

**TREASURER-  
TAX COLLECTOR**



**COUNTY OF SANTA CRUZ**

**GOVERNMENTAL CENTER  
701 OCEAN STREET  
P.O. BOX 1817  
SANTA CRUZ, CALIFORNIA 95061**

**RICHARD W. BEDAL**  
TREASURER AND TAX COLLECTOR

**DEBORAH LAUCHNER**  
ASSISTANT  
TREASURER AND TAX COLLECTOR

February 9, 1999

**AGENDA: FEBRUARY 23, 1999**

Board of Supervisors  
county of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

**Re: PURCHASE OF COLLECTIONS DEPARTMENT SOFTWARE**

Dear Members of the Board,

During the 1998-99 Budget Hearings your Board approved the purchase of a new computer collections system from Columbia Ultimate Business Systems (CUBS). After arduous negotiations involving Information Services, County Counsel, the County Administrative Office and CUBS, we are presenting a contract that is attached for your consideration and approval.

As reported to you last year, the Treasurer-Tax Collector's Office, with the assistance of the Information Services Department, designed, wrote and implemented an online collections system (McDebt) to assist the department's mission of collecting the debts of the county. This system was developed in the early 1980s. Since its original design more departments have taken advantage of the central collections division services requiring numerous changes to the computer programs. These changes have resulted in a patchwork design that delivers inconsistent financial reports, is unwieldy to manage, and is not Year 2000 compliant.


The department, with the assistance of the County Administrative Office and Information Services, explored a number of options. In summary, the three departments came to the conclusion that having a central collection department has proven very effective in collecting the debts of the county. Maintaining an effective central collection department requires the investment in a new system from a vendor. CUBS is currently being used in over twenty-five counties in the state, as well as other counties across the nation. Information Services and Central Collections visited a number of these counties and spoke to the others by phone. Each of these

counties gave a consistently high rating to the CUBS product. All users reported that the programs performed as promised, the support was excellent, and in many cases the system substantially increased their revenues and more than paid for itself.

As your Board will recall from the recommended budget the total cost of the system is approximately \$187,170 and that installation will occur over two fiscal years. The 1998-99 budget as approved includes \$133,685 for the first phase of installation. This project is partially supported by AB 818 funds (\$65,800).


It is therefore RECOMMENDED that your Board approve the attached contract with Columbia Ultimate Business Systems in the amount of \$187,170 and direct the Information Services Director to sign it.

Sincerely,



Richard W. Bedal  
Treasurer-Tax Collector

RECOMMENDED:



for SUSAN A. MAURIELLO  
County Administrative Officer

COUNTY OF SANTA CRUZ  
REQUEST FOR APPROVAL OF AGREEMENT

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TO: Board of Supervisors  
County Administrative Officer  
County Counsel  
Auditor-Controller

FROM: Treasurer-Tax Collector (Dept.)  
Richard W. Babel (Signature) 2/16/99 t e )

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same,

1. Said agreement is between the County of Santa Cruz, Treasurer-Tax Collector (Agency)  
and Columbia Ultimate Business Systems, Vancouver, WA (Name & Address)
2. The agreement will provide "The Collector System" a product provided by "CUBS" to enhance the operations of the Central Collections department
3. The agreement is needed The current system, "McDebt" is not Y2K compliant and does not provide adequate tools to manage the central collections functions.
4. Period of the agreement is from 3/99-contract signing to acceptance of product
5. Anticipated cost is \$ xx 159,593 with tax (Fixed amount; Monthly rate; Not to exceed)
6. Remarks:- The cost is to be offset with loan funds from the State AB818 program.
7. Appropriations are budgeted in Approximately 47%  
731000 98-99 112,855 (14,500-4154, 86,071-3489 & 12,284-3665)  
99-00 4 6 , 7 3 8 (37,701-3665 & 9,037-3355) (Index#) (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and will be encumbered.

Contract No. C081800 Date 2-16-99

GARY A. KNUTSON, Auditor - Controller

By P. Sullivan Deputy.

Information Service Director  
Santa Cruz (Agency).  
Remarks: \_\_\_\_\_ (Analyst)

County Administrative Officer  
By Gunn Reahman Date 2/17/99

Agreement approved as to form. Date \_\_\_\_\_

Distribution:

Bd. of Supv. - White  
Auditor-Controller - Blue  
County Counsel - Green \*  
Co. Admin. Officer - Canary  
Auditor-Controller - Pink  
Originating Dept. - Goldenrod

\*To Orig. Dept. if rejected.

ADM-29 (6/95)

State of California )  
County of Santa Cruz ) ss

I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,  
State of California, do hereby certify that the foregoing request for approval of agreement was approved by  
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered  
in the minutes of said Board on \_\_\_\_\_

County Administrative Officer  
By \_\_\_\_\_ Deputy Clerk

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**Software License  
and  
Professional Service Agreement**

Between

COLUMBIA ULTIMATE BUSINESS SYSTEMS, INC.  
14300 SE FIRST STREET  
VANCOUVER, WASHINGTON 98684  
**360-256-7358**

Hereafter Columbia Ultimate

And

COUNTY OF SANTA CRUZ  
701 OCEAN STREET ROOM 150  
SANTA CRUZ, CALIFORNIA 95061  
83 1-454-2275

Hereafter Customer

This Software License and Professional Service Agreement "Agreement" is made by and between Columbia Ultimate and Customer. In consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **RECITALS.**

After conducting a review of Automated Collection Systems and visitations to other Public entities utilizing Automated Collection systems Santa Cruz County selected Columbia Ultimate Business Systems, Inc. "The Collector System" to address Santa Cruz County's collection requirements. Columbia Ultimate is an established independent software sales and development company licensed in the State of Washington. Columbia Ultimate owns a copyright and holds all ownership rights to a series of computer programs collectively known as "The Collector System". Columbia Ultimate has consulted with Customer and states that it is ready, able, and willing to furnish "The Collector System" and related software modules along with implementation and support services to the Customer. Customer is licensing software from Columbia Ultimate which will be used in the operation of its business. Customer is aware that Columbia Ultimate does not manufacture nor maintain any hardware.

2. **GENERAL SCOPE.**

Under this Agreement, Columbia Ultimate agrees to consult, install, test, convert and support implementation of "The Collector System", related licensed software modules, and furnish training to Customer's employees as necessary to enable Customer to fully utilize the software. Furthermore Columbia Ultimate will perform custom programming and provide deliverables as outlined in the Statement of Work, Attachment D. Customer will acquire license to use selected software modules, purchase/ install equipment, and with guidance/assistance from Columbia Ultimate, setup network and desktop computers. Columbia Ultimate and Customer agree to provide services and deliverables in accordance with the "Statement of Work", Attachment D., and incorporated herein by reference. Customer may elect to have Columbia Ultimate provide software support for assistance in the use of the software, and diagnosing/resolving problems with the System in accordance with "Software Support Agreement", Attachment B., attached hereto and incorporated herein by reference.

3. **DEFINITIONS.**

For the purposes of this Agreement, the following terms have the meanings set forth below:

- A. "Acceptance" means the Customer's written acknowledgment that a specific product performs according to Columbia Ultimate documentation, or a custom programming specification, or the service provided successfully completes a work task outlined in the "Statement of Work" Attachment D".

- B. "Anniversary date" means the annual date marking the final acceptance by Customer of the system installation.
- C. "Conversion" means a one time translation of Customer's existing account information from a current file structure into the file structure required by "The Collector System" or related modules.
- D. "Custom Programming" means the modification of existing program code or the development of new program code required to meet Customer's specific requirements.
- E. "Documentation" means the tangible information necessary for the use, planning, operation and maintenance of the Software, including but not limited to The Collector Reference Guide manual.
- F. "Fiscal Rate Schedule" is the Columbia Ultimate rates applicable to the Customer's fiscal year. The Customer's fiscal year runs from July 1 thru June 30. Customer will be provided a list of rates (product, license, and service) by March 1, reflecting rates to be effective during the subsequent fiscal year. This rate schedule will remain in effect throughout that subsequent fiscal year. These rates will be limited to a cumulative change of five percent (5%) per year.
- G. "Hardware" means any piece of tangible equipment used for the purpose of running the Collector System or related modules.
- H. "Installation" means the process of bringing together the functioning of the computer Hardware. The Collector System and related modules, so that they are ready for business operation.
- I. "Mandatory Revision" means a revision to Programs required by law; or revisions that, if not implemented, would result in the failure of the Customer's system.
- J. "Module" means, as applicable, the Software Support Module, and/or Products Module, and/or Software Development Module, and/or Custom Programming performed for customer, and/or any other similar set of provisions which are attached to this Agreement.
- K. "Product(s)" means those goods, supplies, materials, items, components, hardware, and the incidental associated software listed and/or described in this Agreement or any Module(s) and/or Schedule(s), and/or other exhibits or attachments to this Agreement.
- L. "Programs" means any Columbia Ultimate Software, and products, as tailored and/or customized for the Customer, including custom programming and derivative works.
- M. "Purchases" means all Product(s), Software and/or Services described in this Agreement, Module(s), or on Schedule(s), and/or other attachments to this Agreement.
- N. "Releases" mean an update of the Software, subsequent to the initial delivery of the Software, in which Columbia Ultimate has incorporated any accumulated corrections which make the Software conform to the then current Documentation, any improvements in the performance of the Software, any new functions which were not formerly functions of the Software and any changes to the Software to properly operate with modifications made to other components of the system.
- O. "Schedule(s)" means a written instrument made part of this Agreement describing such things as the Purchases, price, specific terms and conditions and related shipping and delivery instructions.
- P. "Services" mean the work to be provided by Columbia Ultimate under the terms of this Agreement, including analysis, design, testing, conversion, installation, implementation and integration services.
- Q. "Software" means the Collector System and its ancillary products/modules used in collection of outstanding credit obligations.
- R. "System" means any Programs, Job scripts, Control parameters, coupled with the conversion of existing data, documentation, services, and custom programming deliverables.
- S. "Warranty Period" means the 90 day period following Customer final acceptance of the installation of Programs and Services from Columbia Ultimate.

