


City of Santa Fe, New Mexico

memo

DATE: 10 April 2023

TO: John W. Blair, City Manager
Emily Oster, Finance Director

VIA: 

Regina Wheeler, Public Works Department Director
Melissa McDonald, Parks and Open Space Division Director *MAM*

FROM: Zoë Isaacson, River and Watershed Manager *ZRI*

ACTION: Request for Approval of Software as a Service Agreement (SaaS) with 2NDNATURE in the Amount of \$35,970.00 Not Including NMGRT.

BACKGROUND & SUMMARY:

In 1990, the Environmental Protection Agency (EPA) created the Municipal Separate Storm Sewer System (sMS4) Permit Program under the NPDES of the Clean Water Act. Under the federally regulated sMS4 permit, the City of Santa Fe is required to prevent stormwater quality degradation to the maximum extent practicable. The permit outlines six minimum control measures (targets) to improve water quality and requires tracking of each target; this information is then included in a detailed annual report. Tracking stormwater data city-wide can be a herculean effort and requires a significant amount of staff time. Currently, departments track their data using a variety of methods that don't always communicate.

2NDNATURE software (2N) will streamline the reporting process by providing a clearing house for data collected in the field and continuity across all departments. Ultimately, staff will become better equipped to understand the City's stormwater system, maintenance needs, and successes. 2N is the only software on the market that is specifically designed to help municipalities manage their stormwater asset and report directly to the USEPA. 2N will utilize the City's current ESRI platform to buildout a program that can communicate with the data currently being collected in the field and compile it in one location making annual reporting significantly less cumbersome. 2N software includes mapping and hydrologic modeling capabilities that are currently unavailable to staff. Using this ESRI based software will better inform staff and decision makers who currently guide stormwater policy. In addition to the software, 2N provides training and unlimited customer service so that City staff can stay up to date on ever-evolving industry standards and best practices.

On February 14th Stormwater staff attended the ITT Change Control Board and received unanimous support for the purchase of this software.

PROCUREMENT METHOD:

Sole Source; the Sole Source package advertised on February 7th, 2023 and was posted for 30 days with no objection.

FUNDING SOURCE:

Fund Name/Number: City Drainage / 231
Munis ORG Name/Number: Stormwater Drainage / 2310411
Munis OBJ Name/Number: Software >\$5,000 / 570850

ATTACHMENTS:

SaaS Agreement (Munis Contract No. 3203956)
Sole Source Approval
Summary of Contract
Procurement Checklist
2NDNATURE Business License & Certificate of Liability Insurance

Reviewed By:
Halona Crowe
Halona Crowe (Apr 11, 2023 15:13 MDT)
Halona Crowe
Business Operations Manager



City of Santa Fe

Real Estate Summary of Contracts, Agreements, Amendments & Leases

Section to be completed by department

1. Munis Contract # 3203956

Contractor: 2NDNATURE

Description: Specialized software programing and modeling required for federal MS4 permit compliance and data tracking. Includes training and on-demand customer service as needed.

Contract ☐ Agreement ☐ Lease / Rent ☐ Amendment ☐

Term Start Date: date of signature Term End Date: 1year

☐ Approved by Council Date: _____

Contract / Lease:

Amendment # _____ to the Original Contract / Lease # _____

Increase/(Decrease) Amount \$ _____

Extend Termination Date to: _____

☐ Approved by Council Date: _____

Amendment is for:

2. **HISTORY of Contract, Amendments & Lease / Rent - Please Elaborate** (option: attach spreadsheet if multiple amendments)

3. **Procurement History:** _____

Andy Hopkins Apr 13, 2023
Purchasing Officer Review: _____ Date: _____

Comment & Exceptions: SS posted for 30 days w/out protest.

