



**AMENDMENT NO. 2 TO THE AGREEMENT  
WITH  
HDL SOFTWARE, LLC  
FOR  
BUSINESS LICENSE SOFTWARE**

This Amendment No. 2 is entered into this 7<sup>th</sup> of June, 2019, by and between the **City of Milpitas**, a municipal corporation of the State of California (hereafter referred to as "City") and **HdL Software, LLC**, a California limited liability company (hereafter referred to as "HdL"). City and HdL are jointly referred to hereinafter as the "Parties."

**RECITALS:**

WHEREAS, on August 23, 2017, the Parties entered into a five-year agreement for Prime Business License software (4<sup>th</sup> generation) licensing platform (hereinafter the "Master Agreement") to process business license fees for the City on an annual basis; and

WHEREAS, the first year costs for the Software include a One-Time Project Cost, Annual Software Use Fee, Two PCI Compliance Gateways, Payment Processing Services Fees, and Hosting Services, which were correctly calculated pursuant to the Master Agreement as \$25,088.08 including a credit of \$12,185.17 for HdL "Classic" Software which the City used prior to this conversion to the cloud-based 4<sup>th</sup> generation, all as shown in **TABLE 1** below; and

TABLE 1	
Original Master Agreement Amount	
One-Time Project Cost	\$ 19,500.00
Annual Software Use Fee	\$ 13,159.98
2 - PCI Compliance Gateways	\$ 1,250.00
Payment Processing Services	\$ 363.27
Hosting Services Per Year	\$ 3,000.00
Sub-Total	\$ 37,273.25
Credit for HdL "Classic" Software	\$ (12,185.17)
<b>TOTAL</b>	<b>\$ 25,088.08</b>

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*• amch. analyzed*

WHEREAS, on January 16, 2018, the Parties entered into Amendment No. 1 to the Master Agreement, which incorrectly increased costs by \$11,800.00 for two (2) additional user licenses, software use fees and hosting services, and to pay for travel expenses relating to a training session held on October 4, 2017 as the Parties did not prorate the amount for the remaining six months of Year One. The correct amount of the increase should have been \$5,396.63, which would have made the correct new increased total amount for Year One \$30,484.71 as shown in **TABLE 2** below; and

<b>TABLE 2</b>	
<b>Amendment No. 1</b>	
2 Additional User License Fees	\$ 4,000.00
Annual Software Use Fee	\$ 600.00
Hosting Services Per Year	\$ 180.00
Travel Expense for Training	\$ 616.63
<b>TOTAL</b>	<b>\$ 5,396.63</b>
Original Master Agreement Amount	\$ 25,088.08
Amendment No. 1 Amount	\$ 5,396.63
<b>NEW YEAR ONE TOTAL</b>	<b>\$ 30,484.71</b>

WHEREAS, the City processed Purchase Order No. FY17316 for the total costs of Year One of the HdL Master Agreement and Amendment No. 1 in the incorrect amount of \$30,155.44, which was \$329.27 short, resulting in an underpayment to HdL. HdL has agreed to waive this underpayment and zero out the City's account balance for Year One; and

WHEREAS, on April 1, 2018, the monthly Payment Processing Services fee was administratively increased by \$1.09. This addition brought the total monthly Payment Processing Services fee to \$31.09; and

WHEREAS, on August 1, 2018, a Remote User Access License was administratively added to the monthly Hosting fees for an additional \$15.00. This addition brought the total monthly Hosting fee to \$295.00; and

WHEREAS, on June 21, 2018, the City executed a "Notice of Exercise of Option to Extend Agreement" for Year Two, as set forth in Exhibit C-1 attached hereto and incorporated herein by reference, in the incorrect amount of \$15,707.37. The City incorrectly executed the option to extend, as the term of the Master Agreement is five years unless earlier termination is requested. Nevertheless, the correct amount for Year Two should have been \$18,735.45 on the Notice of Exercise of Option to Extend Agreement; and

WHEREAS, the Parties now desire to amend the Master Agreement in order to clarify the correct first year costs calculated pursuant to the Master Agreement and Amendment No. 1, and make administrative changes to fees set forth in Exhibit B-1 to Amendment No. 1 to the Master Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and conditions herein contained, the Parties agree to amend the Agreement as follows:

