



CITY OF OAKLAND

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## AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Arturo M. Sanchez  
Deputy City Administrator

SUBJECT: Municipal Identification  
License Agreement

DATE: September 12, 2012

City Administrator  
Approval

Date

9/13/12

COUNCIL DISTRICT: City-Wide

### RECOMMENDATION

Staff recommends that the City Council Adopt and Approve:

1. A City Resolution Authorizing The City Administrator To Execute A Licensing Agreement With SF Global To Provide Official City Of Oakland Municipal Identification And Debit Cards To Oakland Residents; And
2. An Ordinance Amending Ordinance No. 13078 C.M.S., The Master Fee Schedule, As Amended, To Establish Or Modify Fees Assessed By The Office Of The City Administrator To Establish A Municipal Identification Application Fee For Identifications Issued Pursuant To Chapter 2.34; And
3. Ordinance, Amending Ordinance No. 12079 C.M.S., Authorizing The City Administrator To Negotiate And Execute A Lease In The Dalziel Building For The Implementation Of The Municipal Identification And Debit Card Program At A Reduced Monthly Rent

### EXECUTIVE SUMMARY

The Municipal Identification Program Ordinance No. 12937 C.M.S. was adopted by the City Council on June 4, 2009 to develop and implement a municipal identification card. Staff has provided Council with periodic reports and updates on the status of developing the program. On September 13, 2011, staff presented the Finance & Management Committee with an update on the status of developing an agreement with SF Global for the provision of a Municipal Identification/Debit Card (the "program"). On December 20, 2011, the Oakland City Council directed staff to negotiate a contract with SF Global to provide the Oakland Municipal identification Card, with University National Bank (UNB) as the financial entity to be associated

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with the card. Staff now returns with a licensing agreement and requisite resolution granting the City Administrator the authority to execute the licensing agreement, office lease, and modifications to the Master Fee Schedule as attached to this report.

### OUTCOME

If adopted, the resolution would authorize the City Administrator to execute the licensing agreement and office lease with SF Global and allow for SF Global to begin implementation of the Municipal Identification Card program as soon as practicable.

### BACKGROUND/LEGISLATIVE HISTORY

The Municipal Identification Program Ordinance No. 12937 C.M.S. was adopted by the City Council on June 4, 2009 to develop and implement a municipal identification card. Staff provided Council with periodic reports and updates on the status of developing the program. On September 13, 2011, staff presented the Finance & Management Committee with an update on the status of developing an agreement with SF Global for the provision of a Municipal Identification/Debit Card (the "program"). On December 20, 2011, the Oakland City Council directed staff to negotiate a contract with SF Global to provide the Oakland Municipal Identification Card.

From January 2012 through August 2012 SF Global and UNB have been negotiating and finalizing the terms of their contract to provide combination identification and debit cards for the City of Oakland. The City Administrator's Office and SF Global began negotiations on May 1, 2012. Staff now returns with a licensing agreement and requisite resolution granting the City Administrator the authority to execute the licensing agreement attached to this report.

### ANALYSIS

#### Draft Licensing Agreement

Staff and the City Attorney's Office have negotiated an agreement that we believe meets the stated goals and principles for which Council determined to pursue a combination Municipal Identification Debit Card. The attached agreement conforms to the requirements of the Municipal Code, allows for the recovery of staff costs, and contains all the necessary protections to protect the private information of the cardholders.

Included in this agreement are the following terms Council previously directed staff to include:

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1. Schedule A requires that SF Global work with their current banking partner to determine willingness to have a local presence or an affiliation/service contract with a local financial institution.
2. Requires that the debit card fee structure is competitive with those banks that charge the lowest fees in the industry and contains provision requiring banking change if fees rise to 10% above the median.
3. A performance bond of at least \$1,000,000.
4. Contains provision for recovering staff time related to implementation and oversight of program;
5. Includes language that protects, to the extent possible, the identity and private information of the individuals who apply for cards.
6. Requires cross company/affiliate financial guarantees should the operation of the SF USA company require additional funding.
7. Require that SF USA agreement between SF USA and Selected Partner Bank complies with the Federal Deposit Insurance Corporation's (FDIC) New General Counsel's Opinion No. 81 that assures FDIC insurance is passed to individual card holders.
8. Requires guarantees/indemnifications from SF Global Holdings, SF Global and SF Systems to financially support SF USA as it starts up.
9. SF Global will include in their contract with the bank a provision that allows them to cancel the contract if at any point during the contract, if it appears as though the bank is becoming insolvent. Solvency will be determined by the level of net assets available to bank in millions. Should the banks net capital (assets less liabilities) dip below a specific preset dollar amount, to be established by the City, the City will have the right to ask provider to put the bank on notice and immediately begin to negotiate with an alternative bank.
10. Provider will provide a report on the bank holdings, net assets, and net capital once every thirty days for the purposes of the City monitoring their financial stability and indicators pointing to potential bank failure.
11. Alternative banks will be selected from a pre-approved list of partner banks as determined by the working group (City staff group) and the provider (SF Global).
12. Includes opportunity for provider to provide evidence of solvency.
13. Contract includes guarantees that Operator will continue to provide debit card banking services to all individuals for whom debit cards have been provided until such time as the individual opts to either transfer or cancel account.
14. Includes guarantees that in the event of a take over, merger, and/or subsumed accounts of all individuals issued debit cards pursuant to the municipal identification card program will be honored.
15. City will have right to review 3<sup>rd</sup> party contract.
16. Any new bank will provide a report on the bank holdings and liquid assets once every thirty days for the purposes of the City monitoring their financial stability and indicators pointing to potential bank failure.

17. At least 6 months prior to renewal of the agreement, the City reserves the right to put the bank and provider on notice of their intent to request a new partner bank regardless of whether the bank remains solvent or not.

In addition the agreement requires that the provider adhere to the terms of identification provided in Chapter 2.34.040 – Applications, and includes a scope of services that will allow for the implementation of this program in a prompt manner.

#### Cost Recovery & Master Fee Schedule additions

A working group comprised of several City Staff will meet on a regular basis with the provider and their agents to monitor progress, raise concerns, and solve problems. Initially meetings will occur twice a month, reducing to once-a-month when the program has been implemented and all intake centers are operational. The program is intended to be cost neutral to the City. As a result, the Provider has agreed to compensate the City for all associated costs related to oversight and administration of the Muni ID program.

Reimbursement will be provided on a monthly basis via invoices provided to SF Global. Invoiced amounts will be due no later than the 15<sup>th</sup> day of the succeeding month after invoice. Staff has included in their master fee schedule amendment the hourly rates for all assigned staff. The modifications are intended to afford the City recovery only of actual time spent and allocated to this project. In this way the program will be cost covering. Each respective staff members department will be reimbursed for the time they allocate to the working group. Advertisements and other materials will be produced at no cost to the city but must be approved by the working group prior to being published.

#### Office Space Lease

Staff has worked with Real Estate Division staff to identify and negotiate lease terms with the Provider. Pursuant to these discussions Staff is recommending the attached ordinance approving a lease to SF Global and amending Ordinance No. 12079 C.M.S. allowing the execution of a lease below the current monthly approved rate for tenants to Frank Ogawa Plaza.

Staff has identified the former credit union space located on the 6<sup>th</sup> floor of 250 Frank Ogawa Plaza (Dalziel Building) as a suitable location for the Municipal identification Program. The office space is not ideal for SF Global as they would prefer a street level commercial storefront that is easily accessible and visible to pedestrian traffic, and which does not exceed 1000 square feet. Currently there are no such spaces available in the City Center complex.

As an interim solution SF Global will establish a primary office in the Dalziel Building pursuant to this lease. While the 6<sup>th</sup> floor Credit Union space exceeds their size needs staff has arranged for a small portion of the space to be dedicated to SF Global. SF Global will continue to attempt to identify centrally located office space on the ground floor in downtown Oakland that will

allow SF Global easier visibility and access to Oakland residents.

Throughout the discussions with SF global Staff has been keenly aware of the unique nature and start up quality of the Muni ID program, and the need to balance cost recovery while helping the program succeed. In balancing these interests along with the City's lack of monetary support for the program's success Staff has negotiated a ground lease for 1000 square feet in the former credit union office space of \$1.05 a square foot, which is 30% below what the City Council authorized under Ordinance No. 12079 C.M.S. The lease terms will not exceed 18 months and will become a month-to-month lease at expiration. Staff believes that the execution of a lease 30% below the authorized lease amounts would be consistent with Council direction and Policy regarding the implementation of the Muni ID program. To effectuate Council direction and policy the attached ordinance will be amending Ordinance No. 12079 C.M.S to provide for a 30% reduction only for the SF Global lease.

#### Current Plaza Tenant Rates

During staff discussions it became apparent that the current tenants of the City Center Complex have been suffering business losses due to a varied number of factors from Occupy Oakland events to the economy. Real Estate staff had indicated that they believed it would behoove the City to consider reducing the lease rates for current occupants by 30% as a way to retain existing tenants and a show of good faith and support. Staff utilized this reduction figure when negotiating terms with SF Global. Staff understands that the Real Estate division staff would implement a similar rate to amend current leases if this is approved by Council. Staff plans to return later this fall with an ordinance which would provide a similar reduction to all current leaseholders, such a request was not included with this agenda report simply because staff wanted to have the discussions separately in order to allow Council to make informed independent decisions.

Pursuant to request at Rules Committee a supplemental report will be provided with a list of current Plaza leaseholders and the monthly rent paid by each.

#### PUBLIC OUTREACH/INTEREST

Staff has met and will continue to meet with local community organizations who hope to include a local currency component in the near future as a part of the Oakland Municipal Identification and Debit Card. Staff will continue to meet with community groups and local community based organizations to assist with the deployment and assess the success of the identification card.

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### **COORDINATION**

The City Attorney's Office, Office of the Clerk, and City Administrator's Office have all been working to implement the program.

### **COST SUMMARY/IMPLICATIONS**

There is no fiscal impact caused by the program, as the program is intended to be managed in a cost neutral/recovery manner by invoicing the provider, SF Global, for actual time spent by staff on a monthly basis as detailed below. There is a minimal loss of .45¢ a square foot for the lease executed below the current approved rate for the Plaza tenants. This amounts to \$450 a month over an 18 month lease that would equal \$8100 in lost revenue for the life of the lease. It is important to note that the space has been marketed for more than three years with no individuals interested in leasing the space at the current rate to date.

### **FISCAL/POLICY ALIGNMENT**

This resolution will bring into alignment the implementation of the adopted Municipal Identification program with the City's fiscal policy through a cost neutral implementation of the Municipal Identification Card.

### **SUSTAINABLE OPPORTUNITIES**

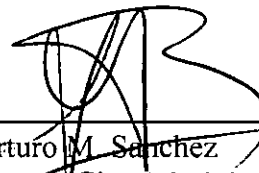
**Economic:** This program provides card holders access to local and regional services, promoting local economic activity.

**Environmental:** There are no environmental opportunities from this program.

**Social Equity:** The Municipal Identification Cards will be made available to all eligible residents to provide proof of residency which will increase public safety, civic participation, and facilitate support of local commerce.

For questions regarding this report, please contact Arturo M. Sanchez, Deputy City Administrator at (510) 238-7542.

Respectfully submitted,

  
\_\_\_\_\_  
Arturo M. Sanchez  
Deputy City Administrator  
City Administrator's Office

Attachments – (7)

- A -- Draft Licensing Agreement
- B -- Schedule A
- C -- Schedule B
- D -- Municipal Identification Mock up
- E-- Identification Verification Module
- F-- Comparison sheet of monthly fees among Bay Area banking institutions

## Attachment A



**AGREEMENT BETWEEN  
THE CITY OF OAKLAND  
AND  
SF GLOBAL, LLC  
FOR  
THE OPERATION AND MANAGEMENT OF  
THE CITY OF OAKLAND MUNICIPAL  
IDENTIFICATION PROGRAM**

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## **Exhibits**

Exhibit \_\_\_\_, City of Oakland Social Equity Policies

Exhibit \_\_\_\_, Facility Lease/License Agreement

## **Schedules**

Schedule A, Schedule of Program Operations

Schedule M, Independent Consultant Questionnaire

Schedule Q, Insurance Requirements . . . . .

Schedule R, Financial and Performance Guaranty of Operator's Parent and Its Affiliates

Schedule S, Financial and Operational Stability Requirements

THIS AGREEMENT, hereinafter “Agreement” is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between **SF GLOBAL, LLC**, a Florida limited liability company, (referenced hereinafter as “Operator”) and the **CITY OF OAKLAND**, a municipal corporation, (referenced hereinafter as “City”), for the Operator to develop and implement a municipal identification program, using a Transfercel debit card platform (further identified herein), to implement the City of Oakland Municipal Identification Card system and program through the financial institution \_\_\_\_\_ a national bank headquartered in \_\_\_\_\_ (referenced hereinafter as “Issuing Bank”). In exchange for the Operator’s management and operation of the City of Oakland Operator Municipal Identification Card Program (referenced hereafter as “Program”), the City agrees to license its municipal corporate name, logo, and other identifying information to the Operator for use on the identification card (the “Muni Id Card”) and to offer debit card services to card applicants at the rates specified in this Agreement. This Agreement consists of these general terms and conditions and all Exhibits and Schedules attached to this Agreement or incorporated by reference. In the event of a direct conflict between the general terms and conditions of the Agreement and the terms and conditions of any Exhibit or Schedule, the terms and conditions of the given Exhibit or Schedule shall control.

## RECITALS

WHEREAS, the City of Oakland is a California municipal corporation with all the rights and authorities assigned thereto; and

WHEREAS, as a state municipal corporation the City of Oakland has the right to license, contract and/or assign its name to agents when the assignment is in the best interests of its residents,

WHEREAS, many Oakland residents, including, but not limited to, immigrants, children, students, the homeless, transgender, the indigent, the disabled, the elderly, runaway youth and adult survivors of domestic violence and others currently suffer from the lack of official identification, which restricts their access to law enforcement, financial institutions, jobs, housing and home and workplace protections; and

WHEREAS, many marginalized communities lack a valid form of identification and without identification are afraid to report crimes to the police; and

WHEREAS, those who lack a valid form of identification are also often afraid to report labor and housing violations—such as blighted properties, insanitary or substandard living conditions, and workplace health, safety, and wage violations—to the appropriate authorities; and

WHEREAS, without appropriate identification, it is difficult to open bank accounts which results in such persons carrying large amounts of cash and making them specific targets for robbery and other violent crimes; and

WHEREAS, lack of a valid form of identification translates into limited access to financial institutions and fear of police and other city officials, thus resulting in decreased participation in the formal city economy, educational and civic matters; and

WHEREAS, in 2009, the City of Oakland City Council passed an ordinance authorizing a municipal identification program to provide Oakland residents with an alternative method to traditional methods to demonstrate identity, which would display at minimum the cardholder's name, photograph, address, date of birth, and an expiration date (codified at Oakland Municipal Code, Title 2, Chapter 2.34);

WHEREAS, an Oakland Municipal Identification Card will make it easier for all residents to participate in local and regional commerce; and

WHEREAS, the Oakland Municipal Identification Card will fill a void by providing an official form of personal identification for the many Oakland residents who currently lack acceptable forms of identification; and

WHEREAS, the Municipal Identification card will unify the Oakland community, make it safer and more secure, will benefit the local economy and will facilitate participation in public and private City activities; and

WHEREAS, the Oakland Municipal Identification Card will be unique to the City of Oakland and the City will endeavor to cause, through this Agreement the Operator, to employ best industry practices to maintain privacy and security, to protect public safety and avert counterfeit reproduction; and

WHEREAS, the City wishes to take appropriate measures - including but not limited to implementing meaningful benefits and uses for the Oakland Municipal Identification Card and developing substantial partnerships for its dissemination to ensure that the card is widely used and thereby of the greatest benefit to residents and the aforementioned marginalized populations; and

WHEREAS, the City wishes to create a reliable form of identification for all of its residents; and

WHEREAS, the City wishes to grant to Operator the exclusive right and privilege of designing, implementing, producing and issuing the City of Oakland Municipal Identification Card and operating the Program for the benefit of residents and those disenfranchised communities which the City seeks to empower;

NOW, THEREFORE, pursuant to the terms and conditions set forth in this Agreement by and between the City of Oakland and Operator for and in consideration of the faithful performance of the Licensing and production of a City of Oakland Municipal Identification Card with the terms, covenants and conditions hereof the City and Operator hereby agree as follows:

## SECTION 1

## GENERAL

### A. Definitions

“ACH” means Automated Clearing House system and is the primary electronic fund transfer (“EFT”) system used by agencies to make payments, and to collect funds.

“AML” means anti-money laundering, and is a term used as a part of the federal Bank Secrecy Act (“BSA”), which was amended by the United States PATRIOT Act, Public Law 107-56 to insure that banking and lending institutions verify identifies to prevent fraud, money laundering, use of funds for illegal acts and or diversion to support terrorism.

“ATM” means an automatic teller machine that consumers use to withdraw funds from their checking, savings or other bank accounts.

“Banking Services” means the services provided by a financial institution to customers/cardholders such as accepting deposits and providing customers access to their deposited funds through a financial network.

“BIS” means the United States Bureau of Industry Security.

“CID” means Consular Identification as issued by the consulate office of an applicant’s home country.

“CIP” means Customer Identification Program.

“City” means City of Oakland, or any department, board, commission or agency thereof

“City Administrator” refers to the City Administrator of the City of Oakland, or his or her designee.

“DHS” means the United States Department of Homeland Security.

“DRP” means Disaster Recovery Plan.

“EFT” means Electronic Fund Transfer.

“EITC” means the Earned Income Tax Credit, which is a refundable federal income tax credit for low to moderate income working individuals and families.

“FDIC” means the Federal Deposit Insurance Corporation, which is responsible for preserving and promoting public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions up to the coverage levels (currently, \$250,000 for individual accounts); identifying, monitoring and addressing risks to the deposit

insurance funds; and limiting the effect on the economy and the financial system when an insured institution fails.

“Fulfillment Vendor” means a secure shop and unique printer of the Transferec cards used by Operator.

“Green card” means United States Permanent Resident Card.

“ID Number” means an individual’s identification number assigned by the Issuing Bank through the Municipal Identification Card Program, which will be a unique number relating to the account number of the Municipal Identification Card holder.

“Intake Center” means one of a number of designated community-based locations in Oakland which the Operator will establish, manage and operate to accept applications and information for a Muni ID Card.

“Intake Center Software” means the software and/or technology that will be used at Intake Centers to submit the information of applicants for a municipal identification card.

“Issuing Bank” means the bank partner of the provider that will be the financial institution through which the Municipal Identification and Debit Card Program will be implemented.

“ITIN” means United States Individual Taxpayer Identification Number(s).

“IVR” means the interactive voice response system which is a way for people to interact with a company’s database via a telephone keypad or by speech recognition.

“Municipal Identification Card” means an identification card issued by the Program Operator in accord with the requirements of Oakland Municipal Code Title 2, Chapter 2.34, § 2.34.040.A.2, that displays the cardholder’s name, photograph, address, date of birth, and an expiration date, in addition to any other information essential for the card to be enabled for debit card banking services. This card may be referenced as “Municipal Identification Card” or “Muni ID Card” herein.

“Oakland Municipal Code” means the municipal code of the City of Oakland, California.

“OFAC” means Office of Foreign Assets Control of the US Department of the Treasury which administers and enforces economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.

“OMIC” means Oakland Municipal Identification Cardholders.

“Operator” shall mean the City’s Program administrator, SF USA Services, LLC.

“OUSD” refers to the Oakland Unified School District.

“PIN” means personal identification number.

“Pooled account” means a single account in which all OMIC monies will be stored.

“POS” means point of sale.

“Program” means the system administered by the Operator for the City of Oakland involving 1) the issuance of Municipal Identification Cards as defined in Oakland Municipal Code Title 2, Chapter 2.34, and 2) the provision of debit card banking services to said cardholders at the rates set forth herein.

“Proof of Residency” means the requirements stated in Oakland Municipal Code Section 2.34.040.A.2 that must be demonstrated by applicants to qualify for an Oakland Municipal Identification Card.

"Resident" means a person who can demonstrate that he or she has been present in the City of Oakland for at least 15 continuous days and who presents "proof of residency" as specified in Oakland Municipal Code Title 2, Chapter 2.34, Section 2.34.040 A.2.

“Senior” means a person at least 60 years of age or older, who is entitled to certain fee discounts under the Program.

“Simple Equipment” means a flashlight, lamp, marker, or other device which can be used to verify original card issued by bank, and used to distinguish it from false and invalid identifications.

“SSN” means social security number.

“Youth” means a person under the age of 18, who is entitled to certain fee discounts under the Program.

**B. License – Exclusive Right and Privilege to Use City of Oakland Name, Identification and Logo**

Subject to the terms of this Agreement to be entered into and only during the term of the Agreement, the City will grant to Operator the exclusive right and privilege of the use of the City’s corporate name, identification, and logo to produce and disseminate a Municipal Identification Card to any qualified City of Oakland resident who applies for said Card. Said exclusive license shall be used solely for the purpose of administering the City of Oakland Municipal Identification Card Program as described herein.