4. **PERIOD OF PERFORMANCE**

This Agreement shall take effect when it has been fully executed by duly authorized representatives of both parties and will remain in effect until Columbia Ultimate has completed all of the tasks and the Customer has approved Final System Acceptance or until it has been otherwise terminated as provided for in Section 19.

5. **PROJECT SCHEDULE.**

Services and materials provided under this Agreement shall be provided in accordance with the time frames outlined in the "Statement of Work" Attachment D., Exhibit 5, Project Schedule.

6. **PRICE AND PAYMENT.**

The total price to be paid to Columbia Ultimate in accordance with "Purchase Schedule", Attachment A, attached hereto and incorporated herein by reference will not exceed \$142,383.00 unless authorized by Customer. Customer shall make payments to Columbia Ultimate based on invoices submitted, in accordance with Purchase Schedule, and upon Customer concurrence that: (a) the invoice is correct, has not been altered and is an original invoice; and (b) the scheduled deliverable(s) in accordance with "Statement of Work" (Attachment D., EXHIBIT 2. Deliverables) have been accepted by Customer. Such acceptance shall not be unreasonably withheld. All payments due 30 days from receipt of invoice. Should Customer become delinquent, interest charges shall accrue in the amount of one and one-half percent (1.5%) per month or the maximum rate permitted by California law, whichever is lower for any delinquent balance. On a disputed item of Invoice the Customer has the right to withhold payments, without accrual of interest on the amount withheld on account of failure of Columbia Ultimate to make payments properly to its subcontractors. or for labor. or materials. Columbia Ultimate shall provide the Customer, upon request, with proof of release of all claims against the Customer for work performed under this Agreement. The Customer shall retain the right to review Columbia Ultimate's records as they relate to work performed under the Agreement, which records shall be retained as required under Section 18. The prices set forth in Purchase Schedule are exclusive of any amount for Federal, State or Local excise. sales. lease taxes in force now or enacted in the future. such amounts being the responsibility of the Customer. The prices are inclusive of any gross income. business privilege or similar taxes and any amount of withholding taxes. Social Security, insurance. and unemployment insurance.

7. **CHANGES**

The scope and schedule of services and materials provided under this Agreement may be changed from time to time by mutual agreement of the parties hereto. When a change causes a modification in total costs or the amount of time needed to complete such change, an equitable adjustment shall be made to the Purchase Schedule, and Project Schedule, as applicable. All changes to the scope of the project. whether or not causing an adjustment to the Price and Payment Schedule and/or Project Schedule. will take effect only when described in a "Statement of Work Change Order", as defined in "Statement of Work" Attachment D.. Exhibit I, attached hereto. and agreed to in writing by both parties.

8. **SCOPE OF SOFTWARE LICENSE.**

- A. Columbia Ultimate grants to Customer a nonexclusive, nontransferable license for the Software. Columbia Ultimate continues to own all rights to the copy of the Software licensed to the Customer under this Agreement along with any and all copies that the Customer is authorized to make. Columbia Ultimate will provide software in both operating version and in the form of machine-readable, compile ready. source code for all application programs with the exception of Security Programs (See section 19.C., for conditions that would make Security Programs available). Source code for third-party software is not to be provided.
- B. Customer's rights to use Software are specified in this Agreement. and Columbia Ultimate retains all rights regarding Columbia Ultimate software not expressly granted in this Agreement.
- C. The Software is and at all times shall remain the sole property of Columbia Ultimate. The ownership is protected by the copyright laws of the United States and by international treaty provisions. Nothing in this Agreement constitutes a waiver of any rights under U.S. Copyright law or any other international, federal or state law.
- D. Unless agreed to in advance in writing by Columbia Ultimate. Customer shall not assign, rent lease or otherwise sublet the Software or any part thereof to any third party, and Customer shall not use the Software for any purpose other than expressed in this License. If Customer desires to sell the Software to a third party, Customer shall notify Columbia Ultimate in writing and may not transfer or provide the Software to the purchaser without the prior written agreement of Columbia Ultimate which may be granted only if the purchaser shall have agreed in writing: (1) to the provisions of a new and separate license agreement for the Software upon Columbia Ultimate then current terms and conditions; and (2) payment of all license fees or other amounts indicated in such license agreement and such additional fees or amounts as may be required by Columbia Ultimate.
- E. The Software is licensed to Customer for use only on the Hardware platform as identified in

Attachment D., Exhibit 4., Equipment List. In the event Customer desires to move the Software, Customer shall obtain the written consent of Columbia Ultimate, which will not be unreasonably withheld. A transfer fee may apply.

- F. The Software contains an authorization code permitting its use for a period of one (1) year on the number of Port licenses listed on Attachment A. THIRTY DAYS PRIOR TO EXPIRATION OF THIS LICENSE. A NOTICE WILL APPEAR INDICATING THAT THE LICENSE IS ABOUT TO EXPIRE. IF THE ANNUAL LICENSE RENEWAL FEE IS NOT PAID BEFORE THE EXPIRATION OF THE CURRENT LICENSE AGREEMENT, THE SOFTWARE WILL BECOME INOPERABLE UNTIL PAYMENT IS MADE.
- G. The term of this Agreement can be extended for one (1) year periods, upon the payment of the Annual License Renewal Fee in accordance with the "Fiscal Rate Schedule" Attachment C., Attached hereto and incorporated herein by reference.
  - 1) The fee to renew this Software License will be in accordance with the "Fiscal Rate Schedule" Attachment C.. per Port, times the number of Ports purchased. Note: Renewal fees for additional Ports since the last renewal will be prorated.
  - 2) The payment of the License Renewal Fee entitles Customer to future Releases. New releases will be provided an a nominal fee according to "Fiscal Rate Schedule", Attachment C.

**9. TERM OF SOFTWARE LICENSE.**

The term of this License shall begin upon the delivery and Installation of the Software and shall remain in force until terminated. and this License shall continue on a year to year basis provided Customer elects the Annual License Renewal. If Customer elects not to renew, or fails to comply with any other terms of this License. this License may be terminated by Columbia Ultimate.

**10. FEES AND CHARGES.**

- A. Customer agrees to pay a license fee for every Port added to the System thereafter, and to extend this License to each such added Port. In addition, to continue this License as indicated above, an ongoing Annual License Renewal Fee, which is a per Port fee for the then total number of Ports licensed access to the Software in accordance with the "Fiscal Rate Schedule" Attachment C.. shall be paid to Columbia Ultimate beginning on the first anniversary date following Customer acceptance of system installation and every anniversary date thereafter for the duration of this License. In addition to extending the right to use, the above-referenced fees entitles Customer to the maintenance indicated in Section 11.
- B. Services requested by Customer in addition to those specified in this Agreement will be billed to Customer in accordance with the Fiscal Rate Schedule. Exception: Special programming. program maintenance and custom program changes to specific software modules are not billable to Customer when Customer performs beta testing tasks on subject modules.
- C. Payment. All payments are delinquent 30 days from receipt of invoice. Prices and fees are exclusive of, and Customer shall be solely responsible for paying, all sales, use, excise and similar taxes relating to the sale or license of the Purchases. '

**11. MAINTENANCE.**

In return for payment of the Annual License Renewal Fee, Columbia Ultimate shall for the term of this License, provide maintenance in the form of revisions to enable Software to perform in accordance with then current specifications in effect. Revisions shall be designated by Columbia Ultimate as either mandatory or optional. Customer may elect to accept or not accept mandatory revisions. In the event Customer elects not to accept a mandatory revision and Columbia Ultimate is unable to provide maintenance to a specific component of the software affected by that revision then future Columbia Ultimate maintenance for that specific component of the software will be performed at Customer expense; maintenance services for all other software components not affected by the subject revision will remain in force. All releases are provided as a component of maintenance service at a nominal fee in accordance with "Fiscal Rate Schedule", Attachment C.

