

**ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 11/30/15
FOR CITY COUNCIL MEETING OF 12/09/15**

ISSUE:

22. Request for Approval of Amendment No. 3 to Professional Services Agreement – Incubation Services for Businesses in Santa Fe (RFP #12/23/P); Santa Fe Business Incubator. (Ross Chaney)

FINANCE COMMITTEE ACTION:

Approved as Consent item.

FUNDING SOURCE: 22116.510340

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

4-13-15



Memorandum

DATE: Thursday, November 12, 2015
TO: Finance Committee
VIA: Kate Noble, Interim Department Director, Housing and Community Development
FROM: Ross Chaney, Economic Development Division
RE: Santa Fe Business Incubator PSA - Amendment 3

KW
RC

Background:

The Santa Fe Business Incubator (SFBI) offers office, lab and light manufacturing space in their 30,000 square foot facility. SFBI also provides entrepreneurial support services tailored to emerging companies in a wide range of industries, networking events, on-site business seminars and workshops and much more.

In 2012, SFBI was awarded a four year professional services agreement under RFP 12/23/P for business incubation services. EDRC sub-committee reviewed the amendment No 2 on September 8, 2014 and unanimously recommended to approve the PSA. This is the fourth year of this PSA, this amendment No 3 will support SFBI in providing coaching, mentoring and technical assistance for client/businesses, affiliates, co-working tenants and manage a professional facility for entrepreneurs.

Last year SFBI was given a separate city contract for \$10,000 to purchase and train staff on Incutrack, a software system that is tracking the businesses and service provided to businesses. Incutrack manages and tracks pre-incubation prospects, leads and types of assistance provided. This software combined with SFBI staff training has enabled them to develop better reports on the demographics of each company served and key economic metrics generated by the clients of SFBI.

Item and Issue

Amendment #3 includes the following:

- Provides additional funding to support software tracking of services and needs of clients.
- Improved expense reporting language in at least four categories: staffing (payroll, benefits, travel, training, etc.), property (make ready, other property costs), Equipment (shared, technology, IT, software, etc.) and program (events, associations, etc.).
- Allows the incubator to provide ideas or recommendations to align incubator programs with other economic development programs in the community and at the City of Santa Fe.
- Includes a total organizational annual budget.
- Provide data about clients in graphic form.
- Requires 2 bi-annual surveys of SFBI clients
- \$5,000 for Incutrack software

The Economic Development Review Committee (EDRC) reviewed and recommended the SFBI PSA for approval on October 26, 2015. On November 9, 2015 the City Business and Quality of Life committee voted to recommend this PSA for approval. This contract is necessary to sustain entrepreneurial support services for business owners in Santa Fe. This PSA also supports the City economic development plan.

Action

Staff recommends approval of the professional service agreement No 3 in the amount of \$205,000 for a four year total contract amount of \$805,000 so that SFBI may provide incubation services for businesses in Santa Fe.

Staff is submitting the enclosed Professional Service Agreement (PSA) for review and approval. This PSA will be paid from the Economic Development business unit and line item: 2216.510340.

CITY OF SANTA FE OTHER METHOD PROCUREMENT CHECKLIST

Contractor Name: Santa Fe Business Incubator

Procurement Title: Provide business incubation services for the City.

Other Methods: State Price Agreement Cooperative Sale Source Exempt Other RFP 12/23/P

Department Requesting/Staff Member Ross Chaney, Housing and Community Development/Economic Devel.

Procurement Requirements:

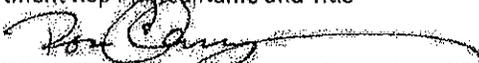
A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids, all evaluation materials, score sheets, quotations and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement shall contain a written determination from the Requesting Department, signed by the purchasing officer, setting forth the reasoning for the contract award decision before submitting to the Committees.

REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING*

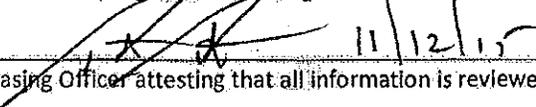
YES	N/A	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Departments Recommendation of Award Memo addressed to Finance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input checked="" type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Contract, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

Ross Chaney, Economic Development Specialist

Department Rep Printed Name and Title



Department Rep Signature attesting that all information included



Purchasing Officer attesting that all information is reviewed

REQUIRED DOCUMENTS FOR OTHER METHOD FILE*

YES	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Cooperative Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Sole source Request and Determination Form
<input type="checkbox"/>	<input type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input type="checkbox"/>	Purchasing Officers approval of exempt procurement
<input type="checkbox"/>	<input type="checkbox"/>	Copies of all Sole Source submittals

Other: _____

AWARD*

YES N/A

Fully executed Memo to Committees from the Department with recommendation of award
 Other: _____

CONTRACT*

YES N/A

Copy of Executed Contract
 Copy of all documentation presented to the Committees
 Finalized Council Committee Minutes
 Other: _____

Include all other substantive documents and records of communication that pertain to the procurement and any resulting contract.

Create a separate file folder which may contain any documents with trade secrets or other competitively sensitive, confidential or proprietary information.

Department Rep Printed Name and Title

Department Rep Signature attesting that all information included

**CITY OF SANTA FE
AMENDMENT No. 3 TO
PROFESSIONAL SERVICES AGREEMENT**

AMENDMENT No. 3 (the "Amendment") to the CITY OF SANTA FE
~~PROFESSIONAL SERVICES AGREEMENT~~, dated August 28, 2012 (the "Agreement"),
between the City of Santa Fe (the "City") and Santa Fe Business Incubator (the "Contractor").
The effective date of this Amendment shall be retroactive to July 1, 2015.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide business development services to the City.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF SERVICES

Article 1 of the Agreement is amended so that Article 1 reads in its entirety as follows:

The Contractor shall provide business incubation services for the City, including the following:

A. A program to assist early stage businesses to launch, grow and prosper in Santa Fe and regularly measure and track program effectiveness.

1) Business training, mentoring, coaching and workshops directly and/or in collaboration with other business development service providers.

