vehicle, do the following:

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- A. Complete the "Authorization to Drive Riverside County Vehicle or Private Vehicle for County Business," Form 30, authorizing the employee to use a personal vehicle which must be approved by the department head.
- B. Insure the vehicle to at least the minimum limits required by the State of California, or if registered/licensed out of state, the insurance must be equal to or greater than the minimum limits required by the State of California. Although not required, it is recommended that employees who use their personal vehicle while in the course of and scope of employment place a business use endorsement on their personal automobile policy. The expense of adding a business use endorsement is the sole responsibility of the employee.
- C. Maintain a valid driver's license, which is appropriate for the class of vehicle to be operated. If any restrictions apply, the employee must notify his/her supervisor of the restrictions and/or any and all changes in the license (i.e. suspended, etc.).

The use of motorcycles, mopeds, and similar types of vehicles for the conduct of county business is expressly prohibited, with the exception of Sheriff's Department sworn personnel on duty in a specific assignment.

When a department head authorizes use of a private vehicle for the convenience of the driver, instead of more economical travel by air, reimbursement shall not exceed the cost of usual airfare.

Employees are required to notify Human Resources, Risk Management Division's representative, and the employee's supervisor as soon as possible (within 24 hours) of any incident or accident. Employees must complete "County Vehicle Accident/Incident Report," Form 942-6 (Human Resources Safety Division form).

7. Private Aircraft

The use of private aircraft for the conduct of county business is expressly prohibited unless prior authorization is given by the Board of Supervisors.

8. Miscellaneous Expenses

Miscellaneous expenses, including charges for business telephone calls, fax service, internet service, e-mail services, the cost of usual or necessary services and supplies, including emergency repairs, parts or towing for county vehicles, conference registration fees, vehicle parking, bridge tolls, and any other justifiable business expenses shall be allowed if they represent a valid business need.

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A satisfactory explanation of the circumstances is required for these expenditures. An employee reimbursement for actual miscellaneous expenses shall be accompanied by an original receipt or other original voucher. Personal telephone calls and personal internet usage are not reimbursed.

9. Special Provisions for County Employees on Indefinite Assignments

When approved by the department head and Executive Officer or designee, employees assigned indefinitely (for periods of 90 days or more) out of town are provided the following compensation options:

- A. Standard reimbursements as provided herein (or limited by program provisions); or
- B. Commuter compensation model:
 - Meals: \$50.00 per day or portion thereof in travel status
 - Lodging: \$1,500 per month (prorated at \$50.00 per day)
 - Transportation Allowance: \$600 per month (Parking, Car Rental, etc):

Under the commuter compensation model, no receipts or records are required by the county. However, the employee must substantiate deductible expenses on his/her personal tax return.

No tax deduction is allowed by IRS if the assignment is expected to exceed one year. The "commuter compensation model" will be grossed up by a factor of 20% to recognize this tax impact for employees whose assignments are expected to exceed one year.

10. Travel Authorization

Reimbursement for travel expenses requires prior authorization as follows:

- A. By County Executive Officer or designee:
All travel wherein the estimated total cost (including registration, transportation, lodging, and meals) is not included in the approved budget, or is expected to cost \$1,000 or more per person or if the travel is out of state. Prior approval for travel estimated as costing more than \$1,000 or travel out of state is required even if the travel was anticipated and approved in the department's budget.

Each request should be in the form of a memorandum that details costs to be incurred and substantiates the need for said travel. Attendance must be required for purposes of maintaining a professional license, participation in professional activities which benefit the County of Riverside and not solely for

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the purpose of professional enhancement or to collect an award. Funding availability for the proposed travel is not a guarantee that the travel will be approved. The travel must provide a clear benefit to the County of Riverside.

Exception: extraditions, travel that involves the health/safety/security of a minor, and/or an individual 60 or more years of age or any individual who is the victim of domestic violence.

B. By Department Head:

All travel wherein the estimated total cost (including registration, transportation, lodging and meals) is less than \$1,000 per person. This travel should also be requested on an email prepared by the employee and outlining all anticipated expenditures. If the travel involves participation at a conference or training venue the proposed agenda should be included. The memorandum should explicitly detail how the proposed travel benefits Riverside County.

The Department Head's approval is an indication that the travel is included in the approved departmental budget. If the travel is not in the approved budget the Department Head should make a recommendation and forward the memo to the designated analyst in the Executive Office.