1. The Year One total expense is corrected from Thirty Thousand One Hundred Fifty Five Dollars and Forty Four Cents (\$30,155.44) to Thirty Thousand Four Hundred Eighty Four Dollars and Seventy One Cents (\$30,484.71). The City accepts HdL's waiver of the City's underpayment of Three Hundred Twenty Nine Dollars and Twenty Seven Cents (\$329.27) for Year One.
2. The correct amount of charges for Year One of Thirty Thousand Four Hundred Eighty Four Dollars and Seventy One Cents (\$30,484.71) and Year Two Eighteen Thousand Seven Hundred Thirty Five Dollars and Forty Five Cents (\$18,735.45) are now correctly stated in Exhibit B-3, "Compensation," a copy of which is attached hereto and incorporated herein by reference.

3. All other provisions of the Agreement not amended by this Amendment No. 2 shall remain in full force and effect.

APPROVED BY:

Senior Accountant

City of Milpitas  
A municipal corporation

  
Chris Schroeder, Purchasing Agent

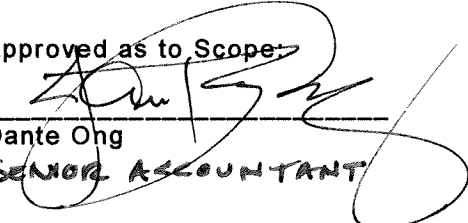
Approved as to Form:

  
Christopher J. Diaz, City Attorney

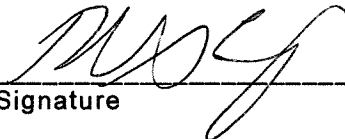
Approved as to Content:

  
Walter C. Rossmann  
Director of Financial Services

Approved as to Scope:

  
Dante Ong  
SENIOR ACCOUNTANT

HdL Software, LLC  
A California limited liability company

  
Signature

Robert Gray  
Printed Name

President  
Title

6-5-2019  
Date

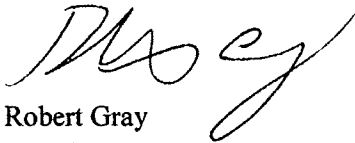
# HdL<sup>®</sup> Companies

City of Milpitas  
455 E Calaveras Blvd  
Milpitas, CA 95035

To whom it may concern:

The City has requested a current pricing grid depicting costs for years 1 and 2, and estimated costs for years 3 through 5 of the City's Agreement with HdL Software for Business License Software, dated August 23, 2017, and incorporating all subsequent service amendments as requested by the City. The requested pricing grid is included with this letter.

Sincerely,



Robert Gray  
President  
HdL Software LLC



714.879.5000 | [hdlcompanies.com](http://hdlcompanies.com) |

120 S. State College Blvd.  
Suite 200  
Brea, CA 92821



## EXHIBIT B-3

### COMPENSATION - YEAR 1

Item	U/M	Price	Date
One-Time Project Cost	One-Time	\$ 19,500.00	7/1/2017
Annual Software Use Fee	One-Time	\$ 13,159.98	7/1/2017
PCI Compliance Charge (1 each)	One-Time	\$ 500.00	7/1/2017
Payment Processing Services	Per Month	\$ 30.00	7/1/2017
Hosting Services	Per Month	\$ 250.00	7/1/2017
<b>Amendment No. 1</b>			
Hosting Services	Per Month	\$ 30.00	1/1/2018
Annual Software Use Fee	One-Time	\$ 600.00	1/1/2018
Travel Expenses	One-Time	\$ 616.63	1/1/2018
License Fee - 2 Additional Users	One-Time	\$ 4,000.00	1/1/2018
<b>Administrative Changes</b>			
PCI Compliance Charge (1 additional)	One-Time	\$ 750.00	4/1/2018
Payment Processing Services	Per Month	\$ 1.09	4/1/2018
<b>TOTAL</b>		\$ 42,669.88	
<b>Less Credit for HDL "Classic"</b>		\$ (12,185.17)	
		\$ 30,484.71	

### COMPENSATION - YEAR 2

Item	U/M	Price	Date
Annual Software Use Fee (+ Actual CPI of 3.22%)	One-Time	\$ 14,822.37	7/1/2018
Payment Processing Services	Per Month	\$ 31.09	7/1/2018
Hosting & Remote User Access Services	Per Month	\$ 295.00	7/1/2018
<b>TOTAL</b>		\$ 18,735.45	



