AN ORDINANCE TO AUTHORIZE AND APPROVE A CONTRACT BETWEEN THE CITY OF WILMINGTON AND THIRDLINE, INC. FOR MONITORING & AUDITING SERVICES

#0158

Sponsor:

Council Member Johnson

WHEREAS, pursuant to City Charter § 2-308 and § 8-200, the City of Wilmington is authorized to enter into contracts for the supply of personal property or the rendering of services for a period of more than one year if approved by City Council by ordinance; and

WHEREAS, the City desires to enter into a multi-year contract with ThirdLine, Inc. ("ThirdLine") to acquire monitoring and auditing services (the "Agreement"), a copy of which is attached in substantial form hereto and incorporated by reference herein as "Exhibit A"; and

WHEREAS, ThirdLine will provide services that can help detect fraud, expedite audits, and improve monitoring of financial transactions for the City's Auditing Department while integrating with Tyler Technologies Munis planning system; and

WHEREAS, the term of the Agreement is for a period of five (5) years beginning on July 1, 2022 and automatically renewing each year until June 30, 2027 at an estimated total cost of five-hundred and fifty thousand dollars ($550,000); and

WHEREAS, this Agreement may be terminated by either party ninety (90) days prior to the expiration of the then-current term; and

WHEREAS, this total cost includes a five (5) year cost of $425,000 for use of ThirdLine's auditing and monitoring software and services, with an additional cost of up to $25,000 per year if the City requests custom analytic support from ThirdLine; and

WHEREAS, it is the recommendation of the Auditing Department that the City enter into this Agreement.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. The Agreement between the City and ThirdLine, Inc., a copy of which is attached in substantial form hereto as "Exhibit A," for the term of five (5) years from the date of its commencement at an estimated total cost of five-hundred and fifty thousand dollars ($550,000), is hereby approved and the Mayor, or his designee, is hereby authorized to execute as many copies of the Agreement, as well as to take all additional undertakings related thereto, as may be necessary.

SECTION 2. This Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading...............April 7, 2022
Second Reading............April 7, 2022
Third Reading..............

Passed by City Council,

_____
President of City Council

ATTEST:_____
City Clerk

Approved this _____ day of _____, 2022.

_____
Mayor

SYNOPSIS: This Ordinance authorizes the execution of an Agreement between the City of Wilmington and ThirdLine, Inc. ThirdLine will provide services that can help detect fraud, expedite audits, and improve monitoring of financial transactions for the City's Auditing Department while integrating with Tyler Technologies Munis planning system. These services will be provided over a five (5) year period for a total cost of $425,000, with an additional cost of up to $25,000 per year if the City requests custom analytic support.

FISCAL IMPACT STATEMENT: This Ordinance has an anticipated fiscal impact of $550,000 over a five (5) year period.

W0116984

EXHIBIT A

ThirdLine

MUNICIPAL ANALYTICS FOR THE PUBLIC GOOD.

Continuous Monitoring & Auditing Platform

Client: City of Wilmington

Delivered on: February 7, 2022

Submitted by: David Osborn, ThirdLine

OVERVIEW

The City of Wilmington is seeking a solution that detects fraud, expedites audits, and improves financial reporting—*and* seamlessly integrates with Tyler Technologies Munis, the organization's enterprise resource planning (ERP) system. Manual spreadsheets and other ad hoc data analysis tools are no longer adequate for City of Wilmington's $160+ million annual budget.

The organization is positioned to streamline financial processes and implement a continuous monitoring function with the ThirdLine platform.

The Association of Certified Fraud Examiners (ACFE) cites that 5% of revenue/ budget is lost to fraud each year. That would be $8.5 million out of City of Wilmington's annual budget. According to the ACFE report, **proactive data monitoring and analysis reduces the dollar amount and duration of fraud by 33%.**

With ThirdLine automation and machine learning, the City of Wilmington will save not only millions of taxpayers dollars but also countless hours that could be better spent on operating smoothly and protecting public trust.

ThirdLine will help the City of Wilmington increase its overall productivity and efficiency through data-driven audits and monitoring. At the same time, the City of Wilmington will be able to identify and respond to its unique organizational needs through ThirdLine's customizable suite of products. ThirdLine's robust, easy-to-scale enterprise software performs consistently over time, allowing the City of Wilmington to:

- Expedite Audits
- Assess Risk
- Detect Fraud
- Decrease Waste
- Discover Cost Savings
- Monitor Operations
- Find Bottlenecks
- Train Employees
- Self-Service Reporting

WHY THIRDLINE?

From Day 1, we have set out to be the best at one thing:

Help municipalities continuously monitor operations to eliminate fraud, waste, and abuse.

ThirdLine is the ideal continuous monitoring and auditing solution for the City of Wilmington:

- We have studied, mapped, and analyzed the Munis system for years.
- We have built a single platform with low barriers to entry yet high value propositions for internal auditors, financial managers, IT, and department leaders.
- We have proven to stop true instances of fraud, waste, and abuse at local municipalities.

