

CITY COUNCIL REPORT



Meeting Date: October 1, 2019
 General Plan Element: ***Public Services & Facilities***
 General Plan Goal: ***Partner with other jurisdictions and agencies***

ACTION

Approval of Membership. Adopt Resolution No. 11592 authorizing Contract No. 2019-169-COS with the Partnership for Economic Innovation for membership in the Smart Region Consortium.

BACKGROUND

The Smart Region Consortium (Consortium) was established on March 26, 2019 as a public-private partnership designed to connect participating governments with technology-based innovations to collaborate in solving the challenges governments face in meeting the needs of their residents and to identify the infrastructure needed to position the Greater Phoenix metropolitan area as a “smart region”. Consisting now of two counties and more than 30 communities, the Greater Phoenix region is one of the fastest growing economic centers of the United States (U.S.); with Maricopa County becoming the 4th largest county, and Phoenix the 5th largest city in the nation.

The founding members of the Consortium are Arizona State University (ASU), Greater Phoenix Economic Council (GPEC), Institute for Digital Progress (iDP), Maricopa Association of Governments (MAG), and the Partnership for Economic Innovation.

The Consortium is housed at the Partnership for Economic Innovation (PEI), a 501(c)3 nonprofit organization, and governed by the PEI Board of Directors and bylaws. The Consortium’s governance structure includes a Smart Region Leadership Council (SRLC), an Industry Advisory Commission, an Executive Team and Opportunity Project teams.

The SRLC is comprised of one voting seat for each Greater Phoenix Smart Region Consortium member community, as well as one seat for each of the Consortium founding members. The SRLC will serve as the voting council for determination and approval of Smart Region Opportunity Projects.

The City’s membership in the Consortium will be classified as a “Community Partner” member based on Scottsdale’s population. Community Partners are requested to make a commitment for 21 months with an option to renew for an additional one year. Each Consortium member will have voting privileges and enjoy the benefits of the various member types.

An additional member benefit of the Consortium allows the City to submit and/or work on Regional Opportunity Projects that represent issues the community is currently facing. As projects are identified the Consortium will work collectively to provide resolutions that benefit the region. Each Project will conclude with a public report and guidelines for implementation.

ANALYSIS & ASSESSMENT

Recent Staff Action

Upon approval by Council, this will be the first year the City will be a member of the Consortium. Staff has been in communication with existing Consortium members regarding the benefits of membership.

Significant Issues to be Addressed

While there is no clear-cut definition of “smart region,” a “smart city” has often been described as a city that utilizes data and technology along with community involvement to improve government efficiency, enhance residents’ quality of life, and to solve complex problems. The Consortium’s objective is to work with the Greater Phoenix communities to build the nation’s largest and most connected Smart Region. The Consortium is designed to ensure that its members have the tools and skills necessary to prosper in the digital age.

RESOURCE IMPACTS

Available funding

The City Manager may, after considering the priority needs and existing financial resources of the City, request from the City Council additional funds, if necessary, to support this membership. Payment of the membership fees will not be due until the start of FY 2020/21.

Staffing, Workload Impact

As a member of the Consortium, the City will be providing a representative on the Leadership Council and will be a voting member of the Council. The City will also be participating with identifying and selecting projects that will benefit the Smart Region. No new City staff resources are anticipated, with nominal support required to attend monthly Leadership Council and quarterly regional convening meetings. The Assistant City Manager will likely be the City’s representative on the Consortium.

Future Budget Implications

As a Community Partner Member of the Consortium, the City is requested to make a \$25,000 commitment to support the Consortium for 21 months with an option to renew for an additional one year. Contracts will be renewed on an annual basis and membership fees are determined by community size.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Adopt Resolution No. 11592 authorizing Contract No. 2019-169-COS with the Partnership for Economic Innovation for membership in the Smart Region Consortium of the Partnership for Economic Innovation.

RESPONSIBLE DEPARTMENTS

City Manager's Office, Government Relations

STAFF CONTACTS

Brent Stockwell, Assistant City Manager, bstockwell@scottsdaleaz.gov

Brad Lundahl, Government Relations Director, blundahl@scottsdaleaz.gov

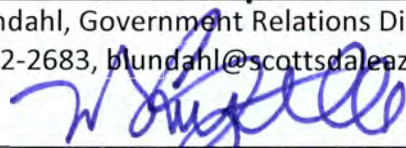
APPROVED BY



Brad Lundahl, Government Relations Director
(480) 312-2683, blundahl@scottsdaleaz.gov

9-13-19


Date



Brent Stockwell, Assistant City Manager
(480) 312-7288, bstockwell@scottsdaleaz.gov

9/16/17

Date



Jim Thompson, City Manager
(480) 312-2811, jthompson@scottsdaleaz.gov

9/16/19

Date

ATTACHMENTS

1. Resolution No. 11592
2. Contract No. 2019-169-COS

RESOLUTION NO. 11592

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING A CONTRACT WITH THE PARTNERSHIP FOR ECONOMIC INNOVATION FOR MEMBERSHIP IN THE SMART REGION CONSORTIUM.

WHEREAS, the Smart Region Consortium, which is housed at the non-profit Partnership for Economic Innovation, provides a public-private partnership that connects local governments with technology-based innovation; and

WHEREAS, the Smart Region Consortium's objective is to build the nation's largest and most connected smart region for the benefit of the Greater Phoenix area's residents and businesses; and

WHEREAS, the City of Scottsdale wishes to become a member of the Smart Region Consortium;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Arizona, as follows:

Section 1. The City Council hereby authorizes the City Manager to enter into Contract 2019-169-COS with the Partnership for Economic Innovation for membership with the Smart Region Consortium.

PASSED and ADOPTED by the City Council of the City of Scottsdale this 1st day of October 2019.

CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

W.J. "Jim" Lane, Mayor

Carolyn Jagger, City Clerk

APPROVED AS TO FORM:



Joe Padilla, Acting City Attorney
By: William Hylan
Senior Assistant City Attorney

**AGREEMENT BETWEEN
THE PARTNERSHIP OF ECONOMIC INNOVATION
AND
CITY OF SCOTTSDALE**

This agreement is entered into on the 1st day of October 2019, by and between the CITY of SCOTTSDALE, a municipal corporation (the “City”), and the PARTNERSHIP FOR ECONOMIC INNOVATION (“PEI”), an Arizona non-profit corporation. The purpose of this agreement (“Agreement”) is to set forth the terms and conditions upon which the City will participate in and provide support to the regional SMART REGION CONSORTIUM (“Consortium”) in exchange for the Consortium’s services described herein.

WHEREAS, the Consortium shall be a public-private partnership that connects participating governments with technology-based innovations to intentionally collaborate in solving the challenges governments face in meeting the needs of their residents and to build the infrastructure needed to position Greater Phoenix as a smart region. Additionally, the Consortium will potentially yield many other benefits:

- ☐ Creates economies of scale by leveraging regional assets
- ☐ Shifts the risk of smart city deployment from the city to the Consortium
- ☐ Enhances services to residents
- ☐ Saves revenue for communities in delivering urban services
- ☐ Increases ROI from interoperable technology deployment
- ☐ Reduces procurement costs through economy of scale and clearer requirements
- ☐ Vets and implements faster through cooperative testing across the region
- ☐ Increases opportunity to attract and grow technology companies
- ☐ Enhances reputation of the region
- ☐ Reinforces the regional identity around people, place, technology
- ☐ Supports the local startup community

Now therefore, in consideration of the mutual covenants, conditions, representations and warranties herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

TERM

The term of the Agreement shall be from October 1st, 2019 to June 30th, 2021 (“FY2020-21”) with the option to renew for a one-year term.

RESPONSIBILITIES OF THE CONSORTIUM

The Consortium was established on March 26th, 2019 as for the Project Services Agreement (EXHIBIT A) entered by and among Arizona State University (ASU), Greater Phoenix Economic Council (GPEC), Institute for Digital Progress (IDP), Maricopa Association of Governments (MAG) and the PEI.