2) Connect client companies to sources of capital, such as loan programs, Angel funding, venture capital, research grants, individual investors and other programs and resources.

B. A program to assist and encourage individuals interested in starting a business by providing: general assistance as appropriate, connections to other entrepreneurs, collateral materials and referrals to business resources.

C. Professional facility and shared infrastructure for early stage businesses including: office and light production spaces, conference and meeting rooms, common areas, lunch rooms, shared equipment, telecommunications and high speed internet service and/or access.

D. Operation of the shared bio-science laboratory.

E. Promote and market SFBI and its available services and the activities of client companies through a SFBI website, social media, traditional media , in-person outreach and presentations, and other activities and communications highlighting news and activities of SFBI and client companies. (See Exhibit B, Communications for Events and Activities)

F. Work collaboratively with other key community economic development entities to provide additional assistance and resources for clients, and refer clients and others to appropriate resources and programs in the community as needed.

G. Provide metrics and reports in accordance with the scope of work as described in sections A-F. SFBI shall continue to coordinate with the City Economic Development Department to provide data and reports required in Section H, paragraph 1.

H. Provide quarterly reports (see Exhibit A, Sample Quarterly Report) which include information managed in, but not limited to, the Incutrack software system and the following:

(1) The number of client companies/entrepreneurs assisted including SFBI client-tenants, affiliate client-members, and other program participants. Include the number of new clients/members and graduates.

(2) Number of new jobs added by clients/members. These shall be measured according to a full-time annual equivalency.

(3) Sales and revenue, and the amount of investment attracted and loans received.

(4) Note observations and trends in business assistance requests and referrals, including common types of technical assistance needed, emerging trends (ie: concept development; financing; workforce; marketing; etc.).

(5) Develop and distribute a bi-annual online survey to program participants, through Incutrack.

(6) Identify general industry sectors of clients/members and others.

(7) Notable changes or additions to facility or infrastructure including rental spaces, shared equipment, or other. Any notable information about demand for infrastructure services provided or needed.

(8) SFBI shall provide a narrative report with anticipated program plans, changes and goals.

(9) Any other highlights, relevant trends, client service outcomes and developments of note or special interest regarding client companies and SFBI.

I. Provide an annual report (inclusive of the 4th quarter report). In addition to quarterly report metrics, other key metrics shall be gathered on an annual basis and reported in the 4th quarter report.

2. COMPENSATION.

Article 3 of the Agreement is amended to increase the amount of compensation by a total of two hundred and five thousand dollars (\$205,000), so that Article 3, reads in its entirety as follows:

A. The City shall pay to the Contractor in full payment for services rendered a sum not to exceed eight-hundred and five thousand dollars (\$805,000), inclusive of applicable gross receipts taxes.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed and satisfactory deliverables achieved. The Contractor shall also report on expenses in at least four categories: staffing (payroll, benefits, travel, training, etc.), property (make ready, other property costs), Equipment (shared, technology, IT, software, etc.) and program (events, associations, etc.). The Contractor shall invoice quarterly for services provided in an amount that does not exceed forty percent (40%) of the total compensation for any given quarter and in an amount which reflects the accounting for costs and expenses.

3. TERM AND EFFECTIVE DATE.

Article 5 of the Agreement is hereby deleted. A new Article 5 of the Agreement is inserted to extend the term of the Agreement, so that Article 5 reads in its entirety as follows:

A. This Agreement shall be effective retroactive July 1, 2015, and shall terminate on June 30, 2016, unless terminated sooner pursuant to Paragraph 6, infra.

4. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, Amendment No. 1, Amendment No. 2 and the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No.3 to the City of Santa Fe Professional Services Agreement as of the date signed by the City set forth below.

CITY OF SANTA FE:

JAVIER M. GONZALES, MAYOR

Date: _____

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

CONTRACTOR:
SANTA FE BUSINESS INCUBATOR

By: _____
MARIE LONGSERRE
PRESIDENT and CEO

Date: _____

CRS# 02283987009
City of Santa Fe Business
Registration# 15-65070

APPROVED AS TO FORM:

KAB 10/21/15
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

OSCAR RODRIGUEZ, FINANCE DIRECTOR

22116.510340
BUSINESS UNIT/LINE ITEM

EXHIBIT A

SFBI SAMPLE REPORTS

Note: Certain metrics, as noted, are collected and reported on a quarterly basis from interim client reports and surveys. These may not be assumed to represent all activity and outcomes in a particular quarter due to differences in client rotations and their fiscal and accounting systems. Other key metrics, as noted, are collected and aggregated on an annual basis. When interim reports are not available ~~from all clients~~, SFBI reports the most recent data available and notes the approximate percentage of clients/data reported in a quarter. Aggregate metrics are reported annually.

SFBI will note compliance with the contractual scope of work items in a quarterly summary: see Section I. SFBI will submit the following metrics and details quarterly: see Section II. SFBI will submit an annual metrics report: see Section III.

I. COMPLIANCE WITH CONTRACT SCOPE OR WORK. Description of contractual items **not covered** in Quarterly Metrics Section II or Annual Report Section III.

II. QUARTERLY METRICS REPORT. Percentage of clients reporting in quarter: ___%

1. Current Client Companies and Members. Total all current clients/members: ___#___ *List of core client companies, see attachment #x.*
 - A. Core Client Companies Total: ___#___
 - i. Client Company Tenants Total: ___#___
 - ii. Client Company Affiliates: ___#___
 - B. Other Members Total: ___#___
 - i. Co-Working: ___#___
 - ii. Launch Pad or Runway, Pre-Incubation -#-
 - iii. Other: ___#___

2. New and Other. Total all new clients/members in current quarter: ___#___
 - A. New Core Clients in the Quarter. Total: ___#___
 - i. New Client Company Tenants Total: ___#___
 - ii. New Client Company Affiliates: ___#___
 - B. New Members/Other in the Quarter: ___#___
 - i. New Co-Working: ___#___
 - ii. New Launch Pad or Runway, Pre-Incubation: ___#___
 - iv. New Other: ___#___
 - C. Total estimated, aggregate number of participants in incubator hosted trainings, business development activities and events in Quarter: ___#___