C. Format:

All approved travel should be noted on a per trip basis in a memorandum signed by either the County Executive Officer/designee or the department head as delineated in A. and B. above. A copy of the signed memorandum should be attached to any requests for payment of travel expenses, including Form 14 which follows.

11. Use of Claim Form

The employee expense claim must be filed on a form approved by the county, and must include date, business destination, amount, and business purpose. Claims shall be filed promptly, no later than the end of the month following the month in which the travel and/or other necessary expenses occurred. Claims filed after this time will not be considered for payment. Commuter compensation model will be processed as additional pay, and no other form will be required.

Original receipts are required for reimbursement. Original receipts must include the name of the establishment where service was provided and the date on which the service was rendered. Restaurant receipts must include the items ordered as well as the total payment made. However, there may be rare occasions when providing an itemized receipt may not be possible due to the type and location of the restaurant. In

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that event, an original un-itemized receipt from the restaurant can be submitted. All claim forms and associated documents related to reimbursable county expenditures are considered public records, are subject to disclosure under the California Public Records Act {Chapter 3.5 (Commencing with Section 6250) of Division 7 Title 1}. (Form 14 attached).

12. Reports

Per California Government Code Section 53232.3 subparagraph (d), legislative body members are required to provide brief reports on meetings attended at the expense of the county at the next regularly scheduled meeting of the legislative body.

13. Penalties

Penalties for the misuse of public resources or falsifying expense reports in violation of expense reporting policies may include, but not be limited to, the penalties specified in Government Code section 53232.4.

Reference:

- Minute Order dated 01/21/75
- Minute Order 3.3 of 04/29/97
- Minute Order 3.3 of 10/16/01
- Minute Order 3.8 of 04/08/03
- Minute Order 3.7b of 05/02/06
- Minute Order 3.3 of 04/10/07
- Minute Order 3.2 of 07/21/09
- Minute Order 3.7 of 09/15/09
- Minute Order 3.9 of 08/10/10
- Minute Order 3-11 of 02/26/13

Exhibit C

Exhibit C

**HIPAA Business Associate Agreement
Addendum to Contract**

Between the County of Riverside and ServiceNow, Inc.

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of and subject to all of the terms and conditions of the Master Ordering Agreement ("Underlying Agreement") between the County of Riverside ("County") and ServiceNow, Inc. ("Contractor") and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any each party's use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH as applicable to each party; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures as well as County's obligations in its use of the services;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

- I. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.
 - A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.

- (1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a Breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:
 - (a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;
 - (b) The unauthorized person who used the PHI or to whom the disclosure was made;
 - (c) Whether the PHI was actually acquired or viewed; and
 - (d) The extent to which the risk to the PHI has been mitigated.
- (2) Breach excludes:
 - (a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.
 - (b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.
 - (c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
- B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.
- C. "Custom Application" means any application created by Covered Entity or a third party on behalf of Covered Entity on the Contractor platform.
- D. "Customer Data" means the electronic data submitted or otherwise made available by Customer or its authorized users to the information systems provided by Contractor as part of the Subscription Service.
- E. "Data aggregation" has the meaning given such term in 45 CFR §164.501.
- F. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.
- G. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.
- H. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).
- I. "Health care operations" has the meaning given such term in 45 CFR §164.501.
- J. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.

- K. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- L. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- M. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI and received by Business Associate from or on behalf of Covered Entity under the Underlying Agreement.
- N. "Required by law" has the meaning given such term in 45 CFR §164.103.
- O. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").
- P. "Security Incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, except it shall not include any attempts of bypassing Business Associate's security infrastructure including, but not limited to, port-scans, probes, unsuccessful log on attempts, password-based attacks, pings, and other firewall attacks or interference with Covered Entity's instance that do not result in the unauthorized access, use, disclosure, modification or destruction of Customer Data.
- Q. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.
- R. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.
- S. "Subscription Service" means the Contractor applications and platform delivered as a software-as-a-service offering via web access designated by Business Associate and made available by Business Associate to County as purchased by County under the Underlying Agreement.
- T. "Unsecured Protected Health Information" and "Unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

2. Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.