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120 S. State College Blvd.  
Suite 200  
Brea, CA 92821



## EXHIBIT B-3 Continued

### COMPENSATION - YEAR 3

Item	U/M	Price	Date
Annual Software Use Fee (CPIAverage at 3%)	One-Time	\$ 15,267.04	7/1/2019
Payment Processing Services	Per Month	\$ 373.08	7/1/2019
Hosting & Remote User Access Services	Per Month	\$ 3,540.00	7/1/2019
<b>TOTAL</b>		<b>\$ 19,180.12</b>	

### COMPENSATION - YEAR 4

Item	U/M	Price	Date
Annual Software Use Fee (CPIAverage at 3%)	One-Time	\$ 15,725.05	7/1/2019
Payment Processing Services	Per Month	\$ 373.08	7/1/2019
Hosting & Remote User Access Services	Per Month	\$ 3,540.00	7/1/2019
<b>TOTAL</b>		<b>\$ 19,638.13</b>	

### COMPENSATION - YEAR 5

Item	U/M	Price	Date
Annual Software Use Fee (CPIAverage at 3%)	One-Time	\$ 16,196.80	7/1/2019
Payment Processing Services	Per Month	\$ 373.08	7/1/2019
Hosting & Remote User Access Services	Per Month	\$ 3,540.00	7/1/2019
<b>TOTAL</b>		<b>\$ 20,109.88</b>	



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120 S. State College Blvd.  
Suite 200  
Brea, CA 92821

# REQUEST FOR SIGNATURES COVER SHEET

Date sent to: CAO 6/5/19

Finance Dir

CMO 6/6/19

## Approvals

[Signature]  
DH-name & initial

Chris D [Signature]  
City Attorney (initial)

Walter R [Signature]  
Finance Director (initial)

[Signature]  
Julie Edmonds-Mares  
City Manager (initial)

From (Staff Name)/Ext/Dept: Martin Garcia/Finance/3164

Date from CMO to staff

Contractor / Vendor Name HdL Software LLC

What is the contract for? Amendment No 2 - Correcting Fiscal Calculations

Project Name / Number

<b>Terms of the Contract</b> Start date <u>9.23/17</u> End date <u>9.22/22</u> Extension date _____	
Is contract subject to renewal? <input checked="" type="checkbox"/> YES	# of Years _____ Compensation per contract term _____
Is RFP process required? <input checked="" type="checkbox"/> YES	RFP Issue Date _____ RFP Award Date _____
<input checked="" type="checkbox"/> NO	Total # of RFPs received _____
Initial Contract Amount. \$ <u>49 220 16</u>	Balance from initial contract. \$ <u>150 00</u>
(IF) Amendment - Amount? _____	(IF) Amendment - Amount? _____
Total contract amt w/amends \$ <u>49 220 16</u>	New bal. amnt incl amends \$ <u>150 00</u>
Did the Initial Contract go to Council for Approval? YES <input checked="" type="checkbox"/> NO	Council meeting date _____
Did the Amendment/s go to Council for Approval? YES <input checked="" type="checkbox"/> NO	Council meeting date _____
<b>SOURCE OF FUNDING</b>	
Operating Budget <u>300-4237</u> specify budget item line _____	CIP _____ specify CIP # / Name _____
PJ Reimbursement _____ specify Developer Name / PJ # (may still need Budget Appropriation)	Grant _____ specify Grant Name _____
Other _____ specify other funding source _____	Grant Date _____ Council mtg date (Grants require pre-approval from Council) _____
All info verified by <u>Rachelle</u>	CDBG _____ specify CDBG Fiscal Year _____
<input type="checkbox"/> General Fund	<input type="checkbox"/> Water Fund
<input type="checkbox"/> Sewer Fund	<input type="checkbox"/> Equipment Fund
<input type="checkbox"/> Housing Fund	<input type="checkbox"/> TASP
Is Budget Appropriation needed? <input checked="" type="checkbox"/> YES	Council meeting date _____ From budget code _____ To budget code _____
<input checked="" type="checkbox"/> NO	

6/5/19

CAO/Chris,

Samantha Chen of BBK and Robert Gray, President of HdL Software, have both reviewed and approved the final draft of Amendment No. 2

Best regards,

A handwritten signature in black ink, appearing to read 'Martin Garcia', with a stylized flourish at the end.

Martin Garcia

No signature line for CMO Exec.