This Agreement does not convey Operator any rights or responsibilities other than to provide residents of Oakland with a City of Oakland Municipal Identification Card and debit banking services at the rates set forth herein. Operator shall have no right or authority to contract with or bind the City to any third party agreements. Operator shall hold the City harmless and indemnify the City as detailed below.

## **SECTION 2**            **TERM OF AGREEMENT**

The term of this Agreement shall commence with the first day of the month immediately following the date of execution of this Agreement by both parties.

Operator's services shall be completed by one calendar year from the date of execution of this agreement (the "Initial Term"). Upon expiration of Initial Term, the City will review the performance of Operator and Issuing Bank and reserves the right to renew for an additional two years (the "Renewal Term"). The Agreement will automatically expire on unless at least 90 days prior to the expiration date (i.e., end of Initial Term), the City Administrator has notified the Operator in writing that the City will extend the Agreement for an additional two calendar years.

## **SECTION 3**            **PROGRAM ADMINISTRATION RESPONSIBLE PARTIES**

For the duration of this Agreement or until such time as otherwise notified by the City of Oakland, the City's Project Manager for the Program is Arturo Sanchez, Assistant to the City Administrator. The Operator has designated Mr. Luis Flores as the Project Director who will be responsible for communications with the City's Project Manager, City, the City Working Group and the party to whom any notices or other communications that may be necessary in connection with this Agreement.

If either party shall desire or be required to give notice to the other, such notice shall be given in writing, via facsimile and concurrently by prepaid U.S. certified or registered postage, addressed to recipient as follows:

Arturo Sanchez, Assistant to the City Administrator  
City Administrator's Office  
City of Oakland  
1 Frank Ogawa Plaza, 3rd Floor  
Oakland, CA 94612-2033  
Attn: Arturo M. Sanchez  
Assistant to the City Administrator

SF Global LLC  
19 Wavecrest Ave. #700  
Venice, CA 90291  
Attn. City of Oakland ID/Debit Card, Program Director

Fax: 310-450-1398

Any party to this Agreement may change the name or address of representatives for purpose of this Section by providing immediate written notice to the other party.

#### **SECTION 4**                    **INDEMNIFICATION; LIMIT OF CITY LIABILITY**

The City of Oakland, its City Council, and its officers, agents, and its employees shall not be answerable or accountable in any manner for any loss or damage that may occur by reason of the operations of the Operator for any supplies or equipment used by the Operator, his agents or employees, or for injury or death to any person or persons, either employees, workmen, or the public, or for damage to property or loss of use thereof from any cause whatsoever arising out of the conduct of this Agreement. The Operator shall defend, indemnify and hold harmless the City of Oakland, the City Council, City officers, agents and employees from and against any lawsuits, claims, or actions brought by any person or persons for or on account of any property damage, bodily injury, disease, illness or death sustained by or arising from the provision of a Municipal Identification Card and the use by Operator of the City's name.

The City of Oakland shall not be liable for any injury or damage that may result from acts of God, natural disaster (including but not limited to earthquake, fire and flood), storms and any leaks caused by same or from any damage done or occasioned by or from plumbing, water, or pipes, or other apparatus or electrical wiring out of repair.

Notwithstanding any other provision of this Agreement, Operator shall indemnify and hold harmless (and at City's request, defend) City, and each of their respective Councilmember's, officers, partners, agents, and employees (each of which persons and organizations are referred to collectively herein as "Indemnitees" or individually as "Indemnatee") from and against any and all liabilities, claims, lawsuits, losses, damages, demands, debts, liens, costs, judgments, obligations, administrative or regulatory fines or penalties, actions or causes of action, and expenses (including reasonable attorneys' fees) caused by or arising out of any:

- A. Breach of Operator's and/or Issuing Bank's obligations (including failure to meet performance/service level standards), representations or warranties under this Agreement;
- B. Act or omission in the course of performance by Operator and/or Issuing Bank under this Agreement;
- C. Negligent or willful acts or omissions in the course of performance by Operator and/or Issuing Bank under this Agreement;
- D. Claims for personal injury (including death) or property damage to the extent based on the strict liability or caused by any negligent act, error or omission of Operator and/or Issuing Bank;
- E. Unauthorized use or disclosure by Operator and/or Issuing Bank of Confidential Information as provided in Section 6; or

- F. Claim of infringement or alleged violation of any United States patent right or copyright, trade secret, trademark, or service mark or other proprietary or intellectual property rights of any third party.
- G. For purposes of the preceding Subsections (A) through (F), the term "Operator" includes Operator, its officers, directors, employees, representatives, agents, servants, consultants and subcontractor.
- H. City shall give Operator prompt written notice of any such claim of loss or damage and shall cooperate with Operator, in the defense and all related settlement negotiations to the extent that cooperation does not conflict with City's interests.
- I. Notwithstanding the foregoing, City shall have the right if Operator fails or refuses to defend City with counsel acceptable to City to engage its own counsel for the purposes of participating in the defense. In addition, City shall have the right to withhold any payments due Operator in the amount of anticipated defense costs plus additional reasonable amounts as security for Operator's obligations under this Section 4. In no event shall Operator or Issuing Bank agree to the settlement of any claim described herein without the prior written consent of City.
- J. Operator acknowledges and agrees that it has immediate and independent obligations to indemnify and defend Indemnitees from any action or claim which potentially falls within these indemnification provisions, which obligations shall arise at the time any action or claim is tendered to Operator and/or Issuing Bank by City and continue at all times thereafter, without regard to any alleged or actual contributory negligence of any Indemnatee. Notwithstanding anything to the contrary contained herein, Operator's liability under this Agreement shall not apply to any action or claim arising from the sole gross negligence or sole willful misconduct of an Indemnatee.
- K. All of Operator's obligations under this Section 4 are intended to apply to the fullest extent permitted by law (including, without limitation, California Civil Code Section 2782) and shall survive the termination of this Agreement.
- L. The indemnity set forth in this Section 4 shall not be limited by the insurance requirements imposed on Operator as set forth in Schedule Q hereof, or by any other provision of this Agreement.
- M. City's liability, if any is established, to Operator under this Agreement shall be limited to direct actual damages for material breaches by the City of its obligations under this Agreement and shall exclude any liability whatsoever for consequential or indirect damages, even if such damages are foreseeable.

## **SECTION 5 OPERATOR'S INSURANCE**

Unless a written waiver is obtained from the City's Risk Manager, Operator must maintain the insurance coverage specified in Schedule Q, Insurance Requirements, which is attached and incorporated by reference into this Agreement.

**SECTION 6 PERFORMANCE BOND, FINANCIAL GUARANTEES AND FINANCIAL AND OPERATIONAL STABILITY REQUIREMENTS**

- (a) Operator shall post a performance bond, in the form and type satisfactory to the City, in the amount of \$1,000,000 as of the effective date of this Agreement. The performance bond shall remain in place throughout the term of this Agreement.
- (b) The parent entity of Operator, **SF GLOBAL, LLC**, headquartered in Sunrise, Florida ("Parent Company"), and its affiliates, **SF GLOBAL, LLC** and **SF SYSTEMS, LLC**, each agree to guarantee the obligations of Operator and/or its Issuing Bank in the event of the Operator's and/or the Issuing Bank's material breach of any of its obligations under this Agreement in accordance with the terms set forth in **Schedule R**, Financial and Performance Guaranty of Operator's Parent and Its Aftiliates, which is fully incorporated by reference into this Agreement.
- (c) Operator agrees, and agrees to monitor the Issuing Bank's financial health per **Schedule A**, to at all time meet the applicable Financial and Operational Stability Requirements set forth in **Schedule S** and any failure to do so shall constitute a material breach of this Agreement.

**SECTION 7**                      **LICENSES FOR USE OF CITY OF OAKLAND NAME AND OTHER FEATURES FOR IMPLEMENTATION OF MUNICIPAL IDENTIFICATION CARD PROGRAM**

The City shall:

- (a) License the Operator to use the City's corporate name, identification, and logo to produce and disseminate a Municipal Identification Card for the purposes described in **Section IB** above.
- (b) Provide reasonable assistance and support to the Operator for outreach and education efforts to Oakland residents regarding the process of applying for a Municipal Identification Card; this will include at minimum promoting the **Municipal Identification Card** through avenues available to the City, including but not limited to, City websites, City sponsored events, and City publications. Promotional costs will be bom by the Operator except for those items which the City can provide at little to no expense based on the City's current capacity. (For example, promotion of program information on City website via a link on City's main webpage).
- (c) Coordinate a Working Group comprised of the Operator, representatives from each of the City Administrator's Office, City Clerk's Office, **OPD** the City's **Treasury Department** and other agencies as determined by the Working Group, for the express purpose of monitoring the development of the **Municipal Identification Card Program**, including but not limited to, the design of cards, systems, campaigns and programs related to the **Municipal Identification Card** program. The Working Group will meet at least bi-weekly for the first 6 months of the implementation of the program. After six (6)

months, the Working Group will determine if bi-weekly, monthly, bi-monthly or quarterly meetings will be necessary for continued oversight of the program.

- (d) Provide office space, in the location and with the build-out and such square footage as the City and Operator determine to be reasonable for the intended usage, in the Frank Ogawa Plaza City Center or its vicinity for the purposes of establishing the first (1<sup>st</sup>) Intake Center for the Municipal Identification Card program.

## **SECTION 8**

## **MUNICIPAL IDENTIFICATION CARD PROGRAM AND RELATED DEBIT CARD BANKING SERVICES**

The Operator will develop and implement a municipal identification program, using a debit card platform (TransferCel) owned by the Operator's affiliates, to implement the City's Municipal Identification Program through the Issuing Bank. The City of Oakland's City Administrator's Office will monitor the Operator's administration of the Program. The Oakland Municipal Identification Card must be unique to the City of Oakland and be produced with industry standard integrated security measures to protect against counterfeit reproduction. The Program will be developed and implemented in conformance with the performance schedule set forth in the Schedule A, Schedule of Program Operation. Changes and or modifications to program must be approved by the City. Further, the Operator will provide at minimum the following scope of services:

### **A. MUNICIPAL IDENTIFICATION CARD PROGRAM**

Operator shall administer the City of Oakland Municipal Identification Card Program. The Program shall consist of the following:

1. Intake of personal information from any Oakland resident interested in obtaining a City of Oakland Municipal Identification/Debit Card;
2. Operation of five (5) offices in the City of Oakland. Within 90 days of executing this Agreement, Operator will identify locations for its "Intake Centers" to be located in neighborhoods such as East Oakland, West Oakland, Fruitvale, Lower San Antonio and the City Center;
3. Protection of confidentiality and security of applicants' personal information per the requirements of federal Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.), the California Financial Information Privacy Act (California Financial Code Section 4050 et seq.), and other state and federal laws and regulations;
4. Provision of the Program in accordance with all applicable federal and state laws and regulations including, but not limited to, privacy, data security, security breach notification, Regulation E, consumer protection requirements, Bank Secrecy Act and OFAC requirements, state unclaimed property requirements.
5. Issuance of City of Oakland Municipal Identification Cards for qualified applicants with City's corporate name, identification and logo;

6. Municipal Identification Cards issued will have electronic debit card banking features enabling holders to engage in debit card banking upon activating the debit card features of the card;
7. Offer debit card banking services that include card association with one of the major card networks, Visa, Mastercard or Discover and one of the major interbank networks such as Maestro, Plus or Cirrus to all Municipal Identification Card holders.
8. Customer support services provided in accordance with the requirements of this Agreement.

Operator shall administer the Program in accordance with the Program Requirements below and other requirements set forth in this Agreement.

## **B. PROGRAM REQUIREMENTS**

### **1. PROOF OF RESIDENCY**

Operator shall verify each applicant's proof of residency as set forth under City of Oakland Municipal Code Title 2, Chapter 2.34, § 2.34.040.A.2,:

- (a) Prior to issuing a Municipal Identification Card, the following proof of residency requirements must be met. In order to establish residency, each applicant must present one of the following items, provided that the item includes both the applicant's name and a residential address located within the City: a utility bill dated within the last 30 days; a written verification issued by a homeless shelter that receives City funding confirming at least 15 days residency within the last 30 days; written verification issued by a hospital health clinic, or social services agency that receives City funding, confirming at least 15 days residency within the last 30 days; a local property tax statement or mortgage payment receipt dated within the last 30 days; a bank account statement dated within the last 30 days; proof of a minor currently enrolled in a City school; an employment pay stub dated within the last 30 days; a written ruling, order or notice from the Oakland Rent Adjustment Board dated within the last 30 days; a jury summons or court order issued by a state or federal court dated within the last 30 days; a federal or state income tax or refund statement dated within the last 30 days; or an insurance bill (homeowner's, renter's, health, life or automobile insurance) dated within the last 30 days. If a certified copy of a marriage certificate is presented at the time of application, an applicant may prove residency using documents bearing the name of his or her spouse.
- (b) Effect of Move by Holder of Muni ID Card. At least thirty (30) days prior to the Expiration Date of a Muni ID Card, Operator shall require the cardholders to produce proof of continuing residency in the City of Oakland. In the event that a cardholder of a Muni ID Card moves out of the City of Oakland, the cardholder shall be required to hand in his/her Muni ID Card within thirty (30) days of moving outside of the City of Oakland to a card return address

designated by Operator. Further, in the event that a cardholder who is no longer a resident in the City of Oakland also has a debit card account established through the Muni ID Program, the Operator and Issuing Bank shall notify the cardholder that his/her debit card account shall be closed, or alternatively, at the Issuing Bank's option and at the cardholder's request, a new debit card account shall be independently established with the Issuing Bank.

- (c) With respect to applicants 13 years of age or younger, the Operator shall only collect information consistent with the requirements of the Children's Online Privacy Protection Act ("COPPA"), 15 USC Section 6501 et seq., a parent or legal guardian must consent to the collection of data and verify the applicant's residency, provided that the parent or guardian himself or herself would be eligible for a municipal identification card.
2. PROGRAM COSTS: Except for application and processing fees required from applicants to apply for Municipal Identification Cards, and banking fees required for participation in the debit/banking component by cardholders, the parties agree that the Operator shall manage and operate the Program at its own cost and shall be responsible for and pay all costs of the Program, including, but not limited to, facilities and staff costs, materials, training of staff, computer and telephone equipment and services and all other costs associated with operating the Intake Center. The City of Oakland shall not be responsible for and shall not provide funding, facilities, or resources of any type to operate the Program other than the limited facilities and support activities identified herein.
- (a) Operator fees: Charges for all Services shall be subject to adjustments from time to time which shall not exceed, in aggregate effect, the greater of (a) an annual rate of five percent (5%), or (b) the change to the Employment Cost Index ("ECI") over the applicable period, whichever results in a lower fee. Notwithstanding the foregoing, Operator agrees that there shall not be any adjustments to the charges for the Services provided for a period of twelve (12) months from the Effective Date of this Agreement. Operator agrees to submit to the City's Working Group for its approval any proposed changes to the cardholder fee schedule at least 60 days prior to its desired implementation. City agrees approval of proposed changes will not be unreasonably withheld, provided any proposed fee increases conform to industry standards and practices while not overly burdening the holders of the municipal identification card. On an annual basis, Operator shall conduct an industry benchmarking analysis of the fees imposed on cardholders in connection with the Program and use best efforts to more efficiently provide the Services to cardholders at fees on the lower end of what other industry providers charge for comparable Services. Fees not governed by OMC Chapter 2.34 and/or the City of Oakland annual Master Fees Schedule Ordinance, will be as described in Attachment B, or as amended or detailed above.

- (b) The City will provide office space at a City of Oakland facility to be used as an intake center. City and Operator will enter into a separate facility lease/license agreement for use of any City facility, which shall be attached hereto and labeled Exhibit \_\_\_\_, the terms of which shall be incorporated as if fully set forth herein.
- (c) The Operator will assume 100% of the total cost of the Program for the duration of this Agreement
- (d) The Operator agrees to reimburse the City for all costs incurred, including but not limited to staff time and administrative costs, as a result of monitoring, implementing, and/or administering the Municipal Identification Debit Card program. The City will provide the Operator with a monthly itemized invoice by the last calendar day of each month. Payments are due by the 15<sup>th</sup> day of the following month. Failure to reimburse the City for said costs will constitute a material breach of this Agreement.
- (e) The Operator will offer the debit card component solely as an option, not as a requirement, to Muni ID Card applicants or holders. For those cardholders choosing to activate and use the debit card account, fees will be charged as referenced in the "Fee Schedule".

### 3. FEES

- (a) Operator shall charge fees as set forth under City of Oakland Municipal Code Title 2, Chapter 2.34, § 2.34.060.A.2 (and/or the City of Oakland annual Master Fees Schedule Ordinance): "[F]ees shall not exceed the costs reasonably associated with the production of the cards and administration of the program. The Operator shall, by regulation, provide for reduced application fees, up to and including complete waiver of the fee, for low-income applicants who present proof of income status in a form to be determined by the Operator, upon approval by the City. The fee will be set and published in the master fee schedule as follows in subsection (b).
- (b) Identification Card Fee: At inception the fee for the provision of a Municipal Identification Card shall be as follows:
  - 1. Tiered pricing. Oakland Municipal Cards will be sold at two different prices:
    - a. Full price: \$15 full price
    - b. Reduced price \$10 (Youth, Seniors and Low-income Residents)

The reduced price will be offered to youth, seniors and low-income residents. Qualifications for the Reduced Price card shall be established by the City in terms of age requirements for the youth and senior card and in terms of what is required as proof of low-income. Sample documents for the latter may include: enrollment in food stamps, Medi-Cal, CalWORKS,



public housing, free and reduced school lunch, MUNI Lifeline program, or others.

#### 4. SECURITY SPECIFICATIONS

- (a) All information about the Resident must be entered into a secure database which is maintained by the Issuing Bank or its authorized party. This information must be stored consistent with the data security requirements of the Gramm-Leach-Bliley Act (15 U.S.C. 6501 et seq.) and other applicable federal and state data security laws and regulations.
- (b) Operator must follow the REAL ID Act of 2005, of the Department of Homeland Security (DHS), a standard for security features on *national* and *state*-issued identification cards. Although it is not expected or assured that the Muni ID Card will be recognized by federal or state authorities, Operator will abide by the DHS' recommendations in order to ensure that the Operator provides a Muni ID that is as secure as possible. The Operator will provide at minimum the following security features: Card stock inventory serialized by laser engraving; fine line pattern; optical variable features to prevent copying; multicolored background; microtext; laser engraving; card stock must be UV dull or possess a controlled response to UV; and allow for "Examination by trained inspectors with simple equipment." In addition, Operator will guarantee that Oakland Police Department ("OPD") Officers will be able to scan the card visually, and to be able to verify that the information on the face of the card matches the information used to register the card, either by swiping the magnetic stripe and/or by checking the name and ID number in the Operator database.
- (c) Operator will work with a card vendor that will comply with the DHS list of security features at a low price for card production. These features include but are not limited to:
  - 1. The card of a certain stock thickness and material
  - 2. The card stock inventory is laser engraved or etched with a serial number
  - 3. Fine line pattern background (aka guilloche graphic created by vector graphic imaging software)
  - 4. Embedded watermark
  - 5. Microtext
  - 6. Foil stamp of City Seal
  - 7. Optical Variable Ink, including ultraviolet or invisible ink, on certain areas of text (when tilted, the card ink turns a different color)
  - 8. Card association security holograms.
  - 9. Tamper proof magnetic stripe
  - 10. Tamper proof signature panel
  - 11. Rainbow printing
  - 12. Optical character Reader-Type B
  - 13. Changeable Laser imaging

- 14. Biometrics features
- 15. CLI image changes

The Municipal Identification Card will be printed by Operator's card personalization and Fulfillment Vendor, which shall be a secure shop and unique printer of the Transfercel cards used by Operator. The card manufacturing, fulfillment, printing and personalization, and issuance must all comply with all applicable federal and state laws, including the Customer Identification Program ("CIP") requirements (31 CFR Part 103.121) of the Bank Secrecy Act, and the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.).

Operator will work with Oakland Police Department's command staff to provide training, and or training bulletins, at least 30 days prior to issuance of the first card. OPD Officers and other City Agents will review the form of the card to be issued to prior to the opening of any intake center for the program to test and approve all security features of the card so that the City agents can easily recognize valid cards, as well as check them against the Operator's card database.

## 5. IDENTIFICATION CARD SPECIFICATIONS

Card association's rules and regulations permitting, Operator will provide a card where the front of the card shall bear the following information for the cardholder:

- (a) ID number (also known as the "Online Account Number;" it is a 14-digit unique identifier of the cardholder. The number can be used to access the cardholder's account on line and during intake or customer support)
- (a) Full legal name (last name, first name, middle initial)
- (b) Date of birth (month/day/year)
- (c) Residential address (corresponding to a Proof of Residency)
- (d) Photo (Biometric for In-House system RFQ)
- (e) 16 digit card number (corresponding to the prepaid debit account)
- (f) Expiration date (of the card and account); the Expiration Date is determined by adding two years to the date of issuance
- (g) Applicant signature
- (h) Eye Color
- (i) Hair Color
- (j) Weight
- (k) Height
- (l) Registration Number
- (m) Issuance date
- (n) Optional information, i.e., allergies, emergency contact

The magnetic stripe on the card shall contain information about the cardholder, such that when the card is swiped, the individual's name and ID number will

appear so that a Police Officer, merchant, or City agent will be able to verify that the personal information on the face of the card corresponds to the information used to register the card and the prepaid debit account.

