

**AMENDMENT NO. 2
TO THE MASTER AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
QUESTICA, INC.**

PREAMBLE

This agreement ("Amendment No. 2") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Questica, Inc., a Canadian corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Master Agreement for Professional Services by and between the City of Santa Clara, California and Questica, Inc." dated August 26, 2014 (the "Original Agreement");
- B. The Original Agreement was previously amended by Amendment No. 1, dated November 8, 2016, and is again amended by this Amendment No. 2. The Original Agreement and all previous amendments are collectively referred to herein as the "Original Agreement as Amended"; and
- C. The Parties entered into the Original Agreement as Amended for the purpose of having Contractor provide Budget and Financial Planning System, and the Parties now wish to amend the Original Agreement as Amended to incorporate a Municipal Fee Schedule into the system; to extend the term of the agreement through August 25, 2024; and to increase compensation by \$356,038.12 for a revised not-to-exceed maximum compensation amount of \$877,038.12 as shown in First Revised Exhibit B.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

That Section 2 of the Original Agreement as Amended, entitled "Term of Agreement", is hereby amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by written amendment to this Agreement, the term of this Agreement is from August 26, 2014 to

August 25, 2024, inclusive, subject to the provisions of Section 11
"Termination of Agreement."

2. AMENDMENT TERMS AND CONDITIONS

That Section 11 of the Original Agreement as Amended, entitled "Termination of Agreement", is hereby amended to read as follows:

11. TERMINATION OF AGREEMENT

- A. Termination for Default. If a Party fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, either Party may terminate this Agreement immediately upon written notice to Contractor.
- B. Annual Appropriation of Funds. City's funding of this Agreement shall be on a fiscal year basis (July 1 to June 30) and is subject to annual appropriations. Contractor acknowledges that City, a municipal corporation, is precluded by the California State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of this Agreement. This Agreement will terminate immediately if funds necessary to continue the Agreement are not appropriated. Despite the foregoing, the City shall pay Contractor for any services performed in accordance with this Agreement up to the date of termination.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

3. AMENDMENT TERMS AND CONDITIONS

That Exhibit B of the Original Agreement, entitled "Fee Schedule", is hereby amended to read as shown in First Revised Exhibit B, attached and incorporated into this Amendment No. 2.

4. TERMS

All other terms of the Original Agreement as Amended which are not in conflict with the provisions of this Amendment No. 2 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement as

Amended and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

5. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: 7-17-2019




BRIAN DOYLE
City Attorney



DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“CITY”

QUESTICA, INC.
A Canadian corporation

Dated: 22-May-2019
By (Signature): 
Name: T.J. Parass
Title: President
Principal Place of Business Address: 980 Fraser Drive, Suite 105
Burlington, Ontario L7L 5P5 Canada
Email Address: tjparass@questica.com
Telephone: (905) 634-0110 x 555
Fax: (866) 520-8514

“CONTRACTOR”

**FIRST REVISED EXHIBIT B
FEE SCHEDULE**

1. MAXIMUM COMPENSATION

The maximum amount payable for all services provided under this Agreement from August 26, 2014 through August 25, 2024 shall not exceed Eight Hundred Seventy-Seven Thousand Thirty-Eight and Twelve Cents (\$877,038.12), subject to budget appropriations. The City shall not be responsible for paying for services that would result in total payment for services rendered exceeding the maximum amount of compensation set forth herein.

Description	Year 1 (8/26/14 to 8/25/15)	Year 2 (8/26/15 to 8/25/16)	Year 3 (8/26/16 to 8/25/17)	Year 4 (8/26/17 to 8/25/18)	Year 5 (8/26/18 to 8/25/19)
A. System Implementation ^(a)	\$333,400.00				
B1. Questica Software Maintenance & Support Services		\$28,700.00	\$35,900.00	\$35,900.00	\$35,900.00
B2. Hosting (on premise)		\$7,200.00			
B3. Hosting (cloud)			\$6,500.00	\$7,800.00	\$7,800.00
B4. Statistical Ledger			\$1,460.00	\$460.00	\$460.00
Subtotal (B)		\$35,900.00	\$43,860.00	\$44,160.00	\$44,160.00
C. OpenBook Subscription ^(b)				\$1,250.00	\$3,125.00
Subtotal (A - C)	\$333,400.00	\$35,900.00	\$43,860.00	\$45,410.00	\$47,285.00
D. Additional Services & Products					
Migration from City Environment to Hosting Environment inclusive of ADFS			\$7,800.00		
Development of a municipal fee calculator (one-time fee; no ongoing fees) ^(c)					\$42,000.00
Additional as-needed services					\$10,000.00
Subtotal (D)	\$0.00	\$0.00	\$7,800.00	\$0.00	\$52,000.00
Annual Total (Years 1-5)	\$333,400.00	\$35,900.00	\$51,660.00	\$45,410.00	\$99,285.00
Total (Years 1-5)			\$565,655.00		