PEI will serve as the fiscal agent for the Consortium, and in this capacity, PEI will maintain all financial records including documentation of billings and payments made in regard to this

project. PEI will ensure all billings and payments are consistent with the its approved budget”.
(EXHIBIT B)

The Consortium’s governance structure includes a Smart Region Leadership Council, an Industry Advisory Commission, and an Executive Team, each fulling their roles and responsibilities as identified in the “Consortium Overview” (EXHIBIT C).

The Consortium will provide to the City a voting seat on The Leadership Council for determination and approval of the Smart Region Opportunity Projects.

The Consortium will support the City to identify challenges and opportunities that can improve the quality of life for all citizens and businesses and drive the creation, advancement and adoption of smart city technology throughout the city and the region.

The Consortium will assist the City to evaluate smart city-related initiative and project proposals and identify the most responsive, viable responses for implementation.

The Consortium will create and maintain a data portal to house, aggregate, analyze, and report the results of projects agreed up by the Leadership Council and within the parameters of applicable data sharing agreements.

The Consortium will provide workforce development classes, innovation sandboxes, and research support. Full details of the purpose and scope of the Consortium can be found in EXHIBIT C attached to this Agreement.

RESPONSIBILITIES OF THE CITY

Staff Support of Smart Region Consortium Efforts:

The City shall provide staff support to Smart Region Consortium efforts as follows:

- o The City shall provide a representative to represent the City on the Leadership Council. The Leadership Council will be comprised of one voting seat for each Consortium member community. The Leadership Council will serve as the voting council for determination and approval of the Smart Region Opportunity Projects identified through the call for innovation;
- o The City shall cooperate in the implementation of the Consortium’s process to identify and select Smart Region Opportunity Projects;
- o The City shall use its best efforts to respond to special requests by the Consortium for information about the City’s Smart City & Region projects and Activities;
- o In order to enable the Consortium to be more sensitive to the City’s requirements, the City shall, at its sole option, deliver to the Consortium staff and Executive Team copies of any City approved Smart City development strategies, work plan, programs and evaluation criteria. The Consortium staff shall not disclose the

same to the other community and industry participants in the Consortium or their representatives;

- o The City shall utilize good-faith efforts to cause the designated representative of the City to attend all events and functions to which the City has committed itself; and
- o The City agrees to cooperate with the Consortium to improve the City's adoption of smart city and smart region policies and technology consistent with the City's unique character and interest, thus advancing the city and region competitiveness, quality of life and job creation.

Recognition of Smart Region Consortium:

The City agrees to recognize the Consortium as City's officially designated regional entity to coordinate, advise, develop and promote smart city initiatives and program in the Greater Phoenix region.

ADDITIONAL AGREEMENTS OF THE PARTIES:

Participation in Marketing Events

Representative(s) of the City shall utilize good-faith efforts to cause the designated representative of the City to participate in the Consortium's marketing events provided that such participation shall not be at the Consortium expense.

Provision of Technical Assistance

When requested and appropriate, the Consortium will use its commercially reasonable best efforts to provide technical assistance and support to City staff for development and implementation of smart city projects.

Compensation

The City agrees to pay \$25,000 for services to be provided by the Consortium pursuant to the Agreement during the fiscal year ending on June 30th, 2021, as set forth in this Agreement. This amount is based on the city population, based upon the 2018 Office of Economic Opportunity population estimate, which listed the City as having a population of 245,417.

Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the City Council pursuant to the required budget process of the City;

Nothing herein shall preclude the City from contracting separately with PEI for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by the City and PEI; and

PEI shall submit invoices for payment on an annual basis. The first invoice will be issued on July 1st, 2020.

Cooperation

The parties acknowledge that the Consortium is a cooperative organization effort among PEI, its executive partners Arizona State University (ASU), Greater Phoenix Economic Council (GPEC), Institute for Digital Progress (IDP), Maricopa Association of Governments (MAG) and its member communities. Accordingly, the City and PEI covenant and agree to work together in a productive and harmonious manner, to cooperate in furthering the Consortium goals.

The City agrees to work with all the partners and members communities, as necessary or appropriate, to revise the performance measures, and/or benchmarks, and/or goals for the Consortium.

GENERAL PROVISIONS:

Covenant Against Contingent Fees

PEI warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For a breach or violation of this warranty, the City shall have the right to terminate this Agreement without liability or, at its discretion, to deduct the commission, brokerage or contingent fee from its payment to PEI.

Assignment Prohibited

No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and have no effect.

Independent Contractor; No Agency

Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and PEI. At all times during the term of this Agreement, PEI shall be an independent contractor and shall not be an employee of City. City shall have the right to control PEI only insofar as to the results of PEI's services rendered pursuant to this Agreement. PEI shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. PEI shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Indemnification And Hold Harmless

During the term of this Contract, PEI shall indemnify, defend, hold, protect and save harmless the City and any and all of its Councilmembers, officers and employees from and against any and all actions, suits, proceedings, claims and demands, loss, liens, costs, expense and liability of any kind and nature whatsoever, for injury to or death of persons, or damage to property, including property owned by City, brought, made, filed against, imposed upon or sustained by the City, its officers, or employees in and arising from or attributable to or caused directly or indirectly by the negligence, wrongful acts, omissions or from operations conducted by PEI, its

directors, officers, agents or employees acting on behalf of PEI and with PEI's knowledge and consent.

Any party entitled to indemnity shall notify PEI in writing of the existence of any claim, demand or other matter to which PEI's indemnification obligations would apply and shall give to PEI a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the indemnified party.

Nothing in this subsection shall be deemed to provide indemnification to any indemnified party with respect to any liabilities arising from the fraud, negligence, omissions or willful misconduct of such indemnified party.

Insurance

PEI shall procure and maintain for the duration of this Agreement, at PEI's own cost and expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with this Agreement by PEI, its agents, representatives, employees or contractors. The City acknowledges that it has received and reviewed evidence of PEI's insurance coverage in effect as of the execution of this Agreement.

Gratuities

The City may, by written notice to PEI, terminate the right of PEI to proceed under this Agreement upon one (1) calendar day notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise in excess of twenty-five dollar were offered or given by PEI, or any agent or representative of PEI, to any officer or employee of the City with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of such contract; provided that the existence of the facts upon which the City makes such findings shall be an issue and may be reviewed in any competent court. In the event of such termination, the City shall be entitled to pursue all legal and equitable remedies against PEI available to the City. Activities by an officer or employee of the City while engaged in official business with PEI, shall not be deemed a gratuity.

Equal Employment Opportunity

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

- o PEI will not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, national origin, age or disability. PEI shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, gender, sexual orientation, national origin, age or disability. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. PEI agrees to post in

conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- o PEI will, in all solicitations or advertisements for employees placed by or on behalf of PEI, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, sexual orientation, national origin, age or disability.
- o PEI will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement, provided that the foregoing provisions shall not apply to Agreements or subcontracts for standard commercial supplies or new materials. Upon request by the City, PEI shall provide City with information and data concerning action taken and results obtained in regard to PEI 's Equal Employment Opportunity efforts performed during the term of this Agreement. Such reports shall be accomplished upon forms furnished by the City or in such other format as the City shall prescribe.

Compliance with Applicable Federal And State Laws Required

PEI understands and acknowledges the applicability of the Immigration Reform and Control Act of 1986, the Drug Free Workplace Act of 1989 and the American with Disabilities Act, and agrees to comply therewith in performing under any resultant agreement and to permit City inspection of its records to verify such compliance.

PEI warrants to the City that, to the extent applicable under A.R.S. §41-4401, PEI is in compliance with all Federal Immigration laws and regulations that relate to its employees and with the E-Verify Program under A.R.S. §23-214(A). PEI acknowledges that a breach of this warranty by PEI or any subconsultants providing services under this Agreement is a material breach of this Agreement subject to penalties up to and including termination of this Agreement or any applicable subcontract. The City retains the legal right to inspect the papers of any employee of PEI or any subconsultant who works on this Agreement to ensure compliance with this warranty.

The City may conduct random verification of the employment records of PEI and any of its subconsultants who work on this Agreement to ensure compliance with this warranty.

The City will not consider PEI or any of its subconsultants who work on this Agreement in material breach of the foregoing warranty if PEI and such subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

The provisions of this section must be included in any contract PEI enters into with any and all of its subconsultants who provide services under this Agreement or any subcontract to provide services under this Agreement. As used in this section "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include

construction or maintenance of any structure, building or transportation facility or improvement to real property.

