

EXECUTION VERSION

GRANT AGREEMENT

GRANT AGREEMENT (hereinafter referred to as the "Agreement") made as of January 1, 2015 by and between The Bloomberg Family Foundation Inc. (the "Foundation") and the City of Peoria (the "Grantee").

WHEREAS, the Foundation has created an initiative with the purpose of helping mayors and city leaders to develop and implement effective solutions to their highest-priority problems through the use of innovation teams or i-teams (as defined below), as more fully described in Schedule A attached hereto (the "Initiative");

WHEREAS, the Grantee is well positioned to benefit from the Initiative and agrees to the provisions herein; and

WHEREAS, the Foundation wishes to make a donation to the Grantee as part of the Initiative whereby the Grantee will create an innovation team, as described below.

NOW, THEREFORE, THE FOUNDATION AND THE GRANTEE AGREE AS FOLLOWS:

1. Grant. The Foundation pledges and agrees that it will make grants to support the Program, as defined below in an amount not to exceed \$1,500,000 in cash (hereinafter sometimes referred to as the "Grant" and the "Grant Funds"). Grant Funds shall be available during the period beginning on the date of this agreement and ending on December 31, 2017 (the "Grant Term"). Grant Funds shall be paid in U.S. Dollars. Grant Funds will be paid in three installments after receipt by the Foundation of the enclosed countersigned copy of this Agreement and according to the following payment schedule and instructions for payment:

<u>Payment Date</u>	<u>Payment Amount</u>	<u>Contingent Upon</u>
On or before March 27, 2015	Not to Exceed \$500,00	<ul style="list-style-type: none"> • Receipt of countersigned copy of this Agreement • Hiring of Innovation Team Director
On or before February 29, 2016	Approved 2016 Budget	<ul style="list-style-type: none"> • Satisfaction of matching requirements described in Section 5 • Satisfaction of benchmarks described in Schedule A • Timely reports and satisfactory progress with respect to the Program • Compliance with all other terms of this Agreement
On or before February 28, 2017	Approved 2017 Budget	<ul style="list-style-type: none"> • Satisfaction of matching requirements described in Section 5 • Satisfaction of benchmarks described in Schedule A • Satisfaction of the sustainability requirement described in Schedule A • Timely reports and satisfactory progress with respect to the Program • Compliance with all other terms of this Agreement

2. Purpose. The Grant shall be used by the Grantee to create and support an innovation team (or “i-team”) that will function as an in-house innovation consultancy, moving from one city priority to the next. In particular, the innovation team shall use the “Innovation Delivery” approach, supporting agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results in accordance with the requirements set forth on Schedule A attached hereto (the “Program”), and to engage in other activities as are consistent with the Program as outlined in this Agreement and the schedules attached hereto, including the Program budget as set forth on Schedule B attached hereto (the “Program Budget” or the “Budget”).

3. Use of Grant Funds.

(a) Scope and Budget. Under United States law, Grant Funds may be expended only for charitable, scientific, literary or educational purposes. This Grant is made only for the purposes stated in this Agreement and the schedules attached hereto, and it is understood that Grant Funds shall be used for such purposes in accordance with the Program Budget described in Section 3(b). Any Grant Funds not expended or committed for the purposes of the Grant, or within the period stated above, must be returned to the Foundation, unless otherwise authorized in writing by the Foundation.

(b) Budget. The Program Budget has been developed to cover all costs related to the Program and the Foundation's funding of the Program. The Program Budget is currently allocated among budget lines based on the Grantee's and the Foundation's estimates of the appropriate allocation. On the date hereof, the Grantee shall provide to the Foundation as Schedule B hereto a draft Program Budget. The Grantee and the Foundation shall work together to make any further changes to such draft, and if the Grantee has not provided to the Foundation final annual Budgets (incorporating any agreed-upon changes) satisfactory to the Foundation by the dates provided in Section 4(c), the Grantee shall return any unexpended or uncommitted Grant Funds to the Foundation, and the Foundation shall have the right to discontinue funding the Program or cancel the Grant with respect to any then undistributed Grant Funds. Once approved by the Foundation, the final annual Budgets shall supersede and replace the Program Budget initially attached hereto as Schedule B. The Grantee must adhere to the Program Budget. Any budgetary changes for activities not included in the Program must receive prior Foundation approval. The Foundation reserves the right to withhold funding if said expenditures are not consistent with the Program or in accordance with the Program Budget. In addition, indirect costs can in no event represent more than 10% of the Program Budget. For the purposes of this Agreement, indirect costs shall mean those costs that have been incurred by the Grantee that cannot be identified specifically in reference to a particular program but relate to several programs, including the Program. The Grantee must deposit the Grant Funds in an interest-bearing account or other short-term investment vehicle and must apply any interest earned to the Program. Any additional income related to Grant Funds, including but not limited to dividends, interest or appreciation must be used for the Program. Interest earned must be reported to the Foundation in the Financial Report (as defined below).

