



April 8, 2018

**PROPOSAL FOR QUANAH ISD/CITY TAX OFFICE
 FOR COLLECTION SOFTWARE
 January 1, 2019 through December 31, 2020**

	ANNUAL FEE	
	<u>2019</u>	<u>2020</u>
HARDWARE	\$ 3,700.00	\$ 3,800.00
Cloud Hosting Tax Office Data; Sonicwall TZ170, Content Filter, Antivirus; 3 Dell PC's; 2 HP Laser Printers.		
COLLECTION SOFTWARE	\$ 3,950.00	\$ 4,050.00
Software provides the ability to post current & delinquent taxes; 1-800 Customer Service Support; Admission to User Meetings; Generate Monthly Reports; Provide daily, weekly, summary totals; Error & Supplemental Reports; Print Supplemental Tax Statements; Print Receipts on demand.		
TAX STATEMENT SOFTWARE & PRINTING TAX STATEMENTS		
Tax Statement Calculation Module;	\$ 1,050.00	\$ 1,075.00
Taxpayer Rights & Remedies; Tax Roll, Tax Roll Reports, Tax Statement & Summary Reports.		
SOFTWARE LICENSE FEE (3 USERS)	\$ 2,500.00	\$ 2,500.00
TOTAL SOFTWARE ANNUAL FEE	\$11,200.00	\$11,425.00

If you have any questions or need further information, please call.

Respectfully Submitted,

Kevin McBurnett
 Information Services Manager

COMPUTER SYSTEM LEASE / LICENSE AGREEMENT
January 1, 2019 through December 31, 2020

PRITCHARD & ABBOTT COPY

STATE OF TEXAS §
COUNTY OF HARDEMAN §

THIS COMPUTER SYSTEM LEASE / LICENSE AGREEMENT (the "Agreement") is made and entered into by and between QUANAHA ISD TAX OFFICE, P. O. Box 388, Quanah, TX 79252-6490, acting by and through its governing body, the Commissioner Court (hereinafter referred to as the "**Tax Office**"), and **PRITCHARD & ABBOTT, INC.**, a professional appraisal and software firm, 4900 Overton Commons Court, Fort Worth, Tarrant County, Texas (hereinafter referred to as "**Software Firm**"),

WHEREAS, **Tax Office** desires to lease certain computer hardware, and obtain a license for use of certain computer software, from the **Software Firm**; and

WHEREAS, the **Software Firm** is willing to lease and license the desired computer hardware/software on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which being hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
SOFTWARE LICENSE

1.1 License Agreement.

(a) Software Firm agrees to grant to Tax Office, and Tax Office accepts, a nonexclusive and nontransferable license to use those computer programs and related materials specified in this Agreement and referred to as the "Software".

(b) The Software shall consist of computer programs of Software Firm designated as Software Firm's Software embodied in 600 MEG (size) disk, designed to perform tax collection functions pursuant to requirements as prescribed in the Texas Property Tax Code. The Software shall also include printed materials consisting of all related printed documentation, including manuals covering the installation, application, and use of the computer programs and published specifications. The Software shall further include all subsequent improvements to either the computer programs or the related printed documentation made by either Software Firm or Tax Office.

1.2 License Fees. Tax Office agrees to pay the annual amount of \$11,200.00 for 2019 and \$11,425.00 for 2020 in quarterly fees for each item of Software listed in the Software License Schedule attached to this Agreement as Schedule 2 and incorporated by reference the same as if fully copied and set forth at length.

1.3 Limitation on License Use. Tax Office agrees that it shall use each item of Software, including any subsequent updates provided under this Agreement, for its exclusive benefit. The Software may only be used in the United States of America and at the physical address specified in the introductory paragraph of this Agreement, unless Software Firm otherwise consents in writing. All copies of the Software, in whole or in part, including all updates, are the property of Software Firm. No title to or ownership of the Software or any of its parts is transferred under this Agreement to Tax Office. The Tax Office may not disassemble, decompile, break down or attempt to perform reverse engineering on the Software.

