SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM: 3.7
(ID # 22511)
MEETING DATE:
Tuesday, July 18, 2023

FROM : ASSESSOR-COUNTY-CLERK-RECORDER:

SUBJECT: ASSESSOR-COUNTY-CLERK-RECORDER: Approval of the Agreement with C3.AI Inc., a Delaware Corporation, without seeking competitive bids, for a total of $6,375,000, for Five (5) years; All Districts. [$3,875,000 – American Rescue Act (ARPA) Corona virus Relief Fund – 61%; $2,500,000 Department Funds 39%-$1,125,000; ongoing] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve $3,875,000 from the American Rescue Act (ARPA) Coronavirus Relief fund for Technology Infrastructure from the County Departments Response category over the first three years of the Agreement;

2. Approve and direct the Auditor Controller to make the budget adjustment as shown on Schedule A;

Continued on Page 2
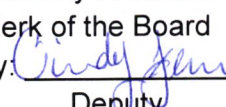
ACTION:Policy, 4/5 Vote Required

Kan Wang
Kan Wang, Assistant Assesor-County-Clerk Recorder   7/11/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Perez, Washington, and Gutierrez
Nays: None
Absent: None
Date: July 18, 2023
xc: Assessor

Kimberly A. Rector
Clerk of the Board
By:
Deputy

RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve the Agreement with C3.AI Inc., a Delaware Corporation, without seeking competitive bids, for a total of $6,375,000, for five (5) years;

4. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that include modifications of the statement of work that stay within the intent of the Agreement and sign amendments to the compensation provisions that do not exceed ten percent (10%) annually of the total annual cost of the contract to be funded from Department funds; and,

5. Direct the Clerk of the Board to return two (2) original copies of the signed Agreement to the Assessor–County Clerk–Recorder's office.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$1,875,000	$1,125,000	$6,375,000	$1,125,000
NET COUNTY COST				

SOURCE OF FUNDS:	Budget Adjustment: Yes
American Rescue Plan Act ("ARPA") Coronavirus Relief Fund, 61%	
Department Funds, 39%	
	For Fiscal Year: 23/24 – 27/28

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) in to law. Riverside County's share of American Rescue Plan funding is estimated to be $479 million, of which the first installment of $239,937,299 was received on May 10, 2021.

On October 19, 2021, the Board approved Item 3.5 with preliminary allocations of ARPA into seven broad categories: 1) Infrastructure; 2) Housing and Homelessness; 3) Economic Recovery; 4) County Departments Response; 5) Revenue Backfill; 6) Non-Profit Assistance; and 7) Child Care Assistance. Specific budget adjustments would come to the Board in separate Form 11s brought forward by individual departments.

The Assessor-County Clerk-Recorder's (ACR) is requesting the ARPA funds to fund a Technology Infrastructure project leveraging Artificial Intelligence and Machine Learning (AI/ML). AI/ML-generated property appraised values can potentially better serve

underserved communities in numerous ways and have the potential to enhance transparency to the public.

The County Departments Response category in the first ARPA installment was funded with $30.9 million. Currently there is a remaining balance available to allocate from this category of $7.7 million. The project presented in this F11 will be funded from this County Departments Response category. The application of ARPA funds was deemed an eligible use following review with an ARPA consultant and is based upon the Final Rule promulgated by the Department of the Treasury, which noted that funds may be used to address the data, evidence, and program administration needs of recipients, including improvement to government information technology and data management systems.

The ACR's Residential Appraisal unit handles a high volume of appraisal work, both during market upturns and downturns. Approximately half of the workload requires manual data analysis and determination of the taxable value for residential properties in the County. As the department continues to face challenges that drive up work volume, such as high turnover, and the need to recruit and train new staff due to the County's continued high growth rate, the strategic goal is to leverage technology to control staffing growth. Implementing an AI/ML augmented solution can reduce the labor hours required to perform the work, enabling the department to increase productivity with the existing workforce and expand the staff's capacity to accommodate the county's growth, increased workload, recover from future pandemics or emergencies, and work through backlogs of data maintenance.

In December 2022, the ACR entered a Pilot Program with C3.AI. Their technical experts provided an AI/ML based solution for residential property and condominium valuation. This purchase is an extension of the successful Pilot Program.

AI/ML is a platform-based solution to value residential properties in Riverside County. The solution enhances the staff's production processing capabilities by providing AI/ML-powered analysis and conclusions, eliminating the need for manual steps in the valuation process. The solution is developed and delivered on a platform that will enable the organization to become self-sufficient in configuring, customizing, deploying, and enhancing the solution within the platform. The development platform allows the business to develop, customize, and enhance applications utilizing the latest AI/ML technologies to augment additional operational processes and increase efficiency and productivity.