Description	Year 6 (8/26/19 to 8/25/20)	Year 7 (8/26/20 to 8/25/21)	Year 8 (8/26/21 to 8/25/22)	Year 9 (8/26/22 to 8/25/23)	Year 10 (8/26/23 to 8/25/24)
A1. Questica Software Maintenance & Support Services ^(d)	\$36,750.00	\$37,485.00	\$38,234.70	\$38,999.39	\$39,779.38
A2. Hosting (cloud) ^(d)	\$8,190.00	\$8,353.80	\$8,520.88	\$8,691.30	\$8,865.13
A3. Statistical Ledger ^(d)	\$483.00	\$492.66	\$502.51	\$512.56	\$522.81
Subtotal (A)	\$45,423.00	\$46,331.46	\$47,258.09	\$48,203.25	\$49,167.32
B. OpenBook Subscription	\$3,125.00	\$3,125.00	\$3,125.00	\$3,125.00	\$12,500.00
Annual Total (Years 6-10)	\$48,548.00	\$49,456.46	\$50,383.09	\$51,328.25	\$61,667.32
Additional Products & Services			\$50,000.00		
Total (Years 6-10)			\$311,383.12		

NOT TO EXCEED MAXIMUM COMPENSATION (YEARS 1- 10)	\$877,038.12
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- (a) See original Exhibit B for Year 1 price breakdown.
- (b) Pursuant to Questica OpenBook Subscription Agreement, attached and incorporated into this Amendment No. 2.
- (c) Pursuant to Questica Estimate ID#: Santa Clara-MuniFee-05032019, attached and incorporated into this Amendment No. 2.
- (d) Pursuant to Questica Budget Maintenance and Support Agreement, attached and incorporated into this Amendment No. 2.

2. ADDITIONAL SERVICES AND SOFTWARE CUSTOMIZATIONS

Upon written request of the City, Contractor shall provide services and resources required to implement upgrades, improvements, and enhancements to the system as required by the City, at a price as mutually agreed upon. Additional products and services shall be separately negotiated to be paid on a lump sum or time and material basis as authorized by the City and agreed to by Contractor. No additional products or services will be provided unless both Parties execute an Amendment to this Agreement.

3. INVOICING

Contractor shall invoice the City annually for all applicable support and maintenance costs.



QUESTICA BUDGET SOFTWARE SUBSCRIPTION AGREEMENT

This **SOFTWARE SUBSCRIPTION AGREEMENT** (the "**Agreement**") is made this August 26, 2019 (the "**Effective Date**") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("**Questica**") and City of Santa Clara, CA, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "**Subscriber**").

BACKGROUND


- A. Questica and Subscriber entered into a Software Subscription Agreement on March 21st, 2017
- B. The Subscriber wishes to extend the term of this Agreement through August 25, 2024.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Subscriber agree as follows:


1. **ORDER OF PRECEDENCE.** All terms from the original Software Subscription Agreement and any subsequent changes or amendments remain in full force unless specifically addressed within this Agreement.
2. **SOFTWARE SUBSCRIPTION.** For the term of this Agreement, upon paying the Subscription Fee as defined in Appendix A, Questica shall provide the Services for the software as outlined in the Software Subscription Agreement, if the Subscriber is not otherwise in breach of the provisions of the Agreement.
3. **TERM.** This Agreement is effective as of August 26, 2019 and shall continue through August 25, 2024 unless and until this Agreement is otherwise terminated.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

QUESTICA INC.

