# CLARK COUNTY
# STAFF REPORT

**DEPARTMENT:**        Budget Office

**DATE:**        October 2, 2018

**REQUESTED ACTION:**        Authorize County Manager to execute contracts with Questica, Inc. and F.H. Black & Company Incorporated for the acquisition and implementation of new budget software. In addition, authority to repurpose $13,000/year of existing budget for on-going budget book license expenses.

____X___ Consent _____ Hearing _____ County Manager

## BACKGROUND

The Budget Office, in collaboration with Technology Services and the Prosecuting Attorney's Office, has finalized negotiations with Questica, Inc. regarding contract terms and is requesting authority for the County Manager to sign the attached contracts. The Budget Office is also requesting authority to repurpose existing budget capacity in the amount of $13,000/year from the office's current on-going controllable expense appropriation to supplement the funding that has already been approved for licensing costs. No new funding is being requested.

The repurposing of $13,000/year will allow the Budget Office to acquire Questica's new Budget Book functionality. This functionality is an integration between Questica Budget and CaseWare, leaders in public finance technology. Questica Budget Book is a user-friendly and comprehensive document management and financial reporting tool that allows government agencies to create, collaborate, edit, approve and publish an awards compliant Budget Book without the headaches of multiple spreadsheets/documents, version control issues, manual updates, and duplicating content/visuals such as charts, graphs, tables and images. The production of a budget book is a Government Finance Officers Association (GFOA) best practice. This functionality was not available at the time of the original request.

Initial approval for this project was achieved through decision package ITS-01 in the 2016 Final Budget Supplemental. Since then, appropriation has been carried forward into the 2017-2018 budget through decision package BGT-10-17RA in the 2017 Readopt.

## COUNCIL POLICY IMPLICATIONS
None.

## ADMINISTRATIVE POLICY IMPLICATIONS
None.

## COMMUNITY OUTREACH
None.

## BUDGET IMPLICATIONS

| YES | NO | |
|-----|-----|---|
| X | | Action falls within existing budget capacity. |
| | X | Action falls within existing budget capacity but requires a change of purpose within existing appropriation |
| X | | Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager. |

## BUDGET DETAILS

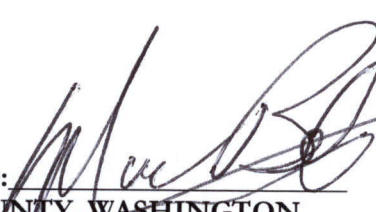| | |
|---|---|
| Local Fund Dollar Amount | $13,000 |
| Grant Fund Dollar Amount | |
| Account | 0001.000.305.518868.487.000000 to 0001.000.327.514234.327.000000 |
| Company Name | |

**DISTRIBUTION:**

**Board staff will post all staff reports to The Grid. http://www.clark.wa.gov/thegrid/**

Emily M. Zwetzig
Budget Director
Telephone: External 1-564-397-5092  Internal X5092

APPROVED:
CLARK COUNTY, WASHINGTON
CLARK COUNTY COUNCIL

DATE: _Oct. 9, 2018_

SR#_____158-18_____

APPROVED:_____
**Shawn Henessee, County Manager**

DATE: _____

## Decision Package Request Form

**Requesting Dept/Office:** Budget Office

**Request Type:** Budget neutral

**Package Number:** BGT-01-19AD

**Short Description:** | Reassign budget for budget book software costs

Limited to 50 characters for use in reports to County Council

**Package Title:** Move budget from Budget Office to Information Services to cover costs of Budget Book software subscription costs

**Contact info:** *name:* Willy Traub          *email:* willy.traub@clark.wa.gov          *phone:* x5044

**Justification:** This package proposes to repurpose a portion of the Budget Office's controllable budget appropriation to cover the annual cost of software to automate the process of assembling the budget book, a Government Finance Officers Association (GFOA) best practice.

In the decision package ITS-01 in the final supplemental of 2016, the Budget Office requested funds in order to replace the county's aging budget software. In the package, $95,000 of ongoing budget was set aside for the annual licensing costs. These costs were carried forward into the current biennium in ITS-09-17AD in the 2017 budget readopt.

The Budget Office has selected the software vendor and identified that $85,000 is needed for annual licensing costs. Software to automate the process of assembling the budget book is also available from the product vendor at an annual cost of $23,000. This puts the annual appropriation needed to cover expenditures at $108,000 – the Budget Office proposes to repurpose a portion of its budget to fill the $13,000 gap.

**Please complete the following for New Requests:**

   **Liability/Risk/Safety Impacts:**

   **Positive Impact to Citizens:**

   **Efficiency Gains:**

   **Workforce Engagement and Contributions:**

**Impacts/Outcomes if not approved:** The Budget Office will not be able to secure software to automate the process of assembling the Budget Book. This will impact the efficiency of the office's operations and likely render the office unable to generate the Budget Book which has been cited as a useful tool for decision makers as well as a GFOA best practice.

| Package Number | Fund | Prog | Dept | Basele | Obj | Categ | WD Cost Center | WD Program | 2019 EXP inc / REV dec (DR) | 2019 EXP dec / REV inc (CR) | 2020 EXP inc / REV dec (DR) | 2020 EXP dec / REV inc (CR) | Type | Operating vs capital | Position | Notes |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BGT-01-19AD | 0001 | 000 | 305 | 518868 | 487 | 000000 | IT Maintenance & Operations Application Support | Applications Development | 13,000 | | | 13,000 | Ongoing | Operating | | |
| BGT-01-19AD | 0001 | 000 | 327 | 514234 | 327 | 000000 | Budget Office Operations | Budget development and maintenance | | 13,000 | 13,000 | | Ongoing | Operating | | |

# Budget

# Questica Budget Agreement

Prepared for

Clark County, WA

by

**André Aberdeen**
**Questica Inc.**

This proposal is subject to a review of your Chart of Accounts
and a review of the Scope of Work

**January 18, 2018**

**Questica**
Where brilliant begins.

![Questica logo]

**Questica**

*Where brilliant begins.*

January 18, 2018

Clark County, WA
1300 Franklin Street, 6th Floor
Vancouver, WA 98660

Attn: Clark County Budget Office

Questica is pleased to present this information package to Clark County. Our Questica Budget suite represents a proven COTS commercial off-the-shelf (COTS) solution – designed specifically for the unique needs of the public sector. At Questica, we own and implement our own product, we are not implementers of a third-party product and as a result we have full control over all the resources from all areas within our organization. We are an agile organization with control over all aspects of software development, implementation, sales, support and customer satisfaction.

Questica is a leader in budget preparation, performance and data visualization solutions. Questica Budget is well established in the public-sector community for its ability to allow for a logical development of the budget, in an intuitive and secure environment. Questica Budget consists of five primary modules: 1) Operating, 2) Salaries/Position Planning, 3) Capital, 4) Performance and 5) OpenBook which are all web based – ideal for collaborative budgeting.

With over 600 public sector customers across North America, be assured that Questica has the knowledge and experience to solve your budgeting challenges.  Customers include; **Thurston County (WA), Seattle Public Schools (WA), Spokane Public Schools (WA), University of Washington (WA), City of Aberdeen (WA), City of Snohomish (WA), Washington County (OR), Oregon Metro (OR), San Francisco International Airport (CA), City of Palo Alto (CA), City of Santa Clara (CA),** use Questica Budget to prepare and manage their annual budgets. Combined with proven experience working with dozens of financial and HR systems, Clark County can be confident that Questica is the vendor with the expertise, tools and knowledge required to provide a complete budget software solution.

We appreciate the opportunity, and encourage you to contact us with any questions or comments. With Regards,

André Aberdeen
Account Manager
1.877.707.7755 x503
aaberdeen@questica.com

# Questica Budget Price Quote

## Quotation ID#:  January 18, 2018

**Software-as-a-Service Model**- Clark County pays an annual subscription to use the software (does not own it), and it's hosted by Questica.

**Software-as-a-Service (SaaS) Model**

| Description | Annual |
|---|---|
| **Software as a Service** | |
| **Questica Budget Software Subscription**<br>(Questica provides server, database, operating system, monthly management, Questica Budget, software maintenance)<br><br>**License Count:**<br>Questica Budget Framework (Includes 1 Seat (Operating, Salaries, Capital, & Performance Measures)<br>Additional Operating License Seats- 65<br>Additional Salaries License Seats- 10<br>Additional Capital License Seats- 20<br>Additional Performance Measures License Seats- 200<br>Unlimited Read Only- Included<br>Allocations Add-in- Included<br>Statistical Ledger Add-in- Included | $85,000 |
| **Total YR1 SaaS Subscription (Year 1)** | **$85,000** |
| **Professional Services (Per Statement of Work)** | |
| Design, Analysis & Configuration | Included |
| Project Management | Included |
| Training | Included |
| Integrations | Included |
| Customizations | Not Included |
| Custom Reports | Not Included |
| IT Services | Included |
| **Total Professional Services (One-Time Cost):** | **$145,280** |
| Travel expenses, if applicable | Included - 3 Onsite Visits @ 2 days/visit |
| **Total Travel Expenses:** | **$    -** |
| * Bank of Hours to be used as the County sees fit- for possible custom reporting, customizations, additional licenses, modules or services, onsite travel etc. | **$33,600** |
| **Grand Total (Year 1)** | **$263,880** |

**Note:** The only on-going cost would be for the Annual Subscription. **There would be no increase in the first three years, and it would be capped at 3% per year thereafter.** Any additional licenses, modules or services would be handled via a Change Order process.

**OpenBook Cloud Service**

| Description | Annual |
|---|---|
| **Software as a Service** | |
| **OpenBook Software Subscription** | $15,000 |
| (Questica provides server, database, operating system, monthly management, OpenBook, software maintenance) | |
| **Year 1 SaaS Subscription** | $15,000 |
| **Professional Services: Up to 8 Hours** Included | |
| *\* Additional services can be purchased at Questica's standard hourly rate.* | |
| **Total Professional Services:** | $ - |
| | |
| **Grand Total Year 1** | $15,000 |
| **Continued OpenBook Subscription** | $15,000 |
| **Annual SaaS Subscription Years 1-3** | $15,000/Yr. |
| **Budget Book powered by CaseWare Software Subscription** | $23,000/Yr. |
| | |
| | |

Pricing valid though: September 30, 2018

- Above pricing in US dollars
- Applicable Taxes Extra
- **Terms of Payment- SaaS Purchase Model:**
  - Software Subscription- 25% Deposit with executed contract
    - Year 1 Software Subscription balance (75%) due at project kickoff (Net 30), with implementation estimated to begin January 2019;
    - then 100% annually in future years or on the anniversary of project kickoff
  - Professional Services:
    - 20% due upon project kickoff
    - 25% due upon acceptance of completion of implementation sites installed on Questica servers, or 60 days from Project Kickoff Date if delay in completion of installation of the implementation sites is caused by client
    - 25% due upon acceptance of Operating data import, or 90 days from Project Kickoff Date if delay in completion of the import of Operating data is caused by client
    - 25% due upon acceptance of Modifier creation completed, or 120 days from Project Kickoff Date if delay in completion of modifier creation is caused by client
    - 5% due upon final acceptance by Clark County, not to be unreasonably withheld

- Data imports based on standard Excel Import Template (Provided by Questica)
  - Operating, Capital and Salaries modules only
- GL Accounting System Integration Connector to: Workday
  - Actual costs integration – Operating and Capital modules only
  - Budget export to Workday
- HR System Integration Connector to HR module: Workday

**Payment Schedule:**

| Software Subscription | $ | 21,250 | 25% Deposit with Executed Contract |
|---|---|---|---|
| Software Subscription | $ | 63,750 | 75% due @ at project kick off |
| | | **$ 85,000** | |

| Professional Services | $ | 29,056 | 20% due upon project kick off |
|---|---|---|---|
| Professional Services | $ | 36,320 | 25% due upon acceptance of Operating data import, or 60 days from Project Kickoff Date if delay in completion of the import of Operating data is caused by client |

| | | | |
|---|---|---|---|
| Professional Services | $ | 36,320 | 25% due upon acceptance of Operating data import, or 90 days from Project Kickoff Date if delay in completion of installation of the implementation sites is caused by client |
| Professional Services | $ | 36,320 | 25% due upon acceptance of Modifier creation completed, or 120 days from Project Kickoff Date if delay in completion of modifier creation is caused by client |
| Professional Services | $ | 7,264 | 5% due upon final acceptance by Clark County, not to be unreasonably withheld |
| | **$145,280** | | |

| | | |
|---|---|---|
| Bank of Hours | **$ 33,600** | Bank of hours billed as needed through implementation process |

| | | | |
|---|---|---|---|
| OpenBook | $ | 3,750 | 25% Deposit with Executed Contract |
| OpenBook | $ | 11,250 | 75% due @ at project kick off |
| | **$ 15,000** | | |

| **Budget Book** | | | |
|---|---|---|---|
| Annual Fee | $ | 11,750 | Due upon project kickoff (or beginning of engagement) |
| Five (5) Users License | $ | 11,250 | Due upon project kickoff (or beginning of engagement) |
| | **$ 23,000** | | |

**Special Note:**

- Customizations and Custom Benefits are not included in this order, and are listed at optional
- A bank of hours at a rate of $185/hr has been included. This can only be drawn against via a Change Order executed by Clark County. All work completed against this bank of hours will be invoiced monthly on a time and materials basis. There are no restrictions on how Clark County can use this bank of hours.
- Custom reports "may" be required but are not included in this quotation.
  - Note: Standard reports and Self-Serve reporting is not considered custom – self-serve reporting is included, standard reports are included
- Microsoft SQL Licenses not included (unless Questica is hosting)
- Proposal based on remote implementation
- Travel costs- if needed, it will be charged back at cost (airfare, hotels, car rental, etc.) plus a $75 per diem for food and incidentals
  - Travel time if applicable will be billed at a rate of $185/hr to a max of $500 each way

*Questica hosts the application and database during the implementation process. The 1st login represents the date on which the first login to the hosting database by a customer user occurs.*

End User Licenses may be re-allocated among the Operating, Salaries, Capital and Performance Measurement modules one-time within a 24-month period.

*See Scope of Work for more information.*

## Quotation General Terms and Conditions

Quotation ID:                    January 18, 2018

**General Terms and Information:**

Terms of Service:  The services and any related software are provided under the Subscription and Service Agreement which is hereby deemed to be fully incorporated into this quotation, whether or not attached hereto.  By executing this quotation below, Customer acknowledges a) having been provided a copy of the Subscription and Service Agreement to this quotation, and b) having read the Subscription and Service Agreement and Agrees to all its terms.  Terms, provisions, or conditions on any purchase order, acknowledgement, or other business form or writing that Customer may use in connection with the provision of Services (or software) by Questica will have no effect on the rights, duties, or obligations of the parties hereunder, regardless of any failure of Questica to object to such terms, provisions, or conditions.  However, to the extent of any conflict or inconsistency between the provisions in the body of this Agreement and any exhibit or addendum hereto or any Order Form, the terms of such exhibit, addendum or Order Form shall prevail. Notwithstanding any language to the contrary therein, no terms or conditions stated in Your purchase order or other order documentation (excluding Order Forms) shall be incorporated into or form any part of this Agreement, and all such terms or conditions shall be null and void.

Taxes: The pricing on this quotation is exclusive of all sales, use or other taxes, customs duties and similar levies, if any, payable in or to any jurisdiction or authority whatsoever. Such taxes (other than the taxes on the net income of Questica) shall be the responsibility of the Customer.

Payment: Payment is required in the currency quoted. Unless detailed otherwise in this quotation, Terms are Net-30 days from the later of a) the date of receipt of invoice, or b) the invoice date.

Subscription Fees:  This quotation includes Annual Software Subscription Services.  This service (as detailed in the attached Subscription and Service Agreement) is purchased on an annual basis from the date the Agreement is executed. If payment of the annual fee is not received by Questica before the first business day of the next additional year, Questica's obligation to provide the Subscription services shall be terminated 3 years after contract signing, Questica may, in its sole discretion, increase the Annual Software Subscription Service Fee upon 30 days prior written notice (to a maximum of 3% per year).  It may elect not to increase its maintenance and support rate in any year, however no such waiver shall preclude Questica from applying the escalation to any subsequent year or part of a year, and from making the subsequent application as if all subsequent escalation had been duly made over the period since the last increase.