4. **Funding Source:** Stormwater Utility Service Charge **Org / Object:** 2310411/510250

Andy Hopkins Apr 13, 2023
Budget Officer Approval: _____ Date: _____

Comment & Exceptions: _____

Staff Contact who completed this form: Zoe Isaacson Phone # 505.955.6853

Email: zisaacson@santafenm.gov

To be recorded by City Clerk:

Clerk # _____

Date of Execution: _____

Manuel Gonzalez
Manuel Gonzalez (Apr 20, 2023 12:35 MDT)

ITT Director Apr 20, 2023

ITT Representative (attesting that all information is reviewed) Title Date



CITY OF SANTA FE PROCUREMENT CHECKLIST

Contractor Name: 2NDNATURE

Procurement Title: 2NDNATURE Software Agreement

Procurement Method: State Price Agreement ☐ Cooperative ☒ Sole Source ☐ Other ☐

Exempt ☐ Request For Proposal (RFP) ☐ Invitation To Bid (ITB) ☐ Contract under 60K ☐ Contract over 60K ☐

Department Requesting Public Works Staff Name Zoe Isaacson

Procurement Requirements:

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

REQUIRED DOCUMENTS FOR APPROVAL BY PURCHASING*

YES N/A

<input checked="" type="checkbox"/>	<input type="checkbox"/>	Approved Procurement Checklist (by Purchasing)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Memo addressed to City Manager (under 60K) Committees/City Council (over 60K)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	State Price Agreement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	RFP
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Evaluation Committee Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ITB
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Bib Tab
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Quotes (3 valid current quotes)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cooperative Agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sole Source Request and Determination Form
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Contractors Exempt Letter
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Purchasing Officers approval for exempt procurement
<input type="checkbox"/>	<input checked="" type="checkbox"/>	BAR
<input type="checkbox"/>	<input checked="" type="checkbox"/>	FIR
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Executed Contract, Agreement or Amendment
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Current Business Registration and CRS numbers on contract or agreement
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Summary of Contracts and Agreements form
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Certificate of Insurance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	All documentation presented to Committees
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other:

Zoe Isaacson River and Watershed Manager 04/10/2023

Department Rep Printed Name (attesting that all information included) Title Date
 Contracts Supervisor Apr 13, 2023

Purchasing Officer (attesting that all information is reviewed) Title Date
 ITT Director Apr 20, 2023
Manuel Gonzalez (Apr 20, 2023 12:35 MDT)

ITT Representative (attesting that all information is reviewed) Title Date

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

SOFTWARE AS A SERVICE AGREEMENT

This software as a software license agreement ("Agreement") dated _ ("Effective Date"), is between **City of Santa Fe** located at 200 Lincoln Avenue, Santa Fe, NM, 87501 ("Client") and **2NDNATURE Software Inc.** located at 500 Seabright Ave #205, Santa Cruz, California 95062 ("2N"). The parties hereby agree as follows:

1. Access and Restrictions.

- 1.1 Subject to the terms of this Agreement, 2N grants to Client a limited, non-exclusive, non-transferable right during the Term to allow its Users (defined below) to access and use the online software applications described in Exhibit A of this Agreement ("2N Software") solely for Client's internal business purposes and may provide other services necessary for productive use of the 2N Software, including the provision of software updates, bug fixes, data monitoring, and technical support ("Support Services"). "User" means any Client employee, contractor, or agent, or any other individual or entity authorized by the Client to access and use the 2N Software. Client's rights to access the Service will be limited to those expressly granted in this Agreement, and 2N reserves all other rights, title, and interest therein.
- 1.2 Restrictions. Client is responsible for all activities conducted under its and its Users' logins on the 2N Software. Client shall not: (i) copy, rent, sell, lease, distribute, pledge, assign, or otherwise transfer, or encumber rights to the 2N Software, or any part thereof, or use it for the benefit of any third party, or make it available to anyone other than its Users; (ii) send or store any personally information; (iii) send or store infringing or unlawful material; (iv) send or store viruses, worms, time bombs, Trojan horses and other harmful or malicious code, files, scripts, agents or programs; (v) attempt to gain unauthorized access to, or disrupt the integrity or performance of, the 2N Software or the data contained therein; (vi) modify, copy or create derivative works based on the 2N Software, or any portion thereof; (vii) access the 2N Software for the purpose of building a competitive product or service or copying its features or user interface; or (viii) delete, alter, add to or fail to reproduce in and on the 2N Software the name of 2N and any copyright or other notices appearing in or on the 2N Software or which may be required by 2N at any time.
- 1.3 Professional Services. Additional professional services related to the initial set-up and ongoing use of the 2N Software such as training, data import/export, will be set forth and billed at 2N's current time and materials rates stated in Exhibit A.

