

**NORTH LAS VEGAS CITY COUNCIL
AGENDA ITEM**

Number: **13**

SUBJECT: Authorize payment of the annual software service and maintenance fees for Hansen software.

REQUESTED BY: Steven W. Chapin, IT Director

RECOMMENDATION OR RECOMMENDED MOTION: It is recommended City Council authorize payment of \$236,195.28 to Hansen Information Technologies, Inc. for software service and maintenance.

FISCAL IMPACT:

Amount: \$ 236,195.28

Explanation: This amount is available in the approved budget

ACCOUNT NUMBER:

100-180165-430630

(\$100,137.48)

610-600320-430630

(\$81,634.68)

620-600320-430630

(\$54,423.12)

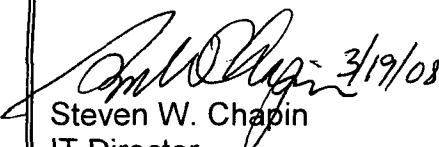
STAFF COMMENTS AND BACKGROUND INFORMATION:

On January 15, 2003 City Council approved a Service and Maintenance Agreement with Hansen Information Technologies. The agreement renews annually and unless changed will remain in effect as long as the City uses Hansen software.

Including a previously processed invoice amounting to \$7,194.06, the total annual payment to Hansen Information Technologies for service and maintenance is \$243,389.34.

LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management

PREPARED BY:


Steven W. Chapin
IT Director

**RESPECTFULLY
SUBMITTED:**


Gregory E. Rose
City Manager

**CITY COUNCIL
MEETING DATE:**

4/2/08

Hansen Information Technologies

Service and Maintenance Agreement

Subject to all terms of this Service and Maintenance Agreement (AGREEMENT), Hansen Information Technologies (hereinafter referred to as "HANSEN" and City of North Las Vegas, Nevada, (hereinafter referred to as "CUSTOMER") agree as follows:

1. **PRODUCT** - This AGREEMENT applies to the product(s) and module(s) licensed to the CUSTOMER by HANSEN as agreed to in a separate Software License Agreement (including additional software purchases under that Agreement):

Products: V7.x Customer Service, Land Management, Arc View, Tab Editor, OLE Container, and Image Display
 2. **PRICE** - CUSTOMER agrees to pay to HANSEN in advance, an annual fee of \$34,884.00 for services and maintenance provided in accordance with this AGREEMENT.
 3. **TERM** - This AGREEMENT will commence on February 1, 2003 and continue for one year.
 4. **AUTOMATIC RENEWAL** - After the initial term this AGREEMENT shall automatically renew for a one year period if neither party has given the other thirty (30) days prior written notice of its desire not to renew at the end of the initial term or any extensions thereof. The annual fee shall remain the same as the prior year unless CUSTOMER is provided written notice of a price change sixty (60) days prior to the expiration of the prior term. The annual fee will increase if CUSTOMER purchases additional Software licenses of seats or modules. If the price change is unacceptable to CUSTOMER, the AGREEMENT will not renew if CUSTOMER so informs HANSEN in writing prior to the end of the current term.
 5. **SERVICES** - HANSEN will provide the following services to the CUSTOMER during the term of this AGREEMENT:
 - a) The CUSTOMER will receive, when available, updates applicable to the CUSTOMER'S specific version of HANSEN application software within the same operating environment.
 - b) The CUSTOMER will be able to utilize Toll-Free Technical phone support through the Help Desk for technical issues relating to the installation and use of the licensed software (Hansen Version 7.x). The telephone support will be available Monday through Friday between the hours of 4 a.m. – 5 p.m. Pacific Time by dialing (800) 8- HANSEN.
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- c) Distribution of updates to the CUSTOMER'S HANSEN application software to resolve any malfunctions or logic problems that have been identified and corrected in the application software.
6. SERVICES NOT COVERED - HANSEN will not provide any additional services to the CUSTOMER during the term of this AGREEMENT; including but not limited to:
- a) HANSEN will not support application software that is running on outdated operating systems. Distribution of updates and enhancements, telephone support and functional corrections will only be made available for current operating systems. The CUSTOMER is responsible for maintaining compliance with the "industry standard" version of the relevant operating system. CUSTOMER should determine that an upgraded version of a component part of the Hansen product (Oracle for example) has been certified prior to installation.
 - b) HANSEN is not responsible for loss of data due to lack of sufficient backup files. The CUSTOMER is responsible for following standard backup procedures to insure data integrity.
 - c) Custom programming or the development of specialized routines not associated with 5(a), 5(b) and 5(c) are not covered under this AGREEMENT.
 - d) Data conversions and problems associated with data conversions are not covered under this AGREEMENT. HANSEN will assist the CUSTOMER through the Help Desk for workstation installation only if other workstations are already installed and working. The Help Desk will not install or upgrade server software or database client software on a "first" machine.
 - e) Any service not covered in paragraph 5 above.
7. HANSEN SYSTEM DEFECT CLASSIFICATIONS – It is recognized that despite the precautions associated with software, defects may be encountered. These defects are defined in criticality categories:
- a) Category I – System failure. Software does not work, data cannot be input, reviewed, or revised. The system is inoperable. This failure is due to Hansen's software failure, not related to database or system difficulties.
 - b) Category II – Key Hansen component failure. One or more Hansen modules or functions do not work. In this case core functionality remains, however the system is not fully operable. It might not print, for example.
 - c) Category III – Minor Hansen failure or defect. A calculation does not properly function, printing might not be available for one feature, indexing might not have full functionality. These generally center on a configuration issue or error. The system works and work-arounds may be used.
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- d) Category IV – Defect, A feature or change in Hansen functionality desired by the CUSTOMER is not available or needs redesign or a misspelling or incorrect link is encountered. Full functionality remains available.

