



Facility Condition Assessment Proposal

May 20, 2024

To: City of Huntington Beach
From: The Gordian Group

Point of Contact:
David Tsung, Senior Account Executive
864.734.6199 | d.tsung@gordian.com



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Cover Letter

May 20, 2024

City of Huntington Beach
Attn: Patrick Bannon, Capital Projects Administrator
17371 Gothard St.
Huntington Beach, CA 92647

Dear Mr. Bannon,

The Gordian Group (Gordian) understands the cornerstone of your organization's success lies in making well-informed decisions grounded in reliable data. Our Facility Condition Assessment (FCA) is more than just a service—it's a collaborative effort towards clarity and actionable insights. Through our Gordian Capital Planning software, we help you connect the dots between data and decision-making, equipping every stakeholder with a clear and actionable understanding of the challenges and opportunities at hand.

With 25+ years of experience and a best-in-class platform for FCAs and capital planning, Gordian stands as a leader in delivering comprehensive data and service solutions for complex projects. This proposal outlines a multifaceted initiative that will engage a diverse group of stakeholders, generate critical data, provide in-depth analysis to help prioritize your organization's needs and risks, effectively communicate project costs, and develop strategies and long-term capital plans through a modern software platform. We are confident our approach will not only meet but surpass your expectations.

Our team is excited to assist you in evaluating our solution and is ready to support you every step of the way. Gordian's goal is to build a lasting and trusted relationship with the City of Huntington Beach (Huntington Beach), beginning with a clear demonstration of the benefits our services will bring to your organization.

The price for the proposed services and software is shown in Appendix A—Professional Fees. We propose that the procurement be carried out using the **Sourcewell Contract #020421**. The General Terms and Conditions Agreement—Appendix B—has been provided for your legal team's review.

Thank you for the opportunity to submit this proposal and for allowing us to share the benefits of our services. Please do not hesitate to contact me with any questions.

Kind Regards,

David Tsung

David Tsung
Senior Account Executive
864.734.6199
d.tsung@gordian.com

Gordian Overview

For nearly three decades, Gordian has set the standard for Facility Condition Assessments (FCA), capital planning, and related software solutions on a global scale. Our reputation as a leader in the industry comes from our unwavering commitment to delivering accurate, actionable data and clear, strategic program management guidance.

Trusted for large and small condition assessments, Gordian's expertise spans a diverse array of facilities, from complex healthcare and research institutions to utility infrastructure and hardscapes. *Each year, we conduct assessments of more than 5,000 facilities—including but not limited to higher-ed academic and research, K-12 schools, municipal, provincial, federal, athletic, office, prisons, and court facilities—encompassing more than 220 million square feet.* Our teams are adept at executing regional, national, and international projects in line with our customers' stringent timelines.

Each year, Gordian assesses over **5,000 facilities**, covering more than **220 million square feet**, with an average of **30 specialized teams** deployed weekly in the field across various sites.

Rather than simply “picking projects” from technical condition data, Gordian's FCAs and software empower our customers with a strategic approach to capital management, streamlining the process of facility renewal and ensuring that project selection is in harmony with organizational objectives. Our expert Project Managers and Facility Assessors provide unparalleled support at every project stage, positioning our customers for effective capital expenditure management and helping secure the funding essential for their mission's success.

900+
Organizations' facilities
planning efforts are
supported by Gordian

This document provides an overview of Gordian's FCA service offerings, designed to guide your organization toward a strategy of effective and sustainable facility investment and management. You will also find a detailed explanation of how Gordian can support your organization's specific goals and what collaborating with us on an FCA offering entails, including a breakdown of associated costs.

Industry-Leading Assessment Platform

Gordian's assessment platforms and standards provide a framework that assists our customers in managing their facilities more effectively, leading to better financial and operational outcomes.

Gordian's RSMMeans™ Construction Cost Data

RSMMeans™ Data is Gordian's industry-leading construction cost database. Gordian utilizes RSMMeans construction cost data to develop cost estimates for facilities, systems, assets, and requirements. The RSMMeans cost database contains more than 92,000 line items, and cost engineers spend more than 30,000 hours researching and validating the costs every year. Gordian is the sole provider of the RSMMeans Assessment Dataset informed by decades of field work conducted by licensed professionals. Gordian and its subsidiaries have the exclusive right to integrate and utilize RSMMeans Data in the FCA and capital planning software.

Gordian Cloud Platform

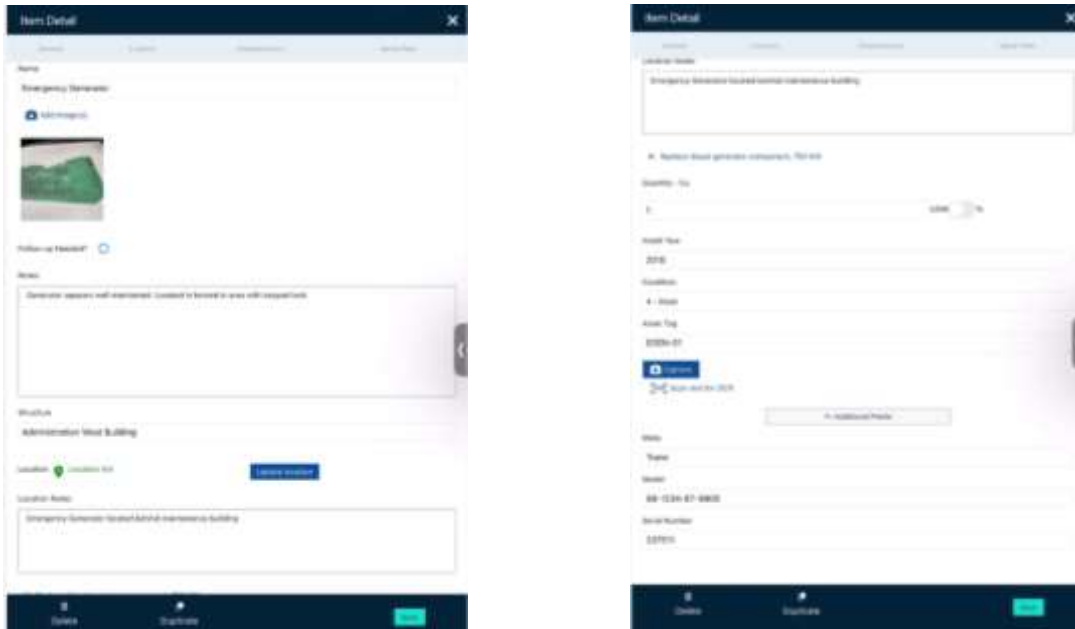
The Gordian Cloud Platform integrates capital planning, estimating, and construction procurement capabilities in a single application that is powered by the industry-leading RSMMeans Data. The Gordian Cloud Platform offers a unified user experience by connecting workflows throughout the building lifecycle. These workflows are enhanced with powerful automation and insights, ultimately ensuring optimal decision-making in project selection, budgeting, and execution and efficient and effective data management.

Gordian Cloud Platform includes the following capabilities for Assessments and Capital Planning.

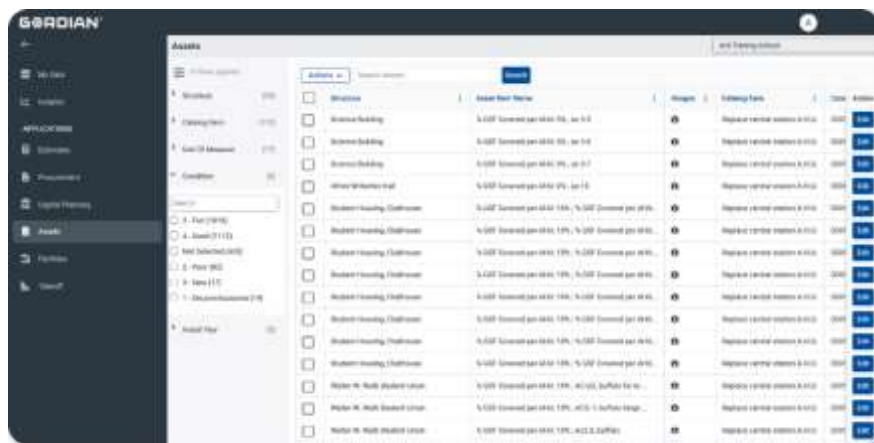
Asset Capture—Streamline Asset Capture and Evaluation

Gordian's Asset Capture application equips users with a comprehensive solution for digitally recording facility assets on-site, combining a user-friendly interface with the ability to instantly capture photos and asset details, and integrate RSMMeans Data in one seamless action. This results in a unified repository for all collected asset data, streamlining facility management, and decision-making.





Gordian’s Asset Capture mobile data collection tool enables accurate facility and asset data to be collected quickly.



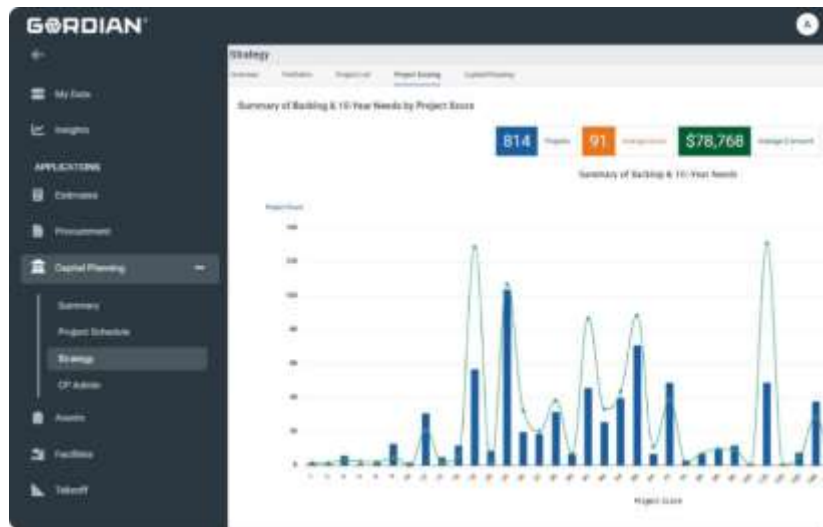
Data collected with Gordian’s Asset Capture mobile data collection seamlessly flows into the Gordian Portal, making it instantly available for capital planning and other uses.