2. Term and Termination.

- 2.1 Term. The term of this Agreement is stated in Exhibit A.
- 2.2 Termination for Cause. Without limiting the right of a party to immediately terminate this Agreement for cause as provided for in this Agreement, if either party materially breaches any of its duties or obligations hereunder and such breach is not cured within thirty (30) calendar days after written notice of the breach, the non-breaching party may terminate this Agreement for cause as of a date specified in such notice.

3. Proprietary Rights

- 3.1 2N Rights. Except for the rights expressly granted under this Agreement, 2N retains all right, title, and interest (including all related intellectual property rights) in and to the 2N Software, and all other products, works, software and technology created, used, or provided by 2N in connection with this Agreement.
- 3.2 Client Data. All right, title and interest in and to the Client Data is owned exclusively by Client and Client may use the 2N Software to create reports and other data exports as needed for the Client internal business purposes. Client grants 2N a license to use, aggregate, collect, process, store, generate, and display Client Data to the extent necessary to maximize the effectiveness of 2N Software.

4. Fees. Client will pay 2N the annual subscription fee as stated in Exhibit A for access to the 2N Software, Set-Up Services, and Support Services ("Subscription Fee"). Client shall pay the Subscription Fee within thirty (30) days of execution of this Agreement.


Client agrees to pay all sales, use, value-added, goods and services, consumption, withholding, excise and any other similar taxes or government charges, exclusive of 2N's income taxes.

5. Disclaimer of Warranties. THE 2N SOFTWARE IS PROVIDED "AS-IS" AND 2N AND ITS SUPPLIERS HEREBY DISCLAIM ALL (AND HAVE NOT AUTHORIZED ANYONE TO MAKE ANY) WARRANTIES RELATING TO THE 2N SOFTWARE, PROFESSIONAL SERVICES OR OTHER SUBJECT MATTER OF THIS AGREEMENT, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS, AVAILABILITY OF THE 2N SOFTWARE, TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE PARTIES ARE NOT RELYING AND HAVE NOT RELIED ON ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER REGARDING THE SUBJECT MATTER OF THIS AGREEMENT, EXPRESS OR IMPLIED.
6. Limitation of Liability. EXCEPT FOR CLIENT'S BREACH OF SECTION 1.2 NEITHER CLIENT, 2N, NOR 2N's SUPPLIERS, SHALL BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY (A) FOR ERROR OR INTERRUPTION OF USE, LOSS OR INACCURACY OR CORRUPTION OF DATA, (B) FOR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES, RIGHTS, OR TECHNOLOGY, (C) FOR ANY LOST PROFITS OR REVENUES, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER OR NOT A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
7. General
 - 7.1 Authority. Client represents and warrants that it has all requisite corporate power, financial capacity, and authority to execute, deliver, and perform its obligations under this Agreement.
 - 7.2 Confidentiality. Except as required by applicable laws or regulations, the parties agree that information deemed confidential at the time of disclosure and the terms of this Agreement shall not be disclosed to any third party.
 - 7.3 Notices. Any notice given pursuant to this Agreement shall be in writing and shall be given via email (provided receipt is confirmed by the recipient), certified mail or courier, return receipt requested, to the addresses appearing in the preamble of this Agreement, or as changed through written notice to the other party. Notice is deemed effective on the date it is delivered to the addressee.
 - 7.4 Force Majeure; Excused Performance. Neither party shall be liable for delays or any failure to perform the obligations under this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, explosion, flood or other natural catastrophe, governmental legislation, acts, orders, or regulation, strikes or labor difficulties, to the extent not occasioned by the fault or negligence of the delayed party.
 - 7.5 Independent Contractor. 2N is an independent contractor with no authority to contract for Client or in any way to bind or to commit Client to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Client. Under no circumstances shall 2N, or any of its staff, if any, hold itself out as or be considered an agent employee, joint venture, or partner of Client.
 - 7.6 Costs. In any litigation, or other proceeding, informal or formal, by which one party either seeks to enforce this Agreement or seeks a declaration of any rights or obligations under this Agreement each party shall be responsible for their own costs and expenses including attorney's fees.
 - 7.7 No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

- 7.8 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a facsimile signature may substitute for and have the same legal effect as the original signature.
- 7.9 Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and supersede any and all previous representations, understandings, or agreements between Client and 2N as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties. Any terms and conditions included in a Client purchase order or a 2N invoice, as the case may be, shall be deemed to be solely for the convenience of the respective party, and no such term or condition shall be binding upon the parties.