**12. TRAVEL.**

Travel Expenses incurred by Columbia Ultimate will be reimbursed in full by the Customer. Travel

expenses are defined as: Airplane, Car, Hotel, Food, Taxi, Parking, or any other reasonable and customary travel expense. Travel expenses are billed at actual cost.

13. **CONFIDENTIALITY.**

- A. The Customer shall not release or provide access to said software and documentation to outside parties without written consent of Columbia Ultimate, except as may be required by the California Public Records Act, Section 6250 et seq GC. Customer shall take all reasonable steps necessary to ensure that the Software and related documentation, or any portion thereof, on magnetic tape, disk: or memory or in any form, are not made available by Customer or by any of its employees to any organizations or individuals not licensed by this Agreement to make use thereof. Customer warrants that all those individuals having access to the Software and related documentation under this License shall observe and perform this non-disclosure covenant. In particular, Customer recognizes the proprietary nature of Software and the related documentation and, in connection with the Software and related documentation, agrees as follows: (a) to instruct its employees having access to Software and related documentation not to copy or duplicate programs or make disclosure with reference thereto or of any components thereof to any third party: and (b) to effect normal security measures to safeguard Software and related documentation from theft or from access by persons other than its own employees using the Software and related documentation for Customer's own requirements.
- B. Columbia Ultimate shall regard all Customer files and data as the Customer's confidential information. Any data stored in the Software that relates to Customer's business or is generated in the course of Customers operations are the exclusive property of Customer. Columbia Ultimate warrants that all employees having access to the Customer's licensed Software shall observe and perform this non-disclosure covenant.

14. **WARRANTY**

- A. Columbia Ultimate warrants that it has the right to license the Software to Customer under terms of this License and Columbia Ultimate does not infringe upon the rights of any third parties and that the Software does not violate any U.S. protected copyright or trademark or any other proprietary rights of third parties.
- B. Columbia Ultimate warrants that the Software and all custom programming written by Columbia Ultimate will perform as described in the documentation which is outlined in the Collector Reference Guide, or as provided to Customer in any other written form, and this warranty will expire ninety (90) days from the date of Customer acceptance of the installation of such software.
- C. In the event the Software, or any custom programming, does not so perform, Columbia Ultimate's obligation in case of any breach of this warranty shall be to repair or replace, as agreed between Columbia Ultimate and Customer, any component of Software which does not so perform.
- D. Columbia Ultimate does not warrant that the functions contained in the Software will meet Customer's requirements or that the operation of the Software will be uninterrupted or error free. Columbia Ultimate assumes no responsibility for Software which has been altered or modified, except as authorized in writing by Columbia Ultimate, or if altered or modified by Columbia Ultimate.
- E. Columbia Ultimate warrants that the Software including all Custom Programming will record, store, process and present calendar dates falling on or after January 1, 2000, in the same manner, and with the same functionality and performance, as the Software on or before December 31, 1999. Columbia Ultimate will consult with the Customer management as needed prior to acceptance to ensure that the Software will lose no functionality with respect to the introduction of records containing dates falling on or after January 1, 2000.
- F. **Columbia Ultimate disclaims all other expressed or implied warranties, including, but not limited to, implied warranties of merchantability or fitness for a particular purpose, and implied warranties arising by usage of trade, course of dealing, or course of performance.**
- G. **In no event shall Columbia Ultimate be liable for any indirect, special, incidental, or consequential damages, such as, but not limited to, loss of anticipated profits, cost of overhead or any substitute service, claims of Customer's clients for such damage or other economic damages, including without limitation loss in connection with or arising out of the use of the Software or**



the Services provided for in this Agreement, even if Columbia Ultimate has been advised of the possibility of such damages.

15. **INDEMNIFICATION.**

- A. Proprietary Rights -Columbia Ultimate shall defend and pay the cost and damages made in settlement or awarded as a result of a legal action based upon an allegation that the Software furnished by Columbia Ultimate hereunder infringes a U.S. Patent, copyright or trade secret. if Columbia Ultimate is notified promptly in writing of such action and if Columbia Ultimate shall have sole control of its defense and negotiations for settlement. If Customer's use of the Software is finally enjoined, Columbia Ultimate will, at its option: (1) procure the continued right of use; or (2) replace or modify the Software to restore the right of use; or (3) terminate the License for the infringing Software and refund the balance if any of license fees paid for the Software, prorated over a 5-year term from the commencement of the licensed Port(s). Columbia Ultimate shall not be liable for infringement of any right resulting from use of the Software in a manner for which it was not specified, **Columbia Ultimate's total liability to Customer hereunder shall not, however, exceed the amounts paid by Customer for the infringing Software under this License.** The foregoing states the entire liability of Columbia Ultimate with respect to claims based on and resulting from the infringement of patents, copyrights or trade secrets.
- B. General -Columbia Ultimate agrees to indemnify, defend and hold harmless Licensee and its officers, directors, agents, employees, corporate parents, affiliates and subsidiaries (the indemnified parties), and to require all subcontractors to release, indemnify and hold the indemnified parties harmless from and against any and all claims for damages, losses and expenses (including attorney's fees) arising out of this Agreement to the extent that any such claim, damage, loss, or expense is (i) attributable to bodily injury, including death or damage or destruction of tangible, real or personal property, and (ii) is caused by any willful or negligent act or omission on the part of Columbia Ultimate, its agents or anyone directly or indirectly employed by any of them. NOTWITHSTANDING THE ABOVE, COLUMBIA ULTIMATE SHALL BE RESPONSIBLE ONLY FOR DIRECT LOSSES, EXPENSES OR DAMAGES, AND SHALL NOT BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND.

16. **INSURANCE.**

Columbia Ultimate, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects Customer, and any insurance of self-insurance maintained by Customer shall be excess of Columbia Ultimate's insurance coverage and shall not contribute to it. If Columbia Ultimate utilized one or more subcontractors in the performance of this agreement, Columbia Ultimate shall obtain and maintain Independent Contractor's insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of Columbia Ultimate in this Agreement, unless Columbia Ultimate and Customer both initial here \_\_\_\_\_.

A. Types of Insurance and Minimum Limits

- 1) Worker's Compensation in the minimum statutory required coverage amounts. This insurance coverage shall not be required if Columbia Ultimate has no employees and certifies to this fact by initialing here \_\_\_\_\_.
- 2) Automobile Liability Insurance for each of Columbia Ultimate's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrences for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by Columbia Ultimate is not a material part of performance of this Agreement and Columbia Ultimate and Customer both certify to this fact by initialing here \_\_\_\_\_.
- 3) Comprehensive or commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for : (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross liability.

- 4) Professional Liability Insurance in the minimum amount of \$\_\_\_\_\_ combined single limit. if. and only if, this subparagraph is initialed by Columbia Ultimate and Customer \_\_\_\_\_

B. Other Insurance Provisions

- 1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, Columbia Ultimate agrees to maintain the required coverage for a period of one (1) year after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. Columbia Ultimate may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.
- 1) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause: "The County of Santa Cruz, its officials, employees, agents and volunteers are added as an additional insured as respects the operations and activities of, or on behalf of, the named insured performed under Agreement with the County of Santa Cruz."
- 2) All required insurance policies shall be endorsed to contain the following clause:  
"This insurance shall not be canceled until after thirty (30) days prior written notice has been given to: County of Santa Cruz  
Risk Management Office  
Room 510  
701 Ocean Street  
Santa Cruz, CA 95060"
- 4) Columbia Ultimate agrees to provide its insurance broker(s) with a full copy of these' insurance provisions and provide Customer on or before the effective date of this Agreement with Certificates of Insurance for all required coverages. All Certificates of Insurance shall be delivered or sent to:  
County of Santa Cruz  
Risk Management Office  
Room 510  
701 Ocean Street  
Santa Cruz, CA 95060

17. **DISPUTE RESOLUTION.**

If any controversy or claim arises out of or relates to this Agreement, or the breach thereof, the parties agree that senior management will attempt in good faith to settle the controversy or claim within ten (10) business days thereafter before resorting to arbitration pursuant to this Section. Time is of the essence in the resolution of disputes. If said controversy or claim cannot be settled through such senior management intervention, the controversy will be settled by arbitration in accordance with the then current rules and supervision of the American Arbitration Association located in California. for arbitration in California. and by a sole arbitrator selected by the parties who is sufficiently knowledgeable in the areas of law necessary to arbitrate the controversy. The decision and award of the arbitrator shall be final and binding and the award so rendered may be entered in any court having jurisdiction thereof..

