

City of Jurupa Valley

Frank Johnston, Mayor . Micheal Goodland, Mayor Pro Tem . Brad Hancock, Council Member . Verne Lauritzen, Council Member. Laura Roughton, Council Member

August 20, 2014

Hdl Software, LLC
1340 Valley Vista Drive, Suite 200
Diamond Bar, CA 91765

Attention: Robert Gray, President

RE: Agreement for Business License Software

Enclosed is a fully executed copy of the above-referenced agreement that has been approved by City Manager Gary Thompson.

If you have any questions or require additional information, please contact me at (951) 332-6464.

Sincerely,



Victoria J. Wasko, CMC
City Clerk

AGREEMENT FOR BUSINESS LICENSE SOFTWARE AND SERVICES

This agreement is made and entered into as of the 15th day of August 2014, by and between the **City of Jurupa Valley**, a municipal corporation, hereinafter referred to as City, and **HdL Software, LLC**, a California company, hereinafter referred to as HdL.

WHEREAS, City desires to enforce its business license ordinance to ensure that all persons and organizations doing business within the City are licensed; and

WHEREAS, HdL possesses proprietary business license software that will assist the City to process business licenses and identify unlicensed businesses;

THEREFORE, it is agreed by City and HdL as follows:

1. SCOPE OF SERVICES

Specific services to be performed by HdL are as described in **Exhibit A**.

2. SCHEDULE OF SERVICES

A Schedule of Services for this project is described in **Exhibit B**.

3. COMPENSATION

City agrees to compensate HdL for services under this Agreement as described in **Exhibit C**.

4. MAINTENANCE AND SUPPORT

HdL will provide customer support by telephone, email and the web as needed by the City as described in **Exhibit D**.

5. SYSTEM REQUIREMENTS

The software and database will be installed on the City's network on hardware supplied by the City. Detailed system requirements are provided in **Exhibit E**.

6. TERM OF AGREEMENT

The term of this Agreement shall commence on the above written date (the "Agreement Date") and shall continue each year thereafter until termination is requested. The process for termination can be found in **Exhibit F**.

7. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions for this Agreement are as described in **Exhibit F**.

8. AFFIDAVIT OF DESTRUCTION

The Affidavit of Destruction for this Agreement is described in **Exhibit G**.

9. NOTICE

All notices required by this Agreement shall be given to the City and to HdL in writing, by personal delivery or first class mail postage prepaid, addressed as follows:

City City of Jurupa Valley
8304 Limonite Ave, Ste M
Jurupa Valley, CA 92509

HdL HdL SOFTWARE, LLC
1340 Valley Vista Drive, Suite 200
Diamond Bar, California 91765

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

CITY OF

By: [Signature]
Name: Gary Thompson
Title: City Manager

[Signature]
City Clerk

HdL SOFTWARE, LLC

By: [Signature]
Robert Gray
President, HdL Software LLC

APPROVED AS TO FORM:

[Signature]
City Attorney

EXHIBIT A
SCOPE OF SERVICES

1. City Management Support

HdL will assist the City in evaluating current policies and procedures in order to enhance operational efficiency. This may include suggestions to redesign forms/reports, alter existing text, or implement new processes or adopt new strategies for improving communication with the business community and other City departments.

2. Data Conversion

- a. HdL will convert the City's existing data.
- b. The City agrees to provide its current data in ASCII delimited file format (or another format agreed upon between HdL and the City), along with a file layout detailing the content of the file. This data will be required a minimum of two times during the conversion process. The City understands that the second (and any subsequent) data set must be provided in the same format and layout as the first data set. Any inconsistencies between the first and second data sets will result in a delayed installation date and additional charges for conversion.

3. Implementation

a. HdL's responsibilities

Project manager - HdL will provide a project manager (PM) to guide the software implementation process. The primary responsibility for the HdL PM is to ensure successful and timely completion of each step of the software implementation schedule. The HdL PM will work closely with the City's designated project manager to define the software implementation schedule, identify City needs and configure the software accordingly, validate the data conversion, provide user training, and generally shepherd the City through the software implementation process.