Impact on Residents and Businesses
Underserved communities will be better served by the adoption of an AI/ML approach for property value appraisal. AI/ML models can adapt to changing market conditions and incorporate new data to provide fair appraisals at a faster rate. Underserved communities' property values usually encounter negative market condition impacts at a higher rate with

greater value changes during market downturns. AI/ML models will aid with expedient and fair Proposition 8 values to ensure homeowners receive fair relieve during negative market conditions. Also, AI/ML models can further minimize the chance of unintentional bias effecting a person's property value. Subconsciously more weight can be placed on subjective data over others when determining the factors that influence property values. AI/ML models, apply the same 'weights' across all relevant data points, therefore minimizing the potential for disparities in concluded values. This ensures that underserved communities receive fair and consistent valuations, regardless of their economic circumstances. Another benefit is a decreased need for homeowners to rely on appeals, requests for review, and other forms of constituent contact that may act as barriers for underserved communities.

Adopting an AI/ML approach for property value appraisal will also increase productivity and efficiency. Increased productivity will help to resolve challenges from the COVID years of staffing shortages, backlogs of property characteristics, and other data upkeep efforts. Increased efficiencies will help to accomplish increasing workloads while realizing a budgetary savings by year three, which can be utilized to support the department's strategic objective of enhancing public outreach, education, and services, particularly in underserved communities.

AI/ML generated property appraised values have the potential to enhance transparency to the public by using a data driven approach based on objective data points. The data is used consistently through algorithms and can be provided to the public promoting transparency in the valuation process. By the public understanding the data behind the appraisals, they can evaluate the accuracy and fairness of the property values.

Additional Fiscal Information
To scale out the initial AI/ML project application into production, the estimated five years contract is illustrated in Table 1 below:

Table 1: Projected Implementation, Licensing, and Operational Cost of AI/ML-based Application

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Production License & Subscription	$1,875,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000
ARPA Funding	$1,875,000	$1,125,000	$875,000	$0	$0
Dept. Funding	$0	$0	$250,000	$1,125,000	$1,125,000
Total Budget	$1,875,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000

The ACR is currently seeking funding support through the ARPA for the initial three years of a proposed five-year agreement of the application. The requested funding amounts to $3,875,000, which will facilitate the implementation of this new technological approach aimed at streamlining the valuation of residential and condominium properties.

The ACR will partially fund year three and fully fund years four and five, in the amount of $2,500,000, from department funds. Any amendments to the compensation provisions of the agreement that do not exceed ten percent (10%) annually of the total annual cost of the contract will be funded from department funds.

Contract History and Price Reasonableness
In December 2022, the ACR entered a Pilot Program with C3.AI that included technical experts from the vendor that provided an AI/ML based solution for the residential property valuation solution. This purchase is an extension of the approved Pilot Program.

As provided in the sole source procurement document, the vendor has provided a discounted one-time cost, reducing it from $2,000,000 to $1,000,000, which includes the following:

1. Implementation and deployment of the AI/ML-based Residential Valuation application with three senior-level technical staff for four months.
2. Pilot development of the AI/ML-based Commercial Valuation application with three experts for four months.
3. Pilot development of Generative AI for Enterprise with three experts for six months.
4. Additional Advisory Services expert support of 2 full-time equivalent resources for the first year.

ATTACHMENTS:

- Attachment A: C3.AI Order Form
- Attachment B: C3.AI Master Agreement
- Attachment C: H-11
- Attachment D: SSJ
- Attachment E: Schedule A – C3.pdf

Heydee Koury, Sr Accountant - Auditor   7/13/2023

Meghan Hahn, Deputy Director of Procurement   7/12/2023

Dolores Reyna, Principal Management Analyst   7/13/2023

Darryl Polk, Chief Technology Office   7/13/2023

Aaron Gettis, Deputy County Counsel   7/12/2023

ORDER FORM

THIS ORDER FORM (this "**Order Form**") is made and entered into as of the date of the last signature below (the "**Effective Date**"), between **County of Riverside, a political subdivision of the State of California, on behalf of its Assessor-Clerk-Recorder** ("**County**") and **C3.ai, Inc., a Delaware corporation** ("**C3 AI**"). This Order Form is subject to the terms of the **Master Agreement** between C3 AI and County, effective December 15, 2022 (the "**Master Agreement**"), which is incorporated herein by reference. C3 AI and County may also be referred to herein each as a "**Party**" and collectively as the "**Parties**." The capitalized terms used, but not defined, in this Order Form have the meanings set forth in the Master Agreement and the Product-Specific Terms referenced therein.

1. **Commercial Terms**

    1.1. <u>C3 AI Subscription Terms</u>:

    1.1.1. <u>C3 AI Platform and C3 AI Residential Property Appraisal</u>: A period beginning on the Effective Date and continuing for a period of five (5) years, unless earlier terminated in accordance with the Master Agreement.

    1.1.2. <u>C3 AI Commercial Property Appraisal</u>: A pilot phase beginning on the Effective Date and continuing until the earlier of: (i) four (4) months from the Effective Date; or (ii) the C3 AI Commercial Property application is deployed into a production environment (the "**CPA Pilot Phase**").