Executed on the dates set forth below by the undersigned authorized representative of Client and 2N to be effective as of the Effective Date.

Client

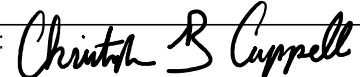
By: 
zoe isaacson (Apr 12, 2023 11:20 MDT)

Name: zoe isaacson

Title: River and Watershed Manager

Date: Apr 12, 2023

2NDNATURE Software Inc.

By: 
Christopher Cappelli

Name: Christopher Cappelli

Title: President

Date: April 5, 2023

EXHIBIT A

2N Software Description

Term	This Agreement shall commence on the Effective Date and continue for twelve (12) months ("Term").
Products/Services	Reference 2N Quotation Number: HubSpot Quote #20220808-140451049.

City of Santa Fe ADDENDUM

This agreement incorporates the additional terms and conditions in the addendum between 2NDNATURE SOFTWARE, INC. (2N) and the CITY OF SANTA FE (CLIENT).

TERMINATION

This Agreement may be terminated by CLIENT upon 30 days written notice to the 2N.

INDEMNIFICATION

2N shall indemnify, hold harmless and defend CLIENT from all third party losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account such third part of any suit, judgment, execution, claim, action or demand whatsoever arising from 2N's performance under this Agreement as well as the performance of 2N's employees, agents, representatives and subcontractor. In no event will liability to Client under the Agreement exceed the fees paid or due and payable by Client to 2N under the Agreement.

NEW MEXICO TORT CLAIMS ACT

Any liability incurred by CLIENT or 2N in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. CLIENT and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

APPLICABLE LAW; CHOICE OF LAW; VENUE

2N shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of CLIENT of Santa Fe. In any action, suit or legal dispute arising from this Agreement, 2N agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by CLIENT for the performance of this Agreement. If sufficient appropriations and authorization are not made by CLIENT, this Agreement shall terminate upon written notice being given by CLIENT to 2N. The CLIENT's decision as to whether sufficient appropriations are available shall be accepted by 2N and shall be final.

RELEASE

2N agrees not to purport to bind CLIENT to any obligation not assumed herein by CLIENT unless 2N has express written authority to do so, and then only within the strict limits of that authority.

INSURANCE

2N shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act.

2N shall furnish CLIENT with proof of insurance of 2N's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than CLIENT and 2N. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

SEVERABILITY

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

Signature Lines required:

City of Santa Fe:

John Blair
John Blair (May 9, 2023 10:40 MDT)
John Blair, City Manager

2N:

Christopher B Cappelli
Christopher Cappelli, President

Date: _____

Date: April 5, 2023

Attest:

Kristine Bustos Mihelcic
Kristine Bustos Mihelcic, City Clerk XIV

City Attorney's Office:

Marcos Martinez
Marcos Martinez (Apr 5, 2023 12:07 MDT)
Senior Assistant City Attorney

Approved for Finances:

Emily K. Oster

Emily K. Oster (May 4, 2023 22:07 MDT)

Finance Director



City of Santa Fe, New Mexico



SOLE SOURCE REQUEST AND DETERMINATION FORM

This sole source request form **must** be submitted to the City of Santa, Purchasing Division for authorization, determination and processing by the Chief Procurement Officer (CPO).

Please ensure to complete this form in its entirety - () must be completed.*

*Date: 02/06/2023

*Prepared By: Zoe Isaacson

*Title: River and Watershed Manager

*Vendor Name: 2NDNATURE Software Inc

*Address: 500 Seabright Ave Suite 206

*City: Santa Cruz

*State: CA

*Zip Code: 95062

*Description of Goods/Service to be procured:

*Estimated Cost:

35,970.00

Term of Contract:

One (1) to Four (4) year from award

One (1) year

*Sole Source Request Justification Questions 1-3.