Termination

City shall have the right to terminate this Agreement if PEI shall fail to duly perform, observe or comply with any covenant, condition or agreement on its part under this Agreement and such failure continues for a period of 30 days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to PEI by the City; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within 30 days, no event of default shall be deemed to have occurred or to exist if, and so long as, PEI shall commence such action within that period and diligently and continuously prosecute the same to completion within 90 days or such longer period as the City may approve in writing. The foregoing notwithstanding, in the event of circumstances which render PEI incapable of providing the services required to be performed hereunder, including, but not limited to, insolvency or an award of monetary damages against PEI in excess of its available insurance coverage and assets, the City may immediately and without further notice terminate this Agreement.

Responsibility for Compliance with Legal Requirements

PEI's performance hereunder shall be in material compliance with all applicable federal, state and local health, environmental, and safety laws, regulations, standards, and ordinances in effect during the performance of this Agreement.

Institution of Legal Actions

Any legal actions instituted pursuant to this Agreement must be filed in the county of Maricopa, State of Arizona, or in the Federal District Court in the District of Arizona. In any legal action, the prevailing party in such action will be entitled to reimbursement by the other party for all costs and expenses of such action, including reasonable attorneys' fees as may be fixed by the Court.

Applicable Law

Any and all disputes arising under any Agreement to be awarded hereunder or out of the proposals herein called for, which cannot be administratively resolved, shall be tried according to the laws of the State of Arizona, and PEI shall agree that the venue for any such action shall be in the State of Arizona.

Continuation During Disputes

PEI agrees that, notwithstanding the existence of any dispute between the parties, each party shall continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by an Arizona court of competent jurisdiction.

City Review of PEI Records

PEI must keep all Agreement records separate and make them available for audit by City personnel upon request.

Notices

Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Brent Stockwell
 Asst City Manager
 City of Scottsdale
 3939 N. Drinkwater Blvd
 Scottsdale AZ 85251
 bstockwell@ScottsdaleAZ.gov

If to PEI: Stephane Frijia
 SVP, Strategy
 GPEC
 2 N. Central Ave, Suite 2500
 Phoenix, AZ, 85004
 sfrijia@gpec.org

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

Transactional Conflict of Interest

All parties hereto acknowledge that this Agreement is subject to cancellation by the City pursuant to the provisions of Section 38-511, Arizona Revised Statutes.

Nonliability of Officials and Employees

No member, official or employee of the City will be personally liable to PEI, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to PEI or successor, or on any obligation under the terms of this Agreement. No member, official or employee of PEI will be personally liable to the City, or any successor in interest, in the event of any default or breach by the PEI or for any amount which may become due to the City or successor, or on any obligation under the terms of this Agreement.

No Waiver

Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights or remedies as to any default, will not operate as a waiver of any default, or of any such rights or remedies, or deprive any such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Severability

If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

Captions

The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.

No Third Party Beneficiaries

No creditor of either party or other individual or entity shall have any rights, whether as a third-party beneficiary or otherwise, by reason of any provision of this Agreement.

Disclosure of Confidential Information If Required By Law

This agreement allows the Parties to disclose Confidential Information, as defined below, to each other under the following terms. In the opinion of the Parties to this Agreement: (1) the Confidential Information is the proprietary property of the Parties and is strictly confidential and privileged pursuant to, among other laws, A.R.S. §§ 44-401, et seq., (2) the release of the Confidential Information provided could cause harm to the Parties' competitive position, (3) the Confidential Information is potentially personal and private, and (4) the Confidential Information is exempt from disclosure under the Arizona Public Records and Open Meeting Laws, A.R.S. § 39-121, et seq. The Agreement does not license, assign, or convey any intellectual property or proprietary rights from any Party to any other Party.

"Confidential Information" means non-public information, know-how, or trade secrets in any form, that:

1. Are designated as being confidential; or
2. A reasonable person knows or reasonably should understand to be confidential.

The City must comply with and may be subject to certain disclosure requirements under the Arizona public records law (A.R.S. § 39-101, et seq.). The City may disclose Confidential

Information if required to comply with a court order or other government demand that has the force of law. Prior to disclosure, the Party must:

1. Seek the highest level of protection available; and
2. Give PEI reasonable prior notice of the request for records and identified responsive documents to allow them to seek a protective order, unless such notice is not permitted under law.

Entire Agreement, Waivers and Amendments

This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement, including nine (15) pages of text and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A – Operating Agreement

Exhibit B – Budget

Exhibit C – Consortium Overview

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the City or PEI, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this _____ day of _____, 2019.

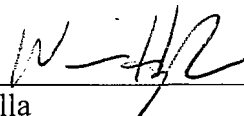
CITY OF SCOTTSDALE, a municipal corporation

By: _____
W.J. "Jim" Lane, Mayor

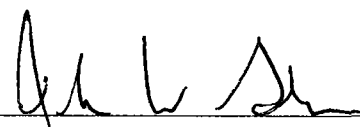
ATTEST:

By: _____
Carolyn Jagger
Its: City Clerk

APPROVED AS TO FORM:

By:  _____
Joe Padilla
Its: Acting City Attorney
By: William Hylen
Senior Assistant City Attorney

PARTNERSHIP FOR ECONOMIC INNOVATION,
an Arizona nonprofit corporation

By:  _____
John Graham
Chairman of the Board

[Signature page of Agreement Between the Partnership of Economic Innovation and the City of Scottsdale]

EXHIBIT A – OPERATING AGREEMENT

**Project Services Agreement
among
Arizona State University,
Greater Phoenix Economic Council,
Institute for Digital Progress,
Maricopa Association of Governments,
and the
Partnership for Economic Innovation
for the Smart Region Consortium**

This Project Services Agreement (“Agreement”) is entered into by and among Arizona State University (ASU), Greater Phoenix Economic Council (GPEC), Institute for Digital Progress (IDP), Maricopa Association of Governments (MAG) and the Partnership for Economic Innovation (“PEI”) for the establishment for the Smart Region Consortium (“Consortium”). ASU, GPEC, IDP, MAG, and PEI may be collectively referred to herein as the “Partners.”

I. Recitals

- A. The Consortium shall be a public-private partnership that connects local governments with technology-based innovations to solve the challenges governments face in meeting the needs of their residents and to build the infrastructure needed to position Greater Phoenix as a smart region.
- B. ASU, a public university, strives to advance urban and regional innovation to make more inclusive, vibrant, resilient, and sustainable communities through its Center for Smart Cities and Regions.
- C. GPEC, a public-private partnership and nonprofit agency, strives to attract and grow quality businesses and advocate for Greater Phoenix’s competitiveness.
- D. IDP, innovation-driven nonprofit agency serves all levels governments, technology-driven companies, innovators and entrepreneurs.
- E. MAG, a metropolitan planning organization and a council of governments, serves Maricopa County and portions of Pinal County with a range of activities in areas such as transportation, environmental quality, and human services.
- F. Partnership of Economic Innovation, a nonprofit agency, strives to transform Greater Phoenix into a top global market for innovation and technology, fueled by research, industry and entrepreneurs.
- G. Partners desire to work collaboratively to deliver the Project Services for the Smart Region Consortium Project, under the terms and conditions stated herein.

Now therefore, in consideration of the mutual covenants, conditions, representations and warranties herein contained, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

II. General Terms and Conditions of the Agreement

1. **Scope.** The partners shall provide the Project Services for the Project as further described in the attached **Exhibit A - Scope of Work**.
2. **Fiscal Agent.** PEI will serve as the fiscal agent for the Smart Region Consortium, and in this capacity, PEI will maintain all financial records including documentation of billings and payments made in regard to this project. These records are to be made available to the partners listed in this Agreement within three (3) business days of request to review. PEI will ensure all billings and payments are consistent with the attached "Budget" attached hereto as **Exhibit B**.

Each Partner's Designated Representative shall review each invoice to approve the invoices for payment. Invoices reviewed and approved for payment shall be paid within thirty (30) days of submission to PEI.