3. Service Providers, Business Development Organizations, Partners Hosted On-Site during the Quarter. Total Number: ___#___

- A. Resident Service Providers, Business Development Organizations, Partners. See list in attachment #x.
 - B. Hosted Service Providers, Business Development Organizations, Partners. See attachment #x.
4. Types of Clients and Participants
- A. Current Clients and Members by Type. Companies involved in multiple categories are counted in most applicable category:
 - i. Technology Development, Services, Other
 - 1. Bio-Tech/Life Sciences __#__
 - 2. Software/IT __#__
 - 3. Energy __#__
 - 4. Green Tech (other than energy) __#__
 - 5. Material Science __#__
 - 6. Other Technology as self-defined __#__
 - ii. Manufacturing
 - 1. Technology Manufacturing __#__
 - 2. Other General Manufacturing __#__
 - iii. Non-Technical, Service Providers, Other as self-defined: __#__
 - iv. Other/ Self Defined: __#__
 - B. New Clients and Members by Type. Companies involved in multiple categories are counted in most applicable category:
 - i. Technology Development, Services, Other
 - 1. Bio-Tech/Life Sciences __#__
 - 2. Software/IT __#__
 - 3. Energy __#__
 - 4. Green Tech (other than energy) __#__
 - 5. Material Science __#__
 - 6. Other Technology as self-defined __#__
 - ii. Manufacturing
 - 1. Technology Manufacturing __#__
 - iii. Other General Manufacturing __#__
 - iv. Non-Technical, Service Providers, Other __#__
 - v. Other/ as self-defined __#__
 - C. Any notable observation or trends from general inquiries from program applicants and participants and others on their need and type of assistance requested.
5. Client Graduates/Exits in Quarter. Total: __#__
- A. Tenant: -#-
 - B. Affiliate Companies: __#__
 - C. Other members: __#__ D.
 - D. Length of participation in the SFBI program as tenant or affiliate.

6. Note observations and trends in business assistance requests and referrals, including common types of technical assistance requested.
7. Infrastructure provided (per Scope of Services). Describe notable changes or adaptations of the following quarterly:
 - A. Describe Notable Changes to Facility Provisions of:
 - i. Client Rental Space
 - ii. ~~Common areas~~ **Common areas**
 - iii. Shared equipment
 - iv. IT and Telecommunications Infrastructure
 - v. Other
 - B. Describe the infrastructure needs that were identified and how those needs are being met or dealt with, and/or identified unmet needs.
8. Key Economic Impact Metrics Surveyed Quarterly:
 - A. New jobs created in Quarter (full time annual equivalent): #
 - i. Full Time employees/contractors: #
 - ii Part Time employees/contractors: #
 - B. Total Current full time employees/contractors: #
 - C. Total Current part-time employees/contractors: #
 - D. Payroll/wage: \$ xxxx
 - E. Wage Ranges paid. *Wages, see attachment #x.*
 - F. Number of high-wage jobs: #
 - G. Total Sales and/or revenue: \$ xxxx
 - H. Capital/investment funding attracted: \$xxxxx
 - I. Loan funding: \$xxxx
 - J. Grant/contract/research grants-contracts/other revenue: \$xxxxx
9. Developments of note or special interest
 - A. Client company highlights:
 - B. SFBI highlights
 - C. Other
10. Description of support/services offered and notable program successes and impacts. Attach training and business development activities and events list; see attachment #x.
 - A. Core tenant clients and affiliates
 - B. Co-working members
 - C. Launch pad or Runway, pre-incubation participants, other
 - D. General inquiries and walk-ins
 - E. Co-located and collaborative service providers
11. Narrative update on any anticipated program plans, changes and goals.
12. Provide data about applicants and clients in graphic form
 - A. Graph client income and payroll by quarter.

III. ANNUAL REPORT: Key Economic Metrics in Aggregate

- A. New jobs created (full time annual equivalent): #
 - i. Total Full Time employees/contractors: #
 - ii Total Part Time employees/contractors: #
- B. Payroll/wages Annual: \$ xxxx
- C. Wage Ranges paid. *Wages, see attachment #x.*
- D. Number of high-wage jobs in year: #
- E. Total sales and/or revenue Annual: \$ xxxx
- F. Capital/investment funding attracted Annual: \$xxxx
- G. Loan funding Annual: \$xxxx
- H. Grant/contract/research grants-contracts/other revenue Annual: \$xxxx
- I. Number of Core Client Resident/Affiliate Served Annual: #
- J. Number of Member/other clients served Annual: #
- K. Estimated, aggregate number of event and training attendees annual
- L. Description of the attraction and development of potential SFBI clients and how the pipeline is managed.
- M. Description of any plans for major expansions, additions or changes to operations and programs in the next fiscal year.
- N. Narrative update on any ideas or recommendations to align incubator programs with other economic development programs in the community and at the City of Santa Fe.
- O. Data about applicants and clients in graphic form
 - A. Submit a graphic that shows industry types.
 - B. Graph of annual client income and payroll.
- P. Provide an annual expense interim report that is divided into 4 or more categories; property, equipment, staffing, programs and other.

EXHIBIT B - Communications for Events and Activities

SFBI will utilize several media channels to regularly communicate programs and activities and as new and notable events or updates occur:

1. Copy the City on press releases and media announcements of upcoming events, the outcomes of SFBI activities and noteworthy client news.
2. Copy the City on email notices we send our participants about upcoming programs and opportunities.
3. Use social media to give notice of activities and client news, including Facebook, as well as other appropriate technology platforms.
4. Work with traditional media outlets to recognize and promote clients, activities and outcomes.
5. Notify the City of long-range plans and new programs in the appropriate sections of the quarterly reports.
6. Exclusive of quarterly reports, contact the City when more involved long-term events and programs are to be held that provide opportunities for the City to promote and support them, for example: Start-Up Weekend.
7. Distribute electronically SFBI "Insider" newsletters and special "Flash Focus" updates on SFBI, clients and outcomes to City staff and leadership.
8. Participate in collaborative groups and programs such as: The Santa Fe Business Service Providers group, where information about programs and activities is shared with the City and other area business service providers.



