



RESOLUTION No. 17-366

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF SOFTWARE LICENSING AND SUPPORT SERVICES AGREEMENTS WITH MEGABYTE SYSTEMS, INC. FOR PURCHASE AND IMPLEMENTATION OF THE MEGABYTE PROPERTY TAX SYSTEM (MPTS) FOR ADMINISTRATION OF PROPERTY TAXES, AND DIRECTING THE AUDITOR-CONTROLLER TO RELEASE FUNDS FROM THE GENERAL FUND ASSIGNMENT FOR INFORMATION SYSTEMS INFRASTRUCTURE AND TO AMEND THE FISCAL YEAR 2017/18 INFORMATION SYSTEMS, ASSESSOR, AUDITOR-CONTROLLER, AND TREASURER-TAX COLLECTOR BUDGETS (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the efficiency with which the Offices of the Assessor, Auditor-Controller, and Treasurer-Tax Collector can perform their duties in the appraisal, assessment, calculation, billing, collection, and apportionment of property taxes is constrained by the outdated software presently in use; and

WHEREAS, the three aforementioned Offices and the Chief Information Officer have determined that the property tax administration software offered by Megabyte Systems, Inc. represents the best available solution for replacing the legacy software system presently in use by those Offices; and

WHEREAS, the total Fiscal Year 2017-18 cost for implementation of MPTS is expected to be \$1,140,548, of which \$676,000 is available in previously assigned General Fund balance for the purpose of procuring a property tax software system, leaving a balance of \$464,548 unfunded.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that:

1. The Chair of the Board of Supervisors be and is hereby authorized to execute, on behalf of the County of Nevada, a) a Software License Agreement with Megabyte Systems, Inc. pertaining to the MPTS software solution in the amount not to exceed \$1,050,500; and b) a Software Maintenance Agreement providing for maintenance of the MPTS software for the period beginning July 1, 2018 and continuing for an indefinite period subject to the County's continued appropriation and payment of annual support costs as provided for in the Agreement.
2. Directs the Auditor-Controller to reduce the Information Technology Infrastructure Assignment of the General Fund by \$464,548, and amend the Fiscal Year 2017/18 budget as follows:

Information Systems

Increase:

0101-11007-531-9100 540425 Software (capital) \$1,050,500

Assessor, Auditor-Controller, Treasurer Tax Collector

Increase:

0101-10201-011-1000 510200	Assessor Temp Salaries	\$62,220
0101-10202-041-1000 510200	A-C Temp Salaries	\$22,828
0101-10203-231-1000 510200	Treas-TC Temp Salaries	\$5,000

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 27th day of June, 2017, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Hank Weston and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: 


Hank Weston, Chair

6/27/2017 cc: IGS*
AC* (Hold)

7/10/2017 cc: IGS*
AC* (Release)
Assessor*
T&TC*
MS, Inc.

**SOFTWARE LICENSE AGREEMENT
MEGABYTE PROPERTY TAX SYSTEM
(MPTS)**

This SOFTWARE LICENSE AGREEMENT (“Agreement”) is made and entered into as of June 27, 2017, by and between NEVADA COUNTY (“Customer”) and MEGABYTE SYSTEMS, INC., a California corporation (“Contractor”).

RECITALS

WHEREAS, Contractor has developed and owns all rights in and to the computer software and documentation referred to herein as the “Software.”

WHEREAS, Customer wishes to acquire from Contractor, and Contractor is willing to grant to Customer, certain rights with respect to the Software, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements contained herein, the parties agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 Software. As used herein, the term “Software” shall mean the computer application software known to Contractor as “MPTS,” described in **Exhibit A** attached hereto and, by this reference, made a part hereof, including all coding (object code and source code), tapes, discs, modules, and similar materials comprising such software. The Software is described more specifically in the documentation (defined below).

1.2 Documentation. As used herein, the term “Documentation” shall mean the user documentation relating to the Software, which documentation is described in Exhibit A, attached hereto.

1.3 System. As used herein, the term “System” shall mean the Software and the Documentation, collectively. Reference to the System shall include any component thereof. All modifications and enhancements to the System shall be deemed to be part of the System as defined herein and shall be subject to all of the terms and conditions set forth herein.

1.4 License. As used herein, the term “License” shall have the meaning assigned to such term in Section 2.1.

2. GRANT OF LICENSE

2.1 Grant of License. Contractor hereby grants to Customer a license with respect to the Software, subject to the terms and conditions set forth herein (the "License").

2.2 Scope of License.

(a) The License granted herein shall consist solely of the non-exclusive, non-transferable right of Customer to (1) operate the Software for the purpose of providing services solely in connection with Customer's existing business or functions; (2) copy the Software solely for backup purposes; and (3) to receive and use the Documentation.

(b) The License granted herein shall not entitle Customer to: (1) operate the Software on any equipment other than Customer owned hardware; (2) operate the Software other than in connection with Customer's existing business or function; (3) permit any person or entity other than Customer, its employees and its patrons to operate the Software; (4) copy the Software in any manner or in any form other than solely for backup purposes; (5) modify or enhance the Software in any respect; or (g) transfer any right in the Software to any other person or entity.

2.3 Ownership. Customer acknowledges and agrees that, as between Contractor and Customer, title and full ownership of all rights in and to the System and all other materials provided to Customer hereunder shall remain with Contractor. Customer further acknowledges and agrees that the System, and all ideas and expressions contained therein, are proprietary information and trade secrets of Contractor. However, Customer shall receive, at no additional cost, a perpetual license to use the Software for its own use.

2.4 Source Code Access. Contractor shall place source code for the licensed software and any changes thereto, into a software escrow account. County shall have access to the source code in the event Contractor fails to fulfill its maintenance and support obligations, or in the event of bankruptcy, dissolution, or appointment of a receiver for Contractor. County shall be able to use the source code according to the terms of this Agreement, and must also be permitted to modify the code for its own use consistent with this Agreement.

3. TERM

3.1 Duration. The License granted herein shall be effective as of the Installation Date (defined in Section 4.1) and shall remain in effect perpetually unless terminated as provided in Section 3.2.

3.2 Termination. If Contractor fails to perform his/her duties to the satisfaction of Customer, or if contractor fails to fulfill in a timely and professional manner his/her obligations under this Agreement, or if Contractor violates any of the terms or provisions of this Agreement, then the Customer shall have the right to terminate this Agreement

effective immediately upon the Customer giving written notice thereof to the Contractor. Customer may terminate this Agreement upon thirty (30) days written notice. Customer shall pay Contractor a prorated portion of the flat fee as of the date of notice. Customer may terminate this Agreement immediately upon oral notice should funding cease or be materially decreased, or should the Nevada County Board of Supervisors not appropriate sufficient funds for this Agreement in any fiscal year.

Parties agree that upon termination of this Agreement, each Party's own data and records in the possession of the other shall be returned to the other Party within thirty (30) days of termination and in a commercially-recognized format.

