AMENDMENT NO. 1 TO THE AGREEMENT
WITH
HDL SOFTWARE, LLC
FOR
BUSINESS LICENSE SOFTWARE

This Amendment No. 1 is entered into this 16th day of January, 2018, 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 City Manager approved an agreement between the Parties for Prime Business License software (4th generation) licensing platform (hereinafter the "Master Agreement") to process business license fees for the City on an annual basis; and

WHEREAS, the Parties now desire to amend the Master Agreement in order to update the compensation set forth in Exhibit B – COMPENSATION of the Master Agreement to reflect additional costs.

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

1. Increase funding by Six Hundred Sixteen Dollars and Sixty-Three Cents ($616.63) for travel expenses relating to training session held on October, 4, 2017.

2. Increase funding by Eleven Thousand Eight Hundred Dollars and Zero Cents ($11,800) for two (2) additional user licenses, software use fees and hosting services.

3. To delete in its entirety EXHIBIT B – COMPENSATION attached to the Master Agreement and to replace it with EXHIBIT B – 1 COMPENSATION (Updated January 2018) attached to this Amendment No. 1 and incorporated herein by reference.
4. Except as amended by this Amendment No. 1, all provisions of the Master Agreement, shall remain in full force and effect and shall govern the actions of the Parties under this Amendment No. 1.

[SIGNATURES ON FOLLOWING PAGE]

Approved by:

City of Milpitas
A municipal corporation

_____
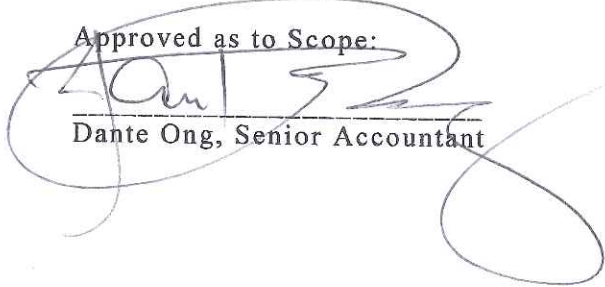Steve J. Pangelinan, Interim City Manager
DIANNE THOMPSON,

Approved as to Form:

_____
Christopher J. Diaz, City Attorney
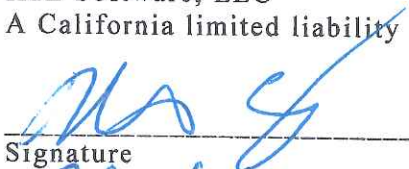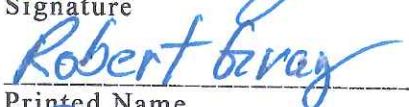

Approved as to Content:

_____
Will Fuentes, 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
1-15-2018
_____
Date

EXHIBIT B-1 – COMPENSATION (Updated January 2018)

1. **Prime Software System**

One Time Project Costs

Item	Price	Comments
Prime Business License - Software License Fee	$10,000.00	Seven (7) named users
Prime Business License - Software License Fee (User Added Jan. 17, 2018)	$4,000.00	Two (2) named users
Prime Web Module	Included	Must use HdL supported gateway, FIS Global (no charge). Non-supported gateways require a customizing charge of $5,000.00
Finance System Integration	$3,000.00	Basic Finance File Transfer - Statement of Work required.
HdL hosted FIS payment website	$500.00	
Transient Occupancy Tax Tracking	$3,000.00	Configuration, Implementation, 1 Report
Stored Procedure Function	$3,000.00	Pending Specification Discussion
Implementation	Included	Project management, installation, configuration, report design, training, etc.
Data Conversion	Included	Up to 30 hours of data conversion work.
Travel Expenses	At Cost	At Cost
Training - 1 Day	Included	Included. Additional days available at $2,000.00/day
TOTAL	**$23,500.00**	**Total one-time costs**

Recurring Costs

Item	Price	Comments
Annual Software Use Fee	$14,359.98	Due at "Go Live" of core Prime System. Renewed annually + CPI

1.1. **Software License Fee** - The license fee includes the use of the software by the specified number of users, software user manual in digital format, and all standard forms and reports. Additional user licenses are available for two thousand dollars ($2,000.00) license fee plus six hundred dollars ($600.00) annual software use fee.

1.2. **Annual Software Use Fee** - The software use fee is billed annually, and provides for ongoing customer support and updates to the software.

    1.2.1. The software use fee shall be adjusted at the beginning of each calendar year by the change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each CPI adjustment will not be less than two percent (2%) or greater than ten percent (10%).

1.3. **Implementation** - The implementation fee covers all efforts involved for installation and configuration of the software. This includes one session of pre-installation and process evaluation, one session of "go live" training, installation support, design and programming of standard forms and reports, and configuration of the software.