1.4 Designated Hardware Tax Office may use each item of licensed Software only on the Hardware leased pursuant to this Agreement, unless (i) the Hardware is malfunctioning, in which case Tax Office may use the Software on other computer hardware during the period of malfunction, or (ii) Software Firm otherwise consents in writing.

1.5 Copies. Tax Office may make machine-readable copies of all or part of the Software for Tax Office's internal backup use on the Hardware only. Tax Office agrees to include Software Firm's copyright, patent, trade secret, and other proprietary legend on each copy of the Software, including partial copies and modifications of the Software. At the request of Tax Office, Software Firm will provide a label to be attached to the copies setting forth the information required by this Paragraph 1.5.

1.6 License Term. The Software license granted in this Agreement shall remain in force for the useful life of the Software or for the minimum term of two (2) years January 1, 2019 through December 31, 2020. Software license shall automatically renew for successive one year terms unless Tax Office gives Software Firm notice of its intention not to renew the license within ninety (90) days prior to the expiration of a term.

1.7 Insurance Coverage. Software Firm will at all times during the period of this contract, maintain general liability insurance, automobile liability insurance and worker's compensation insurance. A Certificate of Insurance with Tax Office as named insured will be provided by Software Firm, if requested. Should Software Firm fail to maintain the insurance coverage described above, Tax Office may, at its option, declare this contract null and void and Software Firm shall be excused from any further performance.

ARTICLE II

PROPERTY RIGHTS

2.1 Title to Hardware and Software. Title to the Hardware and Software is reserved to Software Firm. Tax Office acknowledges and agrees that Software Firm is and shall remain the owner of the Hardware and Software and shall be the owner of all copies of the Software made by Tax Office pursuant to the provisions of this Agreement.

2.2 Confidentiality of Software. Tax Office acknowledges that the Software is confidential in nature and constitutes a trade secret belonging to Software Firm. Tax Office agrees to hold Software in confidence for Software Firm and not to sell, rent, license, distribute, transfer or disclose the Software or its contents, including methods or ideas used in the Software, to anyone except to employees of Tax Office (taxpayers may view data) or to employees of taxing jurisdictions within the Tax Office served by the Tax Office, when disclosure to such employees is necessary to use the license granted in this Agreement. Tax Office shall instruct all persons to whom any such disclosure is made that the disclosure is confidential and that the employee must keep the software confidential by using the care and discretion that they use with other data designated by Tax Office as confidential. The confidentiality requirements of this Paragraph 2.2 shall be in effect both during the term of this Agreement and after it is terminated.

2.3 Security. Licensee agrees to keep the Software at a secure place, under access and use restrictions satisfactory to Software Firm. Tax Office agrees to at least implement the security precautions that it normally uses to protect its own confidential materials and information.

2.4 Disclosure Is Breach. Tax Office agrees that any disclosure of the Software to a third party constitutes the material breach of this Agreement and shall terminate the license granted by this Agreement. Computer terminal display of account information to taxpayers does not constitute disclosure.

ARTICLE III

TAX OFFICE'S GENERAL RESPONSIBILITIES

3.1 Risk of Loss. If any item of Hardware or Software is damaged, lost, or destroyed by any means for which Tax Office is responsible, Tax Office shall be liable for the expense of repairing that item, or, if repair cannot be made, for an amount equal to the replacement cost.

3.2 Site Preparation and Maintenance. Tax Office shall meet all of the requirements for installation of the Hardware specified in the manufacturer's installation manual, including a suitable place of installation, appropriate air conditioning and suitable electric power supply.

3.3 Supplies. Tax Office shall be responsible for and shall furnish all supplies consumed or required by the Hardware and Software, unless otherwise specifically stated in this Agreement. All supplies, including magnetic tapes, disks, and other storage media shall meet the Hardware manufacturer's applicable specifications.

3.4 Lease / License Charges.

(a) Tax Office shall pay Software Firm, for the use of each item of Hardware and Software, the quarterly charge set forth for it in the Hardware Lease Schedule and the Software License Schedule attached to and made a part of this Agreement.