(c) Key Persons. In order to ensure that the work of the innovation team is not jeopardized, it is critical that the Grantee quickly fills vacancies, should they occur, with well-qualified candidates. The Grantee shall notify the Foundation within 3 business days if a member of the innovation team (the "Key Persons") resigns or otherwise ceases to be employed by the Grantee. The Foundation shall have the right to discontinue funding the Program or cancel the Grant with respect to any then undistributed Grant Funds if (a) any vacant position is not filled within 60 days after such notification with a person possessing similar skills and capabilities, as determined by the Foundation in its sole discretion, (b) the Foundation has not been provided with documentation demonstrating that the person hired to fill such vacancy is well-qualified to fill the position, or (c) such Key Person does not again begin devoting substantially all of his or her business time to the Program within a reasonable amount of time as determined by the Foundation.

(d) Restrictions on Distribution of Grant Funds. The Grantee acknowledges that it is familiar with the U.S. Executive Orders and laws that prohibit the provision of resources and support to organizations and individuals and/or organizations associated with terrorism and terrorist related lists promulgated by the U.S. Government, the United Nations, and the European Union. The Grantee will take all precautions necessary to ensure that none of the Grant Funds will be used in support of or to promote violence, terrorist activity or related training, whether directly through its own activities and programs, or indirectly through its support of, or cooperation with, other persons and organizations known to support terrorism or that are involved in money laundering activities. In addition, the Grantee confirms that no Grant Funds will be paid to, or on behalf of, U.S. Government officials.

(e) Sub-Grants and Sub Contracts. The Grantee shall not be permitted to use any portion of the Grant Funds to make sub-grants to other organizations or individuals. It is understood that the Grantee may make sub-contracts in connection with the Program. The Grantee has the exclusive right to select such sub-contractors for the Program. The Foundation has not earmarked the use of the Grant Funds for any specific sub-contractor. The Grantee is responsible for ensuring that all sub-contractors use the Grant Funds for the purposes of the Grant and the Program. The Grantee shall not, and shall require that its sub-contractors funded with proceeds of the Grant Funds not, make any statement or otherwise imply to donors, investors, media or the general public that the Foundation directly funds the activities of any sub-contractor.

(f) Promotion of the Program. The Grantee shall (i) work with the Foundation to maximize ongoing media opportunities including but not limited to Mayoral events, press releases, social media promotion (ii) participate in, and provide leadership with respect to, creating communities of interest in the Program and (iii) work with the Foundation and consultants hired by Bloomberg Philanthropies to document the Program by facilitating and/or producing publications, audio or video programming, film or other media regarding the Program. Further requirements with respect to promotion of the Program are set forth in Schedule A attached hereto.

(g) Cooperation with Consultants. The Grantee shall cooperate with and provide information to the consultants provided by the Foundation to serve as a learnings and technical assistance partner on the Program. Such cooperation shall include participating in routine calls, periodic meetings and site visits, and providing information about the Program when requested.

4. Reporting.

(a) Financial Reports. The Grantee shall provide financial reports reflecting expenditures according to the line-item categories of the Program Budget as of the end of the applicable reporting period as well as any interest earned, as described further in Section 3(b).

(b) Narrative Reports. The Grantee shall provide narrative accounts of what has been accomplished by the expenditure of Grant Funds (including an assurance that the activities under the Grant and the Program have been conducted in conformity with the terms of this Agreement). The narrative reports shall also include copies of any media coverage of the Program and two copies of any publication, audio or video program, film or other media project produced by the Grantee under this Grant for archival, research or presentation purposes. The Foundation shall have the right to make, or obtain from the Grantee, additional copies of any Grant product and to disseminate such products.