City of Santa Fe Summary of Contracts, Agreements, & Amendments

Section to be completed by department for each contract or contract amendment

1 FOR: ORIGINAL CONTRACT or CONTRACT AMENDMENT

2 Name of Contractor Santa Fe Business Incubator

3 Complete information requested Plus GRT

Inclusive of GRT

Original Contract Amount: \$205,000.00

Termination Date: June 30, 2013

Approved by Council Date: August 28, 2012

or by City Manager Date: _____

Contract is for: Provide business incubation services for the City.

Amendment # 3 to the Original Contract# 12-0768

Increase/(Decrease) Amount \$ 205,000.00

Extend Termination Date to: June 30, 2016

Approved by Council Date: _____

or by City Manager Date: _____

Amendment is for: Provide business incubation services for the City.

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) Plus GRT

Inclusive of GRT

Amount \$ 200,000.00 of original Contract# 12-0768 Termination Date: 06/30/2013

Reason: Provide business incubation services for the City.

Amount \$ 200,000.00 amendment # 1 Termination Date: 06/30/2014

Reason: Provide business incubation services for the City.

Amount \$ 200,000.00 amendment # 2 Termination Date: 06/30/2015

Reason: Provide business incubation services for the City.

Amount \$ 205,000.00 amendment # 3 Termination Date: 06/30/2016

Reason: Provide business incubation services for the City.

Total of Original Contract plus all amendments: \$ 805,000.00



City of Santa Fe
Summary of Contracts, Agreements, & Amendments

5 Procurement Method of Original Contract: (complete one of the lines)

RFP# 12/23/P Date:

RFQ Date:

Sole Source Date:

Other

6 Procurement History: Fourth of 4 years
example: (First year of 4 year contract)

7 Funding Source: Economic Development Fund BU/Line Item: 22116.510340

8 Any out-of-the ordinary or unusual issues or concerns:
(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Jessica Sandoval
Phone # -6334

10 Certificate of Insurance attached. (if original Contract) [checked]

Submit to City Attorney for review/signature
Forward to Finance Director for review/signature
Return to originating Department for Committee(s) review or forward to City Manager for review
and approval (depending on dollar level).

To be recorded by City Clerk:

Contract #

Date of contract Executed (i.e., signed by all parties):

Note: If further information needs to be included, attach a separate memo.

Comments:

Large empty rectangular box for comments.

**CITY OF SANTA FE
AMENDMENT No. 1 TO
PROFESSIONAL SERVICES AGREEMENT**

AMENDMENT No. 1 (the "Amendment") to the CITY OF SANTA FE PROFESSIONAL SERVICES AGREEMENT, dated August 28, 2012 (the "Agreement"), between the City of Santa Fe (the "City") and Santa Fe Business Incubator (the "Contractor"). The effective date of this Amendment shall be retroactive to July 1, 2013.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide business development services to the City.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF SERVICES

Article 1 of the Agreement is amended so that Article 1 reads in its entirety as follows:

The Contractor shall provide business incubation services for the City, including the following:

A. A program to assist early stage businesses to launch, grow and prosper in Santa Fe and regularly measure and track program effectiveness.

1) Business training, mentoring, coaching and workshops directly and/or in collaboration with other business development service providers.

2) Connect client companies to sources of capital, such as loan

programs, Angel funding, venture capital, research grants, individual investors and other programs and resources.

3) Create an entrepreneurial hub of activity by connecting client companies and other entrepreneurs to each other and to broader networks of support, resources and activities.

B. A program to assist and encourage individuals interested in starting a business by providing general assistance as appropriate, collateral materials and making referrals to external business resources.

C. Professional facility and shared infrastructure for early stage businesses including: office and light production spaces, conference and meeting rooms, common areas, lunch rooms, shared equipment, telecommunications and high speed internet service and/or access.

D. Launch and operate the shared bio-science laboratory.

E. Promote and market SFBI and its available services and the activities of client companies through a SFBI internal website, social media, traditional media sources, in-person outreach and presentations, and other activities. Launch and distribute an electronic newsletter and/or other communications highlighting news and activities of SFBI and client companies.

F. Work collaboratively with other key community economic and business development organizations and enterprises to provide additional resources and refer clients and others to appropriate resources.

G. Develop a plan to address the implementation of the scope of work as described in sections A-F.

H. Provide quarterly reports (see Exhibit A, Sample Quarterly Report) which include but are not limited to:

(1) The number of client companies/entrepreneurs currently assisted, including SFBI client-tenants, affiliate client-members, and other program participants. Include the number of new clients/members and graduates.

(2) Number of new jobs added by clients/members.

(3) Sales and revenue (as available quarterly); amount of investments attracted; and loans received in the quarter.

(4) Number of general inquiries and walk-ins assisted.

(5) Identify general industry sectors of clients/members and others.

(6) Notable changes or additions to facility or infrastructure including rental spaces, shared equipment, or other. Any notable information about demand for infrastructure provided or needed.

(7) Any other highlights including developments of note or special interest regarding client companies and SFBI. Any other relevant trends or observations.

(8) Update on program plans and goals.

(9) Develop a client survey tool that provides feedback on the effectiveness of Incubator and hosted programs and activities.

I. Provide an annual Report (inclusive of the 4th quarter report). In addition to quarterly report metrics, other key metrics shall be gathered on an annual basis and reported in the 4th quarter report.

2. COMPENSATION.

Article 3 of the Agreement is amended to increase the amount of compensation by a

total of two hundred thousand dollars (\$200,000), so that Article 3, reads in its entirety as follows:

A. The City shall pay to the Contractor in full payment for services rendered, a sum not to exceed four-hundred thousand dollars (\$400,000), inclusive of applicable gross receipts taxes.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed and satisfactory deliverables. The Contractor shall invoice quarterly for services provided in an amount that does not exceed forty percent (40%) of the total compensation for any given quarter (See Exhibit B).