8. RESPONSE GOALS AND ESCALATION –

Response goals are based upon the Category and Criticality of the problem.

- a) Response goals for Category I will be within two hours of initial reporting (during Hansen customer service hours). HANSEN will provide standard technical telephone support to resolve the problem.
- b) Response goals for Category II will be within four hours of initial reporting (during Hansen customer service hours). HANSEN will provide standard technical telephone support to resolve the problem.
- c) Response goals for Category III issues will be within four working hours of initial reporting. Normally, defects of this nature are resolved through installation of new software or “bug fixes,” or changes in the customized system configuration.
- d) Responses for Category IV issues will be addressed as enhancement requests and minor corrections. These will be distributed in standard software releases and upgrades.

Service Escalation

In cases where a solution cannot be provided to restore major functionality within six working hours after receipt of the initial call (Categories I and II), Hansen will assign its technical and programming team to resolve the difficulty. If the difficulty cannot be resolved in a timely fashion after the initial call, HANSEN technical personnel may be dispatched to the site at HANSEN's discretion. The CUSTOMER will provide on-site technical staff support, access and expertise to assist HANSEN, regardless of the time of day or standard work schedule. In all occurrences of Category I and II issues, HANSEN will endeavor to restore system functionality as soon as possible.

HANSEN will use electronic delivery of files and software patches where possible, or overnight delivery if required. In cases of system failures (Categories I and II) next flight out delivery of media will be made. CUSTOMER will be responsible to take delivery at the closest practical airport.

Category III issues will be resolved as rapidly as practical provided they degrade system performance or significantly decrease functionality. Electronic delivery of new software or additional files may be appropriate. In cases where files are too large for satisfactory electronic delivery, overnight mail will be used.

Category IV issues will be reviewed and resolutions will be distributed through standard upgrade and update distributions. Enhancement suggestions should be made in writing and sent to the Hansen Help Desk.

All reports of system problems should be referred to the Hansen Help Desk, 1-800-8HANSEN. These calls will be logged into the system and dispatched to the appropriate

work groups. In the event the Hansen Help Desk cannot be reached through the toll free number, the Hansen general number should be used, or e-mail to helpdesk@hansen.com.

If satisfaction is not received, the complaint should be directed to the Customer Service manager, then to the Account Manager.