    1.1.3. <u>C3 Generative AI for Enterprise Search</u>: A pilot phase beginning on the Effective Date and continuing until the earlier of: (i) six (6) months from the Effective Date; or (ii) the C3 Generative AI for Enterprise Search application is deployed into a production environment (the "**Gen AI Pilot Phase**").

    1.2. <u>Deployment Infrastructure</u>: C3 AI hosting services account.

2. **Fees**

Table 1: C3 AI Subscription Fees*

C3 AI Services	Year 1	Year 2	Year 3	Year 4	Year 5
C3 AI Subscriptions					
C3 AI Platform	*Included*	*Included*	*Included*	*Included*	*Included*
C3 AI Residential Property Appraisal	$875,000	$875,000	$875,000	$875,000	$875,000
C3 AI Runtime	*Included, up to the Prepaid Runtime Cap, as described in <u>Section 4.C</u> below*				
C3 AI Advisory Services FTEs	2	0.5	0.5	0.5	0.5
C3 AI Advisory Services and (Pilot) CoE FTE **Fees**	$1,000,000	$250,000	$250,000	$250,000	$250,000
C3 AI Commercial Property Appraisal Pilot					
C3 AI Commercial Property Appraisal	*Included, for CPA Pilot Phase*				
C3 AI Runtime	*Unlimited*				
Number of Included CoE FTE Resources	3, *for CPA Pilot Phase*				

FORM APPROVED COUNTY COUNSEL

BY: _____ 7/12/23
BRADEN J. HOLLY   DATE

JUL 1 8 2023 3.7

C3 Generative AI for Enterprise Search Pilot**					
C3 Generative AI for Enterprise Search	*Included, for Gen AI Pilot Phase*				
C3 AI Runtime	*Unlimited*				
Number of Included CoE FTE Resources	*3, for Gen AI Pilot Phase*				
5-Year Commit Option Annual Fees	**$1,875,000**	**$1,125,000**	**$1,125,000**	**$1,125,000**	**$1,125,000**
Total	**$6,375,000**				

*Hosting Services see Section 4.D.

**C3 Generative AI for Enterprise Search pilot may be substituted with an equivalently-scoped pilot, as mutually agreed by the Parties in writing.

3. **Payment Terms**

    A. Subscription Fees.

        a. C3 AI Software Fees. The aggregate subscription fee for the C3 AI Platform and C3 AI Applications is $4,375,000 (the "**Software Fees**"). The Software fee for Year 1 becomes an irrevocable, nonrefundable commitment on the Effective Date, and each subsequent year of the Subscription Term becomes an irrevocable, nonrefundable commitment on the first, second, third, and forth anniversary of the Effective Date, unless terminated in accordance with the Master Agreement. The Software Fees will be invoiced as follows: (i) $875,000 on the Effective Date; (ii) $875,000 on the first anniversary of the Effective Date; (iii) $875,000 on the second anniversary of the Effective Date; (iv) $875,000 on the third anniversary of the Effective Date; and (v) $875,000 on the fourth anniversary of the Effective Date.

        b. Advisory Services and CoE FTE Resources Fees. The aggregate subscription fee for the Advisory Services FTEs in support of C3 AI Residential Property Appraisal, and the COE FTEs in the support of the C3 AI Commercial Property Appraisal and C3 Generative AI for Enterprise Search pilots, is $2,000,000 (the "**FTE Resources Fees**"). The Advisory Services and CoE Resources Fees for Year 1 becomes an irrevocable, nonrefundable commitment on the Effective Date, and for each subsequent year of the Subscription Term becomes an irrevocable, nonrefundable commitment on the first, second, third, and forth anniversary of the Effective Date, unless terminated in accordance with the Master Agreement. The FTE Resources Fees will be invoiced as follows: (i) $1,000,000 on the Effective Date; (ii) $250,000 on the first anniversary of the Effective Date; (iii) $250,000 on the second anniversary of the Effective Date; (iv) $250,000 on the third anniversary of the Effective Date; and (v) $250,000 on the fourth anniversary of the Effective Date.

    B. Optional Additional C3 AI Application Subscriptions. County may purchase additional C3 AI Applications for yearly commitments at a price of $250,000 per C3 AI Application. County may elect this option by providing written notice to C3 AI and executing an Order Form within five (5) years of the Effective Date. C3 AI reserves the right to modify its pricing after five (5) years from the Effective Date. The Subscription Fee becomes an irrevocable, nonrefundable commitment on the effective date of the new Order Form.

4. **Additional**

    A. Advisory Services FTE Resources. "**Advisory Services**" means those services C3 AI provides to County in accordance with the C3 AI Advisory Services Description attached hereto as Exhibit A.

    B. CoE FTE Resources. The provision of CoE FTE Resources will be in accordance with Exhibit B. County may purchase additional CoE FTE resources during the Subscription Term upon thirty (30) days' prior written notice at the rate of $41,667 per FTE per month.

