

**AMENDMENT 1 TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
C3 AI.**

THIS AMENDMENT 1 TO THE AGREEMENT, entered into this 14th day of December 2021, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and C3 AI, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement (13000-21-D025) for an Appraisal Valuation pilot application to demonstrate the value utilizing Artificial Intelligence (AI) tools and analytics for commercial property valuation, on July 1, 2021 through October 31, 2021 in the amount of \$200,000; and

WHEREAS, the parties wish to amend the Agreement (Amendment #1) to continue services for a residential property valuation pilot from October 31, 2021 through March 31, 2022, and increase the amount by \$200,000 to an amount not to exceed \$400,000,

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 3. Payments: Second sentence of the Agreement is amended to read as follows:
 - a. In no event shall County's total fiscal obligation under this Agreement exceed Four Hundred Thousand dollars (\$400,000).
2. Section 4. Term and Termination: of the Agreement is amended to read as follows:
 - a. "Subject to compliance with all terms and conditions, the term of this Agreement will be extended from October 31, 2021 through March 31st, 2022
3. Exhibit A: is amended with the following:

Added Exhibit A

Statement of Work

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

Scope of Work (“SOW”)

During this eight (8) week Pilot Project (“**Pilot**”), Contractor will configure and demonstrate the image-based capabilities of the C3 AI Property Valuation Application™ (“**C3 Application**”) for residential properties in San Mateo County. The scope of the Pilot will be limited to up to 1,400 existing single family residential properties and up to 14,000 associated images from similar neighborhoods in San Mateo County (“**In Scope Properties**”).

The Pilot will use data from the sources identified in Table 1 below (“**In Scope Data**”).

As part of the Pilot, the Contractor will:

- Deploy the C3 Application in Contractor’s cloud account
- Ingest and unify the In Scope Data as defined in Section 3 below for the In Scope Properties
- Configure one (1) algorithm to classify the condition of the property based on associated images for up to 200 of Properties with appropriate data availability.
 - The condition will be classified into four (4) categories: 1) “Good”, which corresponds to Condition Rating C1; 2) “Average”, which corresponds to Condition Rating C2 and C3; 3) “fair”, which corresponds to Condition Rating C4 and C5; 4) “Poor”, which corresponds to Condition Rating C6
 - The algorithm will learn from 200-300 labeled property conditions and associated images per class provided by SMC (total of 800-1200 labeled property conditions)

Pilot Project Deliverables

The Contractor will deliver the following at the conclusion of the Pilot:

- An Executive Project Report that summarizes the findings of the Pilot
- An Excel spreadsheet containing up to 200 property addresses and associated property condition classification as the output of the in-scope algorithm

Pilot Project Data

During the Pilot, the Contractor shall integrate up to 14,000 image data associated with the in-scope properties listed in Table 1 below. County will be responsible for (A) property labels and (B) Contractor will work with the County to obtain property image data from 3rd party provider. County and the Contractor will finalize the data sources and fields as part of the data discovery workshop planned at the beginning of the Pilot. Total data volume stored in the Hosting Services instance(s) used to perform the Pilot Services is limited to 1 TB.

County is not responsible for the quality of the data in the source systems and will transfer the data to the Contractor in its current form. Contractor is responsible for masking the County

identified confidential information in its data and/or limiting access to these data to only project personnel for the purpose of delivering the Pilot.

Upon completion of the Pilot as well as any subsequent necessary touchpoints with County stakeholders, Contractor will return all datasets provided for the Pilot Application to County and Contractor will delete all datasets in Contractor product suite data stores.