IT support - HdL will provide a dedicated IT staff member to provide IT support during the software implementation process. This individual will provide the necessary instruction and assistance in order to install the software in the City's computing environment, and will provide any needed technical support.

Training - HdL will provide software training as defined in the agreed upon software implementation schedule. This generally consists of two separate training sessions. The size and participants of each training session will be determined by the HdL PM and the City's designated project manager.

User manual - HdL will provide access to a digital copy of the software user manual. The City may use the manual as needed for internal use by City staff. The user manual contains proprietary and confidential information, and as such is bound by the confidentiality portion of this agreement. The user manual may not in any circumstances be distributed to any 3rd party or any individual that is not a current City staff member responsible for using or maintaining the software.

b. City's responsibilities

Project manager - The City will designate a staff member to serve as the City's project manager (PM). This individual must be intimately involved in the daily business processes which the software will automate, and be empowered to make, or quickly secure from management, decisions required for the implementation of the software. The primary responsibility for the City PM is to ensure that all City responsibilities during the software implementation are met according to the agreed upon software implementation schedule. The City PM will be instrumental in the successful implementation of the software; working closely with the HdL PM to verify data conversion, review and approve reports, establish business rules, and configure all aspects of the software.

IT support - The City will designate an IT staff member to work with HdL staff throughout the software implementation process. This individual must be knowledgeable about the City's computing environment and be authorized to manage the SQL Server database and install and configure software on the network server and workstations. The primary responsibility of the City's IT designee is to provide data to HdL for conversion (if required), install the SQL Server database, and install the software in the City's computing environment.

EXHIBIT B

SCHEDULE OF SERVICES

The default timeline for complete implementation (including "Go Live") of the software is approximately 45 days from the start of implementation. When the Agreement is signed by all parties, HdL will immediately work with the City to establish a specific implementation schedule. The final timeline may range from 14 to 60 days. However, the City understands that this timeline will be conditional upon meeting the requirements of the implementation schedule. A sample implementation schedule is shown below.

| Day | Date | Assigned | Event | Completed |
|-----|------|--------------|---|-----------|
| | | HdL/Client | Contract signed & received by HdL | |
| | | HdL | Provide client IT with FTP account information. | |
| | | HdL/Client | Set date to begin implementation schedule | |
| | | HdL/Client | Receive Client forms, ordinances, fee resolutions, business rules / city staff & IT etc | |
| | | Client IT | Client send FTP etc | |
| | | HdL/Client | Meeting/Optional | |
| | | HdL / Client | HdL IT & Client IT do preinstall setup | |
| | | HdL | Data conversion programming | |
| | | HdL | Report development | |
| | | HdL | HdL Acc Mgr build tables, fee, messages, etc | |
| | | HdL | Forms sent to client for approval/edits | |
| | | HdL | HdL Tech & Acc Mgr review 1 st conversion | |
| | | Client | Forms returned to HdL approved or with edits | |
| | | HdL/Client | Any needed form changes | |
| | | HdL | Acc Mgr test conversion/ with forms | |
| | | HdL | 1 st conversion data to City for pre-installation | |
| | | HdL / Client | Pre install training at client with edited forms | |
| | | HdL / Client | Client verify conversion and final forms during pre install training day | |
| | | HdL / | HdL make final conversion adjustments and form edits | |
| | | Client IT | Client send 2 nd dataset for final conversion | |
| | | HdL | HdL Acc Mgr test final conversion for install | |
| | | HdL / Client | HdL & Client IT install final dataset | |
| | | HdL / Client | HdL at client to assist/train | |

**EXHIBIT C
 COMPENSATION**

| Item | Price | Comments |
|--|--------------------|----------|
| HdL Prime – Business License System, 1 named user license | \$15,800.00 | |
| Implementation, installation, standard reports, 1 day of training, data conversion | Included | |
| Travel Costs | Actual Costs | |
| TOTAL | \$15,800.00 | |

Recurring Costs

| Item | Price | Comments |
|-------------------------|-------------------|--|
| Prime BL Annual Use Fee | \$2,000.00 | Due 30 days from effective Agreement date. Provides ongoing software usage, support, and system updates. Use Fee is adjusted annually per CPI, and will not be less than 2% or more than 10% and will include any amounts for City required licenses or permits. |
| TOTAL | \$2,000.00 | Total annually recurring costs |

| Optional Services | | |
|--------------------------------|----------|---|
| Additional Training | 2,000.00 | Per Day |
| Additional User Licenses | 1,500.00 | Per user license - \$400 annual maintenance |
| Additional Reports and Letters | 210.00 | Per hour |

Note:

*Data Conversion: Includes up to 30 hrs of data conversion time. Any work above 30hrs will be charged at \$210.00 per hour. Value of \$3,400.

