

TO: Thomas Frutchey, City Manager
FROM: Jim Throop, Administrative Services Director
Deanne Purcell, Finance Manager
SUBJECT: Business License Software Upgrade
DATE: July 19, 2016

NEED: For the City Council to consider an update to the business license software.

- FACTS:
1. The City's current business license software is approximately 11 years old. In its current state, the system is far behind other current software, in terms of automation of processes and online capabilities.
 2. The current business license software was installed in 2005 and is no longer being upgraded or sold by the manufacturer.
 3. The system is extremely manual in all necessary processes. Staff must manually update over 3,600 renewals. This includes the printing, folding/stuffing, and mailing of all renewals as the system is not capable of taking online renewals or payments.
 4. The updated system includes the ability for City staff to email renewal forms to current business owners and for the business owners to pay their fees online.
 5. The updated software will also allow for the tracking of Transient Occupancy Taxes, which are currently tracked and reported via an Excel spreadsheet.

ANALYSIS &

CONCLUSION: The current business license software is almost 11 years old and is no longer sold and just minimally supported by the vendor. The current system is manual and therefore extremely labor intensive, requiring staff to print, fold, stuff, and mail over 3,500 license renewals. Once the renewals are returned city staff must again open and manually update all of the business license information. The new software allows the business owners to update their own information and to submit their payments online.

The new software provides enhanced Transient Occupancy Tax (TOT) tracking capability, thereby eliminating a labor intensive manual process, and enabling the City to work efficiently with the software vendor to audit businesses to ensure that proper remittance is being recorded and paid to the City.

POLICY
REFERENCE: Information Technology Strategic Plan

FISCAL

IMPACT: The \$40,000 cost of the business license software was approved in the FY 16/17 Budget and includes the first year cost of maintenance. The ongoing maintenance costs for this software will be approximately \$6,000 per year. Due to timing of business license renewals, a temporary fee of \$12 is recommended to be added to each business license for the first full year the new software is operational, which would be FY2017-18. Then in subsequent years, it is recommended that an annual fee of \$2/license be implemented to cover the cost of the annual maintenance on the software. By implementing these two fees, the impact to the General fund would be offset and therefore neutral.

OPTIONS: For City Council to approve one of the following options:

Option A:

- 1) Direct the City Manager to enter into the attached contract with HdL Companies for the purchase and implementation of its PRIME business license software for a cost not to exceed \$40,000; and
- 2) Approve the attached Resolution 16-XXX establishing a temporary \$12/license fee for fiscal year 2017/18, and then an ongoing \$2/license fee in subsequent years; or

Option B:

Amend, modify or reject the above option.

Attachments:

1. HdL Software LLC - Agreement for Business License Software and Services
2. Resolution establishing new business license fees

AGREEMENT FOR BUSINESS LICENSE SOFTWARE AND SERVICES

This Agreement is made and entered into as of the ____ day of _____ 2016 (the "Agreement Date"), by and between the **CITY OF PASO ROBLES**, 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 has the programs, equipment and personnel required to deliver the services referenced herein;

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**. Includes scope, schedule, support, and system requirements.

2. COMPENSATION

City agrees to compensate HDL for services under this Agreement as described in **Exhibit B**.

3. TERM OF AGREEMENT

The term of this Agreement shall commence on the Agreement Date and shall continue each year thereafter until termination is requested. The process for termination can be found in **Exhibit C**.

4. GENERAL TERMS AND CONDITIONS

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

5. 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 Paso Robles
 1000 Spring Street
 Paso Robles, CA 93446

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 PASO ROBLES

HDL

By: _____
Name: _____
Title: _____

By: _____
Robert Gray
President, HdL Software LLC

APPROVED AS TO FORM:

City Attorney

EXHIBIT A - SCOPE OF SERVICE

1. Prime Software System

- 1.1. **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, implement new processes, or adopt new strategies for improving communication with the business community and other City departments.
- 1.2. **Data Conversion** - HdL will convert the City's existing data. If City is migrating from HdL "Classic" Business License, City will provide a current backup of the existing Microsoft Access or Microsoft SQL Server HdL database. If City is converting from another vendor's software, the City agrees to provide its current data in ASCII delimited file format, SQL Server backup, 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.

