



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: **5a**

Title:	Recommendation to Approve a 3-Year Contract for Utility Billing Software Application Development and Support Services to Respect Technology, Inc. Not-to-Exceed cost of \$311,164
Presenters:	Larry Gunderson, Director of Information Systems Penny Lancor, Senior Systems Analyst

Meeting: Government Operations Committee

Date: September 19, 2016

Proposed Cost: \$311,164

Budgeted Amount:

Not Budgeted:

Executive Summary (if not budgeted please explain):

As a means to mitigate the increased risks associated with the City's aging utility billing and collection software coupled with limited internal staff support resources, it is recommended that the City enter into an agreement to secure software support and software development services with Respect Technology, Inc.

Respect Technology, Inc. (RTI) was selected through a Request for Proposal (RFP) process. The contract with RTI will be for three years. Costs for each year are as follows:

Year 1	\$121,044
Year 2	\$92,388
Year 3	\$97,732
Total	\$311,164

Although the proposed contract was not budgeted for the current fiscal year, funding is available in the Information Systems Department budget due to a part time Support Specialist position that will not be filled.

Attachments (please list):

- Utility Billing Support and Development Vendor Selection
- RTI Master Services Agreement for City of St Charles
- RTI Service Level Agreement for City of St Charles
- RTI Statement of Work for the City of St Charles
- City of St Charles Vendor Network Connection Agreement
- City of St Charles Confidentiality Agreement (Attachment 3)

Recommendation/Suggested Action (briefly explain):

Recommendation to approve a 3-year contract for utility billing software application development and support services to Respect Technology, Inc. not-to-exceed cost of \$311,164.



Memo

Date: September 19, 2016
To: Alderman Dan Stellato
Chairman of the Government Operations Committee
From: Larry Gunderson, Director of Information Systems
Re: Utility Billing Software Support and Development Services

Purpose

This memorandum outlines the goals, objectives and process for entering into an agreement with a vendor to provide Utility Billing Software Support and Development Services.

Background

The software used by the City to bill and collect revenue for customer utility usage was developed and implemented in the 1980s. When originally implemented, software support and enhancements were provided by the software vendor. Since that time, the software vendor ceased business operations and the City assumed support and enhancement responsibilities.

The utility billing software is written in the RPG programming language. Given its age, there are fewer and fewer programmers with the skills necessary to troubleshoot errors and make software enhancements. The City currently has one staff member with the skills necessary to read, write, and change programs written in RPG. However, because City requirements continue to evolve, enhancements are added to the software fairly frequently. For example, the ability to bill for the EPA compliance fee was added for fiscal year 2017.

Along with software application development responsibilities, support is also required for the operations of the utility billing process. In order to compensate for the loss of

experienced support staff, the City budgeted for a part time Support Specialist position for FY 17.

In addition to the utility billing and collection software, the City offers the Utility Billing Online web application to its utility customers. This application was developed in-house. The Utility Billing Online application also requires enhancements as City requirements evolve. For example, the ability for customers to pay their utility bill using a credit card was added in 2012. Currently, the software framework in which this application runs is in need of an upgrade to assure continued operation.

Both the billing and collection application and the Utility Billing Online web application are planned for replacement. A separate initiative is underway to analyze the enterprise application software needs of the City as a whole. The outcome of the enterprise application strategy initiative will be a plan for an optimal enterprise software implementation timeline. By securing immediate support and enhancement abilities of the current utility billing software, the City will be in a position to carry out the optimal implementation timeline while minimizing the risk of utility billing and collection interruptions.

Request for Proposal Development Process

In assuming in-house responsibility for support and development for the utility billing and collection software, the City has incurred no explicit maintenance costs for many years. However, turnover of City staff over time has led to reduced availability of internal resources capable of providing support and development. As such, potential risks to the uninterrupted functioning of both the utility bill processing software and web applications have increased. Given the limited availability of in-house support and the outdated and inflexible nature of the application code, risks exist for disruptions in the utility billing and collection processes.

As a result, City staff undertook an initiative to identify software risks (i.e. sources of potential software errors or process interruptions) and potential mitigation actions. Stakeholders from Accounting, Utility Billing, and Information Systems met to identify both risks and mitigation steps. The risks were prioritized based upon likelihood of occurrence and severity of impact.

To reduce the likelihood and impact of these risks in the most cost effective manner City staff decided to consider entering into a support and development agreement with an outside resource. To this end, a Request for Qualifications (RFQ) was released nationwide to identify potential qualified outside support and development services resources.

The City received 11 RFQ responses. The IS Director and IS Analysts evaluated the responses based on the responder's knowledge and experience with the RPG programming language, the Microsoft .NET framework, and utility billing and collection software in general. From these 11 responses, City staff identified four potential qualified resources and conducted online web conferences with each. The web conferences gave the responders and City staff the opportunity to clarify requirements, ask additional questions, and review the actual software application and programming code. The four qualified responders were asked to submit a proposal (RFP) for utility billing software support and enhancement services.

Of the four RFP requests, the City received two RFP responses – Daffron & Associates, Inc. and Respect Technology, Inc. The IS Director and IS Analysts evaluated the responses based on the RFP requirements. The following chart summarizes the evaluation scores:

Required Services	SCORE	
	Daffron & Associates	Respect Technology
Utility billing and collection software	7	6
Utility Billing Online web application	7	10
General business qualifications	10	13
TOTAL SCORE	24	29

The combination of 1) a higher qualification evaluation and 2) lower overall proposed cost (Respect Technology, Inc. was approximately \$1,700 less expensive than Daffron for the required services)—in addition to favorable reference calls, led City staff to consider Respect Technology, Inc. (RTI) as the vendor of choice and to work with them to refine the proposed services and associated costs.

In the proposed scope of work RTI will provide the following services:

- First level support for the day-to-day needs of City staff related to the utility billing and collection software
- First level support for the Utility Billing Online web application.
- Software development and coding enhancements designed to reduce risks identified during the risk analysis
- Hosting of a software test environment for both the utility billing and collection software and Utility Billing Online web application

Proposed costs for RTI’s scope of services are the following:

	Fixed Costs (Support and hosting)	Variable Costs (Software Development)	Total Costs
Year 1	\$64,840	\$56,204	\$121,044
Year 2	\$39,960	\$52,428	\$92,388
Year 3	\$42,600	\$55,132	\$97,732
Total	\$147,400	\$163,764	\$311,164

Conclusion

Securing outside resources for support and enhancement development for the City's utility billing and collection software and the Utility Billing Online web application will reduce the likelihood and impact of the risks associated with this aging software. By securing current support, the City will be afforded the flexibility to implement replacement utility billing and collection software as optimally defined per the outcome of the enterprise application strategy initiative.

Other ancillary benefits include faster and more thorough testing of changes by using a dedicated testing environment, reallocation of internal staff to higher value projects, and the introduction of an additional disaster recovery location.

While the software support component of this contract is a fixed cost, other costs are of a variable, not-to-exceed nature. Therefore, if software development requirements are less than anticipated the associated funds will remain unspent. Likewise, if the implementation timeline resulting from the enterprise application strategy initiative sets the replacement of the utility billing and collection software within the next three years, portions of this contract dating thereafter will remain unspent.