(c) Specific details and formats for all reports will be shared at a later date. All reports should be submitted electronically to the attention of reports@bloomberg.org and governmentinnovation@bloomberg.org on or by the following dates:

Report Type	Report Requirements	Report Due Date
Budget	Final Budget for 2015, including detailed OTPS spending projections for 2015	April 30, 2015
Financial / Narrative	Activity for the period from January 1, 2015 through June 30, 2015	August 3, 2015
Budget	Proposed Budget for the period from January 1, 2016 through December 31, 2016	October 30, 2015
Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2015 through December 31, 2015 Narrative Report – activity for the period from July 1, 2015 to December 31, 2015 Matching Requirement – certification required by Section 5.	February 1, 2016
Financial / Narrative	Activity for the period from January 1, 2016 through June 30, 2016	August 1, 2016
Budget	Proposed Budget for the period from January 1, 2017 through December 31, 2017	October 31, 2016
Financial / Narrative / Match Certification	Financial Report – activity for the period from January 1, 2016 through December 31, 2016 Narrative Report – activity for the period from July 1, 2016 to December 31, 2016 Matching Requirement – certification required by Section 5.	February 1, 2017
Financial / Narrative	Activity for the period from January 1, 2017 through June 30, 2017	August 1, 2017
Financial/Narrative Final Report	Activity for the period from January 1, 2015 through December 31, 2017.	February 2, 2018

(d) The Grantee may be required to submit additional reports as requested by the Foundation (format to be specified by the Foundation) on Program progress.

(e) If any report is not submitted, further payments, if any, under this Grant or under any other Foundation grant to the Grantee may be withheld,

5. Matching Requirement. The purpose of the match requirement is to accelerate impact in the Grantee's priority areas by generating new resources. The "Matching Requirements" shall consist of the following conditions and shall be satisfied if the following conditions are met:

(a) The Grantee shall match the Grant Funds by raising a total amount equal to at least \$500,000 (the "Matching Funds"). One-half of the Matching Funds shall be secured by February 1, 2016 and the balance shall be secured by February 1, 2017.

(b) By each of February 1, 2016 and February 1, 2017, the Grantee shall provide a certification of the amount that has been raised by the Grantee during the preceding year in compliance with this Section 5, including information about amounts paid, amounts pledged and amounts received in respect of prior pledges in fulfillment of the Matching Requirement.

(c) Pledged amounts, outright grants or gifts, or amounts appropriated through the Grantee's budget-setting process (but only to the extent that the annual appropriations during any matching period exceed the annual appropriation that existed prior to the date of this Agreement), which are designated to be used to support the Initiative and/or the innovation team and which are made in cash are eligible for Matching Requirement purposes, unless otherwise agreed to by the Foundation. In addition, Matching Funds shall be used as specified in Schedule A attached hereto.

(d) If the Grantee has not fulfilled the Matching Requirement during the required period, the Foundation's obligation to disburse any unpaid portion of the Grant Funds shall, in the Foundation's sole discretion, terminate and, with respect to those Grant Funds already disbursed by the Foundation but not matched by the Grantee, the Foundation shall review the Grantee's position and determine if (i) the Grant Term and matching period should be extended, (ii) the unmatched portion of the Grant Funds should be returned to the Foundation or (iii) other options should be pursued.

6. Record Maintenance and Inspection. The Grantee shall make its books and records related to the Program available for inspection at reasonable times by the Foundation or its assignee. The Grantee shall maintain records of expenditures, as well as copies of the reports submitted to the Foundation, for at least four years after completion of the use of the Grant Funds. The Foundation may monitor and conduct evaluations of Grantee operations under the Grant. Such monitoring may include the Foundation's personnel or assignees: (i) visiting the Grantee to observe the Program, (ii) speaking with Grantee staff members regarding the Program and (iii) conducting a review of financial records related to the Program.

7. Prohibition on Lobbying and Other Compliance with Tax Laws. Grant Funds may not be used by the Grantee:

(a) to carry on propaganda, or otherwise attempt to influence any specific legislation through (i) an attempt to affect the opinion of the general public or any segment thereof or (ii) communication with any member or employee of a legislative body, or with any

other governmental official or employee who may participate in the formulation of the legislation (except technical advice or assistance provided to a governmental body or to a committee or other subdivision thereof in response to a written request by such body, committee or subdivision), other than through making available the results of non-partisan analysis, study or research;

(b) to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive;

(c) to engage in activities that require any person actively involved in the Program to register as a lobbyist or be identified as a lobbyist in a registration or report filed with a public agency by any other person or entity; or

(d) to support the election or defeat of a candidate for public office, finance electioneering communications, register prospective voters or encourage the general public or any segment thereof to vote in a specific election.

8. Grantee Representation. The Grantee represents that conduct by the Grantee of the activities described in Schedules A and B hereto in the manner described therein shall not cause the Grantee to be in violation of any federal, state, local or municipal law, rule, regulation or ordinance. The person signing this Agreement on behalf of the Grantee represents and certifies that she or he has full, express power and authority to do so.

