

Purchase Agreement

Software Solutions for the Public Sector

Date: 8/25/2010
Expiration Date: 9/25/2010

This Agreement between the Village of Palos Park of 8999 W. 123rd Street, Palos Park, IL 60464 ("Purchaser") and N. Harris Computer Corporation of 1850 W. Winchester Road, #209, Libertyville, IL 60048 ("Harris") confirms the purchase of the following licensed software products and services:

Software Products

Product Name	Price	Annual Maintenance & Support Fee ¹
Runtime, v12.0, 20 user	\$2,850	Existing
Upgrade to MSI v6.0 for all installed MSI applications	NC	Existing
Totals Software and Total Annual Maintenance and Support:	\$2,850	\$ 0

Professional Services

Description		Rate	Estimated Cost ²
Installation of Software Products, remote	1	\$1,200	\$1,200
Total Professional Services:			\$1,200

¹ Immediately thereafter the 1st Year's Annual Maintenance Fee period, subsequent Annual Maintenance Fees will be calculated at the then current Harris rate.

² All charges are exclusive of out of pocket expenses for services performed. Charges for actual and reasonable out-of-pocket expenses, including but not limited to travel and lodging expenses, will be billed monthly as accrued.

Total Software and Professional Services: \$4,050
Annual Maintenance and Support: Existing

Optional Software Products

Initial All That Apply	Product Name	Price	Annual Maintenance & Support Fee ¹
	Harris LiveVault Backup Service - 30 Day Retention (Protected Data Size 5 GB) LiveVault Terms and Conditions defined in Appendix A	\$900	\$900

¹ Immediately thereafter the 1st Year's Annual Maintenance Fee period, subsequent Annual Maintenance Fees will be calculated at the then current Harris rate

Note: Above optional software may require additional billable application consulting time.

AGREEMENT TERMS AND CONDITIONS:
1. Definition

a. **Software Applications.** "Software Applications" are the computer programs explicitly listed above in the section titled "Software Products" and those indicated using initials by the Purchaser in the section titled "Optional Software Products".

2. Payment Terms:

Order will be processed with the return of signed contract and an initial payment of 50% of the total software, professional services, hardware, and customizations as outlined above. Orders will not be processed until both of these two requirements are satisfied.

The remaining fees for the Software Applications shall be invoiced after delivery (CD-ROM or Electronic Transfer) to Purchaser and due thirty (30) days from the date of invoice.

License Transfer Fees, if applicable, shall be invoiced at the start of the project and due in thirty (30) days.

Professional Services and any applicable travel and lodging expenses, shall be billed monthly as the work is performed.

3. Delivery Media Type: CD-ROM or Electronic Transfer

4. Delivery Schedule:

The parties will agree upon an appropriate training, project, and delivery schedule based on, among other things, the modules in respect of which training is required and the skills and availability of both the Purchaser and Harris staff members.

5. Data Conversion:

The success of a data conversion is based on the format and quality of the input data. Unless otherwise indicated, conversion is strictly limited to non-dollar amounts. A typical utility billing conversion includes information such as names, addresses, phone numbers, and services. Only information explicitly listed in this document will be converted. Initial cost estimates for conversion are included in system pricing proposals but these are only estimates until inspections or sample data can be examined to verify data formats and data integrity. Only then can an accurate conversion cost can be established. Any costs associated with obtaining the data from the existing vendor are the responsibility of the Purchaser. Sample data shall be provided in standard fixed length format with ASCII display characters only. Data must be on media formats readable by Harris. File layouts must include:

- | | | |
|---------------|----------------|------------------------------------|
| * Record size | * Field length | * Field starting and ending points |
| * Field name | * Field type | * Data field description |

Where ever possible, the data extraction shall be done twice. The first extraction is to test and create the conversion tools. The second extraction is done when the implementation is ready to go live.

In the event a data re-conversion is required, for whatever reason, Purchaser will be billed at the original rate quoted above in the Conversion section of the Agreement.

6. Maintenance and Support Fees:

Maintenance and Support fees ("MSF") include all program updates, enhancements and general releases that Harris makes available to the Purchaser as part of its regular software maintenance program. MSF does not include fees for any third party licenses or Harris services that may be necessary to perform a third party license upgrade. MSF also includes access to the Harris support hot line.

The initial maintenance amount will be billed and due on November 1, 2010. Harris reserves the right to change maintenance and support fees from time to time.

Subsequent years MSF shall be rendered at the beginning of each year in which services are to be furnished. Lapses in annual MSF will be monitored and will lead to denial of support, upgrade privileges and termination of Licenses. In the event of a lapse, Purchaser will be subject to reactivation fees not to exceed 40% of the current annual MSF applied to each year of the lapse including partial year lapses plus the amount representing "the lapsed" MSF. The specific services provided by the technical support staff are outlined in the Harris Software Support Agreement Standard Guidelines.