Capital Planning—Understand Facility Conditions to Drive Project Prioritization and Selection

Creating a cohesive capital plan begins with thoroughly understanding your asset inventory and conditions. Armed with comprehensive asset data and the industry-leading RSMeans cost information, your organization gains powerful analytical tools to prioritize asset replacement and chart the most strategic course of action.

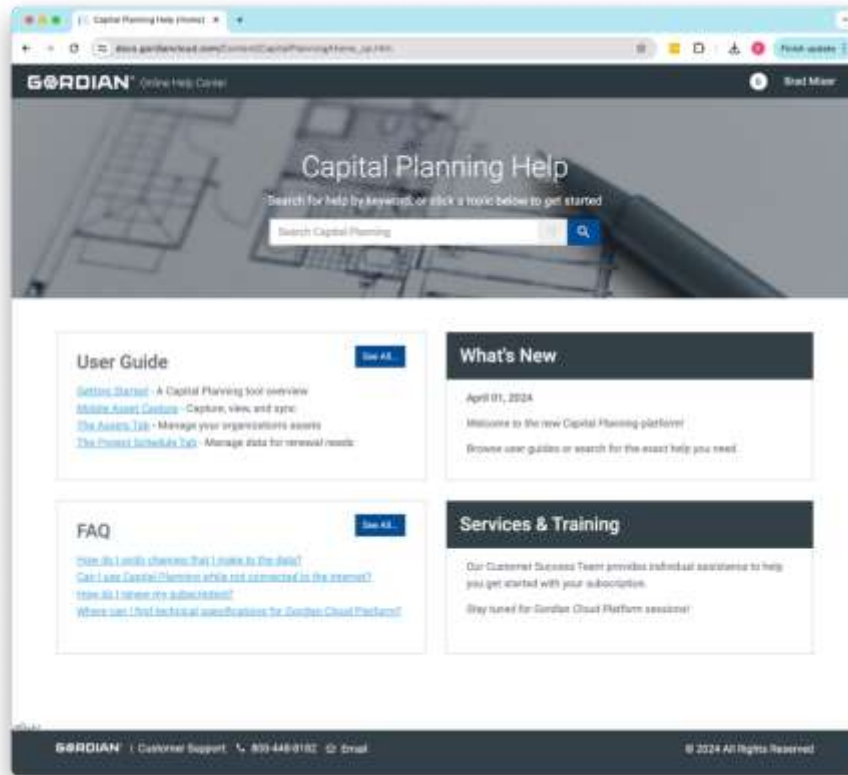


Gordian’s Capital Planning software provides deep insights into the state of your facilities and assets.



Gordian’s Capital Planning software helps you transform your facility assessment data into actionable capital plans.

Gordian’s Capital Planning software offers an intuitive interface that simplifies the user experience, ensuring customers can fully leverage its capabilities. Accompanied by a comprehensive help system, it provides quick, accessible answers and resources, facilitating a swift and effective learning curve for all users.



Gordian Software’s Resource Center provides comprehensive information that can be searched or browsed to help users get the most from the software easily and quickly.

Gordian Assessment Offerings

Gordian’s Capital Planning tools will assist your organization in defining a multi-year investment plan instead of simply picking projects. The **Facility Condition Assessment** solution combines industry-leading condition assessments with strategic financial investment, highlighting core investment opportunities and detailing the risk of continued deferral. Our assessment data provides the foundation for a strategic approach that enables decision-makers to accurately target investments that reflect your organization’s mission and ensure each dollar is allocated to the highest priority needs.

Gordian’s practices recognize that capital planning should not be a one-time exercise. Our solution is designed to complement your current planning systems: first by maintaining a live database so you can engage senior leadership as activity demands, and then by tracking performance to targets, which builds credibility for future appropriations.

Adherence to Industry Standards

Gordian employs our time-tested and proven assessment methodologies based on industry standards to provide useful information about facilities to ensure your organization is prepared to develop and implement sound capital reinvestment plans. We have refined these methodologies for almost three decades, adopting standards and industry guidelines, including the American Society for Testing and Materials (ASTM) Document E-2018-15, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. In addition, all Gordian assessors are certified in Occupational Safety and Health Administration (OSHA) 10.

Assessment Approaches

Gordian offers four approaches to Facility Condition Assessments that provide tailored solutions for your organization’s specific challenges. All Gordian-provided condition assessments—Modeled, FCA, and FCA+—follow the same assessment process, enabling them to be deployed in combination across your portfolio for maximum effectiveness within your budgetary targets.

Gordian Cloud Platform Self-Assessment

Are you looking to build an assessment program in-house? The Gordian Cloud Platform provides the foundation for all assessment offerings and can be used to support an in-house assessment. Mature capital planning organizations are often able to evaluate their inventory internally to conduct their capital planning work using a self-serve assessment approach on some or all of their portfolio. [Leveraging our proprietary Asset Capture mobile application and Gordian Cloud Platform, the data you generate will be built on the same RSMeans Cost Data and connected to our industry-leading planning and strategy tools.](#) As an additional service, support from Gordian’s experienced professionals is available to provide customers with guidance for the use of our standards, best practices, and software solutions.

Modeled Assessment

Do you need to make fast, high-level funding decisions across your portfolio? Or do you have many similar facilities? A Modeled Facility Condition Assessment is Gordian’s fastest time to value FCA, helping our customers justify the need for funding when other project scoping and planning mechanisms are already in place. [Utilizing the comprehensive RSMeans SquareFoot costing and detailed lifecycle models, a Modeled](#)



FCA provides accurate cost projections without the added costs of sending a team on-site, ensuring you are well-prepared to demonstrate upcoming facilities needs over your planning horizon.

Facility Condition Assessment

Are you looking to enhance your capital planning with precise, asset-level insights into each facility within your portfolio? Our Facility Condition Assessment (FCA) offering is designed to equip you with a foundational understanding of your facilities' needs. [With our independent perspective and expertise in data generation and validation, Gordian delivers the essential information and tools required to comprehensively assess the condition and requirements of your facilities](#), enabling you to make strategic investment decisions that guide your portfolio to its peak performance.

Facility Condition Assessment+

Do you need project-level detail to drive the execution of work? Gordian expands our FCA service to include an intensive effort to identify all specific required actions observable across your inventory [resulting in the documentation of additional non-renewal needs—above and beyond the needs identified in our FCA—such as code compliance, life and safety, modernization, and resilience considerations](#). Gordian's Facility Condition Assessment+ (FCA+) provides you with the detailed information you need to plan and execute work.

Gordian Assessment Service Summary

The following table summarizes and compares each of the four options. In this table, you see the features and their descriptions for each of the options. This enables you to understand the value and deliverables each option provides.

Selecting Gordian's assessment services is not a one-size-fits-all approach. A solution to deliver the outcomes you are looking for within your time and fiscal resources can be created by blending various services. For example, you might choose the FCA+ service for your most important or complex facilities while using Modeled Assessments for smaller or newer facilities.

This flexibility enables Gordian to provide results that are tailored to your portfolio, objectives, schedule, and budget.

GORDIAN®		Assessment Approach			
Features	Feature Descriptions	Self Assessment on Gordian Cloud Platform	Modeled Assessment	Facility Condition Assessment	Facility Condition Assessment+
Technology/Data					
Capital Planning on Gordian Cloud Platform		•	•	•	•
Mobile Data Capture Application	Access to a mobile application, Asset Capture, for streamlined capture of asset data in the field	•	•	•	•
Software Support	Access to Gordian's Customer Success/Support team	•	•	•	•
RSMMeans Facility Maintenance & Repair Cost Data	Access to RSMMeans Cost Data catalog for repair and replacement costs	•	•	•	•
Uniformat Data Classification	Data broken down by Uniformat level 1-5	•	•	•	•
Initial Data Load/Creation	Configure Gordian Cloud Platform with customer facility inventory		•	•	•
RSMMeans Assessment Cost Data (STL)	Proprietary RSMMeans cost dataset tailored to assessment costs built by our licensed professionals			•	•
Assessment Service Provided by Gordian					
Dedicated Project Team	Sets goals, management plan & meeting cadence		•	•	•
ASTM Standard Guide for Property Condition Assessments	Facility Condition Assessment process in accordance with ASTM standards		•	•	•
Data Development - System Creation & Costing	Documented data for each facility, including systems and costing		•	•	•
Data Development - Remaining Useful Life (RUL)	Modifications made to RUL based on customer feedback		•	•	•
Onsite Collection of Existing System Assets	Onsite assessment to capture your unique facility characteristics and asset data			•	•
Photos	Photos of assets included in scope			•	•
Quality Control & Assurance	Additional layer of data validation, ensuring the highest standards of accuracy and reliability in our outputs			•	•
Adjusted Remaining Useful Life (RUL) - Existing Assets	Modifications made to RUL based on visual inspection by Gordian professional			•	•
Identification of Regulatory or Optimization Requirements	Gordian professionals document deficiencies while in the field (Examples include life safety, building code, maintenance, technology)				•
Projects that can extend Remaining Useful Life (RUL)	Identification of projects where full asset replacement is not required to help extend RUL				•
Narrative Descriptions - Facilities and Assets	A narrative summary to support field findings and adjustments				•
Deliverables					
Preliminary Report with Customer Feedback			•	•	•
Introduction & Orientation on Gordian Cloud Platform			•	•	•
Presentation of Findings			•	•	•
Report Package					•

Gordian's assessment services provide a comprehensive suite of options that can be applied individually or combined across your portfolio.

Gordian Services Proposed for You

After carefully considering your goals, needs, and budget, Gordian proposes that a blend of the following services will provide a cost-effective solution for your capital planning needs:

- FCA+
- Site Linear Assessment
- Strategic Assessment Insights—Add-On Service
- Assessment Data Update—Add-On Service

By implementing this mix of services, you will:

- Have a comprehensive understanding of the state of your facilities.
- Know your organization’s current and projected facility funding needs for lifecycle and other—such as life safety—reasons.
- Have project-level detail for specific required actions across your portfolio.
- Be able to manage, analyze, and report on all aspects of your facility capital plans.
- Have a detailed and comprehensive assessment of your site and utility assets.
- Have a customized multi-year investment strategy equipped with prioritization tools, enabling you to make informed, mission-aligned investment decisions.
- Be able to communicate your strategic capital plan to organizational stakeholders effectively, ensuring seamless integration with your current systems and a transparent understanding of your facility's investment needs and priorities.
- Secure sustained funding for your capital investment program by annually documenting and showcasing the impact and achievements of completed projects.
- Maintain the integrity and accuracy of your project inventory with a systematic update process, ensuring continued stakeholder trust and progress toward your long-term goals.