9. Compliance. If the Foundation is not satisfied with the progress of the Program or the content of any written report or the management of the Grantee, the Foundation shall have the right to suspend or discontinue the funding of the Program or to cancel the Grant with regard to any unused or undistributed Grant Funds.

10. Intellectual Property. The Grantee hereby grants to the Foundation a perpetual, worldwide, non-exclusive license to use, reproduce, distribute, display, perform, edit, adapt, create derivative works from and otherwise exploit and sublicense, in all languages and all media now known or hereafter developed, all written work or other materials of any nature created by it under this Agreement (the "Work"). The Grantee acknowledges and agrees that no royalties will be paid for such license or use, total consideration being the grant described in this agreement.

11. Warranty/Indemnity. The Grantee represents, warrants and covenants that the Work is original and that it is the sole creator of the Work, except for any material incorporated into the Work created or owned by third parties, from whom the Grantee has obtained or will obtain, at its expense, all licenses necessary to incorporate and use such third-party material in the Work, including the right to sublicense to the Foundation such material incorporated into the Work. The Grantee further represents, warrants and covenants that the Work does not and will not contain any matter that is obscene or libelous, in violation of any copyright, trademark, proprietary right, or personal right of any third party, or otherwise violate any law. The Grantee will indemnify and hold the Foundation, its licensees and assigns, harmless from any and all claims, liabilities, costs and expenses, including reasonable attorneys' fees,

arising as a result of the breach or alleged breach of these representations, warranties and covenants.

12. Grant Announcements and Public Reports.

(a) Grantee's Acknowledgement. The Grantee agrees to acknowledge the Foundation's funding, as described below, in publications, advertising, speeches, lectures, interviews, press releases, internet web pages, and other similar activities related to the Program (together, "Media Releases"). Any Media Release that refers to the funding source of the Grant shall: (1) refer to "Bloomberg Philanthropies" rather than to the Foundation itself; and (2) shall link to Bloomberg Philanthropies' website (www.bloomberg.org). The Grantee shall provide copies of all Media Releases to the Foundation and obtain the Foundation's consent prior to publication or distribution in any format of any Media Release. To the extent that the Grantee provides Media Releases to the Foundation, the Grantee represents that it owns or otherwise has obtained all rights necessary to use, reproduce, publicly perform and distribute (including the right to sublicense) all works contained or used in the Media Releases.

(b) Foundation Acknowledgement. The Foundation agrees that all trademarked or copyrighted works owned by the Grantee (including but not limited to logos, written material, photos, and other similar works provided by the Grantee to the Foundation) and provided to the Foundation, in any media, shall remain the property of the Grantee. To the extent that the Grantee provides any Media Release (and works contained therein) or trademarked or copyrighted works to the Foundation, the Grantee represents that it owns or otherwise has obtained all rights necessary to use, reproduce, publicly perform and distribute (including the right to sublicense) all such works. Furthermore, the Grantee provides to the Foundation a perpetual, non-exclusive, worldwide, royalty-free and fully paid-up, sub-licensable (to affiliates) license, or sub-license, as the case may be, to use, display, reproduce, publicly perform, and make derivative works of, all such works, regardless of whether such works were created with the Grant Funds. The Foundation has the right to publicly acknowledge and announce, at its sole discretion, any relationship between the Foundation and the Grantee. Bloomberg Philanthropies' web site may include a brief description of the Grant. On occasion, Bloomberg Philanthropies also posts grantees' publications and other related items on its website.

13. Initiative Coordination. The Grantee acknowledges that the success of the Program and of the Initiative is dependent upon the sharing of information, and cooperation generally, among partners in the Initiative. Accordingly, the Grantee shall submit updates, at the times and in the format requested by the Foundation, about Program status, contacts and other requested topics in order to keep the other partners in the Initiative apprised of developments concerning the Initiative and in order to prevent duplication of efforts and achieve maximum Program impact.