For the current fiscal year, partial funding of this contract will come from existing budgeted funds as a replacement for the open Support Specialist position. Remaining funds will come from unspent budget for other open positions in the IS Department. Full funding for the contract will be proposed in the FY 18 and FY 19 budgets.

Staff recommends that City Council approve a three year contract for utility billing software application development and support services to Respect Technology, Inc. for a not-to-exceed cost of \$311,164.

MASTER SERVICES AGREEMENT



THIS MASTER SERVICES AGREEMENT ("MSA") is made effective as of _____, by and between Respect Technology, Inc., ("Provider") and the City of St. Charles, Illinois ("Client") (Provider and Client are sometimes referred to individually, as a "Party", and collectively as the "Parties").

WHEREAS, Provider is in the business of delivering professional services, including, but not limited to, programming services and application support; and

WHEREAS, Client wishes to obtain certain professional services from Provider according to the terms set forth herein;

NOW, THEREFORE, and in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound agree as follows:

1. SERVICES PROVIDED

1.1. Consulting Services. Provider agrees to perform for Client, consulting services ("Services") as defined by one or more attached Statements of Work ("SOW"). Such work will be done on behalf of Client and will be performed at a location or locations to be determined by Provider.

1.2. Provider Business Hours. "Provider Business Hours" are defined as 8:00 AM to 6:00 PM EST Monday – Friday.

1.3. Provider Non-Business Hours. "Provider Non-Business Hours" are defined as 6:00 PM to 8:00 AM EST Monday - Friday including emergencies, holidays, and weekends.

1.4. Cost of Services. See attached SOW.

1.5. Support. See attached Service Level Agreement ("SLA").

1.6. Changes. Additions or modifications to the Software Development Enhancement Requests, Service Tasks, or Support (as defined in the SOW or SLA) may be accomplished through the use of the following procedure and the Change Process defined in the SOW: Upon request, the Provider shall submit a revised or new SOW to Client, which shall include a statement of additional fees and changes to other terms, if any. The SOW will become effective once signed by both Parties and will then add to or supersede any prior SOW according to the terms contained therein. Provider will not begin work on any change, alteration, or other work outside the terms of a validly executed SOW.

2. CLIENT RESPONSIBILITIES

2.1 Cooperation. Client shall cooperate with and assist Provider by providing to Provider such information and such access to Client's personnel, facilities, equipment, databases, software, and other resources as Provider may reasonably request, including those tasks and responsibilities communicated in writing outside of this MSA.

2.2 Availability. Client shall ensure the availability of its internal computing networks and environments as necessary to support the Services set forth in this MSA, if and to the extent required in connection with the particular Services provided pursuant to this MSA.

2.3 Technical Point of Contact. Client agrees to appoint a staff member to be its Technical Point of Contact ("TPOC"). The TPOC will be the primary point of contact for all issues relating to the Services provided hereunder. At a minimum, the TPOC should be PC literate, proficient in Windows, knowledgeable in basic network administration, familiar with Client's network and network based applications, familiar with Client's data communications and equipment, and have access to or be able to facilitate access to Client's server(s) and authority to authorize any service or support.

The initially appointed TPOC is:

Penny Lancor, Senior Systems Analyst Programmer
2 E. Main Street, St. Charles, IL 60174-1984
630.762.7089 plancor@stcharlesil.gov

2.4 Client's Production Systems Backup. It is extremely important to back up your data. It is Client's responsibility to verify that a valid backup has been completed each day. It is also Client's responsibility to verify that the data has been backed up to the appropriate location or media. Failure to generate a valid and complete backup may result in a loss of data due to an unexpected system malfunction.



3. PAYMENTS

3.1 Fees. Client shall pay to Provider the fees as set forth in Section 1.4.

3.2 Out of Scope Services and Lost Time. Additional fees shall accrue as a result of any of the following: (a) the performance of services beyond those described in Section 1; or (b) delays or additional costs incurred by Provider that arise as a result of Client's failure to perform Client's obligations under this MSA, including, but not limited to, Client's responsibilities set forth in Section 2. Subsections (a) and (b) constitute "Out of Scope Services". All Out of Scope Services shall be billed and payable as Consulting Services at the Standard Rate effective at the time of such services, as set forth in Section 1.1, and all such fees shall be paid concurrently with the fixed monthly Master Services fee.

3.3 Taxes. Client is tax exempt. Client is to provide tax exempt documentation.

3.4 Payment Terms. All invoices to Client are due and payable Net 30 and must be paid in United States Dollars. Any invoice unpaid for more than thirty (30) days after date of invoice shall be overdue and subject thereafter to a one and a half percent (1 1/2%) penalty. Client agrees to pay all penalties and costs of collection, including reasonable attorney's fees. See Provider Rate Sheet in SOW.

4. TERM AND TERMINATION

4.1 Term. **The Term of this MSA shall be specified as one or more successive periods of time in an attached SOW. This MSA shall remain in effect beginning on the Effective Date and shall continue until the latest date specified in any attached SOW.**

4.2 Price Increases. Outlined in SOW.

5. CONFIDENTIALITY

5.1 Confidential Information. Along with this Agreement, the Parties are simultaneously executing a separate Confidentiality Agreement which is intended to cover the confidentiality requirements of both Parties.

6. WARRANTIES

6.1 Provider Warranties. Provider's warranties are limited to the Services. Provider warrants to Client that the Services delivered or rendered under this MSA will be of the kind and quality designated and will be performed by qualified personnel. Provider offers no guarantees or warranties, express or implied, as to system availability or functionality during any phase of its delivery of Services and makes no guarantees or warranties, expressed or implied, regarding the ability to resolve Software-related problems, to recover data, or to avoid losing data except what may be expressly otherwise provided in a SOW or SLA. Provider makes no other warranties, whether written, oral or implied, including without limitation warranty of fitness for purpose of merchantability.

7. WORK PRODUCT

7.1 Client retains all rights, title and interest in any software, documentation or other works provided or developed as a result of performing services defined in the SOW.

8. LIMITATION OF LIABILITY

IN NO EVENT WHATSOEVER SHALL PROVIDER BE LIABLE TO CLIENT OR ANY THIRD PARTY FOR SPECIAL OR CONSEQUENTIAL DAMAGES, EITHER IN CONTRACT OR TORT, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED BY THE PROVIDER IN ADVANCE OR COULD HAVE BEEN REASONABLY FORESEEN BY PROVIDER, AND IN THE EVENT THIS LIMITATION OF LIABILITY IS HELD UNENFORCEABLE, THEN THE PARTIES UNDERSTAND AND EXPRESSLY AGREE THAT BY REASON OF THE DIFFICULTY IN FORESEEING POSSIBLE DAMAGES THE TOTAL LIABILITY OF PROVIDER UNDER ANY THEORY OF RECOVERY (INCLUDING, BUT NOT LIMITED TO, LIQUIDATED DAMAGES, PUNITIVE DAMAGES AND LOST PROFITS) TO CLIENT OR ANY THIRD PARTY SHALL BE LIMITED TO THE TOTAL DOLLAR AMOUNT OF SERVICES PAID BY CLIENT TO PROVIDER IN THE PREVIOUS THREE CALENDAR MONTHS. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED OR IMPLIED HEREIN, PROVIDER SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY DAMAGES RELATING TO THE SOFTWARE, MERCHANDISE, OR ANY GOODS OR SERVICES NOT DEVELOPED, MANUFACTURED OR SUPPLIED BY PROVIDER.