3. **Designated Representatives and Notices.** The parties designate the following people to serve as their Designated Representatives for purposes of initial communication regarding the Project and to serve on the consortium's Executive Team. Changes to the designated representation and all other notices or demands upon any party to this Agreement shall be in writing, unless other forms are designated elsewhere, and shall be delivered in person or sent by mail addressed as follows:

ASU: Sethuraman Panchanathan, EVP KED/Chief Research & Innovation Officer
300 E University Dr Suite 145, Tempe, AZ, 85218

GPEC: Chris Camacho, President and CEO
2 N. Central Ave. Suite 2500, Phoenix, AZ 85004

IDP: Dominic Papa, Executive Director
515 E Grant St, Phoenix AZ 85004

MAG: Eric J. Anderson, Executive Director
302 N 1st Avenue, Suite 200, Phoenix, AZ 85003

PEI: John W. Graham, Chairman of Board
1475 N. Scottsdale Road, Suite 211B, Scottsdale, AZ 85257

Either party may, by written notice to the other, designate a different person or address for the receipt of notices under this Agreement, without requiring an amendment.

Any written notice under this Agreement shall be deemed delivered and received on the date of delivery, if delivered by hand, or three business days after the date of mailing, if sent by mail.

4. Default: Remedies.

- a. Default. An "Event of Default" by a Partner under this Agreement shall mean one or more of the following: (i) any representation made in this Agreement by a Partner was materially inaccurate when made or shall provide to be materially inaccurate; or (ii) a Partner fails to observe or perform any material covenant, obligation or agreement required of it under this Agreement after the expiration of all applicable notice and cure periods.
- b. Notice and Cure. Upon the occurrence of an Event of Default by any Partner, such Partner shall, upon written notice from the other Partners, remedy such Event of Default within thirty (30) days after receipt of such notice.
- c. Remedies for Default. Whenever any Event of Default occurs and is not cured by the non-performing Partner in accordance with Section 4(b) of this Agreement, the other Partners shall proceed with mediation as provided in Section 5. If, after the forty-five (45) day moratorium provided in Section 14(i) the Event of Default has not been cured, the non-defaulting Partners may terminate the defaulting Partner from this Agreement.

5. Mediation. In the event that there is a dispute hereunder which the Partners cannot resolve between themselves, the Partners agree that there shall be a forty-five (45) day moratorium on litigation during which time the Partners agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the Partners. In the event that the Partners cannot agree upon the selection of a mediator within seven (7), then within three (3) days thereafter, Partners shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to commercial development. The cost of any such mediation shall be divided equally between Partners. The results of the mediation shall be nonbinding on the Partners, and any party shall be free to initiate litigation subsequent to the moratorium.
6. Attorneys' Fees and Costs. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute shall be entitled to reimbursement of its reasonable attorney's fees and court cost.
7. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona without regard to conflict of law principles.

8. Severability. If any provision of this Agreement is declared invalid, illegal or unenforceable, that provision shall be severed from the Agreement, and the remaining provisions shall otherwise remain in full force.
9. Limited Liability. To the extent permitted by law, with regard to activities undertaken pursuant to this Agreement, none of the parties to this Agreement shall make any claim against one another or their respective instrumentalities, agents or employees for any injury to or death of its own employees, or for damages to or loss of its own property, weather such injury, death, damage or loss arises through negligence or otherwise.

To the extent permitted by law, if a risk of damage or loss is not dealt with expressly in this Agreement, such party's liability to another party, whether or not arising as the result of alleged breach of the Agreement, shall be limited to direct damages only and shall not include any of lost profits or special, incidental, or consequential damages whether in an action in contract or tort, even if the party has been advised by the other party of the possibility of such damages.
10. Section Headings. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.
11. Implication. This Agreement shall not be construed to imply authority to perform tasks, or accept any responsibility, not expressly set forth herein. This Agreement shall be strictly constructed against the creation of a duty or responsibility unless the intention to do so is clearly and unambiguously set forth herein.
12. Effective Date; Withdrawal. This Agreement shall be effective as of the date signed by the last party hereto and remain in full force and effect until all stipulations previously indicated have been satisfied, except that it may be amended upon written agreement by both parties. Any party may withdraw from this Agreement upon furnishing the other parties with a written notice at least thirty (30) days prior to the effective date of the desired withdrawal date.
13. Conflict of Interest Statute. This Agreement shall be subject to the provisions of A.R.S. §38-511.
14. Integration. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Partners with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.
15. Modifications. This Agreement shall not be modified or extended except by written instrument adopted by the parties to the Agreement.
16. Recitals; Exhibits. The Recitals to this Agreement are incorporated as if fully stated herein.

All references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement,

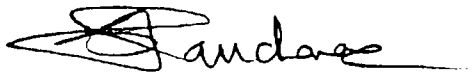
this 26th day of MARCH, 2019.

ASU

Name: S. PANCHANATHAN

(print)

Title: EXECUTIVE VICE - PRESIDENT



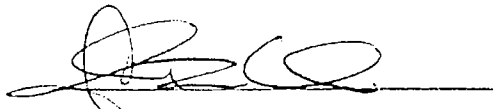
(signature)

GPEC

Name: Chris Camacho

(print)

Title: CEO




(signature)

IDP

Name: Dominic Papa

(print)


Title: Executive Director


(signature)

MAG

Name: Eric J. Anderson
(print)

Title: Executive Director


(signature)

PEI

Name: John W. Graham
(print)


Title: _____

(signature)

EXHIBIT A – SCOPE OF WORK

I. Purpose of the Consortium

The purpose of the Consortium (Consortium) is to connect local governments and other public institutions with innovative technology solutions. This will be accomplished by helping local governments identify challenges to be solved and issuing a call for innovations. The Consortium will evaluate the proposals and identify the most responsive, viable responses. The Consortium will connect the local governments with winning bidder(s) for implementation. A data portal will be created to house, aggregate, analyze, and report the results of these projects within the parameters of applicable data sharing agreements.

In addition, the Consortium will provide workforce development classes, innovation sandboxes, and research. A full detail of the purpose and scope of the Consortium can be found in **Exhibit C** attached to this Agreement.

II. Purpose of this Agreement

This document outlines the agreement between the Partners to develop and lead the Consortium for the benefit of Greater Phoenix. These Partners will jointly lead the Consortium as the Executive Team and will work collaboratively with governments, industry, academic, and community partners to coordinate and develop strategies and activities to transform Greater Phoenix into a smart and connected region, increase research opportunities, job creation, new business formation, and social equity, wellbeing, and safety.

This Agreement constitutes an understanding between the Partners to form the Consortium. This document describes the purpose and goals of the Consortium, presents its background, explains its organizational and governance structure, and defines the terms, responsibilities and benefits of participation in the Consortium.

III. Partner Responsibilities

Each Partner agrees to the following responsibilities as a member of the Consortium's Executive Team:

- Communicate via email, phone or in-person meetings as scheduled and as needed.
- Communicate with all Consortium members on the relevant regional initiatives and projects, particularly concerning grant funding.
- Be engaged by continually participating in activities that will develop, grow, and promote the Consortium in their respective networks.
- Be responsible stewards of public funding and meet all relevant federal and state statute.
- Be ethical and responsible stewards of data created in activities undertaken by the Consortium.

- Think regionally and collaboratively, to drive impact and change in the smart region space for the Greater Phoenix region and beyond.

III. Roles of Partners

The Partners agree to create a system of shared Consortium staffing and marketing when necessary to avoid duplication of services and reduce administrative costs. The scope of sharing will be decided by the Executive Team as the Consortium progresses towards its mission and goals. Based on available resources the Consortium will hire a dedicated Project Manager and Coordinator to manage, complete, and report on activities by the Consortium. In addition, the following roles are described for each Partner. Each Partner will fulfill these roles subject to the availability of funds and personnel through their respective agencies' resources. This Agreement does not constitute a financial commitment on the part of the Partners.