3.3 Fiscal Appropriations. Contractor acknowledges that Customer is a governmental agency, and as such has fiscal legal limitations, including, but not limited to, the availability of funding from fiscal year to fiscal year for ongoing contracts. Contractor agrees that in the event Customer is required to terminate his contract as a result of necessary fiscal appropriation for the contract, such shall not be considered a default by Customer of any terms thereof and no liability will be placed on Customer.

3.4 Events Upon Termination. Upon any termination of the License granted herein, the parties shall comply with the provisions of Section 9.

4. INSTALLATION, TRAINING AND SUPPORT

4.1 Installation. Contractor shall deliver and install the System for Customer in the manner and on the schedule set forth in **Exhibit B** attached hereto and, by this reference, made a part hereof. The date on which Contractor has delivered and installed the System in accordance with Exhibit B shall be referred to herein as the "Installation Date."

4.2 Training. Contractor shall provide to Customer the training services relating to the System described in Exhibit B attached hereto.

4.3 Support Services. Contractor shall provide to Customer the other support services relating to the System as set forth and described in "MPTS Property Tax System Maintenance Agreement," which agreement is separate from this Agreement.

5. COMPENSATION

5.1 License Fee. As compensation for the License granted herein, Customer shall pay to Contractor a fee in accordance with the schedule set forth in **Exhibit C** attached hereto.

5.2 Other Compensation

5.2.1 Fee for Additional Services. If contractor provides services requested in writing by Customer which are in addition to the services specified in Section 4, Customer

shall as compensation for such additional services pay to Contractor a fee based on Contractor's then prevailing rate for such services.

5.2.2 Expenses relating to Services. To the extent an allowance is provided in Exhibit C for travel expenses, Customer shall reimburse Contractor for all necessary travel and per diem expenses incurred by Contractor and its employees in performing Contractor's obligations hereunder. Overnight travel will be subject to advance mutual agreement of the parties. Any reimbursement for travel costs shall be subject to and not exceed those amounts paid to the County's employees under the current County Travel Policy.

5.3 General

5.3.1 Invoices. Contractor shall invoice Customer for all sums which Customer owes Contractor hereunder, and Customer shall pay each invoice within thirty (30) days after receipt thereof.

5.3.2 Taxes. Customer shall be responsible for payment of any and all taxes or other governmental charges or fees attributable to the License granted herein.

5.3.3 Audit by California State Auditor. Contractor acknowledges that if total compensation under this agreement is greater than \$10,000.00, this agreement is subject to the examination and audit by the California State Auditor for a period of three(3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code 8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years, or any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under this Agreement.

6. WARRANTY

6.1 General Warranty. Contractor warrants to Customer that Contractor has full right and authority to grant to Customer the License herein and that Customer's possession and use of the System in accordance with the License herein shall not infringe any United States copyright or patent.

6.2 Performance. Contractor warrants to Customer that application software contracted for by Customer will perform in substantial compliance with the Documentation and the representations and features listed in Exhibit A. There are no express or implied warranties, including the implied warranty of merchantability and fitness for a particular purpose not specifically set forth in this Agreement, with respect to this Agreement, or the software or other products, documentation or other products.

7. CONFIDENTIALITY

7.1 Customer Obligations. Customer acknowledges that, by virtue of the License granted herein, it will have access to certain proprietary information and trade secrets of Contractor, including without limitation proprietary information and trade secrets relating to the System (collectively, the "Confidential Matters"). Customer agrees that the Confidential Matters, and all information comprising or relating to the Confidential Matters, shall be deemed confidential and proprietary to Contractor, shall be held in trust by Customer, and shall be safeguarded by Customer to the same extent that Customer safeguards confidential matters relating to its own operation which in no event shall be less than the safeguards that a reasonably prudent person or business would exercise under similar circumstances.

7.2 Exceptions. Customer's obligations pursuant to Section 7.1 shall not apply to information which is in the public domain, other than as a result of any breach of this Agreement, or to information which Customer is obligated to disclose pursuant to federal or State law, including the California Public Records Act, or the lawful order of any court or government instrumentality in the United States, but only to the extent required by such order.

7.3 Contractor's Obligations. Contractor acknowledges that, by virtue of the customer/developer relationship established herein, it will have access to certain confidential information relating to the Customer's clients and activities. Contractor agrees that all information relating to the activities and the clients of Customer shall be deemed confidential and proprietary to Customer, shall be held in trust by Contractor, and shall be safeguarded by Contractor to the same extent that Contractor safeguards confidential matters relating to its own clients and activities which in no event shall be less than the safeguards that a reasonably prudent person or business would exercise under similar circumstances.

7.4 Exceptions. Contractor's obligations pursuant to Section 7.3 shall not apply to information which is in the public domain, other than as a result of any breach of this Agreement, or to information which Contractor is obligated to disclose pursuant to the lawful order of any court or government instrumentality in the United States, but only to the extent required by such order.

8. LIABILITY

8.1 Patent or Copyright Infringement.

- A. Contractor represents that the materials and products produced hereunder do not violate others' intellectual property rights (which include patent, copyright, trademark, trade secret or other proprietary right.) In the event a claim, cause of action, proceeding or other legal action should arise in which there are claims that the materials and/or products infringe or violate another's intellectual property rights, Contractor shall undertake

to protect, defend, settle or resolve the proceeding at no cost, whatsoever, to County, including, but not by way of limitation, legal fees, disbursements, judgments, or the like. Contractor shall protect, defend and indemnify and hold County harmless, subject only to County giving Contractor prompt written notice of any such third party claim, cause of action or proceedings and rendering to Contractor any reasonable information, assistance or access to documents and materials required in the defense of any such cause of action.

- B. Should the materials and/or products, in Contractor's opinion, be likely or become the subject of a claim of infringement of a patent, copyright or trademark, Contractor shall within thirty (90) days of notification, and at its own expense, do any of the following: (1) obtain a legally binding right for County to use, at no cost to County, the material and/or product; (2) replace or modify the material and/or product so that it is non-infringing yet still complies with the RFP and the Contract specifications; (3) repurchase the material and/or product by refunding all moneys paid by County to Contractor for the material and/or product less depreciation and reasonable costs for use and such other amounts as are mutually agreeable to County and Contractor.

8.2 Indemnification by Contractor. Contractor shall indemnify and hold harmless Customer, and its directors, officers, and employees from and against any and all liability, losses, damages, and expenses (including without limitation reasonable attorney's fees and costs) incurred by Customer, or its directors, officers, or employees which arise out of or relate to Contractor's negligence, willful misconduct, or breach of any provisions of this Agreement.

8.3 Indemnification by Customer. Customer shall indemnify and hold harmless Contractor, and its directors, officers, and employees from and against any and all liability, losses, damages, and expenses (including without limitation reasonable attorney's fees and costs) incurred by Contractor, or its directors, officers, or employees which arise out of or relate to Customer's negligence, willful misconduct, or breach of any provision hereof.

