

SOFTWARE MAINTENANCE & SUPPORT AGREEMENT

This Agreement is entered into this 26 day of June, 2013, by and between CITY OF REEDLEY, (hereinafter "CLIENT") and CRW SYSTEMS, INC., (hereafter "CRW") (collectively referred to as "the PARTIES") for the maintenance and support services of permit and code enforcement software as further specified in Exhibit A (the "SOFTWARE") provided to CLIENT by CRW pursuant to a separate Installation & License Agreement.

IN CONSIDERATION of the covenants as set forth in this Agreement, CLIENT and CRW agree as follows:

A. INCORPORATION OF DOCUMENTS

The following documents are attached hereto and, by this reference, incorporated in this Agreement:

- EXHIBIT A: Covered Sites, Software Modules & Configuration
EXHIBIT B: Services and Fees

B. COVERAGE

B.1. SCOPE OF SERVICES:

CRW shall provide maintenance service, technical support and software updates for the SOFTWARE as further detailed in Exhibit A and herein referred to as "Covered Software". Covered software does not include hardware, hardware vendor operating systems and other system software, CLIENT-developed software, or third-party software.

B.2. DESCRIPTION OF SERVICES:

B.2.1. SUPPORT SERVICES. During the term of this Agreement, CRW shall provide the services described herein so as to maintain the Covered Software in good working order, keeping it free from material defects so that the Covered Software shall function properly and in accordance with its intended use.

B.2.2. TECHNICAL SUPPORT. CLIENT shall have email and Toll-free phone access to CRW Monday through Friday during their normal business hours. CRW shall use its best efforts to work with and support all CLIENT-users who may call CRW with technical questions, however, CRW reserves the right to restrict email and/or telephone access to CLIENT-designated representatives only, as further detailed in Section G.3. herein. CRW shall have contact with CLIENT's designated System Administrator by telephone or email at least once per month to discuss system performance and unanswered questions. At the request of the CLIENT a quote for onsite technical support may be provided at any time.

B.2.3. REMEDIAL SUPPORT. Upon notification by CLIENT of an error, defect, malfunction or nonconformity in the Covered Software, CRW shall respond as follows:

- (a) SEVERITY 1: Produces an emergency situation in which the Covered Software is inoperable, produces incorrect results, or fails catastrophically.

RESPONSE: CRW shall provide a response by a qualified member of its staff to begin to diagnose and to correct Severity 1 problem as soon as reasonably possible, but in any event, a response via telephone will be provided within two (2) hours. CRW will continue to provide best efforts to resolve Severity 1 problems in less than forty-eight (48) hours. The resolution will be delivered to CLIENT as a work-around or as an emergency software fix. If CRW delivers an acceptable work-around, the severity classification will drop to Severity 2.

- (b) SEVERITY 2: Produces a detrimental situation in which performance of the Covered Software degrades substantially under reasonable loads, such that there is a severe impact on use; the

Covered Software is usable, but materially incomplete; one or more mainline functions or commands is inoperable; or the use is otherwise significantly impacted.

RESPONSE: CRW will provide a response by a qualified member of its staff to begin to diagnose and to correct a Severity 2 problem as soon as reasonably possible, but in any event a response via telephone will be provided within six (6) hours. CRW will exercise best efforts to resolve Severity 2 problems within five (5) days. The resolution shall be delivered to CLIENT in the same format as Severity 1 problems. If CRW delivers an acceptable work-around for a Severity 2 problem, the severity classification will drop to a Severity 3.

- (c) SEVERITY 3: Produces an inconvenient situation in which the Covered Software is usable, but does not provide a function in the most convenient or expeditious manner, and the user suffers little or no significant impact.

RESPONSE: CRW will provide a fix or fixes for Severity 3 problems within 15 days or at the next scheduled maintenance release, whichever occurs first.

- (d) SEVERITY 4: Produces a noticeable situation in which the use is affected in some way which is reasonably correctable by a documentation change or by a future, regular release from CRW.