- ASU: Serve on the Executive Team, provide technical assistance to the Consortium, and respond to calls for innovation as desired.
- GPEC: Serve on the Executive Team and provide technical assistance to the Consortium.
- IDP: Serve on the Executive Team and provide technical assistance to the Consortium.
- MAG: Serve on the Executive Team; and develop and maintain the data portal in collaboration with other partners. The data portal will operate in strict adherence to all relevant data sharing and licensing agreements.
- PEI: Serve on the Executive Team and serve as the fiscal agent for the Consortium for managing membership dues, grants, and in-kind contributions into the Consortium. It shall act on behalf of the Consortium and shall conduct and manage all fiscal aspects in a conduct consistent with all funder requirements as well as local, state, and federal statutes and regulations.

IV. Consortium Governance

The Consortium will be governed by a quorum of the Executive Team. All members of the team will receive at least ten (10) business days' notice of meetings. No formal action or commitments may be taken by the Consortium without a quorum or simple majority voting in favor. The Executive Team will monitor the financial health of the consortium, track performance on key metrics, and lead the process to ensure that the short-term and long-term smart region goals are being met. The Executive Team includes the Partners signing this agreement as well as a community representative appointed annually by the other Executive Team members.

In addition, the following groups will advise the Executive Team.

- **Smart Region Leadership Council**

The Leadership Council will be comprised of one voting seat for each Consortium member community, as well as one seat for each of the Consortium founding members: PEI, ASU, iDP, GPEC, and MAG. The Leadership Council will serve as the voting council for determination and approval of the Smart Region Opportunity Projects identified through the call for innovation. Projects will also be approved by the Executive Team. Non-member communities that are a part of the Greater Phoenix region will be invited to attend and participate in Leadership Council functions and meetings.

- **Industry Advisory Commission**

The Industry Advisory Commission will consist of private industry partners who will serve as technology and implementation advisors. Their role is to provide valuable insight and advise to the Leadership Council. Members from the Industry Advisory Commission may attend Leadership Council meetings in a non-voting capacity. They may also be included on applicable Leadership Council communications. They may offer insights but will not have voting rights for determination and approval of the Smart Region Opportunity Projects.

- **Sub-committees and working groups.** Sub-committees and working groups (ad hoc or otherwise) will be added as needed and determined by the Executive Team.

V. Consortium Membership

The Consortium is funded through industry dues, community annual membership dues, grant funding, and in-kind support. The Executive Team members will provide support through in-kind contributions.

A. Industry Members

To industry partners, the Consortium will offer a three-tiered industry membership plan with a three-year membership commitment.

- Founding Member membership fee: at least \$100,000 annually;
- Strategic Member membership fee: \$25,000 annually;
- Supporting Member membership fee: \$10,000 annually.

B. Community Partners

Each community partner is requested to make a commitment to support the Consortium for a minimum of three (3) years in order to enable multi-year, community-driven research projects. This may be canceled by the community partner in writing at any time. Contracts for the Consortium will be renewed on an annual basis. The membership fee is determined by community size. Each Consortium member will have representation on the Leadership Council. To foster regional participation, some communities may also elect to participate as an observer for no cost, but will not have voting privileges. Observing communities will be able to participate in cooperative procurement.

Community Membership Dues:

Membership Tier	Annual Membership
Large – Population greater than 1 million	\$75,000
Medium – Population less than 1 million and greater than 100,000	\$25,000
Small – population less than 100,000	\$10,000

C. Grant Funding

The Consortium will continue to seek out and participate in grant opportunities to bring further investment and funding into the Greater Phoenix smart region. The federal government, as well as many large corporations, allocates capital in the form of grant money to be used for the expansion of smart city initiatives every year. The Consortium optimally positions the region to galvanize resources and expertise required to successfully compete for grant opportunities.

VI. Data Management

All parties will abide by all relevant local, state, and federal laws and best practices relating to public data. All parties that participate in and work with the Consortium will be required to agree to abide and/or adopt policies as set forth in a region-wide data privacy and security framework developed and adopted by the Executive Team with a recommendation to approve from the Leadership Council. The framework will specify the purpose of the data, authorized and prohibited uses, information/data that can be collected, data access, data protection, data retention, public access, third-party data sharing, training, and oversight mechanisms. Each individual opportunity project or regional challenge and associated data will be subject to its own data agreement that will meet, at a minimum, the data privacy and security framework approved by the Executive Team. A cooperative legal fund will be developed within the consortium, funded by member dues, to cover legal costs incurred by the consortium. Data limitations, scope, and specific management requirement will be determined by the scope of the opportunity project or regional challenge.

VII. Intellectual Property

Intellectual Property (IP) includes technical information, know-how, inventions, models, patents, drawings, specifications, prototypes, computer software, data, systems and processes and other creations that can be protected under patent, copyright, or trademark laws. Should the collaborative research activities or strategic projects undertaken as part of the Consortium result in any potential for intellectual property, it shall be governed by the Executive Team unless otherwise authorized by the Executive Team in a separate agreement where each party shall seek an equitable and fair agreement as to ownership and other property interests that may arise.

VIII. Personal Property

Title to any personal property, such as computers, computer equipment, office supplies, and office equipment furnished by an Executive Team member or community member to the Consortium under this Agreement shall remain with the partner furnishing the same. All parties agree to exercise due care in handling such property. However, each party agrees to be responsible for any damages to its property which occurs in the performance of its duties under this Agreement, and to waive any claim against the other party for such damage, whether arising through negligence or otherwise.

EXHIBIT B – DRAFT BUDGET

DRAFT: Greater Phoenix Smart Region Consortium Funding Allocation - General Funds				
Item	Year 1	Year 2	Year 3	Total 3-Yrs
<i>Personnel</i>				
Program Manager (1.0 FTE)	\$90,000	\$94,500	\$99,225	\$283,725
Program Coordinator (1 FTE)	\$45,000	\$47,250	\$49,613	\$141,863
Fringe Benefits	\$40,500	\$42,525	\$44,651	\$127,676
<i>Personnel Total</i>	<i>\$175,500</i>	<i>\$184,275</i>	<i>\$193,489</i>	<i>\$553,264</i>
<i>OPEX</i>				
Computer Equipment	\$7,500	\$2,500	\$2,500	\$12,500
Consumable material	\$8,000	\$15,000	\$15,000	\$38,000
Web Dev	\$15,000	\$5,000	\$5,000	\$25,000
Visualization and collaboration equipment rental	\$10,000	\$10,000	\$10,000	\$30,000
Operational Overhead and Maintenance	\$61,612	\$58,567	\$59,720	\$179,899
<i>OPEX Total</i>	<i>\$102,112</i>	<i>\$91,067</i>	<i>\$92,220</i>	<i>\$285,400</i>
<i>Conference/Travel/Marketing</i>	<i>\$30,000</i>	<i>\$30,000</i>	<i>\$30,000</i>	<i>\$90,000</i>
<i>Regional Reverse Pitch Program (Event)</i>	<i>\$ -</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$100,000</i>
<i>Regional Reporting/Best Practice Sharing / Smart Region Spec Book Development</i>	<i>\$ -</i>	<i>\$50,000</i>	<i>\$50,000</i>	<i>\$100,000</i>
<i>Grant Application Management / Facilitation</i>	<i>\$ -</i>	<i>\$30,000</i>	<i>\$30,000</i>	<i>\$60,000</i>
<i>Professional Services (Consulting)</i>	<i>\$375,000</i>	<i>\$200,000</i>	<i>\$200,000</i>	<i>\$775,000</i>
<i>Cooperative Purchasing Agreement Development</i>	<i>\$ -</i>	<i>\$25,000</i>	<i>\$15,000</i>	<i>\$40,000</i>
<i>Branding</i>	<i>\$75,000</i>	<i>\$100,000</i>	<i>\$120,000</i>	<i>\$295,000</i>
<i>Reserves</i>	<i>\$67,387</i>	<i>\$64,658</i>	<i>\$44,291</i>	<i>\$176,336</i>
<i>Total Implementation Budget</i>	<i>\$825,000</i>	<i>\$825,000</i>	<i>\$825,000</i>	<i>\$2,475,000</i>

EXHIBIT B – DRAFT BUDGET

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Regional Reporting/Best Practice Sharing / Smart Region Spec Book Development	\$ -	\$50,000	\$50,000	\$100,000
Grant Application Management / Facilitation	\$ -	\$30,000	\$30,000	\$60,000
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Cooperative Purchasing Agreement Development	\$ -	\$25,000	\$15,000	\$40,000
Branding	\$75,000	\$100,000	\$120,000	\$295,000
Reserves	\$67,387	\$64,658	\$44,291	\$176,336
Total Implementation Budget	\$825,000	\$825,000	\$825,000	\$2,475,000

EXHIBIT C: CONSORTIUM OVERVIEW

Greater Phoenix Smart Region Consortium

Building the world's most innovative and connected region

Together, through a public-private partnership, the Greater Phoenix region has made a commitment to developing the smart communities of the future.