MASTER SERVICES AGREEMENT



9. GENERAL

9.1 Complete Agreement. This MSA, along with the SLA, SOW, Vendor Network Connection Agreement, and Confidentiality Agreement, are the complete and exclusive statements of agreement between the Parties with respect to the subject matter hereof and supersedes and merges all prior proposals and agreements, oral or written, between the Parties with respect to the subject matter hereof. In the event of conflict between this Agreement and any other agreement between the parties the terms of this Agreement shall prevail. This MSA, SLA, SOW, Vendor Network Connection Agreement, and Confidentiality Agreement, may not be modified except by a written instrument duly executed by the Parties hereto.

9.2 Assignment. Neither Party may assign or delegate any of its rights (other than the right to receive payments) or its duties or obligations hereunder without the consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided, however, that either Party may assign this MSA, without the need to obtain consent of the other Party, to an affiliate of such Party or to a successor in interest to substantially all of the business of that Party to which this MSA relates. An assignee of either Party authorized hereunder shall be bound by the terms of this MSA and shall have all of the rights and obligations of the assigning Party set forth in this MSA.

10. INSURANCE COVERAGE

RTI will retain the following insurance coverages throughout the term of this MSA:

Automobile Liability	\$1,000,000	Combined single limit
Commercial General Liability	\$1,000,000	Per occurrence
	\$2,000,000	General aggregate
Workers' Compensation	\$ 500,000	Per accident
(Employers' Liability)	\$ 500,000	Disease limit
	\$ 500,000	Each Disease
Umbrella Liability	\$1,000,000	Limit

IN WITNESS WHEREOF, each of the Parties hereto has executed this MSA as of the date first written above. The terms and conditions herein are **AGREED and ACCEPTED**:

Provider: **Respect Technology, Inc.**

Client: **City of St. Charles, Illinois**

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

SERVICE LEVEL AGREEMENT



1. Service Level Agreement Overview

This document represents a Service Level Agreement (“SLA”) between Respect Technology, Inc. (“Provider”) and the City of St. Charles (“Client”) for the provisioning of IT services required for Application Support of the Utility Billing System (the “Support”). (Provider and Client are sometimes referred to individually, as a “Party”, and collectively as the “Parties”).

This SLA remains valid until superseded by a revised SLA mutually executed by the Parties.

This SLA outlines the parameters of all Support needed in connection with provision of the Services as mutually understood by the Parties.

2. Goals & Objectives

The **purpose** of this SLA is to ensure that the proper elements and commitments are in place to provide consistent delivery of Support by Provider.

The **goal** of this SLA is to obtain mutual agreement for the terms of Support.

The **objectives** of this SLA are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities.
- Present a clear, concise and measurable description of Support to the Client.
- Match expected service provision with delivery of actual Support.

3. Periodic Review

This SLA is valid from the **Effective Date** outlined herein until further notice. This SLA should be reviewed at a minimum of once per fiscal year; however, in lieu of a review during any period specified and renewal thereafter, the current SLA will remain in effect.

The **Business Relationship Manager** (“Document Owner”) is responsible for facilitating regular reviews of this document. Contents of this document may be amended as required, provided mutual agreement is obtained from the primary Parties and communicated to all affected Parties. The Document Owner will incorporate all subsequent revisions and obtain mutual agreements / approvals as required.

Business Relationship Manager: Danny D Duncan, Respect Technology, Inc.

Review Period: Twice annually (6 months)

Previous Review Date: _____

Next Review Date: 03-01-2017

SERVICE LEVEL AGREEMENT



4. Scope of Support

- Telephone Support
- Monitored email Support
- Remote Support using Remote Desktop and a Virtual Private Network where available
- Planned or Emergency Onsite support (extra costs apply)
- On-going 2nd Level Support
- Scheduled 1st Level Support
- On-going 1st Level Support after transition period

5. Client Requirements

Client responsibilities and/or requirements in support of this SLA include:

- Payment for all Support costs at the agreed interval
- Reasonable availability of Client representative(s) when resolving a service related incident or request
- Agreement by Client to the following terms as outlined in the Statement of Work (SOW) for provider to develop application expertise and for test environment to be created for provider to troubleshoot and recreate issues

6. Provider Requirements

Provider responsibilities and/or requirements in support of this SLA include:

- Meeting response times associated with service related incidents
- Appropriate notification to Client for all scheduled maintenance

7. Support Assumptions

- Changes to this SLA will be communicated and documented to all Parties in accordance to the Change Process defined in the SOW
- Network availability

SERVICE LEVEL AGREEMENT



8. Support Service Availability

Support coverage parameters covered in this SLA:

- Telephone Support : 8:00 AM to 6:00 PM EST Monday – Friday
 - Calls, with voice mails, received outside of Provider Business Hours will be forwarded to an email address and best efforts will be made to answer / react to the call. Provider Non-Business Hours rates will apply.
- Email Support: Monitored 8:00 AM to 6:00 PM EST Monday – Friday
 - Emails received outside of Provider Business Hours will be collected, however no action can be guaranteed until the next business day.
- Support outside of 8:00 AM to 6:00 PM EST Monday – Friday
 - Available on a scheduled basis at Provider Non-Business Hours rates.
- Onsite Support available on a scheduled basis.
 - Rate based on same time schedule as remote rates. Additional charges for travel time and expenses will apply.



9. Support Requests

In providing Support outlined in this SLA, the Provider will make every reasonable effort to respond to incidents and/or requests submitted by the Client within the following time frames:

- **Low Priority Ticket** - Issues that do not directly impact the Client's ability to conduct business:
Respond within 8 Provider Business Hours.
Resolve within 32 Provider Business Hours.
- **Medium Priority Ticket** – Issues causing work stoppage which Client is able to work around temporarily:
Respond within 4 Provider Business Hours.
Resolve within 16 Provider Business Hours.
- **High Priority Ticket** – Critical issues causing work stoppage:
Respond within .5 Provider Business Hours.
Resolve within 8 Provider Business Hours.
Client is responsible for notifying provider via telephone (or an agreed upon secondary method) in addition to submitting support ticket for high priority tickets.

Resolution times are subject to Client cooperation and availability of Client network access.

Remote support will be provided in-line with the above timescales dependent on the priority of the support request.

SERVICE LEVEL AGREEMENT



IN WITNESS WHEREOF, the Parties hereto have caused this Service Level Agreement to be signed by their duly authorized representatives as of the date set forth below. The terms and conditions herein are **AGREED and ACCEPTED**:

Provider: **Respect Technology, Inc.**

Client: **City of St. Charles, Illinois**

Signature: _____

Signature: _____

Printed
Name: _____

Printed
Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

STATEMENT OF WORK



This Statement of Work ("SOW") dated as of the Effective Date indicated below describes services to be performed by Provider for the Client and is issued pursuant to the following Terms & Conditions.