(b) Payments due Software Firm under this Agreement shall be made to Software Firm at its address in the introductory paragraph of this Agreement or to such other person and place as Software Firm may designate in writing.

3.5 Maintenance Charges. Unless otherwise provided in this Agreement, Tax Office agrees to incur and pay Hardware and Software maintenance charges, whether performed by the manufacturer or otherwise.

3.6 Reports.

(a) In the event any accident or incident arises out of the apparent or alleged improper manufacture, functioning, or operation of any item of Hardware and Software, Tax Office shall notify Software Firm of each such accident or incident immediately after it occurs. That report shall identify the item of Hardware and Software and include the time, place and nature of the accident or incident, the damage, the names and addresses of any parties involved, persons injured, witnesses, and owners of any property damaged, and any other material information.

(b) Tax Office shall promptly advise Software Firm of all correspondence, papers, notices, and other documents of any kind that Tax Office receives in connection with any claim or demand involving or relating to any alleged improper manufacture, functioning or operation of any item of Hardware and Software. Tax Office and its employees shall aid in the investigation and defense of all such claims and in the recovery of damages from any third persons liable for the claims.

(c) When reasonably requested by Software Firm, Tax Office shall permit persons designated by Software Firm to examine each item of Software and any leased Hardware.

ARTICLE IV

SOFTWARE FIRM'S GENERAL RESPONSIBILITIES

4.1 Warranty of Title.

(a) Software Firm warrants that it has good title to the Hardware and Software and the right to lease and/or license it to Tax Office free of any proprietary rights or any encumbrance of any other party.

(b) Software Firm shall defend Tax Office against any and all claims that the Hardware, Software or Tax Office's use of same under this Agreement violates the trade secret, trademark, copyright, patent, or other proprietary right of any other party. Software Firm shall indemnify and hold Tax Office harmless from any liability for damage, cost or other loss incurred by Tax Office in connection with any such claim. Tax Office shall notify Software Firm of the assertion of any such claim and shall cooperate with Software Firm in the investigation and resolution of the claim. **HOWEVER, SOFTWARE FIRM SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES ARISING OUT OF THE SUBJECT MATTER OF THIS AGREEMENT.**

(c) Software Firm shall not indemnify Tax Office against any claim or liability based on Tax Office's modification or conversion of Hardware and/or Software or the subsequent use of that modification or conversion.

4.2 Warranty Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, SOFTWARE FIRM MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED. BY ITS LEASE OF THE HARDWARE AND ITS LICENSE OF THE SOFTWARE, SOFTWARE FIRM SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE MERCHANTABILITY, FITNESS, DESIGN, CONDITION, OR QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE HARDWARE AND/OR SOFTWARE.

4.3 Delivery of Hardware and Software. Software Firm shall deliver the Hardware, one copy of the computer program portion of the Software and one (1) copy of the printed portion of the Software to Tax Office.

4.4 Original Software Installation Services. Software Firm shall assist in the installation of the Hardware, and in the installation of the Software. Technical Services shall be provided by Software Firm in connection with the installation of the Software at Tax Office's site for three (3) days at no charge. Delivery dates of services will be agreed upon by Tax Office's staff and Software Firm's staff.

4.5 Initial Software Training. Software Firm shall provide two (2) days of technical orientation and training for all of Tax Office's computer operations employees. Training and orientation shall be provided at the Tax Office's place of business. Delivery dates of services will be agreed upon by Tax Office's staff and Software Firm's staff.

4.6 Technical Support. Software Firm shall provide additional technical support services to Tax Office on request and as available at the rate of **SEVENTY FIVE DOLLARS (\$ 75.00)** per hour, including travel time, plus cost of travel, such as tolls, parking, out-of-pocket costs, and mileage at the rate of (\$.54) per mile or the current IRS standard mileage rate.