Authorized Signature: 
Authorized Name: TJ Parass
Title: President
Date: 22-May-2019

CITY OF SANTA CLARA

Authorized Signature: 
Authorized Name: Gregory J Bych
Title: RISK MANAGER FOR CM
Date: 7-17-2019

**APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE**



APPENDIX A – Annual Fees

\$ 3,125.00	Software Subscription from August 26, 2019 to August 25, 2020
\$ 3,125.00	Software Subscription from August 26, 2020 to August 25, 2021
\$ 3,125.00	Software Subscription from August 26, 2021 to August 25, 2022
\$ 3,125.00	Software Subscription from August 26, 2022 to August 25, 2023
\$ 12,500.00	Software Subscription from August 26, 2023 to August 25, 2024

Payment Terms

Software Subscription fees are due in full in advance of the renewal period. Questica will issue a corresponding invoice a minimum 30 days prior to the renewal date.

Additional Services

Additional professional services can be purchased at Questica's then current rate, which at the execution date of this Agreement is \$200/hr.

END OF SOFTWARE SUBSCRIPTION AGREEMENT



Budget

Price Estimate

Prepared for

Kenn Lee

at

City of Santa Clara, CA

by

**Sean Szaloczi
Questica Inc.**

05/03/2019



Questica

Where brilliant begins.

Questica Budget Price Estimate

Estimate ID#: Santa Clara-MuniFee-05032019

Description	Total
<p>Summary Description: The development of a municipal fee calculator similar in function to that described in Appendix A with changes that allow for:</p> <ul style="list-style-type: none">• The impact of forecasts (whether entered directly or existing by virtue of position allocations) present in unpublished Change Requests to be included in the computation of direct and indirect costs.• The use of computed municipal fee amounts in either or both present and future forecasts. <p>A Questica developer will work in conjunction with the appropriate project resource from the City of Santa Clara to further scope these modifications in greater detail.</p>	
<p>Professional Services: (Per Appendix A)</p> <p>70 hours - Refine MuniFee tool based on the City of Santa Clara requirements 40 hours - Update MuniFee tool to new version 20 hours - Project Management time for preparing specs and testing 80 hours - Adjust Salary Costing to pull published modifier costs</p>	
Total Professional Services: (210 hours at \$200/hour)	\$42,000

Note
<ul style="list-style-type: none">• Estimates are based on a high-level overview of your Questica software setup. This overview includes a review of custom reports and/or other customizations. Final costs will be based on time and materials and will be billable at a rate of \$200/hour.

Pricing Notes

Estimate ID#: Santa Clara-MuniFee-05032019

- Pricing valid through: August 31, 2019
- Above pricing in US dollars
- Terms of Payment: All work will be invoiced monthly on a Time and Materials basis



Estimate General Terms and Conditions

Estimate ID: Santa Clara-MuniFee-05032019

General Terms and Information:

Terms of Service: The services and any related software are provided under the original License and Service Agreement which is hereby deemed to be fully incorporated into this quotation.

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

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

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

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

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

Acceptance

Estimate ID#: Santa Clara-MuniFee-05032019

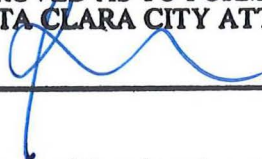
CITY OF SANTA CLARA, CA

Authorized Signature: 

Authorized Name: Gregory J Bych

Title: Risk Manager for City Manager

Date: 7-17-2019

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE


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

QUESTICA INC.

Authorized Signature: 

Authorized Name: TJ Parass

Title: President

Date: 22-May-2019

Appendix A – Scope of Work

Business Need:

The State of California collects fee revenue from municipalities and dedicates it to support numerous services and programs. Over time the State noticed shortfalls in funding due to lack of proper fee recovery. To better ensure funding for those services and programs, municipalities were instructed to do a better job of tracking the proposed cost of the fee compared to the cost of tasks associated with executing the Fee. Tracking the proposed Fee cost paid by the consumer against the cost of tasks associated with handling the Fee provides a Fee recovery rate. Making sure the Fee Costs to the consumer fully considers the cost of Fee tasks will ensure that the municipality is properly recovering the revenue it needs. This should reduce unexpected revenue shortfalls for funds that pool municipal Fee dollars.

The State of California requires municipalities to determine what the estimated cost of their fees versus the recovery rates of the cost of those fees. This requires the municipalities to determine various staff-related, non-staff related, and overhead related costs being budgeted for a Fee in some year. That value is then compared to the current proposed Fee cost to determine how the Fee needs to be adjusted to consider a 100% cost recovery rate.