Integration with Munis

Data from Munis can be hard to access and understand. We have spent years studying and mapping 10+ Munis modules, and as a result ThirdLine integrates quickly, securely, and seamlessly with your instance of Munis. The integration does not require access to your live database.

Quantity and Quality of Analytics

All 400+ ThirdLine analytics work together and run continuously to flag every transaction in your ERP system to provide view of your organization's risk across processes and at different levels—by employee, by vendor, and more. Our method eliminates false positives and only see what matters.

1 Platform for Audit + Management

ThirdLine is the bridge between audit and management: Auditors can use ThirdLine to expedite audits and recommends controls. Managers can monitor performance and test if the recommended controls are reducing risk across the organization.

SCOPE

When implementing ThirdLine software, the City of Wilmington will be able to continuously monitor and audit with 250-400 analytics across the following areas of its Munis instance.

| THIRDLINE MODULE	WILMINGTON	MUNIS MODULE
Accounts Receivable	X	Accounts Receivable
Accounts Payable	X	Accounts Payable
General Ledger	X	General Ledger
Vendor	X	Multiple
Purchasing	X	AP/Bid Mgmt/Contracts
Purchasing Card	X	Purchasing Card
Human Resources	X	Human Resources
Payroll	X	Payroll
Segregation of Duties	X	Multiple
Utility Billing (Q3 '22)	X	Utility Billing

SCOPE

SCHEDULE

Each phase of City of Wilmington's software planning, customization, and implementation will be benchmarked against 2-week sprints driven by a goal of work. The work will begin July 5, 2022 and be completed by August 19, 2022. The ThirdLine team will work closely with City of Wilmington's leadership team to integrate new applications and customize features and functions to meet both departmental and organizational needs.

Assumptions:

- City of Wilmington IT will work with ThirdLine on a timely and efficient basis to meet the proposed and estimated milestones below.
- City of Wilmington's Munis instance has minimal customization.
- City of Wilmington will work with ThirdLine to provide data for daily refreshes.
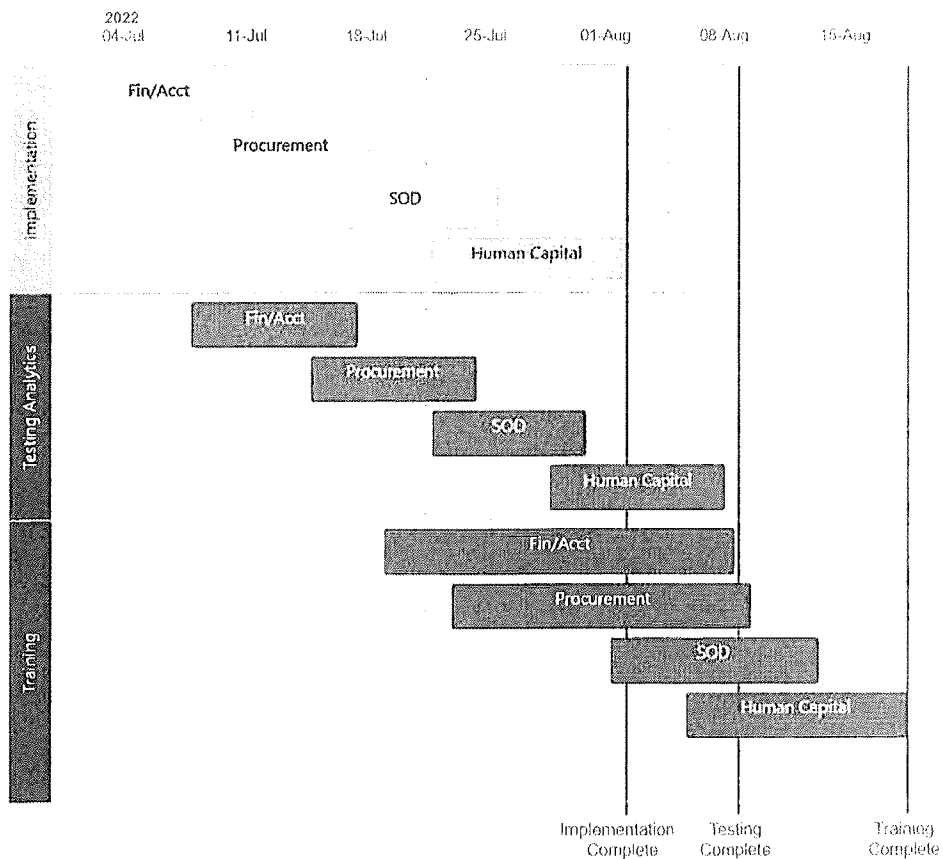
Project Goals

The City of Tulsa needed an automated solution to monitor financial risk as its emerges and plan data-driven audits.

Our Solution

400+ data analytics integrate with the City of Tulsa's instance of Munis to flag high-risk transactions across processes. With every refresh of the City's Munis data, ThirdLine analytics update across interactive dashboards, showing:

- *Where* transactions were flagged for risk in a process (AP, HR, Payroll)
- *Who* was involved in the transactions (employees, vendors, etc.)
- *When* the transactions were created and approved (last week, last quarter, or as far back as the City's implementation of Munis).