18. **RECORDS, AUDIT AND REVIEW.**

Columbia Ultimate shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Columbia Ultimate's business category (software developer) following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. Customer shall have the right to audit and review all such documents and records at any time during Columbia Ultimates regular business hours and upon reasonable notice.

19. **TERMINATION**

- A. **By Customer.** Customer may, by written notice to Columbia Ultimate, terminate this Agreement in whole or in part at any time, whether for Customer's convenience or because of the failure of Columbia Ultimate to fulfill the obligations herein. Upon receipt of notice, Columbia Ultimate shall immediately discontinue all services affected (unless the notice directs otherwise) and deliver to Customer all data, estimates,

graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by Columbia Ultimate or received from Customer in performing this Agreement, whether completed or in process.

1) For Convenience.

- a. Customer may terminate this Agreement upon thirty (30) days written notice. Following notice of such termination, Columbia Ultimate shall promptly cease work and notify Customer as to status of its performance.
- b. Notwithstanding any other payment provision of this Agreement, Customer shall pay Columbia Ultimate for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made, plus reasonable project shut-down expenses, including, but not limited to travel. In no event shall Columbia Ultimate be paid an amount in excess of the full price under this Agreement nor for unperformed portions of service. In the event of a dispute as to the reasonable value of the services rendered by Columbia Ultimate, the value shall be assessed based upon the amount referenced in "Purchase Schedule", Exhibit A. for any previously accepted deliverables and based upon Columbia Ultimate's then-current labor rates for the services rendered for deliverables which have not been accepted as of the date of termination.
- c. In the event of termination for convenience, Customer may, at Customer's sole option, retain a non-exclusive right to utilize the software in accordance with the provisions of this Agreement.
- d. In the event of termination for convenience, should Customer elect not to retain the right to use the software, as provided above, the Customer agrees to return the software together with all copies of documentation and any related material. Any data or data files generated by the Customer shall remain the property of the Customer.
- e. In the case of termination for convenience, any license fees paid or invoiced as of the date of termination shall be forfeited by Customer.

2) For Cause.

In the event of Customer termination due to Columbia Ultimate's default in the performance of this Agreement or material breach of any of its provisions, Customer may, at Customer's sole option, retain a non-exclusive right to utilize the software in accordance with the provisions of this Agreement.

- B. **By Columbia Ultimate.** Should Customer become delinquent and fail to pay Columbia Ultimate all or any part of the payment set forth in "Purchase Schedule", Attachment A, or otherwise materially breach any provision of this Agreement, Columbia Ultimate may, at Columbia Ultimate's sole option, terminate this Agreement if such failure is not remedied by Customer within thirty (30) days of written notice (by certified mail) to Customer of such late payment or material breach.
- C. Notwithstanding the foregoing conditions, if Columbia Ultimate becomes insolvent, is unable to pay its debts when due, files for bankruptcy, is the subject of involuntary bankruptcy, has a receiver appointed, or has its assets assigned, then Columbia Ultimate agrees to release its security programs to Customer so they can operate the Collector System beyond the System's security date. Customer shall hold the security programs in strict confidence and shall not disclose, provide, or otherwise make available the security programs, or any of its parts, to any person except employees and consultants, with a legitimate need therefore, to maintain The Collector System and related modules.

20. **INDEPENDENT CONTRACTOR.**

Columbia Ultimate shall perform all work required of it under this Agreement in a timely, efficient, and professional manner. In performing the work required of it under this Agreement, Columbia Ultimate shall act in the capacity of independent contractor, and not as agent, representative, or employee of the Customer. It is expressly understood and agreed that Columbia Ultimate shall in no event as a result of this contract be entitled to any benefits to which Customer's employees are entitled, including, but not limited to overtime, any retirement benefits, workers' compensation benefits, and injury leave or other leave benefits. Each party hereto agrees to not actively solicit for employment or contract any employee or contractor of the other who has performed work covered by this Agreement during the term of the Agreement. Columbia Ultimate shall not be required to use union labor.

## 21. NON-DISCRIMINATION.

- A. Columbia Ultimate agrees that during and in relation to the performance of this Agreement: Columbia Ultimate shall, not discriminate against any worker, employee, or applicant, or any member of the public, because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sex, sexual orientation, age (over 40), veteran status, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; ~~advertising~~; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. Columbia Ultimate agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.
- B. If the Professional Services part of this Agreement provides compensation in excess of \$50,000 to Columbia Ultimate and if Columbia Ultimate employs fifteen (1.5) or more employees, the following requirements shall apply:
- 1). Columbia Ultimate shall, in all solicitations or advertisements for employees placed by or on behalf of Columbia Ultimate, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sex, sexual orientation, age (over 40), veteran status, or any other non-merit factor unrelated to job duties. In addition, Columbia Ultimate shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in Columbia Ultimate's solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the Customer's General Services Purchasing Division.
  - 2). In the event of Columbia's non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders then Columbia Ultimate may be declared ineligible for further agreements with the Customer.
  - 3). Columbia Ultimate shall cause the foregoing provisions of this Subparagraph 2 | B. to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

## 22. CONFLICTS.

Columbia Ultimate warrants that, to the best of its knowledge and belief, no person except bonafide employees, agents, consultants or representatives of Columbia Ultimate or any of its subcontractors has been employed or retained to solicit or secure this Agreement and that Columbia Ultimate presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. No person having any such interest shall be employed by Columbia Ultimate.

## 23. MISCELLANEOUS.

- A. Force Majeure. If the performance of this Agreement or of any obligation hereunder is prevented, restricted, or interfered with by reason of fire or other casualty or accident; strikes or labor disputes; inability to procure raw materials, power or supplies; war, terrorism or other violence; any law, order, proclamation, regulation, ordinance, demand, or requirement of any governmental agency or intergovernmental body other than a party hereto; or any other act or condition beyond the reasonable control of the parties hereto, the party so affected, upon giving notice to the other party, shall be excused from such performance to the extent of such prevention, restriction, or interference: provided that the party so affected shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall continue performance hereunder with the utmost dispatch whenever such causes are removed.
- B. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The prevailing party in any such action shall be awarded court costs and any reasonable attorney's fees.
- C. Binding Effect. This Agreement may not be assigned by either party without the written consent of the other. This Agreement inures to the benefit of and is binding upon heirs, executors, administrators, successors and assigns consented to by the parties hereto.
- D. Severability. If any provision of this Agreement shall be held to be invalid, it shall not affect the

balance of this Agreement.

- E. Waiver or breach of any provision of this Agreement shall constitute a waiver or breach of any other provision. Failure of either party to enforce any provision of this Agreement shall not be construed as a waiver thereof.
- F. Notices. Except as otherwise provided herein, any notice or other communication given hereunder shall be in writing and shall be given by personal service, express courier (such as UPS), telecopy, or by certified or registered mail to the addresses shown below, unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of receipt.
- ci. Compliance with Law.  
Each Party to this Agreement shall, at its sole cost and expense, comply with all Local Government, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement.

H. Entire Agreement.

This Agreement, including Attachments, Modules, Schedules and Exhibits, contains the entire Agreement of the parties with respect to its subject matter and supersedes all existing Agreements and all other oral, written or other communications between them concerning its subject matter. This Agreement shall not be modified in any way except by a written agreement subscribed to by both parties

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date indicated. This Agreement is subject to the terms and conditions attached hereto and which are made a part hereof and which the parties acknowledges to have read.

**County of Santa Cruz**  
**701 Ocean Street Room 150**  
**Santa Cruz, California 95061**

**Columbia Ultimate Business Systems, Inc.**  
**14300 SE First Street**  
**Vancouver, Washington 98684**

Authorized signature

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized signature

By: James H. Richards

Title: CFO

Date: 2/8/99

APPROVED AS TO INSURANCE:

By: [Signature]

Risk Management

APPROVED AS TO FORM:

By: [Signature]