Acceptance of Custom Work: This quotation may include the development of Product Customization, Custom Reporting or Data import services as detailed in an attached Scope of Work. Within fifteen (15) business days from the delivery of each individual Custom Work, the Customer/Licensee shall, in its sole discretion, review the Product Customization and notify Questica whether it finds the Customizations satisfactory or unsatisfactory. If its determined that the Customizations are unsatisfactory, then it shall state in writing the reasons for its determination, including identifying any nonconformance with the Licensee's specifications or expectations. Questica will promptly correct the deficiencies and reinstall the Customizations, and the approval procedure shall be reapplied until Licensee finally declares the Customizations satisfactory.  In the absence of a written response within 15 Business Days after the delivery of the Customizations or once the Licensee has declared the Customizations satisfactory, the Customizations shall be considered 'Accepted'.

Consulting, Training or Implementation Time Invoicing: Only activities approved in an approved Scope of Work shall be invoiced.  A mutually determined change control mechanism will be used to accommodate modifications to the Scope of Work.

Travel Costs:  Unless noted otherwise, this quotation does not include any travel, lodging, or on-site expenses.  If such travel is required and subsequently authorized, Questica's standard travel and per diem rates shall apply.  Air Travel, Rental Car (with associated fuel and parking costs), and Lodging costs shall reimbursed at cost. Questica is not responsible for unpredictable (including Commercial Airline Travel) delays which may increase travel cost.

# Acceptance

Quote ID#:        January 18, 2018

Authorized Signature: _____

Authorized Name: _____Shawn H Tntss Gr_____

Organization Name: _____Clark County_____

Date: _____10-10-18_____

Upon accepting this offer, please scan and email back all pages of the signed quotation and include an authorized purchase order, if applicable.

## QUESTICA, INC.

Authorized Signature: _____

Authorized Name: _____

Organization Name: **Questica Inc.**

Date: _____

## QUESTICA BUDGET SUBSCRIPTION AGREEMENT

This SOFTWARE SUBSCRIPTION AGREEMENT (the "Agreement") is made this **January 18, 2018** (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and **Clark County**, WA, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Subscriber").

**Whereas Clark County, WA has elected to "piggyback" the procurement process for Thurston County RFP Request for "Budget Development and Reporting System," whereby a competitive review was conducted to evaluate the available solutions for Budget Preparation and Budget Management. This procurement resulted in Thurston County ultimately selecting and have since successfully implemented the Questica Budget Solution.**

**DEFINITIONS Whenever** used herein, any schedules, exhibits, or addenda to this Agreement, the following terms shall have the meanings assigned below. Other capitalized terms used in this Agreement are defined in the context in which they are used.

**"Affiliate"** means any entity which directly or indirectly controls, is controlled by, or is under common control with the subject entity. "Control," for the purposes of this definition, means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity.

"Agreement" means this Cloud Computing Service Agreement between County and Contractor, inclusive of all schedules, exhibits, attachments, addenda and other documents incorporated by reference between the County and Contractor.

**"Confidential Information"** means any information that a disclosing party treats in a confidential manner and that is marked "Confidential Information" prior to disclosure to the other party. Confidential Information does not include information which: (a) is public or becomes public through no breach of the confidentiality obligations herein; (b) is disclosed by the party that has received Confidential Information (the "Receiving Party") with the prior written approval of the other party; (c) was known by the Receiving Party at the time of disclosure; (d) was developed independently by the Receiving Party without use of the Confidential Information; (e) becomes known to the Receiving Party from a source other than the disclosing party through lawful means; (f) is disclosed by the disclosing party to others without confidentiality obligations; or (g) is required by law to be disclosed

"County" means Clark County, State of Washington.

"County Data" includes credentials issued to the County by the Contractor and all records relating to the County's use of Contractor Services and administration of End User accounts, including any Protected Information of County personnel that does not otherwise constitute Protected Information of an End User.

"Data" means all information, whether in oral or written (including electronic) form, created by or in any way originating with County and End Users, and all information that is the output of any computer processing, or other electronic manipulation, of any information that was created by or in any way originating with County and End Users, in the course of using and configuring the Services provided under this Agreement, and includes County Data, End User Data, and Protected Information.

"Data Compromise" means any actual or reasonably suspected unauthorized access to or acquisition of computerized Data that compromises the security, confidentiality, or integrity of the Data, or the ability of County to access the Data.

"Documentation" means, collectively: (a) all materials published or otherwise made available to County by Contractor that relate to the functional, operational and/or performance capabilities of the Services; (b) all user, operator, system administration, technical, support and other manuals and all other materials published or otherwise made available by Contractor that describe the functional, operational and/or performance capabilities of the Services; (c) any Requests for Information and/or Requests for Proposals (or documents of similar effect) issued by County, and the responses thereto from Contractor, and any document which purports to update or revise any of the foregoing; and (d) the results

of any Contractor "Use Cases Presentation", "Proof of Concept" or similar type presentations or tests provided by Contractor to County.

"Downtime" means any period of time of any duration that the Services are not made available by Contractor to County for any reason, including scheduled maintenance or Enhancements.

"End User" means the individuals (including, but not limited to employees, authorized agents, students and volunteers of County; Third Party consultants, auditors and other independent contractors performing services for County; any governmental, accrediting or regulatory bodies lawfully requesting or requiring access to any Services; customers of County provided services; and any external users collaborating with County) authorized by County to access and use the Services provided by Contractor under this Agreement.

"End User Data" includes End User account credentials and information, and all records sent, received, or created by or for End Users, including email content, headers, and attachments, and any Protected Information of any End User or Third Party contained therein or in any logs or other records of Contractor reflecting End User's use of Contractor Services.

"Enhancements" means any improvements, modifications, upgrades, updates, fixes, revisions and/or expansions to the Services that Contractor may develop or acquire and incorporate into its standard version of the Services or which the Contractor has elected to make generally available to its customers.

"Intellectual Property Rights" includes without limitation all right, title, and interest in and to all (a) Patent and all filed, pending, or potential applications for Patent, including any reissue, reexamination, division, continuation, or continuation-in-part applications throughout the world now or hereafter filed; (b) trade secret rights and equivalent rights arising under the common law, state law, and federal law; (c) copyrights, other literary property or authors rights, whether or not protected by copyright or as a mask work, under common law, state law, and federal law; and (d) proprietary indicia, trademarks, trade names, symbols, logos, and/or brand names under common law, state law, and federal law.

"Malicious Code" means viruses, worms, time bombs, Trojan horses, and other harmful or malicious code, files, scripts, agents or programs.

"Order Form" means the documents for placing orders hereunder, including addenda thereto, that are entered into between You and Us from time to time, including addenda and supplements thereto. By entering into an Order Form hereunder, an Affiliate agrees to be bound by the terms of this agreement as if it were an original party hereto. Order Forms shall be deemed incorporated herein by reference.

"Protected Information" includes but is not limited to personally identifiable information, student records, protected health information, or individual financial information that is subject to state or federal laws restricted the use and disclosure of such information, including but not limited to the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C and E or Part 164).

"Project Manager" means the individual who shall serve as each party's point of contact with the other party's personnel as provided in this Agreement.  The initial Project Managers and their contact information are set forth in the Notices section below and may be changed by a party at any time upon written notice to the other party.

"Purchased Services" means Services that You or Your Affiliates purchased under an Order Form

"Services" means the Contractor's computing solutions, provided over the Internet to the County pursuant to this Agreement, that provide the functionality and/or produce the results described in the Documentation, including without limitation all Enhancements thereto and all interfaces.

"Third Party" means persons, corporations and entities other than the Contractor, the County or any of their employees, contractors or agents.

"User Guide" means the on-line users guide for the Services, made available on-line

"Users" means individuals who are authorized by You to use the Services, for whom subscriptions to a Service have been ordered, and who have been supplied user identifications and passwords by You, (or by Us at your request).

Users may include but are not limited to Your employees, consultants, contractors and agents, and third parties with which You transact business.

**"We," "Us", "Our"**, Contractor, **"Questica Inc."** or **"Questica"** means the company or entity providing the Services in the Agreement

**"You", "Your", "Subscriber"** means the company or other legal entity for which you are accepting the Agreement and Affiliates of that company or entity.

**"Your Data"** means all electronic data or information submitted by You to the Purchased Services.

1. **PURCHASED SERVICES**

1.1 **Provision of Purchased Services.** We shall make the Purchased Services available to You pursuant to this Agreement and the relevant Order Forms during a subscription term. You agree that Your purchases hereunder are neither contingent on the delivery of any future functionality or features nor dependent on any oral or written public comments made by Us regarding future functionality or features.

1.2 **User Subscriptions.** Unless otherwise specified in the applicable Order Form, (i) Services are purchased as User subscriptions and may be accessed by no more than the specified number of Users, (ii) additional User subscriptions may be added during the applicable subscription term at the same price as that for the pre-existing subscriptions thereunder, prorated for the remainder of the subscription term in effect at the time the additional User subscriptions are added and (iii) the added User subscriptions shall terminate on the same day as the pre-existing subscriptions. User subscriptions are for designated Users only and cannot be shared or used by more than one user but may be reassigned to new Users replacing former Users who no longer require ongoing use of the Services.

## RIGHTS AND LICENSE IN AND TO COUNTY AND END USER DATA

The parties agree that as between them, all rights, including all Intellectual Property Rights, in and to County and End User Data shall remain the exclusive property of County, and Contractor has a limited, nonexclusive license to access and use these Data as provided in this Agreement solely for the purpose of performing its obligations hereunder.

All End User Data and County Data created and/or processed by the Services is and shall remain the property of County and shall in no way become attached to the Services, nor shall Contractor have any rights in or to the Data of County.

This Agreement does not give a party any rights, implied or otherwise, to the other's Data, content, or intellectual property, except as expressly stated in the Agreement the County retains the right to use the Services to access and retrieve County and End User Data stored on Contractor's Services infrastructure at any time at its sole discretion.

## DATA PRIVACY

Contractor will use County Data and End User Data only for the purpose of fulfilling its duties under this Agreement and for County's and its End User's sole benefit, and will not share such Data with or disclose it to any Third Party without the prior written consent of County or as otherwise required by law. By way of illustration and not of limitation, Contractor will not use such Data for Contractor's own benefit and, in particular, will not engage in "data mining" of County or End User Data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by County.

Contractor will provide access to County and End User Data only to those Contractor employees, contractors and subcontractors ("Contractor Staff") who need to access the Data to fulfill Contractor's obligations under this Agreement. Contractor will ensure that, prior to being granted access to the Data, to the best of the Contractor's knowledge, staff assigned to this project shall not have a criminal record. Staff who perform work under this Agreement have successfully completed annual instruction of a nature sufficient to enable them to effectively comply with all Data protection provisions of this Agreement; and possess all

qualifications appropriate to the nature of the employees' duties and the sensitivity of the Data they will be handling.

## DATA SECURITY AND INTEGRITY

All facilities used to store and process County and End User Data will implement and maintain administrative, physical, technical, and procedural safeguards and best practices at a level sufficient to secure such Data from unauthorized access, destruction, use, modification, or disclosure. Such measures will be no less protective than those used to secure Contractor's own Data of a similar type, and in no event less than reasonable in view of the type and nature of the Data involved.

Contractor warrants that all County Data and End User Data will be encrypted in transmission (including via web interface) and in storage at a level equivalent to or stronger than 128-bit level encryption.

Contractor shall at all times use industry-standard and up-to-date security tools, technologies and procedures including, but not limited to anti-virus and anti- malware protections and intrusion detection and reporting in providing Services under this Agreement.

Prior to the Effective Date of this Agreement, Contractor will at its expense conduct or have conducted the following, and thereafter, Contractor will at its expense conduct or have conducted the following at least once per year, and immediately after any actual or reasonably suspected Data Compromise:

- A SSAE 16/SOC 2 or other mutually agreed upon audit of Contractor's security policies, procedures and controls;

- A vulnerability scan, performed by a Third Party scanner, of Contractor's systems and facilities that are used in any way to deliver Services under this Agreement; and,

- A formal penetration test, performed by a process and qualified personnel, of Contractor's systems and facilities that are used in any way to deliver Services under this Agreement.

- The same will be evidenced by providing the County a copy of the Successful Audit Letter and a Scope of Audit Document (outlining what is included in the audit). Audit Report will not include "private" information, defined as proprietary environment/infrastructure detail not specific to systems that process or transmit County data.

- Additionally, Contractor will make the County environment available at any time for a full audit by the County at the County's expense.

Contractor will provide County the reports or other documentation resulting from the above audits, certifications, scans and tests within seven (7) business days of Contractor's receipt of such results.

Based on the results of the above audits, certifications, scans and tests, Contractor will, within thirty (30) calendar days of receipt of such results, promptly modify its security measures in order to meet its obligations under this Agreement, and provide County with written evidence of remediation.

County may, at its expense, require the Contractor to perform additional audits and tests, the results of which will be provided to County within seven (7) business days of Contractor's receipt of such results.

Contractor shall protect County and End User Data against deterioration or degradation of Data quality and authenticity, including, but not limited to annual Third Party Data integrity audits. Contractor will provide County the results of the above audits, along with Contractor's

## RESPONSE TO LEGAL ORDERS, DEMANDS OR REQUESTS FOR DATA

Except as otherwise expressly prohibited by law, Contractor will:

> If required by a court of competent jurisdiction or an administrative body to disclose County and/or End User Data, Contractor will notify County in writing immediately upon receiving notice of such requirement and prior to any such disclosure;
>
> Consult with County regarding its response;
>
> Cooperate with County's reasonable requests in connection with efforts by County to intervene and quash or modify the legal order, demand or request; and
>
> Upon County's request, provide County with a copy of its response.

If County receives a subpoena, warrant, or other legal order, demand or request seeking County or End User Data maintained by Contractor, County will promptly provide a copy to Contractor. Contractor will supply County with copies of Data required for County to respond within forty-eight (48) hours after receipt of copy from County, and will cooperate with County's reasonable requests in connection with its response.

## DATA COMPROMISE RESPONSE

Contractor shall report, either orally or in writing, to County any Data Compromise involving County or End User Data, or circumstances that could have resulted in unauthorized access to or disclosure or use of County or End User Data, not authorized by this Agreement or in writing by County, including any reasonable belief that an unauthorized individual has accessed County or End User Data. Contractor shall make the report to County immediately upon discovery of the unauthorized disclosure, but in no event more than forty-eight (48) hours after Contractor reasonably believes there has been such unauthorized use or disclosure. Oral reports by Contractor regarding Data Compromises will be reduced to writing and supplied to County as soon as reasonably practicable, but in no event more than forty-eight (48) hours after oral report.

Immediately upon becoming aware of any such Data Compromise, Contractor shall fully investigate the circumstances, extent and causes of the Data Compromise, and report the results to County and continue to keep County informed on a daily basis of the progress of its investigation until the issue has been effectively resolved.

Contractor's report discussed herein shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the County or End User Data used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure (if known), (iv) what Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Contractor has taken or shall take to prevent future similar unauthorized use or disclosure.

Within five (5) calendar days of the date Contractor becomes aware of any such Data Compromise, Contractor shall have completed implementation of corrective actions to remedy the Data Compromise, restore County access to the Services as directed by County, and prevent further similar unauthorized use or disclosure.

Contractor, at its expense, shall cooperate fully with County's investigation of and response to any such Data Compromise incident.

Except as otherwise required by law, Contractor will not provide notice of the incident directly to the persons whose Data were involved, regulatory agencies, or other entities, without prior written permission from County.