8.4 Limitations on Liability. Notwithstanding the provisions of Sections 8.2 and 8.3, the liability of the parties and the remedies of the parties shall be limited as follows:

8.4.1 Uncontrollable Events. Neither party shall bear any liability arising out of events beyond the control of such party, including without limitation acts of God, acts of a public enemy, fires, floods, storms, earthquakes, riots, strikes, lock outs, wars, restraints of government, court orders, power shortages or outages, equipment or communications

malfunctions, nonperformance by any third parties, or other events which cannot be controlled or prevented with reasonable diligence by such party.

8.4.2 Passage of Time. In no event shall a cause of action be asserted by Customer against Contractor or Contractor against Customer which arises out of or relates to any event, condition, breach, or claim occurring beyond the applicable Statute of Limitations period for the filing of such cause of action.

8.5 Insurance. Contractor shall maintain, at Contractor's expense during the term hereof, insurance with respect to Contractor's performance of this Agreement of the types and in the minimum amounts described generally as follows:

8.5.1 Full Workers' Compensation and Employers' Liability Insurance covering all employees of Contractor as required by the law in the State of California.

8.5.2 Comprehensive Public Liability Insurance or Comprehensive Liability Insurance (Bodily Injury and Property Damage) of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence (claim made).

8.5.3 Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with Contractor's business of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence (claim made).

8.6 Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the aforementioned Insurance shall be furnished by the Contractor to the County by certificates of Insurance. Such certificates shall specify that the County must be given written notice 30 days prior to the cancellation or modification of any such insurance.

8.7 Insurance in Force and Effect During Contract Period. The Insurance specified above shall be in a form and placed with an insurance company or companies satisfactory to the County, and shall be kept in force and effect until the completion to the satisfaction and acceptance by the County of all work to be performed by the Contractor under this Agreement.

9. TERMINATION

Upon any termination of the License granted herein, Customer shall immediately cease using the System, and Customer shall, within thirty (30) days after the date of termination, return to Contractor the System and all other materials provided to Customer hereunder, and all copies thereof in Customer's possession or under its control. Notwithstanding the preceding sentence, if Customer has terminated this Agreement in accordance with Section 3.2 and Customer has paid to Contractor the full amount of the fee provided in Section 5.1 and all other amounts then owing to Contractor under Section 5, then Customer may retain the System and continue to use the System, subject to the provisions of Sections 2, 7, 8, and 10.

10. GENERAL PROVISIONS

10.1 Compliance with Laws. Each party shall, in performing its obligations hereunder, comply with all applicable federal, state, and local laws, rules, regulations and governmental orders applicable to such party.

10.2 Amendments. This agreement may be amended or supplemented from time to time, but only by a written instrument executed by Customer and Contractor. As used herein, the term "Agreement" shall include any future amendments or supplements made hereto.

10.3 Construction. Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

10.4 Recitals and Exhibits. The Recitals to this Agreement and the exhibits attached to this Agreement shall be considered part of the Agreement and are incorporated herein by this reference.

10.5 Survival. The provisions of Sections 5, 7, 8, 9, and 10 shall survive any termination or expiration of this Agreement and the License granted herein.

10.6 Contractor as Independent. In providing services hereunder, Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as agents or employees of County.

10.7 Assignment. Neither this Agreement, the License granted herein nor any other right or obligation hereunder shall be assigned, delegated or otherwise transferred by either party, without the prior written consent of the other party. Notwithstanding the preceding sentence, Contractor may assign, delegate, or otherwise transfer this Agreement, the License granted herein, and Contractor's rights and obligations hereunder to any affiliate or contractor or to any successor of Contractor's business or any part thereof, without the prior written consent of Customer.

10.8 Successors. Subject to the restrictions in Section 10.7, this Agreement shall bind and inure to benefit of the respective assigns, successors, representatives and affiliates of the parties.

10.9 Waiver. Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

10.10 Certain Remedies. The parties acknowledge and agree that any breach by Customer of Section 7 of this Agreement could cause irreparable damage to Contractor, the exact amount of which could be impossible to ascertain, and for that reason, Contractor shall be entitled to seek injunctive relief in the event of any actual or threatened breach of Section 7. Such relief shall be in addition to any remedies to which Contractor may be entitled under law or otherwise.

10.11 Severability. If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

10.12 Nondiscrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation, sex, or sexual orientation. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

10.13 Notice. Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or Customer shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail, which shall be deemed received five (5) days after being deposited in the mail, to the respective parties as follows:

To Customer: County of Nevada
Information and General Services Director
950 Maidu Avenue
Nevada City, CA 95959

To Contractor: Sharon A Zachte, President
Megabyte Systems, Inc.
2630 Sunset Blvd
Rocklin, Ca 95677

10.16 Conflicts. Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

10.17 Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

10.18 Enforcement. If either party shall bring an action of any nature against the other party by reason of the breach of any provision of this Agreement, or otherwise arising out of this Agreement, whether for declaratory or other relief, the prevailing party in such action shall be entitled to such party's reasonable expenses relating to such action, including its costs of suit and attorneys' fees.

10.19 Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising from or relating to this agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon mutual agreement of the Parties, the disputes, claims, questions, or differences may be finally settled by arbitration. The arbitration shall be conducted by a neutral arbitrator and in accordance with California law, with the parties sharing equally the costs of arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

10.20 Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. This Agreement may only be amended or modified by written, fully executed agreement of the parties.

10.21 Governing Law and Venue. This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Placer, State of California.

10.22 Authority: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or

conditions of any other contract or agreement to which Contractor is obligated, which breach would have a material effect hereon.

In Witness Whereof, the parties have executed this Agreement on the day and year first hereinabove written.

COUNTY OF NEVADA

MEGABYTE SYSTEMS, INC

By: Hank Weston
Hon. Hank Weston
Chair, Board of Supervisors

By: Sharon A. Zachte
Sharon A. Zachte
President
Taxpayer Identification No. 77-0547969

Date: 6.29.17

Date: 06.23.17

Attest: Julie Patterson Hunter
Julie Patterson Hunter
Clerk of the Board

Approved as to form:

Alison G. Barraque
County Counsel

EXHIBIT A
SPECIFICATIONS

MPTS Provides

- ❖ A fully integrated California property tax system to meet the Client's ongoing needs.
- ❖ A robust system developed and maintained in compliance with California Revenue and Taxation Code.
- ❖ User-Friendly interfaces
- ❖ Reports linked to dynamic data sources
- ❖ Administrative interfaces to ensure maximum adaptability within the system.
- ❖ Integration adapter to facilitate a seamless interaction between all components of the system.
- ❖ Training and user documentation provided by Megabyte.
- ❖ Use of the knowledge and experience of Megabyte and their staff.

