

CITY OF OAKLAND



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July 12, 2006

HONORABLE CITY COUNCIL
Oakland, California

Re: Progressive Solutions Contract

Honorable President De La Fuente & Members of the Council

The referenced contract is on the non-consent agenda for the Council's July 18, 2006 meeting. The item (#15) was heard at the Council's July 11th Finance Committee meeting.

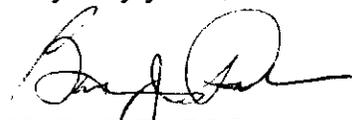
Committee members requested that Finance Department staff, as a condition of approval of the item, contractually require Progressive Solutions to refund all monies paid by the City in the event that the software did not work or did not perform to the City's satisfaction.

Please note that while the City Finance Department staff has negotiated certain terms such as prices for the software licenses, installation and maintenance services, and equipment and hardware, other critical contract terms and conditions, including the termination and remedy provisions have not yet been negotiated.

The City provided its boilerplate Information Technology contract to Progressive Solutions which contains the City's standard terms and conditions with respect to the City's recourse and remedies in the event of contractor non-performance, termination of the contract, indemnification for intellectual property infringement, acceptance testing, and maintenance services response times, liquidated damages, and for performance bond.

When the City's Finance Department staff has negotiated and finalized all remaining contract terms and conditions, the City Attorney's Office will provide the Council with a confidential memorandum outlining the contract deal points, including termination and remedy provisions.

Very truly yours,


for JOHN A. RUSSO
City Attorney

ORA/COUNCIL

JUL 18 2006

Prepared by: Celso Ortiz

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