The ID number shall provide access to a web-based system that is owned, housed, and Operated by Issuing Bank or its authorized party, for account maintenance. Access will be controlled by a user ID and password that is to be established by the municipal identification card holder. In situations where there is no card reader for the card's magnetic stripe, the ID number may be used to enter into a read-only application of this system, where the officer or agent may verify the information on the account with the information on the face of the card. The system should allow the City's agent to enter the online account management system (in a read-only environment) and verify that the name and ID number on the face of the card corresponded to the information which is held by the issuing Bank for that individual. As an example, although the card will not and cannot replace a drivers license issued by the State of California or any other state, if a Police Officer were to pull over a resident on the road, and the resident were to offer his/her Municipal Identification Card as proof of ID, the Police Officer could either look up the information through a web accessed system or call Police Headquarters or a designated City location at which the card database can be accessed to verify the information.

## 6. OPERATIONAL SPECIFICATIONS

- (a) Point Of Sale (POS) interface. Operator's card shall be compliant with the City of Oakland Wells Fargo Bank run POS system.
- (b) Card association. The card will be part of the Mastercard network and its corresponding interbank networks Cirrus and Maestro that include millions of ATM and POS locations throughout the US where the Muni ID can be used to make purchases, payments and withdrawals. Additional financial Networks card association could include but not be limited to: Star, Pulse, GreenDot, Transfercel Allpoint and Moneypass networks.
- (c) Operator agrees to work with operators of the following City Systems to achieve Muni card interoperability in the shortest time possible:
  - 1. Children's Fairyland: Microsoft Retail Management System and Blackbaud Raiser's Edge POS system provided by East Bay POS (also Aloha POS) currently in place at CF will require some customization by its current operator to achieve full interoperability with the Muni ID card via magnetic strip. Operator suggest the easiest way to achieve card interoperability is for CF to add a barcode sticker to the Muni card so it can be used to scan it as a membership card at Children's Fairyland (CF)
  - 2. Library: Muni card interoperability would be achieved by either having the Library adding a barcode sticker to the card or by having the current library Innovative Systems operator upgrading the system to enable it to read the Muni card's magnetic stripe.

3. Museum: Muni card would be compatible with the Vista System by Ticketmaster currently in place at the Museum allowing it to be used at the Oakland museum to pay for membership and tickets, and to identify members and city residents.
4. Oakland Zoo: Muni card would be compatible with the Gateway Ticketing System currently in place at the Zoo allowing it to be used at the Oakland Zoo to pay for memberships and tickets, and to identify members and city residents.

- (d) Operator agrees to work with other existing government Agencies in the City to expand card interoperability over time. These include but are not limited to:
  - (i) Oakland Unified School District: Muni ID card could be used in lieu of a student ID card by adding to it a unique sticker or barcode at the beginning of each new term. Debit card component shall be restricted as identified in the stored value services section below. Operator agrees it would work with OUSD to allow Muni ID to be read in card readers at its locations.
  - (ii) AC Transit: Muni ID Debit card component will allow it to be used to purchase AC Transit passes.
  - (iii) Peralta Colleges: Muni ID card could be used in lieu of a student ID card by adding to it a unique sticker or barcode at the beginning of each new term. Operator agrees it would work with Peralta Colleges to allow Muni ID to be read in card readers at its locations.

## 7. SECURITY VERIFICATION SPECIFICATIONS

- (a) Service must include processes and technologies for verifying the validity of the issued cards on a 24/7 basis under secure conditions; service provider must be able to work with City departments and authorized personnel to establish a workable validation process, which may require access to a secure database for card verification purposes and/or the development of interfaces between the service provider and City systems; respondents should describe how their proposed validation/verification services would work and support City needs.
- (b) Oakland Municipal ID card database must be available on a 24/7 basis to Oakland Police Department Dispatch Facilities for identity verification.

## 8. FINANCIAL SERVICES: PREPAID DEBIT CARD SERVICES

- (a) Reloadable/Individual Cardholder account-based Prepaid Debit Card Services
- (b) Key features and terms Operator will provide a Muni ID card that will have all the functionality of both a signature card and PIN card which includes the acceptance of the card on ATM/POS networks, and which requires that transactions are verified by both PIN and cardholder signature. Residents must be able to use their Muni ID in order to:
  1. Load cash onto their Card via POS at participating businesses and other locations
  2. Load checks onto Card at participating businesses and other locations

3. Load the card via Direct Deposit
4. Check balance 24/7 on Internet, voice systems (IVR) and soon, their mobile device (if they opt in to the program by signing up for secure mobile services)
5. Make purchases at POS terminals and withdraw cash at ATMs
6. Make purchases and reservations over the phone and on the Internet
7. Pay bills over the phone, on the Internet and through the mail using the 16-digit card number or the setting up an ACH debit to the card.
8. Through the IVR (interactive voice response system), website and as soon as practicable, the mobile phone, make economical domestic and international money transfers, including card-to-card transfers to other Transfercel cardholders, both foreign and domestic (such as friends and family members).
9. Link card to their cell phone to enable secure mobile financial transactions.
10. Card issued to minors, e.g. individuals under the age of 18, will have the debit card component limited and will require parental permission to acquire (including to collect data in accordance with COPPA) and to use beyond preset spending limits determined by their parent or guardian.

(c) Operator will work toward adding rewards, rebate or incentive programs to the Operator program. Operator will work with the City to identify suitable vendors and then with the vendors directly to add functionality to the card. Given the commissions awarded to Transfercel-affiliated merchants for selling and loading cards, merchants are already incentivized to offer customers store discounts if they load their Transfercel OMIC at their location.

(d) Fee schedule: Fees for the prepaid debit card are determined by the actual costs of the services charged by the bank, card networks and technology providers. The fee schedule for Operator shall be as detailed in Attachment B, fees are subject to reasonable change and or modification pending notice to and approval by the City Working Group. Such approval will not be unreasonably withheld if fee modifications are appropriate in light of industry standards; however, Operator shall conduct an annual industry benchmarking and work towards charging fees at the lower end of the industry spectrum.

#### 9. RELOADABLE/ACCOUNT-BASED PREPAID DEBIT CARD COMPONENTS

- (a) Technological and systems components of the Operator's Muni ID will be handled by the Issuing Bank or its authorized party, and have the following technological and systems components:
1. Each Muni ID shall be linked to an individual prepaid debit account at the Issuing Bank, held in the cardholder's name.
  2. All funds on individual card accounts shall be FDIC-insured, up to applicable federal deposit insurance limits.
  3. All information on the cardholder shall be stored by the Issuing Bank and accessed using the Issuing Bank's account management software, which is

regulated and monitored by the Issuing Bank or its authorized party.

4. Issuing Bank's or its authorized party processing platform shall manage all transactions and movements of money on and off the card/in and out of the prepaid debit card account. If the cardholder is using the mobile platform, Issuing Bank or its authorized party shall manage all mobile instructions and transactions and do so, in a secure fashion.
5. Customer support shall be accessible through a call center that has contracted with Operator to provide support services on a 24/7 basis via IVR and customer support representatives.
6. Issuing Bank shall have obtained, or, be in the process to secure all required permits and certifications from the proper parties to enable cardholders to execute remittances, both domestically and abroad to other Transferec cardholders. The remittance transactions shall be limited in the amounts that can be remitted on a daily basis; no more than \$1000 a day for all transfer transactions (U.S. or non-U.S.) can be made by any cardholder. Countries will be added as soon as practicable in the near future; provided, however, that the Services can be provided in full compliance with applicable U.S. and foreign anti-money laundering laws and regulations.
7. Card fulfillment and personalization (production and printing of the card as well as all materials included in the card envelope) will be provided by.
8. The cards issued shall be signature cards. Once the card and the card envelope have been printed, the card personalization vendor will mail the card package to the address provided by the cardholder.

(b) The card package sent to the cardholder shall include the following materials within a single envelope:

1. The card itself, personalized with all identification components and including the 16 digit account number, attached to a 'card carrier'.
2. A 14-digit 'online account number' which is used on Issuing Bank's or its authorized party secure web-based system for online account management. It is a unique identifier of the cardholder and is also known as the ID number.
3. A 4-digit temporary 'access code' which the cardholder uses to enter the interactive voice response system (IVR) and call center line. This is not the same as a 4-digit PIN, which is chosen by the customer upon activation of the card, and which is used to verify transactions at the POS or ATM. Card activation will require:
  - a. Card number
  - b. Last 4 digits of the ID# that cardholder used when registering for Muni ID
  - c. Creation of a 4 digit PIN
4. A user guide
5. A mobile user guide
6. A cardholder agreement, with the terms of the agreement between the cardholder and Issuing Bank (the cardholder agreement, along with all

disclosures to cardholders, must be provided to the City of Oakland for its review prior to any cards being issued). All disclosures provided to cardholders must be clear, concise, compliant with applicable federal and state legal requirements, and in easy to read language and format, including any website terms of use and privacy notices.

7. A fee schedule
8. A form for direct deposit indicating the ABA routing and transit number and the funding "bank" account number unique to the card that acts as an ACH address.
9. Materials describing the Oakland Municipal ID Card program, where the card can be loaded, instructions on where customers can access their account information and how they can access cardholder support.

- (c) Photo and signature capture the ID component of the prepaid card shall be managed by the Operator's card production and Fulfillment Vendor. Issuing Bank will send identification information record to the Operator's card production and Fulfillment Vendor for production of card. Upon card manufacture, the Operator's card production and Fulfillment Vendor will delete/expunge/relinquish the shared record in a secure fashion. The photo shall be taken via webcam and then submitted online through a secure server to the Operator's card production and Fulfillment Vendor, at a sub-Operator satellite site. The intake technician at this sub-Operator will not have the ability to create a file for the image, and will be prohibited from storing an image on the computer. Using the same system, the intake technician will use the computer mouse or a signature pad to have the applicant input his/her signature. A number will be assigned to the individual's file ("photo reference number") and then the photo and signature shall be submitted directly to the Operator's card production and Fulfillment Vendor. No files shall be saved to the intake agent's computer. Nor are any physical forms or paperwork kept or filed by the intake agent.
- (d) The Operator's card production and Fulfillment Vendor shall receive the data file from the Issuing Bank for the fulfillment of the debit card during the customer's pre-registration; once the Resident completes the registration at the intake center, the Operator's card production and Fulfillment Vendor is then able to match the financial data file to the photo and signature, using the photo reference number. The card shall then be printed and mailed in the card package to the Resident.
- (e) Card design shall be approved by City staff, including OPD, and will incorporate all card security features, financial card features and identification specifications for the design of the front and back of the card; the design must comply with the requirements set by the card networks (i.e., Visa or Mastercard) as well as typical financial card layout. Operator will also incorporate, as required under applicable federal, state and local banking and card networks rules and regulations, design specifications identified by City

staff

- (f) Operator will track to see which agencies or POS locations are selling the most cards, as well as to determine how many Residents are using the card and which transactions the most popular are among card users. Operator shall provide the City a monthly report with this same information, by the 15<sup>th</sup> of each month. Operator shall provide proprietary load application through The Pago Vision, Inc., a Wyoming corporation doing business as Red Check Solutions and POS terminals through Opptimos, LLC who will underwrite all merchants, including Operator, for use of the load application on these terminals. Operator shall cause through a written agreement each such entity will hold the City harmless and not liable for any loss or liability incurred in the implementation of the Muni ID program; in addition, Operator shall hold the City harmless and not liable for any loss or liability if the foregoing entities are unable for any reason to meet their indemnification obligations under this Section.

#### 10. LOADING CAPABILITIES FOR CARDHOLDERS

Operator shall provide for card holders to load their Muni ID cards in any of the following four methods:

- (a) With cash at a Transfercel or Transfercel OMIC merchant: To load a card with cash at a merchant or load point, the customer gives the merchant the cash for the load plus the load fee. The merchant swipes the card in the POS machine and performs a “reverse debit,” crediting the card with the desired amount.
- (b) Through Direct Deposit: Direct deposit can be set up by the customer as soon as she/he receives his/her card. Any funds that can be direct deposited to a bank account can be deposited to the card including pay, tax refunds, or benefits such as Social Security or SDI. By filling out the form in the card envelope and giving it to his/her employer, the customer can have the full or a partial amount of his/her salary deposited automatically onto their card each pay period. Direct deposit allows the customers to avoid the normal load limits placed on the card, as well as the load fee.
- (c) Through a card to card transfer: A customer’s card can be loaded through a domestic card-to-card transfer. That is, any Transfercel customer can transfer money to a Transfercel Muni ID cardholder’s account for a fee.
- (d) Through the purchase of a GreenDot MoneyPak: The customer can purchase a GreenDot MoneyPak at any participating merchant, such as RiteAid or CVS, and load their card for the price of the MoneyPak (\$4.95). There shall be no additional fee charged by Transfercel for this service.

All load points, whether they are non-profit organizations, community and professional organizations or small businesses, are considered “merchants” for the



purposes of simplicity and for compliance with Payment Network regulations. Load points shall be equipped by Operator with a POS machine or a Virtual Terminal and PIN pad with the Transfercel load application downloaded to it. Each merchant will be trained to accept the Oakland Municipal ID card as a Transfercel signature card.

#### 11. RISK MANAGEMENT

Operator shall provide the City a copy of their process for regular and risk assessment and management. Risk management must include training for all merchants processing loads to be conducted by Transfercel Network. The Issuing Bank's systems will record all individuals processing loads and will grant access to authorized parties to process loads. Access to load system will be controlled by merchant, who will be assigned a unique identification (ID) # and password. The Issuing Bank will be responsible for compliance with all Bank Secrecy Act requirements, including monitoring for suspicious activity and submitting Suspicious Activities Reports ("SARs"), and Currency Transaction Reports (CTR) reporting. Such processes shall include systems to appropriately identify, assess, measure, monitor and control the various risks which arise from the expansion and diversification of the technical, sales, marketing, business development, customer service and operations activities associated with the Program. Since Operator will be operating and managing the intake centers, Intake center employees, will be hired after appropriate background checks and managed by Operator. The Load Centers (merchants) will contract with Operator, Transfercel Network, and Issuing Bank and will be trained by Operator staff on loading process, training, and reporting requirements.

#### 12. PRIVACY CONSIDERATIONS AND SECURITY MEASURES

Operator and Issuing Bank will provide reasonable privacy and data security protection measures for cardholder information, such measures shall meet the requirements of applicable federal and state privacy and data security laws and shall be document in a written information security plan ("WISP") which shall be updated periodically. A copy of the WISP shall be provided to the City upon execution of this Agreement and at least annually thereafter. The WISP shall include:

- (a) Storing of cardholder information: All information on the cardholder will be securely maintained in the Issuing Bank's database, and which shall afford the security of the cardholder's information as required by the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.), the California Financial Information Privacy Act, and other applicable federal and state laws and regulations.
- (b) Operator will provide an encrypted and safe method for delivering private and confidential information to the Issuing Bank. A customer shall be required to call the Operator customer care center or use the Internet system to pre-register for a Muni ID, and then go to a designated intake center to complete

his/her registration.

- (c) Intake Center: At the intake center, the certified intake agent will verify the individual's ID and proof of residency against the pre-registered information in the web-based system, then take and submit the Resident's photo and signature to the card fulfillment vendor via a secure internet connection. The card is mailed to the Resident's address by the card fulfillment company.
- (d) The Operator shall provide a closed-loop applicant intake system (software) which meets the City of Oakland's Network security requirement which include and is not limited to functionality within the confines of a secure network behind perimeter firewalls, meets our encryption policies, and, maintained wholly by the City of Oakland and is autonomous, with a secure non-proprietary customized database structure for limited data preservation in accordance with Municipal ID ordinance requirements as defined by City of Oakland. Issuing Bank shall have the ability to access the system to confirm the type of document submitted by Applicant on their database. The record will capture the type of ID that was provided and ID number and what proof of residency was provided. At a minimum, Operator must be able to provide software at the satellite offices which:
  - 1) Provides an encrypted and safe method for delivering private and confidential information to the Issuing Bank.
  - 2) Provide software and hardware designed to not store the private and confidential information of the applicants at the satellite service centers computers or servers.
  - 3) Provide a secure method of establishing that there will be no identification duplication and or mismanagement of information so as to provide the City with fraud protection guarantees.
  - 4) Provide adequate security and firewall protections to guarantee that private and confidential information that may have been submitted by identification applicants from their homes will not be accessible to third parties through outside server attacks.
  - 5) Provide types of security checks/access controls that intake workers and individuals with access to identification systems will be required to go through before they can access the system.
  - 6) Neither the cardholder's information nor the photo or signature, shall be saved or kept on the computer used by the intake agent at any time. In the case of theft of a computer or a California Public Records request, Operator's security practices shall ensure that there will be no possibility for the divulgence of card applicants' private information.
  - 7) The web-based systems used by the Operator shall be protected with a username and password, multi-factor authentication and layered security controls, and only personnel designated by Operator will be granted a username and password.
  - 8) Every movement on the web-based system shall be recorded by the Issuing Bank and should be traceable. The web-based registration system

- (web-based) will be owned, maintained, and operated by Issuing Bank. Operator will provide licensed access to system to the Issuing Bank.
- 9) Intake agents shall be trained to always return any documents, including any forms which may aid the Resident in remembering their ID number following pre-registration over the phone or web, to the Resident.
  - 10) WISP shall include a security breach incident response plan, which shall provide for, among other things, notice to affected cardholders promptly after the discovery of a known or suspected breach.

### 13. PRIVACY

Cardholder information shall be protected under a privacy policy which will be disclosed along with the cardholder agreement mailed with the card, as well as posted on the websites. The privacy policy shall meet all applicable federal and state legal requirements. The privacy policy shall be consistent with the model privacy notice form issued on an interagency basis by the federal banking agencies. 12 CFR Part 40 (Appendix A). A copy of the privacy policy shall be provided to the City for its review prior to any card being issued.

### 14. ROLES OF ISSUING BANK AND OPERATOR IN IMPLEMENTING THE MUNICIPAL IDENTIFICATION PROGRAM

- (a) Pre-registration support as described in this Agreement: Residents will acquire their Muni ID card, through both a pre-registration and a final registration process. In order to pre-register for a Muni ID, Residents will be asked to either call the Operator customer support center or use the website to enter their information. No later than 60 days after execution this agreement, Operator will identify and enter into contracts for locations with computers available for public use for residents to securely complete the pre-registration process for a card. Operator will reach out to groups to educate them about how they can help their communities by encouraging and facilitating pre-registration.
- (b) Intake Centers. Operator will establish five intake centers in Oakland. The intake centers will be staffed with one full-time contract worker paid by Operator to provide intake 100% of his/her time for Operator. These intake centers may be established either at City agencies or at organizations which have contracted with Operator to provide these services. To the extent possible, such intake centers shall be dispersed among City districts, in neighborhoods such as East Oakland, West Oakland, Fruitvale and Lower San Antonio in order to more effectively reach the target populations for Operator. Operator must provide the details of the intended Intake Center locations to the Working Group for approval prior to executing an agreement to open the location. A location may be changed at the request of the Operator and upon approval by the Working Group.

- (c) Merchant contracts. The process by which a community, professional or business organization contracts with Operator to become a load point shall be as follows:
1. Credit check of merchant by Operator
  2. The merchant sign a contract with the operator or its authorized party, granting the operator or its authorized party, permission to withdraw Muni ID related funds from a merchant's designated account.
  3. The merchant, Operator or its authorized party will pre-fund a working account at the Issuing Bank with an amount equal to or greater than the expected value of daily card loads.
  4. At the end of the day, the Operator or its authorized party debits the merchant account for the volume of card loads, initiates the ACH transfer between the merchant account and Issuing Bank, and provides the merchant with a confirmation report describing the amount of the transaction.
  5. At the end of each month, the merchant receives a report stating the amount of the commission the merchant has earned for card loads. The Operator or its authorized party then initiates an ACH transfer equal to the amount of load fees minus commissions and deposits this in Operator's account at Issuing Bank.

15. DISASTER RECOVERY AND BUSINESS CONTINUITY PLAN ("Business Continuity Plan" or "DRP")

Operator shall establish, implement and periodically test and update appropriate disaster recovery plans designed to ensure the continued viability of the Program and address at least the areas below. The Business Continuity Plan shall be documented in writing. A copy of the Business Continuity Plan shall be provided to the City provided to the execution of this Agreement and at least annually thereafter.