BASE MPTS SYSTEM

Assessor Functions

MPTS provides a fully integrated Assessor's system that meets requirements set forth by California Revenue and Taxation Code, including but not limited to:

- ❖ Online updating until the day before roll turnovers – eliminates many tax roll corrections
- ❖ Parameter driven – resource files define common parameters
- ❖ Online roll corrections and escapes (including refunds) for current and delinquent rolls
- ❖ History available with online access for documents, ownership, assessments, values and tax bills
- ❖ Annual secured and unsecured inflation process
- ❖ Automatic value notices daily for supplemental assessments
- ❖ Automatic proration of supplemental assessments
- ❖ Appraisal worksheets
- ❖ Tracking of "Prop 8" and construction in progress
- ❖ Automatic supplemental billing after 30 days of value notice
- ❖ Physical characteristics frozen at time of sale with sale comp data
- ❖ Comparable sales program has ability to capture comments and comparables electronically
- ❖ Management audit reports

- ❖ Secured, unsecured and supplemental tax roll inquiry functions including current and redemption rolls
- ❖ County-specified years of tax bill history online for inquiry
- ❖ Williamson Act and Timber Preserve sub-systems
- ❖ Personal property sub-system
- ❖ Automatic secured notification of assessment valuation
- ❖ Prop 111 reporting
- ❖ User documentation
- ❖ Value updating available year round (new lien date)
- ❖ Image inquiry and viewing (e.g. maps, deeds, office documents, etc.)
- ❖ Import / export capabilities
- ❖ Base year tracking
- ❖ Electronic queues which improve workflow and time
- ❖ Electronic transfer of change of ownership to appraisal queues
- ❖ Valued parcels electronically transfer to review queue (Chief Appraiser)
- ❖ Review queue transfer to automated value update
- ❖ Permits enter appraisal queue automatically (permit data captured, supplemental created and electronic review of the permit)
- ❖ Deeds, assessor maps, business property statements, miscellaneous documents, Excel spreadsheets, .PDF & tiff images can be assigned to each parcel/document for storage & review
- ❖ Aircraft valuation which allows transfer of calculated values from Blue Book into the system for enrollment
- ❖ Manufactured home valuation allows automated enrollment of values based on AH531 cost data and annual comparison of home values for decline in value review
- ❖ Roll Corrections electronically submitted to Auditor
- ❖ Roll Correction and escape notice automation
- ❖ Exemption tracking and reporting
- ❖ Multi-level security
- ❖ Ad-hoc query and reporting function directly from user interface
- ❖ Electronic Building Permit import and process

Auditor Functions

The MPTS solution provides a fully integrated Auditor's system that meets requirements set forth by California Revenue and Taxation Code, including but not limited to:

- ❖ Apportionment – including negative apportionment (all rolls plus unitary AB454), separate reporting and controls
- ❖ Tax Rate Area controls
- ❖ Tax roll controls and audits with daily reporting of audit control of all roll changes
- ❖ Refund issuance (not including checks)
- ❖ Multi-year rates
- ❖ User controlled reporting
- ❖ Resource parameter setup, i.e. tax roll control, low bill limit, etc
- ❖ Online to date collection information of all roll types (collected, uncollected, percent collected to date)
- ❖ Prior year tax bill inquiry
- ❖ Auditor's report to the state for homeowners
- ❖ AB8 process: online establishment and RDA
- ❖ Direct assessments: PC to server, direct auditor input, file import interface
- ❖ Roll change function: daily
- ❖ Value changes to the tax roll with refund information for: new, corrected bills, roll changes, refunds, supplemental bills (increase in value)
- ❖ Inactivation of assessments
- ❖ Auditor control reports
- ❖ Redemption roll adjustment
- ❖ Change taxes (auditor only)
- ❖ Authorized refunds (auditor only)
- ❖ Cancel penalties
- ❖ Delinquent maintenance
- ❖ Change due dates
- ❖ Secured prorates based on number of days owned
- ❖ All roll types (secured, unsecured, delinquent roll, SB813, priors) may be adjusted by a roll change
- ❖ Inquiry access to tax roll and Assessor's roll
- ❖ Import / Export capabilities
- ❖ Multi-level security
- ❖ Ad-hoc query and reporting function directly from user interface
- ❖ Government Acquisition tax roll corrections
- ❖ Automated fiscal year end rollover process
- ❖ No dark time for roll correction processing

Tax Collector Functions

MPTS provides a fully integrated Tax Collector's system that meets requirements set forth by California Revenue and Taxation Code, including but not limited to:

- ❖ Universal form for all tax bills: online bill production, SB813: secured and unsecured, roll changes corrected, additional bills, corrected bills, prior unsecured and prior unsecured SB813
- ❖ Tax statement forms for original secured and unsecured
- ❖ CORTAC processing of tax bill requests and mass payment processing
- ❖ CORTAC processing of annual, supplemental, escape, and corrected tax payments
- ❖ Multiple bills to same address – identification and combining of non-lender bills
- ❖ Single bills are produced in zip code sequence
- ❖ Exports of current tax roll, alphabetic index, fee assessment number index, prior unsecured abstracts
- ❖ Inquiry and tax information research capabilities online
- ❖ Redemption process and related delinquency notices
- ❖ Online collection including: register control, deposit lists, verification of stub information, automated error processing and reporting, automatic creation of refunds resulting from overpayment amounts, vendor information (name and address) and online audit records
- ❖ Remittance processing interface with real-time payment posting in conjunction with RT Lawrence
- ❖ Add and collect various fees, including non-parcel fees
- ❖ Cashiering system
- ❖ Automated 5-year pay plans on delinquency and related notices
- ❖ Fully integrated delinquency roll with automated roll change functions
- ❖ Online collection information for all roll types (collected / uncollected / percentage collected to date)
- ❖ DMV reporting and export of delinquent vessels
- ❖ Unsecured partial payment processing
- ❖ No interest and interest escape payment plans
- ❖ Lien process and related notices
- ❖ Delinquency notices – all rolls
- ❖ Produces publish delinquency list – criteria set by the county for 1 or 3 year publish listing
- ❖ Bankruptcy module, collection, and reporting
- ❖ Automatic transfer of unpaid mobile homes to unsecured delinquent roll
- ❖ Discharge of accountability, roll changes for NSF, misapplied payments, penalty cancellations, due date changes

- ❖ Redemption Roll Maintenance
- ❖ Document generation for daily over / short letters
- ❖ Retain valid ownership data despite assessment splits and segregations
- ❖ Online inquiry of payoff details
- ❖ Online inquiry of payment plan status
- ❖ Import / Export capabilities
- ❖ Electronic Tax Lien interface with Recorder – Standardized function available – dependant upon Recorder’s system’s ability to work with the MPTS standard process
- ❖ Multi-level security
- ❖ Ad-hoc query and reporting function directly from user interface
- ❖ Record Retention