Provider: Respect Technology, Inc. (RTI)

Client: City of St. Charles, Illinois

Project Name: Application Support and Enhancement Development for the Utility Billing System

Effective Date: _____

This Statement of Work contains the following sections:

- A. Term
- B. Test Environment
- C. Initial Knowledge Transfer
- D. Software Development
- E. Support
- F. Expenses
- G. Rate Sheet – 1st Year
- H. Summary – 1st Year
- I. Rate Sheet – 2nd Year
- J. Summary – 2nd Year
- K. Rate Sheet – 3rd Year
- L. Summary – 3rd Year
- M. Proposed Calendar
- N. Change Process



A. Term

This Agreement shall be effective for an initial term of three (3) years, and shall thereafter automatically renew for successive one (1) year terms (each period, a "Term"), unless either Party notifies the other in writing at least ninety (90) days in advance of the end of any Term that it does not wish to renew this Agreement. Notwithstanding the above, either Party may cancel this Agreement at any time with sixty (60) days written notice.

If Agreement is renewed beyond the term of three (3) years, up to 5% cost increase will be applied each year.



B. Test Environment

1. Provider will be responsible for hosting, creating, maintaining and backing up test environments.
 - a. .iSeries – environment to be separate partition on Provider’s system.
 - b. .Net – environment to be on a separate VM.
 - c. Both environments to be on Provider’s equipment located at the Windstream Data Center, in Greenville SC. Provider will submit separate data center document.
 - d. Both environments accessible to Client via vpn or equivalent access.
2. Costs for test environments:
 - a. .iSeries
 - i. Initial setup – Initial setup to include setup of separate partition and test environment – (estimated 32 – 40 hours) Provider to create an ASP matching the Client’s production ASP as close as technically possible.
 - ii. Refresh data and programs – estimated 4-6 hours, recommend every 2 months or when major testing required. Charges will be invoiced as services rendered.
 - iii. \$560 monthly hosting fee, for Provider hosting =
 \$200 monthly hosting fee for test environment
 plus \$360 monthly hosting fee for separate partition
 Includes the management of the partition, with administration, backups, and service packs/ptf installation.
 Hardware on the system will be shared between partitions.
 - b. .Net
 - i. Initial setup – estimated 16-24 hours
 - ii. Refresh data and programs – estimated 4-6 hours – depending on source of data, recommend every 2 months or when major testing required. Charges will be invoiced as services rendered.
 - iii. \$150 monthly hosting fee
 Includes the management of the partition, with administration, backups, and service packs.
3. Client to provide copies of production environments on compatible backup tapes or via ftp if appropriate for initial load and refresh.
4. Client to provide permissions and authority to copy programs and data necessary to create test environments.
5. There may be additional expenses such as SSL certificates, credit card fees, and PowerHA integration that client will be responsible for.

Tasks	# Technicians	Hours	Rate	Total
Test Environment - iSeries	1	40	160.00	6,400.00
Test Environment - .Net	1	24	160.00	3,840.00
Total				10,240.00
Monthly Hosting Fee				
iSeries			560.00	560.00
.Net			150.00	150.00
Monthly Total				710.00
Recurring charges, each time.				
RefreshTest Environment - iSeries	1	6	160.00	960.00
RefreshTest Environment - .Net	1	6	160.00	960.00
Total				1,920.00



C. Initial Knowledge Transfer

1. Via telephone and web conference, Provider and Client for a minimum of 3 days for iSeries and 1.5 days for .net environment, will conduct in-depth review with appropriate Client resources.
2. Post telephone and web conference, Provider and Client to determine if additional up-front time required and if onsite visit required.
3. Further in-depth expertise to be gained with setup of test environments and with modifications and enhancement requests.
4. Provider reserves the right to request further telephone and web conferences to achieve a necessary level of knowledge.
5. Provider to include 4 to 6 resources for Initial Knowledge Transfer.
 Provider will only bill for 3 resources at the Provider Business Hours rate during the Initial Knowledge Transfer phase.

Tasks	# Technicians	Hours	Rate	Total
Initial Knowledge Transfer - iSeries	3	24	160.00	11,520.00
Initial Knowledge Transfer - .Net	3	12	160.00	5,760.00
				17,280.00



D. Software Development

Enhancement Requests	
Description	Estimated Hours
Determine a means to verify that update procedures are not started while other users have a lock on files or records	20
Add better editing to user-identified programs	24
Need to restrict certain users from accessing specific program function (e.g. new account setup)	24
Change program to look for next unused Customer number	8
Add function to current maintenance program to allow manual entry of credit card payment (will not include capturing credit card data)	8
Proactively migrate .Net application to newer ASP version	68

Tasks	# Technicians	Hours	Rate	Total
Analysis and Design	1	32	180.00	5,760.00
Development	1	88	180.00	15,840.00
Testing and Training	1	32	180.00	5,760.00
Total				27,360.00

Enhancements will be prioritized by client and development will continue until total allocated hours expended.



E. Support

1. **Ticketing System and Process:** Provider to supply online/electronic ticketing system.
 - a. Tickets submitted by Client via 3 methods
 - i. Via email at support@respecttechnology.com
 - ii. Via online ticket portal at support.respecttechnology.com with vpn access
 - iii. Via phone call to Provider at number to be provided at contract commencement.
 - b. Electronic response to Client by ticketing system that ticket has been submitted.
 - c. Ticket system emails/tickets monitored by minimum of 3 Provider resources.
 - d. Tickets are assigned levels based on severity with appropriate response and resolution times. (see City of St Charles Service Level Agreement)
 - e. Tickets have reminders and escalation processes based on severity levels.
 - f. Client technical resources will be notified via email when a Client user opens a ticket.
2. **Support**
 - a. Second level support for troubleshooting, error correction, and user questions during Provider Business Hours, Monday through Friday, 8:00 AM – 6:00 PM EST.
 - b. First and second level support for troubleshooting, error correction, and user questions during prescheduled absences of Client staff. Provider requests Client give seven business days' notice for scheduled absence of Client resources that require Provider to furnish in-depth support.
 - c. As Provider gains knowledge, Level 1 support will transfer to Provider.
 - d. At least two Provider staff members (primary and backup) who are qualified to provide troubleshooting, error correction, and user question responses for the iSeries based application.
 - e. At least two Provider staff members (primary and backup) who are qualified to provide troubleshooting, error correction, and user question responses for the Windows .Net application.
 - f. Use of an electronic ticket tracking system available during, and outside, Provider Business Hours.
 - g. A test environment for the Client's Utility Billing iSeries based application and its Windows .Net application.
 - h. iSeries access file transfer support.
 - i. Client hardware support not included.

Tasks	# Technicians	Hours	Rate	Total
Support (up to 16 hours per Monthly Billing Cycle)	1	16	150.00	2,400.00

When Provider Support hours exceed 16 hours for the Monthly Billing Cycle, Client Technical Point of Contact will take over support.

If Support hours have exceeded 16 hours for the monthly Billing Cycle and Provider needed for support 8:00 AM to 6:00 PM EST Monday – Friday, then Support will be billed at the Provider Business Hours rate.

Support outside of 8:00 AM to 6:00 PM EST Monday – Friday will be billed at the Provider Non-Business Hours rate.

STATEMENT OF WORK



F. Expenses

The following travel costs are estimated reasonable expenses:

1. Round trip airfare per technician, \$600.00 per trip
2. Accommodations per technician, \$150.00 per night
3. Taxi or Rental car, \$100.00 per day
4. Gasoline for rental car at local price per gallon
5. Meals per technician, \$50.00 per day

Estimated Expenses for onsite visit										
	Nbr Techs	Airfare	Nbr Days Onsite	Hotel	Meals	Travel Time	Taxi or Rental Car	Gas	Tech Time	Total
Onsite Visit	1	600.00	3	600.00	200.00	832.00	400.00	30.00	3,840.00	6,502.00
Total		600.00		600.00	200.00	832.00	400.00	30.00	3,840.00	6,502.00

Travel expenses (Hotel, Meals, Rental car) reflect an additional day for traveling.
Actual expenses will be billed.
Onsite services provided at Provider Business Support Hours rate.