The following section details the processes, tools, and other elements of the proposed solution.

Facility Condition Assessments

The FCA+ process is delivered using a disciplined and proven set of processes and tools to ensure that accurate data is collected and populated in the software to provide deep insights into your capital planning needs and to enable you to develop impactful capital plans.

Service Overview

Phases of the Condition Assessment Process



The assessment process is implemented through four phases:

- Project Initiation
- Assessment
- Data Development
- Deliverables

Each of these phases is described in the following sections.

Project Initiation Phase

The Project Initiation Phase of the assessment is the foundational stage where the groundwork for the entire assessment process is established.



Introduction to the Project Team and Project Kick-off Meeting

Once you have been introduced to your project team, the first step is to discuss the details of the project during the kick-off meeting.

Set Goals

To kick off the project, your designated Gordian Project Manager will set up a meeting with your organization's key stakeholders for introductions and to confirm the goals and objectives for the project. Understanding what your organization wants to achieve with this project is the key to its success and will drive the project effort, ensuring the end deliverable best meets your expectations and goals.

Confirm Scope and Deliverables

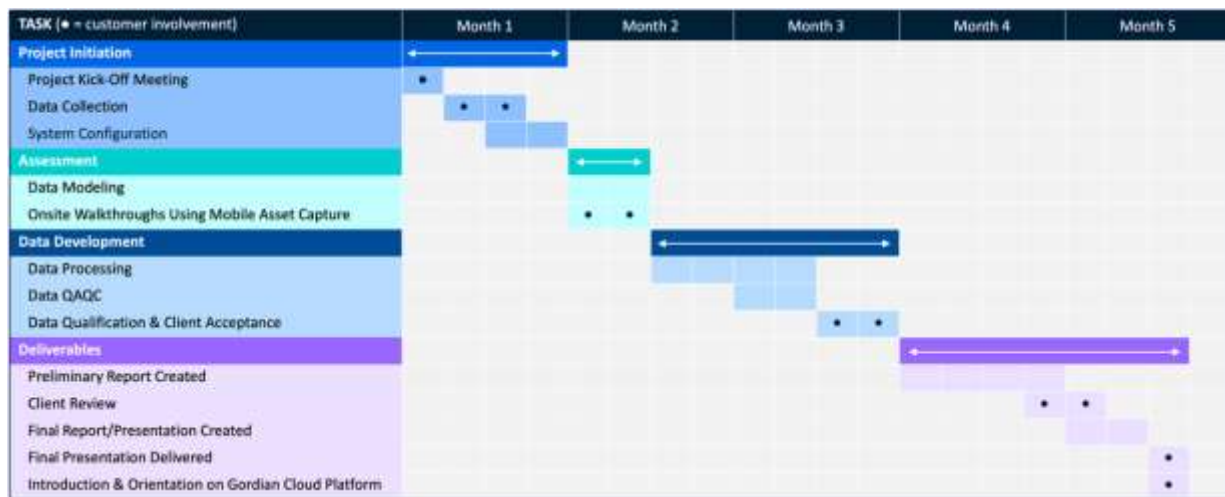
During the initiation phase, the Gordian Project Manager will collaborate with key stakeholders to establish and document the parameters for the assessment. A scoping meeting will be held to discuss and confirm schedules, assessment criteria, data classifications, system configuration, prioritizations, and categorizations. Often the goal setting and confirmation of scope and deliverables can be discussed and agreed upon in one meeting.

Management Plan

The Gordian Project Manager will conduct regular progress meetings throughout the phases of the project to maintain open communication. The frequency of progress meetings will be determined during the initial engagement phase of the project. A schedule will be provided to illustrate the usual phases and milestones of the condition assessment project, including tasks and durations of your required involvement. The project schedule will be maintained by Gordian’s Project Manager who oversees each task, communicates at both the project management and assessment team levels, and tracks changes closely.

Example Assessment Project Schedule

When the assessment project is confirmed in cooperation with your organization, a detailed project schedule will be created. Gordian’s standard workflow to deliver our assessment services is shown below for a “typical” portfolio of up to 1M sq. ft. with a mix of service options. The prompt achievement of milestones and deliverables is fully dependent upon the accessibility of facilities and the availability of staff and data.



An early deliverable in the assessment process is a detailed schedule specific to your project (the schedule shown is an example based on 1 MSF and a mix of service offerings).

Huntington Beach’s Responsibilities

To ensure the best possible quality of the final assessment information, some aspects of the work require support from our customers in addition to your involvement in the standard project delivery. The expected Huntington Beach responsibilities will be as follows:

- **Provide a Project Representative.** This person is responsible for the coordination of your organization’s resources as necessary for the project. This project representative will possess the authority to allocate and dedicate both human and material resources on behalf of your organization, ensuring the successful execution of the project.
- **Prepare and Organize.** Dedicate time to prepare and organize key reports, plans, and documents the team can utilize to support the field assessment work—data collection process. Careful preparation of facility plans and other documentation is important to our work. While we appreciate having access to large amounts of information, simply providing a link to an online library of large volumes of historical facility construction documents, reports, and other data, can introduce risk in the project timeline.

- **Before the On-Site Assessment Work.** Before Gordian arrives on-site, assist with developing a rational sequential work plan, obtain and prepare note-taking floor plans, facilitate any required security clearances, and arrange escorts for our assessment teams.
- **During the Assessment.** Once Gordian is on-site, provide a full-time—one per team—escort with access to all facility spaces and ensure that key operations and maintenance personnel are available to respond to questions. This ensures the ability to complete the assessment data-gathering process.
- **After the On-Site Work is Complete.** Once Gordian’s on-site work is finished, assist with data qualification as a further check on our internal Quality Control process. A timely review keeps the project on schedule and builds confidence that the information is complete and accurate.

Gordian’s Responsibilities

The Gordian Project Manager's responsibilities will be as follows:

- Develop the project instructions and resource scheduling.
- Provide the assessment team members with all collected information for their review before the on-site assessment phase.
- Coordinate and facilitate an internal kick-off meeting to bring together all members of the assessment team. Team composition is carefully selected by matching individual expertise and availability to the project's needs.
 - > The Gordian Project Manager determines the optimal number and structure of assessment teams, which may vary from solo professionals to groups of two or three, based on the size and complexity of the assets being evaluated.
- Supply the following project documents to your organization’s point of contact that will inform, track, and guide the project:
 - > Project team roster
 - > Project schedule
 - > Project kick-off meeting agenda and virtual meeting platform and details

Data Collection

The Gordian Project Manager will communicate with your facility and maintenance managers and staff members using email and teleconferencing to facilitate the collection of essential information required by our assessment teams. This data typically includes additional asset information (e.g., floor plans, drawings, previous studies, recent capital improvements made and planned for, etc.).

To facilitate information flow, Gordian will host an information repository using SharePoint that will provide information important to the project's ongoing progress.

System Configuration

System configuration is necessary to prepare for the Assessment phase. In the Gordian Cloud Platform, we will create a virtual facilities inventory by leveraging technology to model the facilities accurately. This baseline is created for facilities based on the level of detail required.

For the FCA+ service, data is configured up to Unifomat Level 5.

This baseline is built using experience from 20 years of facilities information within the Gordian database and leverages over 50,000 buildings as reference points to build the framework. Costs and life cycles for the assessment are linked directly to the RSMeans dataset, which is updated annually to ensure your cost data never becomes outdated.

Assessment Phase

The Assessment Phase is the fundamental step in building your assessment dataset in which Gordian professionals will account for your unique facility characteristics.



On-Site Assessment Using Mobile Asset Capture

During an FCA+, Gordian will send one or more teams to your facilities to perform the assessments. On the first day of the field visit, Gordian will organize a meeting with your team members who will be involved with the field assessment phases of the project to kick off the on-site survey work. This meeting will enable your staff to meet the Gordian assessment team and understand the project schedule. It will also include a discussion of the site visit's logistics, such as accessing all elements of the facility, and other practical information important to undertaking the physical assessment. Gordian will ensure that all functional teams understand project objectives, conditions, and goals. We request that Gordian's field assessment team(s) be granted prompt and full access to the subject properties, including supervised entry to all relevant areas and safe access to subject properties—including roof unless sloped—to facilitate a thorough and efficient assessment process.

Assets Included in an On-Site Assessment

Following are examples of the assets evaluated as part of an on-site assessment:

- **Cooling:** Building Distribution, Generation
- **Electrical:** Building Distribution, Fixtures/Lighting, Generation, Secondary Services, Specialties
- **Exterior Shell:** Exterior Painting, Gutters & Leaders, Opening, Roof, Structural

- **Heating:** Building Distribution, Fuel Supply & Management, Generation
- **HVAC:** Air Handling, Building Distribution, End-use HVAC, Generation, Ventilation, Ceilings
- **Interior Shell:** Floors, Walls, Ceilings, Finishes
- **Mechanical:** Pumps/Motors, Specialty Equipment, Vertical Systems
- **Plumbing:** Bathroom Renovations, DHW Generation, Fixtures & Fittings, Primary Service, Pumps/Motors, Supply Piping, Waste Piping
- **Fire Safety:** Fire Alarm/Detection, Fire Protection/Egress

The specific list of assets to be assessed—by Uniformat category—will be established during the Project Initiation phase.

Visual Inspection

Gordian’s team will visually inspect all the facilities included in the project’s scope to identify deficient conditions and assess the remaining lifecycle of designated assets documented by digital photographs.

The inspection of the facilities' interior space will include all mechanical and electrical rooms, all public spaces, and a representative sampling of similar room types (e.g., offices). For example, “it is not the intent to assess every balcony, window, utility closet, every square foot of roofing, etc. Only representative observations of such areas are to be surveyed” as per ASTM Document E-2018-15, Standard Guide for Property Condition Assessments.