RESPONSE: CRW will provide a fix or fixes for Severity 4 problems within 15 days or at the next scheduled maintenance release, whichever occurs first.

- (e) For the purpose of the response listed above, an "hour" is defined as one (1) business hour during CRW office hours, and a "day" is defined as one (1) business day during CRW office hours.

B.2.4. EMAIL/FACSIMILE SUPPORT. For Severity 3 & Severity 4 issues, CRW provides a written problem report. CLIENT may submit a problem report via email or fax at any time. CRW shall acknowledge receipt of all reports with a telephone call or response email to CLIENT and provide a resolution to the problem within 15 days or at the next scheduled maintenance release, whichever occurs first.

B.2.5 MAINTENANCE SERVICES. During the term of this Agreement CRW will maintain the Covered Software by providing CLIENT with all software upgrades, enhancements and modifications. All updates or new versions shall be provided to CLIENT via download through CRW's website. CRW anticipates at least one upgrade per quarter.

B.2.6. SERVICES NOT INCLUDED. Maintenance Services do not include any of the following:

- (a) Custom programming services;
- (b) On-site support, including installation of hardware or software;
- (c) Support of any software not designated as Covered Software.
- (d) Custom reports/forms or a modification to an existing reports/forms.
- (e) Training, except as specified in Exhibit B.

B.2.7. LIMITS OF LIABILITY. CRW assumes no responsibility for the correctness of, performance of, or any resulting incompatibilities with, current or future releases of the Covered Software if CLIENT has made changes to the system hardware/software configuration or modifications to any supplied source code of the Covered Software.

B.2.8. ADDITIONAL SERVICES. CLIENT may request CRW perform additional services which are not covered under the Scope of Services or Description of Services as provided in this Agreement. Should CRW agree to perform said additional services, CRW & CLIENT shall enter into a separate written agreement setting forth the scope of said additional services and the compensation to CRW for those additional services. Said separate written agreement may be made an amendment to this Agreement at CRW's discretion.

C. COMPENSATION

C.1. FEES:

C.1.1. SERVICE FEES: Fees for Maintenance, Support & Service provided under this Agreement shall be contained in Exhibit B. Should a user and/or software package be added to Exhibit A, CRW reserves the right to adjust and/or amend Exhibit A and Exhibit B accordingly and shall provide CLIENT with notification of such adjustment.

C.1.2. TAXES: CLIENT shall, in addition to the other amounts payable under this Agreement, pay all sales and other taxes, national, state or otherwise, however designated which are levied or imposed by reason of transactions contemplated by this Agreement, except those which arise as a result of income, including withholding taxes or similar deductions. Without limiting the foregoing, CLIENT shall promptly pay to CRW an amount equal to any such items actually paid, or required to be collected by CRW.

D. EXCLUSIONS OF LIABILITY

D.1. WARRANTY: CRW MAKES AND CLIENT RECEIVES NO WARRANTY EXPRESS OR IMPLIED AND THERE IS EXPRESSLY EXCLUDED ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CLIENT ACKNOWLEDGES AND AGREES THAT THE MAINTENANCE FEES AND OTHER CHARGES WHICH CRW IS CHARGING UNDER THIS AGREEMENT DO NOT INCLUDE ANY CONSIDERATION FOR ASSUMPTION BY CRW OF THE RISK OF CLIENT'S CONSEQUENTIAL OR INCIDENTAL DAMAGES OR OF UNLIMITED DIRECT DAMAGES. ACCORDINGLY, CRW SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT FOR CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT IN THE CASE OF GROSS NEGLIGENCE OR WILFUL MISCONDUCT, IN NO EVENT SHALL CRW BE LIABLE HEREUNDER TO CLIENT FOR CUMULATIVE DIRECT DAMAGES IN ANY AMOUNT GREATER THAN THAT PAID BY CLIENT TO CRW UNDER THIS AGREEMENT AS A MAINTENANCE FEE FOR THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE ACCRUAL OF THE CAUSE OF ACTION.