14. Representations and Covenants. The Grantee represents, warrants and covenants to the Foundation that (a) it has and shall maintain during the Grant Term the proper licenses and rights to perform the activities described herein; (b) it is in compliance with all applicable local, city, state, federal and international laws, rules and regulations including, but not limited to, all environmental, safety and health and labor and employment (including those

addressing discrimination, harassment and retaliation) laws, rules and regulations, and it shall remain in compliance during the Grant Term; (c) it is in compliance with all applicable affirmative actions laws and regulations, including but not limited to Executive Order 11246, the Vietnam Era Veteran's Readjustment Act of 1974, the Jobs for Veterans Act of 2003, and Section 503 of the Rehabilitation Act of 1973; (d) it has established adequate safety standards and protocols and that its personnel shall follow such standards and protocols and be in compliance with the Occupational Safety and Health Administration Act ("OSHA"); (e) it shall instruct its personnel in any safety standards and protocols promulgated by the Foundation, or the management of a facility occupied by the Foundation, and that its personnel shall follow such standards and protocols; (f) the personnel shall have the necessary experience, qualifications, knowledge, competency and skill set necessary to perform the activities under this Agreement; (g) the personnel are approved and authorized to work in the United States under all rules and regulations of the Immigration and Naturalization Service of the United States, if applicable; and (h) it shall use reasonable efforts to avoid employing any persons or using any labor, or using or having any equipment, or permitting any condition to exist which shall or may cause or be conducive to any labor complaints, troubles, disputes or controversies which interfere or are likely to interfere with the activities under this Agreement. At any time, the Foundation may request the Grantee to present copies of its programs, policies and/or documentation as to any training provided by it to its personnel including, but not limited to, OSHA-related training.

15. Confidentiality. Each party recognizes that it will have access to information of a proprietary or confidential nature owned by the other party. The parties acknowledge that the information they share with each other is proprietary, private and confidential. As such, each party agrees to keep such information in strictest confidence and protect it from disclosure; provided that the parties may disclose such information as required by law. Each party hereby waives any and all right, title and interest in and to such proprietary information of the other and agrees to return all physical copies, and destroy all electronic copies, of such proprietary information, except as otherwise agreed, at their expense, upon the expiration or termination of this Agreement.

16. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of New York.

17. Miscellaneous. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which, when taken together shall constitute one and the same instrument. This Agreement shall be binding upon, inure to the benefit of, and may be enforced by, each of the parties to this Agreement and its successors and permitted assigns. Each provision of this Agreement shall be considered separable, and if, for any reason, any provision or provisions hereof are determined to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall attach only to such provision and shall not in any manner affect or render illegal, invalid or unenforceable any other provision of this Agreement, and this Agreement shall be carried out as if any such illegal, invalid or unenforceable provision were not contained herein. This Agreement shall not be assigned without the prior written consent of the Foundation. This Agreement, including any schedules, amendments, modifications, waivers, or notifications relating thereto may be executed and delivered by facsimile, electronic mail, or other electronic means. Any such facsimile, electronic mail transmission, or communication via such electronic means shall constitute the final

agreement of the parties and conclusive proof of such agreement, and shall be deemed to be in writing and to have the same effect as if signed manually. Any consent required to be given in writing hereunder may be given by electronic mail.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties to this Agreement have affixed their signatures as of the date first written above:

By: Patricia E. Harris

The Bloomberg Family Foundation Inc.

Name: Patricia E. Harris
Title: CEO

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By: Patrick Walsh

City of Peoria

Name: Patrick Walsh
Title: City Manager

THE OFFICE OF THE

DATE _____
BY _____

THE SECRETARY GENERAL

BY _____

DATE _____
BY _____

THE SECRETARY

BY _____

FOR THE UNITED STATES

BY _____

Schedule A Program Description

Overview

Cities are uniquely able to innovate and transform citizens' lives, but face many barriers to developing and implementing solutions to tough challenges. The Foundation's Innovation Teams Program was created to provide cities with a method to address these barriers and deliver change more effectively to citizens. Using the tested, successful Innovation Delivery approach, innovation teams (i-teams) greatly reduce the risks associated with innovation, and provide mayors and city leaders with assurance in their ability to develop and implement effective solutions to their highest-priority problems.

Innovation teams function as in-house innovation consultants, moving from one city priority to the next. Innovation teams support agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results.

Innovation teams unlock the creativity that already exists within city governments. These teams take partners and stakeholders through the steps of the Innovation Delivery approach to tackle big, challenging urban issues. Innovation teams are not responsible for implementing the initiatives and solutions developed using the approach. Direct implementation responsibility lies with partners within city government that collaborate with the i-team throughout the innovation and solution-development process, and then assume responsibility for execution as the i-team's role shifts to performance management. This division of responsibility enables the i-team to be continually deployed to new challenges.

Grant Funds allow mayors to hire and fund dedicated i-teams for up to three years. In addition to the Grant Funds, cities receive:

- Training: instruction on the tested, successful Innovation Delivery approach and associated open innovation techniques
- 1:1 Coaching: technical assistance, connections to experts, and additional individualized support
- Practitioner Community: connections to peers and resources in other cities, both virtually and through dynamic in-person convenings
- Playbook and Tools: step-by-step guide and associated tools and templates.