3. TERM AND EFFECTIVE DATE.

Article 5 of the Agreement is hereby deleted. A new Article 5 of the Agreement is inserted to extend the term of the Agreement, so that Article 5 reads in its entirety as follows:

A. This Agreement shall be effective retroactive July 1, 2013, and shall terminate on June 30, 2014, unless terminated sooner pursuant to Paragraph 6, infra.

B. Option to Renew. The City retains the right to renew this Agreement up to two additional one year terms contingent upon parties reaching an agreement as to the terms and conditions. The option may be exercised by the City by notifying Contractor in writing at least 45 days prior to the expiration.

4. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No.1 to the City of

Santa Fe Professional Services Agreement as of the date signed by the City set forth below.

CITY OF SANTA FE:

David Coss
DAVID COSS, MAYOR

Date: 10-2-13

ATTEST:

Yolanda Y. Migil
YOLANDA Y. MIGIL, CITY CLERK
10/25/13

CONTRACTOR:
SANTA FE BUSINESS INCUBATOR

By: Marie Longserre
(Name & Title)
MARIE LONGSERRE
PRESIDENT + CEO

APPROVED AS TO FORM:

Geno Zamora
GENO ZAMORA, CITY ATTORNEY 8/22/13

APPROVED:

Marcos A. Tapia
MARCOS A. TAPIA
FINANCE DIRECTOR 10/1/13

22116.510300
BUSINESS UNIT/LINE ITEM

EXHIBIT A

SFBI SAMPLE REPORTS

Note: Certain metrics, as noted, are collected and reported on a quarterly basis from interim client reports and surveys. These may not be assumed to represent all activity and outcomes in a particular quarter due to differences in client rotations and their fiscal and accounting systems. Other key metrics, as noted, are collected and aggregated on an annual basis. When interim reports are not available from all clients, SFBI reports the most recent data available and notes the approximate percentage of clients/data reported in a quarter. Aggregate metrics are reported annually.

SFBI will note compliance with the contractual scope of work items in a quarterly summary: see Section I. SFBI will submit the following metrics and details quarterly: see Section II. SFBI will submit an annual metrics report: see Section III.

I. COMPLIANCE WITH CONTRACT SCOPE OR WORK. Description of contractual items not covered in Quarterly Metrics Section II or Annual Report Section III. SFBI will implement systems to provide metrics on the incubation program. SFBI will develop the draft survey for client/member services in the 2nd Quarter.

II. QUARTERLY METRICS REPORT. Percentage of clients reporting in quarter: ___%

1. Current Client Companies and Members. Total all current clients/members: ___#___ *List of core client companies, see attachment #x.*

A. Core Client Companies Total: ___#___

i. Client Company Tenants Total: ___#___

ii. Client Company Affiliates: ___#___

B. Other Members Total: ___#___

i. Co-Working: ___#___

ii. Launch Pad or Pre-Incubation -#-

iv. Other: ___#___

2. New and Other. Total all new clients/members in current quarter: ___#___

A. New Core Clients in the Quarter. Total: ___#___

i. New Client Company Tenants Total: ___#___

ii. New Client Company Affiliates: ___#___

- B. New Members/Other in the Quarter: __#_
 - i. New Co-Working: #_
 - ii. New Launch Pad or Pre-Incubation: __#_
 - iv. New Other: __#_

C. Number of General Inquiries & Walk-Ins Assisted in Quarter: __#_

D. Number of participants in incubator hosted trainings, business development activities and events in Quarter: __#_

3 Service Providers, Business Development Organizations, Partners Hosted On-Site during the Quarter. Total Number: #_

A. Resident Service Providers, Business Development Organizations, Partners. See list in attachment #x.

B. Hosted Service Providers, Business Development Organizations, Partners. See attachment #x.

4. Types of Clients and Participants

A. Current Clients and Members by Type. Companies involved in multiple categories are counted in those applicable:

- i. Technology Development, Services, Other
 - 1. Bio-Tech/Life Sciences __#_
 - 2. Software/IT __#_
 - 3. Energy __#_
 - 4. Green Tech (other than energy) __#_
 - 5. Material Science __#_
 - 6. Other Technology __#_
- ii. Manufacturing
 - 1. Technology Manufacturing __#_
 - 2. Other General Manufacturing __#_
- iii. Non-Technical, Service Providers, Other: __#_
- iv. Other/Unspecified: __#_

B. New Clients and Members by Type. Companies involved in multiple categories are counted in those applicable:

- i. Technology Development, Services, Other
 - 1. Bio-Tech/Life Sciences __#_
 - 2. Software/IT __#_
 - 3. Energy __#_
 - 4. Green Tech (other than energy) __#_
 - 5. Material Science __#_
 - 6. Other Technology __#_
- ii. Manufacturing
 - 1. Technology Manufacturing __#_

- iii. 2. Other General Manufacturing __#__
- iv. Non-Technical, Service Providers, Other __#__
- v. Other/Unspecified __#

C. Any notable observations or trends regarding general inquires:

- 5. Client Graduates/Exits in Quarter. Total: __#__
 - A. Tenant: -#-
 - B. Affiliate Companies: __#__
 - C. Other members: __#__

Note years as tenant or affiliate

6. Training, business development activities and events in Quarter: see attachment #x.

7. Infrastructure provided (per Scope of Services). Describe notable changes or adaptations of the following quarterly:

- A. Describe Notable Changes to Facility Provisions of:
 - i. Client Rental Space
 - ii. Common areas
 - iii. Shared equipment
 - iv. IT and Telecommunications Infrastructure
 - v. Other
- B. Describe the infrastructure needs that were identified and how those needs are being met or dealt with, and/or identified unmet needs.