County Counsel

Attachment A.  
Software License  
and  
Professional Service Agreement

Purchase Schedule for County of Santa Cruz

All Prices are in US Dollars unless otherwise specified

QTY	DESCRIPTION	UNIT PRICED	EXTENSION PRICE
<b>THE COLLECTOR SYSTEM SOFTWARE (Initial Modules) T</b>			
12	Collector Licenses	\$2,750.00	\$33,000.00
12	Collector NT Licenses	\$450.00	\$5,400.00
12	Win2000(v1.4)	\$249.00	\$2,988.00
1	Payment Proration Module	\$15,000.00	\$15,000.00
1	Tax Intercept Module	\$2,995.00	\$2,995.00
1	Packet Posting Module	\$10,000.00	\$10,000.00
1	Responsible Persons		NC
1	Collector Infobase	\$79.00	\$79.00
1	Collector Guide Infobase	\$49.00	\$49.00
1	California Legal Templates (1998 ed.)	NC	NC
<b>Total Collector System Software (Initial Modules)</b>			<b>\$69,511.00</b>
<b>UNSECURED DELINQUENT TAXES MODULE (Future Deliverable) T</b>			
1	Phase I - Case entry, interest calculation on tax, journal changes to all elements and amounts of Delinquent Tax entry.	\$0.00	\$0.00
1	Phase II - Management of all tax amounts, interest, penalties, Recorders fees, and complete Recorders Lien Process.	\$10,000.00	\$10,000.00
<b>THE COLLECTOR SYSTEM DOCUMENTATION</b>			
1	Collector System Manuals I & II		NC
<b>LOGONS</b>			
unlimited	Unlimited Client Access Logon		NC
<b>COLLECTOR SYSTEM TRAINING</b>			
1	Management Strategies Training Class at Columbia Ultimate 2 People	\$5,000.00	\$5,000.00
5	Days On-Site Collector System Training	\$1,000.00	\$5,000.00
3	Days On-site Software Installation Training	\$1,000.00	\$3,000.00
4	Days Hardware Staging at Columbia Ultimate(T)		\$1,500.00
<b>Total Collector System Training</b>			<b>\$14,500.00</b>

CUSTOM PROGRAMMING			
120	Conversion hours (T)	2125.00	\$15,000.00
60	Interface Programming hours	5125.00	57,700.00
5	Analysis and Design days	\$1,000.00	\$5,000.00
5	Integration Testing Days	\$1,000.00	\$5,000.00
80	Custom Programming hours (as per quote)	\$125.00	\$10,000.00
Total Custom Programming			\$42,500.00
Travel Costs (Estimate, invoiced in accordance with Software License and Professional Service Agreement, Section 11. TRAVEL )			\$6,000.00
Total Not to Exceed Cost			\$142,383.00

#### SALES TERMS AND CONDITIONS

- All Columbia Ultimate products and services ("Products") are sold F.O.B. shipping point.
- Customer will pay all applicable excise, sales or other taxes unless tax exempt certificate is provided.
- Any sums not paid within (30) days from the date of receipt of invoice are subject to a service charge of one and one-half percent (1.5%) per month or the maximum rate permitted by California Law, whichever is lower.

On-site training days are eight (8) hour days. Time spent in excess of this may be billed as additional charges in accordance with "Fiscal Rate Schedule".

Customer will be billed for training days only. Travel days will not be considered as training days and will not be billed to Customer.

Attachment B  
Software Support Agreement

Between  
COLUMBIA ULTIMATE BUSINESS SYSTEMS, INC.  
11300 SE FIRST STREET  
VANCOUVER, WASHINGTON 98684  
360-256-7358  
Hereafter Columbia Ultimate

And  
COUNTY OF SANTA CRUZ  
701 OCEAN STREET ROOM 150  
SANTA CRUZ, CALIFORNIA 95061  
8314542275  
Hereafter Customer

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This Software Support Agreement is made part of the Software License and Professional Service Agreement, effective as of \_\_\_\_\_ between Columbia Ultimate and Customer. This Software Support Agreement is subject in all respects to the Software License and Professional Service Agreement, except that in the event of a conflict between this Agreement and the Software License and Professional Service Agreement, the terms and conditions of **this** Software Support Agreement shall govern for the purposes of this Agreement only.

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- I. **TERM OF SUPPORT.** The initial term of Support shall be twelve( 12) months and until either party shall provide the other thirty (30) days written notice of termination. The term shall be automatically renewed for additional twelve (12) month terms unless terminated. canceled or extended
- ii. **DEFINITIONS.** In addition to the terms defined in the Software License Agreement. the following capitalized terms used in this Module shall have the following meanings for purposes of this Module only:
  - A. **"Error"** shall mean an error in the Software or a failure of the Software to conform as documented in The Collector Reference Guide, or as provided to Customer in any other written form, which negatively impacts the performance of Customer's operations. Errors can occur as: (i) errors in the Software or (ii) errors in Documentation.
  - B. **"Error Report"** shall mean any Error reported by Customer to Columbia Ultimate by telephone, e-mail, mail. or fax.
  - C. **"Primary Support Period"** shall mean hours of Gold Support Service Plan.
  - D. **"Priority 1 Error or Down System"** shall mean the Software is unusable, produces incorrect results. or fails catastrophically in response to input files.
  - E. **"Priority 2 Error or Detrimental"** shall mean the Software is usable, performs most. but not all of its documented functions.
  - F. **"Priority 3 Error or Inconvenient"** shall mean the Software is usable but due to an error does not provide the function in the most convenient way.
  - G. **"Support"** means the work to be provided by Columbia Ultimate under the Terms of this Module, including answering of questions regarding the operations of the Software and any corrections required to make the Software operational as originally designed.
- III. **SERVICE PROVIDED BY COLUMBIA ULTIMATE**
  - A. Columbia Ultimate agrees to provide all services stated herein. In addition, Columbia Ultimate will provide services in accordance with "Gold Support Service Plan" appended hereto. Columbia Ultimate



will maintain the Software and Custom Programming products in conformity in all material respects with the Documentation. Columbia Ultimate shall correct all Errors discovered by Customer or Columbia Ultimate.

- B. Software Support. If Customer believes that there is an Error, Customer will provide an Error Report to Columbia Ultimate, describing the Error in such detail as is reasonably necessary and available for Columbia Ultimate to provide resolution of the Error. On "Priority 1 Errors" Columbia Ultimate shall respond within two hours and begin to promptly investigate the Error. Customer and Columbia Ultimate **will** determine priority level of an Error Report. Columbia Ultimate shall remedy such Error as follows:
  - 1. Priority 1 Error (Down System). Columbia Ultimate will promptly respond and provide a resolution to Priority 1 Errors within twenty-four (24) hours of receipt of an Error report.
  - 2. Priority 2 Error (Detrimental). Columbia Ultimate shall provide a resolution to a Priority 2 Error within five (5) business days.
  - 3. Priority 3 Error (Inconvenient). Columbia Ultimate shall use its best efforts to provide a solution for problems designated a Priority 3 Error within thirty (30) calendar days of receipt of an Error Report.
- C. Columbia Ultimate will provide to Customer toll free phone service (in the United States) for consultation, Error Report response and resolution. Calls shall be placed by an authorized Customer representative(s) during the Primary Support Period, **excluding** any holidays recognized by Columbia Ultimate as company-wide holidays. Columbia Ultimate will provide Customer with telephone numbers for after hours support. Additional charges for such after-hour support which is not covered by the Customer's selected service program will be in accordance with the "Fiscal Rate Schedule", attachment C.
- D. Telecommunications Link. Columbia Ultimate shall, with Customer authorization, access Customer's system directly, via telecommunications link, to isolate errors in the software, resolve problems and, where practicable, apply corrections. Customer shall furnish Columbia Ultimate access to their computer facilities for the time required by Columbia Ultimate to Furnish the Support services hereunder. All telecommunication link charges are the responsibility of the Customer.
- E. Additional Services. Any services provided in addition to those specified above ("Additional Services") will be billed to Customer by Columbia Ultimate's in accordance with the "Fiscal Rate Schedule" attachment C.

#### IV. **FEES AND CHARGES**

- A. Fees. As consideration of the Software Support services rendered by Columbia Ultimate. Customer shall pay Columbia Ultimate the Fees and Charges set forth in the "Fiscal Rate Schedule". attachment C. These amounts are subject to change fiscal year to fiscal year.
- B. Invoicing. Columbia Ultimate will invoice Customer in accordance with the "Fiscal Rate Schedule". attachment C. Subsequent annual fees will be in accordance with the then current "Fiscal Rate Schedule". Invoices will be paid by Customer upon concurrence that the invoice is correct. has not been altered and is an original invoice All payments due net ten (10) days. following receipt of invoice; delinquent thirty (30) days from receipt of invoice. In the event that the Customer does not pay the outstanding amount within thirty (30) day period, Columbia Ultimate shall have the right to terminate Support. Columbia Ultimate shall continue to have the right to recover payment of all amounts for Support rendered prior to such termination.
- C. Outstanding Amounts. Any sums not paid by Customer when due are subject to a service charge of one and one-half percent per month or the maximum rate permitted by law. whichever is lower.
- D. Taxes. Customer will pay all applicable excise, sales or other taxes unless tax exempt certificate is provided.

#### V. **TERMS AND CONDITIONS OF SUPPORT**

- A. For Software Support, Columbia Ultimate shall only be responsible for providing Support for Columbia Ultimate's most current Release of the Software and for the three (3) previous versions of

the Software. In addition, Columbia Ultimate will provide support for all custom software developed for Customer, without regard to Columbia Ultimate's software version, at fifteen percent (15%) of the Custom Programming charge; provided that Customer is covered by an optional **support program**; with the exception that no custom programming support fee will be charged to customer in the event that the custom software becomes a component of Columbia Ultimate releases and the customer notifies Columbia Ultimate of the election to **use** software provided in releases and drop support for custom software. The notice to drop custom program support will indicate an effective date for ending custom program support charges. Continuous custom program support by Columbia Ultimate will ensure that custom programmed software will retain continued integrated functionality with Columbia Ultimate software releases.