Budget

Grant Funds may be used for the salaries and benefits of i-team members (Personnel Services or PS) and for expenses related to the i-team's work (Other Than Personnel Services or OTPS). Grant Funds cannot be used for the direct implementation of programmatic initiatives the i-team is project managing. Matching funds can be used for PS, OTPS, as well as for the direct implementation of programmatic initiatives. Specific spending of Grant Funds for each grant year will be reviewed and approved according to the schedule below. Any deviations of 10% or more from any approved line item will require additional approval prior to expenditure.

Period	Budget Submitted	Budget Approved
January 1, 2015 – December 31, 2015	- Overall budget submitted through grant solicitation process in 2014 - Specific OTPS spending projections due April 30, 2015	May 22, 2015 (<i>Any OTPS expenditure of \$20,000 or more prior to the approval of the OTPS budget requires email approval prior to purchase</i>)
January 1, 2016 – December 31, 2016	October 30, 2015	November 30, 2015
January 1, 2017 – December 31, 2017	October 31, 2016	November 30, 2016

Personnel Services

Each i-team shall have a director who reports to the Mayor or other senior staff member as approved by the Foundation. Beyond a director, the composition of the i-team can be customized to align with both the existing capacity in the mayor's office and the specific needs of the city.

- a. Salaries of i-team members shall be commensurate with other city staff at similar levels.
- b. Fringe benefits for i-team members shall be provided commensurate with other city staff at similar levels.
- c. Work space and equipment provided for i-team members (computer, printer, phone, blackberry, etc) shall be commensurate with other city staff at similar levels.
- d. Innovation team members should allocate their time to Innovation Delivery activities as outlined in this Agreement according to the FTE percentages in the Grantee's approved budget.
- e. Grant Funds cannot be used to fund pre-existing staff positions.
- f. The Foundation must be notified within 3 business days when an i-team member resigns or is terminated for any reason. An appropriately qualified replacement must be hired within 60 days of a position becoming vacant during the term of the grant.

Other Than Personnel Services (OTPS)

Grant Funds may also be used for OTPS expenses directly associated with the i-team's work.

- a. Eligible OTPS expenditures include, but are not limited to: consultancy services, graphic design and printing, independent evaluation, travel, and training (including training of agency staff working on the priority projects).
- b. Grant Funds cannot be used to support the direct implementation of programmatic initiatives the i-team is project managing.

Matching Funds

The purpose of the Matching Requirement is to accelerate impact by generating *new* resources (public or private) for the i-team's efforts. The Grantee will be expected to match the grant at a 1:3 ratio (1 matched dollar for every 3 grant dollars). Half of the required match must be raised by February 1, 2016. The balance must be raised by February 1, 2017. Moving a grant-funded i-team position onto the public budget would count towards the match. In-kind contributions of existing staff time would not count towards the match. Matched dollars are typically used for implementation costs associated with initiatives developed by the i-team.

Scope of Work: Innovation Delivery

Innovation teams use the Foundation's tested Innovation Delivery approach, support agency leaders and staff through a data-driven process to assess problems, generate responsive new interventions, develop partnerships, and deliver measurable results. As such, the core of the i-team's activities fall within the four Innovation Delivery steps, as articulated in the Innovation Delivery Playbook. These four steps are repeated each time the i-team takes on a new priority.

1. Investigate the Problem: the i-team will work with partners in city government to move through a broad and deep research process to investigate the identified problem(s). This includes moving from a broad priority area to specific challenges, learning deeply about the causes of these challenges, and determining how to measure progress. This work requires the i-team to:
 - a. Build relationships and collaborate with relevant agencies;
 - b. Create a list of preliminary challenges;
 - c. Work to understand the problem by assessing available data (current and historical), mapping the city's current and past efforts to address the problem, identifying the key contributing issues, and placing the problem in context by exploring how other cities are tackling it;
 - d. Finalize a list of challenges and contributing issues, surfacing those that are genuinely important to city leadership and where there is the greatest potential for impact; and
 - e. Select metrics for each challenge and set preliminary challenge targets.
2. Generate New Ideas: the i-team and its partners will engage in an extensive process to develop a set of potential innovative solutions for the identified challenges. This work requires the i-team to:
 - a. Identify solutions that have worked or are working in other cities, connecting (in person and virtually) with practitioners that have experience working to address the issue; and
 - b. Incorporate open innovation techniques, including, but not limited to engaging end-users and crowd-sourcing.
3. Prepare to Deliver: the i-team will winnow down the set of potential innovative solutions generated in step two to those with the strongest likelihood of achieving impact and ensure that there are clear and appropriate plans for delivery. This requires the i-team to work with relevant agencies and partners to:
 - a. Select a set of initiatives and develop logic models to ensure the initiatives are reasonably positioned to achieve intended impact;