Join us as we build the world's smartest and most connected region through unprecedented, intentional collaboration.

Partnership Support:

Partnership for Economic Innovation | Arizona State University | Maricopa Association of Governments | Institute for Digital Progress | Greater Phoenix Economic Council

Communities across the globe are deploying technology to compete globally, accelerate solutions to real challenges facing their residents, and enhance the quality of life and well-being for all residents and businesses. Communities that fail to adapt risk becoming part of the digital dustbowl.

Introduction

Around the world, cities have been experimenting with new technologies to solve many challenges associated with mobility, congestion management, citizen well-being and health, and service accessibility to vulnerable segments of the population and at-risk neighborhoods. These cities that have implemented technology solutions not only to reduce the cost of providing access to quality services, but also to enhance revenue and spur economic development. Over time, these cities have come to understand that it is not a single project that makes them smart, rather it is the process of using technology to continually improve government efficiency, enhance citizen well-being and solve complex problems.

Globally, cities are engines of economic growth with capacity and tools to enhance regional and national competitiveness. Cities are challenging conventional thinking and capitalizing on new opportunities by making intentional long-term investments. Consequently, cities across the globe are striving to become the next premier “smart city,” engaging in a new kind of 21st century arms race to be crowned the premier smart city in the world. However, a single smart city without the ability to connect itself to the surrounding region cannot optimize its comparative advantages.

The Greater Phoenix Smart Region Consortium (“Consortium”) is a process and framework anchored upon the region’s collaborative nature and its civic institutions. The Consortium is

designed to ensure that all the communities across the Phoenix Metropolitan region have the tools and skills necessary to evolve and prosper in the new digital age. The Consortium's objective is to empower Greater Phoenix communities to build the nation's largest and most connected Smart Region, bolstering local economies with smart development and policies rooted in connectivity, mobility, equity and sustainability. Reaching beyond municipal jurisdiction limits, it enables communities to implement smart city solutions that are interconnected, seamless, affordable and interoperable. Through data and analytics, the Consortium will guide cities on their path to enhance resident quality of life and maximize their resources. The Consortium will work in Greater Phoenix because the region has a legacy of collaboration.

Why Greater Phoenix?

The Greater Phoenix region, consisting of two counties and more than 30 unique communities, is one of the fastest growing economic centers in the United States (U.S.). Since 2000, the region has added more than 1.3 million residents. This growth has led Maricopa County to become the 4th largest county in the U.S. and Phoenix to grow to the 5th largest city. With an economy of nearly \$243 billion per year, the region is home to multiple leading research institutions, nerve center operations for many Fortune 500 companies and a strong emerging tech scene. The region's growth both in terms of population and economy are predicted to remain well above the national average over the next five years. This growth, combined with a robust legacy in semiconductor, electronics, and aerospace design and manufacturing, makes the region an ideal location to develop, test and implement the next generation of city-focused embedded technologies. Additionally, business and municipal leadership across the region understand that technology is an effective tool for handling the rapid changes they are experiencing.

Stronger Through Intentional Collaboration

Many of the problems facing modern cities are not geographically bound; and solutions that are simply won't solve them. The understanding that modern problems require intentional, collaborative actions drives the need to work together across jurisdictions to develop solutions at a regional scale. Additionally, intentional collaboration yields many other benefits:

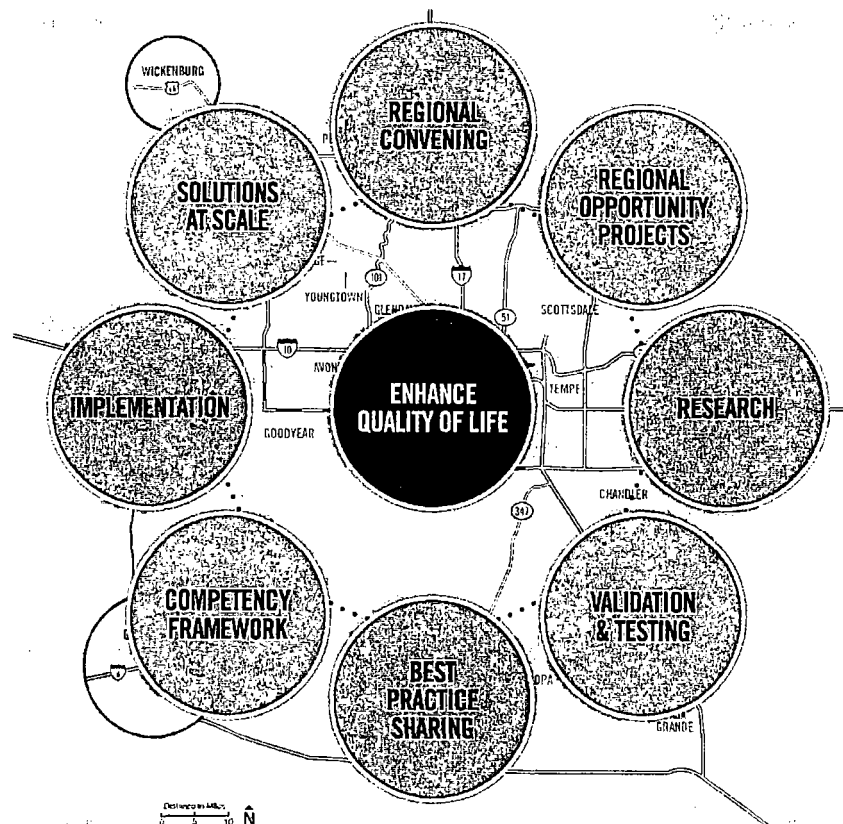
- ☐ Creates economies of scale by leveraging regional assets
- ☐ Shifts the risk of smart city deployment from the city to the Consortium
- ☐ Enhances services to residents
- ☐ Saves revenue for communities in delivering urban services
- ☐ Increases ROI from interoperable technology deployment
- ☐ Reduces procurement costs through economy of scale and clearer requirements
- ☐ Vets and implements faster through cooperative testing across the region
- ☐ Increases opportunity to attract and grow technology companies
- ☐ Enhances reputation of the region
- ☐ Reinforces the regional identity around people, place, technology
- ☐ Supports the local startup community

Regional Transformation

Deployed correctly, technology can connect residents, tourists, customers and businesses to their neighborhood and community. The ability to seamlessly move from the office to a lunch meeting to home to happy hour, can change people's perception of where they live, work and play. High connectivity is rapidly becoming an expected norm. Young-adults who grew up in a digital world expect their community to embrace the digital age; and seniors are not only embracing technology, but they are integrating it into their caregiving roles, augmenting their mental fitness routines and managing aspects of their health with it. For the communities in the Greater Phoenix region, this means that they need to rethink and transform every aspect of the urban form and how services are delivered to every demographic segment and across geographies.

This need for a regional transformation was first envisioned by the Partnership for Economic Innovation – a passionate collective of community, business and opinion leaders, dedicated to fulfilling the economic potential of Greater Phoenix and implementing a strategic economic acceleration plan, Velocity, to transform our economy into a global force for innovation and technology. The Velocity plan calls for supporting innovation and making intentional investment into the factors that drive economic competitiveness. The Smart Region Consortium further supports this transformation by allowing the region to intentionally invest in solutions for regional opportunities and threats that will enhance resident and business quality of life, driving sustainable growth.