G. Rate Sheet – 1st Year

2016 Service Rates – effective with term of Master Services Agreement

Support:

\$160.00 per hour for Provider Business Hours 8:00 AM – 6:00 PM EST Monday - Friday

\$240.00 per hour for Provider Non-Business Hours 6:00 PM – 8:00 AM EST Monday – Friday, emergencies, holidays, and weekends

(Discount Provider Business Hours Support rate of \$150.00 per hour available with minimum monthly commitment of 16 hours)

Test/Train: \$160.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Development: \$180.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Analysis/ Design: \$200.00 per hour 8:00 AM - 6:00 PM EST Monday – Friday

Modified to \$180 per hour for these services.

Billing Details

- Provider will bill monthly support fee in advance, after initial knowledge transfer.
- Provider will send details of work performed for all services and support with invoices.
- Provider will bill for development projects upon milestone acceptance:
 - Design
 - Test
 - Production
- Provider will submit notification of milestone completion to Client;
The Client has five business days to:
 - 1) Accept the milestone,
 - 2) Notify Provider of defects, or
 - 3) Request from Provider reasonable additional time for a decision.If Client fails to accept, notify, or extend, milestones can be considered accepted by default.
Resubmission and reevaluation of defect corrections follow the same process.

Defined Additional Expenses

- Travel time: Billed at 65% of Services Rate
- Round trip airfare, taxi or car rental, gasoline
- Accommodations and meals
- Taxes and Shipping

Billing cycles

- 1st – 15th of month
- 16th – last day of month
- Support billed monthly
- Invoice Terms are Net 30

STATEMENT OF WORK



H. Summary – 1st Year

Tasks	# Technicians	Hours	Rate		Total
Test Environment - iSeries	1	40	160.00		6,400.00
Test Environment - .Net	1	24	160.00		3,840.00
Total					10,240.00
Knowledge Transfer - iSeries	3	24	160.00		11,520.00
Knowledge Transfer - .Net	3	12	160.00		5,760.00
Total					17,280.00
Analysis and Design	1	32	180.00		5,760.00
Development	1	88	180.00		15,840.00
Testing and Training	1	32	180.00		5,760.00
Total					27,360.00
Initial Total					54,880.00

Monthly Support Fee				Monthly	Annually
Support	1	16	150.00	2,400.00	28,800.00
Total				2,400.00	28,800.00

Monthly Hosting Fee					
iSeries			560.00	560.00	6,720.00
.Net			150.00	150.00	1,800.00
Total				710.00	8,520.00
Total				3,110.00	37,320.00

Monthly Project Management				Monthly	Annually
	1	2	180.00	360.00	4,320.00
Total				360.00	4,320.00

Recurring charges, each time					Annually
RefreshTest Environment - iSeries	1	6	160.00	960.00	5,760.00
RefreshTest Environment - .Net	1	6	160.00	960.00	5,760.00
				1,920.00	11,520.00

Estimated Expenses for onsite visits										
	Nbr Techs	Airfare	Nbr Days Onsite	Hotel	Meals	Travel Time	Taxi or Rental Car	Gas	Tech Onsite Time	Total
Onsite Visit 1	1	600.00	3	600.00	200.00	832.00	400.00	30.00	3,840.00	6,502.00
Onsite Visit 2	1	600.00	3	600.00	200.00	832.00	400.00	30.00	3,840.00	6,502.00
Total		1,200.00		1,200.00	400.00	1,664.00	800.00	60.00	7,680.00	13,004.00

Grand Total										121,044.00
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I. Rate Sheet – 2nd Year

Service Rates – effective with term of Master Services Agreement

Support:

\$170.00 per hour for Provider Business Hours 8:00 AM – 6:00 PM EST Monday - Friday

\$250.00 per hour for Provider Non-Business Hours 6:00 PM – 8:00 AM EST Monday – Friday, emergencies, holidays, and weekends

(Discount Provider Business Hours Support rate of \$160.00 per hour available with minimum monthly commitment of 16 hours)

Test/Train: \$170.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Development: \$190.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Analysis/ Design: \$210.00 per hour 8:00 AM - 6:00 PM EST Monday – Friday

Modified to \$190 per hour for these services.

Billing Details

- Provider will bill monthly support fee in advance.
- Provider will send details of work performed for all services with invoices.
- Provider will bill for development projects upon milestone acceptance:
 - Design
 - Test
 - Production
- Provider will submit notification of milestone completion to Client;
The Client has five business days to:
 - 1) Accept the milestone,
 - 2) Notify Provider of defects, or
 - 3) Request from Provider reasonable additional time for a decision.If Client fails to accept, notify, or extend, milestones can be considered accepted by default.
Resubmission and reevaluation of defect corrections follow the same process.

Defined Additional Expenses

- Travel time: Billed at 65% of Services Rate
- Round trip airfare, taxi or car rental, gasoline
- Accommodations and meals
- Taxes and Shipping

Billing cycles

- 1st – 15th of month
- 16th – last day of month
- Support billed monthly
- Invoice Terms are Net 30

STATEMENT OF WORK



J. Summary – 2nd Year

Tasks	# Technicians	Hours	Rate	Monthly	Total
Analysis and Design	1	26	190.00		4,940.00
Development	1	70	190.00		13,300.00
Testing and Training	1	26	190.00		4,940.00
Monthly Project Management	1	1.5	190.00	285.00	3,420.00
Total					26,600.00

Monthly Support Fee				Monthly	Annually
Support	1	16	160.00	2,560.00	30,720.00
Total				2,560.00	30,720.00

Monthly Hosting Fee					
iSeries			600.00	600.00	7,200.00
.Net			170.00	170.00	2,040.00
Total				770.00	9,240.00
Total				3,330.00	39,960.00

Recurring charges, each time					Annually
RefreshTest Environment - iSeries	1	6	170.00	1,020.00	6,120.00
RefreshTest Environment - .Net	1	6	170.00	1,020.00	6,120.00
				2,040.00	12,240.00

Estimated Expenses for onsite visits										
	Nbr Techs	Airfare	Nbr Days Onsite	Hotel	Meals	Travel Time	Taxi or Rental Car	Gas	Tech Onsite Time	Total
Onsite Visit 1	1	600.00	3	600.00	200.00	884.00	400.00	30.00	4,080.00	6,794.00
Onsite Visit 2	1	600.00	3	600.00	200.00	884.00	400.00	30.00	4,080.00	6,794.00
Total		1200.00		1200.00	400.00	1,768.00	800.00	60.00	8,160.00	13,588.00

Grand Total										92,388.00
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K. Rate Sheet – 3rd Year

Service Rates – effective with term of Master Services Agreement

Support:

\$180.00 per hour for Provider Business Hours 8:00 AM – 6:00 PM EST Monday - Friday

\$260.00 per hour for Provider Non-Business Hours 6:00 PM – 8:00 AM EST Monday – Friday, emergencies, holidays, and weekends

(Discount Provider Business Hours Support rate of \$170.00 per hour available with minimum monthly commitment of 16 hours)

Test/Train: \$180.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Development: \$200.00 per hour 8:00 AM - 6:00 PM EST Monday - Friday

Analysis/ Design: \$220.00 per hour 8:00 AM - 6:00 PM EST Monday – Friday

Modified to \$200 per hour for these services.