D.2. INDEMNITY:

D.2.1. To the extent permitted by law, CRW agrees to indemnify and hold harmless CLIENT, its officers, officials, employees, and agents from and against liability, damages, costs, losses, claims and expenses, including reasonable attorneys' fees, arising out of the negligent acts, errors or omissions of CRW and its employees, subcontractors, sub consultants, and agents in the performance of this Agreement.

D.2.2. To the extent permitted by law, CLIENT agrees to indemnify and hold harmless CRW, its employees, sub consultants, and agents from and against liability, damages, costs, losses, claims, and expenses, including reasonable attorneys' fees, arising out of the negligent acts, errors, or omissions of the CLIENT, its officers or employees, including, but not limited to, incorrect data or information provided by CLIENT.

E. INSURANCE & LICENSES

E.1 WORKER'S COMPENSATION INSURANCE:

Throughout the term of this Agreement and any extension thereof, CRW shall maintain Workers' Compensation and Employer's Liability Insurance of a form and in an amount as required by state law.

E.2. GENERAL LIABILITY:

Throughout the term of this Agreement and any extension thereof, CRW shall maintain Comprehensive General Bodily Injury and Property Damage Liability Insurance, including automobile (non-owned, or hired), in the amount of One Million Dollars (\$1,000,000), combined single limits per occurrence and annual aggregate.

E.3. LICENSES:

CRW shall maintain all licenses required by law which are applicable and necessary to the course and conduct of their business, including, but not limited to, a business license in the State, County, and/or City in which

CLIENT is located, if applicable. Said licenses shall be maintained in full force throughout the term of this Agreement and any extension thereof.

F. TERM AND TERMINATION

F.1. TERM:

The term of this Agreement shall be for five (5) years. Covered Software maintenance service and support shall commence upon the receipt of a fully executed original of this Agreement. This Agreement shall remain in effect for the original five (5) year term and, thereafter, for automatic renewal terms on a five (5) year basis until terminated.

F.2. TERMINATION:

This Agreement may be terminated by CLIENT at any time, with or without cause upon thirty (30) days written notice to CRW. The Date of Termination (hereinafter "Date of Termination" or "Termination Date") shall be defined as the date which is thirty (30) days from the date on which the written notice of termination is postmarked or if sent by email, the date which is thirty (30) days from the date on which CRW is in receipt of said email. In the event of termination by CLIENT, CLIENT shall pay CRW for all services rendered up to and including the Date of Termination. Upon termination CLIENT further agrees to return all source code unopened and unused to CRW.

G. ADDITIONAL PROVISIONS

G.1. CLIENT REFERENCES:

CRW will not use CLIENT's name, logo or any other trademarks (including in any press releases, CLIENT "case studies," and the like) without CLIENT's prior written approval, email acceptable.

G.2. INDEPENDENT CONTRACTOR:

CLIENT and CRW acknowledge and intend that, to the maximum extent permissible by law: (a) this Agreement does not constitute an employment agreement by either party; (b) that CLIENT and CRW are independent contracting parties with respect to all services rendered under this Agreement; and (c) this Agreement shall not be construed as a partnership. CRW shall retain sole and absolute discretion and judgment in methods, techniques and procedures used in performing the services set forth herein. The fact that CLIENT or CRW may carry worker compensation insurance for their own respective benefits and for the benefit of each other shall not create an inference of employment.

G.3. DESIGNATED CONTRACT REPRESENTATIVES:

All communication relating to fees, termination or the general provisions of this Agreement shall be exchanged between the designated representatives of CLIENT and CRW Systems as follows:

CLIENT	CRW
Nicole R. Zieba City Manager 1717 9th Street Reedley CA 93654 Phone: (559) 637-4200 ext. 212 Email: nicole.zieba@reedley.ca.gov	Nathan Hershkowitz General Manager, CRW Systems, Inc. 2036 Corte Del Nogal, Suite 200 Carlsbad, CA 92011 Phone: (858) 451-3030 Email: nathan@crw.com

Should the designated representative or address of either Party change during the term of this Agreement, or any extension thereof, said Party shall provide written notice to the other prior to the effective date of change.