- b. Confirm an “owner” and “sponsor” for each initiative;
 - c. Agree upon ambitious, but achievable targets; and
 - d. Develop a charter and detailed implementation plan for each initiative, including budgets and securing funding as required.
4. Deliver and Adapt: the i-team will pivot its efforts towards project and performance management. Specifically, the i-team will:
- a. Establish delivery routines to help the city implement initiatives with discipline, stay focused on progress toward targets, and coordinate efforts to quickly overcome obstacles;
 - b. Keep the Mayor (and other city leadership) informed and engaged in key decision-making;
 - c. Ensure effective coordination between agencies and relevant stakeholders where applicable;
 - d. Communicate work to relevant audiences; and
 - e. Transition initiatives out of the i-team’s active portfolio, as key benchmarks and targets are achieved, so that the i-team can be deployed to the next priority.

Scope of Work: Priorities

Innovation teams work on their city’s top priorities, moving from one priority to the next. The i-team will initially focus on developing, fresh, cost-effective strategies to revitalize the City’s aging infrastructure, including its combined sewer overflow. During this time, the i-team should not be given other assignments. The i-team is expected to begin work on additional priorities no later than June 30, 2016. Changes to the scope of the i-team’s work over time (*e.g.*, changing or adding priorities) must be presented to the Foundation for approval.

- a. Innovation Delivery provides a tested method for addressing the most pressing issues facing a city. Issues that are ripe for the i-team are often challenges where the solution spans multiple agencies or stakeholders, and where there is demand and appetite for bold, new thinking.
- b. Innovation teams use a structured approach for bringing innovation to tough challenges and delivering results. These teams are not meant to execute existing plans or solutions. With an i-team, cities can take a fresh and comprehensive look at an issue and challenge assumptions about the nature of the problem. Grounded in that data, the i-team seeks new and better ways to address the issue. If there is already clarity around the nature of the problem and the solutions to address it, it is not a fit for the i-team.

Scope of Work: Benchmarks

The Grantee will be expected to achieve the following benchmarks in 2015. Similar benchmarks (tied to Innovation Delivery steps) will be established for subsequent years as the i-team moves on to new priorities.

Benchmark	Target for Completion
<i>Getting Started</i>	
- Determine and communicate priority areas	February 2, 2015
- Hire Innovation Team Director	February 27, 2015
- Hire full i-team	April 24, 2015
<i>Step 1: Investigate the Problem</i>	
- Finalize list of challenges	June 1, 2015
- Select metrics for each challenge	
- Establish preliminary impact targets	June 15, 2015
<i>Step 2: Generate New Ideas</i>	
- Develop idea generation work plan	June 15, 2015
- Preliminary list of initiative ideas	August 14, 2015
<i>Step 3: Prepare to Deliver</i>	
- Complete logic models for each challenge	September 1, 2015
- Prioritize initiatives and select based on feasibility and impact	September 15, 2015
- Finalize challenge and initiative targets	
- Draft charters for each initiative, including key work streams	October 30, 2015
- Map initiatives onto a single calendar	
- Complete initiative implementation plans	
<i>Step 4: Deliver and Adapt</i>	
- Set plan for routine delivery updates, including: <ol style="list-style-type: none"> 1. Weekly (or more) initiative check-ins between Project Managers and Owners 2. Weekly Updates within the Team 3. Twice-monthly memos, or other formalized updates, from the Team to the Mayor 4. Monthly "Stocktakes" with senior leadership and the Mayor 5. Semi-annual in-depth reviews 	November 6, 2015
- Public announcements on initiative launches (delivery begins)	November 6, 2015

Scope of Work: Spreading the Innovation Delivery Approach

In addition to their work applying the Innovation Delivery approach to specific and approved priorities, the i-team will work to spread Innovation Delivery tools and techniques throughout city government, regardless of the priority. Examples include, but are not limited to:

- a. Working with human resources staff to add an Innovation Delivery module to the training curriculum for new hires;
- b. Rotating junior staff members from other departments on and off the i-team to expose them to the i-teams practices;
- c. Hosting professional development sessions for staff interested in learning more about open innovation or other Innovation Delivery techniques; or

- d. Providing training support to another city team interested in applying Innovation Delivery to their priorities.