The inspections of the facility's exterior space will include an approximate ten-foot perimeter around the facility and the areas adjacent to and/or attached to the facility that are inherent to the facility’s use, such as ramps, stairs, entryways, and exterior wall-mounted lighting. Additional site/property level assessments are outside of this scope of work unless specifically included.

Digital Photos

Gordian will capture photos during the assessment process and associate them with facilities, assets, and/or requirements to visually illustrate existing conditions.

Requirements

If the scope of your service includes our most detailed assessment (FCA+), the Gordian team will provide experienced professionals to document observed deficiencies as they relate to accessibility, life safety, building codes and standards, and local regulations during the evaluation of asset condition. In addition, the team will identify projects where an alternative action to full asset replacement is feasible to help extend or preserve Remaining Useful Life. FCA+ will also account for factors such as environmental exposure, quality of installation, material suitability, and the rigor of the preventative maintenance program. Recognizing that systems can either surpass or fall short of their average useful lifespan expectations, our assessors judiciously factor these variables into their final evaluations.

- **Findings Limitations.** Non-compliance findings are limited due to sampling of space and limited measurements and therefore should not be considered an exhaustive list of all non-compliance for a given property.
- **New Construction.** Non-compliance may be noted concerning codes for new construction, without implying non-conformance with older regulations in force at the time of original construction.
- **Accessibility.** Apparent accessibility compliance issues are noted as observed during the visual inspection of an asset. A detailed study of the requirements of accessibility—such as would be

provided by a specialized Americans with Disabilities Act (ADA) compliance consultant—is beyond the scope of this proposal. However, Gordian can provide this level of service if required, for an additional fee.

Site Linear Assessment

The assessment of site and utilities assets will include the systems listed below.

- Roadways
- Parking Lots
- Lighting
- Major Pedestrian Walkways
- Architectural and Sports Field Fencing
- Primary Electric Supply & Distribution
- Sanitary Sewer
- Playground Equipment
- Retaining Walls over 5’ in Height
- Fixed Benches and Other Appurtenances
- Exterior Steps
- Storm Water System
- Fuel Supply
- Water Supply and Distribution
- Chilled Water Distribution
- Steam & Condensate Distribution
- Heating Hot Water Distribution
- Irrigation Systems

Please note the following:

- Visible systems will be evaluated by physically touring the site, reviewing institution maintenance records, and conducting in-depth interviews with facility personnel with historical knowledge of each asset.
- Where site assets and their system components are buried or otherwise inaccessible, Gordian will interview institution personnel and review the Huntington Beach maintenance records and drawings to gain insight and gather information related to system type, age, quantities, and condition to construct assets and system data models, including cost estimates and relative condition estimates.
- Details on UNIFORMAT level data capture of site assets can be found below.

Legend

- In scope for this project as a system, if observable or if information is provided. *May be created as separate systems for an additional level of detail at the Assessors Option or maybe line items within a system or an RSM means assembly or may be included in a higher-level system and not be specifically itemized in the data.*
- ~~Normally not in scope~~

Level 2: Group Elements	Level 3: Individual Elements	Level 4: Sub-Elements	Unit of Measure
G10 Site Preparation	G1010 Site Clearing	G1011 Clearing & Grubbing G1012 Tree Removal & Thinning	
	G1020 Site Demolition & Relocation	G1021 Building Demolition G1022 Demolition of Site Components G1023 Relocation of Building & Utilities	

Level 2: Group Elements	Level 3: Individual Elements	Level 4: Sub-Elements	Unit of Measure
		G1024 Utilities Relocation	
	G1030 Site Earthwork	G1031 Site Grading/Excavation G1032 Borrow Fill G1033 Soil Stabilization & Treatment G1034 Site Dewatering G1035 Site Shoring G1036 Embankments G1037 Erosion Control	
	G1040 Hazardous Waste Remediation	G1041 Removal of Contaminated Soil G1042 Soil Restoration & Treatment	
G20 Site Improvement	G2010 Roadways	G2011 Bases & Sub-Bases G2012 Paving & Surfacing G2013 Curbs Gutters & Drains G2014 Guardrails & Barriers G2015 Painted Lines G2016 Marking & Signage G2017 Vehicular Bridges	SF SF LF LF SF Each
	G2020 Parking Lots	G2021 Bases & Sub-Bases G2022 Paving & Surfacing G2023 Curbs, Rails & Barriers G2024 Parking Booths & Equipment G2025 Markings & Signage	SF SF LF Each Each
	G2030 Pedestrian Paving	G2031 Paving & Surfacing G2032 Edging G2033 Exterior Steps G2034 Pedestrian Bridges	SF Flight Each
	G2040 Site Development	G2041 Fences & Gates G2042 Retaining Walls G2043 Terrace & Perimeter Walls G2044 Signage G2045 Site Furnishings G2046 Fountains, Pools & Watercourses G2047 Playing Fields G2048 Flagpoles G2049 Miscellaneous Structures	LF LF Each Each Each Varies
	G2053 Topsoil & Planting	G2051 Fine Grading & Soil Preparation G2053 Topsoil & Planting G2053 Topsoil & Planting Beds G2053 Topsoil & Planting G2057 Irrigation Systems G2059 Other Landscape Features	

Level 2: Group Elements	Level 3: Individual Elements	Level 4: Sub-Elements	Unit of Measure
G30 Site Mechanical Utilities	G3010 Water Supply	G3011 Potable Water Distribution & Storage	LF
		G3012 Non-Potable Water Distrib. & Storage	LF
		G3013 Well Systems	Each
		G3014 Fire Protection Distribution & Storage	Each
		G3015 Pumping Stations	Each
		G3016 Package Water Treatment Plants	Each
	G3020 Sanitary Sewer	G3021 Piping	LF
		G3022 Manholes & Cleanouts	
		G3023 Septic Disposal Systems	SF
		G3024 Lift Stations	Each
		G3025 Packaged Water Waste Treatment Plants	
		G3026 Septic Tanks	Each
		G3027 Drain Fields	SF
	G3030 Storm Sewer	G3027 Drain Fields	SF
		G3032 Manholes	
		G3033 Headwalls & Catch Basins	
		G3034 Lift Stations	
		G3035 Retention Ponds	Each
		G3036 Ditches & Culverts	LF
	G3040 Heating Distribution	G3041 Steam Supply	LF
		G3042 Condensate Return	LF
		G3043 Hot Water Supply System	LF
		G3044 Pumping Stations	Each
	G3050 Cooling Distribution	G3051 Chilled Water Piping	LF
		G3052 Wells for Cooling/Heating	Each
		G3053 Pumping Stations	Each
		G3054 Cooling Towers on Site	Each
	G3060 Fuel Distribution	G3061 Fuel Piping	LF
		G3062 Fuel Equipment	
		G3063 Fuel Storage Tanks	Each
		G3064 Fuel Dispensing Stations	
	G3090 Other Site Mechanical Utilities	G3091 Industrial Waste Systems	Each
		G3092 POL (Petroleum Oil & Lubricants) Distribution Systems	
G40 Site Electrical Utilities	G4010 Electrical Distribution	G4011 Substations	Each
		G4012 Overhead Power Distribution	LF
		G4013 Underground Power Distribution	LF
	G4020 Site Lighting	G4021 Fixtures & Transformers	Each
		G4022 Poles	Each
		G4023 Wiring Conduits & Duct banks	LF

Level 2: Group Elements	Level 3: Individual Elements	Level 4: Sub-Elements	Unit of Measure
		G4024 Site Lighting Controls	SF or Each
	G4030 Site Communication & Security	G4031 Site Communication Systems (duct banks) G4032 Site Security & Alarm Systems	LF LF or Each
	G4090 Other Site Electrical Utilities	G4091 Cathodic Protection G4092 Site Emergency Power Generation	Each
G90 Other Site Construction	G9010 Service & Pedestrian Tunnels	G9011 Service Tunnels G9012 Trench Boxes G9013 Pedestrian Tunnels	LF
	G9090 Other Site Systems	G9091 Snow Melting Systems	SF

Data Development Phase

As we transition into the Data Development Phase, Gordian will process and refine the data collected on-site, ensuring that each facility's profile is accurately documented, costed, and analyzed for effective lifecycle management on the Gordian Cloud Platform.



Data Processing

After the on-site work is complete and the data has been synced to the Gordian Cloud Platform, the Gordian assessment team(s) will review their notes and findings and complete the tasks of documenting each facility, including asset and/or requirement data updates, costing, estimated life, and reporting. All data will be housed on the Gordian Cloud Platform.

Some organizations have experienced staff that are very knowledgeable about the facilities they manage. We are happy to collaborate with these professionals to help uncover issues that may not be immediately evident. As an optional step in the process, our Gordian team can conduct interviews with your facilities personnel to capture their expert knowledge, ensuring that all known issues are accounted for and clarifying initial observations. These discussions help align with operational goals and establish accurate repair

priorities and timelines. Engaging your team in this way aids in creating a comprehensive list of facility needs and fosters ownership and buy-in across your organization.

Facilities are broken down into their assets, and each facility may contain one or more assets. These assets are cataloged to provide a current inventory of what is inside the facility at the time of the assessment—for example, the type and quantity of roofing or ceiling materials (e.g., how much acoustical ceiling tile vs. gypsum wallboard ceilings).

For each asset, we determine two key pieces of information:

- **Expected Useful Life.** This is an estimation of how long an asset should last under normal conditions, based on industry standards and manufacturer guidelines (e.g., how long should this roof last?).
- **Remaining Useful Life.** Based on the visual inspection, we assess how much longer the asset can continue to function effectively (e.g., how long can we expect the roof to last?).