ThirdLine provided the answers to create an audit plan, reduce risks and inefficiencies associated with weak processes, and test data-driven controls.

Measurable Results

- **The City identified behavior that led to a revised policy**: ThirdLine found that employees used purchasing cards to make purchases from an employee-owned business, which is against City code.
- **The City intercepted a fraudulent deposit**: A person outside of the City changed a vendor's bank account number, initiated a $600,000 deposit to that account, and then changed the account back to the vendor's previous number. ThirdLine flagged this transaction before the cash deposited.

Testimonial quote

"My duties say that I'm supposed to periodically examine the records, accounts, and inventories of the City of Tulsa, but I've gone beyond that... What we're doing here is revolutionary, we haven't ever done this before."

— Cathy Carter, Elected City Auditor, City of Tulsa

CASE STUDY

TEAM

Nathan Pickard, CIA, CISA, Head of Product

Nathan ensures our product is exactly what auditors and management need to be successful. He has been an IT auditor and data analyst for 15 years. Before launching ThirdLine, Nathan helped create data analytics programs for governments, a publicly-traded company, and many nonprofits. Nathan began his career as an auditor for the City of Tulsa.

David Osborn, CPA, Head of Operations

David manages all things ops including sales, marketing, and accounting. He is your point of contact before launch. David is a data analyst with an expertise in finance and accounting. Before ThirdLine, David worked at public accounting firms including BKD, LLP and HoganTaylor.
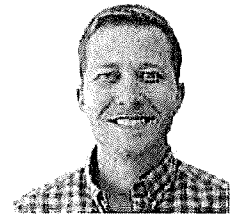
Holden Mitchell, Head of Software

Holden is a full-stack software engineer and ensures that the software we build is loved by all users. Holden began his career as high school teacher with Tulsa Public Schools (a Munis user) then joined the TPS data team and eventually led software development.

David Paddock, Head of Analytics

David masterminds all analytics to make sure they are continuously working and integrating with Munis. David has worked as a developer at Oklahoma State University, an audit analyst at Williams Companies, and an analytics consulting professional.

COST

Costs are based on an annual software subscription, software implementation, and any custom analytics development.

As an early adopter, the City of Wilmington will receive free implementation and a 60% discount for the first year.

City of Wilmington may select between 1-year or 5-year contract options with ThirdLine. Below are the estimated costs based on the project summary provided:

YEAR OF CONTRACT	FULL PRICE	DISCOUNT	YOUR PRICE
IMPLEMENTATION	$20,000	100%	$0.00
YEAR 1	$125,000	60%	$50,000
YEAR 2	$125,000	40%	$75,000
YEAR 3	$125,000	20%	$100,000
YEAR 4	$125,000	20%	$100,000
YEAR 5	$125,000	20%	$100,000

The total investment over 5 years for ThirdLine's software subscription, software implementation, and related services shall not exceed $425,000, unless by mutual written consent of the parties.

In addition to the fees set forth above, ThirdLine also offers custom analytics and other Munis support at a rate of $100 /hour. If the Customer requests custom analytics services from ThirdLine, then it shall be in writing and such requests shall not exceed $25,000 per year, unless mutually agreed upon by the parties in writing. **The total contract cost shall not exceed $550,000.** Payment is due 30 days after the beginning of each subscription period upon proper, undisputed invoice to the Customer.

ThirdLine provides a referral discount of 10% of the purchase price of a referred organization, up to a max of 10% of the City of Wilmington's purchase price. The discount will be applied at the beginning of each year of your renewal.

SECURITY

The security of your data is paramount. The following describes our process of obtaining your data, and how we protect it once we receive it.

Process

ThirdLine will work with your IT to automate a nightly or weekly export of data:

1. We provide SQL scripts and assist the IT department in automating a job that can export the required Munis data on a continuous basis. Most of the data we require would be made available via an open records request.
2. ETL and analytics processes are done totally within Amazon Web Services.
3. The ThirdLine app imports summarized analytics data.
4. The app web traffic is encrypted and uses SSO.

Security

ThirdLine uses AWS S3 private buckets to store all data received from clients. When processing customer data through our analytics platform, we work in AWS where your data never leaves the AWS environment. At ThirdLine, we use MFA to access all our tools.

ThirdLine Users

Authentication and identity management within the ThirdLine analytics platform is handled through an identify provider platform. This allows us to provide simple secure authentication or integrate easily with the client's SSO.

Third-Party Verified by <u>Kintent</u>

ThirdLine is monitored by Kintent. Customers can log in to Kintent to see how we are meeting the requirements of SOC 2. At this time, we have not had a SOC 2 audit, but can undergo a Type 1 audit quickly, or Type 2 in three to four months if required.

ThirdLine Support

Help desk support tickets may be submitted 24/7 and will be processed Monday-Friday, 8:00am-6:00pm (EST). Support through phone will be available if ticketing does not resolve the problem. We strive to resolve tickets in 24 hours.