ADDITIONAL MPTS MODULES

The following MPTS modules will be provided for an additional licensing/support and maintenance fees, as set forth in the Exhibit C Schedule of Payments:

Assessor and Tax Collector - MPTS Web Modules

(Subject to annual licensing/support costs)

- ❖ Assessor and Tax Collector Public Access
- ❖ Assessor and Tax Collector Agency Access
- ❖ Web bill print for Tax Collector for Current Year/Two Prior Years
- ❖ Aircraft/Boat inquiry by CF or N number for the Assessor

Assessor - Online Business Property Filing (OBPF)

(Subject to one-time purchase cost + annual licensing/support)

This application provides for the ability for County business taxpayers to file their 571L, 571A and 571F personal property forms via the web

The features include:

- ❖ Previous year costs & net change
- ❖ View/Print of completed form
- ❖ Extraction of data for web access
- ❖ Audit reports
- ❖ Import/merge of filed data to the personal property system
- ❖ Images/pdf retained of the filed statements with access via the personal property subsystem

CERTNA – Lien Export

(Subject to one-time purchase cost)

CERTNA provides the County the ability handle the exporting and importing of Lien Certificates, Releases and Removals which are processed electronically between CERTNA, the Clerk Recorder and MPTS while retaining the ability to print any record if needed.

HOX OCR Scanning

(Subject to one-time purchase cost)

HOX OCR Provides the County with the ability to Scan, Read and import images related to HOX (homeowners exemption).

Tax Collector - Transient Occupancy Tax Module (TOT)

(Subject to one-time purchase cost + annual licensing/support costs)

This application gives the County the ability to manage the different processes involved in collecting Transient Occupancy Tax as mandated by legislation. The key processes are:

The features include:

- ❖ Registration
 - ❖ Reporting/Collection
 - ❖ Audits
 - ❖ Allocation
 - ❖ Reporting
-

EXHIBIT B
PROJECT PLAN

Megabyte Systems approach to the implementation of MPTS property tax system for Nevada County will consist of the 5 milestones listed below. These 5 phases will be conducted jointly between Megabyte and County designated personnel.

- General Design Analysis / Environment Setup / Special Requirements
- Data Conversion
- System Testing Phase
- Training / Implementation
- Go-Live Phase

General Design Analysis/ Environment Setup / Special Requirements

This phase of the project will focus on the hardware / 3rd party software required, identify & define interfaces required, data conversion processes needed, and hardware/security configurations.

Activities

- Project Management Team, establish objects and targets
- Hardware/Software Configuration (including user naming schemes)
- Security will be planned
- Data assessment / conversion processes & mapping requirements (coding scheme translations, etc)

Hardware / software will be obtained by the County during this phase.

Internet access at T1 or business DSL speed between County and Megabyte Systems is required for conversion and testing phases as well as for on-going going support and maintenance. This is the County's responsibility to provide.

The database utilized will be MS-SQL2012. Megabyte will provide setup, tailoring and tuning for the SQL2012 database.

EXHIBIT B

PROJECT PLAN

MS-OS2012 Setup / network connections are the responsibility of the County. However, Megabyte will provide any support / assistance requested by the County remotely. On-site support is available to the County at a charge.

Megabyte Systems will work with the County to determine hardware, 3rd party software, disk space requirements. All hardware & 3 party software are County responsibility.

Assumptions

The County will ensure adequate participation in the work session of end user representatives which are (a) knowledgeable in the requirements and (b) have the authority to make determinations as necessary relating to requirements. The County will ensure that County decisions are made in a timely manner.

Data Conversion

This phase of the project will focus on the mapping and conversion requirements of the County data to Megabyte data structure *(An additional fixed charge will apply as specified in Exhibit C (B)).*

This conversion excludes historical data, with the exception of four (4) years of value history, ownership history (if available for conversion in current system), sales history for four (4) years, and tax roll history of one (1) year. Historical data may be converted under an hourly rate if desired by the County, *as specified in Exhibit C (B)*. Factors that impact the cost of conversion are:

- Quality of the data to be converted
- Source of the data
- History required
- Knowledge of people to assist in identifying data issues

Conversion Responsibilities

The County will provide existing data and corresponding data format(s). The County will be responsible for extracting and providing legacy data to Megabyte. Megabyte will map and convert the data into MPTS data structure and provide validation reports and information to the County.

Results

Clean converted County data will be loaded to the MPTS database for system testing.

EXHIBIT B
PROJECT PLAN

A system test plan document will be developed for the 3 departments.

Assumptions

- The County will provide only clean, complete data
- Each conversion step will be executed in a manner that is auditable (i.e. all data will be accounted for).
- The County will provide representative samples of data to be converted for use during the development of the database. Clean, converted County data will be available for the system testing phase.
- County will provide personnel familiar with the end-user functionality to working with Megabyte Systems, Inc during the conversion and testing phases to ensure complete accuracy of the converted data

System Testing

System testing will be conducted jointly between County and Megabyte prior to the prescribed Go-Live date. This includes:

- Inquiry validation of the County's pre-conversion data within MPTS
- Detailed balancing reports and worksheets to validate value, counts, paid/unpaid taxes and total charge.
- Formal User Acceptance of the System as described in Exhibit A and of the converted data as described in this Exhibit B.

EXHIBIT B
PROJECT PLAN

Training / Implementation

- Class Room User training is conducted for any personnel designated by the County at Megabyte's facility in Rocklin.

- We will utilize web training [GoToMeeting] for training for the Tax Collector, Auditor, and Assessor Personnel; 'GoToAssist' will be utilized also for train the trainer classes. This enables the users to actually use the screens with an instructor monitoring the effort. Megabyte also provides training at its Rocklin facility as well as simultaneous on-line training for most classes if preferred. The annual maintenance contract provides for training classes, at no charge, throughout the year. On-site visits are available from Megabyte at County request. Contact Megabyte for cost if needed.

- Production system is finalized

- Final data conversion

Go-Live Phase

The final results: production implemented system.

Maintenance and Support charges will begin 30 days after Go Live.

EXHIBIT B
PROJECT PLAN

Project Timelines

	<i>Estimated Number of Work Days</i>
Phase 1: General Design Analysis / Environment Setup	60
Phase 2: Data Conversion	75
Phase 3: System Testing (10 days system & user acceptance test)	10
Phase 4: Training - 3 days each Department	9
Phase 5: Implementation / Go-Live (7 days for final database creation; 3 for verification)	10

Target Go-live for Auditor and Tax Collector is February 2018

Target Go-Live for Assessor is July 2018

The total duration of project implementation is expected to be approximately 12 months.

Megabyte shall act in good faith in attempting to meet the above project timelines, but shall not be liable for breach of this contract or any damages to Nevada County for failure to do so.