G.4. ENTIRE AGREEMENT:

Each party acknowledges that it is bound by the terms of this Agreement and further agrees that it is the complete and exclusive statement of the Agreement between the Parties, which supersedes and merges all prior proposals, understanding and all other Agreements with respect to software maintenance, service and support, whether oral or written, between the Parties. Nothing contained in this Agreement is intended to benefit any third party. The contractors, subcontractors, or suppliers are not intended third party beneficiaries of this Agreement.

G.5. ATTORNEY'S FEES:

In the event that any legal proceeding is instituted by either CRW or CLIENT to enforce the terms of this Agreement or to determine the rights of CRW or CLIENT, the prevailing Party in said legal proceeding shall be entitled to recover its reasonable costs and attorney's fees.

G.6. APPLICABLE LAW:

This Agreement, its interpretation and all work performed thereunder shall be governed by the laws of the State of CALIFORNIA. Venue for the enforcement of this agreement shall lie exclusively in FRESNO COUNTY, CALIFORNIA.

All claims, disputes, and other matters in question arising out of, or relating to, this agreement or the breach thereof shall be resolved in the COURT OF FRESNO COUNTY, CALIFORNIA, and all parties hereto specifically waive any "venue privilege" they may have in any other jurisdiction.

G.7. BINDING ON SUCCESSORS:

All the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. CRW may not assign any of its responsibilities or obligations hereunder to any other person or entity without written consent of CLIENT.

G.8. SEVERABILITY:

If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

G.9. DUE AUTHORITY:

CLIENT represents and warrants that the person executing this Agreement on behalf of CLIENT is an agent of CLIENT and has full and complete authority to execute this Agreement and enter into the terms and covenants provided herein, and has been designated by CLIENT to execute this Agreement on behalf of CLIENT.

CRW represents and warrants that the person executing this Agreement on behalf of CRW is an agent of CRW and has full and complete authority to execute this Agreement and enter into the terms and covenants provided herein, and have been designated by CRW to execute this Agreement on behalf of CRW.

G.10. AGREEMENT AS OFFER:

This Agreement shall be valid only if it is signed by both CLIENT and CRW, and a signed original has been received by both parties on or before July 1, 2013.

CITY OF REEDLEY

Dated: 6/28/13

By: Nicole R. Zieba, City Manager

CRW SYSTEMS, INC.
Carlsbad, California

Dated: 6/17/13

By: Nathan Hershkowitz, General Manager
CRW Systems, Inc.

EXHIBIT A

COVERED SITES, SOFTWARE MODULES AND CONFIGURATION

A. COVERED SITES

This Agreement covers the following CLIENT sites

1733 Ninth St.
Reedley, CA 93654

B. COVERED SOFTWARE MODULES

This Agreement covers the following TRAKIT software components at each site listed in Exhibit A, Section A:

1. TRAKIT Software Modules included:

- a. ProjectTRAK
- b. PermitTRAK
- c. CodeTRAK
- d. AEC TRAK
- e. LandTRAK
- f. Reports.

C. COVERED CONFIGURATION

This Agreement covers the following configuration:

Unlimited Simultaneous User and Unlimited Observer licenses of Covered Software purchased by CLIENT and installed on Unlimited workstations. (Platform support for XP Service Pack 2, VISTA, Windows 7 Operating System)

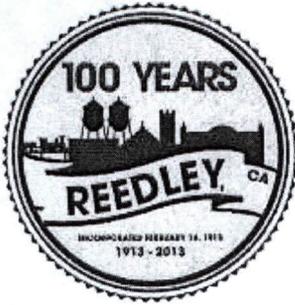
EXHIBIT B

SERVICES AND FEES

Maintenance Services and support for the applications and configuration listed in Exhibit A will be provided for a fee and payable per the Fee Schedule below. The fee may be adjusted at the end of the five (5) year term of this Agreement to the then current pricing. Should additions to the number of licensed users or the Covered Software occur during the term of this Agreement or any extension thereof, CRW shall adjust the fee to reflect the applicable changes and provide CLIENT with written notice of the fee change.