Table 1: In-Scope Data Sources

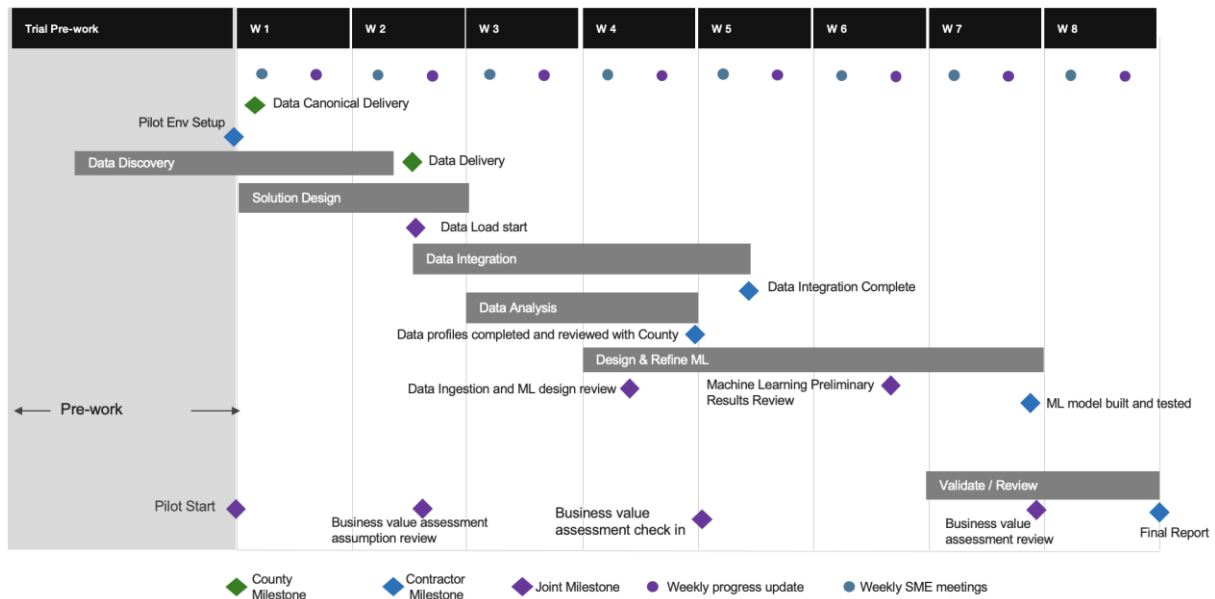
Type of Data (System Name)	Description and example fields	Expected Data format
Property Images	Up to 14,000 images of single-family residential properties in San Mateo County – to be extracted by C3 from corresponding data source (potential options include accessing MLS or 3 rd party data provider utilized by C3AI with access to property images used by companies such as Zillow, Redfin and Realtor.com)	JPG
Property Labels	Property address and associated clear labels classifying the property condition solely based on the property images (e.g., not related to any other property information from structured data). Labels for 200-300 properties should be delivered for each of the 4 condition category in scope before the start of the trial. Another 200 labels (~50 labels per condition category) to be delivered before the validation phase of the trial – to be provided by County	CSV

Pilot Project Schedule

Prior to Data Delivery (as defined below), County and the Contractor will hold a data discovery workshop to finalize the data included in the Pilot Project. As a result of this workshop, County and the Contractor will agree upon a data format and a data transfer approach for County Data.

The Pilot duration is 8 weeks. An indicative Pilot Project workplan is shown below.

Indicative Project Workplan



Meetings, Participants and Locations

The proposed meeting formats, frequencies, and participants for the Pilot in Table 2 below.

Table 2. Required County and Contractor Meetings

Key Workshops and Meetings	Frequency / Timing	Objectives	Approximate Duration
Data Discovery	At Pilot Start	Review data sources and define canonical data format that County will use to deliver data	Up to 8 hours (1-2 meetings)
Kickoff	Kickoff (once)	Align on project objectives, project plan, and team resources. Resolve data loading questions and provide initial data discovery analysis.	Up to 2 hours
Executive Reviews	Monthly	County and Contractor Executive Sponsors meet to review project progress, address issues, and assign necessary resources	Remote 1–2-hour meeting on mutually agreed-to frequency
Project Completion and Final Presentation	Project end	Review Project, discuss value and possible next steps	1-2 hours

Project Status Meetings	Weekly	County and Contractor project team to meet to review project status, review progress, resolve issues, track risks/mitigation steps	Remote; 30 minute meeting on a weekly basis
SME Meetings	Weekly	Review interim results; discuss business process details; get SME input on approach and interim results	Remote; 1 hour per week at mutually agreed schedule

Staffing Requirements

The required Contractor and County resources, roles, and responsibilities are outlined in Table 3 below.