SIGNATURE

1. This Statement of Work ("**SOW**") adopts and incorporates by reference the terms and conditions of the master agreement between the parties hereto ("**Master Agreement**"), which will be entered into between ThirdLine, Inc., a Delaware corporation ("**Provider**") and City of Wilmington ("**Customer**" and together with Provider, the "**Parties**," and each, a "**Party**"), as it may be amended from time to time. This SOW is effective beginning on the 1 day of July, 2022 ("**Effective Date**") and will remain in effect until the contract is completed on the 30 day of June, 2027 ("**Expiration Date**"), unless earlier terminated in accordance with the Master Agreement. Transactions performed under this SOW will be conducted in accordance with and be subject to the terms and conditions of this SOW and the Master Agreement. Capitalized terms used but not defined in this SOW shall have the meanings set out in the Master Agreement. The Master Agreement is attached as a reference.

2. City of Wilmington will allow ThirdLine to write a customer success story and advertise client on our website; however, ThirdLine will receive the City of Wilmington's written consent before ThirdLine attributes any quoted remarks to the City of Wilmington.

3. Please read the proposal on the previous pages to make sure you understand all the details involved with us working together. It's really important to us that everything is transparent and understood from the beginning so that we lay a solid foundation for a great working relationship.

4. If you have any questions at all, please let us know. We're happy to clarify any points and there may be some items that we can sort out together. We're committed to finding the best way to work together.

5. If you'd like to speak to us by phone, don't hesitate to call. 918-770-1735

_____

Terence Williams, City of Wilmington

David Osborn

_____

David Osborn, ThirdLine

ThirdLine VERIFIED

9

Master Services Agreement

This Master Services Agreement (this "**Agreement**"), effective as of the date of last signature below (the "**Effective Date**"), is by and between ThirdLine, Inc., a Delaware corporation ("**Provider**"), and City of Wilmington, DE ("**Customer**"). Provider and Customer may be referred to herein collectively as the "**Parties**" or individually as a "**Party.**"

WHEREAS, Provider provides access to the Services (defined below) to its customers; and

WHEREAS, Customer desires to access the Services, and Provider desires to provide Customer access to the Services, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.   Definitions.

    (a)   "**Aggregated Statistics**" means data and information related to Customer's use of the Services that is used by Provider in an aggregate and anonymized manner, including to compile statistical and performance information related to the provision and operation of the Services.

    (b)   "**Authorized User**" means Customer's employees, consultants, contractors, and agents (i) who are authorized by Customer to access and use the Services under the rights granted to Customer pursuant to this Agreement and (ii) for whom access to the Services has been purchased hereunder.

    (c)   "**Customer Data**" means, other than Aggregated Statistics, information, data, and other content, in any form or medium, that is submitted, posted, or otherwise transmitted by or on behalf of Customer or an Authorized User through the Services.

    (d)   "**Documentation**" means Provider's end user documentation relating to the Services.

    (e)   "**Provider IP**" means the Services, the Documentation, and any and all intellectual property provided to Customer or any Authorized User in connection with the foregoing. For the avoidance of doubt, Provider IP includes Aggregated Statistics and any information, data, or other content derived from Provider's monitoring of Customer's access to or use of the Services, but does not include Customer Data.

    (f)   "**Services**" means the offering described in each Statement of Work executed by the Parties. Each Statement of Work shall be incorporated herein by reference.

2.   Access and Use.

(a)   Provision of Access. Subject to and conditioned on Customer's payment of Fees and compliance with all the terms and conditions of this Agreement, Provider hereby grants Customer a non-exclusive, non-transferable (except in compliance with Section 12(g)) right to access and use the Services during the Term, solely for use by Authorized Users in accordance with the terms and conditions herein and as set forth in each applicable Statement of Work. Such use is limited to Customer's internal use.Provider shall provide to Customer the necessary passwords and network links or connections to allow Customer to access the Services.

(b)   Documentation License. Subject to the terms and conditions contained in this Agreement, Provider hereby grants to Customer a non-exclusive, non-sublicensable, non-transferable (except in compliance with Section 12(g)) license to use the Documentation during the Term solely for Customer's internal business purposes in connection with its use of the Services. All reports, analyses, specifications, and related documents prepared, assembled, drafted, or generated by Provider in connection with this Agreement shall become the exclusive property of the Customer for use by the Customer as the Customer deems appropriate. Provider may keep copies of such documents for its records. Any reuse of the documents without the Provider's written consent shall be at user's risk and responsibility.

(c)   Use Restrictions. Customer shall not use the Services for any purposes beyond the scope of the access granted in this Agreement. Customer shall not at any time, directly or indirectly, and shall not permit any Authorized Users to: (i) copy, modify, or create derivative works of the Services or Documentation, in whole or in part; (ii) rent, lease, lend, sell, license, sublicense, assign, distribute, publish, transfer, or otherwise make available the Services or Documentation; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Services, in whole or in part; (iv) remove any proprietary notices from the Services or Documentation; or (v) use the Services or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law.