Next, Gordian will determine the:

- **Asset Replacement Cost.** The cost of replacing the asset with current equivalent technology, using RSMeans data for up-to-date pricing on materials and labor.
- **Facility Replacement Value.** We calculate replacement values using our Gordian Cloud Platform software and apply a \$/GSF cost estimate made up of a variety of different variables, including:
 - > The size of the facility in Gross Square Feet (GSF)
 - > Technical complexity of the facility according to the Gordian tech rating scale
 - > Regional construction cost indexes
 - > Function of the facility
- **Requirement Cost.** The estimated remedial action cost.
 - > Requirements are material deficiencies (e.g. unsafe, broken/damaged, can no longer perform the intended function, does not conform to current codes, or maybe an improvement to the facility, such as an energy conservation project). The survey will typically include capital needs rather than operational, such as major repairs to the air handling unit vs. changing a fan belt. Capital vs. operational expenses are often set by a dollar minimum threshold—we typically set this amount at \$3,000. The threshold will be agreed upon at the beginning of the project. Life Safety deficiencies, if determined, will be identified regardless of the dollar threshold amount. Deficiencies that may be remedied with routine maintenance, minor repair, or normal operating maintenance are excluded unless it is found to be systemic across the entire facility.
 - > Requirements will be identified for the entire facility—not by individual room or component unless specified otherwise.

Testing, measuring, or preparing calculations for any asset or component to determine adequacy, capacity, or compliance with any standard is outside the scope of assessment.

Facilities and Asset Descriptions

A narrative summary of each assessed facility and its assets will be documented to support field findings and adjustments. This information is useful for having key information about a facility including finishes and infrastructure. For all assets—where the condition is rated poor—and all requirements, a narrative will describe the needs in detail.

Data Quality Control and Assurance

Our Center of Excellence (COE) team is committed to unparalleled quality and drives our organization-wide pledge to maintain superior standards across every stage of our assessment process. It starts with deploying experienced assessment professionals, certified through Gordian’s rigorous Facilities/Infrastructure Certification Program.

Our commitment to excellence is embodied in our Quality Assurance/Quality Control processes, where we have woven AI-driven Natural Language Processing into our frameworks. This innovative approach enables our COE team to operate with heightened independence from our assessors, introducing an advanced layer of data verification. This ensures the highest standards of accuracy and reliability in our outputs.



Data Qualification and Acceptance

Following our internal review, Gordian will conduct a data qualification meeting with your team to review a summary of identified needs to help guide the feedback process and make changes as requested. If desired, detailed data can be provided for independent customer review. While Huntington Beach’s input is not required, it is valued to ensure the assessment’s precision and depth. Any feedback provided will be incorporated into the final deliverables.

Deliverables Phase

Once the Data Development Phase is complete, we move to the Deliverables Phase which includes the presentation of findings and seek project completion acceptance from you.



Preliminary Findings Delivered and Client Review

An initial draft of our presentation of findings will be created and provided for your review and feedback.

Presentation of Findings Delivered

Following the review, the Gordian Project Manager will host a formal meeting dedicated to presenting the comprehensive results of the assessment. We recognize that facility conditions are just one of many considerations in decision-making for renovations or repairs, with mission impact, risk management, space planning, and usage changes also being critical factors.

The presentation of findings will answer these key questions:

- What facilities do we need to maintain?
- What are the conditions (needs) of our facilities and assets?
- How much funding is required to keep up in the future?

Final Report Package Delivery

This final report details Gordian’s findings including requirement and renewal costs and timelines. These elements are essential for creating various funding scenarios, allowing for a side-by-side evaluation of potential investment strategies. We deliver final reports electronically in PDF.

The Final Report Package will include the following elements:

- **Executive Summary.** This report provides high-level information to offer an overview of the facilities together as a portfolio. This includes:
 - > Overall Asset Value.
 - > Overall Facility Condition Index (FCI).
 - > Overall FCI cost—deferred maintenance—values.
- **Assessment Methodology.** This report covers the assessment process itself and includes:
 - > A recap of data provided by your organization.
 - > An overview of the assessment process.
 - > Terms and definitions.
- **Appendix Report Data.** This element includes major findings from the assessment process, which include:
 - > Requirement summaries and cross-tabular reports.
 - > Detailed requirement reports—including asset summary and requirement descriptions.
 - > Terms and definitions.
 - > The proposed standard final report is a consolidated document encompassing all assessed assets, with individual facilities reports available upon request for an additional fee.

Introduction and Orientation to the Gordian Cloud Platform

To ensure the continued accuracy of the assessment data, Gordian makes our information accessible to you and your team through our online platform, Gordian Cloud. This web-based platform will be the central

repository for all facilities' needs, strategic tools, and detailed assessment results. Our project team will provide an introduction and orientation to this platform for your project team; this will continue throughout your partnership with Gordian with our Customer Success team. You will also be introduced to your personal Customer Success Manager, who will be available to assist you beyond the initial project completion.

Project Completion

The project will be considered complete when final reports have been delivered. If your organization is unable to respond promptly to requested reviews of draft data or other reports, final reports will be issued, and the project will be closed out. Revisions requested after the final report is issued will be provided for an additional fee.

Facility Condition Assessment Add-Ons

Several services can be added to your Facility Condition Assessment to help achieve your organization's goals. We recommend adding the following to provide the most benefits for your organization:

Strategic Assessment Insights

Gordian has developed a series of tools that complement our Facility Condition Assessments that can assist your organization in defining a multi-year investment plan. Our Strategic Assessment Insights solution brings the concepts of financial investment and portfolio-based wealth management to the facilities world, treating each facility and grounds feature as an investment-worthy asset rather than a financial liability. This strategic focus allows decision-makers to target investments that reflect your organization's mission and ensure each dollar is allocated to the highest priority.

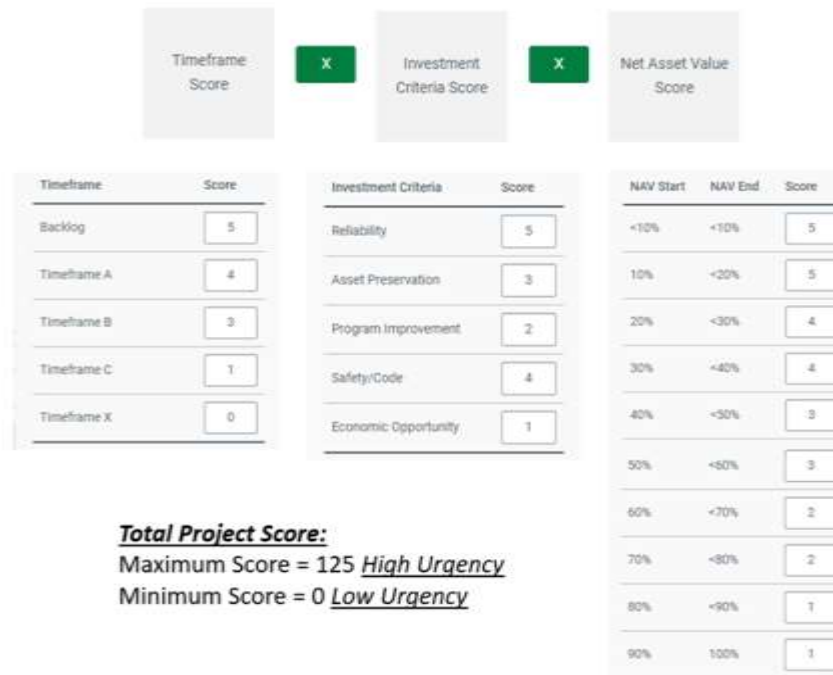
Once your assessment is complete, Gordian will engage you through the following steps:

Strategic Assessment Insights Development

- **Customize Strategic Tools.** Successful long-term planning requires more than a technical baseline. Gordian uses an array of strategic concepts as tools to tie facilities projects to the mission and vision of leadership and define a framework for reinvestment funding. The primary strategic and functional prioritization tools are outlined below though others may be added as necessary to ensure a robust toolkit.
 - > **Building Portfolios.** Organizing facilities into a portfolio of assets provides the means to reflect existing priorities and future aspirations.
 - > **Project Category.** The classification of a project helps to differentiate between a “want” versus a “need.”
 - > **Project Package.** Typical packages are Building Envelope, Building System, Infrastructure, Space Renewal, and Safety/Code.
 - > **Timeframe.** Multi-year investment timeframes—immediate investment needs, 1-3 years, 4-7 years, 8-10 years, etc.—establish useful investment horizons based on age and condition.
 - > **Investment Criteria.** Gordian uses Investment Criteria to help decision-makers understand the importance or impact of a project.

- **Develop a Multi-year Capital Plan.** The goal of the facility planning process is to define a plan that is credible, affordable, and actionable. To accomplish this, Gordian engages leadership in an exercise that guides future investment decisions and ensures the effective use of capital investment funds.
- **Project Selection.** With an investment plan in place, the process of deciding which projects to accomplish and in what sequence can commence. Understanding that annual priorities shift and impact project selection, these decision tools become an integral part of the planning and prioritization process moving forward.

Gordian will work with your organization to assign a custom scoring methodology to rank projects within facilities where a condition assessment was conducted or those facilities that otherwise have modeled component-level detail. A sample scoring scheme is shown below.



Gordian will work with your leadership to help uniquely tailor the framework to the most effective and impactful set of project scoring factors.

Strategic Assessment Insights Delivery

Gordian deliverables are designed to effectively communicate findings to build broad support in the organization and integrate with existing management systems. Along with sessions throughout the process to gather necessary information and insights, Gordian will deliver a completed strategic capital plan and recommendations for the next steps. This presentation will recommend a strategic course of action as well as:

- Provide context of historical funding levels and detail backlog origin.
- Give a summary-level overview of facilities needs highlighting key strategic issues.
- Summarize Gordian’s recommendation for a portfolio investment plan that ties to priorities and available funding.

As directed, an additional presentation can be given to senior leadership (e.g., CFO, President, Cabinet, Board of Trustees) or the appropriate audience at your organization.

Continued Engagement Post-Project

Gordian is committed to offering flexible post-project support tailored to your specific needs, whether it is refreshing your data and facility asset inventories or providing sustained access to the Gordian Cloud Platform. For an additional fee, our partnership ensures that your team is equipped with the latest tools and information for efficient and effective facility management.

Assessment Data Update

The true mark of success for any capital investment program is securing ongoing funding—approval for the second, third, and subsequent rounds of investment is key. The cornerstone of building this trust is the ability to track and showcase the program's achievements.

Gordian suggests an annual update process that independently confirms performance and demonstrates progress toward the attainment of goals.

Ongoing annual support will include:

- Annual documentation of projects completed, their cost, and impact on the phase-out plan.
- Documenting and updating the project inventory for any “new” customer-provided projects.
- Qualification of data updates to ensure accuracy.