1.3. Implementation

1.3.1. HdL's responsibilities

- 1.3.1.1. **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.
- 1.3.1.2. **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.
- 1.3.1.3. **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.
- 1.3.1.4. **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.

1.3.2. City's responsibilities

- 1.3.2.1. **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.
- 1.3.2.2. **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.

- 1.3.3. **Schedule** – The default timeline for complete implementation (including “Go Live”) of the software is approximately 60 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.
- 1.4. **Payment Gateway** - For online payment functionality HdL’s solutions include built in payment gateway services supporting both credit card and eCheck transactions. If a different payment gateway is required, there will be a \$5,000 development cost to establish the custom payment gateway integration.
- 1.5. **Maintenance and Support**
- 1.5.1. **Customer Support** - HdL will provide customer support by telephone, email and the web during the term of this Agreement. In the United States, no charge support is available as follows: For customer support between the hours of 8:00 am and 5:00 pm Pacific time, Monday through Friday, email support@hdlcompanies.com or call the HdL offices at (909) 861-4335 and ask for software 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.
- 1.5.2. **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 both 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 may not be covered under the Software Use Fee, and will be developed on a time and material basis at the current rate.
- 1.5.3. **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.
- 1.5.4. **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.
- 1.6. **System Requirements** – These system requirements are only applicable if the HdL system will be deployed directly on the City’s equipment. If the City opts to utilize HdL’s hosting services, see the hosting services section for system requirements.
- 1.6.1. **On site deployment** – 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.
- 1.6.1.1. **Application Server Specifications** - The application server will host the HdL Prime web service, which serves as the HdL Prime business layer. 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 v7.0 or later, MS Windows Server 2012 / 2012 R2, with IIS v8.0 or later. The application server should have at least 200 megabytes of space available.
- 1.6.1.2. **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. HdL Software systems use the

Microsoft SQL Server database platform. The following versions are supported: MS SQL Server 2008 / 2008 Express, MS SQL Server 2008 R2 / 2008 R2 Express, MS SQL Server 2012 / 2012 Express, MS SQL Server 2014/ 2012 Express. 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. The database server should have at least 15 gigabytes of space available to allow for the initial database and growth.

1.6.1.3. **Workstation Specifications** - The software will be run on the client workstation. HdL Prime is deployed to the workstation via a click once installer. The Crystal Reports and .NET 4.x runtimes will also need to be installed on the workstation. The following hardware recommendations are based on user feedback regarding performance levels: 4+GB Memory, 1280x1024 screen resolution, MS Windows XP Pro/Vista/7/8/10 operating system.

1.6.1.4. **Network Specifications** - The software communicates via web services, and is designed to operate 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.

1.6.1.5. **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.

2. Payment Processing Services

2.1. **Payment Processing** - HdL shall provide its Services to support payments remitted to City. HdL shall transmit transactions for authorization and settlement through HdL's certified payment processor. Funds for transactions processed by HdL hereunder shall be submitted to City's designated bank account as follows: (i) no more than two (2) business banking days after all Transactions (other than electronic Check Transactions) that are successfully processed prior to 5:00 p.m. ET on each business banking day (e.g., a Transaction authorized at 2:00 p.m. ET on Monday will be submitted on Wednesday; a Transaction successfully processed at 8:00 p.m. ET on Monday will be submitted on Thursday); and (ii) no more than five (5) business banking days for all electronic Check Transactions that are successfully processed prior to 5:00 p.m. ET on each business banking day. HdL makes no representation or warranty as to when funds will be made available by Client's bank.