The Greater Phoenix Smart Region Consortium Structure

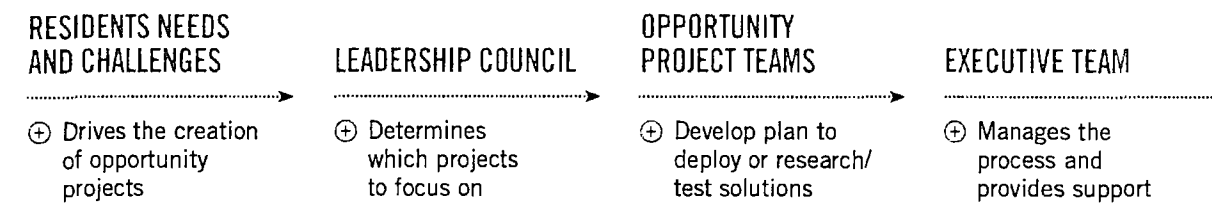


The Consortium is a collaborative research and implementation partnership between public sector, academia, industry and civic institutions to drive the creation, advancement and adoption of smart city technology to improve the quality of life for all citizens and businesses within our communities. Participating in the Consortium means committing to become an innovative region that intentionally collaborates on issues that impact the quality of life and well-being for all residents and businesses.

Through participation, partner communities will be provided the tools to cultivate internal and external innovation, employ data-driven decision making, and bring smart city initiatives from blueprint to reality. Built from the strategies and lessons from smart cities across the globe, the process and framework of the Consortium is designed to:

Transform the Greater Phoenix region into a global leader in public-sector governance and private sector innovation to support sustainable, resilient, healthy and equitable communities and neighborhoods.

Consortium Governance



The Consortium will be housed at the Partnership for Economic Innovation (PEI) and governed by the PEI Board of Directors and its bylaws. PEI was established in 2016 as a 501(c) 3 nonprofit organization with the mission to create a world-class economy through awareness, resources and action and to facilitate new collaborative initiatives between public sector, industry, and higher education around solving problems with global impact and addresses market needs.

The Consortium’s governance structure will include a Smart Region Leadership Council, an Industry Advisory Commission, an Executive Team and Opportunity Project teams.

Leadership Council

The Leadership Council will be comprised of one voting seat for each Greater Phoenix Smart Region Consortium member community, as well as one seat for each of the Consortium founding members: PEI, Arizona State University (ASU), the Institute for Digital Progress (iDP), the Greater Phoenix Economic Council (GPEC), and the Maricopa Association of Governments (MAG). Meeting monthly, the Smart Region Leadership Council will serve as the voting council for determination and approval of the Smart Region Opportunity Projects.

Non-member communities that are a part of the Greater Phoenix region will be invited to attend and participate in Leadership Council functions and meetings.

Executive Team

The Executive Team will monitor the financial health of the Consortium, track performance on key metrics, and lead the process to ensure that the short-term and long-term Smart Region goals are being met and will report to both the Leadership Council and PEI Board of Directors. The Executive Team includes ASU's Center for Smart Cities and Regions' (CSCR) Co-Director Diana Bowman, iDP Executive Director Dominic Papa, GPEC President and CEO Chris Camacho, MAG Director Eric Anderson, and an annually appointed community representative.

Industry Advisory Commission

The Industry Advisory Commission will consist of private industry partners who will serve as technology and implementation advisors. Members from the Industry Advisory Commission will attend Smart Region Leadership Council meetings and be included on applicable Leadership Council communications but will not have voting rights for determination and approval of the Smart Region Opportunity Projects. Industry members will be expected to provide valuable insight and advise to the Leadership Council. Examples of the insights and support the Industry Advisory Commission is expected to provide include:

- ☐ Assisting the Leadership Council in defining short-term and long-term goals
- ☐ Advise in defining success metrics
- ☐ Identify and provide expert assessment on technological best practices
- ☐ Provide technical advisory support
- ☐ Provide research support

Opportunity Project Teams

Opportunity Project Teams (OPT) will be made up of subject matter experts, city representatives, researchers and private-sector stakeholders, with the singular goal of finding or developing an appropriate solution for the identified and approved opportunity project or regional challenge via "Open Calls for Innovation" or other means as necessary. These are selected from among the Consortium's community, industry and academic partners, but it might include other outside experts at the discretion of the Executive Team. These teams will be responsible for drafting the open call for innovation, as well assist in identifying projects requirement and resources needed to implement such projects.

Funding Structure

The Consortium is funded through industry, community, university and grant funding. The Executive Team is recruiting public and private-sector members based on a tiered membership structure.

Industry Partners

For industry partners, the Consortium will offer a three-tiered industry membership plan with a three-year membership commitment. Founding Partner membership fee is \$100,000 annually, Strategic Partner is \$25,000 annually and the Supporting Partner membership \$10,000 annually.

Industry Membership Dues:

Founding Partner	\$100,000
Strategic Partner	\$25,000
Supporting Partner	\$10,000

Industry Membership Benefits:

Industry Advisory Commission	X	X	-
Leadership Council meetings	X	-	-
Industry-led research opportunities	X	X	X
Opportunity to develop and test smart region technology in partnership with ASU*	X	X	X
Host and teach workforce development classes	X	X	-
Open data from smart region programs and pilots	X	X	-
Co-development opportunity for related technology research	X	X	X
Co-produce research papers	X	X	X
Access to world-class interdisciplinary team of ASU faculty, researchers, the faculty network, and students from engineering, law, business, sustainability and public policy	X	X	X
Logo inclusion on marketing materials	X	X	X

*May be tested with an individual community at their discretion

Community Partners

Each community partner is requested to make a commitment to support the Consortium for a one year with an option to renew for an additional two years based on performance in order to enable multi-year, community-driven research projects. Contracts for the Consortium will be renewed on an annual basis. The membership fee is determined by community size. Each Consortium member will have representation on the Smart Region Leadership Council. To foster regional participation, some communities may also elect to participate in Council meetings as an observer at no costs but will not have voting privileges. Observing cities will be able to participate in cooperative procurement but will not receive any of the other benefits listed in the table below.

Community Membership Dues:

Large – Population greater than 1 million	\$75,000
Medium – Population less than 1 million and greater than 100,000	\$25,000
Small – Population less than 100,000	\$10,000

Community Membership Benefits:

Voting Seat on Leadership Council	X	X	X	--
Leadership Council meetings	X	X	X	X
Community-lead research opportunities	X	X	X	--
Support developing a core team	X	X	X	--
Member discount for workforce training	15%	10%	5%	--
Open data management from smart region programs and pilots	X	X	X	--
Support establishing an innovation sandbox	X	X	X	--
Support deploying pilots	X	X	X	--
Co-operative procurement	X	X	X	X
Logo inclusion on marketing material	X	X	X	--
Best-practice result access	X	X	X	X
Access to Consortium resources including the digital platform	X	X	X	--

University Funding

Leadership at ASU is committed to supporting technology adoption, research and development, and testing on their campus and in their community. As part of this commitment, ASU has agreed to provide \$1 million in funding to support the CSCR's work programs to develop capacities to anticipate, design, experiment, iterate, and manage emerging technologies to meet public needs and implement specific actions.

Grant Funding

The Consortium will continue to seek out and participate in grant opportunities to bring further investment and funding into the Greater Phoenix Smart Region. The federal government, as well as many large corporations, allocates capital in the form of grant money to be used for the expansion of smart city initiatives every year. The Consortium optimally positions the region to mobilize resources and expertise required to successfully compete for grant opportunities.

The Consortium Process**Regional Convening**

The Consortium will convene regional leaders from cities, towns, community partners and industry to collaboratively unlock the power of smart city technology. The purpose of regional convenings are to create alignment on opportunities, challenges, research priorities and procurement, and to share results. Regular convening will happen on a quarterly basis. These regular convenings will support the Leadership Council discuss and determine the Consortium's priorities, how opportunity projects will be measured, where testing and scaling will take place and other matters.

During the initial months of the Consortium, convenings will be held as necessary until consensus on the vision, roles and responsibilities of all parties is achieved.

Regional Opportunity Projects

Opportunity projects are agreed upon opportunities or threats that the region wants to collectively work towards solving over the next five years. These projects are determined through the convenings and are voted on by the Leadership Council. If approved, a dedicated OPT will develop “Open Calls for Innovation” which will be issued by the Consortium for applicants to submit proposals addressing the needs of the challenge statement. The OPT will study the responses to the open calls and provide recommendation to the Leadership Council.