(d)   Reservation of Rights. Provider reserves all rights not expressly granted to Customer in this Agreement. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Customer or any third party any intellectual property rights or other right, title, or interest in or to the Provider IP.

Suspension. Notwithstanding anything to the contrary in this Agreement, Provider may temporarily suspend Customer's and any Authorized User's access to any portion or all of the Services if: (i) Provider reasonably determines that (A) there is a threat or attack on any

11

of the Provider IP; (B) Customer's or any Authorized User's use of the Provider IP disrupts or poses a security risk to the Provider IP or to any other customer or vendor of Provider; (C) Customer, or any Authorized User, is using the Provider IP for fraudulent or illegal activities; (D) subject to applicable law, Customer has ceased to continue its business in the ordinary course, made an assignment for the benefit of creditors or similar disposition of its assets, or become the subject of any bankruptcy, reorganization, liquidation, dissolution, or similar proceeding; or (E) Provider's provision of the Services to Customer or any Authorized User is prohibited by applicable law; (ii) any vendor of Provider has unreasonably suspended or terminated Provider's access to or use of any third-party services or products required to enable Customer to access the Services; or (iii) in accordance with Section 5(a)(iii) (any such suspension described in subclause (i), (ii), or (iii), a "**Service Suspension**").

Provider shall use commercially reasonable efforts to provide written notice of any Service Suspension to Customer and to provide updates regarding resumption of access to the Services following any Service Suspension. Provider shall use commercially reasonable efforts to resume providing access to the Services as soon as reasonably possible after the event giving rise to the Service Suspension is cured. Provider will have no liability for any damage, liabilities, losses (including any loss of data or profits), or any other consequences that Customer or any Authorized User may incur as a result of a Service Suspension.

(e)   Aggregated Statistics. Notwithstanding anything to the contrary in this Agreement, Provider may monitor Customer's use of the Services and collect and compile Aggregated Statistics. As between Provider and Customer, all right, title, and interest in Aggregated Statistics, and all intellectual property rights therein, belong to and are retained solely by Provider. Customer acknowledges that Provider may compile Aggregated Statistics based on Customer Data input into the Services. Customer agrees that Provider may (i) make Aggregated Statistics publicly available in compliance with applicable law, and (ii) use Aggregated Statistics to the extent and in the manner permitted under applicable law; provided that such Aggregated Statistics do not identify Customer or Customer's Confidential Information.

3.   Customer Responsibilities. Customer is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by Customer will be deemed a breach of this Agreement by Customer. Customer shall use reasonable efforts to make all Authorized Users aware of this Agreement's provisions as applicable to such Authorized User's use of the Services, and shall cause Authorized Users to comply with such provisions.

4.   Service Levels. Subject to the terms and conditions of this Agreement, Provider will use commercially reasonable efforts to make the Services available at least ninety-nine and one half percent (99.5%) of the time as measured over the course of each calendar month during the Term (each such calendar month, a "**Service Period**"), excluding unavailability as a result of any of the Exceptions described below in this Section 4 (the "**Availability Requirement**").

"**Service Level Failure**" means a material failure of the Services to meet the Availability Requirement. "**Available**" means the Services are available for access and use by Customer and its Authorized Users over the Internet and operating in material accordance with the specifications. For purposes of calculating the Availability Requirement, the following are "**Exceptions**" to the Availability Requirement, and neither the Services will be consideredun-available nor any Service Level Failure be deemed to occur in connection with any failure to meet the Availability Requirement or impaired ability of Customer or its Authorized Users to access or use the Services that is due, in whole or in part, to any: (a) act or omission by Customeror any Authorized User; (b) Customer Failure; (c) Customer's or its Authorized User's Internet connectivity; (d) force majeure event; (e) failure, interruption, outage, or other problem with any software, hardware, system, network, facility, or other matter not supplied by Provider pursuant to this Agreement; (f) scheduled downtime; or (g) disabling, suspension, or termination of the Services pursuant to Section 2(e).

5.   Fees and Payment.

(a)   Fees. Customer shall pay Provider the fees ("**Fees**") as set forth in the Statement of Work without offset or deduction. Customer shall make all payments hereunder in US dollars on or before the due date set forth in the Statement of Work. If Customer fails to make any payment when due, without limiting Provider's other rights and remedies: (i) Provider may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly or, if lower, the highest rate permitted under applicable law; (ii) Customer shall reimburse Provider for all reasonable costs incurred by Provider in collecting any late payments or interest, including attorneys' fees, court costs, and collection agency fees; and (iii) if such failure continues for fifteen (15) days or more, Provider may suspend Customer's and its Authorized Users' access to any portion or allof the Services until such amounts are paid in full.

(b)   Taxes. All Fees and other amounts payable by Customer under this Agreement are exclusive of taxes and similar assessments. Customer is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Customer hereunder, other than any taxes imposed on Provider's income.