Strategic Assessment Insights Update

In conjunction with annual data updates, strategic assessment insights can be updated to reflect the status of your database. As key investments, divestments, or other facility or asset decisions are made, stakeholders must remain informed, and progress toward your strategic plan is tracked. Your Gordian Project Manager will facilitate the update of key deliverables and host a formal presentation of findings to stakeholders of Huntington Beach’s choosing. Gordian deliverables can be designed appropriately for a wide variety of audiences, including executive leadership summary presentations.

Gordian Cloud Platform Software

To keep the program performing and the power of facilities investment decision-making at your fingertips, Gordian will continue to provide immersive user access and support by our leading customer success team for the Gordian Cloud platform for as long as your subscription is active. This platform will allow you to house the most up-to-date facility inventory information, keeping you seamlessly integrated into your capital planning data via reports, dashboards, and interactive tools.

Appendix A—Professional Fees for Proposed Solution

Products	Scope	Year 1	Year 2	Year 3
Software	1,135,060 GSF	\$11,351	\$11,691	\$12,042
Services	Total			
Facilities Condition Assessment + Site Linear Assessment	229 buildings 1,466,427 GSF	\$354,448		
Services Add Ons	Total			
Strategic Assessment Insights	229 buildings 1,466,427 GSF	\$22,101	\$13,038	\$13,356
Assessment Data Update	229 buildings 1,466,427 GSF		\$30,305	\$31,175
Pre Discount Total		\$387,900	\$55,034	\$56,573
Sourcewell Discount		\$58,185	\$8,255	\$8,486
Total		\$329,715	\$46,779	\$48,087

Sourcewell contract #020421

Notes

- Annual software licensing fees will rise as the square footage within the Gordian Cloud increases.
- Gordian reserves the right to revisit pricing should the scope or number of facilities change.
- Facility condition assessment services include reasonable and customary expenses. Assessment data updates do not include on-site presentations, which can be included for an additional fee.
- All fees exclude applicable taxes.
- The fees are valid for 60 days from the issuance of this proposal.
- Unless otherwise agreed, the provision of the services in this proposal is subject to Gordian’s standard terms and conditions (see Appendix B).



Appendix B—General Terms and Conditions Agreement

These General Terms and Conditions (“Terms”) dated _____ (“Effective Date”) are entered into by and between The Gordian Group, Inc., and its subsidiaries, with its principal place of business at 30 Patewood Drive, Suite 350, Greenville, SC 29615 (“Gordian”) and The City of Huntington Beach, with its principal place of business at 17371 Gothard St., Huntington Beach, CA 92647 (“Customer”).

1. DEFINITIONS.

- a. **“Affiliates”** means any company that owns, is owned by, or under common ownership with Gordian. Such Affiliates may enter into an SOW or Order Document with Customer pursuant to these Terms and such Affiliate shall be considered Gordian pursuant to such SOW or Order Document, solely for purposes of these Terms as applicable to such Order Document or SOW.
- b. **“Content”** means all materials used and accessed by Customer through the Services, including, without limitation, text, images, Software, audio and video clips, databases, and Data.
- c. **“Customer Data”** means any data and information that Customer (including any Authorized Users as defined below) provides, generates, transfers or makes available to Gordian under the Terms in any format.
- d. **“Data”** means any data that Gordian makes available to Customer via the Services, including but not limited to construction cost data, regardless of the Services purchased or licensed by Customer.
- e. **“Deliverables”** means the output generated from any Services.
- f. **“Intellectual Property”** means, without limitation, Data, inventions, technology, patent rights (including patent applications and disclosures), copyrights, trade secrets, trademarks, service marks, trade dress, methodologies, procedures, processes, know-how, tools, utilities, techniques, various concepts, ideas, methods, models, templates, Software, source code, object code, algorithms, the generalized features of the structure, sequence and organization of Software, user interfaces and screen designs, general purpose consulting and software tools, utilities and routines, logic, coherence and methods of operation of systems, and training methodology and materials.
- g. **“Order Document”** means a document attached to or incorporated herein that details the Data or Subscription Services being provided to Customer and the pricing for such Data or Subscription Services.
- h. **“Professional Services”** means data conversion, implementation, site planning, configuration, integration and deployment of the Software, training, project management, facility condition assessment and other services.
- i. **“SaaS Subscription”** means the provision of Software and/or Data, hosted by Gordian or its third party providers and accessed by Customer via the internet, as a service and as set forth in an applicable Order Document. SaaS Subscriptions are provided subject to the additional terms set forth in Gordian’s SaaS Terms of Use found at: <https://www.gordian.com/tgg/policy/SaaS-Terms-of-Use.pdf>.



- j. **“Services”** means any one or combination of Software, Data, SaaS Subscription or Professional Services.
- k. **“Software”** means each Gordian-developed, licensed and/or Gordian-owned software product in machine readable object code (not source code), the documentation for such product, and any updates thereto.
- l. **“SOW”** means a statement of work identifying the mutually agreed to Professional Services.

2. SERVICES.

- a. **Order Documents/Statements of Work.** Gordian will perform the mutually agreed upon Services for Customer described in Exhibit B or in one or more other SOWs or Order Documents as the parties may agree to in writing from time to time. Each SOW or Order Document, once signed by the authorized representatives of both parties, shall become a part of the Terms.
- b. **Change Orders.** Either party may propose a change order to add to, reduce or change the Services ordered in the SOW or Order Document. Each change order shall specify the change(s) to the Services or Deliverables, and the effect on the time of performance and on the fees owed to Gordian, due to the change. Once agreed to and executed by both parties, a change order shall become a part of the SOW or Order Document.
- c. **Fees.** Professional Services shall be provided on either a fixed fee basis or a time and materials (“T&M”) basis, as set out in Exhibit B, or the applicable SOW or Order Document. If an SOW or Order Document is a T&M engagement and an estimated total amount is stated in the applicable SOW or Order Document, that amount is solely a good faith estimate for Customer’s budgeting and Gordian’s resource scheduling purposes and not a guarantee that the work will be completed for that amount. If Customer wishes the Gordian personnel to perform on Customer’s site, Customer agrees it shall give Gordian at least two (2) weeks’ prior notice so Gordian can make appropriate travel arrangements.
- d. **Delays/Costs Overruns.** In the event of any delay in Customer’s performance of any of the obligations set forth herein or in an SOW or Order Document, or any other delays caused by Customer, the milestones, fees and date(s) set forth in the SOW or Order Document may be adjusted on a T&M basis as reasonably necessary to account for such delays. The adjustment shall be made by change order in accordance with the provisions of Section 2(b) (Change Orders) above. Unless otherwise set forth in an SOW or Order Document, if Customer reschedules Professional Services hereunder on less than ten (10) days prior written notice, Customer will reimburse Gordian for the delayed resources for the duration of the delay up to ten (15) days on a T&M basis.
- e. **Responsibility.** Gordian shall be responsible for securing, managing, scheduling, coordinating and supervising Gordian personnel, including its subcontractors, in performing the Services.
- f. **Cooperation.** Customer shall provide Gordian with commercially reasonable cooperation and access to such information, facilities, personnel and equipment as may be reasonably required by Gordian in order to provide the Professional Services, including, but not limited to, providing security access, information, and software interfaces to Customer’s applications, and Customer personnel, as may be reasonably requested by Gordian from time to time. Customer acknowledges and agrees that Gordian performance is dependent upon the timely and effective satisfaction of Customer’s responsibilities

hereunder and timely decisions and approvals of Customer in connection with the Professional Services. Gordian shall be entitled to rely on all decisions and approvals of Customer.

- g. **Customer Data.** Customer Data shall be provided to Gordian in a format approved by Gordian or additional charges will apply. Customer is responsible for the accuracy and completeness of its information and Customer Data. Customer represents and warrants that it has made all disclosures, provided all notices, and has obtained all necessary rights, consents, and permissions necessary for Gordian to use Customer Data under the Terms without violating or infringing laws, third-party rights, or terms or policies that apply to the Customer Data. Gordian's performance is dependent on Customer's timely provision of accurate and complete resources and information, including but not limited to detailed, precise and clear specifications for any deliverables.
- h. **Scope of Services.** Customer acknowledges and agrees that Gordian is being engaged to assist Customer's development of a strategic direction regarding facility maintenance, repairs, and optimization, rather than providing definitive recommendations regarding work to be undertaken for Customer's facilities.

3. COMMERCIAL SERVICES, SOFTWARE AND DATA. The Services, Software, and Data provided by Gordian are commercial items, developed at private expense, as defined in FAR 2.101. If the Software and Data are provided to the United States Government for end use, the government's data and software rights related to the Software and Data shall include only those rights defined herein. These customary commercial license rights are provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Software) and, or Department of Defense transactions, DFAR 252.227-7015 (Technical Data – Commercial Items) and DFAR 227.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation).

4. PAYMENT AND TAXES.

- a. **Invoices.** Except as set forth in any SOW or Order Document, Professional Services will be invoiced upon execution of the Terms, SaaS Services will be invoiced upon execution of the Terms and any Software licenses will be invoiced upon delivery of such Software.
- b. **Fees and Payment Terms.** Fees are specified in the applicable SOW or Order Document and unless stated otherwise are denominated and payable in United States dollars. Unless agreed otherwise in an applicable SOW or Order Document, fees are due within thirty (30) days of invoice date.
- c. **Overdue Charges.** In the event any fees are not received by Gordian by the due date, then Gordian may (i) charge interest on any past due balances at the lesser of: (a) 1½% per month, or (b) the highest rate allowed by law, and (ii) be entitled to condition future purchases on shorter payment terms. Customer acknowledges that, if it fails to provide a purchase order number when required for payment, or it delays payment by requesting payment conditions not set forth in the Terms, Gordian's right to pursue overdue charges will not be waived.
- d. **Suspension of Services and Acceleration.** In the event any undisputed amounts are thirty (30) or more days overdue, Gordian may (without limiting any of its other rights and remedies) (i) suspend its performance and (ii) require full payment of undisputed, past due amounts before any additional performance is rendered by Gordian and (iii) accelerate all future amounts to be due, such that all remaining periodic payments for the then current term of the applicable SOW or Order Document shall be due and owing.