8. Key Economic Impact Metrics Surveyed Quarterly:

- A. New jobs created in Quarter. Total __#__
 - i. Full Time employees/contractors: __#__
 - ii Part Time employees/contractors: __#__
- B. Total Current full time employees/contractors: __#__
- C. Total Current part-time employees/contractors: __#__

9. Quarterly Survey responses/metrics regarding services used or valued to clients/members. See attachment #x.

10. Developments of note or special interest

- A. Client company highlights:
- B. SFBI highlights
- C. Other

11. Description of support/services offered to:

- A. Core tenant clients and affiliates
- B. Co-working members
- C. Launch pad, pre-incubation participants, other

- D. General inquiries and walk-ins
 - E. Co-located and collaborative service providers
12. Narrative update on program plans and goals

III. ANNUAL REPORT: Key Economic Metrics in Aggregate

- A. Total number of new positions/jobs in year: #
 - i. Full time: #
 - ii. Part time: #
- B. Payroll/wages Annual: \$ xxxx
- C. Wage Ranges paid. *Wages, see attachment #x.*
- D. Number of high-wage jobs in year: #
- E. Sales and revenue Annual: \$ xxxx
- F. Capital/investment funding attracted Annual: \$xxxx
- G. Loan funding Annual: \$xxxx
- H. Grant/contract/research grants-contracts/other revenue Annual: \$xxxx
- I. Number of Core Client Resident/Affiliate Served Annual: #
- J. Number of Member/Other Clients Served Annual: #
- K. Number of General Inquiries and Walk-Ins Served Annual: #
- L. Number of event and training attendees annual: #

EXHIBIT B - PROPOSED BUDGET

1. Staffing/personnel rollup: including salaries, wages, temporary and contract employees/staff, payroll expenses, payroll taxes, healthcare and benefits.
Allocation: \$ 80,000
2. Shared business equipment and infrastructure including: telecommunications; IT equipment and services, photo copiers, fax machines, resource room and library.
Allocation: \$ 15,000
3. Property and infrastructure: utilities, HVAC, security/alarm system, fire alarm/safety, general maintenance, repairs, janitorial services, client space make-ready, property taxes, and insurance.
Allocation: \$ 80,000
4. Mortgage: interest and principal, City of Santa Fe/HUD.
Allocation: \$ 25,000.

CITY OF SANTA FE
AMENDMENT No. 2 TO
PROFESSIONAL SERVICES AGREEMENT

AMENDMENT No. 2 (the "Amendment") to the CITY OF SANTA FE PROFESSIONAL SERVICES AGREEMENT, dated August 28, 2012 (the "Agreement"), between the City of Santa Fe (the "City") and Santa Fe Business Incubator (the "Contractor"). The effective date of this Amendment shall be retroactive to July 1, 2014.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide business development services to the City.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF SERVICES

Article 1 of the Agreement is amended so that Article 1 reads in its entirety as follows:

The Contractor shall provide business incubation services for the City, including the following:

A. A program to assist early stage businesses to launch, grow and prosper in Santa Fe and regularly measure and track program effectiveness.

1) Business training, mentoring, coaching and workshops directly and/or in collaboration with other business development service providers.

2) Connect client companies to sources of capital, such as loan programs, Angel funding, venture capital, research grants, individual investors and other programs and resources.

B. A program to assist and encourage individuals interested in starting a business by providing: general assistance as appropriate, connections to other entrepreneurs, collateral materials and referrals to business resources.

C. Professional facility and shared infrastructure for early stage businesses including: office and light production spaces, conference and meeting rooms, common areas, lunch rooms, shared equipment, telecommunications and high speed internet service and/or access.

D. Operation of the shared bio-science laboratory.

E. Promote and market SFBI and its available services and the activities of client companies through a SFBI website, social media, traditional media , in-person outreach and presentations, and other activities and communications highlighting news and activities of SFBI and client companies.

F. Work collaboratively with other key community economic and business development organizations and enterprises to provide additional resources and refer clients and others to appropriate resources and make referrals to City business development programs to provide assistance and resources to clients and other as needed.

G. Provide metrics and reports in accordance with the scope of work as described in sections A-F. The City of Santa Fe entered into a separate professional services agreement with SFBI to purchase a Business Incubator facility and operations management software, IncuTrack, and SFBI shall continue to coordinate with the City Economic

Development Department to provide data and reports required in Paragraph 1. H. utilizing IncuTrack.

H. Provide quarterly reports (see Exhibit A, Sample Quarterly Report) which include but are not limited to:

(1) The number of client companies/entrepreneurs assisted including SFBI client-tenants, affiliate client-members, and other program participants. Include the number of new clients/members and graduates.

(2) Number of new jobs added by clients/members. These shall be measured according to a full-time annual equivalency.

(3) Sales and revenue (as available quarterly) amount of investments attracted and loans received. .

(4) Note observations and trends in business assistance requests and referrals, including common types of technical assistance needed, (ie: concept development; financing; workforce; marketing; etc.).

(5) Number of general inquiries and walk-ins assisted.

(6) Identify general industry sectors of clients/members and others.

(7) Notable changes or additions to facility or infrastructure including rental spaces, shared equipment, or other. Any notable information about demand for infrastructure provided or needed.

(8) Any other highlights, relevant trends, and developments of note or special interest regarding client companies and SFBI.

I. Provide an annual Report (inclusive of the 4th quarter report). In addition to quarterly report metrics, other key metrics shall be gathered on an annual basis and reported in the 4th quarter report.

2. COMPENSATION.

Article 3 of the Agreement is amended to increase the amount of compensation by a total of two hundred thousand dollars (\$200,000), so that Article 3, reads in its entirety as follows:

A. The City shall pay to the Contractor in full payment for services rendered a sum not to exceed six-hundred thousand dollars (\$600,000), inclusive of applicable gross receipts taxes.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed and satisfactory deliverables. The Contractor shall invoice quarterly for services provided in an amount that does not exceed forty percent (40%) of the total compensation for any given quarter (See Exhibit B).

3. TERM AND EFFECTIVE DATE.

Article 5 of the Agreement is hereby deleted. A new Article 5 of the Agreement is inserted to extend the term of the Agreement, so that Article 5 reads in its entirety as follows:

A. This Agreement shall be effective retroactive July 1, 2014, and shall terminate on June 30, 2015, unless terminated sooner pursuant to Paragraph 6, infra.