Auditing Rights and Required Records. Customer and Provider agree to maintain complete and accurate records in accordance with generally accepted accounting principles during the Term and for a period of two years after the termination or expiration of this Agreement with respect to matters necessary for accurately determiningamounts due hereunder. Provider may, at its own expense and after reasonable prior notice, periodically inspect and audit Customer's records with respect to matters covered by this Agreement, provided that if such inspection and audit reveals that Customer has underpaid Provider with respect to any amounts due and payable during the Term, Customer shall promptly pay the amounts necessary to rectify such underpayment,together with interest in accordance with Section 5(a). Customer, or its authorized representative, may similarly request records from Provider so Customer can assure proper accounting for all

project funds. Provider, at such time and in such form as Customer may require, shall furnish Customer such reports as Customer may request pertaining to the work or services undertaken pursuant to this Agreement.

6.   Confidential Information. From time to time during the Term, either Party may disclose or make available to the other Party information about its business affairs, products, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information, whether orally or in written, electronic, or other form or media whether or not marked, designated, or otherwise identified as "confidential" (collectively, **"Confidential Information"**). Confidential Information does not include information that, at the time of disclosure is: (a) in the public domain; (b) known to the receiving Party at the time of disclosure; (c) rightfully obtained by the receiving Party on a non-confidential basis from a third party; or (d) independently developed by the receiving Party. The receiving Party shall not disclose the disclosing Party's Confidential Information to any person or entity, except to the receiving Party's employees who have a need to know the Confidential Information for the receiving Party to exercise its rights or perform its obligations hereunder.

Notwithstanding the foregoing, each Party may disclose Confidential Information to the limited extent required (i) in order to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the Party making the disclosure pursuant to the order shall first have given written notice to the other Party and made a reasonable effort to obtain a protective order; or (ii) to establish a Party's rights under this Agreement, including to make required court filings. On the expiration or termination of the Agreement, the receiving Party shall promptly return to the disclosing Party all copies, whether in written, electronic, or other form or media, of the disclosing Party's Confidential Information, or destroy all such copies and certify in writing to the disclosing Party that such Confidential Information has been destroyed. Each Party's obligations of non-disclosure with regard to Confidential Information are effective as of the Effective Date and will expire five years from the date first disclosed to the receiving Party; provided, however, with respect to any Confidential Information that constitutes a trade secret (as determined under applicable law), such obligations of non-disclosure will survive the termination or expiration of this Agreement for as long as such Confidential Information remains subject to trade secret protection under applicable law.

Provider also agrees that all of the drawings, plans, designs, reports, analyses, specifications, information, examinations, proposals, illustrations, copies, maps, graphics, slides, and documents prepared, assembled, drafted or generated by Contractor under this Agreement are confidential, and that such documents shall not be made available to anyone, without the prior written approval of Customer.

7.   Intellectual Property Ownership.

    (a)   Provider IP. Customer acknowledges that, as between Customer and Provider, Provider owns all right, title, and interest, including all intellectual property

14

rights, in and to the Provider IP.

Customer Data. Provider acknowledges that, as between Provider andCustomer, Customer owns all right, title, and interest, including all intellectual property rights, in and to the Customer Data. Customer hereby grants to Provider a non-exclusive, royalty-free, worldwide license to reproduce, distribute, and otherwise use and display the Customer Data and perform all acts with respect to the Customer Data as may be necessary for Provider to provide the Services to Customer, and a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to reproduce, distribute, modify, and otherwise use and display Customer Data incorporated within the AggregatedStatistics.

(b)   Customer Name and Likeness License. Customer hereby grants to Provider a non-exclusive, perpetual license to use Customer's name, logo, trademarks, copyrights, likeness and any other form of identification on Provider's marketing or promotional materials. Further, Customer hereby consents to Provider publicly displaying the foregoing on its website, social media and all other forms of public-facing materials, and consents to Provider indicating that Customer engaged Provider as a client. Provider may also provide quotations from Customer regarding Provider's services after receiving Customer's written consent.

8.   Warranty Disclaimer. THE PROVIDER IP IS PROVIDED "AS IS" AND PROVIDER HEREBY DISCLAIMS EXPRESS WARRANTIES NOT HEREIN PROVIDED AND THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. PROVIDER MAKES NO WARRANTY OFANY KIND THAT THE PROVIDER IP, OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF, WILL MEET CUSTOMER'S OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, OR BE ACCURATE, COMPLETE, OR ERROR FREE.

9.   Indemnification.

(a)   Provider Indemnification.

(i)   Provider shall indemnify, defend, and hold harmless Customerfrom and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) ("Losses") incurred by Customer resulting from any third-party claim, suit, action, or proceeding ("Third-Party Claim") that theServices, or any use of the Services in accordance with this Agreement, infringes or misappropriates such third party's US intellectual property rights, provided that Customer promptly notifies Provider in writing of the claim, cooperates with Provider, and allows Provider sole authority to control the defense and settlement of such claim.

If such a claim is made or appears possible, Customer agrees to permit Provider, at Provider's sole discretion, to (A) modify or replace the Services, or component

15

or part thereof, to make it non-infringing, or (B) obtainthe right for Customer to continue use. If Provider determines that neither alternative is reasonably available, Provider may terminate this Agreement, in its entirety or with respect to the affected component or part, effective immediatelyon written notice to Customer.