- (a) Evaluation and declaration of the emergency
- (b) Notice to individuals
- (c) Critical lapse to system recovery or the window time frame to resume the business operation
- (d) Emergency actions to follow presented in a clear and understandable way
- (e) Recovery of system to the point of right before the interruption of the service
- (f) Manual process to recover other automatic processes that can't recover as quickly as possible
- (g) Employee Directory (list of contacts with clear instructions of who to call first)
- (h) Updates to the Plan (at least 2 times per year the person in charge of the DRP will ask to the managers to update and modify the plan, if necessary)
- (i) Diffusion of the Plan to all personnel (the person in charge of the DRP will communicate to all the personnel the contents of the plan, so everyone will know what are their responsibilities)

- (j) Testing of the Plan (The manager will schedule a full test of the DRP plan at least one time per year)
- (k) Results of the Testing and Evaluation: the testing process will produce a report with the results.
- (l) Load of the equipment
- (m) Actual Time of recovery
- (n) If results are not satisfactory, a new test will be scheduled within 30 working days.

16. Anti-fraud and red flags for identity theft management

**Anti-replication and falsification**

- (a) During the pre-registration and final registration processes, the cardholder must provide both a proof of identity and a proof of residency. The address that is taken for the individual will correspond to that on his/her proof of residency document. Thus, only the person whose ID is shown and who has a valid proof of residency with a matching name will be granted a card.
- (b) Issuing Bank shall allow only one active Transfercel Card account per customer. The registering agent will not be able to register another Transfercel Muni ID account to someone with an active account in the bank's system.
- (c) The intake agent must be required to screen all new card applicants against the active cardholder database.
- (d) The security features on the front and back of the card shall prevent the card from being 'washed' and a new photo or new text to appear on the card.
- (e) If the front of the card is tampered with, a swipe of the card must confirm whose name, ID number, etc. belongs on the account, and whether this information corresponds with the information on the front of the card.

**Lost or theft of card and security over prepaid debit account funds.**

- (A) The cardholder shall receive his/her Muni ID in the mail; included in the mail must be a 4-digit access code. When the customer calls the customer care center to activate his/her card, she/he uses the access code to enter the system, and then they must provide additional identification criteria to activate the card. Once activation is completed, the customer must be transferred to the IVR system where they then select a secret, 4-digit PIN number. PIN numbers must never be included in mailings, and cannot be known or disclosed by a customer service representative.
- (B) Either the cardholder's PIN or signature must be used to verify POS purchases, loads and ATM withdrawals of funds from the card. At the time of purchase, when applicable, the signature on the receipt must be

compared against that on the signature panel on the back of the card as well as that on the front of the card.

- (C) The Issuing Bank shall restrict access to a Cardholder Account if it believes that suspicious or possibly unauthorized activity may be taking place with a card.
- (D) All card funds are stored in a FDIC insured pooled account at the Issuing Bank. In the case of loss or theft of the card, the customer should be able to call the customer service line on a 24/7 basis to report the loss. The lost card should be deactivated and the customer's claim then investigated in accordance with Regulation E of the Federal Reserve Board. The customer's funds shall be recuperated, with the balance transferred to a replacement card.
- (E) If the customer connects his/her card to his/her cell phone, theft of the cell phone shall not endanger the customer's debit card account. Money transfers shall require verification by PIN numbers.
- (F) Card Network should have a policy that maintains that customers are NOT responsible for unauthorized purchases on their cards. Customers who feel that purchases have been made on their card in error (through theft of the card) should be able to call Operator to report their dispute, with the Operator investigating and responding consistent with the requirements of Regulation E. The card network will reconcile with the merchant.

#### Identity theft management

- (A) Issuing Bank must comply with all applicable requirements under the Bank Secrecy Act, including with respect to the requirements of Section 326 of the USA PATRIOT Act, which sets final regulations implementing customer identification and verification requirements. Issuing Bank shall utilize the service "*InstantID*", provided by LexisNexis, as a compliance tool. LexisNexis shall conduct a negative database search which flag's discrepancies in customer data. Information that LexisNexis should flag includes, but is not limited to:
  - 1. Invalid Social Security Number (SSN)
  - 2. Deceased SSN
  - 3. SSN issued prior to birth
  - 4. SSN associated with a different person
  - 5. Disconnected phones (cell or land lines)
  - 6. Invalid address(es)
  - 7. Addresses designated as campground, school, or other non-residential addresses
- (B) OFAC checks. Issuing Bank's LexisNexis system must also run an Office of Foreign Asset Control (OFAC) screening upon opening of the

account and regularly while the account remains open. OFAC Screening investigates former names, aliases, or anything else in a customer's record that might indicate a risk. OFAC Screening allows Issuing Bank to scan customer names against such international watch lists as the Bank of England List and the Bureau of Industry and Security (BIS) Export Control List.

- (C) **AML.** In compliance with Section 352 of the USA PATRIOT Act and as the issuer of the debit card account, Issuing Bank shall maintain an anti-money laundering program which at a minimum must include to:
  - 1. The development of internal policies, procedures and controls;
  - 2. Designation of a compliance officer;
  - 3. An ongoing employee training program; and
  - 4. Independent audits function to test programs.
- (D) **Collecting information:** As part of a Customer Identification Program (CIP), Issuing Bank shall implement procedures to collect relevant identifying information including the customer's name, address, date of birth, and a taxpayer identification number. Foreign nationals without a U.S. taxpayer identification number should be able to provide a reliable government-issued identification number, such as a passport number.
- (E) **Verifying identity:** The CIP should also implement procedures to verify the identity of customers opening accounts.
- (F) **Maintaining records:** As part of a CIP, Issuing Bank shall maintain records including customer information and methods taken to verify the customer's identity.
- (G) **Limits on card amounts:** In addition to its CIP Policy, the limit on the amount of cash that can be loaded on a Muni ID card at any time shall be (\$2999.00) (except in the case of direct deposit), the amount that can be loaded at one time (\$1000 per day for all transactions), or transferred in the US or abroad (\$1000 per day for all transactions) shall be measures that mitigate the risks of money laundering.

## 17. STATE ESCHEATMENT REQUIREMENTS

Under the terms and conditions of the cardholder agreement with Issuing Bank, each Muni ID card issued by the Issuing Bank may remain the property of the Bank. The Issuing Bank may revoke a card at any time without cause or prior notice. If a card is revoked, the customer must cease using it and surrender or destroy it immediately upon learning that it is revoked.

Within sixty (60) days of the expiration or revocation or other termination of the customer's Card, Issuing Bank must remit to the customer, after deducting any outstanding transactions and all applicable fees, or within such longer period as

may be reasonably necessary to protect Issuing Bank against the risk of reversal of a charge or other liability, any amount remaining in the "Issuing Bank Agency Pooled Account" which credited to the customer. Issuing Bank may require the customer to surrender their Card to Issuing Bank as a condition to sending the customer any remaining value. Each party has the right to terminate the cardholder agreement. Regardless of how this Agreement is terminated, when this Agreement is terminated, the customer must surrender their Card within 30 days and Issuing Bank will return any Account Residue.

If a customer does not access their Muni ID account for two years from the date of activation, the card and cardholder account may be cancelled and, if available, Issuing Bank shall use the most recent information it has to return the remaining funds to the customer. The card expires two years from the date it was ordered. However, for registered cardholders, if that information is unavailable or out of date and Issuing Bank cannot otherwise return the funds to the customer with certainty, the remaining funds due may be subject to applicable state laws regarding escheat (or forfeiture) to the state government of unclaimed property. These escheatment requirements shall be disclosed to the customer in the cardholder agreement.

#### 18. CUSTOMER SUPPORT SERVICES, DISTRIBUTION

The process by which customers acquire information about Operator's card program shall be as follows:

- (a) Brochures, leaflets, posters, the City of Oakland website and other promotional materials will provide any interested Resident information on how to reach Operator and provide a free customer care center or online address to request Muni ID.
- (b) When a Resident calls the Operator customer care center (see below for details), a certified customer service representative of the Issuing Bank may register the Resident's information. Or, the Resident may use the Transfercel website to enter in his/her information.
- (c) Once the Resident's name, address, ID and other information is taken, the Resident shall be informed that in order to complete the registration process, they must bring their same ID and proof of residency, as well as the amount of their fee and any accompanying documents, to one of the intake centers. The Resident must be given his/her ID number and told to bring that number to the intake center as well.
- (d) At the intake center, a staff person (or volunteer) must check that the Resident has all appropriate documents. An appointment shall not necessary to complete registration; rather the Resident may wait until the intake agent is available.
- (e) The intake agent shall receive the Resident and verify the Resident's



documents with the information in the account management system. Then, the intake agent must take the Resident's photo and have the Resident sign the signature pad. Finally, the intake agent collects the appropriate fee for the Operator. The entire process should take less than 10 minutes per Resident.

- (f) Once the information is submitted to the bank and card vendor, the Resident shall leave and wait 5-7 business days to receive his/her Muni ID card in the mail.
- (g) When his/her card is received, the Resident shall be able to call the Operator or its authorized party customer care center to activate the debit component of Muni ID card.

#### **19. OPERATOR MUNI ID REGISTRATION PROCESS (In person or By Phone)**

*Documents for identity verification:* The City of Oakland has determined the proof of identity and residency requirements to be used to obtain a Municipal Identification Card and Operator agrees that the same requirements shall be used for the issuance of Muni ID cards with debit card capabilities. Said requirements, as set forth in Oakland Municipal Code Title 2, Chapter 2.34 are as follows:

- (a) **PROOF OF IDENTITY.** ONE of the following documents (must display applicant's photograph and date of birth):

- 1. US or Foreign Passport
- 2. US Driver's License
- 3. US State ID
- 4. US Permanent Resident Card (Green Card)
- 5. Consular Identification (CID)

OR TWO of the following documents (at least one document must display applicant's date of birth and photograph. Photograph requirement does not apply to applicants 13 and under):

- 1. Certified Copy of US or Foreign Birth Certificate
- 2. Social Security Card
- 3. National ID Card with photo, name, address, date of birth, and expiration date
- 4. Foreign Driver's License
- 5. US or Foreign Military Identification Card
- 6. Current Visa issued by a government agency
- 7. US Individual Taxpayer Identification Number (ITIN) authorization letter
- 8. California Educational Institution Identification Card: elementary, middle, secondary and post secondary schools

- (b) **PROOF OF RESIDENCY.** ONE of the following documents containing the applicant's name and residential address within the City of Oakland:

1. Utility bill dated within the last 30 days
2. Local property tax statement or mortgage payment receipt dated within the last 30 days
3. Bank account statement dated within the last 30 days
4. Proof of a minor currently enrolled in a Oakland school
5. Employment pay stub dated within the last 30 days
6. Jury summons or court order issued by a state or federal court and dated within the last 30 days
7. Federal or state income tax or refund statement dated within the last 30 days
8. Insurance bill (homeowner's, renter's, health, life or automobile insurance) dated within the last 30 days
9. Written verification issued by a homeless shelter that receives City funding confirming at least 15 days residency within the last 30 days
10. Written verification issued by a hospital, health clinic or social services agency that receives City funding confirming at least 15 days residency within the last 30 days
11. If a certified copy of a marriage certificate is presented at the time of application, an applicant may prove residency using documents bearing the name of his/her spouse.

(c) **PROOF OF PERMISSION FOR MINOR APPLICANTS (PEOPLE UNDER THE AGE OF 18):** Parent or legal guardian must accompany minor during the verification phase of the application. Parent must sign sworn affidavit attesting to the granting of permission (and providing consent under COPPA) and submit supporting identifying information.

## 20. CUSTOMER CARE:

- (a) Customer care support center shall be available via a toll free 1-800 number. Call center hours are 24/7.
- (b) Customer support services shall include Multilingual customer call center representatives (that include the following languages Chinese, English, Spanish, and any language in which a substantial number of limited-English-speaking persons group" or "group" of at least ten thousand (10,000) limited-English-speaking city residents who speak a shared language other than English.)
- (c) Customer care shall include 24 hour multi-lingual IVR (Interactive voice response) system accessible through the same 1-800 number.
- (d) Operator shall provide a City of Oakland branded Customer-oriented website: [www.transfercel.com](http://www.transfercel.com). The website shall be adapted for Muni ID customers. At this site, Residents should be able to securely access the online account management portal.

- (e) Intake centers: Will have language appropriate staff and be open during the normal operating hours of the sponsoring organization. However, at a minimum, these intake centers are required to provide intake for 40 hours a week minimum.

21. LOCAL OFFICE FOR CUSTOMER AND MERCHANT SUPPORT:

Operator shall establish an office in the City of Oakland to ensure support for customers, partners and merchants of Operator Program is provided. The office will be staffed by at least two employees, a Project Director and a Sales Manager. The Project Director will be responsible for being the liaison between City agency officials and commercial partners to implement Operator program and to comply with all elements of the project contract. In addition, the Project Director will be responsible for hiring other staff for intake and/or marketing, and for managing for development of the card program with the issuing bank. The Sales Manager will be responsible for managing distribution and the load network for all Transferec cards in the larger Oakland/Bay area. Wherever possible, Oakland residents will be recruited for hire to all positions.

- (a) Customer training: Operator shall offer customer training for Operator's services both directly and through its alliances with community groups. At each intake center, educational materials must be on hand to help Residents better understand the services available through Operator's program. In addition, Muni Id must come with a user guide which provides full instruction on the use of the card. A mobile user guide which describes how the customer can use their cell phone to make transactions and check their balance on their account should also be provided.
- (b) Customer complaint and dispute mechanisms: Residents should be able to call the Operator customer care center to register a complaint. Complaints should be resolved within 10 days after being contacted by cardholder. If more time is needed Operator may take up to 45 days to investigate cardholder's complaint or question. For complains involving point-of-sale or foreign-initiated transactions, Operator may take up to 90 days to investigate cardholder's complaint or question. The Terms and Conditions of the Cardholder Agreement shall be included in the card package and make clear the responsibility of Issuing Bank for customer errors and complaints, consistent with the requirements of Regulation E.

At a minimum, the Cardholder Agreement and customer statements should indicate what customers can do in "Case of Errors" and include how to contact Operator at its customer care number, as well as appropriate steps to take to dispute charges and or activity. Such information should be made available in the Residents' native language.

- (c) Liability protection for cardholder: Issuing Bank shall be liable for the

loss of the cardholder's funds up to the amount that is actually lost, if that loss was a result of Issuing Bank's nonperformance or that of its affiliates, service providers, employees, agents or Operators, subject to certain limitations.

- (d) Liability of Issuing Bank: If a Program service is not provided in accordance with this Agreement, Issuing Bank will be liable for the loss of cardholders' funds up to the amount that is actually lost, but only if that loss results solely from Issuing Bank's nonperformance or that of its affiliates, service providers, employees, agents or Operators, subject to the following limitations:
- (i) Limitations of Liability. Notwithstanding the foregoing, Issuing Bank will not be liable for any loss or damage Residents suffer in the following circumstance:
    1. If through no fault of Issuing Bank, a merchant refuses to honor the customer's Card.
    2. Inability to access funds when Issuing Bank restricts a customer's card, after card has been reported lost, stolen, or as a result of unauthorized use.
    3. If through no fault of Issuing Bank, Resident does not have enough funds in Cardholder Account to make the purchase, withdrawal or transfer or to otherwise use a Program service.
    4. If the ATM where Resident is withdrawing funds from does not have enough cash.
    5. If the POS Terminal, ATM or other electronic device used to effect a transaction does not work properly.
    6. If circumstances are beyond Issuing Bank's control (such as fire, war, strikes and other labor troubles, civil unrest, flood, earthquake and other natural disasters, terrorism, court order, injunction or other judicial action or legal process, failure of the IVR system or the computer network used by the issuing bank or its authorized party and service providers that prevent providing program services despite reasonable actions and precautions by the issuing bank).
    7. Loss and damage resulting from errors by cardholder, including unintentional errors, such as providing an incorrect PIN or access code, an error in providing the name of a recipient of a money transfer or providing incorrect information preventing verification or completion of a transaction.
    8. Loss and damage resulting from illegal, fraudulent or other wrongful conduct by cardholder, including providing the Issuing Bank with erroneous or inaccurate information or using Program services to violate any applicable laws or regulations or to perpetrate fraud on other persons.
    9. Loss and damage resulting from the cardholder's breach or other non-performance under the terms of this Agreement, including failure to register properly and failure to properly use the IVR system and other

communication systems the issuing bank or its designee/s have arranged for cardholder's use.

10. Loss and damage resulting from restrictions imposed by laws and regulations or restrictions imposed on the Issuing Bank due to suspicious or possibly unauthorized activity involving cardholder's Card.

(e) Limitation of Damages. In no event will the Issuing Bank, their affiliates, service providers, employees, or agents be liable to a cardholder for any indirect, consequential, special, incidental or punitive damages or losses resulting from or caused by cardholder's use of, or inability to use Card or Program services. This provision is for the benefit of each of Issuing Bank's affiliates, service providers, employees, and agents, and may be enforced by each of them.

## 22. COPIES OF PROPOSED CONSUMER DISCLOSURES

Each card package envelope will include:

- (a) Cardholder agreement (between cardholder and the issuing bank)
- (b) Privacy Notice
- (c) Card carrier with direct deposit form
- (d) Use guide
- (e) Mobile user guide
- (f) Fee schedule

## 23. LANGUAGES

Operator will offer services in multiple languages by:

- (a) Hiring intake agents who can speak the languages of the diverse populations of Oakland.
- (b) The deployment of Issuing Bank's or its authorized party's IVR system can support the following languages Chinese, English and Spanish. Operator agrees to add staff who speak additional languages, other than Spanish and English for any language in which a substantial number of limited-English-speaking persons group" or "group" of at least ten thousand (10,000) limited-English-speaking city residents who speak a shared language other than English.

## 24. ENVISIONED TECHNOLOGY AND SYSTEMS EVOLUTION:

- (a) Changes to current technology and systems. Improvements to the mobile platform, customer interfaces, website and card management platform may be made at any time, but they shall not disrupt service to customers. These changes shall be made with no impact on the City of Oakland. Changes to Operator program shall be made only after negotiations with the City and the Issuing Bank with whom Operator has contracted to fulfill

the card program. In terms of changes made on the part of the issuing bank, it is the responsibility of the Issuing Bank to notify Operator and all cardholders of the changes in a timely manner and as required by law.

- (b) It is possible that the remittance capabilities of Operator may expand to incorporate new countries. Although currently card-to-card remittances are possible only to Mexico, future countries in Latin America, Asia and Africa will be added as soon as practicable; provided, however, that such additional international remittances can be made consistent with applicable anti-money laundering requirements.
- (c) Card expiration and replacement. Muni ID expires two years from the date of issuance, per the expiration date printed on the face of the card. At that time, customers will be required to call the customer care center to request a new card. They will pay a fee for replacing the card, similar or equal to the amount they paid at the time of original registration. They may pay the fee over the phone if they are paying by funds on their prepaid account or by credit card; they must return to an intake center if they wish to pay with cash. If they do not wish to change the photo or information on the face of the card, a new card will be mailed to them. If they do wish to change the photo or information, they will return to an intake center to take the photo, verify their new Proof of Residency, change of name, etc. The card will then be mailed to them.

## 25. FUTURE EXPANSION OF PRODUCT FUNCTIONALITY

The City and Operator will explore the following methods of expanding services to residents of Oakland:

- (a) Government to Person (G2P) payments. Welfare, pension, EITC and other government payments can be paid directly to beneficiaries' Muni ID. This would save the City money by reducing their need to print checks to issue payments and refunds.
- (b) Payroll card. Employers, such as the City of Oakland, who wished to use Operator as a payroll card could do so.
- (c) Savings Accounts. Operator agrees to work with Issuing Bank and other community banking partners to develop the ability to link the Muni ID card to existing bank accounts, such as high yielding savings accounts, that will allow the cardholder to transfer money on and off their Muni ID card to these accounts allowing cardholders greater financial freedom.
- (d) Links to external Savings accounts. Operator will work with community banking partners to develop the ability to link Issuing Bank's debit card accounts with existing bank accounts, such as high yield savings accounts, thereby allowing Residents to transfer money on and off their Muni ID to

their savings or checking accounts to attain greater financial freedom.

- (e) Local currency. If the City wishes for Operator to partner with a local organization to allow for a local Oakland “virtual currency” to be used by cardholders to the extent permitted by law, Operator will work to add this capability to the Muni ID.

**26. OFFSITE SERVICE PROVIDERS**

The Operator will be responsible for leading the day-to day work. This will include, but is not limited to, full program development, satellite site safety and security, security and confidentiality of identification applicants information, and implementation in consultation with the Office of the City Administrator. The Operator will also be responsible for staff recruitment, intake, training, assessment, data collection, tracking and reporting, performance measures, payroll and program evaluation. Operator will provide safety training, that includes cash handling and other security concerns for loader, and other pre-employment training as deemed necessary.

**27. CLOSED LOOP SYSTEM**

Operator must provide a closed-loop applicant intake system (software) which meets The City of Oakland’s Network security requirement which include and is not limited to functionality within the confines of our secure network behind perimeter firewalls, meets our encryption policies, and, maintained wholly by the City of Oakland and is autonomous, with a secure non-proprietary customized database structure for limited data preservation in accordance with Municipal ID ordinance requirements as defined by City of Oakland.