1.4. **Data Conversion** – Data will be converted from the City provided source files. Includes one (1) conversion when migrating from an HdL system, and two (2) conversions when migrating from another vendor's system. Additional conversions of the same source data can be performed, upon request, at a cost of five hundred dollars ($500.00) per conversion. The source files must be provided in the same format for all conversions,

otherwise custom programming costs will apply in order to accommodate the varying data formats. Data conversion includes up to thirty (30) hours of developer time. Any work above thirty (30) hours will be charged at the current developer hourly rate.

1.5. **Travel Expenses** - Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.

1.6. **Parcel Data** - HdL Prime includes comprehensive land management functionality. There are three ways to acquire the parcel data.

    1.6.1. If the City is a client for HdL property tax services, the parcel data will be provided at no cost.

    1.6.2. If the City is not a client for HdL property tax services, the parcel data may be purchased from HdL.

    1.6.3. If the City wishes to use any other source of parcel data, HdL can work with the City to create a re-useable import utility. The development of this utility will be billed on a time and material basis. Once the source data has been reviewed, a statement of work will be provided including a cost estimate.

1.7. **Customizing Services** - The software is a table-driven system and has been developed to meet almost all of the needs of a City. However, should the need occur, HdL is available to provide custom enhancements to the software on a pre-determined time and material basis. No work shall be performed without prior written approval of the City project manager.

1.8. **Payment Schedule** – Compensation for the contract amount shall be as follows:

    1.8.1. One time project costs and the first year Software Use Fee. Sixty percent (60%) shall be due and payable within thirty (30) days of the effective date of the Agreement. Thirty percent (30%) within sixty (60) days of the effective date of the Agreement. Ten percent (10%) within thirty (30) days of full system delivery or first production use of the system, whichever comes first.

    1.8.2. Travel Expenses. Travel and lodging expenses are billed at cost as they are incurred. Travel expenses shall be due and payable within thirty (30) days of the billing date.

    1.8.3. Annual Software Use Fee. The software use fee will be invoiced each year on the anniversary of sixty (60) days after the effective date of the Agreement, and shall be due and payable within thirty (30) days of the invoice date. The software use fee billing cycle can be prorated as needed should the City desire an alternative billing cycle.

2. **Hosting Services** - hosting services are billed quarterly in advance. Includes software and data hosting and disaster recovery services. Hosting fee may be revised with three (3) months advance notice to account for changes in market costs related to hosting, such as internet bandwidth, power, and related equipment or service costs. The base fee provides for three (3) named user connections to the system.

Service	Compensation
Monthly Hosting (includes 9 named user connections)	$280.00/month
Additional Named User Connections	$15.00/month/user

3. **Payment Processing Services** - HdL will provide City with eCheck, credit and debit card payment processing (merchant) services under an Agency Funded Interchange Pass-through pricing model. HdL reserves the right to not accept any payment type in situations where doing so may be in violation of the rules and regulations governing that payment type.

Service (Agency Funded Model)	Compensation
Credit and Debit Cards processing	2.9% + $0.30 per transaction
ACH/eCheck processing	$0.50 per transaction
Monthly Reporting and Statement Fee	Waived
Monthly Hosting and Maintenance	$30.00 per month
ACH and eCheck Returns	$10.00 per event
Chargebacks	$25.00 per event

4. **Payment**

HdL will provide detailed invoices for all work completed. City will submit payment to HdL within thirty (30) days of receiving the invoice. Provided City continues to timely make all undisputed payments, HdL warrants that during the Term of this Agreement it will not withhold services provided hereunder, for any reason, including but not limited to a dispute between the parties arising under this Agreement, except as may be specifically authorized herein.

5. **Contract Amount**

The annual not-to-exceed amount of this contract for Annual Software Use Fee and Hosting Service shall not exceed the following:

Year 1: $30,155.44
Years 2 - 5: $17,719.98*

*Subject to annual CPI increase in Exhibit B-1 – Compensation section 1.2.1.

citywide HVAC Maintenance and Repair Services for $300,000 in Year One. The first contract option was exercised by the City on October 7, 2016 for $187,527 with no price increase. The second contract option was exercised on September 28, 2017 with a 2.6% increase as requested by the contractor for $193,402.70.

Since that time, additional equipment not listed in the initial RFP has been discovered or installed necessitating the increase in funding by $15,996 per year for the remainder of agreement, beginning in the current contract year three through the remaining term of the agreement.

Fiscal Impact: None. Funds are available in Facilities Maintenance Operating Budget for this amendment.

Recommendation: Approve Amendment No. 5 to the Agreement with ACCO Engineered Systems Inc. increasing compensation by $15,996 for additional equipment and increased staff costs for an amount not to exceed $208,398.70 in year 3 of the agreement and authorize City Manager to execute the amendment.