    C. C3 AI Runtime. County's subscription hereunder includes up to 1,700,000 vCPU hours per year of consumption of the C3 AI Platform and C3 AI Applications, and County Applications (the "**Prepaid C3 AI Runtime Cap**"). Additional consumption in excess of the Prepaid C3 AI Runtime Cap will incur additional fees and be invoiced as

Excess Runtime Charges at the rate of $0.39 per vCPU hour.

D. Hosting Services. C3 AI Residential Property Appraisal Subscription includes Hosting Services fees up to aggregate maximum of $2,143,596 as incurred by C3 AI over the five (5) year Subscription Term (the "**Hosting Fees Cap**"). All Hosting Services fees incurred by C3 AI in excess of the Hosting Fees Cap will be invoiced to County at cost.

E. Environment. County will comply with all obligations in Exhibit C (Operational Control).

F. Other Professional Services. All additional services requested by County, including without limitation any professional or consulting services shall be subject to a separate mutually agreed Order Form and at C3 AI's standard professional services rates.

In Witness Whereof, each of the Parties has duly executed this Order Form as of the Effective Date.

C3.ai, Inc., a Delaware corporation	County of Riverside, a political subdivision of the State of California, on behalf of its Assessor-Clerk-Recorder
By _____	By _____
Name___Derron Blakeley_____	Name___Kevin Jeffries, Chairman_____
Title____General Counsel_____	Title____Board of Supervisors_____
Date___07/10/23_____	Date___07/18/2023_____

ATTEST:
Kimberly Rector
Clerk of the Board

By: _____

APPROVED AS TO FORM:
Minh C. Train
County Counsel

By: _____
Braden Holly
Deputy County Counsel

JUL 1 8 2023 3.7

Exhibit A – Advisory Services

C3 AI will provide advisory services by a team of C3 Advisory Services FTE resources to provide assistance and guidance pertaining to C3 Applications, including tuning and/or updating the C3 AI Application data science models. "**C3 AI Advisory Services FTE**" means a full-time equivalent professional resource for up to 2000 person hours per annum. The C3 AI Advisory Services team may be located in Redwood City, London, Paris or other C3 AI global locations, at C3 AI's discretion.

1. C3 AI Advisory Services Resources.

C3 AI will staff the C3 AI Advisory Services purchased under the Order Form with the number of C3 AI Advisory Services FTE resource(s) specified in the applicable Order Form, on a fixed-fee annualized basis during each year of the Subscription Term. The type of C3 AI Advisory Services FTE resource may change depending on the stage of C3 AI Advisory Services engagement. Any C3 AI Advisory Services FTE hours over the number specified in the herein are subject to additional fees.

2. Data Science Model Tuning and Updates

C3 AI Advisory Services FTEs will periodically tune and/or update the C3 AI Application data science model. The trigger for the tuning and/or update will be jointly decided with the County during the project implementation.

3. Project Governance and Limitations.

a.   C3 AI and County will each designate an executive sponsor to manage the relationship under the Order Form. C3 AI and County will ensure that the appropriate representatives from each party (the "**Executive Leadership Committee**") participate in quarterly County product road map and project review meetings. A quarterly executive status report will be created by C3 AI Advisory Services project leads and shared at the quarterly meeting.

b.   Formal C3 Advisory Services project reviews will be conducted monthly by the County and C3 AI team leadership.

c.   The Parties agree the C3 AI Advisory Services FTE hours will be distributed reasonably evenly over the annual C3 AI Advisory Services Subscription Term unless a specific project plan has been agreed requiring a different distribution of resources.

d.   The following professional services are outside of the scope of the services provided in the C3 AI Advisory Services: post-launch enhancements, customizations, and implementation services.

4. C3 AI Advisory Services Initial Objectives

The Parties have designated an initial objective for the C3 AI Advisory Services FTEs. County may change the overall objective of the C3 AI Advisory Services FTEs during the Subscription Term, in coordination with C3 AI and subject to the remaining available C3 AI Advisory Services FTE resources ordered in the Order Form. As of the Effective Date, the joint objectives are:

a.   Integrate and display MLS data – specifically property images and listing images;

b.   Configure automated valuation models (AVMs) for single-family dwellings and condominiums in East Riverside County – Palm Springs and Indio; and

c.   Configure AVMs for manufactured homes in all six districts of Riverside County, including Riverside, Temecula, Hemet, Perris, Palm Springs, and Indio

Exhibit B - Center of Excellence

C3 AI Center of Excellence services provide premium support services by a team of C3 AI CoE FTE resources to provide assistance and guidance in the design, development and testing of County Application(s) and County Extension(s) by resources of the County and its Affiliates (if included as a party to the Agreement). "**C3 AI CoE FTE**" means a full-time equivalent resource for up to 167 person hours per month or 2000 person hours per year.