1. **Software License Fee.** The license fee includes the use of the software by the specified number of users, software user manual in digital format, and all standard forms and reports.
2. **Software Use Fee.** The software use fee shall begin on the effective date of this Agreement. The software use fee shall be adjusted at the beginning of each anniversary year following the first year of service. Each software use fee adjustment shall not be less than two percent (2%) or greater than ten percent (10%) and will include any amounts paid for any City required license or permits.
3. **Implementation.** The implementation fee covers all efforts involved for installation and configuration of the software. This includes one session of pre-installation and process evaluation, one session of “go live” training, installation support, design and programming of standard forms and reports, and configuration of the software.
4. **Travel Expenses.** Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.
5. **Parcel Data.** HdL Prime includes comprehensive land maintenance functionality. There are four ways to acquire the parcel data.
 - a. If the City is a client for HdL property tax services, the parcel data will be provided at no cost.
 - b. If the City is not a client for HdL property tax services, the parcel data may be purchased from HdL.
 - c. If the City wishes to use any other source of parcel data, HdL can work with the City to create a re-useable import utility. The development of this utility will be billed on a time and material basis. Once the source data has been reviewed, a statement of work will be provided including a cost estimate.

6. **Training (optional).** The cost for additional training is:
 - On-site at the City - \$2,000.00 per day
7. **Customizing Services**

The software is a table-driven system and has been developed to meet almost all of the needs of a City. However, should the need occur, HdL is available to provide custom enhancements to the software on a pre-determined time and material basis. No work shall be performed without prior written approval of the City.
8. **Payment Schedule** – Compensation for the contract amount shall be as follows:
 - a. **Software License Fee and Use Fee.** 60% of the software license fee and applicable 1st year use fees shall be due and payable within 30 days of the effective date of the Agreement; 30% shall be due and payable within 60 days of the effective date of the Agreement; and the remaining 10% shall be due and payable within 30 days of the Acceptance date (the date system is used for live processing).
 - b. **Implementation Fees.** 100% of the implementation fees shall be due and payable within 30 days of the effective date of the Agreement.
 - c. **Traveling Expenses.** Travel and lodging expenses are billed at cost as they are incurred. Travel expenses shall be due and payable within 30 days of the billing date.
 - d. **Annual Software Use Fee.** The software use fee will be invoiced each year on the anniversary of the effective date of the Agreement, and shall be due and payable within 30 days of the invoice date.
9. **Pricing Adjustments**

All pricing listed in this contract will be honored throughout implementation of the project. Any additional/optional services needed after the “go-live” date will be provided using the pricing currently established at the time the service is requested.

**EXHIBIT D
MAINTENANCE AND SUPPORT**

1. Customer Support

HdL will provide customer support by telephone, email and the web as needed by the City during the term of this Agreement. In the United States, no charge support from HdL Software is available as follows:

For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email help@hdlcompanies.com or call HdL offices and ask for software application support. For technical support before 8:00 am or after 5:00 pm Pacific time, Monday through Friday (or anytime Saturday), email 911@hdlcompanies.com and an HdL staff member will be paged. Please only include your name, agency and contact # in emails to 911@hdlcompanies.com. You will be contacted as soon as possible.

2. Support policy regarding reports

HdL provides a number of reports with the installation of the software. These reports are developed using Crystal Reports and fall into one of two categories, standard or HdL custom developed. HdL provides support on standard and HdL custom developed reports, provided that the reports have not been modified by the client or other third party. As part of support, HdL will make minor modifications to reports as needed by the City. This includes change of logo, phone #, address, signatures, and minor text edits. Other report edits and modifications requested by the City are not covered under the Software Use Fee, and will be developed on a time and material basis at the current rate.