2.2. **Support** - HdL shall provide City with payment processing related customer service as needed. City shall timely report any problems encountered with the service. HdL shall promptly respond to each report problem based on its severity, the impact on City's operations and the effect on the service. HdL shall either resolve the problem or provide City with the information needed to enable the City to resolve it.

2.3. **Transaction Errors** - HdL's sole responsibility for any Transaction error or reversed Transaction is to determine whether the result indicates a problem with HdL's service and, if necessary, reprocess and resubmit the Transaction without additional charge. In the event that a Transaction is reversed or refunded to any Customer of City, for any reason, HdL may offset such amount against funds remitted to City, or invoice City for such amount, at HdL's discretion. City shall pay any such invoice within 30 days of receipt.

2.4. **Electronic Check Authorization** - If City elects to accept electronic Checks as a form of payment, the following subsections apply. For the purpose of this section, "checks" means checks drawn on accounts held in the U.S. ("Check(s)").

2.4.1. As part of the implementation plan, City shall select risk management controls governing Check acceptance and assumes sole responsibility for the choice of controls.

2.4.2. HdL shall provide confirmation on a submitted ABA number as part of the Service to assist Client with the decision whether to accept a Check and shall route accepted Checks.

2.4.3. City hereby authorizes HdL to debit the City's financial institution account in the amount of any returned item that is received by HdL.

2.5. City Responsibilities

2.5.1. As a condition to its receipt of the Service, City shall execute and deliver any and all applications, agreements, certifications or other documents required by Networks or other third parties whose consent or approval is necessary for the processing of Transactions. "Network" is an entity or

association that operates, under a common service mark, a system which permits participants to authorize, route, and settle Transactions among themselves, including, for example, networks operated by VISA USA and Mastercard, Inc., NYCE Corporation, American Express, and Discover.

- 2.5.2. City represents, warrants, and agrees that it does and will comply with applicable Laws and regulations and Network rules, regulations or operating guidelines. City shall notify HdL in writing as soon as possible in the event a claim is either threatened or filed against City by any governmental organization having jurisdiction over City or a Customer related to the Service. City shall also notify HdL in writing as soon as possible in the event a claim is either threatened or filed against City relating to Transactions or the Services or a fine or other penalty is assessed or threatened relating to Transactions or the Services.
- 2.5.3. City represents, warrants and agrees that it is and will continue to be in full compliance with all applicable requirements of the Client Information Security Program of VISA, the Site Data Protection Program of MasterCard, and similar programs of other Networks, and any modifications to such programs that may occur from time to time. Upon the request of HdL, City shall provide HdL with documentation reasonably satisfactory to HdL verifying compliance with this Section.
- 2.5.4. City hereby grants HdL the full right, power and authority to request, receive and review any Data or records reflected in a Transaction report. City represents and warrants that it has the full right and authority to grant these rights.

2.6. Fees

- 2.6.1. If a convenience fee will be charged, the City authorizes HdL to collect each convenience fee.
- 2.6.2. The fees set forth in Exhibit B Payment Schedule do not include expenses, late fees or charges, or taxes, all of which shall be the responsibility of City. In addition to the charges specified in Exhibit B Payment Schedule, City shall be responsible for (a) all interchange and network provider fees, (b) all dues, fees, fines and assessments established and owed by City to Visa and/or Mastercard, (c) for all costs and fees associated with changes to ATM protocol caused by City's conversion to the Services, and (d) any increase in postage charges, provided that any increase in charges resulting from (a) through (d) shall not exceed the actual increase incurred by HdL.
- 2.6.3. HdL reserves the right to review and adjust all City and convenience fee pricing on an annual basis in June. This adjustment may be consistent with the then most recent ECI adjustment or three percent (3%) whichever is greater. Items that will be considered in the review of fees may include, but are not limited to: regulatory changes, card association rate adjustments, card association category changes, bank/processor dues and assessments, average consumer payment amounts, and card type utilization.
- 2.6.4. City agrees to maintain a depository account with a financial institution reasonably acceptable to HdL for the payment of amounts payable hereunder, and hereby authorizes HdL to initiate debit entries to such account for the payment of amounts payable hereunder. City agrees to provide HdL with any and all information necessary for HdL to initiate such debit entries via the Automated Clearing House (ACH) system. For any amount that is not paid within thirty (30) days after its due date, City shall pay a late fee equal to the lesser of one and one-half percent (1 ½%) per month of the unpaid amount or the maximum interest rate allowed by Law.