FEE SCHEDULE

YEAR	FEES	DUE DATE
YEAR 1	\$5,000.00	07/01/2013
YEAR 2	\$5,500.00	07/01/2014
YEAR 3	\$5,500.00	07/01/2015
YEAR 4	\$5,500.00	07/01/2016
YEAR 5	\$5,500.00	07/01/2017



REEDLEY CITY COUNCIL

- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 6

DATE: 6/12/2013

TITLE: APPROVE A FIVE-YEAR RENEWAL SOFTWARE MAINTENANCE AGREEMENT WITH CRW SYSTEMS FOR TRACKIT SOFTWARE

SUBMITTED: Paul A. Melikian, Director of Finance & Administrative Services *PM*

APPROVED: Nicole R. Zieba, City Manager *NZ*

RECOMMENDATION

That the City Council approve the attached five-year renewal Software Maintenance Agreement with CRW Systems for TRAKiT software that allows the City of Reedley to streamline code enforcement, licensing, land management, code management, and more.

EXECUTIVE SUMMARY

All City departments rely on specialized software capable of collecting and storing data in a way that ensures organization and accessibility to all employees. CRW Systems has been providing the City with a means to carry out such operations since the late 1980's through the licensing of its TRAKiT software. The City uses the software to: produce permits; perform evaluations; determine permit amounts; retain information on business licensing, store and manage building codes; and keep a large inventory of data for engineering, planning, building, development, public works, and code enforcement operations. In the past, the City has had year-to-year agreements with CRW; however over the last six years, annual prices have steadily risen from \$3,000 to \$5,000. After negotiating a multi-year agreement, the City managed to lower this year's original price of \$5,500 down to \$5,000 and lock pricing at \$5,500 for the remaining four years of the five-year term.

BACKGROUND

TRAKiT software is comprised of different modules: ProjectTRAK; PermitTRAK; CodeTRAK; AEC (Architects, Engineers, and Contractors) TRAK; and LandTRAK that are designed to perform specific functions within their intended departments. ProjectTRAK facilitates the entire project process from conception to completion and allows actions to be recorded and tracked, plans to be scanned and attached to the project history, and permits to be created. PermitTRAK is specialized for the purpose of creating permits and coordinating the inspection process. CodeTRAK manages code enforcement and tracks compliance activity from the time a complaint is received through to compliance. AEC TRAK provides an arena for architects, engineers, and contractors alike by providing them with unique options and tools. It also allows access to associated data, plans, eligibility and license information, and much more. Lastly, LandTRAK focuses on property data management and is equipped with a Geographic Information System (GIS) that allows users to access database technology and view aerial photos and digital maps.

FISCAL IMPACT

The annual cost of TRAKiT software is primarily paid from the General Fund, and Water, Sewer, and Solid Waste enterprise funds. Under the current year-to-year agreement with CRW Systems, the City pays \$5,000 annually for TRAKiT software usage. This price has been gradually increasing over the

Report to the City Council
Five-Year Agreement with CRW Systems for continued usage of TRAKiT Software
June 12, 2013

years as City staff have added modules and CRW has passed along price increases for those modules. From 2006-2012, the annual cost has increased from \$3,000 to \$5,000. The attached agreement would keep the 2012-13 annual cost at \$5,000 for one more year and then hold pricing to \$5,500 per year for the remaining four years of the five-year term. As staff is confident that TRAKiT will continue to be an essential tool for the organization, locking in annual pricing actually saves money over time and assists in budget planning.

PRIOR COUNCIL ACTIONS: N/A

ATTACHMENTS

Software Maintenance & Support Agreement with CRW Systems, Inc.