Programming	\$ 75.00/hr
Travel time and associated out-of-pocket costs.	
Mileage will be charged at the rate of \$ 0.54 per mile or the current IRS standard mileage rate.	
System Analyst	\$ 85.00/hr
Travel time and associated out-of-pocket costs.	
Mileage will be charged at the rate of \$ 0.54 per mile or the current IRS standard mileage rate.	
Customer Training	\$ 500.00/day
Per diem includes travel and out-of-pocket charges.	
Virus Protection	\$ 75.00/hr
Travel time and associated out-of-pocket costs.	
Mileage will be charged at the rate of \$ 0.54 per mile or the current IRS standard mileage rate.	

- 4.7 Software Firm agrees to provide Tax Office the following:
- (a) Updates required by changes in Property Tax Code, Tax Law, or Property Tax Assistance Division of the Comptroller's Office.
 - (b) All program changes / enhancements made by Software Firm.
- 4.8 Should Software Firm sell the business Tax Office has the option to terminate this lease. Software Firm will give Tax Office 120 days written notice of intent to sell.

ARTICLE V
TERMINATION

5.1 Cause for Termination. The lease pursuant to, and/or the license granted in, this Agreement shall be terminated automatically and without further notice upon the occurrence of any of the following events:

- (i) Expiration of the term specified in Paragraph 1.6 of this Agreement or of any automatic renewal term as specified under said paragraphs;
- (ii) Subject to the provisions of Paragraphs 2.2 and 2.4, disclosure by Tax Office of the Software to a third party, whether directly or indirectly and whether inadvertently or purposefully;
- (iii) Refusal by Tax Office to pay any periodic fee or other charge provided for in this Agreement;
- (iv) Cessation of business by Tax Office or Software Firm; or
- (v) Commission by Tax Office of an event of default as defined in Paragraph 5.4 below.

5.2 Optional Termination by Tax Office. Should Software Firm fail to cure defects in the Hardware or Software within 90 days of written notice of same by Tax Office, Tax Office may terminate this Agreement.

5.3 Events of Default. Tax Office commits an event of default under this Agreement, and the lease and/or license granted under this Agreement shall terminate, if any of the following occur:

- (i) Tax Office attempts to use, copy, license, or convey the Software in any manner contrary to the terms of this Agreement, or in derogation of Software Firm's proprietary rights in the Software; or

(ii) Tax Office fails and neglects to perform or observe any of its existing or future obligations under this Agreement, including, without limitation, timely payment of any sums due Software Firm within ten (10) days after notice that payment is delinquent.

5.4 Effect of Termination. Tax Office agrees that immediately on termination under Paragraph 5.1, it shall immediately return all Hardware, Software and all copies of Software to Software Firm, certify to Software Firm that it has retained no copies of the Software, and acknowledge that it may no longer use the Software. In the event of termination through its default, the Tax Office is liable for all fees and other amounts payable to Software Firm under this Agreement that have accrued through the date of termination. Upon termination of the lease and/or license granted under this Agreement, Software Firm's obligations under this Agreement shall cease. Notwithstanding any other provision of this Agreement to the contrary, the obligations of Tax Office under Paragraph 2.2 shall survive any termination of this Agreement.

5.5 Non-Appropriations. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for payments due under this Lease, Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee, except as to the portions of payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. Notwithstanding the foregoing, Lessee agrees that, to the extent permitted by law, it will not cancel the Lease under the provisions of this Section 5.5 if any funds are appropriated to it or by it for the acquisition, retention or operation of the Units or other equipment performing functions similar to the Units for the fiscal year in which termination occurs or the next succeeding fiscal year.

5.6 Arbitration. In the event of a dispute arising under this contract, the parties agree to submit that dispute to arbitration pursuant to the rules of the American arbitration Society. Venue for any dispute arising under this contract shall lie in Hardeman County, Texas.

ARTICLE VI

GENERAL PROVISIONS

6.1 Assignment. Tax Office shall not assign or otherwise transfer its rights under this Agreement or the Hardware and Software obtained pursuant to this Agreement without the prior written consent of Software Firm. Any attempt to make such an assignment without Software Firm's consent shall be void.

6.2 Governing Law. The parties acknowledge that this Agreement has been made in Texas and agree that it shall be construed pursuant to the laws of the State of Texas As required by Texas Government Section 2270.002, Software Firm verifies that it is not currently engaged in, and agrees, for the duration of this Agreement, not to engage in a boycott of Israel.