Billing Details

- Provider will bill monthly support fee in advance.
- Provider will send details of work performed for all services with invoices.
- Provider will bill for development projects upon milestone acceptance:
 - Design
 - Test
 - Production
- Provider will submit notification of milestone completion to Client;
The Client has five business days to:
 - 1) Accept the milestone,
 - 2) Notify Provider of defects, or
 - 3) Request from Provider reasonable additional time for a decision.If Client fails to accept, notify, or extend, milestones can be considered accepted by default.
Resubmission and reevaluation of defect corrections follow the same process.

Defined Additional Expenses

- Travel time: Billed at 65% of Services Rate
- Round trip airfare, taxi or car rental, gasoline
- Accommodations and meals
- Taxes and Shipping

Billing cycles

- 1st – 15th of month
- 16th – last day of month
- Support billed monthly
- Invoice Terms are Net 30

STATEMENT OF WORK



L. Summary – 3rd Year

Tasks	# Technicians	Hours	Rate	Monthly	Total
Analysis and Design	1	26	200.00		5,200.00
Development	1	70	200.00		14,000.00
Testing and Training	1	26	200.00		5,200.00
Monthly Project Management	1	1.5	200.00	300.00	3,600.00
Total					28,000.00

Monthly Support Fee				Monthly	Annually
Support	1	16	170.00	2,720.00	32,640.00
Total				2,720.00	32,640.00
Monthly Hosting Fee					
iSeries			640.00	640.00	7,680.00
.Net			190.00	190.00	2,280.00
Total				830.00	9,960.00
Total				3,550.00	42,600.00

Recurring charges, each time					Annually
RefreshTest Environment - iSeries	1	6	180.00	1,080.00	6,480.00
RefreshTest Environment - .Net	1	6	180.00	1,080.00	6,480.00
				2,160.00	12,960.00

Estimated Expenses for onsite visits										
	Nbr Techs	Airfare	Nbr Days Onsite	Hotel	Meals	Travel Time	Taxi or Rental Car	Gas	Tech Onsite Time	Total
Onsite Visit 1	1	600.00	3	600.00	200.00	936.00	400.00	30.00	4,320.00	7,086.00
Onsite Visit 2	1	600.00	3	600.00	200.00	936.00	400.00	30.00	4,320.00	7,086.00
Total		1,200.00		1200.00	400.00	1,872.00	800.00	60.00	8,640.00	14,172.00

Grand Total										97,732.00
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M. Proposed Calendar

See RTI Calendar for the City of St. Charles.



N. Change Process

- Client or Provider will complete RTI Change Authorization form (CA) and submit to the other party via email.
- CA will be reviewed and returned to sender via email.
- The Provider shall submit a revised applicable document (SOW, MSA, and / or SLA) to Client which shall include a statement of additional fees and changes to other terms, if any. Once the revised document(s) have been signed by both Parties, they will be considered to supersede the document(s) they are revising. Without a revised document signed by both parties, Provider shall have no right or duty to commence work in connection with any requested change.
- Signature of Client Technical Point of Contact is required as authorization for Provider to proceed with the Change Process. Once both Client and Provider enter approval signatures, the change may be developed and / or implemented.

See RTI Change Authorization form.

STATEMENT OF WORK



The terms and conditions herein are **AGREED** and **ACCEPTED**:

Provider: **Respect Technology, Inc.**

Client: **City of St. Charles, Illinois**

Signature: _____

Signature: _____

Printed
Name: _____

Printed
Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**City of St. Charles, Illinois
Vendor Network Connection Agreement**

This Vendor Network Connection Agreement (the "Agreement") by and between the City of St. Charles , an Illinois municipality, with principal offices in the City of St. Charles , Illinois ("City") and _____ , a _____ corporation, with principal offices at _____ ("Company"), is entered into as of the date last written below ("the Effective Date").

This Agreement consists of this signature page and the following attachments that are incorporated in this Agreement by this reference:

1. Attachment 1: Vendor Network Connection Agreement Terms and Conditions
2. Attachment 2 Network Connection Policy
3. Attachment 3: City Confidentiality Agreement

This Agreement is the complete agreement between the parties hereto concerning the subject matter of this Agreement and replaces any prior oral or written communications between the parties. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. This Agreement may only be modified by a written document executed by the parties hereto. Any disputes arising out of or in connection with this Agreement shall be governed by Illinois State law without regard to choice of law provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed. Each party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this Agreement.

Company

Authorized Signature

Name

Date

City of St. Charles

Authorized Signature

Name

Date

Attachment 1
VENDOR NETWORK CONNECTION AGREEMENT
TERMS AND CONDITIONS

Object: To ensure that a secure method of connectivity is provided between the City and Company and to provide guidelines for the use of network and computing resources associated with the Network Connection as defined below.

Definition: "Network Connection" means one of the City connectivity options listed in Section B of the Network Connection Policy.

1. Right to Use Network Connection. Company may only use the Network Connection for business purposes as defined in an approved scope of work, agreement or contract with the City.

2. Network Security
 - a. Company will allow only Company employees or subcontractors approved in advance by City ("Authorized Company Employees/Subcontractors") to access the Network Connection and any City -Owned computing resources. Company shall be solely responsible for ensuring that Authorized Company Employees/Subcontractors will not pose a security risk, and upon the City's request, Company will provide the City with any information reasonably necessary to evaluate security issues relating to any Authorized Company Employee.
 - b. Authorized Company Employees/Subcontractors will only be provided credentials that are unique to each user (i.e. no "generic" usernames and passwords) to access City -Owned computing resources. Usernames and passwords cannot be shared with anyone.
 - c. Company will promptly notify the City whenever any Authorized Company Employee leaves Company's employ or no longer requires access to the Network Connection and City -Owned computing resources.
 - d. Each party will be solely responsible for the selection, implementation, and maintenance of security procedures and policies that are sufficient to ensure that (a) such party's use of the Network Connection (and Company's use of City -Owned computer resources) is secure and is used only for authorized purposes, and (b) such party's business records and data are protected against improper access, use, loss alteration or destruction.

3. Notifications. Company shall notify City in writing promptly upon a change in the user base for the work performed over the Network Connection or whenever in Company's opinion a change in the connection and/or functional requirements of the Network Connection is necessary.