- e. **Taxes.** Unless expressly provided otherwise, the prices in these Terms do not include applicable taxes. Customer agrees to pay any taxes, other than those based on Gordian's net income, arising out of these Terms. If Customer is tax-exempt, Customer agrees to send Gordian a copy of its tax-exempt certificate prior to execution of any SOW or Order Document.
- f. **T&E Expenses.** Unless otherwise noted within the SOW or Order Document, Gordian's reasonable travel and lodging expenses incurred by Gordian in the performance of any Services on Customer's site will be billed separately at actual cost.
 - 1) Gordian will provide Professional Services via phone, internet, and email or otherwise remotely from the Gordian premises unless otherwise stated in the relevant SOW or Order Document.
 - 2) In the event Customer cancels or reschedules any on-site engagement with Gordian, Gordian will invoice Customer and Customer will pay for the cancellation and/or change fees associated with rebooking travel and arrangement.
 - 3) If applicable, travel time is calculated as the time between departure from Gordian premises, local airport or home office and arrival at destination address, as determined by both parties prior to departure, or destination airport.

5. CONFIDENTIALITY.

- a. **Defined.** The parties may be exposed to or be provided with certain confidential and proprietary information of the other party or third parties, including but not limited to information designated as confidential in writing or information which ought to be in good faith considered confidential and proprietary to the disclosing party ("Confidential Information"). Confidential Information includes, but is not limited to, all trade secrets, software, source code, object code, specifications, documentation, business plans, customer lists and customer-related information, financial information, proposals, budgets as well as results of testing and benchmarking of the Software or other services, product roadmap, other available products, data and other information of Gordian and its licensors relating to or embodied in the Services or documentation. Gordian's placement of a copyright notice on any portion of any Services will not be construed to mean that such portion has been published and will not derogate from any claim that such portion contains proprietary and confidential information of Gordian.
- b. **Non-Disclosure.** Each party will protect the other party's Confidential Information from unauthorized dissemination and use the same degree of care that each such party uses to protect its own confidential information, but in no event less than a reasonable amount of care. Neither party will use Confidential Information of the other party for purposes other than those necessary to directly further the purposes of the Terms. Except as required by applicable law, neither party will disclose to third parties Confidential Information without prior written consent of the other party.
- c. **Exceptions.** Information shall not be considered Confidential Information to the extent, but only to the extent, that the receiving party can establish that such information (i) is or becomes generally known or available to the public through no fault of the receiving party; (ii) was in the receiving party's possession before receipt from the disclosing party; (iii) is lawfully obtained from a third party who has the right to make such disclosure; or (iv) has been independently developed by one party without reference to any Confidential Information of the other.
- d. **Compelled Disclosure.** The receiving party may disclose Confidential Information of the disclosing party if it is compelled by law to do so, provided the receiving party gives the disclosing party prior written notice of such compelled disclosure (to the extent legally permitted).

6. INTELLECTUAL PROPERTY RIGHTS.

- a. **Ownership.** Except for rights expressly granted under the Terms, nothing in the Terms shall transfer any of either party's Intellectual Property rights to the other, and each party will retain an exclusive interest in and ownership of its Intellectual Property. Customer does not acquire any ownership interest in Gordian's Intellectual Property. Gordian's Intellectual Property includes, but is not limited to, any work that Gordian creates, acquires, or otherwise has rights in, including any works created pursuant to the Terms, except for any portion of such works that consist of Customer's Intellectual Property. Customer Data will be considered Customer's Intellectual Property. Gordian may, in connection with the provision of the Services hereunder, create, employ, provide, modify, acquire, or otherwise obtain rights in, and any and all Intellectual Property rights, recognized in any country or jurisdiction in the world, now or hereafter existing, whether or not perfected, filed, or recorded.
 - b. **License to Deliverables.** Customer shall have a license to access and use any Deliverables for its internal business purposes. Customer may not allow any third party to access or use any Deliverables without Gordian's prior written consent, provided that if the Deliverables consist of reports, Customer may allow any third party to view such reports without Gordian consent.
 - c. **Services and Content.** The Services and all Content are owned or controlled by Gordian and Gordian retains all right, title, and interest in and to such Services and Content. The Services and all Content contain valuable and proprietary information of Gordian and others and are protected by the copyright and trademark laws of the United States and other countries, international conventions, and other applicable laws.
 - d. **Safeguards.** Customer must use commercially reasonable efforts to safeguard all Intellectual Property (including copies thereof) of Gordian from infringement, misappropriation, theft, misuse, or unauthorized access. Customer will promptly notify Gordian if Customer becomes aware of any infringement of Gordian's Intellectual Property rights in the Intellectual Property and fully cooperate with Gordian, at Gordian's sole expense, in any legal action taken by Gordian to enforce its Intellectual Property rights.
- 7. TRADEMARKS.** Customer agrees not to use any trademarks, service marks, names, logos, or other identifiers of Gordian, or their employees, licensors, independent contractors, and Affiliates without prior written permission from Gordian. In addition, Customer may not use trademarks, service marks, names, logos, or other identifiers: (i) in, as, or as part of, Customer's trademarks or those of any Third Parties; (ii) to identify products or services that are not those of Gordian; (iii) in a manner likely to cause confusion; or (iv) in a manner that implies that Gordian sponsors or endorses or is otherwise connected with Customer's own activities, products and services or those of Third Parties.

8. LIMITED RIGHTS AND OWNERSHIP.

- a. **Reservation of Rights.** All rights not expressly granted in the Terms are reserved by Gordian and its licensors. Customer acknowledges that Customer acquires only the right to use the Services and Gordian, its licensors, and content providers shall retain sole and exclusive ownership of and all rights, title, and interest in the Services, including (whether developed by Gordian, Customer or a third party) (i) intellectual property embodied or associated with, (ii) Deliverables and work product associated with, and (iii) all copies and derivative works thereof.
- b. **Ownership of Customer Data.** Customer retains sole and exclusive ownership to any and all Customer Data.

- c. **Use of Customer Data for Services Improvement.** In order to improve the Services, Gordian requires certain rights to use Customer Data. Customer grants to Gordian a non-exclusive, royalty free license, to use Customer Data or other material of Customer for the purpose of performing its obligations under the Terms and to generate aggregated, system-wide collations of usage, industry and business data in an aggregated, non-attributed manner.
 - d. **Use of Customer Name and Data for Benchmarking.** If Gordian is providing any benchmarking Services to Customer, Customer grants to Gordian a non-exclusive, royalty free license, to: (a) use Customer's name in connection with any published lists of other institutions furnishing data for comparison purposes, (b) use Customer Data for benchmarking purposes provided that specific data applicable to Customer shall not be identified or identifiable, and (c) identify Customer to other institutions as a client of Gordian for marketing purposes.
9. **PRIVACY.** Customer represents and warrants that before providing personal information to Gordian or its agents, it will comply with any laws applicable to the disclosure of personal information, including providing notices to or obtaining permission from third parties to allow sharing of their personal information with Gordian under the Terms. No personal information will be disseminated by Gordian to any third parties, except as consented to by Customer or required by law. Gordian's privacy policy located at <https://www.gordian.com/privacy/> explains how Gordian collects, uses, and discloses information about its users. By using the Services, Customer agrees that Gordian can use such data in accordance with its privacy policy.

10. **DISCLAIMER OF WARRANTIES.**

- a. Gordian warrants the Services shall be performed in a professional and workman-like manner and in material conformance with the applicable SOW or Order Document.
- b. GORDIAN, GORDIAN'S LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, (i) ANY WARRANTY THAT ANY SERVICES, ARE ERROR-FREE OR WILL OPERATE WITHOUT INTERRUPTION OR THAT ALL ERRORS WILL BE CORRECTED; (ii) ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT, (iii) ANY WARRANTY THAT CONTENT AND/OR THIRD PARTY SOFTWARE WILL BE ACCURATE, RELIABLE AND ERROR-FREE AND (iv) ANY AND ALL IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. NO ADVICE, STATEMENT OR INFORMATION GIVEN BY GORDIAN, ITS AFFILIATES, CONTRACTORS OR EMPLOYEES SHALL CREATE OR CHANGE ANY WARRANTY PROVIDED HEREIN.
- c. NOTHING CONTAINED IN THIS SECTION 10 (DISCLAIMER OF WARRANTIES) SHALL LIMIT ANY LIABILITY TO THE EXTENT PROHIBITED BY LAW.

11. **LIMITATION OF LIABILITY.**

- a. **Limitation of Liability.** EXCEPT FOR CLAIMS RELATED TO EITHER PARTY'S BREACH OF CONFIDENTIALITY, CUSTOMER'S (a) BREACH OR INFRINGEMENT OF GORDIAN'S INTELLECTUAL PROPERTY RIGHTS, OR (b) CUSTOMER'S OBLIGATION TO PAY FEES DUE HEREUNDER, EACH PARTY'S TOTAL LIABILITY (INCLUDING ATTORNEYS FEES AWARDED UNDER THE TERMS) TO THE OTHER FOR ANY CLAIM UNDER THE TERMS WILL BE LIMITED TO THE FEES PAID FOR THE PRIOR TWELVE (12) MONTHS FOR THE SERVICE WHICH IS THE SUBJECT MATTER OF THE CLAIM.

- b. **Exclusion of Indirect and Consequential Damages.** EXCEPT FOR CLAIMS RELATED TO EITHER PARTY'S BREACH OF CONFIDENTIALITY, CUSTOMER'S (a) BREACH OR INFRINGEMENT OF GORDIAN'S INTELLECTUAL PROPERTY RIGHTS, OR (b) CUSTOMER'S OBLIGATION TO PAY FEES DUE HEREUNDER, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, TREBLE OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF BUSINESS, REVENUE, PROFITS, STAFF TIME, GOODWILL, USE, DATA, OR OTHER ECONOMIC ADVANTAGE), WHETHER BASED ON BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING NEGLIGENCE), PRODUCT LIABILITY OR OTHERWISE, WHETHER OR NOT A PARTY HAS PREVIOUSLY BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- c. **Damages Prohibited by Law.** NOTHING CONTAINED IN THIS SECTION 11 (LIMITATION OF LIABILITY) SHALL AIM TO LIMIT ANY LIABILITY TO THE EXTENT PROHIBITED BY LAW.