Notwithstanding any other provision of this agreement, and in addition to any other remedies available to County under law or equity, Contractor will promptly reimburse County in full for all costs incurred by County in any investigation, remediation or litigation resulting from any such Data Compromise, including but not limited to providing notification to Third Parties whose Data were compromised and to regulatory bodies, law-enforcement agencies or other entities as required by law or contract; establishing and

monitoring call center(s), and credit monitoring and/or identity restoration services to assist each person impacted by a Data Compromise in such a fashion that, in County's sole discretion, could lead to identity theft; and the payment of legal fees and expenses, audit costs, fines and penalties, and other fees imposed by regulatory agencies, courts of law, or contracting partners as a result of the Data Compromise.

## DATA RETENTION AND DISPOSAL

Contractor will retain Data in an End User's account, including attachments, until the End User deletes them or for the time period mutually agreed to by the parties in this Agreement.

Using appropriate and reliable storage media, Contractor will regularly backup County and End User Data and retain such backup copies for a minimum of twelve (12) months.

At the County's election, Contractor will either securely destroy or transmit to County repository any backup copies of County and/or End User Data. Contractor will supply County a certificate indicating the records disposed of, the date disposed of, and the method of disposition used.

Contractor will retain logs associated with End User activity for a minimum of twelve (12) months.

Contractor will immediately place a "hold" on Data destruction or disposal under its usual records retention policies of records that include County and End User Data, in response to an oral or written request from County indicating that those records may be relevant to litigation that County reasonably anticipates. Oral requests by County for a hold on record destruction will be reduced to writing and supplied to Contractor for its records as soon as reasonably practicable under the circumstances. County will promptly coordinate with Contractor regarding the preservation and disposition of these records. Contractor shall continue to preserve the records until further notice by County.

DATA TRANSFER UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, Contractor will ensure that all County and End User Data are securely transferred to County, or a Third Party designated by County, within thirty (30) calendar days. Contractor will ensure that such migration uses facilities and methods that are compatible with the relevant systems of County, and that County will have access to County and End User Data during the transition. In the event that it is not possible to transfer the aforementioned data to County in a format that does not require proprietary software to access the data, Contractor shall provide County with an unlimited use, perpetual license to any proprietary software necessary in order to gain access to the data.

Contractor will provide County with no less than ninety (90) calendar days notice of impending cessation of its business or that of any Contractor subcontractor and any contingency plans in the event of notice of such cessation. This includes immediate transfer of any previously escrowed assets and Data and providing County access to Contractor's facilities to remove and destroy County-owned assets and Data.

Along with the notice described above, Contractor will provide:

In the event of termination for cause: a fully documented service description documenting services provided and custom configurations required to facilitate the same, all data in a format as requested by the County, and perform and document a gap analysis by examining any differences between its Services and those to be provided by its successor.

In the event of expiration: a fully documented service description documenting services provided and custom configurations required to facilitate the same and complete transfer of data in excel format with a full data dictionary.

Contractor will provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with supporting documentation, indicating which if any of these are owned by or dedicated to County.

Contractor shall implement its contingency and/or exit plans and take all necessary actions to provide for an effective and efficient transition of service with minimal disruption to County. Contractor will work closely with its successor to ensure a successful transition to the new service and/or equipment, with minimal Downtime and effect on County, all such work to be coordinated and performed no less than ninety (90) calendar days in advance of the formal, final transition date.

**SERVICE LEVELS**. Incorporated into Agreement and Scope of Work.

**INTERRUPTIONS IN SERVICE; SUSPENSION AND TERMINATION OF SERVICE; CHANGES TO SERVICE**. Incorporated into Agreement and Scope of Work.

**INSTITUTIONAL BRANDING**. Contractor Services will provide reasonable and appropriate opportunities for County branding of Contractor Services. Each party shall have the right to use the other party's Brand Features only in connection with performing the functions provided in this Agreement and as specified in the attached Plan. Any use of a party's Brand Features will inure to the benefit of the party holding Intellectual Property Rights in and to those features. Contractor may not advertise that County is a client, list County as a reference or otherwise use County's name, logos, trademarks, or service marks without prior written permission obtained from County personnel authorized to permit County brand use.

**COMPLIANCE WITH APPLICABLE LAWS AND COUNTY POLICIES**. Contractor will comply with all applicable laws in performing Services under this Agreement. Any Contractor personnel visiting County's facilities will comply with all applicable County policies regarding access to, use of, and conduct within such facilities. County will provide copies of such policies to Contractor upon request.

## WARRANTIES, REPRESENTATIONS AND COVENANTS

Services Warranty. Contractor represents and warrants that the Services provided to County under this Agreement shall conform to, be performed, function, and produce results substantially in accordance with the Documentation. Contractor shall offer County warranty coverage equal to or greater than the Contractor's standard warranty policy.

Contractor's obligations for breach of the Services Warranty shall be limited to using its best efforts, at its own expense, to correct or replace that portion of the Services which fails to conform to such warranty, and, if Contractor is unable to correct any breach in the Services Warranty by the date which is sixty (60) calendar days after County provides notice of such breach, County may, in its sole discretion, either extend the time for Contractor to cure the breach or terminate this Agreement.

Disabling Code Warranty. Contractor represents, warrants and agrees that the Services do not contain and County will not receive from Contractor any virus, worm, trap door, back door, timer, clock, counter or other limiting routine, instruction or design, or other malicious, illicit or similar unrequested code, including surveillance software or routines which may, or is designed to, permit access by any person, or on its own, to erase, or otherwise harm or modify any County system or Data (a "Disabling Code").

In the event a Disabling Code is identified, Contractor shall take all steps necessary, at no additional cost to County, to: (a) restore and/or reconstruct any and all Data lost by County as a result of Disabling Code; (b) furnish to County a corrected version of the Services without the presence of Disabling Codes; and, (c) as needed, re-implement the Services at no additional cost to County. This warranty shall remain in full force and effect as long as this Agreement remains in effect.

Intellectual Property Warranty. Contractor represents, warrants and agrees that: Contractor has all Intellectual Property Rights necessary to provide the Services to County in accordance with the terms of this Agreement; Contractor is the sole owner or is a valid licensee of all software, text, pictures, audio, video, logos and copy that provides the foundation for provision of the Services, and has secured all necessary licenses, consents, and authorizations with respect to the use of these underlying elements; the Services do not and shall not infringe upon any patent, copyright, trademark or other proprietary right or violate any trade secret or other contractual right of any Third Party; and there is currently no actual or threatened suit against Contractor by any Third Party based on an alleged violation of such right. This warranty shall survive the expiration or termination of this Agreement.

Warranty of Authority. Each party represents and warrants that it has the right to enter into this Agreement. Contractor represents and warrants that it has the unrestricted right to provide the Services, and that it

has the financial viability to fulfill its obligations under this Agreement. Contractor represents, warrants and agrees that the Services shall be free and clear of all liens, claims, encumbrances or demands of Third Parties. Contractor represents and warrants that it has no knowledge of any pending or threatened litigation, dispute or controversy arising from or related to the Services. This warranty shall survive the expiration or termination of this Agreement.

Third Party Warranties and Indemnities. Contractor will assign to County all Third Party warranties and indemnities that Contractor receives in connection with any products provided to County. To the extent that Contractor is not permitted to assign any warranties or indemnities through to County, Contractor agrees to specifically identify and enforce those warranties and indemnities on behalf of County to the extent Contractor is permitted to do so under the terms of the applicable Third Party agreements.

Date/Time Change Warranty. Contractor represents and warrants to County that the Services provided will accurately process date and time-based calculations under circumstances of change including, but not limited to: century changes and daylight saving time changes. Contractor must repair any date/time change defects at Contractor's own expense.

Compliance With Laws Warranty. Contractor represents and warrants to County that it will comply with all applicable laws, including its tax responsibilities, pertaining to the Agreement and its provision of the Services to County.

THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SERVICES PURSUANT TO THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## CONFIDENTIALITY

Each party acknowledges that certain information that it shall acquire from the other is of a special and unique character and constitutes Confidential Information.

The Receiving Party agrees to exercise the same degree of care and protection with respect to the Confidential Information that it exercises with respect to its own similar Confidential Information and not to directly or indirectly provide, disclose, copy, distribute, republish or otherwise allow any Third Party to have access to any Confidential Information without prior written permission from the disclosing party. However: (a) either party may disclose Confidential Information to its employees and authorized agents who have a need to know; (b) either party may disclose Confidential Information if so required to perform any obligations under this Agreement; and (c) either party may disclose Confidential Information if so required by law (including court order or subpoena).Nothing in this Agreement shall in any way limit the ability of County to comply with any laws or legal process concerning disclosures by public entities. Contractor acknowledges that any responses, materials, correspondence, documents or other information provided to County are subject to applicable state and federal law, including the Washington State Public Records Act, and that the release of Confidential Information in compliance with those acts or any other law will not constitute a breach or threatened breach of this Agreement.

Nothing in this Agreement shall in any way limit the ability of County to comply with any laws or legal process concerning disclosures by public entities. Contractor acknowledges that any responses, materials, correspondence, documents or other information provided to County are subject to applicable state and federal law, including the Washington Public Records Act, and that the release of Confidential Information in compliance with those acts or any other law will not constitute a breach or threatened breach of this Agreement.

PROTECTED INFORMATION. During the course of this Agreement, should Contractor come into possession of any Protected Information, Contractor may not disclose this information to any Third Party under any circumstances.

## SOFTWARE AS A SERVICE, SUPPORT AND SERVICES TO BE PERFORMED:

Contractor, under the general direction of, and in coordination with, the County's County Manager or other designated supervisory personnel (the "Manager") agrees to provide the Software as a Service (the "Software Hosting") listed on the Statement of Work, and perform the technology related services described on attached Statement of Work (or "SOW") and provide the software support services described in the Statement of Work.

As the Manager directs, the Contractor shall diligently undertake, perform, and complete all of the services and produce all the deliverables set forth on to the County's satisfaction.

The Contractor is ready, willing, and able to provide the services required by this Agreement.

The Contractor shall faithfully perform the services in accordance with the standards of care, skill, training, diligence, and judgment provided by highly competent individuals performing services of a similar nature to those described in the Agreement and in accordance with the terms of the Agreement.

**User ID Credentials.** Internal corporate or customer (tenant) user account credentials shall be restricted as per the following, ensuring appropriate identity, entitlement, and access management and in accordance with established policies and procedures:

- Identity trust verification and service-to-service application (API) and information processing interoperability (e.g., SSO and Federation)

- Account credential lifecycle management from instantiation through revocation

- Account credential and/or identity store minimization or re-use when feasible

- Adherence to industry acceptable and/or regulatory compliant authentication, authorization, and accounting (AAA) rules (e.g., strong/multi-factor, expireable, non-shared authentication secrets)

**Vendor Supported Releases.** The provider shall maintain the currency all third- party software used in the development and execution or use of the software including, but not limited to: all code libraries, frameworks, components, and other products (e.g., Java JRE, code signing certificates, .NET, jquery pluggins, etc.), whether commercial, free, open-source, or closed-source; with third-party vendor approved and supported releases.

## GRANT OF LICENSE: RESTRICTIONS:

Contractor hereby grants to County a right and license to: (a) display, perform, and use the Software Hosting; and (b) use all intellectual property rights necessary to use the Software Hosting as authorized in subparagraph (a).

Title to and ownership of the Software will remain with Contractor. County will not reverse engineer or reverse compile any part of the Software. County will not remove, obscure or deface any proprietary notice or legend contained in the Software or documentation without Contractor's prior written consent.

## DELIVERY AND ACCEPTANCE:

Upon set up of the Software Hosting, the County will test and evaluate same to ensure that it conforms, in the County's reasonable judgment, to the specifications outlined in the SOW. If the Software does not conform, the County will so notify Contractor in writing within sixty (60) days. Contractor will, at its expense, repair or replace the nonconforming product within fifteen (15) days after receipt of the County's notice of deficiency. The foregoing procedure will be repeated until the County accepts or finally rejects the product, in whole or part, in its sole discretion. In the event that the Software Hosting does not perform to the County's satisfaction, the County reserves the right to repudiate acceptance. In the event that the County finally rejects the Software Hosting, or repudiates acceptance of it, Contractor will refund to the County all fees paid, if any, by the County with respect to the rejected product.

If the County is not satisfied with the Contractor's performance of the services described in the SOW, the County will so notify Contractor within thirty (30) days after Contractor's performance thereof. Contractor will, at its own expense, re-perform the service within fifteen (15) days after receipt of County's notice of deficiency. The foregoing procedure will be repeated until County accepts or finally rejects the service in its sole discretion. In the event that County finally rejects any service, Contractor will refund to County all fees paid by County with respect to such service.

## COMPENSATION AND PAYMENT:

Fee: The fee for the software and services described in the Questica Budget Price Page is $145,280 for Total Professional Services, $85,000 for an Annual Software License Subscription, and up to $33,600 for customization work. These costs shall be paid pursuant to the County's financial policies and in accordance with the Price Quote.

Reimbursement Expenses: The costs specified above include all expenses, and no other expenses shall be separately reimbursed hereunder unless by agreed-upon amendment to this contract.

Invoicing: Contractor must submit an invoice which shall include the County contract number, clear identification of the deliverable that has been completed, and other information reasonably requested by the County. Payment on all uncontested amounts shall be made in accordance with the County's financial policy.

Maximum Contract Liability:

Notwithstanding any other provision of the Agreement, the County's maximum payment obligation will not exceed **$263,880** (the "Maximum Contract Amount"). The County is not obligated to execute an Agreement or any amendments for any further services, including any services performed by Contractor beyond that specifically described in the Statement of Work. Any services performed beyond those in the Statement of Work are performed at Contractor's risk and without authorization under the Agreement.

The County's payment obligation, whether direct or contingent, extends only to funds appropriated annually by the Clark County Board of County Councilors, for the purpose of the Agreement. The County does not by the Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years. The Agreement does not and is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the County.

**STATUS OF CONTRACTOR:** The Contractor is an independent contractor retained to perform professional or technical services for limited periods of time. Neither the Contractor nor any of its employees are employees or officers of the County for any purpose whatsoever.

## TERMINATION:

The County has the right to terminate the Agreement with cause upon written notice and the expiration of a 10-day Contractor cure period, and without cause upon twenty (20) days prior written notice to the Contractor. However, nothing gives the Contractor the right to perform services under the Agreement beyond the time when its services become unsatisfactory to the Manager.

Notwithstanding the preceding paragraph, the County may terminate the Agreement if the Contractor or any of its officers or employees are convicted, plead nolo contendere, enter into a formal agreement in which they admit guilt, enter a plea of guilty or otherwise admit culpability to criminal offenses of bribery, kickb acks, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature in connection with Contractor's business. Termination for the reasons stated in this paragraph is effective upon receipt of notice.

Upon termination of the Agreement, with or without cause, the Contractor shall have no claim against the County by reason of, or arising out of, incidental or relating to termination, except for compensation for work duly requested and satisfactorily performed as described in the Agreement.

**EXAMINATION OF RECORDS:** Any authorized agent of the County, including the County Auditor or his or her representative, has the right to access and the right to examine any pertinent books, documents, papers and records of the Contractor, involving transactions related to the Agreement until the latter of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations.

**WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event shall any action by either Party hereunder constitute or be construed to be a waiver by the other Party of any breach of covenant or default which may then exist on the part of the Party alleged to be in breach, and the non-breaching Party's action or inaction when any such breach or default shall exist shall not impair or prejudice any right or remedy available to that Party with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more covenants, provisions or conditions of the Agreement shall be deemed or taken to be a waiver of any other breach.