B. Option to Renew. The City retains the right to renew this Agreement one (1) additional year contingent upon parties reaching an agreement as to the terms and conditions.

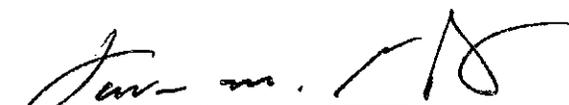
The option may be exercised by the City by notifying Contractor in writing at least 45 days prior to the expiration.

4. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No.1 to the City of Santa Fe Professional Services Agreement as of the date signed by the City set forth below.

CITY OF SANTA FE:



JAVIER M. GONZALES, MAYOR

CONTRACTOR:
SANTA FE BUSINESS
INCUBATOR

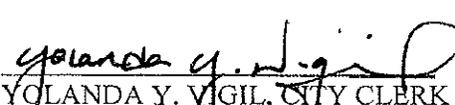


MARIE LONGSERRE
PRESIDENT and CEO

DATE: 10-17-14

DATE: 10/17/2014

ATTEST:



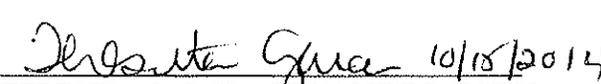
YOLANDA Y. VIGIL, CITY CLERK
cc mtg 9/23/14

APPROVED AS TO FORM:

MDM 9/4/14

KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:



TERESITA GARCIA, FINANCE DIRECTOR

22116.510300
BUSINESS UNIT/LINE ITEM

EXHIBIT A

SFBI SAMPLE REPORTS

Note: Certain metrics, as noted, are collected and reported on a quarterly basis from interim client reports and surveys. These may not be assumed to represent all activity and outcomes in a particular quarter due to differences in client rotations and their fiscal and accounting systems. Other key metrics, as noted, are collected and aggregated on an annual basis. When interim reports are not available from all clients, SFBI reports the most recent data available and notes the approximate percentage of clients/data reported in a quarter. Aggregate metrics are reported annually.

SFBI will note compliance with the contractual scope of work items in a quarterly summary: see Section I. SFBI will submit the following metrics and details quarterly: see Section II. SFBI will submit an annual metrics report: see Section III.

I. COMPLIANCE WITH CONTRACT SCOPE OR WORK. Description of contractual items not covered in Quarterly Metrics Section II or Annual Report Section III.

II. QUARTERLY METRICS REPORT. Percentage of clients reporting in quarter: __%

1. Current Client Companies and Members. Total all current clients/members: __#__ *List of core client companies, see attachment #x.*

A. Core Client Companies Total: __#__

i. Client Company Tenants Total: __#__

- ii. Client Company Affiliates: #
 - B. Other Members Total: #
 - i. Co-Working: #
 - ii. Launch Pad or Runway, Pre-Incubation #
 - iii. Other: #
2. New and Other. Total all new clients/members in current quarter: #
- A. New Core Clients in the Quarter. Total: #
 - i. New Client Company Tenants Total: #
 - ii. New Client Company Affiliates: #
 - B. New Members/Other in the Quarter: #
 - i. New Co-Working: #
 - ii. New Launch Pad or Runway, Pre-Incubation: #
 - iv. New Other: #
 - C. Number of General Inquiries & Walk-Ins Assisted in Quarter: #
 - D. Number of participants in incubator hosted trainings, business development activities and events in Quarter: #
3. Service Providers, Business Development Organizations, Partners Hosted On-Site during the Quarter. Total Number: #
- A. Resident Service Providers, Business Development Organizations, Partners. See list in attachment #x.
 - B. Hosted Service Providers, Business Development Organizations, Partners. See attachment #x.

4. Types of Clients and Participants

A. Current Clients and Members by Type. Companies involved in multiple categories are counted in most applicable category:

i. Technology Development, Services, Other

1. Bio-Tech/Life Sciences __#__

2. Software/IT __#__

3. Energy __#__

4. Green Tech (other than energy) __#__

5. Material Science __#__

6. Other Technology __#__

ii. Manufacturing

1. Technology Manufacturing __#__

2. Other General Manufacturing __#__

iii. Non-Technical, Service Providers, Other: __#__

iv. Other/Unspecified: __#__

B. New Clients and Members by Type. Companies involved in multiple categories are counted in most applicable category:

i. Technology Development, Services, Other

1. Bio-Tech/Life Sciences __#__

2. Software/IT __#__

3. Energy __#__

- 4. Green Tech (other than energy) _#_
- 5. Material Science _#_
- 6. Other Technology _#_
- ii. Manufacturing1. Technology Manufacturing _#_
- iii. Other General Manufacturing _#_
- iv. Non-Technical, Service Providers, Other _#_
 - v. Other/Unspecified _#_

C. Any notable observations or trends including from general inquiries.

5. Client Graduates/Exits in Quarter. Total: _#_

- A. Tenant: -#-
- B. Affiliate Companies: _#_
- C. Other members: _#_ D.
- D. Average length of client stay and number of years as tenant/affiliate.

6. Note observations and trends in business assistance requests and referrals, including common types of technical assistance needed, (ie: concept development; financing; workforce; marketing; etc.).

7. Infrastructure provided (per Scope of Services). Describe notable changes or adaptations of the following quarterly:

- A. Describe Notable Changes to Facility Provisions of:
 - i. Client Rental Space

- ii. Common areas
- iii. Shared equipment
- iv. IT and Telecommunications Infrastructure
- v. Other

B. Describe the infrastructure needs that were identified and how those needs are being met or dealt with, and/or identified unmet needs.

8. Key Economic Impact Metrics Surveyed Quarterly:

A. New jobs created in Quarter (full time annual equivalent): __#__

i. Full Time employees/contractors: __#__

ii Part Time employees/contractors: __#__

B. Total Current full time employees/contractors: __#__

C. Total Current part-time employees/contractors: __#__

9. Developments of note or special interest

A. Client company highlights:

B. SFBI highlights

C. Other

10. Description of support/services offered and notable program successes and impacts.

Attach training and business development activities and events list; see attachment #x.