- B. Columbia Ultimate shall be under no obligation to furnish Support under this Agreement should
  - 1. Operation of the Software in environmental conditions outside those prescribed by the hardware platform manufacturer;
  - 2. Failure by Customer to keep the hardware platform properly maintained in accordance with standards of maintenance prescribed by the manufacturer: or
  - 3. The Software have been altered or modified by anyone other than Columbia Ultimate, except as authorized in writing by Columbia Ultimate.
- C. Notwithstanding the exclusions specified above, Columbia Ultimate obligations to provide support shall not be affected by Customer's modification of the Software so long as Columbia Ultimate can discharge its Support obligations notwithstanding such modifications or following their removal by Customer.
- D. Customer agrees to provide the necessary equipment to allow remote access to Customer's computer system via modem phone line.
- E. Customer agrees to provide a person to work with Columbia Ultimate in diagnosing areas of concern.
- F. This Module contains the entire agreement of the parties with respect to its subject matter and **supersedes** all existing agreements and all other oral, written or other communications between them concerning its subject matter. This module shall not be modified in any way except by a written agreement subscribed by both parties.

The parties intending to be legally bound have caused this Software Support Module to be executed by their duly authorized representatives.

**County of Santa Cruz**

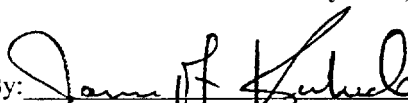
Authorized signature

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Columbia Ultimate Business Systems, Inc.**

By: 

Title: CFO

Date: 2/8/99

Attachment C  
**Software License**  
 and  
**Professional Service Agreement**  
**1998-99 Fiscal Rate Schedule**  
 for  
**County of Santa Cruz**

All Prices are in US Dollars unless otherwise specified

This Schedule is to be provided to Customer by March 1 annually. rates published here are applicable for the subsequent Customer fiscal year which runs from July 1 thru June 30. Any single rate increase may not exceed ten percent (5%) accumulative annually.

- A. License Renewal Rates **1998-99**. (These rates are in effect until the end of the warranty period or the end of the Fiscal Year, whichever is later.  
 Fee: Three percent (3%) of 1998-99 License Fee.

<u>QTY</u>	<u>DESCRIPTION</u>	<u>UNIT SOFTWARE COST</u>	<u>TOTAL SOFTWARE VALUE</u>	<u>RENEWAL LICENSE FEE</u>
12	Collector Licenses	\$2,750.00	\$33,000.00	\$990.00
12	Collector NT Licenses	\$450.00	\$5,400.00	\$ 162.00
1	Payment Proration Module	\$15,000.00	\$15,000.00	\$450.00
1	Tax Intercept Module	\$2,995.00	\$2,995.00	\$59.85
1	Packet Posting Module	\$ 10,000.00	\$10,000.00	\$300.00
12	Win2000	\$249.00	\$2,988.00	\$59.61
1	Collector Infobase	\$79.00	979.00	\$7.37
1	Collector Guide Infobase	\$49.00	\$49.00	\$1.47
1	Unlimited Client Access	so.00	so.00	\$1,200.00
	Total Initial License Fee		\$69,511.00	\$3,255.33

The first Renewal License Fee will be due the first "Anniversary Date".

1	Unsecured Delinquent Taxes	\$10,000.00	\$10,000.00	\$300.00
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Initial License fee payment for Unsecured Delinquent Taxes module will be due when all both phases I and II have been implemented and accepted by Customer.

The first Renewal License Fee will be due one year from the installation acceptance date of the Unsecured Delinquent Taxes Module, or the first "Anniversary Date" whichever occurs later.

All future releases of licensed software are provided at the nominal fee of: \$100.00

**B. Software Support Rate(Gold Support Service Plan)**

Fee: Twelve percent (12%) of Current 1998-99 List Price.

QTY	DESCRIPTION	UNIT SOFTWARE COST	TOTAL SOFTWARE VALUE	Software Support Fee
12	Collector Licenses	\$2,750.00	\$33,000.00	\$3,960.00
12	Collector NT Licenses	\$450.00	\$5,400.00	\$648.00
1	Payment Proration Module	\$15,000.00	\$ 15,000.00	\$ 1,800.00
1	Tax Intercept Module	\$2,995.00	\$2,995.00	\$359.40
1	Packet Posting Module	\$10,000.00	\$10,000.00	\$1,200.00
12	Win2000	\$249.00	\$2,988.00	\$358.56
1	Collector Infobase	\$79.00	\$79.00	\$9.48
1	Collector Guide Infobase	\$49.00	\$49.00	\$5.88
<b>Initial Support Fee</b>				<b>\$8,341.32</b>

Initial Support Fee is due upon final acceptance of all modules. Minimum \$6,235.

1	Unsecured Delinquent Taxes	\$10,000.00	\$10,000.00	\$1,200.00
1	Custom Programs ( 15%)	\$10,000.00	\$10,000.00	\$1,500.00

Support Fees for the Unsecured Delinquent (both phases) and Custom Programming are due upon final acceptance of installation of these modules.

**C. Other Service Rates:**

1. Custom Programming outside Gold Support Service Plan \$125.00/hour
2. Training at Customer site \$1,000/8 hour day
3. Travel In accordance with Software License and Professional Service Agreement section 12. TRAVEL
4. Gold Support Service Plan Time and Material Rate for work not included in Plans "Types of Service" during plans service hours. \$80.00/hour during hours of coverage. \$20.00/15 mins. 30 min. Minimum: \$40.00
3. After hour service Rate \$45 per 15 mins. 1 hour minimum: \$150.00

**D. Special Discounts:**

1. Within the two years from the date of acceptance of the software, any version or release of software that is intended to replace or provide an alternate solution to the Collector System and related modules, or solve a Year 2000 compliance problem, will be offered to County of Santa Cruz at a 30% discount from similar upgrade offering made to other Columbia Ultimate Local Government Customers.

Attachment D.  
**Software License**  
 and  
 Professional Service Agreement

Statement of Work  
 for  
**County of Santa Cruz**

This Statement of Work is made part of the Software License and Professional Service Agreement effective as of \_\_\_\_\_ and defines what is expected of Columbia Ultimate and also what is expected of Customer. This Statement of Work is subject in all respects to the Software License and Professional Service Agreement.

A. **SCHEDULE.**

This statement of work is subject to time frames outlined in Project Schedule. Exhibit 6. attached.

B. **DELIVERABLES.**

A "Deliverable" is defined as a service or product delivered to the Client. A "List of Deliverables" is appended to this Statement of Work and is called "Exhibit 2". When a product is delivered to the Customer, the Customer will deem the product as "Delivered" when a service (Training, Installation. Custom Programming) is delivered in full, according to the deliverable milestones outlined in Exhibit 2.

A "Deliverable Acceptance" sheet is attached as "Exhibit 3". Once Columbia Ultimate has delivered a product or service, Columbia Ultimate will send a Deliverable Acceptance sheet by facsimile to the Customer. Upon "Acceptance" by Customer the Deliverable Acceptance sheet will be returned by facsimile back to Columbia Ultimate. If the Customer has issue with the deliverable not being met. the Customer will return Deliverable Acceptance sheet to Columbia Ultimate indicating Deliverable not accepted and attach explanation of why the deliverable has not been accepted. Both parties will work together to help the Deliverable be met in a timely manner. Customer shall not withhold the acceptance of a Deliverable for lack of manpower to verify if the Deliverable has been met.

C. **SPECIFIC REQUIREMENTS**

1. **Hardware** - The hardware is being supplied by the Customer for the Collection Server (see approved Equipment List appended as "Exhibit 4"). These hardware specifications will be reviewed and approved for use with the Collector System and related modules.
2. **Software Installation** - Following the completion of hardware setup and Operating System installation by Customer this Collection Server will be shipped

to Columbia Ultimate where Columbia Ultimate will pre-install the Universe Data Base Management System (DBMS), the Collector System and additional Modules (Reference: Attachment A., of Software License and Service Agreement). Once the software has been loaded onto the Collection Server. the system will be shipped to the Customer.

3. **On-site Hardware Installation** - The Customer will connect the server to the Customer's computer environment. Columbia Ultimate will provide telephone support to answer questions relating to the database provided by Columbia Ultimate and Columbia Ultimate's software and how it relates to the Customer's computer environment.

The Customer will provide a phone line for the diagnostic modem. The Customer will provide cabling for the hardware.

The Customer will provide a network administrator for all network issues. The Customer will configure PC's accessing the System. Columbia Ultimate will provide assistance and guidance to customer to properly configure PC's.