1. Explain the purpose/need of purchase. Ensure to include a thorough scope of work for the services, construction or items of tangible personal property (if this is an amendment request to an existing contract, attach current contract).

The purpose of this software is to maximize the value of the City's stormwater assets and lower the total cost of management. The functionality and embedded analytics provided by this software help optimize federal MS4 compliance activities in a way that allows the data collected in the field be updated in real time and presented geospatially throughout the landscape. Once the collected data is uploaded to the City's database, this software, unlike other programs, can begin to model the stormwater network to help guide decision making and program focus. The software, unlike any other on the market, has an approved partnership with the US Environmental Protection Agency that allows users to report, directly to the EPA, the end of the year metrics needed for annual reporting and compliance.

Please see the attached quote for a detailed scope of services.



City of Santa Fe, New Mexico



2. Provide a detailed explanation of the criteria developed and specified by the department as necessary to perform and/or fulfill the contract.

☐

The contractor has affirmed sole source for the services, construction or items of tangible personal property (*Attach memo from vendor*). Provide documentation of due diligence for other possible vendors/contractors to provide the requested services/goods proved unsuccessful; or

☒

X. Other: explanation of the reasons, qualifications, proprietary rights or unique capabilities (*unique and how this uniqueness is substantially related to the intended purpose of the contract*) of the prospective contractor that makes the prospective contractor *the one source* capable of providing the required professional service, service, construction or item(s) of tangible personal property. (Please do not state the source is the “best” source or the “least costly” source. Those factors do not justify a “sole source.”) *Unique and how this uniqueness is substantially related to the intended purpose of the contract.*

Other software providers do not have the training, mapping, modeling, reporting or analytic capabilities that 2NDNATURE provides. The 2NDNATURE license includes a robust hydrologic model that is embedded in the software and is vital for our work. Contracting for this model and paying for the upkeep of the data alone would be far more expensive than the license with 2NDNATURE.

As the only ESRI partner that can provide these services 2NDNATURE will seamlessly integrate with the City’s existing database and mapping software to improve compliance citywide. The modeling included in this program is proprietary and not available elsewhere. The analytics provided by this software will prove a cost-savings measure as maintenance and replacement costs will be improved with use of this program. The data collection tools, modeling, and reporting are intuitive and after many demonstrations it clear this software is user friendly and will be easy for staff to utilize; other programs were seemingly much more difficult to learn.

After months of research and meeting with other software providers it has become clear that 2NDNATURE is the only software that can provide all the City’s stormwater needs in one platform.

3. Explain why other similar professional services, services, construction or item(s) of tangible personal property *cannot* meet the intended purpose of the contract.

There are other software companies that can provide individual elements that satisfy the City’s stormwater needs. However, 2NDNATURE is the only program, that we have found, that can provide an all-in-one solution to the City’s needs.

Most importantly, no other software platform can provide the analytics and reporting capabilities that 2NDNATURE can. MS4 compliance and reporting are of the utmost importance for the stormwater program and to have a software developed specifically for MS4 compliance is of the greatest value. Compliance and annual reporting are required by federal law; having direct access to the EPA for reporting is invaluable and is not a service provided by other vendors

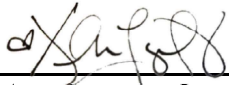


City of Santa Fe, New Mexico




*Approvals:

Based on the above facts, the City of Santa Fe Purchasing Officer has made the determination that the justification for a Sole Source procurement is in accordance with the State Procurement Code, Section 13-1-126 Sole source procurement., NMSA 1978 and shall be posted for a 30-day period prior to award.