1.   **CoE Overview.** The purpose of the CoE is to allow the County to utilize, extend or modify C3 AI Applications and to develop its own applications on the C3 AI Platform. To facilitate County's efforts, C3 AI provides the following C3 AI CoE Support Services on C3 AI Platform and C3 AI Applications (if subscribed in the applicable Order Form) to County personnel during the Pilot Phase or Subscription Term of CoE FTEs ordered on an applicable. Order Form:

   a.   Support and guidance on the C3 AI Platform overall software application architecture;

   b.   Data integration, data science, and overall software application design, development and deployment support on the C3 AI Platform;

   c.   Training on the C3 AI Platform, C3 AI Tools, and C3 AI Applications for named County Developers; and

   d.   Help to address named County Developers' development issues.

2.   **CoE Set Up.** Each party shall complete the applicable requirements specified below.

   a.   County: (i) County Developers must complete and pass a C3 AI developers qualification; (ii) County Developers must successfully complete required C3 AI training; and (iii) County must define a reasonable product specification and a reasonable project plan for any County Application or County Extension to be developed by County personnel in the CoE.

   b.   C3 AI: (i) C3 AI will set up the Development, Quality Assurance, and Production environments for the C3 AI Platform for use by the qualified named County Developers; and (ii) C3 AI will provide online training resources for County Developers.

3.   **CoE FTE Resources.**

   a.   C3 AI will staff the CoE with the number of C3 AI CoE FTE resource(s) as specified in the Order Form. The type of C3 AI CoE FTE resource may change depending on the stage of CoE engagement and may be provided on-site or remotely. Any C3 AI CoE FTE person hours in excess of the number specified in the Order Form are subject to the payment of additional fees.

   b.   C3 AI CoE FTEs will provide instruction to named County Developers on the design, development, quality assurance, performance testing, maintenance/upgrade of County Applications and County Extensions developed by County. The instruction may include, but not be limited to the following:

      i.   Develop C3 AI canonical data format and integrate data;

      ii.   Create and manage C3 AI data types;

      iii. Develop application logic;

      iv.   Create and extend analytics (systematic computational analysis of data or statistics);

      v.   Write application software test for C3 AI Applications;

      vi.   Configure machine learning algorithms and perform steps required to test and deploy machine learning algorithms;

      vii. Configure user interface(s); or

      viii. Manage, monitor, and operate sub-components/services of C3 AI Application(s).

c. County will provide a sufficient number of qualified County personnel for the design, development, and testing of County Application(s) and County Extension(s) by County. County personnel may include named County Developers, application developers, data scientists, data modelers, data integrators, quality assurance engineers, operations personnel, project management, project leadership personnel, subject matter experts, and IT personnel knowledgeable about the source data systems.

4. **Project Governance and Limitations.**

a. C3 AI and County will each designate an executive sponsor to manage the relationship under the Order Form. C3 AI and County will ensure that the appropriate representatives from each Party participate in quarterly, face-to-face, County product road map and project review meetings. A quarterly executive status report will be created by CoE project leads and shared at the quarterly meeting.
b. Formal CoE project reviews will be conducted monthly by the County and C3 AI team leadership.
c. The Parties agree the C3 AI CoE FTE person hours will be reasonably distributed over the Pilot Phase. CoE FTEs person hours ordered on a one year or greater subscription term will be reasonably distributed in each year of the subscription term.
d. The following professional services are outside of the scope of the services provided in the CoE: post-launch enhancements, customizations, and implementation services.

5. **CPA Pilot Phase and Gen AI Pilot Phase Initial Objectives.** The Parties have designated an initial objective for the CPA Pilot Phase and LE Pilot Phase.

County may change the overall objective of the CoE during the CPA Pilot Phase or GenAI Pilot Phase, respectively, in coordination with C3 AI and subject to the remaining available CoE FTE resources ordered in the Order Form. As of the Effective Date, the joint objectives are:

a. Commercial Appraisal Pilot Phase:

    i. Deploy the C3 AI Commercial Property Application in a C3 AI-hosted GCP environment

    ii. Ingest and unify up to five (5) years of historical data from up to four (4) In-Scope Data Sources, as defined in Table 2.

    iii. Configure a logical data model with entities that represent the logical objects related to the In-Scope Data Sources, as defined in Table 2

    iv. Configure up to one (1) machine learning-based Automated Valuation Model (AVM) that estimates property valuations and confidence scores for up to 20,000 In-Scope commercial and industry buildings in up to six (6) districts of Riverside County– including Riverside, Temecula, Hemet, Perris, Indio, and Palm Springs – to support direct enrollment and Proposition 8 appraisals of commercial properties with sufficient data available. In-Scope commercial and industrial buildings include single-story and multi-story offices, warehouses, light manufacturing facilities stores, and professional services buildings.

    v. Configure up to five (5) user interface screens, to visualize the unified data and AVM result.

        i. Supervisor Dashboard: Summary of conclusions, transfers, declines, and AVM model performance.