(ii)   This Section 9(a) will not apply to the extent that the alleged infringement arises from: (A) use of the Services in combination with data, software, hardware, equipment, or technology not provided by Provider or authorized by Provider in writing; (B) modifications to the Services not made by Provider; or (C) Customer Data.

(iii)   Provider shall defend, indemnify, and hold harmless Customer, its employees, agents, and officers, from and against any and all claims, damages, actions, liabilities and expenses, including reasonable attorneys' fees, resulting from the negligent acts or omissions of Provider, its employees, agents, subcontractors, consultants, or subconsultants in performing the services required under this Agreement.

(b)   Customer Indemnification. Customer shall indemnify, hold harmless, and, at Provider's option, defend Provider from and against any Losses resulting from any Third-Party Claim that the Customer Data, or any use of the Customer Data in accordance with this Agreement, infringes or misappropriates such third party's intellectual property rights and any Third-Party Claims based on Customer's or any Authorized User's (i) negligence or willful misconduct; (ii) use of the Services in a manner not authorized by this Agreement; (iii) use of the Services in combination with data, software, hardware, equipment, or technology not provided by Provider or authorized by Provider in writing; or (iv) modifications to the Services not made by Provider, provided that Customer may not settle any Third-Party Claim against Provider unless Provider consents to such settlement, and further provided that Provider will have the right, at its option, to defend itself against any such Third-Party Claim or to participate in the defense thereof by counsel of its own choice.

(c)   Sole Remedy. THIS 9 SETS FORTH CUSTOMER'S SOLE REMEDIES AND PROVIDER'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE SERVICES INFRINGE, MISAPPROPRIATE, OR OTHERWISE VIOLATE ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

Limitations of Liability. IN NO EVENT WILL PROVIDER BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL,

16

ENHANCED, ORPUNITIVE DAMAGES; (b) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS; (c) LOSS OF GOODWILL OR REPUTATION; (d) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY, OR RECOVERY OF ANY DATA, OR BREACH OF DATA OR SYSTEM SECURITY; OR (e) COST OF REPLACEMENT GOODS OR SERVICES, UNLESS PROVIDER WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL PROVIDER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY EXCEED PROVIDER'S COMMERCIAL LIABILITY INSURANCE.

10.   Term and Termination.

(a)   Term. The initial term of this Agreement begins on the Effective Date and, unless terminated earlier pursuant to this Agreement's express provisions, will continue in effect until one (1) year from such date (the "**Initial Term**"). This Agreement will automatically renew for additional successive one (1) year terms unless earlier terminated pursuant to this Agreement's express provisions or either Party gives the other Party written notice of non-renewal at least ninety (90) days prior to the expiration of the then-current term (each a "**Renewal Term**" and together with the Initial Term, the"**Term**"). Ninety (90) days prior to the expiration of the Term, the Provider has the right to modify its Fees hereunder for each Renewal Term.

(b)   Termination. In addition to any other express termination right set forth in this Agreement:

(i)   Provider may terminate this Agreement, effective on written notice to Customer, if Customer[: (A) fails to pay any amount when due hereunder, and such failure continues more than twenty (20) days after Provider's delivery of written notice thereof; or (B)]breaches any of its obligations under Section 2(c) or 6;

(ii)   either Party may terminate this Agreement, effective on written notice to the other Party, if the other Party materially breaches this Agreement, and such breach: (A) is incapable of cure; or (B) being capable of cure, remains uncured thirty (30) days after the non-breaching Party provides the breaching Party with written notice of such breach; or

(ii)   either Party may terminate this Agreement, effective immediately upon written notice to the other Party, if the other Party: (A) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due; (B) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law; (C) makes or seeks to make a

general assignment for the benefit of its creditors; or (D) applies for or hasappointed a receiver, trustee, custodian, or similar agent appointed by order of anycourt of competent jurisdiction to take charge of or sell any material portion of its property or business.

(c)   Effect of Expiration or Termination. Upon expiration or earlier termination of this Agreement, Customer shall immediately discontinue use of the Provider IP and, without limiting Customer's obligations under section 6, Customer shall delete, destroy, or return all copies of the Provider IP and certify in writing to the Provider that the Provider IP has been deleted or destroyed. No expiration or termination will affect Customer's obligation to pay all Fees that may have become due before such expiration or termination or entitle Customer to any refund.

(d)   Survival. This Section 11(d) and ns 1, 5, 6, 7, 8, 9, 10, and 12 survive any termination or expiration of this Agreement. No other provisions of this Agreement survive the expiration or earlier termination of this Agreement.

11.   Miscellaneous.

(a)   Entire Agreement. This Agreement, together with any other documents incorporated herein by reference and all related Exhibits, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, and representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Agreement, the related Exhibits, and any other documents incorporated herein by reference, the following order of precedence governs: (i) first, this Agreement, excluding its Exhibits; (ii) second, the Exhibits to this Agreement as of the Effective Date; and (iii) third, any other documents incorporated herein by reference.