## INSURANCE:

General Conditions: Contractor agrees to secure, at or before the time of execution of this Agreement, the following insurance covering all operations, goods or services provided pursuant to this Agreement. Contractor shall keep the required insurance coverage in force at all times during the term of the Agreement, or any extension thereof, during any warranty period, and for three (3) years after termination of the Agreement. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Washington State and rated by A.M. Best Company as "A-" or better. Each policy shall contain a valid provision or endorsement requiring notification to the County in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to the parties identified in the Notices section of this Agreement. Such notice shall reference the County contract number listed on the signature page of this Agreement. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, contractor shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s) and referencing the County's contract number. If any policy is in excess of a deductible or self-insured retention, the County must be notified by the Contractor. Contractor shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Contractor. The Contractor shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

Proof of Insurance: Contractor shall provide a copy of this Agreement to its insurance agent or broker. Contractor may not commence services or work relating to the Agreement prior to placement of coverages required under this Agreement. Contractor certifies that the certificate of insurance, preferably an ACORD certificate, complies with all insurance requirements of this Agreement. The County requests that the County's contract number be referenced on the Certificate. The County's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Contractor's breach of this Agreement or of any of the County's rights or remedies under this Agreement. The County's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

Additional Insureds: For Commercial General Liability, Auto Liability and Excess Liability/Umbrella, Contractor and subcontractor's insurer(s) shall name the County, its elected and appointed officials, employees and volunteers as additional insured.

Waiver of Subrogation: For all coverages required under this Agreement, Contractor's insurer shall waive subrogation rights against the County.

Subcontractors and Subconsultants: All subcontractors and subconsultants (including independent contractors, suppliers or other entities providing goods or services required by this Agreement) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Contractor. Contractor shall include all such subcontractors as additional insured under its policies (with the exception of Workers' Compensation) or shall ensure that all such subcontractors and subconsultants

maintain the required coverages. Contractor agrees to provide proof of insurance for all such subcontractors and subconsultants upon request by the County.

Workers' Compensation/Employer's Liability Insurance: The Contractor is not mandated to participate in the Workers Safety and Insurance Act (Ontario) and has elected to not be covered. The Contractor shall indemnify and hold harmless the County from any and all claims that would otherwise have been covered by the Workplace Safety and Insurance Act (Ontario and/or Washington)

Commercial General Liability: Contractor shall maintain a Commercial General Liability insurance policy with limits of $1,000,000 for each occurrence, $1,000,000 for each personal and advertising injury claim, $2,000,000 products and completed operations aggregate, and $2,000,000 policy aggregate.

Business Automobile Liability: Contractor shall maintain Business Automobile Liability with limits of $1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement

Technology Errors & Omissions: Contractor shall maintain Technology Errors and Omissions insurance including cyber liability, network security, privacy liability and product failure coverage with limits of $1,000,000 per occurrence and $1,000,000 policy aggregate. Policy shall include a severability of interest or separation of insured provision (no insured vs. insured exclusion) and a provision that coverage is primary and non-contributory with any other coverage or self- insurance maintained by the County.

Additional Provisions:

For Commercial General Liability and Excess Liability, the policies must provide the following:

- That this Agreement is an Insured Contract under the policy;

- Defense costs are outside the limits of liability;

- A severability of interests or separation of insureds provision (no insured vs. insured exclusion); and

- A provision that coverage is primary and non- contributory with other coverage or self-insurance maintained by the County.

For claims-made coverage:

- The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the County, whichever is earlier

- Contractor shall advise the County in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Contractor will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

**REPRESENTATION AND WARRANTY**: Contractor represents and warrants that:

o   The Software will conform to applicable specifications, operate in substantial compliance with applicable documentation, and will be free from deficiencies and defects in materials, workmanship, design and/or performance;

o   all services will be performed by qualified personnel in a professional and workmanlike manner, consistent with industry standards;

o   all services will conform to applicable specifications and the Exhibits attached hereto;

o   it has the requisite ownership, rights and licenses to perform its obligations under this Agreement fully as contemplated hereby and to grant to the County all rights with respect to the software and services free and clear from any and all liens, adverse claims, encumbrances and interests of any third party;

o    there are no pending or threatened lawsuits, claims, disputes or actions: (i) alleging that any software or service infringes, violates or misappropriates any third party rights; or (ii) adversely affecting any software, service or supplier's ability to perform its obligations hereunder;

o    the Software will not violate, infringe, or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party;

o    the Software will contain no malicious or disabling code that is intended to damage, destroy or destructively alter software, hardware, systems or data; and the media on which all Software is furnished are and will be, under normal use, free from defects in materials and workmanship.

## DEFENSE AND INDEMNIFICATION:

Contractor hereby agrees to defend, indemnify, reimburse and hold harmless County, its appointed and elected officials, agents and employees for, from and against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), unless such Claims have been specifically determined by the trier of fact to be the sole negligence or willful misconduct of the County. This indemnity shall be interpreted in the broadest possible manner to indemnify County for any acts or omissions of Contractor or its subcontractors either passive or active, irrespective of fault, including County's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of County.

Contractor's duty to defend and indemnify County shall arise at the time written notice of the Claim is first provided to County regardless of whether Claimant has filed suit on the Claim. Contractor's duty to defend and indemnify County shall arise even if County is the only party sued by claimant and/or claimant alleges that County's negligence or willful misconduct was the sole cause of claimant's damages.

Contractor will defend any and all Claims which may be brought or threatened against County and will pay on behalf of County any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of County shall be in addition to any other legal remedies available to County and shall not be considered County's exclusive remedy.

Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Contractor under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the County's protection.

This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

Contractor will, at Contractor's expense, indemnify, defend and hold harmless the County, its officers, agents and employees from and against any loss, cost, expense or liability (including but not limited to attorney's fees and awarded damages) arising out of a claim that the Software, services, or their use by the County, infringe, violate or misappropriate a patent, copyright, trademark, trade secret or other intellectual property or proprietary right of any third party. The County will promptly notify Contractor in writing of any claim and cooperate with Contractor and its legal counsel in the defense thereof. Contractor may in its discretion (i) contest, (ii) settle, (iii) procure for the County the right to continue using the Software, or (iv) modify or replace the infringing Software so that it no longer infringes (as long as the functionality and performance are not degraded as reasonably determined by the County). The County may participate in the defense of such action at its own expense. If Contractor concludes in its reasonable judgment that none of the foregoing options are commercially reasonable, then Contractor will refund a pro rata portion (based on a 5 year straight line depreciation running from County's final acceptance of the Software) of the Software license fee(s) paid by the County under this Agreement and reimburse the County for all reasonable expenses for removal and replacement of the Software.

**TAXES, CHARGES AND PENALTIES:** The County shall not be liable for the payment of taxes, late charges or penalties of any nature other than the compensation stated herein, except for any additional amounts which the County may be required to pay under Washington State laws.

**ASSIGNMENT; SUBCONTRACTING:** The Contractor shall not voluntarily or involuntarily assign any of its rights or obligations, or subcontract performance obligations, under this Agreement without obtaining the Manager's prior written consent. Any assignment or subcontracting without such consent will be ineffective and void, and shall be cause for termination of this Agreement by the County. The Manager has sole and absolute discretion whether to consent to any assignment or subcontracting, or to terminate the Agreement because of unauthorized assignment or subcontracting. In the event of any subcontracting or unauthorized assignment: (i) the Contractor shall remain responsible to the County; and (ii) no contractual relationship shall be created between the County and any sub-consultant, subcontractor or assign.

**NO THIRD PARTY BENEFICIARY:** Enforcement of the terms of the Agreement and all rights of action relating to enforcement are strictly reserved to the parties. Nothing contained in the Agreement gives or allows any claim or right of action to any third person or entity. Any person or entity other than the County or the Contractor receiving services or benefits pursuant to the Agreement is an incidental beneficiary only.

**NO AUTHORITY TO BIND COUNTY TO CONTRACTS:** The Contractor lacks any authority to bind the County on any contractual matters. Final approval of all contractual matters that purport to obligate the County must be executed by the County in accordance with Clark County Ordinances and Codes.

**AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS:** The Agreement is the complete integration of all understandings between the parties as to the subject matter of the Agreement. No prior, contemporaneous or subsequent addition, deletion, or other modification has any force or effect, unless embodied in the Agreement in writing. No oral representation by any officer or employee of the County at variance with the terms of the Agreement or any written amendment to the Agreement will have any force or effect or bind the County.

**SEVERABILITY:** Except for the provisions of the Agreement requiring appropriation of funds and limiting the total amount payable by the County, if a court of competent jurisdiction finds any provision of the Agreement or any portion of it to be invalid, illegal, or unenforceable, the validity of the remaining portions or provisions will not be affected, if the intent of the parties can be fulfilled.

## CONFLICT OF INTEREST:

No employee of the County shall have any personal or beneficial interest in the services or property described in the Agreement. The Contractor shall not hire, or contract for services with, any employee or officer of the County that would be in violation of the Clark County Personnel Policies.

The Contractor shall not engage in any transaction, activity or conduct that would result in a conflict of interest under the Agreement. The Contractor represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of the Contractor by placing the Contractor's own interests, or the interests of any party with whom the Contractor has a contractual arrangement, in conflict with those of the County. The County, in its sole discretion, will determine the existence of a conflict of interest and may terminate the Agreement in the event it determines a conflict exists, after it has given the Contractor written notice describing the conflict.

**NOTICES:** All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Contractor at the address first above written, and if to the County at:

County Manager
Office of the Clark County Board of County Councilors
1300 Franklin Street
Vancouver, WA 98666

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The

parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

**DISPUTES**: Differences between the Contractor and the County, arising under and by virtue of this contract, shall be resolved at the lowest possible level in order that such matters may be settled or other appropriate action promptly taken. Any dispute shall first be addressed by the County and Contractor Project Manager; then escalated if necessary to Senior Managers before finally going to the Contractor CEO and County Manager. If unable to resolve, either party may seek injunctive relief. Project work shall continue during the period of dispute. The County retains the right to accept work products as stated in the Statement of Work.

**GOVERNING LAW; VENUE**: The Agreement will be construed and enforced in accordance with applicable federal law, the laws of the State of Washington and the ordinances and regulations of the County, which are expressly incorporated into the Agreement. Unless otherwise specified, any reference to statutes, laws, regulations, charter or code provisions, ordinances, executive orders, or related memoranda, includes amendments or supplements to same. Venue for any legal action relating to the Agreement will be in the court of competent jurisdiction in Clark County, State of Washington.

**NO DISCRIMINATION IN EMPLOYMENT**: In connection with the performance of work under the Agreement, the Contractor may not refuse to hire, discharge, promote or demote, or discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender variance, marital status, or physical or mental disability. The Contractor shall insert the foregoing provision in all subcontracts.

## CONFIDENTIAL INFORMATION; OPEN RECORDS:

**County Information**: Contractor acknowledges and accepts that, in performance of all work under the terms of this Agreement, Contractor may have access to Proprietary Data or confidential information that may be owned or controlled by the County, and that the disclosure of such Proprietary Data or information may be damaging to the County or third parties. Contractor agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the County to Contractor shall be held in confidence and used only in the performance of its obligations under this Agreement. Contractor shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent Contractor would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Washington Public Records Act or County ordinance, and provided or made available to Contractor by the County. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

### Use and protection of Proprietary Data or Confidential Information:

Except as expressly provided by the terms of this Agreement, Contractor agrees that it shall not disseminate, transmit, license, sublicense, assign, lease, release, publish, post on the internet, transfer, sell, permit access to, distribute, allow interactive rights to, or otherwise make available any data, including Proprietary Data or confidential information or any part thereof to any other person, party or entity in any form of media for any purpose other than performing its obligations under this Agreement. Contractor further acknowledges that by providing data, Proprietary Data or confidential information, the County is not granting to Contractor any right or license to use such data except as provided in this Agreement. Contractor further agrees not to disclose or distribute to any other party, in whole or in part, the data, Proprietary Data or confidential information without written authorization from the Manager and will immediately notify the County if any information of the County is requested from the Contractor from a third party.

Contractor agrees, with respect to the Proprietary Data and confidential information, that: (1) Contractor shall not copy, recreate, reverse engineer or decompile such data, in whole or in part, unless authorized in writing by the Manager; (2) Contractor shall retain no copies, recreations, compilations, or decompilations, in whole or in part, of such data; and (3) Contractor shall, upon the expiration or earlier termination of the Agreement, destroy (and, in writing, certify

destruction) or return all such data or work products incorporating such data or information to the County.

Employees and Sub-Contractor: Contractor will inform its employees and officers of the obligations under this Agreement, and all requirements and obligations of Contractor under this Agreement shall survive the expiration or earlier termination of this Agreement. Contractor shall not disclose Proprietary Data or confidential information to subcontractors unless such subcontractors are bound by non-disclosure and confidentiality provisions at least as strict as those contained in this Agreement.

Disclaimer: Notwithstanding any other provision of this Agreement, the County is furnishing Proprietary Data and confidential information on an "as is" basis, without any support whatsoever, and without representation, warranty or guarantee, including but not in any manner limited to, fitness, merchantability or the accuracy and completeness of the Proprietary Data or confidential information. Contractor is hereby advised to verify its work. The County assumes no liability for any errors or omissions herein. Specifically, the County is not responsible for any costs including, but not limited to, those incurred as a result of lost revenues, loss of use of data, the costs of recovering such programs or data, the cost of any substitute program, claims by third parties, or for similar costs. If discrepancies are found, Contractor agrees to contact the County immediately.

Contractor's Information: The County shall endeavor, to the extent provided by law, to comply with the confidentiality provisions set out in the End User License Agreement, provided, however, that The County understands and agrees that the Contractor software and documentation including, but not limited to, the Source Code, Object Code, the Interface Requirements Document(s) Acceptance Test Procedures, the Statement of Work, the software design, structure and organization, software screens, the user interface and the engineering know-how implemented in the software (collectively "Contractor Confidential Information") constitute the valuable properties and trade secrets of Contractor, embodying substantial creative efforts which are secret, confidential, and not generally known by the public, and which secure to Contractor a competitive advantage. The County agrees during the term of this Agreement and the license granted hereunder, and thereafter, to hold the Contractor Confidential Information including any copies thereof and any documentation related thereto, in strict confidence and to not permit any person or entity to obtain access to it except as required for the County's exercise of the license rights granted hereunder, and except as required by the parties understand that all the material provided or produced under this Agreement may be subject to the Washington State Public Records Act., Chapter 42.56 RCW. In the event of a request to the County for disclosure of such information, the County shall advise Contractor of such request in order to give Contractor the opportunity to object to the disclosure of any of its documents which it marked as proprietary or confidential material. In the event of the filing of a lawsuit to compel such disclosure, the County will tender all such material to the court for judicial determination of the issue of disclosure and Contractor agrees to intervene in such lawsuit to protect and assert its claims of privilege against disclosure of such material or waive the same. Contractor further agrees to defend, indemnify and save and hold harmless the County, its officers, agents and employees, from any claim, damages, expense, loss or costs arising out of Contractor's intervention to protect and assert its claim of privilege against disclosure under this Article including but not limited to, prompt reimbursement to the County of all reasonable attorney fees, costs and damages that the County may incur directly or may be ordered to pay by such court.

**LEGAL AUTHORITY:** Contractor represents and warrants that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into the Agreement. Each person signing and executing the Agreement on behalf of Contractor represents and warrants that he has been fully authorized by Contractor to execute the Agreement on behalf of Contractor and to validly and legally bind Contractor to all the terms, performances and provisions of the Agreement. The County shall have the right, in its sole discretion, to either temporarily suspend or permanently terminate the Agreement if there is a dispute as to the legal authority of either Contractor or the person signing the Agreement to enter into the Agreement.

**NO CONSTRUCTION AGAINST DRAFTING PARTY:** The parties and their respective counsel have had the opportunity to review the Agreement, and the Agreement will not be construed against any party merely because any provisions of the Agreement were prepared by a particular party.

**ORDER OF PRECEDENCE:** In the event of any conflicts between the language of the Agreement and the exhibits, the language of the Agreement controls.

**SURVIVAL OF CERTAIN PROVISIONS**: The terms of the Agreement and any exhibits and attachments that by reasonable implication contemplate continued performance, rights, or compliance beyond expiration or termination of the Agreement survive the Agreement and will continue to be enforceable. Without limiting the generality of this provision, the Contractor's obligations to provide insurance and to indemnify the County will survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

**INUREMENT**: The rights and obligations of the parties herein set forth shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns permitted under this Agreement.