7. Additional Customization(s):

The Purchaser and Harris have jointly reviewed the Software Applications and have determined that all items are adequate except as noted in the CUSTOMIZATIONS section. Additional customization(s) or report modifications not identified in this Agreement will be quoted as requested and billed at the hourly rate of \$150.00. Customizations and/or report modifications requested one year or more from the date of this agreement will be billed at the then current Harris hourly rate. No additional customizations will be undertaken without prior agreement by both parties on cost, scope of functionality, and the impact on the project schedule.

Ten percent of any fees associated with any customization services will automatically be added to the Purchaser's MSF.

8. Forms:

Purchaser agrees to use standard forms unless otherwise indicated. If purchaser does not order forms from Harris, forms must be approved by Harris Project Manager (named below in Section 15) before ordering. A Change Order may be issued to purchaser by Harris for any report modifications, which will be billed at a rate of one hundred-fifty dollars (\$150) per hour.

9. Professional Services:

Additional professional services are available on-site or via the telephone. Telephone work is billed at \$150.00 per hour. On-site work is billed at \$950.00 per day plus travel, lodging and per diem expenses. Work performed one year or more from the date of this agreement will be billed at the then current Harris rates. Help line support does not include training. New employees must be trained by Purchaser or by making arrangements with Harris.

In the event Purchaser wishes to schedule any professional services on a Saturday there is a \$250 surcharge.

Application consulting and setup services may include but are not limited to: software installation, configuration, data validation, system setup, system balancing, interface setup, interface testing, process training, application training and business requirements gathering.

10. Travel and Lodging Expenses:

Travel and lodging expenses will be billed in conjunction with any services work performed at the Purchaser's offices by Harris personnel. Lodging expenses will include hotel expenses and will only be charged if an employee is required to spend the evening. Travel expenses may include airfare if the employee is required to travel by air to reach the Purchaser's offices. Travel may include the cost of a rental car. If an employee uses his/her personal vehicle, mileage will be charged at the currently published IRS reimbursement rate. When an employee is at or traveling to the Purchaser's offices, fifty dollars (\$50) per day will be charged to cover meals and incidentals. If an employee must travel on Saturday, Sunday, or a holiday, or is at the purchaser's office on a holiday, one hundred dollars (\$100) per day will be charged to cover meals and incidentals.

Harris will use its best efforts to minimize all travel and lodging expenses. Only actual travel and lodging expenses will be billed to the Purchaser.

11. Grant of License

Harris hereby grants Purchaser a nontransferable, nonexclusive, nonrefundable license under the terms of this Agreement to use the Software Applications on its equipment subject to the following:

a. The Purchaser may not sublicense, rent, lease or assign the Software Applications.

b. No license is given to Purchaser for the source code to the Software Applications. The Purchaser is expressly prohibited from reverse engineering, decompiling, or disassembling the Software Applications or from creating a derivative or modified copy of the Software Applications.



c. Initial delivery of the Software Application shall be COTS ("Commercial off the shelf"). Purchaser is not relying upon any future product future product availability or functionality upon entering into the payment obligations under this Agreement

12. Performance by Customer

(a) Co-operation by Purchaser -- The Purchaser acknowledges that the success and timeliness of the implementation process shall require the active participation and collaboration of the Purchaser and its staff and agrees to act reasonably and co-operate fully with the Consultant to achieve the Completion of Services.

(b) Required Programs. The Purchaser acknowledges that if the use of the Software requires that the Purchaser obtain and install additional software programs, then the Purchaser agrees that the acquisition of the additional software programs shall be at its sole cost and that the cost thereof is not included in the fees herein. The Purchaser further acknowledges that the operation of the Software requires the Purchaser's hardware to be of sufficient quality, condition and repair, and the Purchaser agrees to maintain its hardware in the appropriate quality, condition and repair at its sole cost and expense, in order to facilitate the achievement of Completion of Services.

(c) Project Manager -- The Purchaser shall appoint a project manager who shall work closely with Harris Staff to facilitate the successful completion of the implementation process and who shall be responsible for supervising the staff of the Purchaser and their co-operation with and participation in such process.

13. Warranty Disclaimer

Harris does not make, and hereby disclaims, any and all express and/or implied warranties regarding the services or any material provided by Harris to Purchaser pursuant to this agreement, including, but not limited to, warranties of merchantability, fitness for a particular purpose, and non-infringement, and warranties arising from a course of dealing, usage or trade practice. Further, Harris does not warrant that the Software Licenses will meet any exact user requirements, and that the software will operate error free or uninterrupted. In the event an error is discovered in one of the Software Applications currently covered by MSF, and the error is confirmed, Harris will make reasonable efforts to provide Purchaser with a correction.

It is acknowledged by the parties hereto that the Hardware provided by Harris to Purchaser pursuant to this Agreement was manufactured and delivered to Purchaser by a third party manufacturer and Harris is reselling it to Purchaser. As such, Purchaser makes no warranties, express or implied, with respect to the Hardware, including, without limitation, their merchantability or fitness for a particular purpose. Any warranty Purchaser has with respect to the Hardware shall be solely provided by the manufacturer(s).