Technical Assistance, Training, and Network Activities

Bloomberg Philanthropies and its partners will regularly meet with i-teams, both virtually and in-person for required technical assistance, training, and networking activities. These required activities include, but are not limited to, phone calls, in-person convenings, and web dialogues. Travel expenses for any required in-person events will be covered by Bloomberg Philanthropies and its partners.

Media

The Grantee shall work with the Foundation and its partners to maximize ongoing media opportunities for the i-team and its efforts. This shall include, but not be limited to:

- a. Regular (at least twice monthly) mention of the i-team and it's work in social media, using the i-teams hashtag (#iteams);
- b. Monthly submission of at least four high-resolution images related to the i-team's work for use in social and other Bloomberg Philanthropies' media;
- c. Mayoral announcements for the launch of initiatives developed by the i-team; and
- d. Regular (at least semi-annual) public updates on progress of initiatives developed by the i-team, and the i-team's impact on local government problem solving.

Any press releases or other public materials should be shared with the Foundation in advance of publication for review and approval.

Sustainability

Prior to the end of the second year of the grant, the Grantee shall develop and execute a strategy to secure public funding to sustain the i-team beyond the Grant Term. The third year of funding is contingent on the city acquiring public funding for a portion of the i-team personnel services expenses by the conclusion of the second year. Specifically, the grantee must minimally secure funding for the director's salary and benefits (or the most senior grant-funded position if not the director), by the conclusion of the second year.

EXECUTION VERSION

Schedule B

Draft Final Budget
 (to be replaced with Final Budget pursuant to Section 3(b))

PERSONNEL SERVICES

Staff Position	Annual Salary	Annual Benefits	%FTE	Total	In-Kind Funded	Grant	Expected Grant Spending in 2015	Expected Grant Spending in 2016	Expected Grant Spending in 2017
Chief Innovation Officer	\$105,000	\$42,000	100%	\$147,000	\$0	\$147,000	\$122,010	\$147,000	*Moved to public funding (see Notes)
Project Leader	\$60,000	\$24,000	100%	\$84,000	\$0	\$84,000	\$63,000	\$84,000	\$84,000
Project Leader	\$60,000	\$24,000	100%	\$84,000	\$0	\$84,000	\$63,000	\$84,000	\$84,000
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0
Team Member	\$75,000	\$30,000	10%	\$10,500	\$0	\$10,500	\$0	\$0	\$0

PERSONNEL SERVICES

OTHER THAN PERSONNEL SERVICES (OTPS)				
	<i>Definition</i>	<i>Expected Grant Spending in 2015</i>	<i>Expected Grant Spending in 2016</i>	<i>Expected Grant Spending in 2017</i>
Contracts and Consulting	Contracts given to individuals or companies. (Examples include contracts with management consulting firms, training providers, evaluation firms, or other organizations.)			
Graphic Design and Printing	Production of reports and other materials.			
Equipment	Purchase or rental of furniture and fixtures, computer hardware and software, printers, photocopy machines, scanners, blackberries, phones, etc.			
Travel/Meetings/Workshops	Travel for meetings, seminars, workshops, etc. as well as incidentals related to travel, meetings and seminars. (Examples include airfare, hotel, per diem, train fare, taxi, rental of venue to hold a training session.) All rates for travel and incidentals should comply with the City's policies and procedures. Note that travel for Bloomberg Philanthropies convenings will be paid by Bloomberg Philanthropies or its partners and does not need to be drawn from grant funds.			
Direct Operating Costs	Team related, but not included in any other Budget Line Item above. (Examples include rent, supplies for the Team).			
Indirect Operating Costs	Not directly attributable to the Team, but still necessary for the overall operations. These are usually portions of general and administrative type expenses. (Examples include Accounting fees, insurance, telephone, utilities, bank fees)			
		\$248,010	\$315,000	\$168,000
		\$251,990	\$185,000	\$332,000
		\$500,000	\$500,000	\$500,000

NOTES	As stated in the Grant Agreement, specific OTPS spending projections for 2015 are due for review by April 30. Any OTPS expenditure of \$20,000 or more prior to the approval of the specific OTPS budget requires email approval prior to purchase.
	As stated in the Grant Agreement, the third year of funding is contingent on the city acquiring public funding for a portion of the i-team personnel services expenses by the conclusion of the second year. Specifically, the grantee must minimally secure funding for the director's salary and benefits (or the most senior grant-funded position if not the director), by the conclusion of the second year.