**TIME IS OF THE ESSENCE**: The parties agree that in the performance of the terms, conditions, and requirements of this Agreement, time is of the essence.

**FORCE MAJEURE**: Neither party shall be responsible for failure to fulfill its obligations hereunder or liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, unreasonable delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unreasonable unavailability of equipment or software from suppliers, default of a subcontractor or vendor (if such default arises out of causes beyond their reasonable control), the actions or omissions of the other party or its officers, directors, employees, agents, Contractors or elected officials and/or other substantially similar occurrences beyond the party's reasonable control ("Excusable Delay") herein. In the event of any such Excusable Delay, time for performance shall be extended for a period of time as may be reasonably necessary to compensate for such delay.

**PARAGRAPH HEADINGS**: The captions and headings set forth herein are for convenience of reference only, and shall not be construed so as to define or limit the terms and provisions hereof.

**COUNTY EXECUTION OF AGREEMENT**: This Agreement is expressly subject to and shall not be or become effective or binding on the County until it has been fully executed by all signatories of Clark County.

**COUNTERPARTS OF THIS AGREEMENT**: This Agreement may be executed in counterparts, each of which shall be deemed to be an original of this Agreement.

**ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS**: Contractor consents to the use of electronic signatures by the County. The Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the County in the manner specified by the County. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**ADVERTISING AND PUBLIC DISCLOSURE**: The Contractor shall not include any reference to the Agreement or to services performed pursuant to the Agreement in any of the Contractor's advertising or public relations materials without first obtaining the written approval of the Manager. Any oral presentation or written materials related to services performed under the Agreement will be limited to services that have been accepted by the County. The Contractor shall notify the Manager in advance of the date and time of any presentation. Nothing in this provision precludes the transmittal of any information to County officials.

**LIMITATION OF LIABILITY**: CONTRACTOR'S LIABILITY WITH RESPECT TO ANY SINGLE INCIDENT ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR UNDER ANY OTHER THEORY OF LIABILITY) SHALL NOT EXCEED T H E AMOUNT PAID BY THE COUNTY IN THE FIRST TWELVE MONTHS OF THE AGREEMENT

**EXCLUSION OF CONSEQUENTIAL AND RELATED DAMAGES**: IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS OR REVENUES OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, COVER OR PUNITIVE DAMAGES HOWEVER CAUSED, WHETHER IN CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING DISCLAIMER SHALL NOT APPLY TO THE EXTENT PROHIBITED BY LAW.

**COOPERATIVE STATEMENT**: Other government organizations and educational or health care institutions may elect to participate in this Agreement (piggyback) at their discretion, provided We also agrees to do so.

# Scope of Work
# Questica Budget Implementation
# for
# Clark County

## 1. Revision History

| Rev. | Date | Authors | Notes/Changes |
|------|------|---------|---------------|
| 1 |  |  |  |

## 2. Scope of Work

In the Scope of Work tables, entries in the column headed "Scope of Work" are defined as follows:

| Entry | Meaning |
|-------|---------|
| In scope | The task or function is within the scope of work to be undertaken by Questica professional services. |
| Customer task | The task or function is not within the scope of work to be undertaken by Questica professional services, but will be undertaken by The Customer, with such help from Questica as is detailed in the item description. |
| Not in scope | The task or function is not within the scope of work to be undertaken by Questica professional services, nor will it be undertaken by The Customer. |

Questica and The Customer agree that the implementation of Questica Budget is a shared responsibility and that neither party is in total command of all the resources necessary to achieve objectives within mutually agreed timeframes. However, both Questica and The Customer agree that they will employ their best efforts to complete their agreed tasks on a timely basis. Neither Questica nor The Customer is expected to have resources available to mitigate timeframe slippage caused by the other party, and neither shall have an obligation to do so. Delays on the part of The Customer, including putting the project on temporary hold or switching out project team members, may result in a project Change Order to cover restart, rework, rescheduling and retraining. This fixed price implementation includes project management for the duration of the 36 week implementation contiguous from kick-off (see "Project Management" below).

### Initial Data Load

"Data import", "import workbooks", "import configuration", and "initial data load" are synonymous terms referring to the initial migration of data from The Customer's existing systems into Questica. Where this initial data load is to be performed by Questica, the data shall be returned to Questica in Excel workbooks. Questica will supply The Customer with blank workbooks which must be completed according to the defined format and structure.

For the purpose of the above, the definitions of costing centers, divisions, departments, GL objects, object categories and funds shall be those found in the Questica Budget Operating manual. The mathematical relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Operating Manual.

The import of chart of account segments ("chart fields") other than those that relate to Fund, Department, Program, Cost Center, Ledger Account and Revenue Category is not within scope unless expressly referenced in the "Customizations" section of this Scope of Work.

The Accounting Chart Fields must be consistent across all years and across the Operating module and Capital module if both are used. The Customer will resolve any inconsistencies in the structures implicit in the actual and budget import data prior to providing them to Questica for import to Questica Budget. The inclusion of chart of account segments ("chart fields"), other than those mentioned above, will be accommodated where possible but is not guaranteed, and can extend the import timeframe.

The Customer will resolve any inconsistencies in the structures prior to providing them to Questica for import to Questica Budget. Where import data meets these requirements, Questica will populate the Questica Budget database within 10 business days of receiving the import workbooks. Data returned to Questica which violates Questica Budget's data integrity rules will extend this timeframe.

### Integrations

"Integration" as used in this Scope of Work refers to the copying of data to and from systems external to Questica Budget.Questica shall be responsible for providing the software interface into Questica Budget (including data transformations as described by The Customer) and the operational infrastructure required to manage the integration. The customer agrees to provide Questica with assistance in understanding the nature and location of the data to be integrated and, where required, create or cause to be created all necessary sources of data including database queries, delimited files, and/or web services.The Customer is advised that Questica running as a SaaS/hosted system is unlikely to be granted the local network access to The Customer's other enterprise systems for a direct database-to-database integration. The most likely mode of data exchange will be via formatted text (.CSV) files transmitted using FTP or secure FTP. Integration via web services may be possible where the 3rd party system provides a web services interface supported by Questica. It will be The Customer's responsibility to create or cause to be created the necessary file transfer mechanism on their side of the transfer; and to ensure that the 3rd party system's integration components are available, including web services where used.

Data elements being copied into Questica will be imported provided that the element can be unambiguously matched to a pre-existing record (for example costing center, fund and GL account). An exception report is provided for data elements which cannot be thus matched. Integrations will not create accounts, or segments of the account, where no such account exists in Questica.

While it is likely that Questica can accommodate additional chart of account segments ("chart fields"), and will try to do so, the general ledger integrations are designed to be at the division, department, cost center/project, fund and GL object level. Unless explicitly stated in this Scope of Work, Questica is not obligated to support the integration of additional chart of account segments. Questica shall accommodate reasonable requests for mapping chart fields, to accommodate situations such as legacy account structures, however such mappings are not guaranteed, and complex and arbitrary mappings are not in-scope.

Unless specifically listed as a customization, Questica integrations do not include the synchronization of chart of account strings, segments, or combinations; which is to say that the list of funds, GL accounts, costing centers, and projects, etc. is not automatically updated from the general ledger or other external system.

### Customizations

Customizations include custom business rules, modifiers, user interface (grids, forms, etc), non-standard integrations, hand-crafted reports, and ad hoc entities. They are all detailed in section "2.8. Customizations" of this Scope of Work document. Sections prior to "2.8. Customizations" detail the delivery of standard product functionality and services.

## 2.1. Questica Budget Configuration & Shared Components

| Functional Area | Description | Scope of Work |
|---|---|---|
| Implementation Hosting | Questica will configure production and test versions of Questica Budget during the implementation period. These will be hosted by Questica for a period not to exceed 8 months from the signing hereof. | In scope |

| | | |
|---|---|---|
| Production Hosting | Questica will provide the hosted operating server environment, as per the signed hosting agreement.<br>The Customer will provide user workstation environments as follows:<br>• A web browser: supported browsers - Internet Explorer 10 or newer, Microsoft Edge, Safari latest release (on Mac only), Firefox latest release, Chrome latest release;<br>• Microsoft .NET Framework 4.6 installed;<br>• Microsoft Excel® 2007 or newer (if spreadsheet export/import feature is required; and/or saving reports as Excel is required);<br>• A ClickOnce browser extension (if self-serve report authoring is required from browsers other than Internet Explorer or Edge). | In scope |
| Questica Access To Production Server | Questica implementation & technical staff have full access to the production system for the purpose of system implementation. (Note: if not then Questica staff will play an advisory role in implementation). | Not in scope |
| Project Management | Questica will assign a project manager to lead this implementation on Questica's behalf. The role and responsibility of the project manager is to ensure that the product is implemented according to this Scope of Work and to carry out the tasks detailed in sub-section "2.9.1. Questica Project Management Responsibilities" of this Scope of Work. The project manager will hold no more than 1 standing weekly status meeting, but is available via email and telephone for ad-hoc contact as needed. | In scope |
| On-Site PM Visits | All work with the Questica project lead(s) will be carried out off-site and contact will be via normal telecommunication channels. | Not in scope |
| Application Level Security | Determine how and when to use the various security levels available within Questica Budget, enter users and assign them to groups and roles. Questica will assist with this task until such time as administrators have received training in the security component of Questica Budget. | Customer task |
| Single Sign-On | Configure Questica Budget to use The Customer's existing Windows Authentication for user logon. Note that in a SaaS environment the Customer will need to have ADFS (Active Directory Federation Service) on their domain server. Configuration of ADFS on their domain server is a Customer task. | In scope |
| **Import Configuration ...** | | |
| Import Master Configuration Data | Configuration and data import of the following Questica standard data structures, using data supplied by The Customer in Excel® workbooks provided by Questica:<br>• Division/Department hierarchy;<br>• Fund Categories and Funds;<br>• Account Categories and Expense and Revenue GL Accounts;<br>• Statistical Account Categories and Statistical Accounts;<br>• Measure Units. | In scope |
| **Analytics ...** | | |
| Standard Reports | Provision of Questica Budget's standard reports. These reports are provided as-is and may not fully address The Customer's specific reporting requirements. | In scope |

| | | |
|---|---|---|
| Administrator Authored Reporting | Questica's reporting infrastructure allows users to create ad hoc views which can be used as datasets when using Report Builder 3.0 for administrator authored reporting; as the data source for dashboard widgets; and as part of the ad-hoc analytics interface. Each ad hoc view requires a base "entity" (database table), which can be one of Questica's native data entities; a user configured entity; or a custom built "report entity" which consolidates the data from multiple entities and presents it to the ad hoc view as a single entity ready to report on. Questica will be provisioned with a set of useful report entities and sample ad hoc views. | In scope |

## 2.2. Operating Module

The Questica Budget Operating module is included in this installation.

| Functional Area | Description | Scope of Work |
|---|---|---|
| **Optional Features ...** | *The following optional add-ins offer functionality necessary for very specific budgeting activities, as described. An additional license cost is associated with each add-in.* | |
| Allocations Add-in | The Questica Budget Allocations add-in, to allocate specific budget lines to multiple costing centers. If the Capital module is active then budget lines can also be allocated to projects. | In scope |
| Statistical Ledger Add-in | The Questica Budget Statistical Leger add-in, to budget for non-general ledger and non-monetary values, rates and quantities within costing centers. | In scope |
| Staff Planning Add-in | The Questica Budget Staff Planning add-in, to create a staffing budget which accounts for non-productive time and full shift coverage, within costing Centers. This add-in requires the Salaries module as well as the Operating module. | Not in scope |
| **Configuration ...** | | |
| Import Costing Centers | Configuration and data import of standard Questica Operating data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to:<br>• Create Costing Centers (for each historical and current/future budget year to be loaded);<br>• Add Costing Centers to Departments consistent with, and shared by, the Capital budget module;<br>• Associate Costing Centers with Funds;<br>• Define Budget Promotion Stages. | In scope |
| **Initial Data Load ...** | | |
| Import Initial Budget | Import the current/future budget, with 1 years of future forecast data from data import workbooks:<br>• Create dollar budget line items with GL Accounts<br>... at the Costing Center level.<br>Questica will carry out a second import of the current/future budget if required. This accommodates an initial data load at the start of the implementation and a refresh prior to going live. | In scope |

| | | |
|---|---|---|
| Import Historic Budgets | Import 5 prior years' Operating budgets from data import workbooks. All prior years must have a chart of account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.<br>Note: The data format and structure must be consistent across all years to be imported. | In scope |
| Import Actuals Transactions | Import Operating actuals transactions from data import workbooks. If not in scope then The Customer can add their historical data manually, or using Questica Budget's spreadsheet import feature, or use the automated integration once that has been configured. | Customer task |
| Import Initial Statistical Budget | Import the current/future Operating budget from data import workbooks:<br>• Create statistical budget lines items with Statistical Accounts … at the Costing Center level. If not in scope then The Customer will add their budget data manually or using Questica Budget's spreadsheet import feature. | Customer task |
| Import Historic Statistical Budgets | Import prior years' statistical budgets from data import workbooks. If not in scope then The Customer can add their historical data manually or using Questica Budget's spreadsheet import feature. | Customer task |
| Import Statistical Actuals Transactions | Import statistical actuals translations from data import workbooks. If not in scope then The Customer can add their historical data manually, or using Questica Budget's spreadsheet import feature. | Customer task |
| Import Initial Staff Plan | Import current staff plan as start point for next budget year from data import workbooks. If not in scope then The Customer can add their staff plans manually.<br>Note that staff plans are not simple 2 dimensional data that can be represented in a spreadsheet. It is not possible to load staff plans in bulk from Excel® workbooks. | Not in scope |
| Integration ... | | |
| Budget Export | Automated facility to transfer the Operating module budget data from Questica Budget to The Customer's Workday general ledger at the approved budget object/costing center level on an annual or other basis when invoked by a user.Note that this scope item is in addition to the built-in budget export, which will create a CSV file using the configured account structure suitable for import into most general ledger systems.In addition to the limitations noted in the general Integrations section of this Scope of Work; and notwithstanding items expressly referenced in the "Customizations" section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points: • Questica will create no more than 1 custom export configuration of the approved budget; • No custom user interface will be created for the selective export of sections of the budget; • Exports the entire budget (does not support the export of changes since the last export, such as amendments, which is a separate integration, see "Amended Budget Export" below). | In scope |

| | | |
|---|---|---|
| Amended Budget Export | Automated facility to transfer individual approved amendments to the Operating module budget data, from Questica Budget to The Customer's Workday general ledger, or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the Workday general ledger cannot be updated by re-running the full export provided in the item in the "Budget Export" item above. | Not in scope |
| Actuals Import | Automated facility to transfer actual data from The Customer's Workday general ledger to the Questica Budget Operating module at a transaction level on a daily basis when automatically scheduled; and/or on demand.<br><br>Note that this scope item is in addition to the built-in actuals import which is able to read a CSV file, provided it conforms to some simple formatting requirements and the configured account structure.<br>Notwithstanding items expressly referenced in the "Customizations" section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points:<br>• Questica will create no more than 1 import configuration of the actual costs transactions;<br>• A user interface will be created for the selective import of sections of the budget within two date ranges, no other criteria will be available;<br>• Imports only actuals transactions, which is to say that it cannot be used to amend the budget. | In scope |

## 2.3. Salaries Module

The Questica Budget Salaries module is included in this installation.