**SECTION 9                      SOCIAL EQUITY AND OTHER CONTRACTING POLICIES**

Operator shall comply will all requirements of the City’s social equity and other contracting policies described in Exhibit \_\_, attached and incorporated herein.

**SECTION 10                      DEFAULT**

The Operator will be considered in default in the following events:

- A. The Operator is not actively engaged in the production and dissemination of Municipal Identification Cards.
- B. The Operator fails to deliver Municipal Identification Cards or timely meet the performance schedule set forth in the Schedule A, Schedule of Program Operation.

- C. The Operator and/or its Issuing Bank fail to adequately secure, or mistakenly or knowingly disclose Residents' confidential information
- D. The Operator materially breaches any of the terms and conditions contained in this Agreement or fails to materially comply with any of the representations and warranties made in this Agreement.
- E. Operator and/or Issuing Bank fail to meet the Financial and Operational Stability Requirements set forth in Schedule S.
- F. Operator's Parent and/or its Affiliates become unable to meet their financial and performance guaranty obligations set forth in Schedule R.

**SECTION 11**      **AUTOMATIC TERMINATION OF RIGHTS AND PRIVILEGES; TERMINATION FOR THE CITY'S CONVENIENCE**

The rights and privileges given to the Operator shall be automatically terminated, without notice, for any of the following reasons:

- A. Any action taken or suffered by the Operator under any insolvency or bankruptcy act, including the appointment of a receiver to take possession of all or substantially all of the assets of the Operator.
- B. Any general assignment by Operator for the benefit of creditors without prior written approval of the City.
- C. The revocation or suspension of any permit that Operator is required to maintain to perform the Services contemplated under this Agreement.
- D. Breach by Operator and/or the Issuing Bank of any of the Financial and Operational Stability Requirements set forth in Schedule S.

Failure of the City to terminate this Agreement for any of the reasons stated above, or to insist upon strict performance of any of the terms of the Agreement, shall not constitute a waiver or relinquishment of any part of the Agreement. This Agreement shall be and remain in full force and effect.

The City shall further be able to terminate this Agreement if the City determines in its sole discretion that Operator and/or its Issuing Bank fail to meet the City's performance expectations for the Program.

**Termination for Convenience.** The City shall also have the right to terminate this Agreement at any time during the term for its convenience, without owing any fees or



damages to Operator for such termination, upon providing 90 days prior written notice to the Operator.

## **SECTION 12**            **CORRECTION OF ANY DEFICIENCY**

In the event that the City finds that Services rendered by the Operator and/or its Issuing Bank are substandard or that any other provisions of the licensing privileges granted under this Agreement are not being adequately performed or complied with, the Operator upon being advised of the nonperformance or noncompliance shall promptly correct any such violation, deficiency or omission at its own cost.

## **SECTION 13**            **CESSATION OF OPERATION**

Upon termination of the rights and privileges given to the Operator for any cause and for any reason, the Operator shall immediately and forthwith cease the provision, production, distribution of the Municipal Identification Card and operation of the Program and shall fully cooperate with the City with the winding down of the Program.

## **SECTION 14**            **LEGAL COSTS**

In the event that the City is required to commence legal proceedings to enforce the provisions of this Agreement or to obtain judgment for any unpaid damages incurred by the City, then, and in that event, Operator agrees that as part of any judgment awarded to the City there shall be included all costs of suit and reasonable attorney's fees.

## **SECTION 15**            **LIQUIDATED DAMAGES**

Failure of the Operator to implement the Municipal Identification Card Program within the time specified herein or to delay production or distribution of cards for a period or periods in excess of **60 days** will result in loss of performance bond required in Section 6(a), plus damages. For each consecutive calendar day of delay, the Operator shall pay the City the sum of \$250 per day. Failure of the Operator to implement the Municipal Identification Card Program within **90 days** after execution of this agreement shall constitute a default under the Agreement and the City in its sole discretion may elect to terminate the Agreement for Operator's material breach.

## **SECTION 16**            **FORCE MAJEURE**

In the event that Operator or the City is delayed, directly or indirectly, from the performance of any act or thing required under the terms hereof by acts of God, accidents, fire, floods, severely inclement weather, governmental action, restrictions, priorities or allocations of any kind and all kinds, strikes or labor difficulties of any and all kinds, shortages of or delay in the delivery of material, acts of war, riot and civil commotion, or by any similar cause reasonably beyond the control of the Operator or the City, as the case may be, such failure (except for the payment of rent or other sums

required by this Agreement) shall not be deemed to be a breach of this Agreement or a violation of any such covenants and the time within which Operator or the City must perform any said act shall be extended by a period of time equal to the period of delay arising from any of said causes; provided, however, that the Operator's failure to perform shall not be excused unless the Operator has first used commercially reasonable efforts to deploy the applicable elements of its Business Continuity Plan.

## **SECTION 17**            **INDEPENDENT CONTRACTOR**

Operator, in the performance of the terms and conditions of the Agreement, is an independent contractor and neither she/he, nor any of his/her employees, are agents or employees of the City of Oakland.

- A. **Rights and Responsibilities.** It is expressly agreed that in the performance of the services necessary to carry out this Agreement, Operator shall be, and is, an independent contractor, and is not an employee of the City. Operator has and shall retain the right to exercise full control and supervision of the services, and full control over the employment, direction, compensation and discharge of all persons assisting Operator in the performance of Operator's services hereunder. Operator shall be solely responsible for all matters relating to the payment of his/her employees, including compliance with social security, withholding and all other regulations governing such matters, and shall be solely responsible for Operator's own acts and those of Operator's subordinates and employees. Operator will determine the method, details and means of performing the services described in Scope of Services section above and the attached Schedule A, Schedule of Program Operations.
- B. **Operator's Qualifications.** Operator represents and warrants that Operator and its Issuing Bank have the qualifications and skills necessary to perform the Services under this Agreement in a competent and professional manner without the advice or direction of The City. The Operator warrants that the Operator, and the Operator's employees and sub-consultants are properly licensed, registered, and/or certified as may be required under any applicable federal, state and local laws, statutes, ordinances, rules and regulations relating to Operator's performance of the Services. All Services provided pursuant to this Agreement shall comply with all applicable laws and regulations. Operator will promptly advise City of any change in the applicable laws, regulations, or other conditions that may affect City's program. This means Operator is able to fulfill the requirements of this Agreement. Failure to perform all of the services required under this Agreement will constitute a material breach of the Agreement and may be cause for termination of the Agreement. Operator has complete and sole discretion for the manner in which the work under this Agreement is performed. Prior to execution of this Agreement, Operator shall complete Schedule M, **Independent Consultant Questionnaire**, attached hereto.
- C. **Payment of Income Taxes.** Operator is responsible for paying, when due, all income taxes, including estimated taxes, incurred as a result of any compensation

that is due its employees for services provided pursuant to this Agreement. On request, Operator will provide the City with proof of timely payment. Operator agrees to indemnify the City for any claims, costs, losses, fees, penalties, interest or damages suffered by the City resulting from Operator's failure to comply with this provision.

- D. Non-Exclusive Relationship. Operator may perform services for, and contract with, as many additional clients, persons or companies as Operator, in his or her sole discretion, sees fit; provided, however, that Operator does not disclose to other parties the terms of this Agreement.
- E. Tools, Materials and Equipment. Operator will supply all tools, materials and equipment required to perform the services under this Agreement.
- F. Cooperation of the City. The City agrees to comply with all reasonable requests of Operator necessary to the performance of Operator's duties under this Agreement.
- G. Extra Work. Operator will do no extra work under this Agreement without first receiving prior written authorization from the City.

## **SECTION 18**            **EMPLOYEES**

All personnel employed by the Operator in conducting work pursuant to this Agreement shall be vocationally qualified to perform the duties assigned to them and be of good moral character. Operator shall conduct adequate background screening on such personnel to reduce incidents of security breach, identity theft, fraud and other wrongdoings. The Operator will endeavor to hire residents of the City of Oakland. All employees shall dress suitably. Operator agrees to suspend or terminate any employee who is causing written complaints due to the character and quality of service rendered.

## **SECTION 19**            **ADVERTISING**

All advertising of the Municipal Identification Card Program and related banking services desired by the Operator shall be done at the Operator's sole expense and with the prior written approval of the City Administrator's Office. Operator shall not display any advertising matter or signs except as may be permitted by the City.

## **SECTION 20**            **COPYRIGHT**

Except for resident Municipal Identification Cards issued and banking services documents of cardholders, Operator shall execute appropriate documents to assign to the City the copyright to works created pursuant to this Agreement, including, but not limited to, Municipal Identification Program Card design, lettering, logos and reports.

## **SECTION 21**            **QUALITY OF OPERATIONS**

Operator represents and warrants that it shall, at all times, operate the Program for the City in a businesslike manner and render to the using public, good quality products with efficient and courteous service. The Operator shall conduct continuous customer satisfaction surveys through the use of customer survey forms and making available fomms for customers to provide suggesfions.

## **SECTION 22**            **PROPRIETARY AND CONFIDENTIAL INFORMATION OF THE CITY**

Operator understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Operator may have access to private or confidential information which may be owned or controlled by the City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City, its City Councilmember's, officers, employees or agents. Operator agrees that all information disclosed by the City to Operator shall be held in confidence and used only in performance of the Program. Operator shall exercise the same standard of care to protect such information as a reasonably pmdent commercial entity would use to protect its own proprietary data.

## **SECTION 23**            **PUBLICITY**

Any publicity generated by Operator for the project funded pursuant to this Agreement, during the term of this Agreement or for one year thereafter, will make reference to the contribution of the City of Oakland in making the project possible. The words "City of Oakland" will be explicitly stated in all pieces of publicity, including but not limited to flyers, press releases, posters, brochures, public service announcements, interviews and newspaper articles. The City will have the right of prior review of these materials.

City staff will be available whenever possible at the request of Operator to assist Operator in generating pubhcity for the project fimded pursuant to this Agreement. Operator further agrees to cooperate with authorized City officials and staff in any City-generated publicity or promotional activities undertaken with respect to this project.

## **SECTION 24**            **REPORTS TO THE CITY**

The Operator will track and record the number of identifications issued, provide individual and unique identification numbers for each identification card issued, and prepare accurate, detailed monthly written reports for submittal to the Office of the City Administrator within 15 days after the end of each calendar month. Reports will be submitted in a format which has been agreed to by a representative of the Office of the City Administrator. The City may revise the format of the required reports at any time by providing Operator with 30 days advance notice of report fomiat change.

## **SECTION 25**            **ACCOUNTS, CASH REGISTER AND BANKING**

Operator shall keep and maintain in a current and complete set of account books and records, in accordance with generally accepted accounting principles and methods. The records shall accurately reflect the business operation of the Licensing segments, reported on individually.

## **SECTION 26**            **FINANCIAL REVIEW OF RECORDS**

- A. The City Administrator shall be provided access to any and all financial information at any time, as needed to conduct an audit of the Operator to verify tax compliance and/or gross receipts tax requirements.
- B. The City Administrator is authorized to examine the books, papers, tax returns and records of any Operator for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the business tax due.
- C. The City Administrator is authorized to examine a person under oath, for the purpose of verifying the accuracy of any declaration made, or if no declaration was made, to ascertain the business tax, registration or permit fees due. In order to ascertain the business tax, registration or permit fees due, the City Administrator may compel, by administrative subpoena, the production of relevant books, papers and records and the attendance of all persons as parties or witnesses.
- D. Every Operator is directed and required to furnish to the City Administrator, the means, facilities and opportunity for making such financial examinations and investigations.
- E. Any Operator refusal to comply with this section shall be deemed a violation of this Chapter, and administrative subpoenas shall be enforced pursuant to applicable law.

## **SECTION 27**            **BUSINESS TAX CERTIFICATE**

The Operator shall obtain and provide proof of a valid City business tax certificate. Said business tax certificate will be valid prior to and to the conclusion of this Agreement.

## **SECTION 28**            **AGENTS/BROKERS**

Operator warrants that it has not employed or retained any subcontractor, agent, company or person other than bona fide, full-time employees of Operator working solely for Operator, to solicit or secure this Agreement, and that Operator has not paid or agreed to pay any subcontractor, agent, company or persons other than bona fide employees any fee, commission, percentage, gifts or any other consideration, contingent upon or resulting from the award of this Agreement. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage or gift.

## **SECTION 29**

## **PROHIBITED ACTIVITIES**

The Operator shall not engage in any of the following activities.

- A. Conduct any business activity on Intake Center premises which is not directly related to the interviewing of and gathering of information from applicants for the issuance of Municipal Identification Cards.
- B. Permit third parties to display or vend any goods on Intake Center premises, except for Operator's banking sub-consultant, sub-contractor or agent with respect to advertising and promoting card-related debit banking services.
- C. Commit or allow others to commit any damage, or injury on Intake Center premises.
- D. Allow any religious worship, instruction, or proselytization on Intake Center as part of, or in connection with the performance of the Agreement.
- E. Engage in political activities, including but not limited to, sponsoring or conducting candidate's meetings, or engaging in any publicity or propaganda activities designed to support or defeat legislation pending before federal, state or local government on Intake Center premises, or engage in any such activity as part of, or in connection with the performance of the Agreement.

## **SECTION 30**

## **ASSIGNMENT**

Operator shall not assign or otherwise transfer any rights, duties, obligations or interest in this Agreement or arising hereunder to any person, persons, entity or entities whatsoever without the prior written consent of the City and any attempt to assign or transfer without such prior written consent shall be void. Consent to any single assignment or transfer shall not constitute consent to any further assignment or transfer.

## **SECTION 31**

## **COMPLIANCE WITH LAW; RIGHT TO ENTER**

The Operator and its Issuing Bank shall comply with all Federal, State and local laws and ordinances. Access for inspection purposes shall be granted to any duly authorized peace officer, State or County officer and authorized representatives of the Director. The City reserves the right to enter upon the premises at any reasonable time to inspect the operation of the Program during business hours.

## **SECTION 32**

## **PERMITS AND LICENSES**

Operator and its Issuing Bank shall obtain any and all permits or licenses required to operate the Program.

**SECTION 33**

**GOVERNING LAW**

This Agreement shall be governed by the laws of the State of California.

**SECTION 34**

**NOTICES AND COMMUNICATIONS**

If either party shall desire or be required to give notice to the other, such notice shall be given in writing, by prepaid U.S. certified or registered postage, addressed to recipient as follows:

Arturo Sanchez, Assistant to the City Administrator  
City Administrator's Office  
City of Oakland  
1 Frank Ogawa Plaza, 3rd Floor  
Oakland, CA 94612-2033  
Attn: Arturo M. Sanchez  
Deputy City Administrator

*(Operator's Project Manager name)*  
SF Global, LLC  
19 Wavecrest Ave. #700 Venice, CA 90291

Attn: Raul Hinojosa

Any party to this Agreement may change the name or address of representatives for purpose of this section by providing immediate written notice to the other party.

**SECTION 34**

**MODIFICATION**

This agreement may be modified by written agreement signed by all parties.

**[SIGNATURES ON NEXT PAGE]**

## SIGNATURES

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement effective as of the date first above written.

City of Oakland,  
a municipal corporation

SF Global, LLC

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Authorizing Resolution

\_\_\_\_\_  
Title

Approved for Form and Legality:

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Attorney's Office

\_\_\_\_\_  
City of Oakland Business Tax  
Certificate Number



## **CITY OF OAKLAND SOCIAL EQUITY AND OTHER CONTRACTING POLICIES**

### **CITY OF OAKLAND CAMPAIGN CONTRIBUTION LIMITS**

This Agreement is subject to the City of Oakland Campaign Reform Act of Chapter 3.12 of the Oakland Municipal Code and its implementing regulations if it requires Council approval. The City of Oakland Campaign Reform Act prohibits Operators that are doing business or seeking to do business with the City of Oakland from making campaign contributions to Oakland candidates between commencement of negotiations and either 180 days after completion of, or termination of, contract negotiations.

Operator certifies that it completed and submitted an Acknowledgment of Campaign Contribution Limits Form, Schedule O, with its proposal for this contract which commenced negotiations for this contract.

### **EQUAL EMPLOYMENT PRACTICES**

Operator shall not discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State or local laws.

During the performance of this Agreement, the Operator agrees as follows:

- A. **Non-Discrimination/Equal Employment Practices** Operator shall not discriminate or permit discrimination against any person or group of persons in any manner prohibited by federal, state or local laws. During the performance of this Agreement, Operator agrees as follows: Operator and Operator's sub Operators, if any, shall not discriminate against any employee or applicant for employment because of age, marital status, religion, gender, sexual orientation, gender identity, race, creed, color, national origin, Acquired-Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC) or disability. This nondiscrimination policy shall include, but not be limited to, the following: employment, upgrading, failure to promote, demotion or transfer, recruitment advertising, layoffs, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- B. Operator and Operator's Sub Operators shall state in all solicitations or advertisements for employees placed by or on behalf of Operator that all qualified applicants will receive consideration for employment without regard to age, marital status, religion, gender, sexual orientation, gender identity, race, creed, color, and national origin, Acquired-Immune Deficiency Syndrome (AIDS), AIDS - Related Complex (ARC) or disability.
- C. Operator shall make its goods, services, and facilities accessible to people with disabilities and shall verify compliance with the Americans with Disabilities Act by

executing Schedule C-1, Declaration of Compliance with the Americans with Disabilities Act, attached hereto and incorporated herein.

- D. If applicable, Operator will send to each labor union or representative of workers with whom Operator has a collective bargaining agreement or contract or understanding, a notice advising the labor union or workers' representative of Operator's commitments under this nondiscrimination clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

### **PROMPT PAYMENT ORDINANCE**

This contract is subject to the Prompt Payment Ordinance of Oakland Municipal Code, Title 2, Chapter 2.06 (Ordinance 12857 C.M.S, passed January 15, 2008 and effective February 1, 2008). The Ordinance requires that, unless specific exemptions apply, the Operator and its sub Operators shall pay undisputed invoices of their sub Operators for goods and/or services within twenty (20) business days of submission of invoices unless the Operator or its sub Operators notify the Liaison in writing within five (5) business days that there is a bona fide dispute between the Operator or its sub Operator and claimant, in which case the Operator or its sub Operator may withhold the disputed amount but shall pay the undisputed amount.

Disputed late payments are subject to investigation by the City of Oakland Liaison, Office of Contract Compliance, upon the filing of a complaint. Operator or its sub Operators opposing payment shall provide security in the form of cash, certified check or bond to cover the disputed amount and penalty during the investigation. If Operator or its sub Operator fails or refuses to deposit security, the City will withhold an amount sufficient to cover the claim from the next Operator progress payment. The City, upon a determination that an undisputed invoice or payment is late, will release security deposits or withholds directly to claimants for valid claims.

Operator and its sub Operators shall not be allowed to retain monies from sub Operator payments for goods as project retention, and are required to release sub Operator project retention in proportion to the sub Operator services rendered, for which payment is due and undisputed, within five (5) business days of payment. Operator and its sub Operators shall be required to pass on to and pay sub Operators mobilization fees within five (5) business days of being paid such fees by the City. For the purpose of posting on the City's website, Operator and its sub Operators, are required to file notice with the City of release of retention and payment of mobilization fees, within five (5) business days of such payment or release; and, Operator is required to file an affidavit, under penalty of perjury, that he or she has paid all sub Operators, within five (5) business days following receipt of payment from the City. The affidavit shall provide the names and address of all sub Operators and the amount paid to each.

If any amount due by a prime Operator or sub Operator to any claimant for goods and/or services rendered in connection with a purchase contract is not timely paid in accordance the Prompt Payment ordinance, the prime Operator or sub Operator shall owe and pay to the claimant interest penalty in the amount of ten percent (10%) of the improperly

withheld amount per year for every month that payment is not made, provided the claimant agrees to release the prime Operator or sub Operator from any and all further interest penalty that may be claimed or collected on the amount paid. Claimants that receive interest payments for late payment Prompt Payment ordinance may not seek further interest penalties on the same late payment in law or equity.

Operator and its sub Operators shall include the same or similar provisions as those set forth above in this section in any contract with another Operator or sub Operator that delivers goods and/or services pursuant to or in connection with this City of Oakland purchase contract.

Prompt Payment invoice and claim forms are available at the following City of Oakland website: <http://cces.oaklandnet.com/cceshome/> by clicking on the rightmost upper tab labeled Prompt Payment Ordinance. Invoice and claim inquiries should be directed to Vivian Inman, City of Oakland Liaison, 510-238-6261, Office of Contract Compliance, 250 Frank H. Ogawa Plaza, Suite 3341, and Oakland, CA 94612.