Attachment: Amendment to Agreement with ACCO

26. **Approve Amendment No. 1 to the Agreement with HdL Software LLC and Authorize the City Manager to Execute the Amendment for Business License Software for an Amount Not to Exceed $30,155.44 (Staff Contact: Chris Schroeder, 408-586-3161)**

Background: On August 23, 2017, the City of Milpitas entered into an agreement with HdL Software LLC to provide upgraded business license software and services for the City of Milpitas. At the time, HdL was the current provider for business licenses software and changes to PCI requirements made upgrading the HdL's Prime software a requirement.

The City desires to amend the agreement by $12,416.63, over the 5-year term of the agreement to fund two additional users for the Prime software and to provide funds to reimburse HdL for travel costs pertaining to October 4, 2017 training of City staff. The amendment increases the first year of the agreement for a not-to-exceed amount of $30,155.44. Future years will also increase, but the exact dollar amount is not yet known as increases are tied to the Bay Area consumer-price index.

Fiscal Impact: None. Funds for this purchase are available the Finance Department Fiscal Year 2017-18 operating budget.

Recommendation: Approve Amendment No. 1 and authorize the City Manager to execute the amendment to the HdL Software LLC agreement for business license software for and amount not to exceed $30,155.44.

Attachment: Amendment to Agreement with HdL

27. **Approve and Authorize the City Manager to Execute an Agreement with Bellinger Foster Steinmetz Landscape Architecture for Creighton Park, Project No. 5109, and Approved a Budget Appropriation of $900,000 into Creighton Park Renovation Project No. 5109 (Staff Contact: Steve Erickson, 408-586-3301)**

Background: The project to renovate Creighton Park, Project No. 5109, is in the approved 2017-2022 Capital Improvement Program. Creighton Park is located along Olympic Drive and is approximately five acres with picnic areas, walking path turf area and play equipment. The park was originally constructed in 1968 with subsequent renovations completed in 1981 and 1991. The park is in need of renovation to replace aging infrastructure and update access and equipment for compliance with new regulations and law. The project provides for the

CITY COUNCIL MEETING

01/16/2018

SUMMARY OF ACTIONS

Item		**Staff**

*20. ADOPT A RESOLUTION AUTHORIZING THE CITY OF MILPITAS TO PARTICIPATE IN THE POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY

Will Fuentes

Adopted **Resolution No. 8741** authorizing the City of Milpitas to participate in the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA).
VOTE: 5-0

21. ADOPT RESOLUTION APPOINTING STEPHEN HEALY AS INTERIM FIRE CHIEF PER GOVT. CODE

Tina Murphy

Item was not heard.

*22. ADOPT A RESOLUTION DIRECTING STAFF TO FLY BLACK HISTORY MONTH COMMEMORATIVE FLAG AT CESAR CHAVEZ PLAZA IN FEBRUARY

Renee Lorentzen

Adopted **Resolution No. 8742** directing staff to fly the Black History Month Commemorative Flag from February 6–28, 2018 in the Cesar Chavez Plaza.
VOTE: 5-0

23. ADOPT A RESOLUTION DECLARING WEEDS ON CERTAIN PROPERTIES TO BE A PUBLIC NUISANCE AND SETTING A PUBLIC HEARING FOR FEBRUARY 20, 2018 TO HEAR OBJECTIONS

Albert Zamora

Adopted **Resolution No. 8743** declaring weeds on specific properties to be public nuisances and set the public hearing date on February 20, 2018.
VOTE: 5-0

24. HOUSING AUTHORITY & CITY COUNCIL: CONSIDER RESOLUTION AUTHORIZING THE EXECUTIVE OFFICER/CITY MANAGER TO PURCHASE 1101 S. MAIN ST. #112 PROPERTY

Tim Wong

Item was not heard.

*25. APPROVE AMENDMENT NO. 5 TO THE AGREEMENT WITH ACCO ENGINEERED SYSTEMS INC. TO INCREASE COMPENSATION BY $15,996 FOR ADDITIONAL EQUIPMENT SERVICES AND INCREASED STAFF COSTS FOR AN AMOUNT NOT TO EXCEED $208,398.70 IN YEAR 3 OF AGREEMENT

Tony Ndah and Chris Schroeder

Approved Amendment No. 5 to the Agreement with ACCO Engineered Systems Inc. increasing compensation by $15,996 for additional equipment and increased staff costs for an amount not to exceed $208,398.70 in year 3 of the agreement and authorized City Manager to execute the amendment.
VOTE: 5-0

*26. APPROVE AMENDMENT NO. 1 TO THE AGREEMENT WITH HDL SOFTWARE LLC AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AMENDMENT FOR BUSINESS LICENSE SOFTWARE

Chris Schroeder

Approved Amendment No. 1 and authorized the City Manager to execute the amendment to the HdL Software LLC agreement for business license software for and amount not to exceed $30,155.44.
VOTE: 5-0