- A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate the Privacy Rule.
- B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:
- 1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,
 - 2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:
 - a) The disclosure is required by law; or,
 - b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:
 - i. Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

- ii. Notify Contractor of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,
 - 3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,
 - 4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.
- C. Contractor shall comply with any state and/or federal laws and regulations that are applicable to its provision of the services in accordance with the Underlying Agreement.
3. **Prohibited Uses and Disclosures.**
- A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.
 - B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives as Customer Data , except as permitted or required by this Addendum, the Underlying Agreement, or as required by law.
 - C. Contractor shall not use or disclose PHI for except to comply with its obligations under this Addendum and the Underlying Agreement. Contractor agrees:
 - 1) Not to use or disclose PHI for fundraising, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;
 - 2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);
 - 3) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.
4. **Obligations of County.**
- A. County agrees to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
 - B. County agrees to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
 - C. County agrees to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI. County shall not make any commitments that would make Business Associate violate this Addendum, the Underlying Agreement or HIPAA, including the Privacy and Security Rules.
 - D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

- E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.
- F. County shall be solely responsible for responding to any requests for PHI made by individuals in accordance with 45 C.F.R. § 164.524, 45 C.F.R. § 164.526, and 45 C.F.R. § 164.528.
- G. County shall restrict the access and use of the Subscription Service to its authorized users only. County shall be responsible for ensuring all County's users, or anyone to whom County shall provide access, maintain the security of any passwords, username, or other form of authentication involved in obtaining access to the Subscription Service. Usernames and passwords must be uniquely assigned to a specific individual and may not be shared by multiple individuals at any one time or transferred.
- H. County shall use the Subscription Service's column-level encryption feature on all County-created fields for all Customer Data containing PHI.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

- A. Use or disclose PHI in compliance with the requirements of this Addendum and the Underlying Agreement.
- B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI to the extent such notice is lawful.
- C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.
- D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.
- E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including Breaches of Unsecured PHI as required by 45 CFR §164.410.
- F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.
- G. Make available to the Secretary, in the time and manner designated by the Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.
- H. Use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).
- I. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI in accordance with the Underlying Agreement.
- J. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor expressly agrees to carry out County's obligations under the Privacy Rule pursuant to a mutually agreed upon written amendment to this Addendum.
- K. Take reasonable steps to require a cure or end of any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the

business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:

- A. **Access to PHI.** Upon the County's request, make PHI in a Designated Record Set available to County in order for Covered Entity to comply with its obligations with 45 C.F.R. § 164.524, it being understood that (i) Contractor will only be required to make available such PHI to County as part of Customer Data in the ordinary course of providing the Subscription Services in accordance with the Underlying Agreement, and (ii) County will be solely responsible for identifying the relevant Designated Record Set and PHI and for complying with any request made by individuals under 45 C.F.R. § 164.524.
- B. **Amendment of PHI.** Upon the County's request, make PHI in a Designated Record Set available to County for amendment, in order for Covered Entity to comply with its obligations with 45 C.F.R. § 164.526, it being understood that (i) Contractor shall make available such PHI to County as part of Customer Data in the ordinary course of providing the Subscription Services in accordance with the Underlying Agreement, and (ii) County will be solely responsible for identifying the relevant Designated Record Set and PHI and making the necessary amendments(s) to comply with any request made by individuals under 45 C.F.R. § 164.526.
- C. **Accounting of disclosures of PHI.** Upon the County's request, make available the information reasonably required to provide an accounting of disclosures of PHI of which Contractor is aware in accordance with 45 C.F.R. § 164.528, provided that County will be solely responsible for identifying the relevant individuals and associated PHI and for complying with any request made by individuals under 45 C.F.R. § 164.528.

7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

- A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;
- B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;
- C. Protect against any reasonably anticipated security threats of ePHI by following Contractor's information security program in accordance with the Data Security Guide of the Underlying Agreement;
- D. Protect against any reasonably anticipated unauthorized uses or disclosures of ePHI by following Contractor's information security program in accordance with the Data Security Guide of the Underlying Agreement;
- E. Maintain a security awareness program that includes appropriate training of Contractor personnel on Contractor's security program.
- F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;
- G. Report to County any Security Incident of which Contractor becomes aware involving County's Customer Data, including Breaches of Unsecured PHI as required by 45 CFR §164.410; and,