### **LIVING WAGE ORDINANCE**

If the contract amount of this Agreement is equal to or greater than \$25,000 annually, then Operator must comply with the Oakland Living Wage Ordinance. The Living Wage Ordinance requires that nothing less than a prescribed minimum level of compensation (a living wage) be paid to employees of service Operators (consultants) of the City and employees of CFARs (Ord. 12050 § 1, 1998). The Ordinance also requires submission of the Declaration of Compliance attached and incorporated herein as Schedule N and made part of this Agreement, and, unless specific exemptions apply or a waiver is granted, the consultant must provide the following to its employees who perform services under or related to this Agreement:

- A. Minimum compensation – Said employees shall be paid an initial hourly wage rate of \$11.15 with health benefits or \$12.82 without health benefits. These initial rates shall be upwardly adjusted each year no later than April 1 in proportion to the increase at the immediately preceding December 31 over the year earlier level of the Bay Region Consumer Price Index as published by the Bureau of Labor Statistics, U.S. Department of Labor. Effective July 1 of each year, rates will be adjusted up according to the Consumer Price Index (CPI). Operator shall pay adjusted wage rates.
- B. Health benefits – Said full-time and part-time employees paid at the lower living wage rate shall be provided health benefits of at least \$1.67 per hour. Operator shall provide proof that health benefits are in effect for those employees no later than 30 days after execution of the contract or receipt of City financial assistance.
- C. Compensated days off – Said employees shall be entitled to twelve compensated days off per year for sick leave, vacation or personal necessity at the employee's request, and ten uncompensated days off per year for sick leave. Employees shall accrue one compensated day off per month of full time employment. Part-time employees shall accrue compensated days off in increments proportional to that accrued by full-time employees. The employees shall be eligible to use accrued days off after the first six

- months of employment or consistent with company policy, whichever is sooner. Paid holidays, consistent with established employer policy, may be counted toward provision of the required 12 compensated days off. Ten uncompensated days off shall be made available, as needed, for personal or immediate family illness after the employee has exhausted his or her accrued compensated days off for that year.
- D. To inform employees that he or she may be eligible for Earned Income Credit (EIC) and shall provide forms to apply for advance EIC payments to eligible employees. There are several websites and other sources available to assist you. Web sites include but are not limited to: (1) <http://www.irs.gov> for current EIC guidelines as prescribed by the Internal Revenue Service. and (2) for the 2011 Earned Income Tax Outreach Kit go to <http://eitcoutreach.org/>
  - E. Operator shall provide to all employees and to the Office of Contract Compliance, written notice of its obligation to eligible employees under the City's Living Wage requirements. Said notice shall be posted prominently in communal areas of the work site(s) and shall include the above-referenced information.
  - F. Operator shall provide all written notices and forms required above in English, Spanish or other languages spoken by a significant number of employees within 30 days of employment under this Agreement.
  - G. Reporting – Operator shall maintain a listing of the name, address, hire date, occupation classification, rate of pay and benefits for each of its employees. Operator shall provide a copy of said list to the Office of Contract Compliance, on a quarterly basis, by March 31, June 30, September 30 and December 31 for the applicable compliance period. Failure to provide said list within five days of the due date will result in liquidated damages of five hundred dollars (\$500.00) for each day that the list remains outstanding. Operator shall maintain employee payroll and related records for a period of four (4) years after expiration of the compliance period.
  - H. Operator shall require sub Operators that provide services under or related to this Agreement to comply with the above Living Wage provisions. Operator shall include the above-referenced sections in its subcontracts. Copies of said subcontracts shall be submitted to the Office of the City Administrator, Contract Compliance & Employment Services Division.

### **EQUAL BENEFITS ORDINANCE**

This Agreement is subject to the Equal Benefits Ordinance of Chapter 2.232.010 of the Oakland Municipal Code and its implementing regulations. The purpose of this Ordinance is to protect and further the public, health, safety, convenience, comfort, property and general welfare by requiring that public funds be expended in a manner so as to prohibit discrimination in the provision of employee benefits by City Operators (consultants) between employees with spouses and employees with domestic partners, and/or between domestic partners and spouses of such employees. (Ord. 12394 (part), 2001)

The following Operators are subject to the Equal Benefits Ordinance: Entities which enter into a "contract" with the City for an amount of twenty-five thousand dollars (\$25,000.00) or more for public works or improvements to be performed, or for goods or services to be purchased or grants to be provided at the expense of the City or to be paid

out of moneys deposited in the treasury or out of trust moneys under the control of or collected by the city; and Entities which enter into a "property contract" pursuant to Section 2.32.020(D) with the City in an amount of twenty-five thousand dollars (\$25,000.00) or more for the exclusive use of or occupancy (1) of real property owned or controlled by the city or (2) of real property owned by others for the city's use or occupancy, for a term exceeding twenty-nine (29) days in any calendar year.

The Ordinance shall only apply to those portions of a Operator's operations that occur (1) within the city; (2) on real property outside the city if the property is owned by the city or if the city has a right to occupy the property, and if the contract's presence at that location is connected to a contract with the city; and (3) elsewhere in the United States where work related to a city contract is being performed. The requirements of this chapter shall not apply to subcontracts or sub Operators of any contract or Operator

The Equal Benetits Ordinance requires among other things, submission of the attached and incorporated herein as Schedule N-1, Equal Benetits-Declaration of Nondiscrimination.

#### **NUCLEAR FREE ZONE DISCLOSURE**

Operator represents, pursuant to Schedule P, Nuclear Free Zone Disclosure Fonn, that Operator is in compliance with the City of Oakland's restrictions on doing business with service providers considered nuclear weapons makers. Prior to execution of this agreement, Operator shall complete Schedule P, attached hereto.

#### **ARIZONA AND ARIZONA-BASED BUSINESSES**

Operator agrees that in accordance with Resolution No. 82727 C.M.S., passed in May, 2010, neither it nor any of its subsidiaries, aftiliates or agents that will provide services under this Agreement is currently headquartered in the State of Arizona, and shall not establish an Arizona business headquarters for the duration of this Agreement with the City of Oakland or until Arizona rescinds SB 1070, whichever is sooner.

Operator acknowledges its duty to notify the Department of Contracting and Purchasing, Purchasing Division if its business entity or any of its subsidiaries aftihates or agents subsequently relocates its headquarters to the State of Arizona. Such relocation shall be a basis for termination of this agreement.

#### **DISPUTE DISCLOSURE**

Operators are required to disclose pending disputes with the City of Oakland or Redevelopment Agency when they are involved in submitting bids, proposals or applications for a City or Agency contract or transaction involving professional services. This includes contract amendments. Operator agrees to disclose, and has disclosed, any and all pending disputes to the City prior to execution of this agreement. The City will provide

a form for such disclosure upon Operator's request. Failure to disclose pending disputes prior to execution of this Agreement shall be a basis for termination of this Agreement.

### **CONFLICT OF INTEREST**

The following protections against conflict of interest will be upheld:

- A. Operator certifies that no member of, or delegate to the Congress of the United States shall be permitted to share or take part in this Agreement or in any benefit arising there from.
- B. Operator certifies that no member, officer, or employee of the City or its designees or agents, and no other public official of the City who exercises any functions or responsibilities with respect to the programs or projects covered by this Agreement, shall have any interest, direct or indirect in this Agreement, or in its proceeds during his/her tenure or for one year thereafter.
- C. Operator shall immediately notify the City of any real or possible conflict of interest between work performed for the City and for other clients served by Operator.
- D. Operator warrants and represents, to the best of its present knowledge, that no public official or employee of City who has been involved in the making of this Agreement, or who is a member of a City board or commission which has been involved in the making of this Agreement whether in an advisory or decision-making capacity, has or will receive a direct or indirect financial interest in this Agreement in violation of the rules contained in California Government Code Section 1090 et seq., pertaining to conflicts of interest in public contracting. Operator shall exercise due diligence to ensure that no such official will receive such an interest.
- E. Operator further warrants and represents, to the best of its present knowledge and excepting any written disclosures as to these matters already made by Operator to City, that (1) no public official of City who has participated in decision-making concerning this Agreement or has used his or her official position to influence decisions regarding this Agreement, has an economic interest in Operator or this Agreement, and (2) this Agreement will not have a direct or indirect financial effect on said official, the official's spouse or dependent children, or any of the official's economic interests. For purposes of this paragraph, an official is deemed to have an "economic interest" in any (a) for-profit business entity in which the official has a direct or indirect investment worth \$2,000 or more, (b) any real property in which the official has a direct or indirect interest worth \$2,000 or more, (c) any for-profit business entity in which the official is a director, officer, partner, trustee, employee or manager, or (d) any source of income or donors of gifts to the official (including nonprofit entities) if the income or value of the gift totaled more than \$500 the previous year. Operator agrees to promptly disclose to City in writing any information it may receive concerning any such potential conflict of interest. Operator's attention is directed to the conflict of interest rules applicable to governmental decision-making contained in the Political Reform Act (California Government Code Section 87100 et seq.) and its implementing regulations (California Code of Regulations, Title 2, Section 18700 et seq.).

- F. Operator understands that in some cases Operator or persons associated with Operator may be deemed a “city officer” or “public official” for purposes of the conflict of interest provisions of Government Code Section 1090 and/or the Political Reform Act. Operator further understands that, as a public officer or official, Operator or persons associated with Operator may be disqualified from future City contracts to the extent that Operator is involved in any aspect of the making of that future contract (including preparing plans and specifications or performing design work or feasibility studies for that contract) through its work under this Agreement.
- G. Operator shall incorporate or cause to be incorporated into all subcontracts for work to be performed under this Agreement a provision governing conflict of interest in substantially the same form set forth herein.

#### **No Waiver**

Nothing herein is intended to waive any applicable federal, state or local conflict of interest law or regulation

#### **Remedies and Sanctions**

In addition to the rights and remedies otherwise available to the City under this Agreement and under federal, state and local law, Operator understands and agrees that, if the City reasonably determines that Operator has failed to make a good faith effort to avoid an improper conflict of interest situation or is responsible for the conflict situation, the City may (1) suspend payments under this Agreement, (2) terminate this Agreement, (3) require reimbursement by Operator to the City of any amounts disbursed under this Agreement. In addition, the City may suspend payments or terminate this Agreement whether or not Operator is responsible for the conflict of interest situation.

## **SCHEDULE Q INSURANCE REQUIREMENTS**

- A. **General Liability, Worker's Compensation and Professional Liability** Operator shall procure, prior to commencement of service, and keep in force for the term of this contract, at Operator's own cost and expense, the following policies of insurance or certificates or binders as necessary to represent that coverage as specified below is in place with companies doing business in California and acceptable to the City. If requested, Operator shall provide the City with copies of all insurance policies. The insurance shall at a minimum include:
- i. **Commercial General Liability Insurance** shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, Bodily Injury, Broad Form Property Damage, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If such CGL insurance contains a general aggregate limit, it shall apply separately to this agreement.
    - a. Coverage afforded on behalf of the City shall be primary insurance and any other insurance available to the City under any other policies shall be excess insurance (over the insurance required by this Agreement).
    - b. Limits of liability: Operator shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$2,000,000 each occurrence. If such CGL insurance contains a general aggregate limit, it shall apply separately to this project
    - c. If the policy is a "claim made" type policy, the following should be included as endorsements:
      - The retroactive date shall be the effective date of this Agreement or a prior date.
      - The extended reporting or discovery period shall not be less than thirty-six (36) months.
  - ii. **Automobile Liability Insurance.** Operator shall maintain automobile liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos). Coverage shall be written on ISO



form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be

- iii. **Worker's Compensation Insurance** as required by the laws of the State of California. Statutory coverage may include Employers Liability coverage with limits not less than \$1,000,000. The Operator certifies that he/she is aware of the provisions of section 3700 of the California Labor Code, which requires every employer to provide Workers' Compensation coverage, or to undertake self-insurance in accordance with the provisions of that Code.
- iv. The Operator shall comply with the provisions of section 3700 of the California Labor Code before commencing performance of the work under this Agreement and thereafter as required by that code.
- v. **Errors & Omissions Insurance** to provide coverage for the rendering of, or failure to render, professional services, including, but not limited to, the negligent acts, errors and omissions committed by you or your employees with minimum limits of \$1,000,000 each claim, \$2,000,000 annual aggregate.
- vi. **Commercial Crime Insurance** to cover a) Employee Dishonesty, blanket form, b) Destruction or Disappearance, c) Computer Fraud, d) Electronic Transfer of Funds, and e) Forgery and Alterations. The minimum limit will be \$2,000,000 per occurrence and apply separately to each coverage.
- vii. **Cyber Liability** in the amount of \$2,000,000 annual aggregate including Third Party Damage to other systems, Network Content Liability and Privacy/Personal Information Liability including coverage for regulatory requirements and proceedings (all coverage to include \$100,000 Forensic Service Coverage). Claims Made Coverage permissible with a requirement to maintain insurance 3 years after expiration of contract.

B. Terms Conditions and Endorsements

The aforementioned insurance shall be endorsed and have all the following conditions:

- i. **Insured Status (Additional Insured):** Operator shall provide insured status using ISO endorsement CG 20 10 or its equivalent naming the City of Oakland, its Councilmembers, directors, officers, agents and employees as insureds in its Comprehensive Commercial General Liability policy. If Operator submits the ACORD Insurance Certificate, the insured status endorsement must be set forth on a CG 20 10 (or equivalent). A STATEMENT OF ADDITIONAL INSURED STATUS ON THE ACORD INSURANCE CERTIFICATE FORM IS INSUFFICIENT AND WILL BE REJECTED AS PROOF OF MEETING THIS REQUIREMENT; and

- ii. Cancellation Notice: 30-day prior written notice of termination or material change in coverage and 10-day prior written notice of cancellation for non-payment;
- iii. Cross-liability coverage as provided under standard ISO forms' separation of insureds clause; and
- iv. Certificate holder is to be the same person and address as indicated in the "Notices" section of this Agreement; and
- v. Insurer shall carry an insurance from an admitted company with a Best Rating of A VII or better.

C. Replacement of Coverage

In the case of the breach of any of the insurance provisions of this Agreement, the City may, at the City's option, take out and maintain at the expense of Operator, such insurance in the name of Operator as is required pursuant to this Agreement, and may deduct the cost of taking out and maintaining such insurance from any sums which may be found or become due to Operator under this Agreement.

D. Insurance Interpretation

All endorsements, certificates, forms, coverage and limits of liability referred to herein shall have the meaning given such terms by the Insurance Services Office as of the date of this Agreement.

E. Proof of Insurance

Operator will be required to provide proof of all insurance required for the work prior to execution of the contract, including copies of Operator's insurance policies if and when requested. Failure to provide the insurance proof requested or failure to do so in a timely manner shall constitute ground for rescission of the contract award.

F. Subcontractors

Should the Operator subcontract out the work required under this agreement, they shall include all subcontractors as insureds under its policies or shall maintain separate certificates and endorsements for each subcontractor. As an alternative, the Operator may require all subcontractors to provide at their own expense evidence of all the required coverages listed in this Schedule. If this option is exercised, both the City of Oakland and the Operator shall be named as additional insured under the subcontractor's General Liability policy. All coverages for subcontractors shall be subject to all the requirements stated herein. The City reserves the right to perform an insurance audit during the course of the project to verify compliance with requirements.

G. Deductibles and Self-Insured Retentions

Any deductible or self-insured retentions must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductible or self-insured retentions as respects the City, its Councilmembers,

directors, officers, agents, employees and volunteers; or the Operator shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

H. Waiver of Subrogation

Operator waives all rights against the City of Oakland and its Councilmembers, officers, directors and employees for recovery of damages to the extent these damages are covered by the forms of insurance coverage required above.

I. Evaluation of Adequacy of Coverage

The City of Oakland maintains the right to modify, delete, alter or change these requirements, with reasonable notice, upon not less than ninety (90) days prior written notice.

**SCHEDULE R**  
**Financial and Performance Guaranty of Operator's Parent and Its Affiliates**

1. For value received and in order to induce SF USA Services, LLC ("Operator") to enter into that certain Agreement for the Operation and Management of the City of Oakland Municipal Identification Proposal, including all its Schedules and Exhibits (the "Agreement"), with the City of Oakland (the "City"), SF Global Holdings, LLC (the "Parent"), the parent entity of Operator, and Operator's affiliates, SF Global, LLC and SF Systems, LLC (the "Affiliates") (Parent and the Affiliates, each severally a "Guarantor") each hereby absolutely, irrevocably and unconditionally guarantees (the "Guaranty"), to the City the full and timely performance of Operator's and its Issuing Bank's obligations, the delivery of all Services contemplated under the Agreement, and payment of any amounts owed by Operator or the Issuing Bank to the City or its Residents pursuant to the Agreement, and all reasonable costs, attorneys' fees (including in-house counsel fees) and expenses incurred by the City in connection with the collection or enforcement hereof (collectively, the "Guaranteed Obligations"). This is a Guaranty of payment and performance and not merely of collection. If Operator and/or the Issuing Bank fail or are unable to perform their obligations under the Agreement, the Guarantor shall perform the obligations, or cause the obligations to be performed by another Guarantor, in accordance with the terms and conditions of the Agreement, at no additional cost to the City.
2. This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations or any part thereof, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor, or by any fact or circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to the obligations of Operator and/or Issuing Bank.
3. This Guaranty is a continuing and irrevocable guaranty of all Guaranteed Obligations now or hereafter existing and shall remain in full force and effect until all Guaranteed Obligations have been indefeasibly paid and performed in full.
4. Each Guarantor waives notice of the acceptance of this Guaranty. Each Guarantor further waives presentment, protest, notice, dishonor or default, demand for payment and any other notices to which Guarantor might otherwise be entitled.

5. Each Guarantor shall not exercise any right of subrogation, contribution or similar rights with respect to any payments it is required to make under this Guaranty until all of the Guaranteed Obligations and any amounts payable under this Guaranty are indefeasibly paid and performed in full. If any amounts are paid to Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the City and shall forthwith be paid to the City only to reduce the amount of matured Guaranteed Obligations, if any.

6. Each Guarantor agrees that the City may, at any time and from time to time, and without notice to a Guarantor, make any agreement with Operator for the extension, renewal, payment, compromise, discharge or release of the Guaranteed Obligations (in whole or in part), or for any modification or amendment of the terms thereof or of any instrument or agreement evidencing the Guaranteed Obligations, all without in any way impairing, releasing, discharging or otherwise affecting the obligations of a Guarantor under this Guaranty. Each Guarantor waives any defense arising by reason of any disability or other defense of Operator or a Guarantor, or the cessation from any cause whatsoever of the liability of Operator, or any claim that Guarantor's obligations exceed or are more burdensome than those of Operator and waives the benefit of any statute of limitations affecting liability of the Guarantors hereunder. Subject to provisions herein, each Guarantor waives any right to enforce any remedy which the City now has or may hereafter have against Operator and waives any benefit of and any right to participate in any security now or hereafter held by the City. Further, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of Guarantor under this Guaranty or which, but for this provision, might operate as a discharge of a Guarantor.

7. The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations. Each Guarantor waives diligence by the City and action on delinquency by the City in enforcing the Guaranteed Obligations or any part thereof, including, without limitation any provisions of law requiring the City to exhaust any right or remedy or to take any action against Operator, the Guarantors or any other person, entity or property before enforcing this Guaranty against a Guarantor.

8. Notwithstanding anything in this Guaranty to the contrary, this Guaranty shall continue to be effective or be reinstated, as the case may be, subject to the same terms and conditions set forth herein, if at any time any payment of any portion of the Guaranteed Obligations is revoked,

terminated, rescinded or reduced or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of Operator, as if such payment had not been made and whether or not the City is in possession of or has released this Guaranty and regardless of any prior revocation, rescission, termination or reduction.

9. In the event that acceleration of the time for payment of any of the Guaranteed Obligations is stayed, upon the insolvency, bankruptcy or reorganization of Obligor, all such amounts shall nonetheless be payable by the Guarantors immediately upon demand by the City if permitted by applicable law.

10. Notwithstanding any other provision of this Guaranty, the City may draw on this Guaranty in the event that Operator and/or its Issuing Bank fail to meet any material obligation under the Agreement.

11. This Guaranty is effective anti enforceable as the Effective Date set forth in the Agreement.

**IN WITNESS WHEREOF**, each undersigned has caused this Guaranty to be executed by it's duly authorized officer.

**SF GLOBAL, LLC**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

**SF USA, LLC**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

**SF SYSTEMS, LLC**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

## **SCHEDULE S**

### **Financial and Operational Stability Requirements**

Pursuant to Section 6(c) of the Agreement, Operator shall comply, and shall cause its Issuing Bank to comply, with the following Financial and Operational Stability Requirements (the "Requirements"). If Operator and/or its Issuing Bank fail to comply with any of the Requirements set forth below, Operator shall be in default of the Agreement. Upon default of Operator, the City may, in its sole discretion, elect to terminate the Agreement or any given Service provided thereunder.

#### **A. FINANCIAL STABILITY REQUIREMENTS**

1. Working Capital. Operator shall maintain on a consolidated basis current assets in excess of current liabilities of at least \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
2. Tangible Net Worth. Operator shall maintain on a consolidated basis Tangible Net Worth equal to at least \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

"Tangible Net Worth" means the value of the Operator's total assets (including leaseholds and leasehold improvements and reserves against assets but excluding goodwill, patents, trademarks, trade names, organization expense, unamortized debt discount and expense, capitalized or deferred research and development costs, deferred marketing expenses, and other like intangibles, and monies due from affiliates, officers, directors, employees, shareholders, members or managers of Operator) less total liabilities, including but not limited to accrued and deferred income taxes.