12. INSURANCE. For the duration of any Professional Services engagement, Gordian shall have in place and maintain the insurance set forth in Exhibit A hereto.

13. TERM AND TERMINATION.

- a. **Term.** The Terms shall commence on the Effective Date set forth above and shall continue in full force and effect until the expiration or termination of all SOWs and Order Documents, unless otherwise terminated earlier as provided hereunder.
- b. **Termination.** Either party may terminate the Terms including all SOWs or Order Documents immediately upon written notice in the event of the following:
 - 1) in the event that the other party commits a non-remediable material breach of these Terms, or if the other party fails to cure any remediable material breach or provide a written plan of cure acceptable to the non-breaching party within 30 days of being notified in writing of such breach except for breach of Section 4 (Payment and Taxes) which shall have a ten (10) day cure period; or
 - 2) in the event of institution of bankruptcy, receivership, insolvency, reorganization, or other similar proceedings by or against either party under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar laws or statutes of the United States or any state thereof, if such proceedings have not been dismissed or discharged within thirty (30) calendar days after they are instituted; or the insolvency or making of an assignment for the benefit of creditors or the admittance by either party of any involuntary debts as they mature or the institution of any reorganization arrangement or other readjustment of debt plan of either party not involving the United States Bankruptcy Code.
 - 3) Where a party has a right to terminate these Terms, the terminating party may, at its discretion, either terminate these Terms and all SOWs and Order Documents attached hereto or the applicable SOW or Order Document. SOWs and Order Documents that are not terminated shall continue in full force and effect under these Terms.
 - 4) Without prejudice to Customer's rights set out elsewhere in the Terms, all SaaS Subscription fees are non-refundable and payable in advance. In the event any SaaS Subscription fees due and owing are 30 or more days overdue, Gordian may, after providing notice to Customer, and without limiting any of its other rights and remedies, suspend, terminate, or otherwise deny Customer access to or use of, all or any part of the SaaS Subscriptions, or condition future purchases on shorter payment terms.

14. ADDITIONAL PROVISIONS.

- a. **Cooperative Purchases.** To the extent that any Services set forth in a SOW or Order Document are purchased through a cooperative purchasing entity, the Services shall be purchased subject to the cooperative contract stated in the SOW or Order Document. To the extent that the cooperative contract conflicts with the Terms, the Terms shall control.

- b. **Notices.** All notices will be in writing and will be deemed to have been duly given: (a) when delivered by hand; (b) three (3) days after being sent by registered or certified mail, return receipt requested and postage prepaid; or (c) one (1) day after deposit with a nationally recognized overnight delivery or express courier service. Copies of all notices shall also be sent via email to the address indicated below. Notices for the parties shall be sent to the following addresses:

Gordian:

Gordian
Attn: Legal Department
30 Patewood Drive, Building 2, Suite 350
Greenville, SC 29615
legal@gordian.com

Customer:

E-mail: _____

In the event Customer does not specify an address above, notices sent in accordance with this section shall be delivered to Customer at the address indicated on Page 1 of the Terms.

- c. **Force Majeure.** Except for Customer’s obligation to pay fees due, to the extent that a delay or failure to perform all or any part of the obligations set forth herein or in an applicable SOW or applicable Order Document is caused, in whole or in part, by events, occurrences, or causes beyond the control and without any negligence on the part of the party seeking protection under this Section, neither party shall have the right to terminate the Terms or any SOW or any Order Document, and neither party shall incur any liability to the other party on account of any loss, claim, damage, or liability resulting from such delay or failure to perform. Such force majeure events, occurrences, or causes shall include, without limitation, acts of God, acts of government, epidemic, pandemic, flood, fire, explosions, earthquakes, civil unrest, acts of war, acts of terrorism, strikes, lockouts, riots or other labor problems, computer, telecommunications, Internet service provider or hosting facility failures or delays involving hardware, software or power systems not within the parties’ possession or reasonable control, and denial of service attacks. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

- d. **Independent Contractor Status.** Gordian is an independent contractor, and neither Gordian nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of Customer. Customer will not be legally responsible for any negligence or other wrongdoing by Gordian, its employees, servants or agents. Customer will not withhold from

payments to Gordian any federal, state or unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to Gordian or its employees, servants or agents. Furthermore, Customer will not provide to Gordian any insurance coverage or other benefits, including workers' compensation, normally provided by Customer for its employees.

- e. **Compliance with Law.** Each party shall comply with all applicable federal, state, provincial and local laws and regulations in connection with the performance of its obligations and the exercise of its rights under the Terms.
- f. **Export Regulations.** The parties acknowledge that the products, software, and technology provided under the Terms are subject to the export control laws and regulations of the United Kingdom, Canada, and the United States. The parties agree to comply with all applicable export laws and regulations and to obtain any necessary licenses or permits required to carry out their respective obligations under the Terms. The parties further agree not to export, re-export, or transfer, directly or indirectly, any product, software, or technology provided under the Terms to any destination, entity, or person prohibited or restricted by the export laws and regulations of the United Kingdom, Canada, or the United States, without obtaining prior authorization from the competent government authorities as required by those laws and regulations.
- g. **Governing Law and Jurisdiction.** All matters arising out of or relating to these Terms will be governed by and construed under the internal laws of the State of South Carolina without giving effect to any choice or conflict of law provision or rule. Any legal suit, action, or proceeding arising out of or relating to the Terms or the transactions contemplated hereby must be instituted in the federal courts of the United States of America or the courts of the State of South Carolina in each case located in the City of Greenville and County of Greenville, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such legal suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth in these Terms will be effective service of process for any suit, action, or other proceeding brought in any such court.
 - 1) Notwithstanding the foregoing, if Customer is a federal government entity, these Terms shall be governed by the laws of the United States, and venue and jurisdiction of any dispute will be determined by applicable federal statute. If federal laws of the United States are not dispositive, then to the extent permitted by federal law, these Terms will be governed by the laws of the State of South Carolina, excluding its conflict of law principles.
 - 2) Notwithstanding the foregoing, if Customer is a public entity required by applicable law to use the law of its state of location, these Terms shall be governed by the laws of Customer's state, excluding its conflict of laws principles.
- h. **Waiver.** No waiver by either party of any of the provisions in these Terms will be effective unless explicitly set forth in writing. The failure of either party to exercise in any respect a right provided for in these Terms shall not be deemed to be a subsequent waiver of the same right, or any other right. The waiver by either party of any breach of any provision of these Terms shall not be deemed a waiver of any subsequent breach by the other party of the same or of different provisions.
- i. **Severability.** If any term or provision of these Terms are invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision

of these Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.

- j. **Assignment.** Customer may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under these Terms, in each case whether voluntarily, involuntarily, by operation of law, or otherwise, without Gordian's prior written consent, which consent Gordian may give or withhold in its sole discretion. No delegation or other transfer will relieve Customer of any obligations or performance under these Terms. Any purported assignment, delegation, or transfer in violation of this Section is void. Gordian may freely assign or otherwise transfer all or any of its rights, or delegate or otherwise transfer all or any of its obligations or performance, under these Terms without consent. These Terms are binding upon and inures to the benefit of the parties hereto and their respective permitted successors and assigns.
- k. **Non-solicitation.** During the term of the Terms and for a period of one year following its termination, neither party will solicit for employment directly or through other parties, without the other party's written permission, any individual employed by the other party, provided however that the solicitation or hiring of individuals responding to general public marketing and recruiting advertisements and events shall not be a violation of this provision; only active, targeted solicitation is prohibited.
- l. **Survival.** The provisions addressing ownership, confidentiality, indemnity and limitation of liability shall survive any termination or expiration of the Terms, as well as any other provisions intended by their nature to survive such termination or expiration.
- m. **Sole Benefit.** These Terms are for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, confers on any other person any legal or equitable right, benefit, or remedy of any nature whatsoever under these Terms.
- n. **Headings.** The headings of the various paragraphs herein are intended solely for the convenience of reference and are not intended for any purpose whatsoever to explain, modify, or place any construction upon any of the provisions of these Terms.
- o. **Drafting.** These Terms shall not be construed in favor of or against a party based on the author of the document.
- p. **Order of Precedence.** In the event of a conflict between an SOW, Order Document, or the SaaS Terms of Use, and these Terms, the Statement of Work, Order Document, or SaaS Terms of Use shall prevail with respect to the service contained within that Statement of Work or Order Document. All pre-printed terms of any Customer purchase order or other business processing document shall have no effect, regardless of any terms stating otherwise therein, irrespective of whether or not Gordian signed such purchasing document.
- q. **Entire Agreement.** These Terms, including any applicable Order Documents or SOWs and the SaaS Terms of Use for any SaaS Subscriptions, cancel and supersede all prior or contemporaneous oral or written communications, agreements, requests for proposals, proposals, conditions, representations, and warranties, or other communication between the parties relating to its subject matter and constitutes the parties' entire agreement relating to its subject matter. No modification to these Terms will be binding unless in writing and signed by an authorized representative of each party. No purchase order or other form order document issued by

Customer shall have any ability to modify any terms set forth herein or in any SOW, Order Document or the SaaS Terms of Use, irrespective of whether or not Gordian signed such purchase order.

- r. **Counterparts.** The Terms may be executed in one or more counterparts, each of which shall constitute an enforceable original of the Terms, and that facsimile and/or pdf scanned copies of signatures shall be as effective and binding as original signatures.

IN WITNESS WHEREOF, the duly authorized representatives of the parties agree to these Terms.

City of Huntington Beach

The Gordian Group, Inc.

Sign: _____

Sign: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit A**Insurance**

Gordian maintains insurance at the levels specified below and shall furnish an insurance certificate naming the Customer as additional insured at the Customer's request.

Comprehensive General Liability

Including operations and completed operations

\$1,000,000 per occurrence
\$2,000,000 aggregate

Comprehensive Automotive Liability

Including owned, non-owned, and hired Autos

\$1,000,000 combined single limit

Workers Compensation as required by law



30 Patewood Drive
Building 2, Suite 350
Greenville, SC
29615

p: 1.800.874.2291
e: info@gordian.com
w: gordian.com