Columbia Ultimate will pre-approve Equipment List. Exhibit 4.. prior to the Customer purchasing the components.

#### 4. **System & PC Software**

**Collector System Licenses** - The Collector System will be pre-loaded on the Collection Server at Columbia Ultimate's offices.

**DBMS** - The Collector System software will run on a DBMS. The DBMS will be maintained by Columbia Ultimate in accordance with the "Software Support Agreement".

**Other Columbia Ultimate System Software Modules** - In accordance with the Purchase Schedule all modules with the exception of the Unsecured **Delinquent Taxes** module will be loaded at the time the Collector System software is loaded at Columbia Ultimate's offices.

**The Unsecured Delinquent Tax module** - will be installed in two phases:

**Phase 1 - Must include**, at a minimum, ability to calculate and add interest to tax accounts, ability to make adjustments (journal **changes to** demographic and monetary) portions of the tax bill.

**Phase 2 - Must include** automated lien generation and assignment of Recorder's number, lien release/removal/renewal. automated fixed charge fees, transfer cost

and lien fee processes.

The Unsecured Delinquent Taxes module will be considered delivered and subject to acceptance only when completed Phases 1 and 2 above have been delivered.

**Win2000 PC Licenses** - Win2000 is a front end software package which provides the ability to use the Collector System with PC's and gives mouse capability. If the network server version is chosen then Columbia Ultimate will load the server version onto the Client's network server at the time the Collector System software is loaded at Columbia Ultimate's offices. If the Customer chooses the PC version then the Customer will load the software on the Customer's PC(s). Columbia Ultimate will assist the Client in the installation of WIN2000 via telephone support as necessary.

**Diagnostic Modem** - The diagnostic modem will be used by Columbia Ultimate to dial in when necessary to help the Customer. The diagnostic modem will be installed by Customer at Customer's site prior to sending server to Columbia Ultimate. When the collection server is staged at Columbia Ultimate's office, a test of the modem will be conducted by Columbia Ultimate. After the Collection server has been returned to Customer, Columbia Ultimate will provide telephone support to Customer in order to insure that diagnostic modem is operating effectively.

**Printers** - The Collector System works with serial and network printers. Customer will identify printer model and type to be used for the Collector System and related modules. Columbia Ultimate will review and certify printer and print drivers to be used. Network printers purchased by Customer will be installed by the Customer with Columbia Ultimate providing telephone support.

#### D. SERVICES

##### 1. Custom Programming ,

This statement of work includes Custom Programming requested by Customer, see Exhibit 6. Any changes beyond the scope of this Custom Programming request will be subject to Statement of Work Change Order. Exhibit 1.. attached.

The following are the deliverable phases for each custom program. Each custom program will have four phases to it. These phases are as follows:

- Phase 1 - Analysis & Design
- Phase 2 - Codirig & Unit Test
- Phase 3 - Integration Test
- Phase 4 - Acceptance Test

Each phase for each custom program will have a line item on a Deliverable Acceptance sheet. The progress of a custom program from one phase to the next is dependent on the signature of the Client on the Deliverable Acceptance sheet for each custom program and its phases.

2. **Other Analysis, Design and Programming Services**

In addition to the Custom Programming outlined in Exhibit 6. Columbia Ultimate will provide Support Services that include:

- a . Analysis, design and programming services, if necessary, to convert existing Customer Collection system data to Columbia Ultimate's Collector System.
- b. Analysis, design and programming services, required to insure that interfaces are provided for:
  - The transfer of payment information to the Customer's "Famis" accounting system.
  - Automated new account data transferred from the Customer's Tax system to automatically setup new account in Columbia Ultimate's Collector System.
  - A Daily extract of account activity from the Columbia Ultimate's Collector System to create summary totals for balancing with other Customer related Systems.

3. **Training**

**Management Strategies** - This is a four-day class at Columbia Ultimate's office in Vancouver, Washington for Customer management personnel involved in making the decisions on how collection processes should take place. A Management Strategies Guide will be sent to the Customer at least four weeks prior to scheduled class. This Guide will include input forms designed to take the ideas of Management and apply them to the Collector System. purchased modules and Custom Programming. The four day class runs from Tuesday morning through Friday afternoon.

**On-site Supervisor/Collector/Clerical/Other** - Columbia Ultimate will go to the Customer's location and train the Supervisors and Collectors on the use of The Collector System. purchased modules and Custom Programmed modules. During this time, Columbia Ultimate will also train Customer personnel on data entry. payment posting procedures, daily balancing, end-of-month/end-of year balancing and reporting procedures. In addition training will be provided for system administration tasks and issues, as well as, how to provide standard and ad hoc reports.



**E. PROJECT MANAGEMENT.**

Columbia Ultimate's Project Manager-for this Statement of Work is:

Kirk Hendricks  
 Columbia Ultimate  
 Public Sector Division  
 14300 S.E. First Street  
 Vancouver, WA 98684  
 Telephone Number 1-888-282-8 100 ext. 280  
 Facsimile Number 1-360-254-7659  
 E-Mail Address: kirkh@colubs.com

The Project Manager at the Customers site for the purpose of this contract will be

Margaret Fabrizio  
 County of Santa Cruz  
 Central Collections Supervisor  
 Mail: P.O. Box 801  
 Santa Cruz CA 95061  
 Delivery: 701 Ocean St.  
 Rm. 150  
 Santa Cruz CA 95060  
 Telephone Number 1 (83 1) 454 2275

**County of Santa Cruz**

Authorized signature

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Columbia Ultimate Business Systems, Inc.**

By: James F. Kuhnel

Title: CFO

Date: 2/8/99

# STATEMENT OF WORK

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## Exhibit 1

### STATEMENT OF WORK CHANGE ORDER

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Project Name: \_\_\_\_\_ Request Number: \_\_\_\_\_

Date Initiated: \_\_\_\_\_ Initiated By: \_\_\_\_\_

Supporting Attachments: ☐ Yes ☐ No ☐ Client  
☐ Columbia Ultimate

Requested Change (From/To):

Reason For Change:

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#### EVALUATION / RESPONSE SECTION

Date Received: \_\_\_\_\_

Response:

#### PROJECT IMPACT

Schedule (Duration/Effort):

Cost/Credit: \_\_\_\_\_ ,

Date Returned: \_\_\_\_\_ Project Manager: \_\_\_\_\_

Supporting Attachments: ☐ Yes ☐ No ☐ Client  
☐ Columbia Ultimate

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#### APPROVE / REJECT SECTION

Close Date: \_\_\_\_\_ Approved: ☐ Rejected: ☐

Client Approval: \_\_\_\_\_

Columbia Ultimate Approval: \_\_\_\_\_

Supporting Attachments: ☐ Yes ☐ No

#### COMMENTS

**STATEMENT OF WORK**  
**Exhibit 2**  
**Deliverables**

Item #	Qty	Description	Scheduled Installation Date	Final Acceptance Date
1	12	The Collector System Licensed Software	4-2-99 *	
2	12	Collector NT Licensed Software	4-2-99 *	
3	12	WIN2000 Licensed Software (Network)	4-2-99 *	
4	2	Collector Infobase Licensed Software	4-2-99 *	
5	1	Tax Intercept Software Module	4-2-99 *	
6	1	Account Distribution/Proration Software Module	4-2-99 *	
7	1	Packet Posting Software Module	4-2-99 *	
8	1	Responsible Persons Software Module	4-2-99 *	
9	1	Phase I - Unsecured Delinquent Tax Software Module	4-2-99 *	
10	1	Phase II - Unsecured Delinquent Tax Software Module	4-2-99 *	
11	1	1999 version of California Legal Templates Module	4-2-99 *	
12	1	Collector and Other Software Modules Manuals	3-12-99	
13	1	Unlimited Client Access Logon	4-29-99	
14	1	Training - Management Strategy	3-18-99	
15	1	Training - Collector System (5 days)	5-14-99	
16	1	Training - Installation Training (3 days)	5-14-99	
17	1	On site (Santa Cruz) Analysis and Design	3-30-99	
18	1	Conversion Programming/Analysis Support	3-30-99	
19	1	Interface Programming/Analysis Support	3-30-99	
20	n	Custom Programming		
21	1	Monthly Probation Fees	4-29-99	
22	1	Famis Interface	4-29-99	
23	1	Ad-hoc Reports	4-29-99	

24	n	Test Conversions	5-14-99	
25	n	Full System Integration Testing	5-21-99	
26	n	Conversion and Start-up	6-1-99	

legend: n = number of iterations required for successful completion.

\* = Installation to be performed at Columbia Ultimate.