        ii. Appraiser Dashboard: Summary of transfers and declines pending appraisal and KPIs including AI-predicted valuation, sales price, and variance.

        iii. Transfer Details: Detailed list of transfers pending appraisal.

        iv. Proposition 8 Detail: Detailed list of declines pending appraisal.

        v. Property Details: Detail screen that displays the most relevant property details, information, and available photos for appraiser review.

    vi. Setup and test live data connections to the In-Scope Data Sources, to be updated up to once daily.

vii. Write back Automated Valuation Model (AVM) results to the Aumentum Property Tax System via API.

viii. Conduct up to three (3) end-user training workshops on the C3 AI Commercial Property Appraisal application.

b. Gen AI Pilot Phase:

i. Deploy the C3 Generative AI for Enteprise Search Application in a C3 AI-hosted GCP environment.

ii. Index and embed up to 1,000 In-Scope Documents in PDF format, from up to three (3) source systems, as defined in Table 3.

iii. Configure one AI retrieval model to organize information extracted from the PDF documents to respond to user questions.

iv. Expose results in the C3 Generative for AI Enterprise Search Application with the following capabilities:

- o Ability to ask questions using natural language;
- o Access AI-generated text answers to user questions, with references;
- o Render the visualization of the top search result, if feasible, relevant, and applicable
- o Ranked list of additional relevant search results;
- o Interactive chat interface where a user can ask follow-up questions; and
- o Ability for users to provide feedback on search results and AI-generated text responses

ii. Setup live data connections to the In-Scope Documents, to be updated up to once daily.

iii. Conduct up to three (3) end-user training workshops on the C3 Generative AI for Enterprise Search application.

Table 2: C3 AI Commercial Property Appraisal Pilot (In-Scope Data Sources)

Data Source	Description	Format
Aumentum	Property Tax Assessment system, housing all property characteristics, sales prices, and concluded values	CSV
GIS	Geospatial characteristics of properties (e.g., parcel boundaries, distance from economically significant locations)	CSV
Trepp	Proprietary commercial real estate database, housing loan financing information (note: inclusion in pilot subject to license availability)	CSV
CompStak	Proprietary commercial real estate database, housing lease information (note: inclusion in pilot subject to license availability)	CSV

Table 3: C3 Generative AI for Enterprise Search Pilot (In-Scope Data Sources)

Data Source	Description	Format
Internal Budget Files	Up to 500 PDF-based documents capturing ACR annual approved and actual budget	PDF
Internal Allocation Files	Up to 500 PDF based documents capturing resource allocation by ACR department	PDF
Aumentum	Property Tax Assessment system, housing all property roll information	CSV

County will need to perform the following activities to ensure successful pilots:

- Provide access to the In-Scope Data Sources, defined in Table 2 and 3, and associated documentation

- Make subject matter experts and other County personnel available for the pilot

- Provide C3 AI with necessary access to third-party data sources to obtain historical data and ongoing daily updates – including CompStak and Trepp.

- Work with C3 AI to setup live data connections for the In-Scope Data Sources, defined in Tables 2 and 3

- Work with C3 AI to setup API connection with AVM model outputs and existing Aumentum Property Tax Assessment System

- Support project development by attending workshops to review users interfaces, develop analytics, and configure the application

Exhibit C – Operational Controls

The Deployment Infrastructure for the C3 AI subscription may be in County's private cloud hosting services account or in a C3 AI hosting services account, as specified in the applicable Order Form. For purposes of this document, RACI means:

    R – Identifies the group responsible for completing the task or deliverable.

    A – Identifies the group accountable for ensuring that the task or deliverable is completed by the responsible party.

    C – Identifies the group consulted by the responsible or accountable party to determine how the task or deliverable is to be completed.

    I – Identifies the group informed about the progress and completion of the task or deliverable.

*** County's Private Cloud Deployment ***

The following conditions apply:

1. County shall create, and give C3 AI administrative access to, a virtual private cloud in a dedicated C3 AI-specific sub-account and provide C3 AI access to such virtual private cloud.
2. County shall provide virtual compute, storage and networking infrastructure that meets C3 requirements.
3. C3 AI will manage and operate the infrastructure, backup, incident management, provisioning, patches, and upgrades of the C3 AI Platform.
4. C3 AI will monitor all components of the C3 AI Platform through its centralized monitoring solution to help optimize and tune the C3 AI Platform. The C3 AI centralized monitoring component resides in the C3 AI cloud environment and is necessary for the C3 AI Platform to function.
5. County shall provide network access to C3 AI and content providers to enable continuous content updates (e.g. weather, geospatial, documentation).
6. County is responsible for configuration, security, and availability of the Hosting Services environment.

The following RACI[1] matrix summarizes County's and C3AI's responsibilities.