| Functional Area | Description | Scope of Work |
|---|---|---|
| Initial Data Load ... | Configuration and data import of standard Questica Salaries data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to: • Create positions; • Create salary grades; • Create salary grade steps; • Create modifiers (benefits); • Create employees; • Allocate employees to positions; • Allocate positions to costing centers.For the purpose of the above, the definitions of positions, Salary grades, Salary grade steps, employees and modifiers shall be those found in the Questica Budget Salaries manual. The relationships between them shall be those currently supported by Questica Budget and described in the Questica Budget Operating Manual.Questica will carry out a second import of the Salaries module data if required. This accommodates an initial data load at the start of the implementation and a refresh prior to going live with the Salaries module. | |

| | | |
|---|---|---|
| Import Positions & Employees | Import from data import workbooks. | In scope |
| Import Grades & Scales | Import from data import workbooks. | In scope |
| Create Benefits (Modifiers) | Create "modifiers" to generate supplementary personnel costs such as benefits, allowances, and insurance. If not in scope then The Customer can enter modifiers manually.<br>Note that modifiers are not simple 2 dimensional data that can be represented in a spreadsheet. It is not possible to load modifiers in bulk from Excel® workbooks. | Customer task |
| Import Position/Costing Center Allocations | Import from data import workbooks. | In scope |
| **Integration ...** | | |
| Payroll Actuals Import | Automated facility to transfer actual payroll transactions at the employee/position detail level from The Customer's payroll system to the Questica Budget Operating module; automatically scheduled, and/or on demand.<br>Notwithstanding items expressly referenced in the "Customizations" section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points:<br>• Questica will create no more than 1 import configuration of the payroll actual transactions;<br>• A user interface will be created for the selective import of sections of the budget within two date ranges, no other criteria will be available;<br>• Data in each integration point will either replace all GL actuals in the personnel GL account category or be written to a custom entity created to store the payroll actuals, but not both. | In scope |
| HR Data Sync. | Automated facility to synchronize Salaries data between Questica Budget and The Customer's Workday HR system. Questica shall be responsible for providing the software interface into Questica Budget and the operational infrastructure required to manage the integration. The Customer shall be responsible for making available the data to be exported from the Workday system, either in CSV formatted files or by ensuring that the standard Workday to Questica Budget integration component is available for extracting data from and updating data within that system. This will be through the export and import of structured files or by providing database interfaces (stored procedures and queries). This integration synchronizes: • New, deleted and updated employees; • New, deleted and updated positions; • Changes in employee-position relationships; • Changes in position-costing center relationships. The integration of profiles (bargaining units), grades, steps, pay scales and benefits shall not be included unless expressly referred to in the "Customizations" section of this Scope of Work. Notwithstanding responses to Requests for Proposals or other communications between Questica and The Customer, the integration of custom chart field items is not included unless expressly set out in the "Customizations" section of this Scope of Work. | In scope |

## 2.4. Capital Module

The Questica Budget Capital module is included in this installation.

| Functional Area | Description | Scope of Work |
|---|---|---|
| **Configuration ...** | | |
| Import Projects | Configuration and data import of standard Questica Capital data structures, using data supplied by The Customer in Excel® workbooks provided by Questica. At a minimum, the files will contain the data necessary to:<br>• Create Projects (including closed projects where historical budget is to be loaded);<br>• Add Projects to Departments consistent with, and shared by, the Operating budget module;<br>• Define Project Promotion Stages.<br>The configuration data may optionally contain data necessary to:<br>• Define Asset Categories & Asset Types;<br>• Define Project Regions;<br>• Define a Single Set of Project Ranking Metrics. | In scope |
| **Initial Data Load ...** | *Initial Capital data imported into Questica Budget from Excel® files ("workbooks")* | |
| Import Initial Budget | Import the current/future Capital budget, with 5 years of future forecast data from data import workbooks:<br>• Create dollar budget line items with GL Accounts and Funds<br>... at the Project level.<br>Questica will carry out a second import of the current/future budget if required. This accommodates an initial data load at the start of the implementation and a refresh prior to going live. | In scope |
| Import Historic Budgets | Import 5 prior years' Capital budgets from data import workbooks. All prior years must have a chart of account structure that is the same, or a subset of, the initial budget. Only the amended OR the approved budget will be imported in each of these prior years, but not both.<br>Note: The data format and structure must be consistent across all years to be imported. | In scope |
| Import Actuals Transactions | Import Capital actuals transactions from data import workbooks. If not in scope then The Customer can add their historical data manually, or using Questica Budget's spreadsheet import feature, or use the automated integration once that has been configured. | Customer task |
| **Integration ...** | | |

| | | |
|---|---|---|
| Budget Export | Automated facility to transfer the Capital module budget data from Questica Budget to The Customer's Workday general ledger or project ledger the approved budget object/costing Summarized level on an annual or other basis when invoked by a user.<br><br>Note that this scope item is in addition to the built-in budget export, which will create a CSV file using the configured account structure suitable for import into most general ledger systems. In addition to the limitations noted in the general Integrations section of this Scope of Work; and notwithstanding items expressly referenced in the "Customizations" section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points:<br>• Questica will create no more than 1 custom export configuration of the approved budget;<br>• No custom user interface will be created for the selective export of sections of the budget;<br>• Exports the entire budget (does not support the export of changes since the last export, such as amendments, which is a separate integration, see "Amended Budget Export" below). | In scope |
| Amended Budget Export | Automated facility to transfer individual approved amendments to the Capital module budget data, from Questica Budget to The Customer's Workday general ledger (or project ledger), or the other direction as required. This interface is required only in the case where The Customer requires the amended budget to be synchronized between the two systems and where the Workday target system cannot be updated by re-running the full export provided in the item in the "Budget Export" item above. | Not in scope |
| Actuals Import | Automated facility to transfer actual data from The Customer's Workday general ledger or project ledger to the Questica Budget Capital module at a transaction level on a daily basis when automatically scheduled; and/or on demand.<br><br>Note that this scope item is in addition to the built-in actuals import which is able to read a CSV file, provided it conforms to some simple formatting requirements and the configured account structure.<br>Notwithstanding items expressly referenced in the "Customizations" section of this Scope of Work; and/or other communications between Questica and The Customer to the contrary, standard limitations of this integration include, but are not limited to, the following points:<br>• Questica will create no more than 1 import configuration of the actual costs transactions;<br>• A user interface will be created for the selective import of sections of the budget within two date ranges, no other criteria will be available;<br>• Imports only actuals transactions, which is to say that it cannot be used to amend the budget. | In scope |

## 2.5. Performance Measures Module

The Questica Budget Performance Measures module is included in this installation..

| Functional Area | Description | Scope of Work |
|---|---|---|
| **Configuration ...** | | |
| Measure Categories and Units | Questica will, with the help of The Customer, determine how to configure Performance Measures Categories and Units, establishing those lookup values within the system. | In scope |
| **Import Data ...** | *Initial Performance Measures imported into Questica Budget from Excel® files ("workbooks")* | |
| Measures | If not in scope then The Customer will leverage Questica provided training to determine how to enter Performance Measures into the system.<br>Note that Measures are not simple 2 dimensional data that can be represented in a spreadsheet. It is not possible to create Measures in bulk from Excel® workbooks." | Customer task |
| Scorecards | If not in scope then The Customer will leverage Questica provided training to determine how to configure Performance Measure Scorecards within the system. | Customer task |
| **Integration ...** | *If automated import of Measure Actuals is required then a custom interface can be specified in the "Customizations" section of this Scope of Work.* | |

## 2.6. OpenBook

Questica's "OpenBook" cloud service for data transparency.

| Functional Area | Description | Scope of Work |
|---|---|---|
| **Configuration ...** | | |
| System Administration | General configuration of OpenBook to set the look-and-feel, captions, and add users. As a customer task, The Customer will leverage Questica's training material to understand the administration options. | Customer task |
| Configuration of Visualizations | The Customer is able to add multiple "visualizations" of their data to their OpenBook site. Each dataset is displayed according to a template selected from a library of visualization styles. As a customer task, The Customer will leverage Questica's training material to understand the administration options. | Customer task |
| Configuration of Questica Budget | Questica will, with the help of The Customer, configure up to 3 ad hoc views as a convenient source of source of OpenBook data. The Customer is able to configure as many additional ad hoc views as required. | In scope |
| **Integration ...** | | |
| Import from Questica Budget | Connection of OpenBook to Questica Budget, through a shared API key, and the publication of ad hoc views for seamless import of data into OpenBook from Questica Budget. The Customer can leverage Questica's training material to learn how to connect Questica Budget to OpenBook. | Customer task |

| Import from CSV Files | Population of datasets through the import of .CSV files. The Customer can leverage Questica's training material to learn how load and configure datasets from CSV files. | Customer task |
|---|---|---|

## 2.7. Training

| Functional Area | Description | Scope of Work |
|---|---|---|
| *Questica maintains a substantial set of training courseware online in the Questica Academy. All relevant material on the Academy is available to all users during and after the implementation.Questica's standard training model is to train the trainers and/or advanced users within the Customer's organization in all aspects of the application related to the system delivered. Training is a blend of online courseware and "live" training, either in a classroom or via a web conference. In the case of video training the project manager will field any outstanding questions. Where a specialist trainer is "In Scope" below this might be as a follow-up to a video or presentation of the entire course.Questica's project manager will help determine at which point in the implementation the delivery of training is most appropriate. The Customer may prefer to receive some or all of their training in the early stages of the implementation, in the knowledge that such training will need to be carried out using a generic training database. Alternatively the Customer may choose to wait until the implementation is substantially complete in order to be trained on their own instance of Questica.Having received train-the-trainer training, the Customer is responsible for training the "end users", except where explicitly included in scope (below).Note that Questica offers, as a service, the creation of online courseware for end users that is tailored to the Customer's system and processes.The following sections detail the proposed training. The project manager and the Customer will determine the final training plan and topics may be swapped to receive more of one and less of another, provided that the total amount of training does not exceed the proposed plan.* | | |
| Training: Administration | Training in Questica Budget administration is delivered via a series of training courseware, such as pre-recorded videos. This will be delivered in one training session. | In scope |
| Training: Administrator Authored Reporting | Training in the use of ad hoc views and dashboards is delivered via pre-recorded training videos. Questica also provides instructional videos on the use of the Report Builder 3.0 report authoring tool but recommend that users make use of the many online resources to gain expertise in this tool. This will be delivered in one training session. | In scope |
| Train-the-Trainer: Allocations | "Train the trainer" training in Questica Budget's Allocations feature is delivered via a pre-recorded training video. | Customer task |
| Train-the-Trainer: Change Requests | "Train the trainer" training in Questica Budget's Change Requests feature is delivered via a pre-recorded training video. | Customer task |
| Train-the-Trainer: Statistical Ledger | "Train the trainer" training in Questica Budget's Statistical Ledger budgeting feature is part of the Operating training where this optional feature is in scope. | Not in scope |
| Train-the-Trainer: Operating | "Train the trainer" training in the use of Questica Budget's Operating module. Up to 2 training sessions will be held on this topic. | In scope |
| Train-the-User: Operating | "Train the user" training in the use of Questica Budget's Operating module. | Customer task |
| Train-the-Trainer: Staff Planning | "Train the trainer" training in the use of Questica Budget's Operating module. | Not in scope |

| Train-the-User: Staff Planning | "Train the user" training in the use of Questica Budget's Operating module. | Customer task |
|---|---|---|
| Train-the-Trainer: Salaries | "Train the trainer" training in the use of Questica Budget's Salaries module. This will be delivered in one training session. | In scope |
| Train-the-User: Salaries | "Train the user" training in the use of Questica Budget's Salaries module. | Customer task |
| Train-the-Trainer: Capital | "Train the trainer" training in the use of Questica Budget's Capital module. Up to 2 training sessions will be held on this topic. | In scope |
| Train-the-User: Capital | "Train the user" training in the use of Questica Budget's Capital module. | Customer task |
| Train-the-Trainer: Performance Measures | "Train the trainer" training in the use of Questica Budget's Performance module is via pre-recorded training video. This will be delivered in one training session. | In scope |
| Train-the-User: Performance Measures | "Train the user" training in the use of Questica Budget's Performance module. | Customer task |
| On Site ... | | |
| On-Site Training Visits | All in-scope training provided by Questica will be delivered using web conferencing tools. Attendees are able to participate in the training from multiple locations, using their own computer or a shared system (their own computer is recommended). Audio is provided by telephone or the computer's own audio facilities. | Not in scope |

# 2.8. Customizations

## 2.8.1. Custom Business Rules (CBRs), Modifiers, User Interface

This Scope of Work does not include the development of customizations.

During the scoping of this implementation, it was determined that the following customizations may be required. These customizations are NOT in scope. Questica recommends that The Customer holds a contingency of at least (40 hours) for the funding of change orders to create such customizations as are required:

● Integration: Change Request Amendments integration to Workday- Operating

*** Notes: Pushing Change Request Amendments from Questica Budget to Workday

● Integration: Change Request Amendments integration to Workday- Capital

*** Notes: Pushing Change Request Amendments from Questica Budget to Workday

Customizations not listed here can be accommodated upon receipt and acceptance of a change order, which will include a specification and may include an estimate for the work to be charged on a time & materials basis at the applicable rate.

## 2.8.2. Custom Reports, Custom Ad Hoc Entities and Custom Dashboards

The following are included within this Scope of Work:

● Report: Contingency for possible reporting

Custom reporting and dashboard requirements not listed here can be accommodated upon receipt and acceptance of a change order, which will include a specification and may include an estimate for the work to be charged on a time & materials basis at the applicable rate.

### 2.8.3. Specifications

Before Questica undertakes any customizations described herein, as well as integrations with other systems, and data imports, The Customer and Questica shall prepare and sign-off on the detailed specifications ("Specifications") for the work to be performed.

### 2.8.4. Change Orders

Any changes to the agreed specifications, including changes requested by The Customer within the warranty period, shall be the subject of a new change order and the work to be carried out thereunder shall be separately quoted, agreed, and billed and shall not be included as part of this Scope of Work.

### 2.8.5. Warranty

Once completed the custom work shall be warranted by Questica in accordance with the "Technical Support Services" section of the Questica Software License Agreement.

## 2.9. Project Management

### 2.9.1. Questica Project Management Responsibilities

1. Coordinating the development of the project plan in consultation with The Customer project manager and team members.
2. The timely delivery of items identified as "In scope" within this SoW.
3. Ensuring that members of The Customer staff are sufficiently educated in the Questica Budget application to understand the implications of initial design decisions.
4. Providing The Customer with timely and detailed descriptions of the items identified as "Customer task" within this SoW.
5. Advising The Customer of expected completion dates for items identified as "Customer task" within this SoW.
6. Advising The Customer of the impact on the expected delivery dates of "Customer task" items when prerequisite customer tasks, such as the completion of data import templates or approval of report specifications, are advanced or delayed.
7. Monitoring the progress of the project and advising The Customer of risks to its on-time completion.
8. Coordinating the completion and approval of change orders.

### 2.9.2. The Customer Project Management Responsibilities

1. The timely delivery of items identified as "Customer task" within this SoW.
2. Advising The Customer of expected delivery dates for items identified as "Customer task" within this SoW.
3. Ensuring that change orders contain a full specification of the changes required.
4. Ensuring that customizations are fully specified and documented.
5. Ensuring that all Customer team members have a clear understanding of their responsibilities to the project.

### 2.9.3. Project Planning

1. The project plan will be prepared by the Questica project manager in consultation with The Customer's project manager and team members.
2. The project planning phase will determine whether Questica Budget modules are to be implemented serially or in parallel and, if serially, the order of module implementation.
3. The implementation of each Questica Budget module will involve the following stages:
   a. An overview of, and training in, the module and the ways in which the module can be extended by configuration and customizations.
   b. A determination of how best to configure and, if necessary, customize the module to meet the objectives of The Customer.
   c. An overview of the advantages and, if present, disadvantages of the proposed configuration and customizations.
   d. Documentation of the agreed configuration and customizations.

e.  The preparation of data import templates consistent with the agreed configuration and customizations.

f.  The completion by The Customer of the data import templates.

g.  The import by Questica of the data import templates.

h.  Customer approval of the imported Questica Budget structures and data.

i.  The creation by The Customer of a technical environment in which Questica Budget can operate.

j.  The deployment of the Questica Budget application and database on The Customer servers.

k.  The creation of custom ad hoc models to support the reporting of custom fields.

l.  Training in the use of ad hoc modeling for Report Builder 3.0.

m.  Determination of custom reporting requirements that cannot be met by the standard reports and the use of Report Builder 3.0.

n.  The preparation of change orders and specification for any custom reports not detailed in this Scope of Work.

o.  The development by Questica of any required custom reports detailed in this Scope of Work.

p.  The testing and acceptances of custom reports and report views.

q.  The deployment of custom reports and report views.

r.  The development of an integration strategy for updating the Questica Budget database with actual result data from the financial system and the passing of budget data into the financial system.

s.  The development by The Customer of the integration components (queries, intermediate tables, file output/input etc.) which are required to access actual data from the financial system/HR System and update the financial system with budget data.

t.  The development by Questica of:

   i.   integration components which transform budget data prior to updating the financial system;

   ii.  integration components which transform actual result data prior to updating the Questica Budget database;

   iii. integration components required to initiate the execution of integrations.

u.  The deployment of all integration components.

v.  The testing and acceptance by The Customer of the integration components.