# STATEMENT OF WORK

## Exhibit 3

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### Deliverable Acceptance

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In accordance with the applicable agreement with Columbia Ultimate and in compliance with the requirements detailed in such agreement, including any modifications or amendments to the agreement, Columbia Ultimate presents the following deliverable to the Client:

**Description of Deliverable:**

I t e m # \_\_\_\_\_

Name: \_\_\_\_\_

Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Project Design :      Date Received: \_\_\_\_\_      Date Approved: \_\_\_\_\_

Project Coding and Unit Test:  
   Date Received: \_\_\_\_\_      Date Approved: \_\_\_\_\_

Integration Testing:      Date Approved: \_\_\_\_\_

Acceptance Testing:      Date Approved: \_\_\_\_\_

This project is accepted and we acknowledge that it **is** complete and functions according to the design specifications.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## STATEMENT OF WORK

## Exhibit 4

## Equipment List

QTY	Columbia Ultimate Standard	Santa Cruz County Standard
1	HP Netserver LH	IBM Equivalent hardware
	Dual Processor 200 Mhz Pentium Pro	Dual Pentium II, 266 Mhz or comparable
	Minimum 128 MB Memory	256 MB Memory
	4.2 GB HP Hot Swap Ultra SCSI-2 Disk	Ultra Wide SCSI RAID-5 hardware
	Extra 2 GB Disk Space for Backup	(A)
2	4mm DAT Tape Unit	8mm DAT Tape Unit. Not needed. (B) (1 8mm DAT Tape Unit is replaced by 2 GB Disk Space)
	Tokenlink Velocity PCI TR	IBM Token Ring Adapter PCI TR
	15" Ultra VGA 1024 Monitor	Not needed, (B)
	HP Mouse with Mini DIN Interface	IBM Mouse w/PS2 Interface
	Tower Chassis 9 Mass Storage Shelves	Whatever the box comes with
	SCSI-2 Fast Controller	Ultra Wide SCSI RAID 5 Controller
	256 KB Cache Write Back Memory	5 12 KB Cache Write Back Memory
	9 Accessory Slots, 2PCI, 7EISA	Accessory Slots, PCI, ISA
	CD ROM Drive	(A)
	3.5" 1.44 MB Floppy Disk Drive	(A)
	64 Bit System Bus	PCI B u s
	HP Netserver Assistant Server Manager Software	IBM equivalent product for server and network administration.
	Automatic Server Restart Feature	Should be standard feature comes with IBM Hardware
	HP Serial Card for HP Netserver LH	Not needed
12	Windows NT Server V4.0 Client Access License(for 12 users)	(A)
1	NT Server Access License	(A)
	Microsoft Backoffice Server V2.5 Single Online-Dot	(A)
	Seagate Backup Exec	Cheyenne ARCserve Agent for NT
	Open File Agent(St. Barnard Software, Seagate Backup Exec add-on feature)	(A)(ST. Barnard Software works with Cheyenne ARCserve Agent for NT)
	Token Ring Remote Terminal Server	Not needed
	Microsoft C++	(A)
	NT Resource Kit	(A)
	Norton Utilities V2.0 WinNT-CD	(A)
1	Multi-tech 33.6 Baud Modem	Not needed, (B)
1	HP Printer	IBM Lexmark Optra S, Model 1255 with an Integrated network adapter for the token ring.

Workstation PC with 32 MB RAM and Windows 95 Operating System	(A)
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## Notations Used:

(A) Same as Columbia Ultimate

(B) County of Santa Cruz has in stock

Columbia Ultimate has reviewed this County of Santa Cruz Equipment List and approves that Equipment List is appropriate for the implementation of the Collector System, related modules and related software components.

Columbia Ultimate Business Systems Inc.

By: Title: Division ManagerDate: 2-15-99

**STATEMENT OF WORK**  
**Exhibit 5**  
**Project Schedule**

This Project Schedule is subject in all respects to the Software License and Professional Service Agreement.

This Project Schedule will establish the general time requirements for the Statement of Work Deliverables (Exhibit 2.) provided/performed by Columbia Ultimate and/or the Customer for the successful installation of the Collector System, related modules, custom programming and other support tasks.

#	Task Description	Time Required	Date/ Deliverable	Feb 99	Mar 99	Apr 99	May 99	June 99	July 99
	Contractual Agreement signed	4 weeks	2/16/99	x					
1	Management Strategy training at CU	1 week	3-18-99 del. 14		x				
2	Purchase of Equipment by Customer	4 weeks	3-12-99	x	xx				
1	Perform Custom Programming Analysis and Design for Probation Fees/Famis Interface and other system interfaces	3 week	3-31-99 del. 17,18, 19,20,21, 22,23		xxxx				
5	Customer performs programming for data conversion with Columbia Ultimate support as required	9 weeks	4-23-99 del. 18	x	xxxx	xxxx			
5	Install Operating System by Customer	1 week	3-19-99		x				
7	Customer shipment of Collection Server to Columbia Ultimate	1 week	3-26-99		x				
3	Columbia Ultimate install Collector System and related Modules on Collection Server	1 week	4-2-99 del. 1,2,3,4, 5,6,7,8,9		x	x			
3	Shipment of Collection server from Columbia Ultimate to Customer	1 week	4-9-99 del. 1,2,3,4, 5,6,7,8,9, 11, 12			x			
10	Installation of Collection Server and network client setup at Customer site by Customer	2 weeks	4-23-99			xx			
11	Columbia completes Custom Programming and installation of programs and interfaces	5 week	4-29-99 del. 18,19, 20,21, 22, 23		xxx	xxx			
13	Training - Installation Training	3 days	4-1-99 del. 16				x		
14	Training on Collector System	1 week	5-1-99 del. 15				x		
15	Columbia Ultimate performs test conversions	3 days	5-1-99 del. 24				xx		



#	Task Description	Time Required	Date/ Deliverable	Feb 99	Mar 99	Apr 99	May 99	June 99	July 99
16	Columbia provides Unlimited Client Access and support the testing of access	2 days	J-29-99 del. 13			x			
17	Columbia Ultimate and Customer performs full integration testing at Customer site.	1 week	5-21-99 del. 25				x		
18	Columbia Ultimate performs final conversion and Startup of Collector System at Customer site	2 days	6-1-99 del. 26				x	x	
19	Columbia Ultimate provides Phase II - Unsecured Delinquent Tax Module	unknown	5/31/99 del. 10				x		

## STATEMENT OF WORK EXHIBIT 6

### County of Santa Cruz Custom Programming

Project Name	Description	Estimate
Monthly Probation Fees	Start and Stop dates and monthly fee add-ons.	3,000.00
FAMIS Account Number usage and reports	FAMIS account numbers used as Facility codes or Reference numbers. With the Account Distribution History Module	7,000.00
Ad-Hoc Reports	Assistance with setup of up to 10 reports using Recall or Easy Out..	N/C
TOTAL ESTIMATE		10,000.00

#### MONTHLY PROBATION FEES

Routine would need to be written to allow the user to add a monthly probation charge (user defined charge) to the current account balance. A screen will be developed that will allow entry of a fee amount, start date and stop date. A program will be written to run at day-end that will add the charge onto the account at the appropriate time. The number of months assessed will be tracked and displayed on the probation fee setup screen. Any changes to this screen will be logged in the account note file. The date and the amount of charge will also be reflected in the account note tile.

#### FAMIS INTERFACE

The CUBS system will be setup with accounts representing charges from **McDebt**. Each account can have multiple amount buckets that hold principal and related fee amounts. Each of the different amount buckets need to have associated with them a FAMIS number. This is a number that identifies a fund within a given department. The money needs to be tracked to this fund.

It has been decided that fields will be setup in the **CUBS** Client Miscellaneous screen to enter the FAMIS numbers into. There will be a FAMIS field correlating to each account amount bucket. When an account is entered, the FAMIS numbers **from** the client file will be loaded into and stored on the account (probably in the **FISCAL** file).

When transactions are posted to the account, payments or adjustments, the FAMIS number for the bucket affected will be recorded on the transaction and stored in the account notes file for later reference.

For court **fine** accounts the FAMIS number will be entered into the Facility reference field. This number will then be copied and store in the **DIST-HISTORY** tile as transactions are posted to facilities.

A routine will also need to be provided for changing the FAMIS number on active accounts.

The only FAMIS reporting that was discussed is a monthly recall report that summarizes transactions by FAMIS number. It will be necessary to run one report on the **TRANS** file and one report on the **DIST-HISTORY** file.

#### AD-HOC REPORTS

It is anticipated that assistance will be provided by Columbia Ultimate to setup up to 10 reports using **Easyout** or Recall and that The County can then setup the remaining needed reports with no assistance. Initial reports may include Recall reports used for the daily extract of information for the mainframe interface. If further assistance is needed, the additional hours would be billed at the current custom programming rate of \$125.00 **per hour**. If it is determined that any of these reports as desired cannot be produced using Recall or **Easyout**, and are still desired by the county, the individual reports would be billed on a per hour basis to develop at the custom programming rate of \$125.00 per hour.