	C3 Operations	C3 Support	Customer	C3 Access level Req'd
Infrastructure as a Service	C, I	C, I	R, A	Admin level Access
C3 AI Platform				
Provisioning	R, A	I	I	Cluster Admin
Patches & Upgrades	R, A	I	C,I	Cluster Admin
Backup & Restoration	R, A	I		Infrastructure Admin
Incident Management	R, A	I	I	Infrastructure Admin
Infrastructure Monitoring	R, A	I	I	Infrastructure Admin
System Performance Monitoring	R, A	I	R, I	Infrastructure Admin
System Availability Monitoring	R, A	I	I	Infrastructure Admin
System and Data Security Monitoring	R, A	I	R, I	Infrastructure Admin
C3 Applications				
System and Performance Monitoring	R, A	C, I	R, I	Cluster Admin
Incident Management	R, A	C, I	C, I	Cluster Admin
Provisioning	R	A, C	I	Cluster Admin
Patches & Upgrades	R	A, C	I	Cluster Admin
Customer Applications and Customer Extensions				
Performance Monitoring	C, I	C, I	R, A	None
Incident Management	C, I	C, I	R, A	None
Provisioning	C, I	C, I	R, A	None
Patches & Upgrades	C, I	C, I	R, A	None
App Admin (e.g., user & content management)			R, A	
Data Classification & Access Control			R, A	

C3 AI Responsibility		Customer Responsibility	
C3 AI Platform			

Infrastructure-as-a-Service	C3 AI is responsible for: • Communicating Infrastructure, virtual compute, network, and storage requirements • AMIs, Virtual Images, or Docker containers for the C3 AI Server and related software components	Customer is responsible for: • Infrastructure virtualization and virtual compute per C3 AI specifications • Network/subnet configuration per C3 AI specifications • Operating system patches • A file system that C3 AI can use for file storage. For AWS deployments, S3 is the file system. Providing C3 AI secure administrative access to the environment
C3 AI Platform Installation and Configuration	C3 AI Operations is responsible for the installation and configuration of the C3 AI Server and related software components.	
Upgrades and Patches	C3 AI targets quarterly releases of the C3 AI Platform. C3 AI Operations may also need to apply patches out of cycle to correct or prevent critical system issues. Patching and upgrades are performed on the C3 AI Server and related software. Patches and/or upgrades that impact the availability of applications will be coordinated with the primary customer contact. Where possible, C3 AI Operations will provide the customer with lead time consistent with their software license agreement (SLA).	
Infrastructure Monitoring	C3 AI Operations provides 24x7 system monitoring. Monitoring of the C3 AI Platform includes system availability and capacity monitoring.	
Backup and Restoration	Daily backups of data stores including: the key value store, relational, and multi-dimensional data stores.	
Incident Management	C3 AI will use incident tickets to track and assign priority and severity to all incidents.	
C3 Applications		
Provisioning	C3 AI Operations provisions C3 AI applications.	
Patching and Upgrades	C3 AI targets quarterly releases of the C3 AI Applications. C3 AI Operations may also need to apply patches out of cycle to correct or prevent critical system issues. Patches and/or upgrades that impact the availability of applications will be coordinated with the primary customer contact. Where possible, C3 AI Operations will provide the customer with lead time consistent with their software license agreement (SLA).	
Monitoring	C3 AI Operations provides 24x7 system monitoring for applications it manages on behalf of its customers. Monitoring of C3 AI Applications includes: • Application availability • Data loading and remediation of any data load failures • Work queue monitoring	Customer provides access to C3 AI's all-env cloud monitoring environment hosted and managed in a C3 AI production vpc and account.

Incident Management	C3 AI will use incident tickets to track and assign priority and severity to all incidents.	
Customer Applications and Customer Extensions		
Provisioning		Customer provisions applications they develop or C3 AI Applications they have extended.
Patching and Upgrades		Customer manages and coordinates their application upgrades and patch releases.
Monitoring		Customer monitors applications they develop and deploy on the C3 AI Platform. Monitoring of C3 AI Applications includes but is not limited to: • Application availability • Application response time • Data load activities and remediation of any data load failures • Work queue management
Incident Management		Customer tracks and resolves issues and incidents for the applications they develop or the C3 AI Applications they extend.
App Admin (e.g., user management, content admin)		Customer is responsible for the management and administrations of: • Application users (app users, developers, and administrators) • Application security configuration (permissions, roles, admin groups)
Data Classification and Access Control		The customer is accountable to ensure their solution and its data are securely identified, labeled, and correctly classified to meet any compliance obligation. Distinguishing between sensitive customer data and content designed to be private or personally identifiable must be done by the customer. A customer's accountability for data classification and management should be acknowledged as an essential part of the planning process. In such solutions, customers need to configure and establish process to protect both the data and the solution's feature set that protects their data.

*** C3 AI Cloud Account ***

The following conditions apply:

1. C3 AI creates a virtual private cloud for the Customer.
2. C3 AI manages and operates the infrastructure, backup, incident management, provisioning, patches, and upgrades of the C3 AI Platform.
3. C3 AI monitors all components of the C3 AI Platform through its centralized monitoring solution to help optimize and tune the C3 AI Platform.
4. C3 AI provides continuous content updates (e.g. weather, geospatial, documentation).
5. The following RACI2 matrix summarizes Customer's and C3AI 's responsibilities.