9. **ADDITIONAL SERVICES** - Services outside the scope of those described in 5(a), 5(b), and 5(c) above may be provided on a Time and Materials basis, Flat Fee basis, or may require on site work at a negotiated price. The current established hourly rate is \$187.50, with a minimum of one hour. The hourly rate may change without notice. The additional services may include data correction, software upgrades and installations.
 10. **LIMITATION ON LIABILITY – THE AGGREGATE LIABILITY OF HANSEN ARISING FROM OR RELATING TO THIS AGREEMENT OR THE SOFTWARE, OR DOCUMENTATION (REGARDLESS OF THE FORM OF ACTION OR CLAIM – E.G. CONTRACT, WARRANTY, TORT, MALPRACTICE, AND/OR OTHERWISE), INCLUDING UNDER ANY INDEMNIFICATION PROVISION HEREOF, IS LIMITED TO THE TOTAL FEES PAID BY CUSTOMER UNDER THIS AGREEMENT. HANSEN SHALL NOT IN ANY CASE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. HANSEN IS NOT RESPONSIBLE FOR LOST PROFITS OR REVENUE, LOSS OF USE OF THE SOFTWARE, LOSS OF DATA, COSTS OF RE-CREATING LOST DATA, THE COST OF ANY SUBSTITUTE EQUIPMENT OR PROGRAM, OR CLAIMS BY ANY PARTY OTHER THAN CUSTOMER.**
 11. **SOLE REMEDY AND ALLOCATION OF RISK –CUSTOMER’S SOLE AND EXCLUSIVE REMEDY AND HANSEN’S SOLE AND EXCLUSIVE LIABILITY IS SET FORTH IN THIS AGREEMENT. THIS AGREEMENT DEFINES A MUTUALLY AGREED-UPON ALLOCATION OF RISKS AND THE AMOUNT PAYABLE TO HANSEN BY CUSTOMER REFLECTS SUCH ALLOCATION OF RISK.**
 12. **MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER** - No modification, amendment, supplement to or waiver of this Agreement or any of its provisions shall be binding upon the parties unless made in writing and duly signed by authorized representatives of both parties. A failure or delay of either party to this Agreement to enforce any of the provisions of this Agreement, or to exercise any option herein provided, or to require performance of any of the provisions hereof, shall not be construed as a waiver of such provision of this Agreement.
 13. **SEVERABILITY** - In the event any one or more of the provisions of the Agreement is for any reason be held to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable provision which comes closest to the intention of the parties underlying the illegal, invalid or unenforceable provision
 14. **ENTIRETY OF AGREEMENT** - The terms and conditions of any and all appendices, exhibits, schedules, and attachments to this Agreement are incorporated herein by this
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reference and shall constitute part of this Agreement as if fully set forth herein. Article and paragraph headings used herein are for reference purposes only and shall not be deemed a part of this Agreement. This Agreement, the Professional Services Agreement and the License Agreement constitute the entire Agreement between the parties and supersedes all previous Agreements including promises and representations, whether written or oral, between the parties with respect to the subject matter hereof.

15. **NON-PAYMENT** - This agreement may be terminated without notice if payment is not received within forty-five (45) days of its due date. If CUSTOMER is forty-five days or more delinquent on any obligation to HANSEN, HANSEN may suspend services provided by this Agreement until CUSTOMER pays its obligation. No credit or refund will be provided during any period of suspension.
16. **ATTORNEY'S FEES** - In the event of any litigation, arbitration or other proceeding between the parties relating to this Agreement, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees and other reasonable costs incurred by the prevailing party in connection therewith and in pursuing and collection remedies (including appeals), relief and damages.

CUSTOMER: CITY OF NORTH LAS VEGAS

By: 
Michael L. Montandon, Mayor

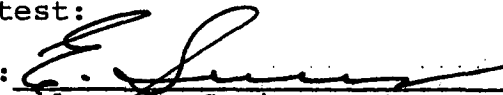
Date: January 15, 2003

HANSEN INFORMATION TECHNOLOGIES:

By: 
Charles A. Hansen, Chief Executive Officer

Date: January 8, 2003

Attest:

By: 
Eileen M. Sevigny, CMC
City Clerk