EXHIBIT C

SCHEDULE OF PAYMENTS

Software License
Data Conversion
Additional Items

A. Software License Schedule of Payments

Base Contract Amount	\$775,000.00
Additional features	
Assessor and Tax Collector - MPTS Web Modules	(N/C Year 1)*
Web bill print for Tax Collector – Prior and Current Year	(N/C Year 1)*
Aircraft/Boat inquiry by CF or N number for the Assessor	(N/C Year 1)*
Online Business Property Filing (OBPF)	\$ 37,500.00
Certna – Lien Export	\$ 5,500.00
HOX OCR Scanning	\$ 12,500.00
Transient Occupancy Tax Module (TOT)	\$ 25,000.00
Subtotal	\$ 855,500.00
Conversion of County data (section B below)	\$ 160,000.00
Allowance for Travel, Historical Data Conversion, Additional Training, and Customizations	\$ 35,000.00
Total Contract Amount	\$1,050,500.00

Payment Schedule

25% Down-Payment Due at Contract Signing	\$213,875.00
Phase 1: General Design Analysis / Environment Setup	\$175,000.00
Phase 2: Data Conversion	\$175,000.00
Phase 3: System Testing	\$100,000.00
Phase 4: Training	\$100,000.00
Phase 5: Implementation / Go-Live	\$ 91,625.00

Data Conversion amount is due 30 days after Go-Live (in accordance with section B)

**No upfront cost for Assessor and Tax Collector MPTS Web Modules, Web bill print and Aircraft/Boat inquiry – Subject to annual fees, waived for the first 12 month after County go-live date. Future annual costs will be based on standard rates for the applicable year.*

As determined by the State of California, sales tax is not applicable at this time. However, if in the future, sales tax becomes required, it will be County responsibility to pay said taxes.

B. Data Conversion Schedule of Payment

Conversion of County data, (excluding historical data, with the exception of 4 years of value history and ownership history, if available from current system, 4 years sales history, 1 year taxroll history) will be performed for a fixed cost of **\$160,000.00**. Payment in full will be due 30 days after MPTS system go-live. Any historical data desired by the County will be converted at an hourly rate of \$100.00; however, due to the unknown status of historical data, we cannot put a cap on it. We will utilize the same programs for the conversion of history as we do for the current roll data; however, if they fail, then it will have to be looked at and modifications determined.

C. Additional Items

All training classes offered by Megabyte at its Rocklin facility for unlimited County personnel at no charge to the County (Does not include travel or lodging).

Enhancements or modifications desired by the County for those items not currently included in the base MPTS system (as described in Exhibit A) will be made available to the County for an additional charge.

Custom development services desired by the County for program functionality not currently available in the base MPTS system (as described in Exhibit A), will be billable to the County at the hourly rate of \$150.00 (to be billed on a monthly basis, for actual hours worked). The scope of work shall be pre-approved by the County based on a fit gap analysis between the County and Contractor. Contractor reserves the right to make the final determination on the feasibility of any such development services requested by the County.

**AGREEMENT
MPTS PROPERTY TAX SYSTEM
MAINTENANCE**

1 THIS SUPPORT AGREEMENT, is effective July 1, 2018 by and between the COUNTY OF NEVADA,
2 hereinafter referred to as the "County" and MEGABYTE SYSTEMS INC, whose mailing address is
3 2630 Sunset Blvd, Rocklin, CA 95677, hereinafter referred to as the "Contractor".

4 1. The County hereby engages the services of the Contractor, and the Contractor agrees to
5 serve County in accordance with the terms and conditions set forth herein.

6 2. Work. Subject to the terms and conditions set forth in this agreement, Contractor shall
7 provide the services described in Exhibit 1 Scope of Services, attached and by this
8 reference incorporated herein.

9 3. Term of Agreement. The initial term of this Agreement shall begin on the later of
10 effective date of the Agreement or the date on which the County goes live with
11 Contractor's MPTS Property Tax System, and shall continue for a term of three (3)
12 years, with the County having the right to exercise its option to renew the agreement
13 following the initial term for three consecutive three year terms, unless sooner
14 terminated or extended in accordance with the terms hereof, upon expiration of the initial
15 term, subject to the payment by County of maintenance service fees in accordance with
16 Exhibit 2 of this Agreement.

17 4. Price. In consideration of Contractor's fulfillment of the promised work, County shall pay
18 Contractor the amount set forth in Exhibit 2 Payment for Maintenance Services, attached
19 and by this reference incorporated herein. Support to County in excess of the terms of
20 this agreement, as deemed necessary by County, will be billable to County at
21 Contractor's standard hourly rate subject to advance written approval of County. If on-
22 site support is required, actual and reasonable travel time and expenses will be charged
23 in addition to the hourly rate for work on-site, according to County's travel policies.

24 The maximum price for all services and expenses pursuant to this Agreement shall not
25 exceed those amounts set forth in Exhibit 2.

26 5. Payments. County shall make payments of compensation hereunder monthly on
27 submittal of an invoice. Contract payments are due and payable to Megabyte Systems,
28 Inc. 2630 Sunset Blvd, Suite 100, Rocklin, California 95677, within 30 working days of
29 receipt of the invoice. Invoices shall be submitted to:

30 County of Nevada
31 Information and General Services Director
32 950 Maidu Avenue
33 Nevada City, CA 95959
34

- 35 6. Audit by the California State Auditor. Contractor acknowledges that if the total
36 compensation under this agreement is greater than \$10,000.00, this Agreement is subject
37 to the examination and audit by the California State Auditor for a period of three (3) years,
38 or for any longer period required by law, after final payment under this Agreement,
39 pursuant to California Government Code 8546.7. In order to facilitate these potential
40 examinations and audits, Contractor shall maintain, for a period of at least three (3) years,
41 or for any longer period required by law, after final payment under the contract, all books,
42 records and documentation necessary to demonstrate performance under this agreement.
- 43 7. Changes. Changes and modifications to this Agreement may only be made by mutual
44 written agreement of the parties, specifying such change(s) including adjustment(s) to
45 price and delivery schedule (if any), as are agreed to by the parties hereto. In no case
46 shall County pay for any extra work or material furnished except as previously agreed
47 upon in such a written amendment to this Agreement. The Contractor and the County
48 shall determine whether any change or modification will cause a delay in Contractor
49 completing all work and if so, the duration of such delay.
- 50 8. Termination If Contractor fails to perform his/her duties to the satisfaction of Customer, or
51 if contractor fails to fulfill in a timely and professional manner his/her obligations under this
52 Agreement, or if Contractor violates any of the terms or provisions of this Agreement, then
53 the Customer shall have the right to terminate this Agreement effective immediately upon
54 the Customer giving written notice thereof to the Contractor. If Customer violates any of
55 the terms or provisions of this Agreement, then the Contractor shall have the right to
56 terminate this Agreement effective immediately upon the Contractor giving written notice
57 thereof to the Customer. Customer or Contractor may terminate this Agreement upon
58 sixty (60) days written notice. Customer shall pay Contractor a prorated portion of the flat
59 fee as of the date of notice. Customer may terminate this Agreement immediately upon
60 oral notice should funding cease or be materially decreased, or should the Nevada County
61 Board of Supervisors not appropriate sufficient funds for this Agreement in any fiscal year.
62
- 63 Parties agree that upon termination of this Agreement, each Party's own data and records
64 in the possession of the other shall be returned to the other Party within thirty (30) days of
65 termination and in a commercially-recognized format.
- 66 9. County's Responsibility to Provide. At County's expense, County will provide Contractor
67 with access to County's network over a secure internet connection at speeds no less than
68 a T1 or business DSL connection.
- 69 10. No Waiver by County. Inspection of the work by the County, or the statement by any
70 officer, agent, or employee of the County, prior to written acceptance of the work or any