3. Software Upgrades

Except to the extent that upgrades of the software include new modules or features not previously offered as part of the software as of the date hereof, City is entitled to upgrades of the software within the terms of this Agreement. Though rare, additional costs may apply depending on the extent of the upgrade. Potential additional costs include training, consulting, configuration, or other requested services.

4. Outside Connections to HdL database

HdL programs rely on the integrity of the database to operate properly. As such, it is critical that any outside connection to the database be implemented with HdL's full knowledge and participation.

- Only "read only" connections will be established to the HdL database.
- No modifications will be made to the HdL database, including database/table design and data content.
- Any repair work necessary due to violations of the above items will not be covered by the Software Use Fee, and as such will be billable to the client on a time and material basis.

The City shall contact HdL for instructions if any added functionality is required, including reading additional data or writing to the HdL database.

EXHIBIT E
SYSTEM REQUIREMENTS

The software and database will be installed on the City's network on hardware supplied by the City. Any specifications provided below indicate minimum requirements. It is the City's responsibility to ensure that any hardware used to host the software/database or run the client application meets the specifications dictated by the operating system and any software/services hosted by the hardware. For example, minimum operating system specifications will not be sufficient if the file server is also hosting the City's email system.

Application Server Specifications: The application server will host the HdL Prime web service, which serves as the HdL Prime business layer.

Supported application server operating systems: The HdL Prime web service uses the Microsoft Windows Server with IIS platform. The following versions are supported:

- MS Windows Server 2003 / 2003 R2, with IIS v6.0 or later
- MS Windows Server 2008 / 2008 R2, with IIS v6.0 or later

Hard Disk Space: The application server should have at least 200 megabytes of space available.

Database Server Specifications: The database server will host all application data. The database server should be dedicated to server related functions. Using a client's PC as the database server in a multi-user environment is not supported.

Database Platform - HdL Software systems use the Microsoft SQL Server database platform. The following versions are supported:

- MS SQL Server 2005 / 2005 Express
- MS SQL Server 2008 / 2008 Express
- MS SQL Server 2008 R2 / 2008 R2 Express
- MS SQL Server 2012 / 2012 Express

Supported database server operating systems: Any server operating system supported by the selected version of SQL Server is supported as a database server; provided it meets the hardware specifications indicated by both the operating system and the version of SQL Server.

Hard Disk Space: The database server should have at least 15 gigabytes of space available to allow for the initial database and growth.

Workstation Specifications: The software will be run on the client workstation. An installer (setup.exe) will need to be run on each client workstation prior to running the software. The hardware recommendations below are based on user feedback regarding performance levels.

| | |
|-----------|----------------------------------|
| <u>PC</u> | |
| CPU | Intel Pentium IV or higher rated |
| Memory | 2 GB (4 GB recommended) |
| Video | 1024x768, 16 bit color |
| OS | MS Windows XP Pro/Vista/7/8 |

Network Specifications: The software communicates via web services, and is designed to operated efficiently over the network. High-speed local area network connections are always helpful, but Prime will also run without difficulty over slower WAN connections such as T1 or mobile broadband.

Printer Specifications: The software is designed to work with laser printers. A PCL compliant laser printer is recommended. Each make and model of printer has different drivers and therefore has slightly different results when printing. We design forms/reports using HP LaserJet printers.