4. Payment of Costs. Each party will be responsible for all costs incurred by that party under this Agreement, including, without limitation, costs for phone charges, telecommunications equipment and personnel for maintaining the Network Connection.
5. Confidentiality. The parties acknowledge that by reason of their relationship to each other hereunder, each will have access to certain information and materials concerning the other's business records, technology and products that is confidential and of substantial value to that party, which value would be impaired if such information were disclosed to third parties ("Confidential Information"). Should such Confidential Information be orally or visually disclosed, the disclosing party shall summarize the information in writing as confidential within thirty (30) days of disclosure. If Confidential Information is disclosed by the Company and is considered "personal information" as defined in the Illinois Personal Information Protection Act, 815 ILCS 530/1 *et seq.* Company must provide immediate notice to the City. Provider also agrees to comply with the provisions of the Illinois Identity Protection Act 5 ILCS 179/1 *et seq.*. Provider shall provide a copy of its policy that sets forth how the requirements imposed on the Client under the Illinois Identity Protection Act to protect an individual's social security number will be achieved. Provider will provide Client with its Data Security policy to satisfy the requirements set forth in the Illinois Personal Information Protection Act, 815 ILCS 530/1 *et seq.*
6. Term, Termination and Survival. This Agreement will remain in effect until terminated by either party. Either party may terminate this agreement for convenience by providing not less than thirty (30) days prior written notice, which notice will specify the effective date of termination. Either party may also terminate this Agreement immediately upon the other party's breach of this Agreement. All terms and provisions of this Agreement that should by their nature survive the termination of this Agreement shall so survive.
7. Severability. If for any reason a court of competent jurisdiction finds any provision or portion of this Agreement to be unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the parties, and the remainder of this Agreement will continue in full force and effect.
8. Waiver. The failure of any party to enforce any of the provisions of this Agreement will not be construed to be a waiver of the right of such party thereafter to enforce such provisions.
9. Assignment. Neither party may assign this Agreement, in whole or in part, without the other party's prior written consent. Any attempt to assign this Agreement, without such consent, will be null and of no effect. Subject to the foregoing, this

Agreement is for the benefit of and will be binding upon the parties' respective successors and permitted assigns.

10. Force Majeure. Neither party will be liable for any failure to perform its obligations in connection with any Transaction or any Document if such failure results from any act of God or other cause beyond such party's reasonable control (including, without limitation, any mechanical, electronic or communications failure) which prevents such party from transmitting or receiving any Documents.
11. Indemnification. Company shall indemnify and agrees to defend and hold City harmless against and from any and all loss, cost, damage, liability and expense incurred by City including reasonable attorneys' fees as a result of negligent acts, negligent errors, negligent omissions or willful conduct on the part of the Company, its agents, Employees/Subcontractors or subcontractors in the performance of this Agreement.
12. Conflict with other Agreements. In the event that any conflict between this Agreement (and any portion thereof) and any other agreement existing or hereinafter entered into between the Company and the City, the terms of this Agreement shall prevail.

Attachment2

NETWORK CONNECTION POLICY

Purpose: To ensure a secure method of network connectivity between City and its vendors and to provide a formalized method for the request, approval and tracking of such connections.

Scope: External data network connections to City can create potential security exposures if not administered and managed correctly and consistently. These exposures may include non-approved methods of connection to the City network, the inability to shut down access in the event of a security breach, and exposure to hacking attempts.

Definitions: A "Network Connection" is defined as one of the connectivity options listed in Section B. below. "Vendor" is defined as the City's Contractors, Suppliers and the like.

A. Vendor Network Connection Requests and Approvals

All vendor network connection requests must have the signature of the City Administrator, or his/her designee, for approval. Also, all vendors requesting a Network Connection must complete and sign a City Confidentiality Agreement.

B. Connectivity Options

The following connectivity options are the standard methods of providing a Vendor Network Connection. Anything that deviates from these standard methods must have written authorization from the City.

- 1) Private Leased line – Dedicated, Private Leased lines for vendors will be terminated on the Partner's network. These circuits can be delivered as T1 or Ethernet.
- 2) Encrypted Tunnel – Encrypted tunnels must be terminated on the vendor's Network, whenever possible. In certain circumstances, it may be required to terminate an encrypted tunnel in the City's DMZ, in which case the normal City perimeter security measures will control access to Internal devices.
- 3) Remote Access – Remote Access through a third party or directly via Internet remote control shall be determined by the City.

C. Protection of Information and Resources

The Company shall be held legally responsible for misuse of its access and use of the City's network and computing resources. The Company shall be entirely responsible for providing the appropriate security measures to ensure protection of their private internal network and information. This includes the requirement that a City-approved

virus protection software program is installed. This program must be operational and be using the latest virus detecting upgrades for computers used for this purpose.

The Company will not:

- a. Attempt to disguise their identity, or the identity of their account.
- b. Attempt to impersonate other persons or organizations.
- c. Appropriately the City's name, or its network names.
- d. Attempt to monitor other users' data communications unless specifically authorized.
- e. Infringe upon the privacy of others' computer files.
- f. Read, copy, change, or delete another user's computer files or software without the prior express permission of the owner.
- g. Engage in actions that interfere with the use by others of any computers and networks, interfere with the supervisory or accounting functions of the systems, or are likely to have such effects.
- h. Attempt to bypass computer or network security mechanisms without the prior express permission of the City's Information Systems Department. Possession of tools that bypass security or probe security, or of files that may be used as input or output for such tools, shall be considered as the equivalent of such an attempt

D. Audit and Review of Vendor Network Connections

All aspects of Vendor Network Connections - up to, but not including the Company's firewall, may be monitored by the City's Information Systems Department.

E. City Information Systems Department Responsibilities

The City's Information Systems Department is responsible for the installation and configuration of a specific Vendor Network Connection and will ensure that all possible measures have been taken to protect the integrity and privacy of City confidential information. At no time will the City rely on access/authorization control mechanisms at the Company's site to protect or prohibit access to City confidential information.

The City's Information Systems Department has the responsibility for maintaining related policies and standards and will be the sole judge determining if the Company has complied with the Vendor Network Connection policy. The Information Systems Department is also responsible for approval of firewall design, configuration and engineering required for support of Vendor Network Connections.

CONFIDENTIALITY AGREEMENT

This Agreement is made between _____ (“Company”¹), with offices located at _____, and the City of St. Charles (“City”), with offices located at 2 E. Main Street, St. Charles, Illinois 60174 (each a “Party” hereto).

RECITALS

WHEREAS, the City and Company may provide each other certain proprietary, confidential, non-public, or trade secret information.

WHEREAS, the Parties wish to set out the terms under which each Party is willing to disclose such information to the other Party and upon which the Parties are willing and obliged to keep such information confidential.

NOW THEREFORE, the Parties agree as set out below:

- 1.0 DEFINITIONS.** In addition to those words defined above, the following words shall have the meanings set forth below.
- 1.1 CONFIDENTIAL INFORMATION** means all documents, programs, designs, formulas, data or information disclosed or made available by the City and the Company in connection to:
- 1.1.1** the security systems of the City, including video surveillance, physical and logical access controls and computer networks;
 - 1.1.2** the software application systems of the City used to support the operations of its business functions;
 - 1.1.3** opinions expressed or policies or actions that are formulated, including, but not limited to, preliminary drafts, notes, recommendations, memoranda and other records, which are exempt from disclosure under the Illinois Freedom of Information Act, in addition to other state and Federal exemptions, as may be applicable;
 - 1.1.4** Personal Identifying Information (PII). Personal identifying information is staff, contractor, or customer information that can be used to uniquely identify, contact, or locate a single person or can be used with other sources to uniquely identify a single individual;
 - 1.1.5** medical or health records, and personnel information;

¹ Whenever the word “Company” is used herein, it shall be deemed to be defined to include all current and former employees, agents and representatives of the Company.