3. Quick Ratio. Operator shall maintain on a consolidated basis a ratio of quick assets to current liabilities of at least \_\_:1.0.

"Quick Assets" means cash, short-term cash investments, net trade receivables and marketable securities not classified as long-term investments.

4. Profitability. Operator shall maintain on a consolidated basis a positive net income before taxes and extraordinary items for each quarterly accounting period.
5. Issuing Bank's Capital and Liquidity. Issuing Bank is determined by its regulators to be under-capitalized and is directed to increase its capital, either informally or formally through the establishment of a capital restoration plan, or Issuing Bank suffers a run on its liquidity.

6. Guarantor's Inability to Perform. Any Guarantor suffers a financial decline that would adversely affect its ability to perform under the Guaranty attached as Schedule R.

**B. OPERATIONAL STABILITY REQUIREMENTS**

Operator shall further be deemed in default of this Agreement if any of the following destabilizing events occur:

1. Loss of Senior Management. Operator suffers a loss in any given 6-month period of 5 or more of its top 20 senior managers (ranked by total compensation).
2. Loss of Substantial Portion of Workforce. Operator suffers a loss in its workforce of more than 30% in any given 6-month period, whether the employees' departures were voluntary or involuntary.
3. Loss of Major Contracts. Operator suffers a loss over any 6-month period of 5 or more of its largest 10 contracts (as determined by revenues).
4. Filing of Materially Adverse Lawsuits or Regulatory Actions. Lawsuits or regulatory actions are filed against Operator which at any one time exceed estimated damages or penalties in excess of \$2,000,000.
5. Loss of Key Permits. Operator loses at any point one or more key permits, licenses, regulatory approvals or other governmental certification required for providing the Services contemplated under the Agreement.
6. Imposition of Enforcement Action. Issuing Bank is placed under an enforcement action by its regulators.



*Attachment B*

**SCHEDULE A**  
**Schedule of Program Operations**  
**COMPLETION DATE**

**TASK**

1. The City will have the right to review the Licensing Agreement by and between SF Global, hereinafter "Operator" and Praxell Inc., (hereinafter Praxell) holder of contract with issuing bank.	Due at least one month in advance of executing Licensing Agreement
2. Within 90 days of executing Licensing Agreement Operator will have identified whether the bank will open a branch within the City or will be pursuing a banking affiliate with a local presence and branch with whom to partner.	Ongoing from date of execution of The Licensing Agreement through 90 days after execution of The Licensing Agreement.
3. Within 60 Days of the Execution of The Licensing Agreement, Operator will have identified "intake center" partners. The partners must be located, to the extent possible, in neighborhoods such as East Oakland, West Oakland, Fruitvale, north Oakland, and Lower San Antonio.	Ongoing from date of execution of The Licensing Agreement through 60 days after execution of The Licensing Agreement.
4. Operator Within 180 days of the execution of The Licensing Agreement will have in full operation and accessible to municipal ID card holders a location as identified in Task 3 above. Operator may request extension for the completion of this task request must be received by the City 60 days before due date.	Ongoing from date of execution of The Licensing Agreement through 180 days after execution of The Licensing Agreement.

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| 5. Within 30 days of the execution of The Licensing Agreement, Operator will provide a mock up of the proposed Oakland Muni ID for review and feedback by Oakland Police Department and the City Administrator's Office.  | Ongoing from date of execution of The Licensing Agreement through 30 days after execution of The Licensing Agreement. |
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| 6. 30 days after the execution of the Licensing Agreement, Operator will provide the City Administrator's Office and Oakland Police Department a demonstration of the Intake Center Software hardware and technology. Including a demonstration of the access portal through which OPD may verify the validity of the identification. | Ongoing from date of execution of the Licensing Agreement through 30 days after execution of the Licensing Agreement. |
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| 7. Within 30 days of the execution of the Licensing Agreement, Operator will provide the City Administrator's Office a mock up of the advertisements and outreach material Operator intends to distribute to inform Oakland residents about the Municipal ID program for City approval.   | Ongoing from date of execution of the Licensing Agreement through 30 days after execution of the Licensing Agreement. |
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| 8. Within 60 days, or sooner if practicable, of approval of the software/hardware demonstration, mock up of Muni ID, and proposed Intake centers Operator will begin formal implementation of Muni ID program   | Ongoing from date of execution of the Licensing Agreement   |
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| 9. Within 90 days or sooner if practicable, of approval of the proposed intake center locations Operator will open up intake centers for Muni ID processing. | Ongoing from date of execution of the Licensing Agreement |
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| 10. At the completion of the First Calendar Month of issuing Muni ID's Operator will provide monthly reports to the City Administrator's Office. Report will include card distribution information, card usage, demographic information, and other items as identified by working group. | Reports are due Quarterly (once every three months) on the 15 <sup>th</sup> day of each third month, after the first report. |
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| 11. The debit card fee structure shall be competitive with those banks that charge the lowest fees in the industry. The working group will be provided FDIC information on a quarterly basis establishing where the fees fall within the industry standard. Should the debit card fees increase to 10% above the median average for debit card fees, Operator agrees to begin to search for a new banking partner, to be approved by the City as described in item 17 below, with fees at or below the nationwide median. | Ongoing from date of execution of The Licensing Agreement |
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| 12. Operator agrees to compensate the City for the costs incurred by the city for the monitoring and implementation of the municipal identification card program. Such compensation will be invoiced pursuant to the hourly rates as identified in the master fee schedule. | Invoices will be sent on a quarterly basis commencing the third month from the date of execution of The Licensing Agreement and ongoing thereafter for the life of the program. |
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| 13. Operator will, to the extent possible through application and software, insure that the identity and private information of the individuals who apply for cards is protected to the fullest extent allowed by banking industry standards.   | Ongoing from date of execution of The Licensing Agreement |
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| 14. Operator must comply with the FDIC's New General Counsel's Opinion No. 81 that assures FDIC insurance is passed to individual card holders.   | Ongoing from date of execution of The Licensing Agreement |
| <hr/>   |   |
| 15. Operator will include in their agreement with Praxell a provision that allows them to cancel their contract with designated bank if at any point during the Licensing Agreement, if it appears as though the bank is becoming insolvent. Solvency will be determined by the level of net assets available to bank in millions. Should the banks core capital (leverage) level of the bank, net capital (assets less liabilities), dip below 12.5 million dollars in total the City will put the bank on notice and request that Operator immediately begin to negotiate with an alternative bank. | Ongoing from date of execution of The Licensing Agreement |
| <hr/>   |   |
| 16. Operator will provide a report on the bank holdings, net assets, and net capital once every thirty days for the purposes of the City monitoring their financial stability and indicators pointing to potential bank failure.  | Ongoing from date of execution of The Licensing Agreement |

17. Should the City provide notice pursuant to task 11 or 15 above alternative banks will be selected from a pre-approved list of Issuing Banks as determined by the working group (City staff group) and the Operator (SF GLOBAL).

Ongoing from date of execution of The Licensing Agreement

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18. Operator will be given a three (3) month notice of City's request and opportunity to show cause as to why the bank is not becoming insolvent or their plan to remain solvent. If such evidence does not provide City with sufficient surety of solvency, Operator will continue to seek alternative City approved Issuing Bank. City will make a good faith effort to work with Selected Issuing Bank to determine solvency.

Ongoing from date of execution of The Licensing Agreement

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19. Operator will provide guarantees in their Licensing Agreement to continue to provide debit card banking services to all individuals for whom debit cards have been provided until such time as the individual opts to either transfer or cancel account. If individual opts to transfer to new Issuing Bank for City, the Operator will immediately honor such request and within 10 days have provided card holder with funds and or transferred funds to new Issuing Bank as identified by City and Operator.

Ongoing from date of execution of The Licensing Agreement

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| 20. Operator will provide guarantees that should the partner bank be taken over, merged, and/or subsumed by an acquiring bank they will negotiate in good faith to honor the accounts of all individuals issued debit cards pursuant to the municipal identification card program.   | Ongoing from date of execution of The Licensing Agreement |
| <hr/>  |   |
| 21. The new alternative selected bank and Operator will provide a report on the bank holdings and liquid assets once every thirty days for the purposes of the City monitoring their financial stability and indicators pointing to potential bank failure.  | Ongoing from date of execution of The Licensing Agreement |
| <hr/>  |   |
| 22. At least 6 months prior to renewal of the agreement, the City reserves the right to put Operator on notice of their intent to request a new Issuing Bank regardless of whether the bank remains solvent or not. Such decision may be based on number of complaints logged against bank by card holders, failure to comply with all provisions of service to the satisfaction of the city required of bank for cardholders, inability to provide adequate or sufficient information and or reports to monitor, failure to meet timelines and/or any other concern that the City deems warrants the finding of a new bank issuer for the card. | Ongoing from date of execution of The Licensing Agreement |
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| 23. Should Operator need to engage a new issuing bank to provide banking services to support the Muni ID card, Operator will make good faith efforts to use the same cards, without any disruption or cost to the cardholders. If the same cards cannot be used, Operator will reissue new Muni ID cards and will transfer bank accounts at no cost to the City or the cardholders under the “new” issuing bank with minimal disruption to the cardholders. | Ongoing from date of execution of The Licensing Agreement |
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| 24. Begin term of service will begin October 8, 2012 for a two year service Licensing Agreement, and as may be extended pursuant to the executed agreements terms. | Ongoing from date of execution of The Licensing Agreement |
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City of Oakland,  
a municipal corporation

SF Global, LLC

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name



*Attachment C*

# MUNI ID/DEBIT CARD FEE SCHEDULE

ITEM	CARDHOLDER FEE	NOTES
Enrollment	\$0.00	
PIN or Password change	\$0.00	
Online account Manager	\$0.00	Available 24/7
ATM Withdrawal	\$1.50	Customers will be offered access to either Allpoints or MoneyPass networks to avoid ATM surcharges. Otherwise additional surcharges apply.
ATM Withdrawal - Declined	\$0.50	
ATM Withdrawal (Int'l)	\$2.75	
ATM Withdrawal (Int'l) - Declined	\$0.50	
ATM Balance Inquiry	\$0.50	This applies if cardholder uses ATM only to check balance. A mobile application will be available to enable customers to keep track of their account's balances and activity, effectively eliminating the need to use ATM's for balance inquiries. Account information is always available online.
ATM Balance Inquiry - Declined	\$0.50	
ATM Balance Inquiry (Int'l)	\$0.50	
ATM Balance Inquiry (Int'l) - Declined	\$0.50	
Purchase Authorization	\$0.00	
Purchase Authorization - Declined	\$0.10	
Purchase Settlement	\$0.00	
Purchase Authorization (Int'l)	\$0.10	
Purchase Authorization (Int'l) - Declined	\$0.10	
Purchase Settlement (Int'l)	\$0.00	
Merchandise Return Settlement	\$0.50	
PIN Pre-Auth	\$0.00	Primarily Gas purchases.
PIN Pre-Auth - Declined	\$0.00	
PIN Purchase	\$0.75	
PIN Transaction - Declined	\$0.25	
PIN Purchase w/ Cash Back	\$0.00	
PIN Purchase w/ Cash Back - Declined	\$0.00	
Replacement card	\$0.0 - \$15.00	Cardholders will pay the same price they paid originally for the card. This include regular mail costs. Express mail delivery available for an additional cost (Fedex or UPS letter rates.)
Funds Transfer to replacement card	\$1.00	
Card to Card Transfer in/out	\$1.00	
Retail Reload Transfercel Network	\$2.95	Of importance, no additional fees are required for retail loads at participating Transfercel merchants
Western Union Load	\$1.00	Provided as option for cardholders who prefer Western Union loads. Additional Agent fees apply.
FBE Reload	\$2.00	Additional Agent Fees apply.
GreenPoint Money Pack reload	\$4.95	No additional fees are required.


Direct Deposit	\$0.00	
Remittances (international)	\$5.00	Transfercel Network
Inactivity Fee	\$0.50	To be capped after three months. Customer account will be closed. Fees will apply to re-open account
Monthly fee	\$2.99	
SMS	\$0.00	
Live Customer Service Inquire Call (cost per minute)	\$0.55	5 minutes free each month. Customers can request assistance through the company internet site 24/7 as well.
IVR Inquires (cost per minute)	\$0.15	3 minutes free each month
<b>Mobile Banking</b>		
Monthly service Fee	\$1.00 - \$1.50	Consumer needs to opt in. Final cost to be determined before signing of contract with City of Oakland
Check Balance	\$0.00	
Transaction History	\$0.00	
Report Card Lost or Stolen	\$0.00	
View /add beneficiaries	\$0.00	
Help Options	\$0.00	
Opt out of mobile services	\$0.00	
<b>Daily Limits</b>		
Maximum ammount allowed on card at any given time, excluding payroll deposits	\$2,999.00	
Maximum loads except payroll direct deposits	\$1,000.00	
Maximum ATM withdrawals	\$500.00	
POS Purchases card present (maximum combined \$2500/day)	\$500.00	The sum of these transactions may not exceed \$2,500.00 per day.
Internet and over the phone POS purchases (maximum combined \$2500/day)	\$150.00	
Card to card transfer (maximum cambined \$2500/day)	\$500.00	
International trasnfer (maximum combined \$2500/day)	\$1,000.00	

*Attachment D*

# City of Oakland, CA

## Municipal Identification Card

ID 18524789654123



JANE A. DOE



12 ANYSTREET AVE.  
OAKLAND, CA 94601

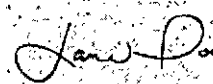
HAIR:BLK EYES:BRN  
HT:5'11" WT: 198

DOB: 01/02/1982

6022 3043 6789 1234

Good Thru: 03/12








This card is issued by University National Bank of Saint Paul, MN 38286 1/00 cpi-In

IMMEDIATELY REPORT LOSS OR THEFT OF THIS CARD DO NOT WRITE PIN ON THE BACK OF THE CARD  
CUSTOMER SERVICE 1-888-210-1577 FOR LONG DISTANCE 1-800-767-M01 VISIT US ON THE WEB AT: WWW.TRANSFENCEL.COM