EXHIBIT F
GENERAL TERMS AND CONDITIONS

- A. OWNERSHIP OF MATERIALS, CONFIDENTIALITY.**
1. **Software License.** HdL hereby provides a license to the City to use HdL's Software. The software shall only be used by the City. The City shall not sublet, duplicate, modify, decompile, reverse engineer, disassemble, or attempt to derive the source code of said software. The license granted hereunder shall not imply ownership by City of said software, rights of the City to sell said software, or rights to use said software for the benefits of others. This license is not transferable. City shall not create any derivative work or product based on or derived from the Software or documentation, or modify the Software or documentation without the prior written consent of HdL. In the event of a breach of this provision (And without limiting HdL's remedies), said modification, derivative work or product based on the Software or documentation is hereby deemed assigned to HdL. Upon termination, the software license shall expire, all copies of the software shall be removed from the City's computers and network and all digital copies deleted or otherwise destroyed.
 2. **City Data.** HdL acknowledges that the account data generated by the City during the course of City operations is the property of the City. At the termination of this Agreement the City data will be made available to the City in a format acceptable to both the City and HdL.
 3. **Proprietary Information.** As used herein, the term "proprietary information" means any information which relates to HdL's computer or data processing programs; data processing applications, routines, subroutines, techniques or systems; or business processes. City shall hold in confidence and shall not disclose to any other party any HdL proprietary information in connection with this Agreement, or otherwise learned or obtained by the City in connection with this Agreement. The obligations imposed by this Paragraph shall survive any expiration or termination of this Agreement. The terms of this section shall not apply to any information that is public information.
- B. LICENSE, PERMITS, FEES AND ASSESSMENTS.** HdL shall obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the services required by this Agreement. City shall assist HdL in obtaining such Permits, and City shall absorb all fees, assessments and taxes which are necessary for any Permits required to be issued by City. If City requires payment for such Permits, the associated costs will be included with the next invoice.
- C. INSURANCE REQUIREMENTS.** HdL shall maintain the policies set out below, and in amounts of coverage not less than those indicated herein. Additionally, where required by City, HdL shall name the City as an additional insured and provide a Certificate of Insurance.
1. **Worker's Compensation and Employer's Liability.** In accordance with applicable law.
 2. **Comprehensive General Liability.** Bodily injury liability in the amount of \$1,000,000 for each person in any one accident, and \$1,000,000 for injuries sustained by two or more persons in any one accident. Property damage liability in the amount of \$1,000,000 for each accident, and \$2,000,000 aggregate for each year of the policy period.
 3. **Comprehensive Automobile Liability.** Bodily injury liability coverage of \$1,000,000 for each accident.
 4. **Errors and Omissions.** In addition to any other insurance required by this Agreement, HdL shall provide and maintain, during the term of this Agreement, professional liability insurance in the amount of \$1,000,000 as evidenced by a Certificate of Insurance.
- D. TERMINATION.** This Agreement may be terminated each year by either party upon written notice 90 days prior to the end of the established annual billing cycle. Upon termination, the software license shall expire and (a) City will immediately remove the software from the City's computers and network and destroy or erase all copies of the software and any Proprietary Information and confirm destruction of same by signing and returning to HdL an "Affidavit of Destruction" acceptable to HdL and (b) upon City's request, HdL will assist in extracting the City data in a format acceptable to both the City and HdL.
- E. INDEPENDENT CONTRACTOR.** HdL shall perform the services hereunder as an independent contractor. No agent, representative or employee of HdL shall be considered an employee of the City.
- F. NON-ASSIGNMENT.** This Agreement is not assignable either in whole or in part by HdL or the City without the written consent of the other party.
- G. GOVERNING LAW.** The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall also govern the interpretation of this Agreement.
- H. INDEMNIFICATION.** HdL shall indemnify and hold harmless City and its officers, officials and employees from any liability for damage or claims for personal injury, including death, as well as from claims for breach of confidentiality or property damage or copyright infringement, including attorney fees, which may arise out of the performance of the work described herein or providing the software, caused in whole or in part by any act, error or omission of HdL, its officers, agents and employees under this Agreement. City shall indemnify and hold harmless HdL, its officers, agents and employees, from any liability for damage or claims for personal injury, including death, as well as from claims for breach of confidentiality or property damage caused in whole or in part by any act, error or omission of City, its officers, agents and employees under this Agreement.

EXHIBIT G
AFFIDAVIT OF DESTRUCTION

Upon termination of this Agreement the software license shall expire. The City hereby acknowledges and certifies that they are no longer using HdL's software and that all copies of the software and any proprietary information have been removed from the City's computers and network and all digital copies deleted or otherwise destroyed.

HdL software system: _____ Version: _____

Authorized signature: _____ Date: _____

Print Name and Title: _____ Title: _____

Mail: HdL Software LLC
1340 Valley Vista Drive, #200
Diamond Bar, CA 91765
Attention: Contracts

Email: gbonnin@hdlcompanies.com

Fax: (909) 861-7726