JoAnn Lovato, Interim CPO Date
Purchasing Officer for the
City of Santa Fe

Pursuant to the State Procurement Code, Section 13-1-126 Sole source procurement., NMSA 1978, the 30-day posting period of the Notice of Intent to Award this Sole Source request was met and no obligation to the award to the above referenced contractor were received. *This Sole Source determination will be valid for a period of one (1) year from the date of the award.*

3/13/23


JoAnn Lovato, Interim CPO Date
Purchasing Officer for the
City of Santa Fe

*Required Attachments:

- *Letter from Contractor acknowledging they are the only source (on their business letterhead and signed by the head of business or financial operations),*
- *Quote from sole source Contractor*
- *Agenda Item to be presented to City Council if over \$60,000 for Professional Services and \$60,000 for Goods and Non-Professional Services*



February 7, 2023

Re: Letter for Sole Source Justification

To Whom It May Concern:

The 2NDNATURE platform is the only commercial-off-the-shelf software (COTS) that meets ALL the minimum control requirements for the New Mexico MS4 stormwater permit and provides quantitative pollutant load reduction estimates to directly demonstrate compliance with New Mexico's Total Daily Maximum Load (TDML) requirements.

The value of the 2NDNATURE platform extends beyond the minimum control requirements. The 2NFORM a fully integrated and comprehensive platform includes a set of field applications for inspections with real-time performance analytics and reporting.

We are unique and our modeling and modules are derived directly from the EPA Clean Water Act Standards.


Our scientific modeling and analytics are backed by peer-reviewed scientific journals from in-house PHD scientists (Articles available upon request). No other company has access to our analytics and scientific modeling, nor could they use it without our permission.

At the time of this letter, no other comparable COTS options are available in the marketplace (technology markets evolve quickly, and this is subject to change). As such, direct price comparisons are not applicable. That said, some MS4 permit holders have built custom solutions or leverage spreadsheets to manage their stormwater programs. Ultimately, 2NDNATURE delivers a stronger ROI with lower lifetime costs compared to homegrown alternatives or spreadsheets.

Selecting another solution would potentially increase both potential risk factors and maintenance costs. Specifically, the ability to achieve annual compliance with costly non-centralized systems and error-prone manual processes pose significant challenges to satisfy permit requirements.

Please consider this letter meeting the requirements for Sole Source procurement.

Sincerely,

Lance Miller X 
Account Executive
2NDNATURE Software



City of Santa Fe, NM

City of Santa Fe

200 Lincoln Avenue
Santa Fe, NM 87501
United States

zoe isaacson

zisaacson@santafenm.gov
5052046985

Reference: 20230207-130034102

Quote created: February 7, 2023

Quote expires: April 17, 2023

Quote created by: Lance Miller

Account Executive

lance.miller@2ndnaturewater.com

Comments from Lance Miller

Hi Zoe! We are excited to offer you this quote for our software and we are looking forward to working you to help create a robust and streamlined stormwater management program for the City of Santa Fe!

Products & Services

Item & Description	SKU	Quantity	Unit Price	Total
Post-Construction Module Streamline your record-keeping to preserve the details of each project that triggered your MS4 post-construction requirements to ensure responsible parties meet their annual obligations.		1	\$4,995.00 / year	\$4,995.00 / year for 1 year

Item & Description	SKU	Quantity	Unit Price	Total
Illicit Discharge Module Empower your team to investigate, evaluate, and document discharge incidents and dry weather outfall inspections.		1	\$2,995.00 / year	\$2,995.00 / year for 1 year
Municipal Maintenance Module Build and maintain a structured asset registry to map, plan, and track all required inspection and maintenance activities and maximize the allocation of resources with intuitive KPIs.		1	\$9,995.00 / year	\$9,995.00 / year for 1 year
Construction Module Organize and streamline permitting, inspection, and enforcement activities. Track each project's compliance with MS4 requirements and standards.		1	\$4,995.00 / year	\$4,995.00 / year for 1 year
Public Education & Outreach Module Centralize and manage all education and outreach activity records and resources. Gain insights and communicate the collective impact of the breadth and diversity of those engaged.		1	\$2,995.00 / year	\$2,995.00 / year for 1 year
Trash Compliance Module Efficiently turn your observations and data into litter distribution maps that help you prioritize litter control strategies and verify the effectiveness of investments from street sweeping to structural trash capture devices over time.		1	\$9,995.00 / year	\$9,995.00 / year for 1 year
Asset Registry Jumpstart A technical analyst from 2NDNATURE will work with your team to load your relevant existing asset data, structural BMPs, and construction sites into our enhanced stormwater foundation template in 2NFORM and ArcGIS to jumpstart your onboarding.		1	\$3,400.00	\$0.00 after 100% discount

Subtotals

Annual subtotal	\$35,970.00
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One-time subtotal	\$0.00
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after \$3,400.00 discount

Total	\$35,970.00
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Purchase terms

We do not need this quote back, this is for you. All we need is the SaaS agreement with both parties edits and the updated effective date to reflect the date that you all will have access to the software. Usually same day as the PO was signed and sent to us.