This process is essentially an Activity Based Costing for Fees. These fees are costed for 1 year with no forecasting. Since there is salary data involved, that means the Questica salary module needs to be published to determine associated job-based costs for a fee.

<http://www.californiacityfinance.com/MuniRev2014Ch1plus.pdf>

History

This Municipal Fee (MuniFee) Calculator customization was initially developed by Marshall Bucek, Questica developer, and was delivered to the City of Palo Alto, CA. It was designed in part by Michael Newsome of Questica and Walter Rossmann, currently at the City of Santa Clara, CA.

Purpose

A Fee is created for a Service Activity that needs to be performed. For each Fee, the Fee calculator tool determines various costs associated with Salary, (Non-Staff) Operating, and Overhead. The Total Fee Cost is then compared with a user-defined proposed fee to determine a final Revenue Estimate and Cost Recovery Percentage for that Fee. This analysis helps to determine if the City needs to increase the Fee cost to get to 100% cost recovery.



QUESTICA BUDGET MAINTENANCE AND SUPPORT AGREEMENT

This MAINTENANCE AND SUPPORT AGREEMENT (the "Agreement") is made this August 26, 2019 (the "Effective Date") by and between QUESTICA INC., a corporation incorporated under the laws of Ontario, Canada ("Questica") and City of Santa Clara, CA, including, without limitation, all its subdivisions, departments, and constituent entities within its legal scope and jurisdiction (collectively, the "Licensee").

BACKGROUND

- A. Questica and Licensee entered into a License and Services Agreement on August 26, 2014.
- B. Questica is the exclusive provider of Maintenance and Support Services for the Questica Budget product solution.
- C. The Licensee wishes to receive Maintenance and Support Services for the licensed products, pursuant to the terms of this Agreement for a period of five (5) years.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), Questica and Licensee agree as follows:

- 1. ORDER OF PRECEDENCE.** All terms from the original License and Services Agreement and any subsequent changes or amendments remain in full force unless specifically addressed within this Maintenance and Support Agreement.
- 2. PRODUCT MAINTENANCE, SUPPORT AND HOSTING.** For the term of this Agreement, upon paying the Maintenance, Support and Hosting Fee as defined in Appendix A, Questica shall provide the Maintenance, Technical Support and Hosting services (the "Services") for the software as outlined in the License and Services Agreement, if the Licensee is not otherwise in breach of the provisions of the Agreement.
- 3. TERM.** This Agreement is effective as of August 26, 2019 and shall continue through August 25, 2024 unless and until this Agreement is otherwise terminated.

IN WITNESS WHEREOF the Parties have duly executed this Agreement.

QUESTICA INC.

Authorized Signature:



Authorized Name:

T.J. Parass

Title:

President

Date:

22-May-2019

CITY OF SANTA CLARA

Authorized Signature:



Authorized Name:

Gregory J. Byeh

Title:

Risk Manager for CM

Date:

7-17-2019

APPROVED AS TO FORM:
SANTA CLARA CITY ATTORNEY'S OFFICE



APPENDIX A – Annual Fees

Year 1	\$ 45,423.00	Maintenance, Support, and Hosting from August 26, 2019 to August 25, 2020
Year 2	\$ 46,331.46	Maintenance, Support, and Hosting from August 26, 2020 to August 25, 2021
Year 3	\$ 47,258.09	Maintenance, Support, and Hosting from August 26, 2021 to August 25, 2022
Year 4	\$ 48,203.25	Maintenance, Support, and Hosting from August 26, 2022 to August 25, 2023
Year 5	\$ 49,167.32	Maintenance, Support, and Hosting from August 26, 2023 to August 25, 2024

Note: Software licenses currently owned by Licensee include: Questica Budget Framework; Operating license seats (65); Capital license seats (45); Salary license seats (40); Performance Measures license seats (unlimited); and Statistical Ledger add-on. The annual amounts reflected herein Appendix A assume there are no additional modules or seats purchased. The annual maintenance associated with any future incremental seat purchases and/or new modules will be added to these amounts.

Payment Terms

Maintenance and Support fees are due in full in advance of the renewal period. Questica will issue a corresponding invoice a minimum 30 days prior to the renewal date.

Additional Services

Additional professional services can be purchased at Questica's then current rate, which at the execution date of this Agreement is \$200/hr.

END OF MAINTENANCE AND SUPPORT AGREEMENT