71 part thereof, indicating that the work or any part thereof complies with the requirements
72 of this Agreement, or the County's payment for the whole or any part of the work, or any
73 combination of these acts, shall not relieve the Contractor of obligation to fulfill this
74 Contract as prescribed. Waiver of any provision of this Agreement by the County in any
75 single instance shall not prejudice County's right to enforcement of all provisions of this
76 Agreement in any other instance.

77 11. Hold Harmless. Contractor agrees to defend, indemnify, save and hold harmless the
78 County, its officers, agents, and employees, from and against any and all claims and
79 losses whatsoever accruing or resulting to any and all persons, firms or corporations for
80 damage, injury or death as a result of negligence or willful misconduct by Contractor, its
81 employees, officers, agents, or subcontractors, in Contractor's performance of this
82 Agreement.

83 12. Patent or Copyright Infringement.

84 A. Contractor represents that the materials and products produced hereunder do not
85 violate others' intellectual property rights (which include patent, copyright,
86 trademark, trade secret or other proprietary right.) In the event a claim, cause of
87 action, proceeding or other legal action should arise in which there are claims that
88 the materials and/or products infringe or violate another's intellectual property rights,
89 Contractor shall undertake to protect, defend, settle or resolve the proceeding at no
90 cost, whatsoever, to County, including, but not by way of limitation, legal fees,
91 disbursements, judgments, or the like. Contractor shall protect, defend and
92 indemnify and hold County harmless, subject only to County giving Contractor
93 prompt written notice of any such third party claim, cause of action or proceedings
94 and rendering to Contractor any reasonable information, assistance or access to
95 documents and materials required in the defense of any such cause of action.

96 B. Should the materials and/or products, in Contractor's opinion, be likely or become
97 the subject of a claim of infringement of a patent, copyright or trademark, Contractor
98 shall within ninety (90) days of notification, and at its own expense, do any of the
99 following: (1) obtain a legally binding right for County to use, at no cost to County,
100 the material and/or product; (2) replace or modify the material and/or product so that
101 it is non-infringing yet still complies with the RFP and the Contract specifications; (3)
102 repurchase the material and/or product by refunding all moneys paid by County to
103 Contractor for the material and/or product less depreciation and reasonable costs

104 for use and such other amounts as are mutually agreeable to County and
105 Contractor.

106 13. Title to Work. Upon termination of this agreement for any reason title to, ownership of,
107 and all applicable patents, copyrights and trade secrets in the MPTS software, shall
108 remain with the contractor as owner/holder of such patents, copyrights, and trade secrets,
109 who shall retain complete rights to market such product, and no such rights shall pass to
110 County. However, County shall receive, at no additional cost, a perpetual license to use
111 such products for its own use.

112 14. Source Code. Contractor shall place source code for the licensed software and any
113 changes thereto, into a software escrow account. County shall have access to the source
114 code in the event Contractor fails to fulfill its maintenance and support obligations, or in
115 the event of bankruptcy, dissolution, or appointment of a receiver for Contractor. County
116 shall be able to use the source code according to the terms of this agreement, and must
117 also be permitted to modify the code for its own use consistent with this agreement.

118 15. Insurance. Contractor shall maintain, at Contractor's own expense during the term
119 hereof, insurance with respect to Contractor's performance of this Agreement of the
120 types and in the minimum amounts described generally as follows:

121 A. Full Workers' Compensation and Employers' Liability Insurance covering all
122 employees of Contractor as required by law in the State of California.

123 B. Comprehensive Public Liability Insurance or Comprehensive Liability Insurance
124 (Bodily Injury and Property Damage) of not less than One Million Dollars
125 (\$1,000,000) combined single limit per occurrence (claim made).

126 C. Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damage)
127 on owned, hired, leased and non owned vehicles used in conjunction with
128 Contractor's business of not less than One Million Dollars (\$1,000,000) combined
129 single limit per occurrence (claim made).

130 16. Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the
131 aforementioned insurance shall be furnished by the Contractor to the County by
132 certificates of insurance. Such certificates shall specify that County must be given written
133 notice 30 days prior to the cancellation or modification of any such insurance.

134 17. Insurance in Force and Effect During Contract Period. The insurance specified above
135 shall be in a form and placed with an insurance company or companies satisfactory to
136 County, and shall be kept in force and effect until completion to the satisfaction and

137 acceptance by County of all work to be performed by the Contractor under this
138 Agreement.

139 18. Confidentiality. Confidential information is defined as all information disclosed to
140 Contractor which relates to the County's past, present, and future activities, as well as
141 activities under this Contract. Contractor will hold all such information in trust and
142 confidence. Upon cancellation or expiration of this Agreement, Contractor will, at its own
143 expense, return to County all written and descriptive matter which contains any such
144 confidential information.

145 19. Independent Contractor. Contractor shall perform this contract as an independent
146 contractor for all purposes, and not as agents or employees of County. Contractor is not,
147 and shall not be deemed, a County employee for any purpose, including worker's
148 compensation, or any County employee benefits. Contractor shall, at Contractor's own
149 risk and expense, determine the method and manner by which the duties imposed on
150 Contractor by this contract shall be performed; provided that County may monitor the
151 work performed by Contractor; and provided further that Contractor shall observe and
152 comply with all laws and rules applicable to County in performing the work. Contractor,
153 not County, shall be responsible for Contractor's negligence and that of Contractor's
154 agents and employees in performing the work. Contractor shall be entitled to none of the
155 benefits accorded to a County employee. County shall not be liable for deductions from,
156 or withholding of, the compensation paid to Contractor, as required by law and/or as
157 authorized in this Agreement, including but not limited to amounts required to be withheld
158 for state and federal taxes. Contractor alone shall be responsible for payment of
159 Contractor's state and federal taxes.

160 20. Notices. All notices provided for by this Agreement shall be in writing and may be
161 delivered by deposit in the First Class United States mail, by certified, or by registered
162 mail, postage prepaid. All notices appertaining to the provisions of this Agreement, shall
163 be addressed to Contractor's office, located at 2630 Sunset Blvd, Rocklin, CA 95677.
164 Notices to the County shall be addressed to the County of Nevada, Information and
165 General Services Director, 950 Maidu Avenue, Nevada City, CA 95959. Effective date of
166 all notices shall permit a minimum of five (5) days for transit in the mails.