The OPT will be responsible for determining if an Opportunity Project can be addressed with off-shelf technology or by technology that requires additional research and development to meet the specific community needs. The OPT will be responsible for moving the solution through a process that includes research, validating & testing, result sharing, implementation, and scaling. In order to meet regional requirements, the solution may go through multiple iterations.

Each opportunity project will conclude with a public report, including guidelines and recommendations for procurement, adoption and implementation at scale, which will be part of a Smart Region Spec Book. Associated data will be made available to Consortium members and the public.

Additionally, the OPT may recommend that a specific Opportunity Project might be well-suited for solution crowdsourcing and for engaging the broader entrepreneurial community with reverse pitch events managed and hosted by the Consortium, in partnership with iDP.

Creating a baseline

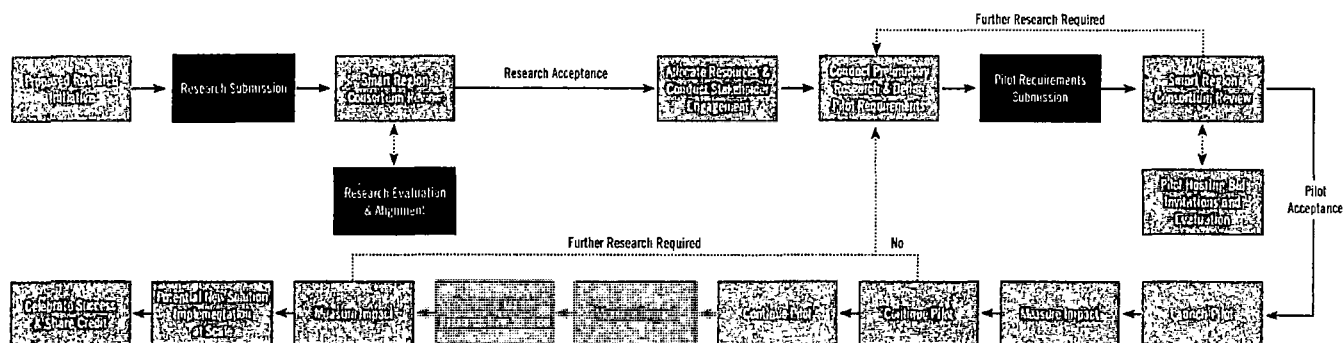
The first step to becoming a smart region is developing an understanding of our communities’ common problems. In order to begin building this understanding CenSCR and iDP have entered into a strategic partnership to create an initial baseline assessment (the Smart Region Analysis and Digital Roadmap, or SRADR) of the region’s strengths, weaknesses, opportunities and threats related to smart city technology. The SRDR will result in a report that the Leadership Council will use to determine the baseline and initial inventory of potential opportunity projects. Communities will be able to use this report as a starting point to help build buy-in for intentional collaboration on smart city opportunities and challenges.

Research

Communities and OPT, in partnership with ASU and industry, will create a portfolio of research designed specifically to support and advance the needs of the Greater Phoenix Smart Region Consortium. Where appropriate, pilot programs will be initiated on ASU campuses or within participating communities. In order to use this research to drive economic development and support the region’s innovation ecosystem, a formalized seed funding program will be established by CenSCR around this portfolio of work and as needed will be financially supported by individual Consortium members. At its core, the research and seed funding are designed to ensure that smart

city technology researched through the consortium is built with input and feedback from the communities. It will not be a platform to promote technology in search of a problem.

Processes to Evaluate and Select Research Initiatives for Seed Funding



Validation & Testing: Piloting

In order to support the development of technology built from our community's needs, the Consortium will work with iDP to establish innovation sandboxes to test technology that originates from the consortium. The first sandbox will be located on the ASU campuses. Communities and industry partners in the Consortium may elect to co-develop an innovation sandbox, but it will not be required to pilot technology that is developed through the Consortium. Communities that elect to designate a geography as an innovation sandbox for piloting smart city technology can opt to be supported by iDP and it will bear its implementation costs.

Technology that concludes with a successful pilot will be reported to the Consortium by the OPT overseeing it. These will inform the Smart Region Spec Book and will be ready for scaling, regional adoption and procurement.

Additionally, the Consortium will welcome proposals from entrepreneurs, innovators and private sector businesses that seek to utilize the region to propose new proof of concept, and to test and develop new smart city technologies which they believe will improve the quality of life for the citizens of Greater Phoenix. Because the solution may involve new technology, processes, and policies, public training may be required to implement and scale the technology successfully.

Competency Framework Development

The Consortium will work with member communities to build a smart city core team within their community to effectively and efficiently implement and scale recommended solutions. The purpose of the core team is to allow the community to be more agile, break down department silos and pave the way for digital transformation. A core team allows for a more effective way to communicate and mobilize resources for smart region projects. The core team will serve as the main point of contact within the community for the Consortium and will be relied upon to champion and carry out the smart region and smart city initiatives.

To ensure that the core teams and city departments have the skills required to successfully deploy and scale smart city solutions, the Consortium, via iDP will offer regularly three training programs

focused on leadership, technology, deployment and management. The outcome of the training programs is to enable easy and seamless technology adoption within each community. Consortium members will have access to preferred and discounted member-rates.

The Academy for Smarter Communities

The Academy for Smart Communities (TASC) is designed to teach high-level government employees strategic foundations and tactics for leading their communities through the smart city process.

Networking Academy

The Networking Academy is aimed at strengthening and building the technical skills required to operate and maintain new technology solutions.

Deployment and Management Academy

The Deployment and Management Academy (DMA) is aimed at providing deployment and management skills required to manage the implementation and scaling of solutions.
Implementation & Solutions at Scale.

By developing solutions from the beginning with a region-wide scale, proven solutions that emerge from the Consortium process will be ready for implementation across the region.

Cooperative Purchasing Agreement Program

The Consortium is planning to work with state agencies to develop a cooperative purchasing agreement. This agreement will allow communities to reduce procurement costs and deployment timelines while abiding by all federal, state and local statutes. Communities will benefit from greater purchasing power, economies of scale, administrative savings, interoperability across the region, as well as an accelerated opportunity for solutions to scale across the region.

Data

Because all data generated through pilots and scaling is public domain, it will be shared using a smart region portal in accordance with all relevant federal, state and local statutes on privacy, data and security. This portal will be managed and maintained by MAG. For more than 50 years, MAG has been a trusted community partner in maintaining regional datasets. MAG will continue to provide the same trusted service for smart region data. For communities that elect to provide MAG data from their smart region pilots and deployment, MAG will provide support and coordination to serve as a data repository, analyze the data and disseminate the analysis. However, communities may elect to build and maintain their own portal without participating in the regional portal. Access to online tools will be granted to all community members where pilot programs and regional initiatives status and data will be viewable, along with the CenSCR research initiative findings. Additionally, iDP has partnered with Marketplace.city to provide the Consortium communities access to a database of solutions, vendors with verified projects and pilot implementation results from across the globe.

Notwithstanding anything else herein, data generated through any activity on ASU property will be solely owned by ASU. ASU will have sole discretion on the use of such ASU data, including whether or not to share such data publicly.

Smart Communities Network

iDP has partnered with multiple other smart communities across the country and globe through the Smart Gigabit Communities and Sister Cities Exchange Programs and will bring these relationships to the Consortium. Many of these communities are facing similar challenges and would benefit from the solutions being developed within our region. The Consortium will educate technology solutions providers on what worked in the Greater Phoenix region to build better solutions for communities across the network.

Best Practice Sharing

The Consortium will provide resources to coordinate and facilitate best practice sharing across Greater Phoenix and with industry partners. This will be done through Smart Region Spec Books. These books will be developed in partnership with industry, OPT and the Consortium Executive Team. These spec books will serve as a collection of technology-focused reference material, accessible to all communities, and will serve as a tool for future procurement. These books will also create a baseline level of requirement for technology adopted to help promote interoperability.

The Consortium will publish an annual progress report and review, detailing the outcomes of the Consortium and summarizing the outcomes of each Opportunity Project. Finally, at the conclusion of each year, the Consortium will host a Greater Phoenix Smart Region Symposium in one of the member communities, where all partners will be invited to highlight some of the most beneficial smart region initiatives, review the progress of the past year and plan for the following years.