1234

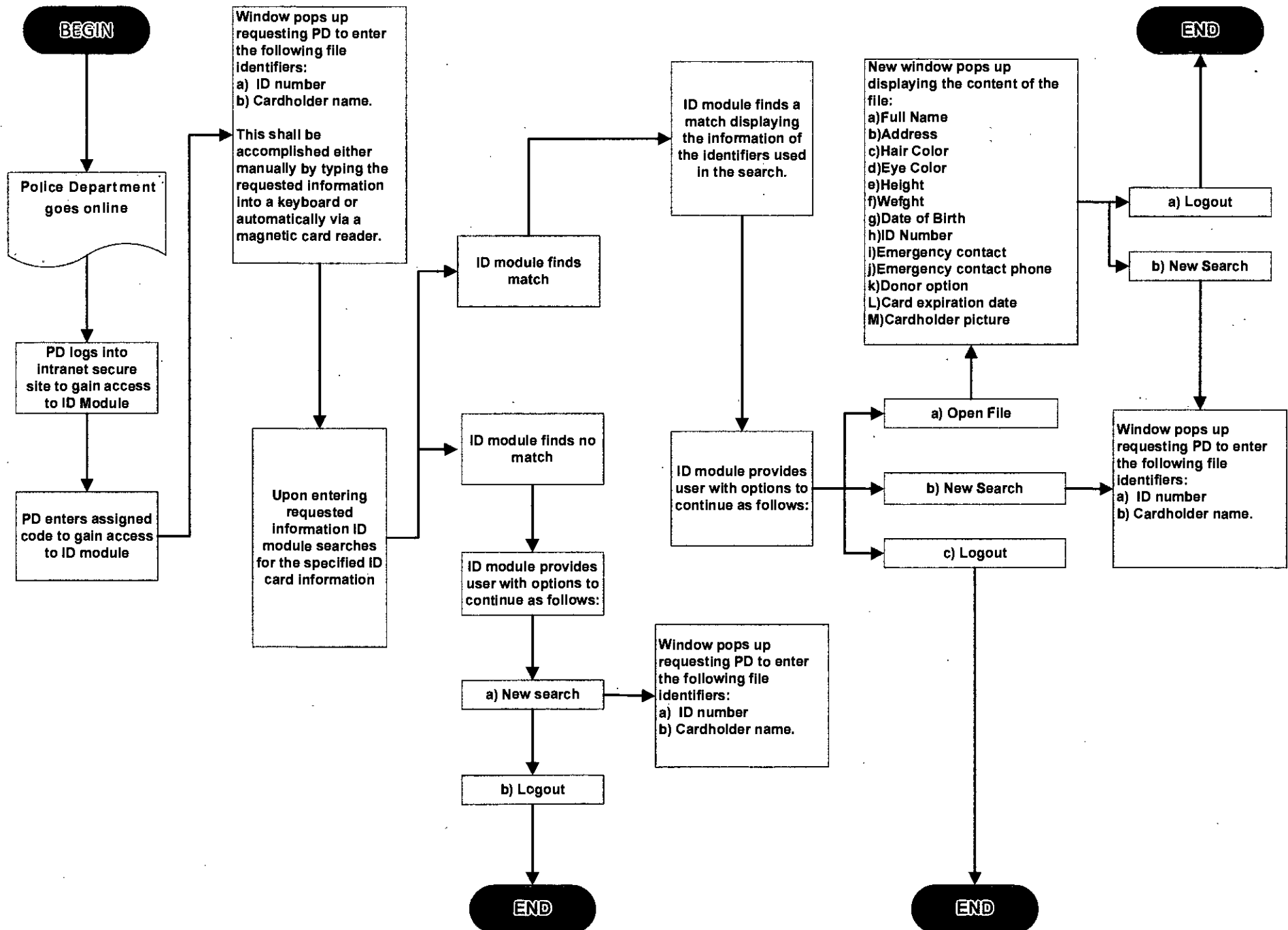
589

AUTHORIZED SIGNATURE NOT VALID UNLESS SIGNED

## Attachment E

# FLOW CHART ID MODULE FOR POLICE DEPARTMENT ID VERIFICATION PROCESS



## Attachment F



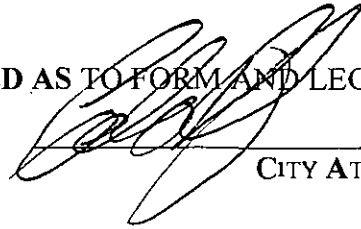
# OAKLAND, CA BANK/CREDIT UNION ACCOUNTS SERVICES COMPARISON

	A	B	E	G	H	I	K	L	M	N	O	P	Q	R
1														
2	BANKS	Address	Requirements for opening	Min Monthly Balance	Non-Bank ATM	Maint Fee	Overdraft/NSF Fees	Wire Intern	Wire Dom	Cashiers	Money Order	AFS	AFS Cost	Non- Acct Debit Cards
3	Torrey Pines Bank	1951 Webster St, Oakland, Ca	2 forms ID	\$1,000.00	first 5 free/ \$2	\$10.00	\$32.50	\$40.00	\$30.00	\$6.00	N/A	None	N/A	None
4	Bank of the West	4900 Telegraph Ave, Oakland, Ca	2 forms ID incl 1 Gov ID	\$1,000.00	\$2.00	\$10.00	\$33.00	\$45.00	\$35.00	\$7.00	\$5.00	PopMoney	\$0.00	None
5	East West Bank	900 Webster St, Oakland, CA	Student ID	None	\$2.00	\$5.00	\$23.00	\$35.00	\$25.00	\$6.00	\$5.00	None	N/A	None
6			2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$5.00	\$23.00	\$35.00	\$25.00	\$6.00	\$5.00	None	N/A	None
7	Bbnc (Nara) Bank	1940 Webster st, #101, Oakland, CA	2 forms ID incl 1 Gov ID	\$500.00	\$3.00	\$20.00	\$26.00	\$18.00	\$30.00	\$5.00	\$5.00	None	N/A	None
8	Community Bank of the Bay	1750 Broadway, Oakland, CA	2 forms ID incl 1 Gov ID	\$500.00	\$0.00	\$10.00	\$35.00	\$50.00	\$30.00	\$12.00	N/A	None	N/A	None
9	Metropolitan Bank	250 E 18th St, Oakland, CA	2 forms ID incl 1 Gov ID	None	None	None	\$25.00	\$40.00	\$20.00	\$6.00	N/A	None	N/A	None
10	One PacificCoast Bank	1438 Webster St, Ste 100, Oakland, CA	1 Gov ID, SS #	\$0.00	\$1.00	\$5.00	\$25.00	\$40.00	\$25.00	\$5.00	\$2.00	None	N/A	None
11			1 Gov ID, SS#	\$0.00	\$1.00	\$5.00	\$25.00	\$40.00	\$25.00	\$5.00	\$2.00	None	N/A	None
12	City National Bank	2101 Webster St, Oakland Ca	2 forms ID incl 1 Gov ID	\$3,000.00	\$2.00	\$15.00	\$36.00	\$42.00	\$35.00	\$10.00	N/A	None	N/A	None
13	Summit Bank	2969 Broadway, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.50	\$12.00	\$25.00	\$45.00	\$30.00	\$7.00	N/A	None	N/A	None
14	US Bank	344 Thomas I Berkley Way #117, Oakland, CA	Gov ID and StudentID	None	\$2.50	\$3.95	\$35.00	\$50.00	\$45.00	\$7.00	\$5.00	None	N/A	Convenient Cash Card
15			Gov ID and StudentID	None	\$2.50	\$2.00	\$35.00	\$50.00	\$45.00	\$7.00	\$5.00	None	N/A	Convenient Cash Card
16	Wells Fargo	901 Franklin St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.50	\$7.00	\$30.00	\$45.00	\$30.00	\$10.00	\$5.00	None	N/A	None
17	Cathay Bank	710 Webster St, Oakland, CA 94607	2 forms ID incl 1 Gov ID	\$1,000.00	\$2.00	\$10.00	\$20.00	\$30.00	\$25.00	\$6.00	N/A	PopMoney	\$0.00	None
18	Union Bank	1970 Franklin St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$10.00	\$33.00	\$50.00	\$20.00	\$3.00	\$3.00	None	N/A	None
19			Gov ID and StudentID	\$2,500.00	\$2.00	\$13.00	\$33.00	\$50.00	\$20.00	\$3.00	\$3.00	None	N/A	None
20	Citibank	1325 Broadway, Oakland, CA	Gov ID and StudentID	none	\$3.00	none	\$34.00	\$30.00	\$18.75	\$3.00	\$3.00	PopMoney, i	\$0.00	None
21			2 forms ID incl 1 Gov ID	none	\$3.00	\$10.00	\$34.00	\$30.00	\$18.75	\$3.00	\$3.00	PopMoney, i	\$0.00	None
22	Bank of America	388 9th St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$12.00	\$35.00	\$45.00	\$25.00	\$7.00	N/A	None	N/A	None
23			2 forms ID incl 1 Gov ID		\$2.00	\$8.95	\$35.00	\$45.00	\$25.00	\$7.00	N/A	None	N/A	None
24	Chase Bank	270 E 18th, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$10.00	\$34.00	\$45.00	\$30.00	\$7.00	\$5.00	None	N/A	None
25	AVERAGE			\$1,233.33	\$2.05	\$9.45	\$30.30	\$40.91	\$27.84	\$6.27	\$4.00			
26														
27	CREDIT UNIONS													
28	Patelco Credit Union	1301 Clay Street, Oakland, CA	2 forms ID incl 1 Gov ID	\$0.00	\$1.75	\$0.00	\$25.00	\$30.00	\$20.00	\$5.00	N/A	PopMoney	\$0.00	None
29	Alliant Credit Union	344 20th Street, Oakland, CA	2 forms ID incl 1 Gov ID	\$0.00	\$0.00	\$0.00	\$25.00	\$50.00	\$25.00	Free	N/A	None	None	None
30	Chevron Federal Credit Union	475 14th St # 9, Oakland, CA	Live In area/ gov ID	\$25.00	\$0.00	\$5.00	\$25.00	\$30.00	\$20.00	Unknown	Unknown	None	None	None
31	Provident Credit Union	8301 Edgewater Drive, Oakland, CA	2 ID incl 1 Gov & resident	\$0.00	\$0.00	\$0.00	\$23.00	\$23.00	\$23.00	\$5.00	N/A	None	None	None
32	1st United Services Credit Union	5112 Broadway, Oakland, CA	savings acct first/credit check	\$0.00	\$1.25	\$4.95	\$25.00	none	\$20.00	\$7.00	N/A	None	None	None
33	The Golden 1 Credit Union	1495 Clay Street, Oakland, CA	2 forms ID incl 1 Gov ID	\$0.00	\$1.50	none	\$26.00	\$30.00	\$20.00	\$5.00	\$3.00	None	None	None
34			2 forms ID incl 1 Gov ID	\$1,000.00	\$1.50	\$5.00	\$26.00	\$30.00	\$20.00	\$5.00	\$3.00	None	None	None
35	Western Federal Credit Union	140 Frank H Ogawa Plaza, Oakland, CA	Gov ID	\$0.00	\$1.00 after 3 tree	\$15.00	\$30.00	\$35.00	\$15.00	\$5.00	N/A	None	None	None
36														
37	BANK ON OAKLAND PARTICIPANTS													
38														
39	Bank of the West	4900 Telegraph Ave, Oakland, Ca	2 forms ID incl 1 Gov ID	\$1,000.00	\$2.00	\$10.00	\$33.00	\$45.00	\$35.00	\$7.00	\$5.00	PopMoney	\$0.00	None
40	Chase Bank	270 E 15th, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$10.00	\$34.00	\$45.00	\$30.00	\$7.00	\$5.00	None	N/A	None
41	One PacificCoast Bank	1438 Webster St, Ste 100, Oakland, CA	1 Gov ID, SS #	\$0.00	\$1.00	\$5.00	\$25.00	\$40.00	\$25.00	\$5.00	\$2.00	None	N/A	None
42			1 Gov ID, SS#	\$0.00	\$1.00	\$5.00	\$25.00	\$40.00	\$25.00	\$5.00	\$2.00	None	N/A	None
43	Patelco Credit Union	1301 Clay Street, Oakland, CA	2 forms ID incl 1 Gov ID	none	\$1.75	\$0.00	\$25.00	\$30.00	\$20.00	\$5.00		PopMoney	\$0.00	None
44	Community Trust CU	1432 7th Street, Oakland, CA	1 Gov ID	\$300.00		\$3.00	\$25.00	\$25.00	\$15.00	\$2.00	\$1.00	None	N/A	None
45	Union Bank	1970 Franklin St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$10.00	\$33.00	\$50.00	\$20.00	\$3.00	\$3.00	None	N/A	None
46			Gov ID and StudentID	\$2,500.00	\$2.00	\$13.00	\$33.00	\$50.00	\$20.00	\$3.00	\$3.00	None	N/A	None
47	East West Bank	900 Webster St, Oakland, CA	Student ID	None	\$2.00	\$5.00	\$23.00	\$35.00	\$25.00	\$6.00	\$5.00	None	N/A	None
48			None	\$1,500.00	\$2.00	\$5.00	\$23.00	\$35.00	\$25.00	\$6.00	\$5.00	None	N/A	None
49	Wells Fargo	901 Franklin St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.50	\$5.00	\$30.00	\$45.00	\$30.00	\$10.00	\$5.00	None	N/A	None
50	Bank of America	388 9th St, Oakland, CA	2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$12.00	\$35.00	\$45.00	\$25.00	\$7.00	N/A	None	N/A	None
51			2 forms ID incl 1 Gov ID	\$1,500.00	\$2.00	\$8.95	\$35.00	\$45.00	\$25.00	\$7.00	N/A	None	N/A	None
52	Citibank	1325 Broadway, Oakland, CA	Gov ID and StudentID	none	\$3.00		\$34.00	\$30.00	\$18.75	\$3.00	\$3.00	PopMoney, i	\$0.00	None
53			2 forms ID incl 1 Gov ID	none	\$3.00	\$10.00	\$34.00	\$30.00	\$18.75	\$3.00	\$3.00	PopMoney, i	\$0.00	None
54	AVERAGE			\$1,163.64	\$2.02	\$7.28	\$29.80	\$39.33	\$23.83	\$5.27	\$3.50			

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2012 SEP 13 PM 4:02

APPROVED AS TO FORM AND LEGALITY



CITY ATTORNEY

RESOLUTION NO. \_\_\_\_\_ C.M.S.

---

**A CITY RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A LICENSING AGREEMENT WITH SF GLOBAL TO PROVIDE OFFICIAL CITY OF OAKLAND MUNICIPAL IDENTIFICATION AND DEBIT CARDS TO OAKLAND RESIDENTS**

**WHEREAS**, SF GLOBAL, and its Subsidiaries including but not limited to SF USA (hereinafter SF Global), is the approved and selected provider of the City of Oakland's Municipal Identification and Debit Card established by Ordinance No. 12937 C.M.S. and codified in Chapter 2.34; and

**WHEREAS**, the City and SF Global have developed a program that will allow Oakland residents to receive a government issued form of identification and access banking related services that would normally not be available to some residents; and

**WHEREAS**, the Oakland City Council having considered the benefits of the proposed license agreement and its conditions are in the public interest; and

**WHEREAS**, the program and card as developed by staff will be implemented in a cost neutral manner to the City; and

**WHEREAS**, when the City of Oakland's Municipal Identification program was created in 2009 as a method by which under-banked and unbanked individuals could acquire a form of identification and receive banking services;

**WHEREAS**, Oakland was a leader in creating and implementing a program to serve the under-banked and unbanked local populations of Oakland; and

**WHEREAS**, the past three years have seen an increased need for immigrant and day laborer populations to safely store and carry their pay; and

**WHEREAS**, there is greater general public support for the Oakland Municipal Identification and Debit Card, and

**WHEREAS**, for the reasons set forth above, the Council declares that this licensing agreement is necessary provides the appropriate protections, monitoring, and regulatory provisions to Municipal Identification and Debit Cards to Oakland residents; and

**7-1**  
FINANCE & MANAGEMENT CMTTE  
SEP 25 2012

**WHEREAS**, SF Global and City staff have met, agreed and propose that the “Agreement Between The City Of Oakland And SF Global Services, LLC For The Operation And Management Of The City Of Oakland Municipal Identification Program” be approved by Council; and

**WHEREAS**, the Council finds this ordinance is subject to exemptions from the California Environmental Quality Act CEQA including without limitation CEQA Guidelines sections 15301 15302 and 15305; now, therefore

**NOW THEREFORE,**

The Council of The City of Oakland Does Hereby Ordain As Follows:

**Section 1.** The City Council hereby approves the form of and authorizes the City Administrator to enter into and execute the Agreement between the City of Oakland And SF Global Services, LLC for the Operation and Management of the City of Oakland Municipal Identification Program.

**Section 2.** The City Council authorizes the City Administrator or her designee to take all necessary action relating to the foregoing matters, and to negotiate and execute any and all further legal documents and take whatever related actions as may be required in furtherance of this Ordinance and its fundamental purposes necessary to complete any other agreements, including but not limited to lease documents and making minor alterations to the form of the documents approved as to form by this Ordinance.

**Section 3.** The City Council determines that the “Agreement” including all its amendments and the sublease comply with CEQA requirements.

**Section 4.** All documents associated with the Agreement shall be approved as to form and legality by the City Attorney and shall be filed in the Office of the City Clerk.

**Section 5.** This Resolution shall take effect immediately upon its passage upon final adoption by the affirmative vote of at least five members of the City Council.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL,  
SCHAFF, and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

APPROVED AS TO FORM AND LEGALITY

2012 SEP 13 PM 4:03

*K. Jam*

CITY ATTORNEY

ORDINANCE NO. \_\_\_\_\_ C.M.S.

---

**ORDINANCE, AMENDING ORDINANCE NO. 12079, AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE IN THE DALZIEL BUILDING FOR THE IMPLEMENTATION OF THE MUNICIPAL IDENTIFICATION AND DEBIT CARD PROGRAM AT A REDUCED MONTHLY RENT**

**WHEREAS**, the City of Oakland owns certain property in the City Administration Building Complex currently known as the Lionel J. Wilson Building, the Dalziel Building, the Plaza Building, City Hall and the Frank H. Ogawa Plaza; and

**WHEREAS**, pursuant to Ordinance No. 12079 C.M.S. the City Administrator may execute tenants leases in the City Administration Building Complex subject to parameters provided in the Ordinance No. 12079 C.M.S.; and

**WHEREAS**, the City desires to modify the leasing parameters within Ordinance No. 12079 C.M.S. to aid with the implementation of the Municipal Identification and Debit Card program; and

**WHEREAS**, Oakland is a leader in creating and implementing a program to serve the under-banked and unbanked local populations of Oakland; and

**WHEREAS**, in the past three years have seen an increased need for immigrant and day laborer populations to safely store and carry their pay; and

**WHEREAS**, the Provider SF Global is being asked to implement and deploy the Municipal Identification Program with no monetary subsidy from the City;

**WHEREAS**, there is greater general public support for the Oakland Municipal Identification and Debit Card, and

**WHEREAS**, in light of the foregoing staff has negotiated a lease rate that will provide modest office space of 1000 square feet at an affordable rate of \$1.05 a square foot, which is 30% below the authorized minimum rent rate, for the implementation of the Municipal Identification and Debit card program; now, therefore,

**7-2**

**FINANCE & MANAGEMENT CMTTE**

**SEP 25 2012**

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND** ordain as follows:

**SECTION 1.** the City Administrator or her designee is hereby authorized to negotiate and execute a tenant leases for space in the City Administrator Building Complex, including a lease with SF Global.

**SECTION 2.** the City Administrator may only execute City Administrator Building complex leases that fall within the following parameters:

- A. Applicable leases for the Dalziel shall be in compliance with the Wetmore/Pardee Relocation Agreement dated April 20, 1995; and
- B. Minimum monthly gross rent for non-Wetmore/Pardee Relocation Agreement retail tenants in the Dalziel Building shall be not less than \$1.25 per square foot excluding any rent credits for tenant improvements; and
- C. Minimum monthly triple net rent for retail tenants in the Lionel J. Wilson Building shall be not less than \$1.25 per square foot excluding any rent credits for tenant improvements; and
- D. Minimum monthly gross rent for office tenants in the Dalziel Building shall be not less than \$1.50 per square foot excluding any rent credits for tenant improvements and a credit for possessory interest; and
- E. Maximum tenant allowances for the Lionel J. Wilson Building retail and Dalziel retain and offices spaces shall be \$25.00 per square foot; and
- F. Lease terms may be month-to-month or great. There shall be no minimum lease term requirement; and

**SECTION 3.** All leases executed by the City Administrator shall be approved by the Office of the City Attorney as to form and legality and a copy will be placed on file in the Office of the City Clerk.

**OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_**

**PASSED BY THE FOLLOWING VOTE:**

**AYES - BRUNNER, KERNIGHAN, NADEL, SCHAAF, DE LA FUENTE, BROOKS, KAPLAN,  
AND CHAIRPERSON REID**

**NOES-**

**ABSENT-**

**ABSTENTION-**

**ATTEST: \_\_\_\_\_**

**LATONDA SIMMONS**

**City Clerk and Clerk of the Council  
Of the City of Oakland, California**



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

**ORDINANCE, AMENDING ORDINANCE NO. 12079, AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A LEASE IN THE DALZIEL BUILDING FOR THE IMPLEMENTATION OF THE MUNICIPAL IDENTIFICATION AND DEBIT CARD PROGRAM AT A REDUCED MONTHLY RENT**

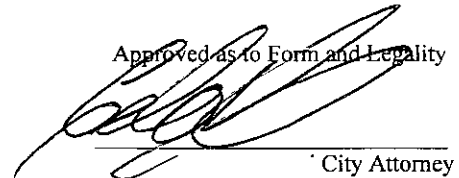
NOTICE AND DIGEST

This Ordinance Authorizes An Amendment to Ordinance Number 12079 C.M.S. authorizing The City Administrator to negotiate and execute tenant leases in the City Administration Building Complex, as amended, To Lease In The Dalziel Building for the implementation Of The Municipal Identification And Debit Card Program. These amendments would become effective October 2, 2012 and would remain in effect until further notice. A public hearing has been scheduled to review the proposed changes. The meeting will take place at the time of the first reading of the proposed ordinance by the City Council, on October 2, 2012, at 7:00 pm or as soon as practically possible thereafter.

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2012 SEP 13 PM 4:03

Approved as to Form and Legality

  
City Attorney

**OAKLAND CITY COUNCIL**  
**ORDINANCE No. \_\_\_\_\_ C.M.S.**

---

**AN ORDINANCE AMENDING ORDINANCE NO. 13078 C.M.S., THE MASTER FEE SCHEDULE, AS AMENDED, TO ESTABLISH OR MODIFY FEES ASSESSED BY THE OFFICE OF THE CITY ADMINISTRATOR TO ESTABLISH A MUNICIPAL IDENTIFICATION APPLICATION FEE FOR IDENTIFICATIONS ISSUED PURSUANT TO CHAPTER 2.34**

**WHEREAS**, the City of Oakland periodically updates its Master Fee Schedule to account for general cost of living increases and program changes and other costs; and

**WHEREAS**, City departments incur costs related to the implementation, regulation, and oversight of city programs and permitting activities; and

**WHEREAS**, the fee modifications and additions proposed herein have been justified by the respective agencies and are identified in an "Agenda Report" dated September 25, 2012 to Deanna J. Santana, City Administrator, entitled "Municipal Identification License Agreement," and

**WHEREAS**, the City Council finds and determines that the herein-referenced modifications and additions are necessary to reimburse the City for the actual costs of performing the various municipal and regulatory functions; and

**WHEREAS**, when the City of Oakland's Municipal Identification program created in 2009 as a method by which individuals who could acquire a form of identification and receive banking services;

**WHEREAS**, Oakland was a leader in creating and implementing a program to serve the under-banked and unbanked local populations of Oakland; and

**WHEREAS**, in the past three years have seen an increased need for immigrant and day laborer populations to safely store and carry their pay; and

**WHEREAS**, there is greater general public support for the Oakland Municipal Identification and Debit Card, and

**WHEREAS**, implementation of the program will require staff oversight and contract management; and

**7-3**

**FINANCE & MANAGEMENT CMTTE**  
**SEP 25 2012**

**WHEREAS**, for the reasons set forth above, the Council declares that this ordinance is necessary to establish fees for the actual cost of staff time spent monitoring the licensing agreement to provide Municipal Identification and Debit Cards; and

**WHEREAS**, the Municipal Identification Debit Card Provider SF Global has agreed to compensate the City for the Actual cost of staff time spent in overseeing and implementing the program; and

**WHEREAS**, Staff will invoice SF Global on a monthly basis for the actual staff time spent based on each respective staff's fully loaded and encumbered hourly rate;

**WHEREAS**, a Public Hearing was held on June 19, 2012 to review the proposed fee changes; now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**Section 1:** The Master Fee Schedule as set forth in Ordinance No. 13078, as amended, is hereby amended to modify and establish fees assessed by the Office of the City Administrator and as set forth in **Exhibit A**, attached hereto and made a part hereof

**Section 2:** This ordinance shall be effective on March 20, 2012 upon approval by the Council of the City of Oakland.

**IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_\_**

**PASSED BY THE FOLLOWING VOTE:**

**AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAFF, and PRESIDENT REID**

**NOES-**

**ABSENT-**

**ABSTENTION-**

**ATTEST: \_\_\_\_\_**

**LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California**



**City of Oakland**  
**Master Fee Schedule**  
*Effective July 19, 2011*

**CITY ADMINISTRATOR**

FEE DESCRIPTION	PROPOSED FEE (FY 2011-12 )		% CHANGE
	FEE	UNIT	
<b>SPECIAL ACTIVITIES</b>			
J. APPLICATION FEE FOR A OAKLAND MUNICIPAL IDENTIFICATION CARD			
1 Municipal Identification Debit Card			
a. Full price	NEW	\$15.00 per application/renewal (non-refundable)	
b. Reduced price	NEW	\$10.00 per application/renewal for seniors, youth, and low income applicants	
2 Costs of Oversight and Administration of Program (actual)			
a. City Clerk	NEW	\$67.03/hr	
b. City Council Policy Analyst	NEW	\$39.38/hr	
c. Deputy City Administrator	NEW	\$79.68/hr	
d. Deputy City Attorney III	NEW	\$61.11/hr	
e. Deputy City Attorney IV	NEW	\$67.37/hr	
g. Lt. Oakland Police Department	NEW	\$62.19/hr	
h. Treasury Analyst	NEW		



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

**AN ORDINANCE AMENDING ORDINANCE NO. 13078 C.M.S., THE MASTER FEE SCHEDULE, AS AMENDED, TO ESTABLISH OR MODIFY FEES ASSESSED BY THE OFFICE OF THE CITY ADMINISTRATOR TO ESTABLISH A OAKLAND MUNICIPAL IDENTIFICATION DEBIT CARD PROGRAM**

NOTICE AND DIGEST

This Ordinance authorizes an amendment to Ordinance Number 13078 C.M.S. (Master Fee Schedule), as amended, to establish, modify and delete fees assessed by the Office of the City Administrator, City Administrator, Office of the City Attorney, Office of the City Clerk, Oakland Public Library, Police Services Agency, Fire Services Agency, Office of Parks and Recreation, Public Works Agency, and Community and Economic Development Agency. These amended fees would become effective October 2, 2012 and would remain in effect until further notice. A public hearing has been scheduled to review the proposed fee changes. The meeting will take place at the time of the first reading of the proposed ordinance by the City Council, on October 2, 2012, at 7:00 pm or as soon as practically possible thereafter.

**7-3**

**FINANCE & MANAGEMENT CMTTE**

**SEP. 25 2012**