(b)   Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "**Notice**") must be in writing and addressed to the Parties as follows:

Provider:

David Osborn, CPA
ThirdLine Head of Operations
100 South Cincinnati Avenue, 5th Floor
Tulsa, OK 74103

Customer:

Terence J. Williams
City of Wilmington Auditor
Auditing Department
Louis L Redding City/County Building
800 N. French Street, 5th Floor
Wilmington, DE 19801

All Notices must be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage pre-paid). Except as otherwise provided in this Agreement, a Notice is effective only: (i) upon receipt by the receiving Party; and (ii) if the Party giving the Notice has complied with the requirements of this Section.

(c)   Force Majeure. In no event shall Provider be liable to Customer, or be deemed to have breached this Agreement, for any failure or delay in performing its obligations under this Agreement, if and to the extent such failure or delay is caused by any circumstances beyond Provider's reasonable control, including but not limited to acts of God, flood, fire, earthquake, pandemics, public health emergencies, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

(d)   Amendment and Modification; Waiver. No amendment to or modification of this Agreement is effective unless it is in writing and signed by an authorized representative of each Party. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, (i) no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof, and (ii) no single or partial exercise of any right, remedy, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(e)   Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect their original intent as closely as possible ina mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

(f)   Governing Law; Submission to Jurisdiction. This Agreement is governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any jurisdiction other than those of the State of Delaware. Any legal suit, action, or proceeding arising out of or related to this Agreementor the licenses granted hereunder will be instituted exclusively in the United States federal courts located in Wilmington, Delaware, the United States Court of Appeals for the Third Circuit, or the courts of the State of Delaware, and each Party irrevocably submits to the exclusive jurisdiction and venue of such courts in any such suit, action, or proceeding.

20

(g)   Assignment. Customer may not assign any of its rights or delegate any of its obligations hereunder, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of Provider, which consent shall not be unreasonably withheld, conditioned, or delayed. Any purported assignment or delegation in violation of this Section will be null and void. No assignment or delegation will relieve the assigning or delegating Party of any of its obligations hereunder. This Agreement is binding upon and inures to the benefit of the Parties and their respective permitted successors and assigns.

Export Regulation. Customer shall comply with all applicable federal laws, regulations, and rules, and complete all required undertakings (including obtaining any necessary export license or other governmental approval), that prohibit or restrict the export or re-export of the Services or any Customer Data outside the US.

(h)   US Government Rights. Each of the Documentation and the software components that constitute the Services is a "commercial item" as that term is defined at 48 C.F.R. § 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. § 12.212. Accordingly, if Customer is an agency of the US Government or any contractor therefor, Customer only receives those rights with respect to the Services and Documentation as are granted to all other end users, in accordance with (a) 48 C.F.R. § 227.7201 through 48 C.F.R. § 227.7204, with respect to the Department of Defense and their contractors, or (b) 48 C.F.R. § 12.212, with respect to all other US Government users and their contractors.

(i)   Equitable Relief. Each Party acknowledges and agrees that a breach or threatened breach by such Party of any of its obligations under 6 or, in the case of Customer, Section 2(c), would cause the other Party irreparable harm for which monetary damages would not be an adequate remedy and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to equitable relief, including a restraining order, an injunction, specific performance, and any other relief that may be available from any court, without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Such remedies are not exclusive and are in addition to all other remedies that may be available at law, in equity, or otherwise.

(j)   Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement.

(k)   Insurance Coverage. Provider shall provide insurance coverage for itself and all of its employees, if any, used in connection with the Agreement as follows: workers' compensation as required by law; and comprehensive general liability coverage for personal injury, including death, and property damage in the minimum amount of One Million Dollars ($1,000,000.00), and professional liability coverage in the minimum

21

amount of One Million Dollars ($1,000,000.00). Such policies shall be issued by a financially sound carrier and/or carriers and shall be subject to the reasonable approval of Customer. Provider shall provide Customer with a certificate of insurance evidencing the above-stated coverage and naming Customer as an additional insured.

(l)   Use of Subcontractors.   Provider may use qualified consultants, subconsultants, or subcontractors to perform the services required under this Agreement upon the approval of Customer.

(m)   Discrimination and Harassment. In the performance of this Agreement, the parties agree that they shall not discriminate or harass, or permit discrimination or harassment, against any person because of age, sex, marital status, race, religion, color, national origin or sexual orientation.

(n)   Business License. Provider shall obtain and/or maintain an appropriate business license from the City of Wilmington Department of Finance.

(o)   City Taxes. Provider shall withhold, if applicable, City of Wilmington wage taxes from the compensation of its officers, agents and employees as required by the City of Wilmington wage tax law.

(p)   Independent Contractor. Provider (and its employees and agents) is an independent contractor and not an employee or agent of Customer.

[Signature pages to follow.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

THIRDLINE, INC.   CITY OF WILMINGTON, DE

By: *David Osborn*   By: _____

Name: David Osborn   Name: _____

Title: Head Of Operations   Title: _____

Date: 4/4/2022   Date: _____

23