## 2.10. Customer Resources

1.  The requirement for Customer resources is variable with:

   a.  The duration of the project.

   b.  The degree of internal Customer consultation.

   c.  The level of internal Customer agreement.

   d.  The number of customizations.

   e.  The familiarity of Customer staff with the SQL Server environment.

# APPENDIX A

The start date for the project is expected to be January 2019. Both parties agree that time is of the essence, and agree to adhere to the timeline. This timeline is dependent on the County's ability to get the required data and queries to Questica in a timely manner.

## Implementation Timeline

Item in blue are owned by the client.

Items in green are owned by Questica

Items in purple are shared

<u>Contract Execution</u>

<u>Week 3</u>

- Kick-off
  - Deep dive session(s) scheduled
  - Status meeting established
  - SharePoint Access set up
- Administrative information completed

<u>Week 4</u>

- Excel templates and high level overview provided to the County
- Implementation sites installed on Questica servers.
- Deep Dive session
  - Demo as required
  - Project timeline agreed upon
  - Security
    - Authentication
    - Authorization
  - COA structure understood and modelled in Questica Budget
  - In depth review of Excel templates
    - Global
    - Operating
    - Capital
    - Salaries

<u>Week 5</u>

- Global data worksheet returned to Questica (accounts, funds, departments etc.)

<u>Week 6</u>

- Global data import complete.
- Training Scheduled

- Basic integration design identified (how will the data be passed from financial system to and from Questica - database view or .CSV)
- Any customizations required identified

Week 7

- Operating data workbook returned to Questica.

Week 8

- Statistics overview
- Customizations specifications completed

Week 9

- Operating data import complete.
- Customization work started

Week 10

- Salaries data workbook returned to Questica.

Week 11

- Statistics data provided to Questica
- Operating data import signed-off
- Operating Integrations started

Week 12

- Capital data workbook returned to Questica

Week 13

- Statistics data import complete
- Salaries data import complete.
- Operating Integrations complete
- Budget export integrations finalized.
- Performance measures overview

Week 14

- Capital data import complete

Week 15

- Statistics data signed off
- Salaries data import signed-off
- Modifiers overview

Week 16

- Capital data import signed-off.

Week 17

- Capital Integrations started
- Position / Employee modifier data updated
- Customization development completed

Week 19

- Modifier creation completed
- Train-the-trainer training

## Week 20

- Capital Integrations completed
- Customizations signed off
- Acceptance testing started

## Week 21

- End users trained

## Week 22

- Delivery of any UAT fixes.

## Week 23

- Acceptance testing completed

## Week 24

- Install system on client's servers (joint task – allow for a full morning).
- Promote from implementation to production status (hand-over to Questica professional services).
- Go-live to end users

# APPENDIX B - REQUIREMENTS

## General Information

A new budgeting system should provide the ability to manage all aspects of the budget process, including but not limited to creating, updating and amending budgets; and producing reports.

## Below is a list of requirements:

- Import data from the General Ledger and Human Resource applications. These data include actual and budgeted expenses and revenues, descriptions of General Ledger elements (fund, program, department, basub-elements, object and reporting category) as well as complex position-specific data regarding salaries and benefits.

- The system will include the "current budget" at any given time because it will be the unique venue through which the budget gets created, updated and modified (after the budget is created and adopted, it can only be subsequently modified through supplemental actions and Journal Budget entries, both of which will be handled through the new budgeting system).

- Automatically calculate position costs based on a wide range of information regarding position elements such as classification, step, bargaining unit, medical and dental plan, etc.

- Ability to edit /override individual position elements and data.

- Code individual budget line items and positions as either "on-going" or "one-time."

- Add and delete line items.

- "Purge/delete" scenarios or supplementals and start over fresh the baseline or supplemental action budget process if needed for any reason.

- Create, at the beginning of each budget cycle, a "budget hierarchy" that subdivides the budget into various groups and allows different levels of access for users to the various budget groups. Users are allowed to access their specific group but not others. Budget Office staff however must have universal / global access.

- Ability to distribute baseline budgets to departments for review and departmental adjustments.

- Ability for departments to submit reviewed and/or adjusted budgets back to the Budget Office for review.

- Budget Office staff can lock and unlock budget scenarios at any given time.

- Ability to track the history of changes made to each line item, by budget stage, user and change date, including sending notifications when baseline budgets have been modified; this history should be preserved for previous and current biennium only (four years). When a user clicks on a budget line item, they should be able to see when/who created and modified the line item, including documentation for the budget action, supplemental action, or journal budget entry with supporting/associated verbiage; this history should be preserved for as long as possible (four years or two biennia minimum).

- Ability to budget on an annual basis, with a final rollup into a biennial budget.

- Ability for Budget Office staff to perform mass updates to budget information as needed either within the budget application or via Microsoft Excel. If the mass updates are done in Microsoft Excel, users need to be able to easily upload the updates back to the budget application.

- Add, save and view notes for budget line items and positions.

- Multiple staff can work on and perform updates in the budget application at the same time as long as they are not accessing the same data record. (e.g. ability for multiple users to update budget scenarios without running into issues where the entire scenario is locked)

- Create and produce reports with the required information for publishing.

- User friendly intuitive interface for Budget Office staff and departmental users. Departments currently use the budget application a few months every other year. Department users to need to be able to prepare supplemental budget requests, position changes and Journal Budget Vouchers at various times during the budget cycle. The budget application should be intuitive enough that departments would not need to be re-trained every time then need to use the system.

- The system can project out future revenues and expenses, based on inputted criteria/assumptions; this is highly desirable, but not required.

  Ability to download and upload data in various formats including but not limited to Microsoft Excel, Word, and PDF.

| Areas / Description |
| --- |
| 1. Integration |
|     a. Must integrate with GL |
|         i. Daily update of actual data |
|         ii. Actuals data by month by fund, department, program, basub-element, object, reporting category |
|         iii. Bring in descriptions of GI codes as well |
|   |
| 2. Adopted budget preparation |
|     a. Must allow various budgeting methodologies for creating new adopted budget |
|         i. Incremental |
|         ii. Program |
|         iii. Priority based |
|         iv. Zero-based |
|     b. Position costing |
|         i. Must enable costing/escalation by employee group |
|         ii. Benefits |
|             1. Must enable specific benefit selection coming from HR |
|             2. Should enable use of average costing for benefits |
|         iii. Must be able to deal with multiple collective bargaining agreements |
|             1. Must be able to handle Longevity pay |
|             2. Should have some functionality for handling Performance pay |
|             3. Must be able to calculate Represented positions costing in same CBA whether hourly or monthly |
|         iv. Must be able to increment pay for Step increases |
|             1. Timing depends on employee group |

| Areas / Description |
|---|

        a.   May be at anniversary of hire

        b.   May be at anniversary of job change

        c.   May be at first of year

    v.  COLA

        1.   Must be able to handle mass update of pay rates for COLA

    vi.  Contingency

        1.   Must be able to calculate contingency balances based on unknown (estimated) increases to pay/benefits

    vii.  Must be able to manage headcount by fund/dept.

  c.  Allocations/transfers

    i.  Must enforce balance between rev/exp for allocation of indirect costs

    ii.  Must enforce balance between rev/exp for transfers between funds

    iii.  Should include ability to enter variables to drive allocations

        1.   PC count

        2.   Fuel costs

  d.  Must be able to manage budget preparation stages

    i.  Currently using

        1.   Budget office distribution

        2.   Department submission

        3.   County manager recommended

        4.   Council hearing

        5.   Adopted

  e.  Other mass updates

    i.  Should include ability to do mass updates of rates/attributes easily

        1.   Export/import using excel

        2.   Other update method

  f.  Should include Custom fields

    i.  Examples of custom fields

        1.   Provide justification for budget requests

        2.   Designate budget item as Ongoing v. One-Time

3.  Decision packages (DPs, or change requests)

  a.  Must enable departments to submit requests for additional budget capacity

    i.  Must be able to include new/changed positions

    ii.  Must be able to request other supplies/services

4.  Supplemental requests/Re-Adopt

  a.  Similar to decision packages at specific times during budget cycle

5.  Other budget adjustments

  a.  Revenue neutral/no change budget requests

    i.  New grant/new related exp

| Areas / Description |
| --- |

        ii.  Moving budget from one account string to another (journal entry)

    b.  Requests should go through workflow

    c.  Should enable journal preparation

    d.

6.  Workflow

    a.  Budget requests/changes Must use workflow engine to be routed to appropriate approval level/stage

        i.  Move budget (journal entry to move budget) that is budget neutral

            1.  Route to budget office for approval

        ii.  Increase budget

            1.  New position or increase budget for current position

                a.  Route to HR and budget office

                b.  Then route to county manager

            2.  No new position costs

                a.  Route to Budget office

                b.  Then to county manager

7.  Reporting

    a.  Departments should be able to follow budget changes at each stage of approval in system

    b.  Must be able to produce summary reports for Council pre-hearing and hearing

    c.  Must be able to produce Budget to actual reports

    d.  Should be able to show impact of supplemental requests/decision packages by fund/dept.

8.  Security

    a.  Must leverage Active Directory or ERP security

    b.  Should enable set up of roles with hierarchy for workflows

9.  Other information

    a.  Must be able to include narrative information on funds/departments/programs to be used in reporting

    b.  Must be editable by users outside budget office

    c.  Ability to track performance measures (Programs)

    d.  Audit Trail – track changes / versions

    e.  Concurrent – multiple users

# APPENDIX C

## Service Levels

The County's expectation is that if County personnel experience a system problem, they will call the County's internal help desk to log an incident. The help desk will notify the on call

support analyst who will attempt to determine if the problem is caused by the internal infrastructure (e.g. server down, network down, pc problem) and forward to the application service provider if the problem resides with the application.

If the issue is identified to be an issue with the software, the County's system support will contact the Contractor. The Contractor will respond to Support Calls according to the following Service Levels:

## SERVICE LEVEL METRICS FOR CLOUD-BASED SERVICES IN A PRODUCTION ENVIRONMENT

The following table sets out the Service Level Metrics applicable to the cloud-based Services.

| | Service Level Metric Description | Metric | Remedy / Remedial Action |
|---|---|---|---|
| 1. | Availability | **Metric:** Availability ≥ 99.9%<br><br>**Measurement Period:** Monthly<br><br>**Measurement:**<br><br>"Availability" with respect to any cloud-based Service in any month equals the following number divided by the number of minutes in the month and multiplied by 100: the difference between the number of minutes in the month and the minutes of Down Time for the month.<br><br>"Down Time" with respect to any month equals the sum of all periods of time during that month when any of the following events are occurring other than as a result of Scheduled Maintenance: (i) the cloud-based Service cannot be accessed by any User; (ii) the performance of the cloud-base Service is materially compromised; or (iii) the Subscriber is unable to use the cloud-based Service to access the Subscriber Data; (iv) a critical function with the cloud-based service is unavailable or is materially compromised.<br><br>"Scheduled Maintenance" means any maintenance conducted by Vendor: (i) between 12:00 a.m. and 5:00 a.m. (local time in Burlington, Ontario) or (ii) during any maintenance period for which the Subscriber has been given written notice at least three (3) Business Days in advance of the first day of the maintenance period (provided that the maintenance period does not last longer than 24-hours in total). | For failing to meet this Service Level Metric, the Vendor will provide to the Subscriber a credit equal to 10% of the value of the Subscribed Service Fees for the month in which the Service Level is not achieved.<br><br>The waiving of this credit shall be based at the Subscriber's discretion in writing. |
| 2. | Restore Time | **Metric:** No single period of Down Time will last longer than four (4) hours.<br><br>**Measurement:**<br><br>A period of Down Time begins at the earlier of the following times: (i) when Vendor becomes aware of the outage or partial outage through its own monitoring efforts; and (ii) when any one of the Vendor's clients reports the outage to Vendor.<br><br>A period of Down Time ends when: (i) the cloud-based Service is functioning in substantial accordance with its specifications; and (ii) the Subscriber confirms that it is able to access the affected cloud-based Service and use the cloud-based Service to access the Subscriber Data. | See Remedy / Remedial Action for Service Level Metric #1 (Availability) |

| | Service Level Metric Description | Metric | Remedy / Remedial Action |
|---|---|---|---|
| 3. | Incident Response | **Metric:** Incident Response Time Targets Met 100%<br><br>**Measurement Period:** Monthly<br><br>**Measurement:** Incident Response Time starts at the time an incident is reported by the Subscriber via the Vendor's incident reporting system.<br><br>Incident Response Time ends when: (i) the Vendor starts work on the ticket; and (ii) when the Vendor acknowledges receipt of the ticket. | For failing to meet this Service Level Metric, and provided the Vendor fails to meet the response Time Targets on more than one incident in a given month, the Vendor will provide to the Subscriber a credit equal to a percentage of the value of the Subscribed Service Fees for the month in which the service level metric was not met based on incident priority:<br><br>• Priority 1 – 10%<br>• Priority 2 – 5%<br>• Priority 3 – 3%<br>• Priority 4 – 3%<br><br>The waive of this credit shall be based at the Subscriber's discretion in writing. |
| 4. | Incident Resolution | **Metric:** Incident Resolution Time Targets Met ≥ 99%<br><br>**Measurement Period:** Monthly<br><br>**Measurement:** Incident Resolution Time starts at the time an incident is reported by the Subscriber via the Vendor's incident reporting system.<br><br>Incident Resolution Time ends when: (i) a solution has been provided and implemented that resolves the reported incident; or (ii) a work-a-round acceptable to the Subscriber is provided that provides a temporary solution to the reported incident; or (iii) a time frame for implementation of the solution to the reported incident has been established that is acceptable to the Subscriber. | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions. |
| 5. | Disaster Recovery | **Metric:** Disaster Recovery Target Met<br><br>**Measurement Period:** Any Disaster Event<br><br>**Measurement:** If there is a disaster, the application will be recovered within twenty-four (24) hours. Disaster Recovery Time starts when a disaster event is encountered that critically impacts the application. Disaster Recovery Time ends when services have been restored. | For failing to meet this Service Level Metric, Vendor will provide to the Subscriber a credit equal to **20**% of the Subscribed Service Fees for the applicable month. |

| | Service Level Metric Description | Metric | Remedy / Remedial Action |
|---|---|---|---|
| 6. | Mean Time Between Incidents | **Metric:** Mean Time Between Incidents ≥ 10 days<br><br>**Measurement Period:** Quarterly<br><br>**Measurement:** The average time between the reporting of a P1 or P2 incident and the reporting of the next P1 or P2 incident | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions. |
| 7. | Return any Request for Support made within defined Business Hours | **Metric:** Return any Request for Support made within defined Business Hours<br><br>**Measurement Period:** Quarterly<br><br>**Measurement:** The average time to return any request for support is two (2) hours. | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take all reasonable corrective actions. |

Under no circumstances will the credits or penalties resulting from a single event be compounded. The Subscriber will at its sole discretion, determine which Service Level Metric is to be enforced for a single event.