8. **Breach of Unsecured PHI.** In the case of Breach of Unsecured PHI, Contractor shall comply with 45 CFR §164.410 in accordance with the below.
- A. **Discovery and notification.** Following the discovery of a Breach of Unsecured PHI contained in Customer Data, Contractor shall notify County in writing of such Breach without unreasonable delay and in no case later than sixty (60) calendar days after discovery of a Breach, except as provided in 45 CFR §164.412 for notification delays by law enforcement agency.
- 1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).
 - 2) **Content of notification.** Contractor shall provide information reasonably requested by County for purposes of investigating the Breach and any other information that County is required to include in the notification to the individual under 45 C.F.R. § 164.404(c) to the extent such information is available in Contractor's ordinary course of operating the Subscription Service. The written notification to County relating to Breach of unsecured PHI shall include, to the extent known and available in the ordinary course of providing the Subscription Service, by Contractor:
 - a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;
 - b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
 - c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;
 - d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,
 - f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.
- B. **Cooperation.** With respect to any Breach of Unsecured PHI reported by Contractor, Contractor shall reasonably cooperate with County and shall provide County with any information requested by County to the extent such information is available to Contractor in the ordinary course of operating the Subscription Service to enable County to fulfill in a timely manner its own reporting and notification obligations, including County's but not limited to notice obligations to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.
- C. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- D. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates this Addendum or the Underlying Agreement, Contractor shall maintain documentation sufficient to demonstrate that Contractor made notifications to the County as required by 45 CFR Part 164.410 or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.

E. **Additional State Reporting Requirements.** The parties agree that this Section 8.E applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of Customer Data which may contain medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(i)(2).

- 1) Contractor agrees to provide the information listed in Section 8(A)(2) (Content of Notification) to the extent known and available to the Contractor in the ordinary course of providing the Subscription Service such that the County can fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.
- 2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information involving Customer Data without unreasonable delay and no later than ten(10) business days after Contractor becomes aware of such incident.

9. **Indemnification.**

Subject to the County's compliance with this Addendum, including without limitation Section 4 (Obligations of County), in the event of a Breach solely caused by Contractor's failure to implement and maintain appropriate security safeguards with respect to ePHI, as set forth in Section 7(A) above, then Contractor shall, as Contractor's sole liability with respect to such Breach, reimburse County for the following: (A) costs incurred by County to notify individuals affected by such Breach to the extent such notification is required under applicable laws; (B) costs incurred by County to provide identity protection services to individuals affected by a Breach to the extent the provision of such services is required under applicable laws; and (C) government or regulatory fines paid by County solely due to such Breach, provided that Contractor's cumulative and aggregated liability at all times arising out of or related to this Addendum shall be subject to the limitations of liability set forth in Section 8 of the Underlying Agreement.

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or received by Contractor on behalf of County returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

A. **Termination for Breach of Contract.** A material breach this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement in accordance with the terms of the Underlying Agreement.

B. **Effect of Termination.**

- 1) Upon termination or expiration of this Addendum, for any reason, County shall request the return of Customer Data in accordance with the procedure set forth in the Underlying Agreement, and Contractor shall make available such Customer Data in accordance with such procedure. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor.
- 2) Notwithstanding anything else to the contrary, Contractor shall extend the protections of this Addendum to any Customer Data, which may contain PHI and/or ePHI and limit further uses and disclosures of such data that it may maintain after termination or expiration of the Underlying Agreement to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. **General Provisions.**

A. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County and the Contractor to comply with their respective obligations under HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

- B. **Survival.** The obligations of Contractor under Sections, 9 and 11.B of this Addendum shall survive the termination or expiration of this Addendum.
- C. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect.
- D. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or are inconsistent with any provision in this Addendum.
- E. **Interpretation of Addendum.**
- 1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
 - 2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County and the Contractor to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally as applicable to the party.
- F. **Notices to County.** County agrees that Contractor's notification of Security Incidents or Breaches shall be to the designated individual(s) identified by County in Contractor's support portal. All other notices shall be given by Contractor to County pursuant to the terms of the Underlying Agreement.
- G. County acknowledges that any PHI disclosed to Contractor is incidental to the Subscription Service provided by Contractor under the Underlying Agreement and that Contractor does not review or analyze the content of the Customer Data in the ordinary course of operating the Subscription Service. Therefore, County agrees that it shall be solely responsible for complying with any obligations under HIPAA that require any review or analysis of such content.
- H. Notwithstanding anything to the contrary, in no event shall Business Associate have any liability under this Addendum or otherwise, as a result of County's failure to comply with Section 4 (Obligations of County) and/or any Breach caused by a Custom Application or modifications to the Subscription Service by Customer or a third party acting on behalf of Customer.