EXHIBIT B - COMPENSATION

1. Prime Software System

One Time Project Costs

Item	Price	Comments
Prime Business License - Software License Fee	\$20,000.00	3 Users
Prime Web Module	Included	
Implementation	Included	Project management, installation, configuration
TOT Tracking	\$4,000.00	Includes 1 renewal form, implementation of fees/rates
Data Conversion	Included	Data and report conversion - Included
Travel Expenses	At Cost	At Cost
Training Costs – 1 day	Included	Included Additional days available at \$2000/day
TOTAL	\$24,000.00	Total one-time costs

Recurring Costs

Item	Price	Comments
Annual Software Use Fee	\$6,000.00	Due at "Go live" and renewed annually + CPI

- 1.1. **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. Additional user licenses are available for \$1,500 license fee plus \$400 annual software use fee.
- 1.2. **Annual Software Use Fee** - The software use fee is billed annually, and provides for ongoing customer support and updates to the software. The software use fee shall be adjusted at the beginning of each calendar year by the change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each CPI adjustment will not be less than two percent (2%) or greater than five percent (5%). The software use fee shall also be adjusted to include any amounts paid for any City licenses or permits which were required for this service.
- 1.3. **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.
- 1.4. **Data Conversion** – Data will be converted from the City provided source files. Includes one (1) conversion when migrating from an HdL system, and two (2) conversions when migrating from another vendor’s system. Additional conversions can be performed, upon request, at a cost of \$2,500 per conversion. The source files must be provided in the same format for all conversions, otherwise custom programming costs will apply in order to accommodate the varying data formats.
- 1.5. **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.
- 1.6. **Parcel Data** - HdL Prime includes comprehensive land management functionality. There are three ways to acquire the parcel data.

- 1.6.1. If the City is a client for HdL property tax services, the parcel data will be provided at no cost.
- 1.6.2. If the City is not a client for HdL property tax services, the parcel data may be purchased from HdL.
- 1.6.3. 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.
- 1.7. **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.
- 1.8. **Payment Schedule** – Compensation for the contract amount shall be as follows:
 - 1.8.1. One time project costs and the first year Software Use Fee. 60% shall be due and payable within 30 days of the effective date of the Agreement. 30% within 60 days of the effective date of the Agreement. 10% within 30 days of full system delivery or first production use of the system, whichever comes first.
 - 1.8.2. Travel 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.
 - 1.8.3. Annual Software Use Fee. The software use fee will be invoiced each year on the anniversary of 60 days after the effective date of the Agreement, and shall be due and payable within 30 days of the invoice date. The software use fee billing cycle can be prorated as needed should the City desire an alternative billing cycle.
- 2. **Payment Processing Services** - HdL will provide City with eCheck, credit and debit card payment processing (merchant) services under a Convenience Fee Funded pricing model. HdL reserves the right to not accept any payment type in situations where doing so may be in violation of the rules and regulations governing that payment type.