Table 3. Contractor and County Resources

Team	Role	Responsibilities
Contractor	Executive Sponsor/ Project Lead	Ensure overall project direction, unblock issues
	Solutions Leader 1 FTE	Manages the day-to-day activities of Project team
	Data Scientist 1 FTE	Develops and validates machine learning models
	Solutions Engineer 1 FTE	Performs data integration and supports machine learning
	Solutions Architect As needed	Advises on overall system set up; conducts technical deep dives and platform demonstrations
County	Executive Sponsor	Ensure overall project direction, unblock issues
	Project Management 1 individual through the project; not full time	Day to day project operations and co-ordination with other County resources and groups
	Source System Expert 1-2 FTE for up to 3 weeks (up front)	Extract County data from source systems and delivers to Contractor in agreed canonical data format.

	Subject Matter Expert 1-2 individuals through the project	Join and participate actively in weekly meetings to provide required subject matter expertise and feedback through the project
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Hosting

The Pilot Application will be hosted in Contractor's cloud account. Contractor is responsible for provisioning infrastructure to host the Pilot Application and paying any associated infrastructure hosting costs.

Change Control Process

Change Control is the formal process for identifying the impact of and approving any Change or correction, including without limitation, modifications to scope, deliverables, timeframes, or resource allocations. The Change Control process is the sole vehicle for determining the disposition of a requested Change or correction.

The Change Control process will be detailed at the beginning of the Pilot.

Assumptions

Below is a list of County's obligations and other conditions based on which the Contractor has agreed to perform the Pilot Project:

1. County will provide all necessary resources required to fulfill County's responsibilities described in this Pilot SOW.

Neither County nor the Contractor will have responsibility for the performance of contractors or vendors engaged directly by the other, or delays caused by them, in connection with the Pilot, even if such Party was involved in recommending or selecting such contractors or vendors, or in monitoring their work. The Contractor may bring to County's attention any known information regarding delays caused by County's contractors or vendors.

4. Exhibit B: is amended to read as follows:

Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

The total cost of this pilot project shall not exceed \$ 400,000. County's obligation to pay the fees set forth in this Exhibit B automatically becomes an irrevocable, nonrefundable commitment upon each Payment Date set forth below. This payment is inclusive all expenses including travel expenses. Each payment shall be invoiced by the Contractor upon the applicable Payment Date set forth below, and shall be payable in full within 30 days of the invoice. County is responsible for providing complete and accurate billing and contact information and notifying the Contractor of any changes to this information.

Amount	Payment Date
\$150,000	Upon execution of the Agreement
\$50,000	Upon delivery of the Pilot Materials
\$150,000	Upon execution of Amendment 1 to the Agreement
\$50,000	Upon delivery of Amendment 1 SOW Deliverables

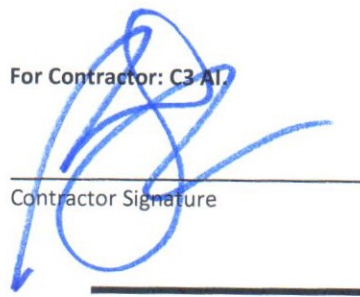
The Contractor's fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction whatsoever (collectively, "Taxes"). County is responsible for paying all Taxes associated with County's purchases hereunder. If the Contractor has the legal obligation to pay or collect Taxes for which County is responsible under this section, the Contractor will invoice County and County will pay that amount unless County provides the Contractor with a valid tax exemption certificate authorized by the appropriate taxing authority. For clarity, the Contractor is solely responsible for taxes assessable against the Contractor based on the Contractor's income, property and employees.

If any amount owing by County under this Agreement is 30 or more days overdue, the Contractor may, without limiting the Contractor's other rights and remedies, suspend any services being provided by the Contractor to County until such amounts are paid in full. The Contractor will give County at least 10 days' prior notice that County's account is overdue, before suspending services to County. The Contractor will not exercise its rights under this section if County is disputing the applicable charges reasonably and in good faith and are cooperating diligently to resolve the dispute.

- 5. All other terms and conditions of the agreement dated April 30, 2021, between the County and Contractor shall remain in full force and effect.**

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: C3 AI.


Contractor Signature

12-8-21
Date

Richard J. Lutton Jr.
Contractor Name (please print)

SVP & General Counsel

For County:

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:
Clerk of Said Board