6.3 Notices. Any notice required or permitted by this Agreement to be given to either party shall be deemed to have been given if in writing and delivered personally or mailed by first-class, registered or certified mail, postage prepaid and addressed to the respective addresses specified in the introductory paragraph of this Agreement, or at such other address that either party may have designated as the address of such party or such purpose.

6.4 Attorneys' Fees. If any legal proceeding is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled.

6.5 Severability. If any part of this Agreement is declared to be invalid by any court of competent jurisdiction, that part of the Agreement shall be severed from this Agreement and the remainder of this Agreement shall remain in full force and effect.

6.6 Non-Waiver. The parties agree that a waiver of a breach or default under this Agreement shall not constitute a waiver of any subsequent breach or default. The parties also agree that no failure to exercise or delay in exercising any right under this Agreement on the part of either party shall operate as a waiver of the right.

6.7 Amendments. This Agreement shall be modified only by a written agreement executed by the persons authorized to execute agreements on behalf of the parties.

6.8 Valid Agreement. By their execution of this Agreement, each party hereby represents and warrants that it is authorized by proper action of its Board of Directors to enter into and execute this Agreement. Additionally, the Chief Appraiser for the Tax Office approves this Agreement by his/her signature below.

6.9 Amendment in Certain Events. There exists a possibility the Texas Legislature will enact changes in the Property Tax Code which could affect this Agreement. Should that occur, the parties will re-examine this Agreement and renegotiate same, if necessary. Further, should there be a judicial interpretation of the Property Tax Code which affects the legality or validity of any portion of this Agreement, the parties will re-examine this Agreement and renegotiate same, if necessary.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective
this _____ day of _____,

QUANAHA ISD

By: _____

Name: _____

SOFTWARE FIRM:

PRITCHARD & ABBOTT, INC

By: Kevin R. McBurnett

Printed Name: Kevin R. McBurnett

Title: Information Services Manager

Date: 9.5.18

APPROVED BY:

Tax Assessor-Collector

QUANAH ISD TAX OFFICE

SCHEDULE I

ANNUAL FEE	
<u>2019</u>	<u>2020</u>
\$ 3,700.00	\$ 3,800.00

HARDWARE

Cloud Hosting Tax Office Data;
Sonicwall TZ170, Content Filter, Antivirus;
3 Dell PC's;
2 HP Laser Printers.

QUANAH ISD TAX OFFICE

SCHEDULE 2

	ANNUAL FEE	
	2019	2020
COLLECTION SOFTWARE	\$ 3,950.00	\$ 4,050.00
Software provides the ability to post current & delinquent taxes; 1-800 Customer Service Support; Admission to User Meetings; Generate Monthly Reports; Provide daily, weekly, summary totals; Error & Supplemental Reports; Print Supplemental Tax Statements; Print Receipts on demand.		
TAX STATEMENT SOFTWARE & PRINTING TAX STATEMENTS		
Tax Statement Calculation Module;	\$ 1,050.00	\$ 1,075.00
Taxpayer Rights & Remedies; Tax Roll, Tax Roll Reports, Tax Statement & Summary Reports.		
SOFTWARE LICENSE FEE (3 USERS)	\$ 2,500.00	\$ 2,500.00
TOTAL SOFTWARE ANNUAL FEE	\$ 7,500.00	\$ 7,625.00
HARDWARE (Schedule 1)	\$ 3,700.00	\$ 3,800.00
TOTAL ANNUAL FEE	\$11,200.00	\$11,425.00

The annual fee for Schedule 1 & 2 shall be made in quarterly payments as follows:

\$2,800.00 January of 2019;	\$2,856.25 January of 2020;
\$2,800.00 April of 2019;	\$2,856.25 April of 2020;
\$2,800.00 July of 2019;	\$2,856.25 July of 2020;
\$2,800.00 October of 2019.	\$2,856.25 October of 2020.

Payments should be sent to 4900 Overton Commons Court, Fort Worth, TX 76132-3687.