Questions? Contact me



Lance Miller
Account Executive
lance.miller@2ndnaturewater.com

2NDNATURE
500 Seabright Avenue
Suite 205
Santa Cruz, CA 95062
United States



City of Santa Cruz

Finance Department - Santa Cruz, California

BL-93032

Business License
Tax Certificate

Issued in accordance with chapter 5.04 of the Santa Cruz Municipal Code. The business license tax does not sanction any business activity or use of premises which are in violation of federal, state, or local laws. This certificate is issued without verification that the certificate holder is subject to or exempt from licensing by the State of California.

Type of Business: CONSULTING - OTHER

EXPIRATION DATE: 12/31/2022

Doing Business As: 2ND NATURE LLC

Finance Director

Ownership: NICOLE BECK - PRINCIPAL
2ND NATURE LLC

”

This certificate must be posted in a conspicuous place on the premises or vehicle.

NON TRANSFERABLE

IMPORTANT INFORMATION

Immediately notify the City of Santa Cruz Finance Department of any change in your business status including:

CHANGE IN OWNERSHIP:

Business license tax certificates are non-transferable. New owners must apply for their own certificate on or before the day they start business to avoid penalties. Former owners must immediately notify this office if the business has been sold or discontinued.

CHANGE OF ADDRESS:

Any address change, either business or mailing address, must be reported to our office immediately. A change in business address within the city limits of Santa Cruz may require a new occupancy permit from the Planning Department. Failure to notify our office of an address change may result in a mail return of your renewal statement and subsequent penalties for the late renewal.

DISCONTINUANCE OF BUSINESS:

If your business is sold, we must be notified of the date the business is sold, the name of the new owner, and the new owner(s)' address and phone number. If your business is discontinued within the city limits of Santa Cruz, we must be notified of the date of discontinuance within the City of Santa Cruz. Failure to notify us that your business has been sold or discontinued may result in unpaid license fees and penalties due.

RENEWAL OF BUSINESS LICENSE TAX CERTIFICATE:

Your business license tax certificate will expire on the date printed on the license. Renewals are due within 30 days of the expiration date to avoid penalties. Renewal statements are mailed on or before the expiration date each year. However, if you do not receive your reminder notice, it is your responsibility to renew your certificate in a timely

City of Santa Cruz Finance Department, (831) 420-5070.

PAYMENT RECEIPT INFORMATION

Business License Number: BL-93032

Expiration Date: 12/31/2022

Zoning Permit Number:

Number of Employees: 0

Doing Business As: 2ND NATURE LLC

Last Payment Date: 04/07/2021



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/14/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lamb Insurance Services 420 Lexington Avenue Suite 2620 New York NY 10170	CONTACT NAME: PHONE (A/C. No. Ext): E-MAIL ADDRESS:	FAX (A/C. No.):
License#: PC-1013055 2NDNSOF-01	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED 2ndNature Software Inc and 2ndNature LLC 500 Seabright St. Suite 205 Santa Cruz CA 95062	INSURER A: Endurance American Specialty I	10641
	INSURER B: Progressive	44101
	INSURER C: Sentinel Insurance Co	
	INSURER D: Federal Insurance Company	20281
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** 216932271**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		FEIECC10847-09	1/31/2022	1/31/2023	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		01937563-5	9/12/2022	3/12/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/> N / A				PER STATUTE E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C D	Professional Liability Directors & Officers		57SBAB00614 8262-1479	12/23/2022 7/14/2022	12/23/2023 7/14/2023	Limit/Occurrence Limit/Aggregate 2,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Coverage

CERTIFICATE HOLDER**CANCELLATION**

Evidence of Coverage

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Business Licensing and Registration Exception Declaration

The Santa Fe City Code, secs. 18-1 and 18-2, requires persons who do business in the City to license or register their business with the City. However, if a person does not engage in business in New Mexico, that person does not need a City business license for the current calendar year.