Service (Convenience Fee Model)	Compensation
Credit and Debit Cards processing	3.0%, Minimum of \$2.00
ACH/eCheck processing	\$1.25 per transaction
Monthly Reporting and Statement Fee	Waived
Monthly Hosting and Maintenance	\$30.00 per month
ACH and eCheck Returns	\$0
Chargebacks	\$0

4. **Payment**

HdL will provide detailed invoices for all work completed. City will submit payment to HdL within 30 days of receiving the invoice.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

A. OWNERSHIP OF MATERIALS, CONFIDENTIALITY.

- a. Software License. If access to any HdL software systems are provided to City as part of this Agreement, HdL hereby provides a license to the City to use HdL's software while the associated service is in effect through this Agreement. 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.
- b. Agency Data. HdL acknowledges that the data provided by the City ("Agency Data") during the course of this Agreement is the property of the City. City authorizes HdL to access, import, process and generate reports from the Agency Data with its various proprietary systems. No confidential or otherwise sensitive information will be released. If appropriate, at the termination of this Agreement the Agency Data will be made available to the City in a format acceptable to both the City and HdL.
- c. Proprietary Information. As used herein, the term "proprietary information" means any information which relates to HdL's software systems, audit processes or related services, techniques, or general 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. OPTIONAL SERVICES. Optional services beyond the scope of this Agreement are available at HdL's hourly rates in effect at the time service is requested. HdL will provide City a Statement of Work specifying the scope, timeline, and cost for the requested service. Depending on the personnel assigned to perform the work, HdL's standard hourly rates range between \$75 and \$275 per hour.

C. MISCELLANEOUS EXPENSES. HdL will notify the City of any miscellaneous expenses and request authorization to proceed. HdL will not be reimbursed for any miscellaneous expenses unless authorized by the City. Miscellaneous expenses may include travel, lodging and meal expenses, and other expenses which are above and beyond the ordinary expenses associated with performance of this Agreement.

D. PRICING ADJUSTMENTS. All pricing listed in this Agreement will be honored during initial implementation of the services. Any additional/optional services needed after services are active will be provided using the pricing currently established at the time the service is requested.

E. 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.

F. 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.

- a. Worker's Compensation and Employer's Liability - In accordance with applicable law.
- b. 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.
- c. Comprehensive Automobile Liability - Bodily injury liability coverage of \$1,000,000 for each accident.
- d. 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.

G. TERMINATION. This Agreement, or individual services provided by this Agreement, may be terminated as follows:

- a. Software – Software services may be terminated by either party upon written notice at least 90 days prior to the end of the established annual billing cycle. Software services are provided on an annual basis. No credit will be provided for any unused portion of the annual term. Upon termination, the software license shall expire and (a) City will immediately remove the software from computers, servers 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.

- b. Services - City may discontinue a service by sending a letter of intent to HdL at least 90 days prior to desired last date of service.
- H. **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.
- I. **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.
- J. **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.
- K. **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, including attorney fees, which may arise out of the performance of the work described herein, caused in whole or in part by any negligent act 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 which may arise from City's negligent acts, errors or omissions under this Agreement.

RESOLUTION NO. 16-XXX

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES
APPROVING THE ADDITION OF A TEMPORARY FEE TO THE ANNUAL BUSINESS
LICENSE FOR THE PURCHASE OF BUSINESS LICENSE SOFTWARE, AND AN
ONGOING FEE TO COVER THE COSTS OF THE ANNUAL MAINTENANCE

WHEREAS, the City Council approved a General Fund budget appropriation to purchase updated business license software in the FY16-17 Budget; and

WHEREAS, the proposed purchase cost of the new software was to be covered by an additional temporary one-year fee applicable to each business license, as well as an ongoing annual maintenance recovery fee to cover the costs of the annual maintenance on the software.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles that the temporary one-year fee of \$12 for the cost of the business license software upgrade take effect on July 1, 2017 for FY2017-18; and,

NOW THEREFORE BE IT FURTHER RESOLVED by the City Council of the City of Paso Robles that the ongoing software maintenance recovery fee of \$2 per business license will take effect July 1, 2018, to cover the annual maintenance cost of the business license software.

APPROVED by the City Council of the City of El Paso de Robles this 19th day of July 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper, Deputy City Clerk