## OTHER SERVICES

The Vendor shall demonstrate compliance to the support the implemented Questica Budget system through:
- Continued investment and development of the Questica Budget application
- Management of quarterly updates
- Management of ticket and resolution
- Management of approved changes and enhancements

## PERFORMANCE MONITORING

The following table sets out a number of Services Agreement -specific KPIs.

| | Key Performance Indicator | Metric | Remedy / Remedial Action |
|---|---|---|---|
| 1. | CPU Usage | CPU Usage will not exceed 75% on more than 5 occasions in a month | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective actions. |
| 2. | RAM / Memory Usage | Memory Usage will not exceed 75% on more than 5 occasions in a month | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective actions. |
| 3. | Page Faults | No more than 5 page faults per second on more than 5 occasions in a month | The Vendor will work with the Subscriber to determine why agreed service levels have not been met and will take corrective |

| | | | | actions. |
|---|---|---|---|---|
| | | | | |

## ADDITIONAL TERMS

**Incident(s)** – Is an event that is not part of normal operations that disrupts an operational process or processes. An incident may involve the failure of a feature or service that should have been delivered or some other type of operation failure.

The Vendor will communicate with The Subscriber throughout the resolution period for P1 and P2 incidents, ensuring that The Subscriber is aware of the estimated Resolution Time, and if they expect the resolution to exceed the Target Resolution Time. The Vendor will make Best Efforts to resolve P1 and P2 within the respective Resolution Time Targets.

The Vendor will complete a root cause analysis and report the results to The Subscriber within one week of the resolution date for all P1 and P2 incidents.

The Vendor will provide a Preventative Action report to The Subscriber within two weeks of the resolution date for all P1 and P2 incidents, outlining the steps to be taken to prevent a similar incident from happening again. A Permanent Fix for all P1 and P2 incidents will be delivered within three months of the date the incident is resolved.

**Incident Priority Level Definitions**

| Priority Level | Description | Response Time | Resolution Time Target |
|---|---|---|---|
| 1 | The Incident has caused loss of a service to a business-critical operation or workgroup. Productivity loss of affected parties is extreme or absolute. Productivity and/or financial loss of affected business operations are significant and business processes or system functionality is seriously affected. | 1 Hour | 4 Hours |
| 2 | The Incident has caused a severe reduction of a service, reduced stability and/or performance issue related to a business-critical service. Productivity and/or financial loss of affected business operations are significant and business processes or system functionality is seriously affected. | 2 Hours | 8 Hours |
| 3 | An incident has been reported affecting a non-critical service and business operations can continue with minimal disruption to business operations. | 1 Business Day | Next Upgrade or Point Release |
| 4 | An incident has been reported affecting a non-critical IT service and business operations can continue with no disruption to business operations. | 1 Business Day | A Future Upgrade or Point Release |

**Business Hours** – Are defined as 8:00am to 8:00pm, Monday to Friday local-time to Burlington, Ontario

## End of Document

# F.H. Black & Company Incorporated

July 23, 2018

Clark County
Budget Office
1300 Franklin Street, 6th Floor
Vancouver, WA 98666
Attention: Mr. Tom Scullion

Dear Mr. Scullion:

We are writing to outline F.H. Black and Company Incorporated's ("FHB") intended involvement with Clark County ("the Client"), with respect to the Client's implementation of CaseWare Working Papers.

Based on discussions with the Client, FHB's anticipated involvement will be as follows:

Questica Budget Book training, implementation and AfterCare

### Questica Budget Book

- 32 hours of initial Train-the-trainer training (CaseWare Champion) in our standard online training sessions.

- Implementation and configuration of CaseWare's standard Budget Book library:

    o Review Questica setup, account groups & cost centers and configuration of CaseWare to support these structures
    o Configure standard content and identify requested modifications to:
        ▪ Fonts, indents & margins
        ▪ Ordering of documents
    o Initial configuration of standard content with client standards

    o Configuration & testing of Questica Integration

    o Guidance to client on their tasks (inserting schedules, pictures, embedded PDFs etc.)

- 30 hours of AfterCare annually.

As part of this engagement, the Client will:

- Provide on-going guidance to the FHB team respecting presentation and disclosure requirements, general ledger/Questica account structure, budget processes, etc., as necessary.
- Develop and submit to the FHB team Questica Ad-Hoc Reports that contain all automated values and narrative to be included in the standard budget book content.
- Group all accounts by Object and by Function as recommended/advised by FHB within a CaseWare Working Papers file should Questica Budget groupings be insufficient for Budget Book requirements.
- Reconcile and adjust the financial data within the Working Papers file as necessary to agree with previously published reports.
- Provide a mapping/group legend for each value (numeric and text) in the budget book.
- Complete miscellaneous tasks as may be assigned during the implementation.
- Review, test and sign-off on all FHB work within five (5) business days of receipt of FHB's work.
- Attend CaseWare Working Papers and Financials Template courses as deemed necessary by FHB. The cost of this training is not included in this engagement letter.

Engagement Start & Completion Dates

Upon our receipt of a signed copy of this engagement letter and our receipt of the fees listed below, we will schedule resources to this project and advise you of our date of commencement. Typically, we estimate completion within 6 -8 weeks of commencement, barring any unforeseen delays. Should we experience such delays, we will advise the the Client's management immediately.

BC 778.785.3752
AB 587.774.9113

www.fhblackinc.com

FHB FINANCE EVOLVED

MB 204.515.3302
ON 647.793.9113

Should these delays occur subsequent to the scheduling of resources and as a result of your need to delay the project, we will advise management if additional fees will result.

Fees

As outlined above, FHB will provide considerable training, consulting and aftercare services annually to the Client for the implementation of Questica's Budget Book. The fair value of these services during the the first 5 years approximates $60,000. Given FHB's confidence in the success of this solution, FHB is prepared to extend an annual subscription-based pricing model to the Client. This is an annual subscription. All services rendered will be billed as follows:

| | |
|---|---|
| Questica Budget Book (Annual fee) | **$11,750** |

Subsequent to your written confirmation, all other disbursements incurred on your behalf, including direct travel costs, will be billed at cost. Travel time will be billed at the hourly rate of $100. All noted fees are subject to applicable taxes.

The first-year payment of the above fees is due prior to commencement of this engagement. All invoices are due 30 days from the date of invoice and are subject to interest charges at the rate of 1% per month, compounded monthly, on any unpaid balances. The Client agrees that they will not utilize the CaseWare software unless they have a valid and paid subscription contract with FHB. If the Client breaches this term of the agreement, the subscription fees that would otherwise be payable up to the end of that 12-month period will become immediately due and payable by the Client to FHB.

The terms set out in this letter, together with FHB's Standard Agreement Terms enclosed herewith, constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do either of the parties hereto rely upon or regard as material, any representations or writings whatsoever made by or on behalf of the parties or their respective agents not expressly incorporated herein in writing. No modifications or amendments are valid unless rendered in writing and signed by both parties.

If you have any questions regarding the contents of this letter or the attached Standard Agreement Terms, please advise us. If the services outlined are in accordance with your requirements and if the above and enclosed terms are acceptable to you, please sign a copy of this letter in the space below, sign the Standard Agreement Terms where indicated and email both to us at admin@fhblackinc.com.

We appreciate the opportunity to be of service to the Clark County.

Sincerely,

F.H. Black &Company Incorporated

*Per:*

*Jamie Black*

Jamie Black, President

*Attachments:    FHB Standard Agreement Terms*

The undersigned hereby agrees to the services and terms set out above and in the attached Standard Agreement Terms, as of the date set out below.

Per: _____     Date: _____

Clark County by its Authorized Signatory

_____

Name of Authorized Signatory (Please print)

**Approved as to form only:**

By: _____

Deputy Prosecuting Attorney

## STANDARD AGREEMENT TERMS

**Unless otherwise indicated within this proposal, the following basic terms and conditions apply to this agreement/engagement/project:**

Unless specifically noted, any quotations are valid for 30 days from date of issue. Where fees represent product(s) to be purchased in a foreign currency, those costs may be adjusted due to fluctuations in foreign currency exchange rates.

Any software and/or hardware purchases require payment in full at time of engagement acceptance.

Software cannot be returned and no refunds will be given with respect to software and maintenance once invoiced.

Where fees for Professional Services are projected to be in excess of $1,000, a preliminary non-refundable retainer will be required prior to initiating any work. All fees are subsequently billed on the basis of an estimated progress amount each month, and any necessary adjustments to actual fees will be made in our final billing. Excepting hardware and software purchases, retainers will be applied to our final billings for an engagement that approximate the amount of the retainer. Accounts unpaid after 30 days from date of invoice are delinquent and are subject to interest charges at the rate of 1% per month, compounded monthly, on any unpaid balances. Clients are responsible for all costs incurred through actions taken to collect unpaid or overdue invoices, including, but not limited to: legal costs (on a solicitor-client basis), collection fees, etc. Clients with delinquent accounts may be denied services and/or support with no prior notice.

If not collected directly as part of our standard billing process, it is the Client's responsibility to self-assess and remit all federal, provincial, or local taxes, duties, or similar assessments based on or arising out of this engagement.

In connection with the engagement, each of us will have access to confidential &/or personal information made available by the other; each shall protect such confidential information in the same manner as it protects its own confidential information of like kind. F.H. Black & Company Incorporated shall not be required to keep as confidential information which is or becomes publicly known, is already within F.H. Black & Company Incorporated's possession or knowledge, is independently developed by F.H. Black & Company Incorporated outside the scope hereof, or is rightfully obtained from third parties. For marketing purposes, F.H. Black & Company Incorporated may make reference to the Client's name and to the general nature of the services performed, unless specifically denied by the Client in writing.

We warrant that our services will be performed in a professional and workmanlike manner in accordance with applicable professional standards, and we will re-perform any work not in compliance with this warranty brought to our attention within thirty days after the work is performed. In the event we are asked to re-perform any work and it is determined that we have already met our obligations under this paragraph, the additional work will be billed on a time and materials basis at our standard rates for time spent on such additional work. Your ability to achieve any proposed benefits will be based on numerous factors and assumptions, many of which are not within our control, and we do not subsequently guarantee that the intended benefits will actually be achieved.

The determination of the suitability of any product suggested or sold by F.H. Black & Company Incorporated for any particular application is the responsibility of the Client. We do not warrant, nor will we be responsible for, the performance of any third party products. Your sole and exclusive rights and remedies with respect to any third party product, including rights and remedies in the event a third party product gives rise to an infringement claim, will be against the third party vendor and not against us. We do agree, however, to assign to you any assignable warranties we may receive from any such third party vendor.

THE PRECEDING IS OUR ONLY WARRANTY CONCERNING THE SERVICES AND ANY WORK PRODUCT, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE, TO THE MAXIMUM EXTENT PERMITTED BY LAW.

## STANDARD AGREEMENT TERMS

F.H. Black & Company Incorporated shall retain all right and title to any computer programs and related intellectual capital developed hereunder (collectively, the "Intellectual Property") and shall have the right to incorporate such Intellectual Property in work for other customers and in its programs generally. Upon payment of agreed fees, the client shall have a non-exclusive, non-transferable 99 year license to use such Intellectual Property for its and its affiliated companies' internal business use only. The Client expressly recognizes that it is not the owner of such Intellectual Property and has no right to use such Intellectual Property except as expressly stated in this Agreement. Nothing in this Agreement shall be construed as restraining F.H. Black & Company Incorporated, its employees, agents, or subcontractors in the subsequent use of techniques and skills which may be acquired in the course of performance of this Agreement, or providing our client with any rights to the F.H. Black & Company Incorporated Intellectual Property.

In no event shall F.H. Black & Company Incorporated be liable for incidental, special or consequential damages arising out of, resulting from, or in any way connected with, the performance or breach of this Agreement (regardless of the form of action) even if F.H. Black & Company Incorporated has been advised of the possibility of such damages. F.H. Black & Company's liability for any cause whatsoever, and regardless of the form of action (including negligence), arising out of, resulting from, or in any way connected with, the performance or breach of this Agreement shall in no event exceed 50% of the amount actually paid for the portion of the services or work products giving rise to such liability (to a maximum of $50,000). Neither of us will be liable for consequential or punitive damages (including lost profits or savings) even if aware of their possible existence. Neither F.H. Black & Company Incorporated nor the Client will be liable for any delays or failures to perform services due to causes beyond our control.

The Client is exclusively responsible for obtaining any approvals, permits, licenses or other permissions for off-the-shelf third party software necessary in connection with the engagement, the titles and quantities of which will be the subject of discussion and agreement between the parties and which shall specifically include CaseWare's Working Papers ("Third Party IP"). F.H. Black & Company and the Client expressly recognize they are not the owners of such Third Party IP and have no right to use such Third Party IP except as expressly granted by the third party owners of such Third Party IP.

To allow us to manage our participation in the project most effectively, we reserve the right to determine the personnel to perform the work although we will attempt to honour your requests for specific individuals. For the duration of this agreement and for a period of one year after the services are completed, you, our client, agree not to employ or solicit the employment of any F.H. Black & Company Incorporated personnel who performed services under this engagement contract. You agree to pay us an amount equal to the annual compensation for the one-year period immediately preceding the hiring or solicitation of any such F.H. Black & Company Incorporated personnel.

Either party may, upon giving thirty (30) days written notice identifying specifically the basis for such notice, terminate this agreement for breach of a material term or condition of this agreement, provided the breaching party shall not have caused such breach within the thirty (30) day period. In the event of such termination, the client shall pay us for all services rendered and expenses incurred by us prior to the date of termination.

Neither of us shall be liable for any delays or failures to perform due to causes beyond our control. F.H. Black & Company Incorporated requires, at least, two weeks notification prior to assignment of consultants. F.H. Black & Company Incorporated requires, at minimum, forty-eight hours notification of cancellation prior to a scheduled on-site visit or F.H. Black & Company Incorporated may bill the client for one day of service and non-refundable out-of-pocket travel expenses.

The Client expressly authorizes F.H. Black & Company Incorporated of 36 Roslyn Road, Winnipeg, MB, R3L 0G6, (844-852-5225, www.fhblackinc.com) to send electronic communication respecting this and other matters including but not limited to electronic communication of a marketing nature. The Client retains the ability to opt-out or unsubscribe from future electronic communications at any time.

## STANDARD AGREEMENT TERMS

Subject to the qualifications set out herein, each party will defend, indemnify and hold harmless the other and its directors, officers, employees, agents, contractors and affiliates, from any loss, damage or liability, which may result from any breach of this Agreement by such party of any of the terms and conditions under this Agreement.

The parties shall execute whatever further documents and do whatever further things as may be necessary to implement and carry out the intent of this Agreement.

If any provision of this Agreement is unenforceable or invalid for any reason, that fact shall not affect the enforceability or validity of the remaining provisions of this Agreement and the offending provision shall be severable from the remainder of this Agreement.

Time shall be of the essence of this Agreement.

No waiver by any party of a breach of any of the covenants, conditions and provisions contained in this Agreement shall be effective or binding upon such party unless the same shall be expressed in writing and any waiver so expressed shall not limit or affect such party's rights with respect to any other future breach.

This Agreement shall be construed in accordance with the laws of the State of Washington. The parties further consent to the jurisdiction by the Courts of superior jurisdiction sitting in Clark County, Washington as the exclusive forum for any and all litigation dealing with matters arising from this Agreement.

Should there be a disagreement or a dispute between the parties respecting this Agreement or the interpretation of it, the dispute shall be referred for final settlement to a single arbitrator pursuant to the provisions of the Commercial Arbitration rules, administered by the _American Arbitration Association_, or any legislation which replaces the same.

This Agreement shall ensure to the benefit of and be binding upon the parties and their respective heirs, personal representatives, successors and permitted assigns.

Wherever the singular or the masculine is used in this Agreement, it shall be construed as meaning the plural or feminine or the body politic or corporate where the context or the parties require.

Unless concurrently or subsequently agreed to in writing, these terms and conditions accompanied to a signed engagement contract sets forth the complete agreement between the parties and supersedes all previous discussions and communications relating to the subject matter of this arrangement.

The undersigned has reviewed the forgoing terms and conditions and agrees to be bound by same in connection with its engagement of F.H. Black & Company Incorporated.

Dated as of the _____ day of _____, 20____.

Per: _____        _____
Clark County, Washington  (Please Print)              Authorized Signatory

Approved as to form only:

By: _____
Deputy Prosecuting Attorney