Attachment 3

1.1.6 documents, including:

- (a) any text, letter, memorandum, sound recording, videotape, film, photograph, chart, graph, map, survey, diagram, model, sketch, book of account and information recorded or stored by means of any device pertaining to the City and/or any of its information technology or other systems and marked “Confidential” or “Proprietary.”;
- (b) technical data, research, products, financial information, plans or strategies, forecasts or forecast assumptions, business practices, operations, procedures or services related to the City and/or any of its information technology or other systems and marked “Confidential” or “Proprietary.”;

1.2 **SUBSIDIARY OF A PARTY** means any corporation or individual that is controlled by the Party, and refers to a direct or indirect subsidiary of the Party.

2.0 AGREEMENT

2.1 Each party agrees:

- (a) to use the same means it uses to protect its own confidential information to maintain the secrecy and confidentiality of the other Party’s Confidential Information,
- (b) except as provided in Sections 2.1(d), 2.2 and 2.4, not to disclose any Confidential Information to a third party without the prior written consent of the Disclosing Party,
- (c) not to use any Confidential Information for any purposes other than providing bids or quotes or fulfillment of a Contract,
- (d) only to disclose the Confidential Information to its directors, officers, employees, agents and advisers (collectively called “Representatives”) who have a need to know the information for the creation of bids or quotes or for the fulfillment of a Contract (it being understood that the Receiving Party shall inform such Representatives of the confidential nature of that information and the obligation of confidentiality undertaken by the Receiving Party hereunder, and shall direct such Representatives to treat that information confidentially in accordance with the terms of this Agreement),
- (e) to take reasonable steps to prevent its Representatives from acting in a manner inconsistent with the terms of this Agreement, and
- (g) Maintain the confidentiality of computer system passwords. The following actions by either Party will be considered a violation and breach of this Agreement:
 - Disclosing a password to another person.
 - Using another person’s ID or password, with or without that person’s knowledge or consent.

Attachment 3

- Using access to shared computer facilities for other than services hereunder.

Any ID that is assigned will be provided with a level of access that is adequate to perform services hereunder. Attempts by either Party to access information that are outside these bounds will be considered a violation and breach of this Agreement.

(h) to establish information security standards requiring that reasonable measures be implemented that are designed to:

- 1) Ensure the security and confidentiality of any of City's confidential information in your possession or control;
- 2) Protect against any anticipated threat or hazards to the security or integrity of this information;
- 3) Encrypt any PII data stores that reside on portable media or devices, such as laptops, thumb drives, external hard drives or CDs;
- 4) Protect against unauthorized access to or use of this information that could result in substantial harm or inconvenience to any staff, contractor, or customer of the City; and
- 5) Ensure the proper disposal of this information.

(i) that it retains the exclusive ownership and intellectual property rights in its respective confidential information, and that no license or any other interest in either Party's confidential information is granted or implied by the agreement.

2.2 This Agreement does not impose any obligations on the Company with respect to its own Confidential Information. In addition, the obligations of confidentiality set out above do not apply to information that:

- (a) at the date of disclosure said information (in the same form in which the disclosure is made) has been published or has otherwise entered the public domain without a breach of this Agreement, or thereafter becomes generally available to the public without breach of this Agreement. If any of the information described as Confidential in Paragraph 1.1 above is alleged to have become public, before disclosing such information to any other person the Party so claiming will notify the City and obtain written confirmation that it is likewise the City's understanding that such Confidential Information has entered the public domain;
- (b) is independently developed or obtained by the receiving Party without breach of this Agreement. Prior to use of such information, the Company shall notify the City in writing if it intends to use or in any way reference or discuss Confidential Information which it believes has been independently developed or obtained by either of them without breach of this Agreement.

2.3 It is not a breach of this Agreement to:

- (a) disclose Confidential Information required to be disclosed by applicable law, regulation or court order in which event the receiving Party shall (unless

Attachment 3

affirmatively prohibited by such applicable law, regulation or court order) promptly notify the City in writing of the requirements for such disclosure and cooperate through all reasonable and legal means, at the City's expense, in any attempts by the disclosing Party to prevent or otherwise restrict disclosure of the Confidential Information.

- (b) Disclose any ideas, concepts, know-how, or techniques developed during the course of the Agreement by Company personnel or jointly by Customer and City personnel.

2.4 The Parties agree that certain Confidential Information may be subject to attorney-client work product or other privileges and that no disclosure hereunder is intended to waive any privileges applicable to any statement, document, communication, or other information disclosed pursuant to this Agreement. The receiving Party shall treat such Confidential Information accordingly.

3.0 NO WARRANTY

3.1 The Parties make no representations or warranties about the adequacy, accuracy, or suitability of the Confidential Information for any purpose. The receiving Party is responsible for making its own evaluation of such Confidential Information.

3.2 Each Party acknowledges that notwithstanding the execution of this Agreement, the City maintains the sole and absolute discretion to determine what, if any, information it will release to the Company or which it will allow the Company to use.

4.0 REMEDIES

4.1 The Parties acknowledge that a breach of this Agreement may cause serious and irreparable harm that may be difficult to ascertain. In the event of breach of this Agreement by either Party, the Party shall be entitled to obtain immediate injunctive relief in addition to any other rights or remedies it may have without proof of any actual or special damages and without the requirement to post bond or other surety in connection with any such injunctive relief. The prevailing Party shall be entitled to all attorneys' fees and costs incurred in such action or actions.

5.0 RETURN OF INFORMATION

At any time the City may request the return or the destruction, of all tangible Confidential Information previously delivered to the Company. Upon receipt of such request, all such Confidential Information, including without limitation any copies, summaries or compilations of such information, still in the Company's possession or under its control shall be promptly returned or destroyed, as requested.

6.0 MISCELLANEOUS

- 6.1** The nondisclosure provisions of this Agreement shall survive the termination of this Agreement, and the Company's duty to hold Confidential Information in confidence shall remain in effect until the City notifies it in writing that such information no longer qualifies as Confidential Information or sends the Company written notice releasing it from this Agreement, whichever occurs first.
- 6.2** This Agreement may be modified only in a document signed by the Parties.
- 6.3** No party shall assign, transfer, convey, or otherwise dispose of its rights, title, or interest in or to this Agreement or any part thereof without the previous written consent of the other Parties.
- 6.4** This Agreement is governed by the laws of the State of Illinois without giving effect to its conflict of laws provisions and is treated in all respects as an Illinois contract. Venue for any action arising out of the terms or conditions of this Agreement shall be proper only in the Circuit Court for the Sixteenth Judicial Circuit, Kane County, Illinois.
- 6.5** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, all other provisions will, nevertheless, continue in full force and effect.
- 6.6** This Agreement inures to the benefit of the Parties and is binding upon their respective successors and assigns.
- 6.7** The Parties agree that this Agreement:
- (a) is the complete and comprehensive statement between the Parties about the protection of the secrecy or confidentiality of the Confidential Information; and
 - (b) supersedes all discussions and other communications, whether written or verbal, between the Parties related to the protection of the secrecy or confidentiality of the Confidential Information.
- 6.8** The provisions of this Agreement shall survive the completion of the Purpose as defined herein.
- 6.9** This effective date of this Agreement ("Effective Date") shall be the last date on which either of the Parties hereto execute this Agreement.

Attachment 3

IN WITNESS WHEREOF, the Parties have signed this Agreement on the dates indicated below and acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

CITY OF ST. CHARLES

COMPANY

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____