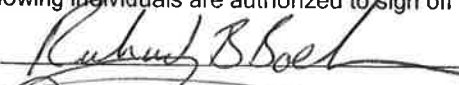
14. Limitations on Liability


Purchaser agrees that Harris' liability hereunder for damages, regardless of the form of action, shall be limited to actual direct damages and shall not exceed the charges hereunder paid by Purchaser to Harris. Purchaser further agrees that Harris will not be liable for any other damages including consequential, incidental, special, exemplary damages, lost profits, failure to realize anticipated savings, data loss, loss of goodwill, business opportunities or reputation, economic loss or for any claim or demand by any third party, except a claim for patent or copyright infringement with respect to Licensed Software.

15. Change Order Process

With respect to any proposed changes to the Services defined by this Agreement, the parties will cooperate in good faith to execute Change Orders in respect thereof, and will not unreasonably withhold approval of such proposed changes. If either party causes or requests a change in the allocation of the resources of Harris applied to a task, changes in completion schedules for individual tasks or for overall implementation, and changes in staffing that require Harris to provide additional work hours, Harris may propose a change to cover the additional work effort required of it. Approval of any such proposed changes will not be unreasonably withheld (it being acknowledged that any such material changes may require modifications to the consideration paid, and timelines governing, the Services), and any disputes regarding changes shall be handled initially by discussions between the parties which will be convened in good faith by the parties to resolve any such matters in dispute.

The following individuals are authorized to sign off on change orders on the Purchaser's behalf:

Name:  Title: Administrator

Name:  Title: Mayor



The following individuals are authorized to sign off on change orders on Harris's behalf:

Scott MacKendrick	Vice President of Professional Services
Terri Webb	Professional Services Manager
Cheryl Cross	Professional Services Manager
Jennifer Cyrus	Professional Services Manager
Natossha Baird	Professional Services Manager

16. Cancellation Policy

In the event of cancellation of the Agreement by either party for any reason, Purchaser agrees to pay for all Software Applications delivered, any Professional Services rendered and T&L expenses incurred prior to the cancellation. Initial down payment of deposit is non-refundable. Purchaser must provide written notification to Harris if it wishes to cancel the Agreement.

Cancellation of any on-site Services by Purchaser is allowed for any reason if done in writing more than fourteen (14) days in advance of such Services. Cancellation by Purchaser with fourteen (14) days or less of scheduled on-site Services will be billed at fifty percent (50%) of the on-site fee, plus any non-recoverable costs incurred by Harris due to advance scheduling of travel. Additionally, Purchaser hereby acknowledges that cancellation of on-site Services means that such on-site Services will be rescheduled as Harris' then current schedule permits. Harris is not responsible for any delay in Purchaser's project resulting from Purchaser's cancellation of consulting. If additional services are required because the Purchaser was not adequately prepared for the on-site services, Harris will provide a Change Order to the Purchaser for the additional services.

17. Governing Law; Venue

This Agreement shall be governed by the substantive and procedural laws of the State of New York. Purchaser hereby agrees to submit to the exclusive jurisdiction of, and venue in, the courts in the State of New York in any dispute arising out of or related to this agreement.

18. Acknowledge of Purchase:

By the signing of this Agreement in the space provided below, the parties acknowledge their acceptance of the purchase and agree with the terms of this sale as set forth above.

Purchaser: Village of Palos Park, IL

By:  Date: September 28, 2010

Title: Mayor

Proposal Prepared By: Richard Plese
Sales Order #: 10228

Name: Barb Maziarek
Title: Finance Director
Phone: 708-671-3715
Fax: 708-448-9542
Email: bmaziarek@palospark.org



VILLAGE OF PALOS PARK
AGENDA ITEM COVER SHEET

8999 W. 123rd Street
Palos Park, Illinois 60464
www.palospark.org

Village Council

Mayor John Mahoney
Village Clerk Carol A. Bryson
Commissioner Mary O'Connor
Commissioner Dan Polk
Commissioner James Pavlatos
Commissioner Nicole Milovich-Walters

MEETING OF: September 27th, 2010

AGENDA MATTER: An agreement between The Village of Palos Park and Harris Computer Corporation for the installation and software for the upgrades to the MSI Program to Runtime v12.0 for the amount of \$4050.00

BACKGROUND/HISTORY: The Village is currently running on v4.0 of the MSI Applications. Runtime is a third party product that runs behind the scenes and manages MSI applications across your computer network. It allows a maximum number of simultaneous users access to the applications. The Runtime assists the MSI report/printing programs to find the network printers and it sends data back and forth from individual workstation. The Village needs this upgrade because of the newer programming standards as well as the fact that the current version will not be maintain/ support the older versions. We can anticipate that we will have a 3-5 year useful life from the Runtime purchase.

STAFF RECOMMENDATION: Barb Maziarek recommends the MSI upgrade.

RECOMMENDED MOTION: To approve the purchase agreement between the Village of Palos Park and Harris Computer Corporation for software products and installation of said software in the amount of \$4,050.00