167 21. Dispute Resolution. In the event of any dispute, claim, question, or disagreement arising
168 from or relating to this agreement or breach thereof, the parties shall use their best efforts
169 to settle the dispute, claim, question, or disagreement. To this effect, they shall consult
170 and negotiate with each other in good faith and, recognizing their mutual interests,

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attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution with a period of 60 days, then, upon mutual agreement of the Parties, the disputes, claims, questions, or differences may be finally settled by arbitration. The arbitration shall be conducted by a neutral arbitrator and in accordance with California law, with the parties sharing equally the costs of arbitration. Judgement on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

COUNTY OF NEVADA, a political subdivision of the State of California

By 
Hon. Hank Weston
Chair, Board of Supervisors

Dated: 6.29.17

Attest: 
Julie Patterson-Hunter
Clerk of the Board

Approved as to Form:

County Counsel

CONTRACTOR: Megabyte Systems, Inc

By 
President

"CONTRACTOR"

Dated: 06.23.17

EXHIBIT 1

SCOPE OF SERVICE

MPTS maintenance support services

Contractor will provide the following maintenance support services:

- Hot line phone support for County staff, including Assessor, Tax Collector and Auditor user staff, as required, concerning the operation of the property tax system – MPTS. Phone support will be available Monday through Friday, 8:00 a.m. to 5:00 p.m. except federal holidays.
- Diagnosis of application problems and suggested solutions.
- Application software corrections as needed by system failure to meet system requirements. This does NOT include any fixes for problems arising through alteration of the database by means other than Contractor personnel.
- New State mandated change to the application of property and tax assessment statutes.
- Enhancements/Upgrades to the application software at the discretion of Contractor.
- Installation/Setup of application stored procedures/triggers/database-scheduled tasks when necessary.
- MPTS application training classes:
 - Web training classes
 - Training materials will be posted on the Contractor website
 - Some sessions may be offered in house for detailed hands-on training at no cost for the session (County will be responsible for County employee travel expenses)
- Roll turnover & roll over support to accommodate County off-hour support if desired:
 - Contractor will optionally offer (based on County needs) roll turnover/rollover of scheduled jobs leaving reports out at the County (balancing/review is the responsibility of County)
 - Contractor will review for consistency and set up – completion of jobs i.e. ascertain correctness of control records, job setup, scheduling, conflicts.
 - Backup: 2nd copy of 601 rolls and tax rolls for 12-year history retention to be held by Contractor if requested by the County. Primary backup of the 601 roll and related system backups are County responsibilities.
 - Assistance with balancing property and tax assessment programs.
 - Assistance with producing fixes (i.e. mass roll changes) to correct erroneous assessment or tax roll results, whether due to County or Contractor actions. However, County is responsible for meeting statutory requirements and proper updating of the Megabyte Systems with all current data, such as tax rates. Assistance to fix problems caused by County failure to update base assessment data will be a billable item to the County.

County will provide, at its own expense, access to Contractor via Contractor network or via the Internet as long as it is at acceptable speeds (County minimum of T1 or business DSL speed).

County must grant Contractor full administrator rights (SA) on the MPTS servers.

SQL server database support services

Contractor will provide the following SQL sever database services:

- Install SQL Server service packs as needed.
- Install MPTS service packs when as needed.
- Necessary tuning/routine maintenance/notification of service pack upgrades needed. (These must be ran by County personnel on the physical machine).
- General SQL maintenance.
- Monitoring of SQL logs for errors and corrective action.
- Daily batch job monitoring and fixes/notification of failures.
- Scheduling of overnight jobs.
- Installation upgrades to SQL versions when Contractor upgrades the application software to a new version (Note: this does not include any cost associated with the purchase of SQL Server System Software – this cost is the responsibility of the County. Contractor will install it and do any necessary property system upgrades). Contractor determines the need to upgrade to a newer version of SQL.
- Rebuild database(s) if necessary due solely to SQL Server generated problems. (Exclusion: If the cause is failure by the user to detect operating system errors & take corrective action or notify Contractor, then this activity will be billable to the County).
- SQL Support services are for the primary and inquiry (aka backup server) servers only.

County shall perform the following tasks:

- Ensuring the SQL Executive and SQL Server are running and restart if necessary.
- NT Server printer setup and documentation.
- Monitor disk space on NT Server.
- MPTS system backups.
- Network problems.
- Software/Hardware conflict issues.
- Install SQL Server service packs when notified to do so by Contractor.
- Install MPTS service packs when notified to do so by Contractor. Routine Microsoft Windows OS maintenance and security.

If on-site support is required travel time and expenses will be billable to County at the standard rate for Contractor.

Additional MPTS Modules to be supported

(Additional Fees as specified in Exhibit B will apply)

Assessor/Tax Collector Public Web Access
Assessor/Tax Collector Agency Web Access
Tax Collector – Web bill print for Current Year/two prior years
Assessor – Online Business Property Filing (OBPF)
Tax Collector - Transient Occupancy Tax Module (TOT)

EXHIBIT 2

PAYMENT FOR MAINTENANCE SERVICES

The monthly support cost for services described in Exhibit A – Scope of Service shall be as follows:

Term	Description	Amount
7/1/2018 – 6/30/2019	MPTS Property Tax System Maintenance/Support	\$20,000.00 per month
7/1/2018 – 6/30/2019	MPTS Web Services Assessor/Tax Collector Public Web Access Assessor/Tax Collector Agency Web Access Tax Collector – Web bill print for Current Year/Two Prior Years	\$ 5,145.00 annual charge* \$12,863.00 annual charge* \$ 2,500.00 annual charge*
7/1/2018 – 6/30/2019	Assessor – Online Business Property Filing (OBPF)	\$ 3,700.00 annual charge
7/1/2018 – 6/30/2019	Transient Occupancy Tax Module (TOT)	\$3,000.00 annual charge

Annual Adjustment of Fees.

Fees shall be adjusted annually each Fiscal year beginning on July 1, 2019 to reflect the percentage increase in the Consumer Price Index for the Pacific Cities and U.S. Cities Average.

**Fees waived for the first 12 months after County go-live date (applies to MPTS Web Services only) – Quoted fees may be adjusted for CPI based on the standard rates for the applicable year.*

COMPENSATION FOR EXTRA SERVICES

COUNTY shall compensate CONTRACTOR for requested Extra Services and reimburse CONTRACTOR for expenses incurred in connection with the provision of such Extra Services as follows:

1. Emergency off-site support outside of the hours 8 AM to 5 PM or on weekends or holidays: **\$150.00 per hour**
2. On-site support, with a four-hour minimum, including time in transit: **\$150.00 per hour**
3. Travel expenses: At actual cost in accordance with County's current travel expense policy.