	C3 Operations	C3 Support	Customer	C3 Access level Req'd
Infrastructure as a Service	R, I	C, I	I	Admin level Access
C3 AI Platform				
Provisioning	R, A	I	I	Cluster Admin
Patches & Upgrades	R, A	I	C,I	Cluster Admin

Backup & Restoration	R, A	I		Infrastructure Admin
Incident Management	R, A	I	I	Infrastructure Admin
Infrastructure Monitoring	R, A	I	I	Infrastructure Admin
System Performance Monitoring	R, A	I	I	Infrastructure Admin
System Availability Monitoring	R, A	I	I	Infrastructure Admin
System and Data Security Monitoring	R, A	I	R, I	Infrastructure Admin
C3 AI Applications				
System and Performance Monitoring	R, A	C, I	I	Cluster Admin
Incident Management	R, A	C, I	C, I	Cluster Admin
Provisioning	R	A, C	I	Cluster Admin
Patches & Upgrades	R	A, C	I	Cluster Admin
Customer Applications and Customer Extensions				
Performance Monitoring	C, I	C, I	R, A	None
Incident Management	C, I	C, I	R, A	None
Provisioning	C, I	C, I	R, A	None
Patches & Upgrades	C, I	C, I	R, A	None
App Admin (e.g., user & content management)			R, A	
Data Classification & Access Control			R, A	

	C3 Responsibility	**Customer Responsibility**
C3 AI Platform		
Infrastructure-as-a-Service	C3 AI is responsible for: • Communicating Infrastructure, virtual compute, network, and storage requirements • Infrastructure virtualization and virtual compute • Network/subnet configuration • A file system that C3 AI can use for file storage. For AWS deployments, S3 is the file system. For on-premise deployments, HDFS is the file system. • Secure administrative access to the environment	
C3 AI Platform Installation and Configuration	C3 AI Operations is responsible for the installation and configuration of the C3 AI Server and related software components.	

Upgrades and Patches	C3 AI targets quarterly releases of the C3 AI Platform. C3 Operations may also need to apply patches out of cycle to correct or prevent critical system issues. Patching and upgrades are performed on the C3 AI Server and related software. Patches and/or upgrades that impact the availability of applications will be coordinated with the primary customer contact. Where possible, C3 AI Operations will provide the customer with lead time consistent with their software license agreement (SLA).	
Infrastructure Monitoring	C3 AI Operations provides 24x7 system monitoring. Monitoring of the C3 AI Platform includes system availability and capacity monitoring.	
Backup and Restoration	Daily backups of data stores including: the key value store, relational, and multi-dimensional data stores.	
Incident Management	C3 AI employs a dedicated team of technical experts to deliver proactive and preventive maintenance. Incident tickets are used to track and assign priority and severity to all incidents.	
C3 AI Applications		
Provisioning	C3 AI Operations provisions C3 AI Applications.	
Patching and Upgrades	C3 AI targets quarterly releases of the C3 AI applications. C3 AI Operations may also need to apply patches out of cycle to correct or prevent critical system issues. Patches and/or upgrades that impact the availability of applications will be coordinated with the primary customer contact. Where possible, C3 AI Operations will provide the customer with lead time consistent with their software license agreement (SLA).	
Monitoring	C3 AI Operations provides 24x7 system monitoring for applications it manages on the behalf of its customers. Monitoring of C3 AI Applications includes: • Application availability • Data loading and remediation of any data load failures • Work queue monitoring	

Incident Management	C3 AI employs a dedicated team of technical experts to deliver proactive and preventive maintenance. Incident tickets are used to track and assign priority and severity of all incidents.	
Customer Applications and Customer Extensions		
Provisioning		Customer provisions applications they develop or C3 AI applications they have extended.
Patching and Upgrades		Customer manages and coordinates their application upgrades and patch releases.
Monitoring		Customer monitors applications they develop and deploy on the C3 AI Platform. Monitoring of C3 AI Applications includes but is not limited to: • Application availability • Application response time • Data load activities and remediation of any data load failures • Work queue management
Incident Management		Customer tracks and resolves issues and incidents for the applications they develop or the C3 AI Applications they extend.
App Admin (e.g., user management, content admin)		Customer is responsible for the management and administrations of: • Application users (app users, developers, and administrators) • Application security configuration (permissions, roles, admin groups)
Data Classification and Access Control		The customer is accountable to ensure their solution and its data are securely identified, labeled, and correctly classified to meet any compliance obligation. Distinguishing between sensitive customer data and content designed to be private or personally identifiable must be done by the customer. A customer's accountability for data classification and management should be acknowledged as an essential part of the planning process. In such solutions, customers need to configure and establish process to protect both the data and the solution's feature set that protects their data.