A. Core tenant clients and affiliates

B. Co-working members

C. Launch pad or Runway, pre-incubation participants, other

D. General inquiries and walk-ins

E. Co-located and collaborative service providers

11. Narrative update on program plans and goals

III. ANNUAL REPORT: Key Economic Metrics in Aggregate

A. Total number new positions/jobs in year (full time annual equivalent): #

i. Full time: #

ii. Part time: #

B. Payroll/wages Annual: \$ xxxx

C. Wage Ranges paid. *Wages, see attachment #x.*

D. Number of high-wage jobs in year: #

E. Sales and revenue Annual: \$ xxxx

F. Capital/investment funding attracted Annual: \$xxxxx

G. Loan funding Annual: \$xxxxx

H. Grant/contract/research grants-contracts/other revenue Annual: \$xxxxx

I. Number of Core Client Resident/Affiliate Served Annual: #

J. Number of Member/Other Clients Served Annual: #

K. Number of General Inquiries and Walk-Ins Served Annual: #

L. Number of event and training attendees annual: #

M. Description of the attraction and development of potential SFBI clients and how the pipeline is managed.

N. Description of potential for expansion, additions or improvements to operations and programs in the next fiscal year.

ITEM # 12-0768

CITY OF SANTA FE
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and the Santa Fe Business Incubator (SFBI) (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall provide business incubation services for the City, as set forth in detail in the proposed budget attached hereto as Exhibit "A", including the following:

A. Assist early stage businesses to grow and prosper in Santa Fe.

1) Provide business training, mentoring, coaching and workshops directly and/or in collaboration with other business development service providers.

2) Connect client companies to sources of capital.

3) Connect client companies and other entrepreneurs to each other and to a broader network of support through events, activities and individual introductions.

B. Assist and encourage entrepreneurs to start and grow businesses. This includes providing assistance and referrals to walk-ins and other inquiries.

C. Provide professional infrastructure for early stage businesses including: office and light production spaces, conference and meeting rooms, common areas, lunch rooms, shared business equipment (photocopier, fax machine, etc.), telecommunication and high speed internet service and/or access.

D. Promote and market SFBI and its available services and the activities of client companies through the media, website, outreach and other activities.

E. Work collaboratively with other economic and business development organizations and programs to provide programs, referrals and to create a robust system for business support in the region.

F. Provide quarterly reports which include, but are not limited to the following deliverables:

(1) The number of companies/entrepreneurs assisted, including notable needs/area of assistance. This shall include SFBI tenants, affiliate members, other program participants (i.e. co-working, award winners, etc.), general inquiries and walk-ins.

(2) Infrastructure provided to companies/entrepreneurs. This shall include rental spaces and

shared equipment used as well as notes about changes, additions, new uses, and notable information about demand for existing infrastructure provided or needed.

(3) Other key metrics: Jobs created, payroll and wage ranges, client revenue, capital attracted, taxes paid, graduates from the program.

(4) Other highlights including developments of note or special interest for client companies and for SFBI itself; and any other relevant trends or observations.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the personnel, experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The City shall pay to the Contractor in full payment for services rendered, a sum not to exceed two-hundred thousand dollars (\$200,000), inclusive of applicable gross receipts taxes.

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed and satisfactory deliverables. The Contractor shall invoice quarterly for services provided, in accordance with Exhibit "A", in an amount that does not exceed forty percent (40%) of the total compensation for any given quarter. The proposed budget category amounts may be transferred between budget categories with prior written approval by the City.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

A. This Agreement shall be effective when signed by the City and the Contractor, which ever occurs last, and

terminate on June 30, 2013, unless sooner pursuant to Article 6 below.

B. Option to Renew. The City retains the right to renew this Agreement up to three (3) additional one (1) year terms contingent upon parties reaching an agreement as to the terms and conditions. The option may be exercised by the City by notifying Contractor in writing at least 45 days prior to the expiration.

6. TERMINATION

A. This Agreement may be terminated by the City upon thirty (30) days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, the City shall pay the Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, then Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this contract.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect,

which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability

insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No

person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid,

illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

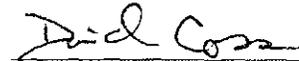
Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:
Housing & Community Development
Department
P.O. Box 909
Santa Fe, NM 87504-0909

Contractor:
Santa Fe Business Incubator
3900 Paseo del Sol
Santa Fe, NM 87507

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:



DAVID COSS, MAYOR

DATE: 9/4/12

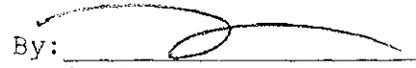
ATTEST:


YOLANDA Y. VIGIL
CITY CLERK
cc mtg 8-28-12

APPROVED AS TO FORM:

Geno I. Zamora for
GENO I. ZAMORA, CITY ATTORNEY
8/10/12

CONTRACTOR:
Santa Fe Business
Incubator

By: 
Marie Longserre,
President and CEO

CRS# 02283987009
City of Santa Fe Business
Registration# 12 00065070

APPROVED:

Melville Morgan
DR. MELVILLE MORGAN, DIRECTOR
FINANCE DEPARTMENT
091708
8/29/12

22116.510300
BUSINESS UNIT/LINE ITEM

EXHIBIT A

1. Staffing/personnel rollup: salaries, wages, temporary and contract employees/staff, payroll expenses, payroll taxes, healthcare and benefits.
Allocation: \$ 85,000
2. Shared business equipment and infrastructure including: telecommunications; IT equipment and services, photo copiers, fax machines, resource room and library.
Allocation: \$ 20,000
3. Property and infrastructure: utilities, HVAC, security/alarm system, fire alarm/safety, general maintenance, repairs, client space make-ready, property taxes.
Allocation: \$ 80,000
4. Mortgage: interest and principal, City of Santa Fe/HUD.
Allocation \$ 15,000