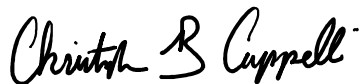
Under New Mexico state law, “engaging in business” means carrying on or causing to be carried on any activity with the purpose of direct or indirect benefit.

For a person who lacks physical presence in this state, including a marketplace provider¹, “engaging in business” means having, in the previous calendar year, total taxable gross receipts from sales, leases, and licenses of tangible personal property, sales of licenses, sales of services, and licenses for use of real property sourced to this state pursuant to NMSA 1978, § 7-1-14, of at least one hundred thousand dollars (\$100,000). NMSA 1978, § 7-9-3.3 (2019).

I, Christopher Cappelli, as owner or agent of 2NDNATURE Software, Inc.
(print name) (business name)

declare that in the previous calendar year, this business had less than one hundred thousand dollars (\$100,000) from sales, leases, and licenses of tangible personal property, sales of licenses and sales of services and licenses for use of real property sourced to this state.

By signing this form, I also understand that the City of Santa Fe assumes no tax liability for this business and that the City is under no duty to inform it about actual or potential tax liability.



(Signature)

April 26, 2023

(Date)

¹ "marketplace provider" means a person who facilitates the sale, lease or license of tangible personal property or services or licenses for use of real property on a marketplace seller's behalf, or on the marketplace provider's own behalf, by:

- (1) listing or advertising the sale, lease or license, by any means, whether physical or electronic, including by catalog, internet website or television or radio broadcast; and
- (2) either directly or indirectly, through agreements or arrangements with third parties collecting payment from the customer and transmitting that payment to the seller, regardless of whether the marketplace provider receives compensation or other consideration in exchange for the marketplace provider's services; NMSA 1978, §7-9-3(J).

Signature: *Melissa McDonald*

Email: mamcdonald@ci.santa-fe.nm.us

23-0177 2NDNATURE Software, Inc. PW

Final Audit Report

2023-05-09

Created:	2023-05-03
By:	Xavier Vigil (xivigil@ci.santa-fe.nm.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAuGDLT1PPHIQx7tYI5VsgoKZli-Vs2iyV

"23-0177 2NDNATURE Software, Inc. PW" History

 Document created by Xavier Vigil (xivigil@ci.santa-fe.nm.us)

2023-05-03 - 5:15:43 PM GMT- IP address: 63.232.20.2

 Document emailed to ekoster@santafenm.gov for signature

2023-05-03 - 5:22:01 PM GMT

 Email viewed by ekoster@santafenm.gov

2023-05-05 - 4:02:17 AM GMT- IP address: 104.47.64.254

 Signer ekoster@santafenm.gov entered name at signing as Emily K. Oster

2023-05-05 - 4:07:13 AM GMT- IP address: 73.42.116.51

 Document e-signed by Emily K. Oster (ekoster@santafenm.gov)

Signature Date: 2023-05-05 - 4:07:15 AM GMT - Time Source: server- IP address: 73.42.116.51

 Document emailed to jwblair@santafenm.gov for signature


2023-05-05 - 4:07:17 AM GMT

 Email viewed by jwblair@santafenm.gov


2023-05-09 - 4:40:03 PM GMT- IP address: 104.47.64.254

 Signer jwblair@santafenm.gov entered name at signing as John Blair

2023-05-09 - 4:40:17 PM GMT- IP address: 63.232.20.2

 Document e-signed by John Blair (jwblair@santafenm.gov)

Signature Date: 2023-05-09 - 4:40:19 PM GMT - Time Source: server- IP address: 63.232.20.2

 Document emailed to Kristine Mihelcic (kmmihelcic@santafenm.gov) for signature

2023-05-09 - 4:40:21 PM GMT

 Email viewed by Kristine Mihelcic (kmmihelcic@santafenm.gov)

2023-05-09 - 4:47:48 PM GMT- IP address: 104.47.64.254



Document e-signed by Kristine Mihelcic (kmmihelcic@santafenm.gov)

Signature Date: 2023-05-09 - 4:47:56 PM GMT - Time Source: server- IP address: 63.232.20.2



Agreement completed.

2023-05-09 - 4:47:56 PM GMT