

OFFICE OF THE COUNTY ADMINISTRATOR

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December 13, 2012

TO: Board of Supervisors

FROM: Dee F. Bruemmer, County Administrator

SUBJECT: New World Systems – Enterprise Resource Planning System (ERP) and Implementation Services Contract Approval

The Board of Supervisors authorized staff to negotiate a contract to include the purchase of software, interfaces, implementation services and five year maintenance fees with new World Systems. With the help of BerryDunn, LLC, our consultants, the staff has completed contract negotiations. The contract has been reviewed by the County Attorney's office.

The recommended ERP package includes software of Financial Management – Base Suite, Financial Management, Revenue Collections, and Procurement Management; Payroll & Human Resources Suite – Base Suite, Human Resources, Benefits Management, and Position Control; eSuite – Base Software, eFinance, and eHR; Business Analytics – Finance Analytics and Human Resources / Payroll Analytics. Additionally, optional software modules of Grant Management, Work Orders, eMiscellaneous Billing and eTraining have been reserved in the contract. The contract also includes the necessary interfaces to other county programs and the work plan for implementation of the software.

It is recommended that the Board of Supervisors approve the Purchase Agreement with New World Systems in the amount of \$736,175 for one time licensed software, implementation services and third party products and \$89,250 per year for years 2-5 for maintenance. A budget of \$52,800 is established for enhancements/modifications and/or custom software, as authorized by the county. A budget of \$52,500 is for travel expenses. Funding for the project will be provided by the Capital Projects fund.

We are requesting approval of the attached contract with New World Systems for Enterprise Resource Planning System and Implementation Services. Initial implementation of the ERP software is expected to occur in calendar year 2013.

Representatives of the evaluation committee will be available at the Committee of the Whole Meeting on December 18, 2012.

CC:

Matt Hirst, Director Information Technology

Dave Donovan, Director Facility and Support Services

Mary Thee, Assistant County Administrator / Human Resources Director

Craig Hufford, Financial Management Supervisor

Barb Vance, Operations Manager – Treasurer's office

Wes Rostenbach, Accounting and Tax Manager

Roland Caldwell, Operations Manager – Auditor's office

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

DECEMBER 20, 2012

APPROVAL OF A PURCHASE AGREEMENT FOR AN ENTERPRISE RESOURCE
PLANNING SYSTEM (ERP) WITH NEW WORLD SYSTEMS FOR ONE-TIME
LICENSED SOFTWARE, IMPLEMENTATION SERVICES AND THIRD PARTY
PRODUCTS

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

- Section 1. That the Purchase Agreement for an Enterprise Resource Planning System (ERP) with New World Systems in the amount of \$736,175 for one time licensed software, implementation services and third party products and \$89,250 per year for years two to five for maintenance is hereby approved.
- Section 2. A budget of \$52,800 is established for enhancements/modifications and/or custom software as authorized by the County and \$52,500 or travel expense is hereby approved.
- Section 3. This resolution shall take effect immediately.

STANDARD SOFTWARE LICENSE AND SERVICES AGREEMENT

December 10, 2012

This *Standard Software License and Services Agreement* which includes the attached Exhibits and Appendix (“this Agreement”) is between **New World Systems[®] Corporation** (“New World”), a Michigan Corporation and **Scott County, Iowa**, (“Customer”). This Agreement sets forth the terms and conditions under which **New World** will furnish the Licensed Products and will provide certain services described herein to **Customer**. The attached Exhibits and Appendix include:

- Exhibit AA..... TOTAL COST SUMMARY AND PAYMENT SCHEDULE**
- Exhibit A..... LICENSED STANDARD SOFTWARE AND FEES**
- Exhibit B..... IMPLEMENTATION AND TRAINING SUPPORT SERVICES**
- Exhibit C..... STANDARD SOFTWARE MAINTENANCE AGREEMENT**
- Exhibit D..... NON-DISCLOSURE AND SECURITY AGREEMENT FOR THIRD PARTIES**
- Exhibit E..... DEMONSTRATION SITE DISCOUNT**
- Exhibit F..... DATA FILE CONVERSION ASSISTANCE**
- Exhibit G..... CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**
- Exhibit H..... BUDGET ESTABLISHED FOR CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE**
- Exhibit I..... INCORPORATION BY REFERENCE OF NEW WORLD’S RESPONSE TO CUSTOMER’S RFP SOFTWARE SPECIFICATIONS**
- Exhibit J..... ACCEPTANCE TESTING**
- Exhibit K..... TRAVEL POLICY**
- Appendix 1..... AGREEMENT AND AUTHORIZATION FOR PROCUREMENT OF THIRD PARTY PRODUCTS AND SERVICES**
- Appendix 2..... STATEMENT OF WORK**

By signing below, each of us agrees to the terms and conditions of this Agreement together with the attached Exhibits and Appendix. This Agreement contains the complete and exclusive statement of the agreement between us relating to the matters referenced herein and replaces any prior oral or written representations or communications between us. Each individual signing below represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

ACKNOWLEDGED AND AGREED TO BY:

NEW WORLD SYSTEMS[®] CORPORATION
(New World)

SCOTT COUNTY, IOWA
(Customer)

By: _____
Larry D. Leinweber, President

By: _____
Authorized Signature Title

By: _____
Authorized Signature Title

Date: _____

Date: _____

The “Effective Date” of this Agreement is the latter of the two dates in the above signature block.

DEFINITIONS

The following terms as defined below are used throughout this **Agreement**:

1. **“Authorized Copies”**:
Except as provided in subparagraph 1.3, the only authorized copies of the Licensed Software and Licensed Documentation are the copies of each application software package defined in this Paragraph. They are:
 - (i) the single copy of the Licensed Software and the related Licensed Documentation delivered by **New World** under this **Agreement**; and
 - (ii) any additional copies made by **Customer** as authorized in subparagraph 1.2.
2. **“An Authorized User/Workstation”**:
Subject to the number of users specified in Exhibit A, any PC workstation that is connected to access the Licensed Software resident on Computer and that may be logged on to access the programs, interfaces, data, or files created and/or maintained by the Licensed Software.
3. **“Computer”**:
The .NET Server(s) to be located at:
*Scott County
600 West Fourth Street
Davenport, Iowa 52801*
Customer shall identify in writing the serial number of the Computer within ten (10) days of receipt of the Computer or within ten (10) days of the Effective Date, whichever is later. If the Computer is to be relocated, **Customer** shall notify **New World** of the new location in writing prior to the relocation.
4. **“Confidential Information”**:
Information disclosed or obtained by one party in connection with, and during the term of, this **Agreement** and designated as “Confidential” by the party claiming confidentiality at the time of disclosure. Confidential Information does not include any information which was previously known to the other party without obligation of confidence or without breach of this **Agreement**, is publicly disclosed either prior or subsequent to the other party’s receipt of such information, or is rightfully received by the other party from a third party without obligation of confidence.
5. **“Customer Liaison”**:
A **Customer** employee assigned to act as liaison between **Customer** and **New World** for the duration of this **Agreement**. Within ten (10) days of the Effective Date, **Customer** shall notify **New World** of the name of the Customer Liaison.
6. **“Daily Rate”**:
As described in this **Agreement**, **New World** shall provide services to **Customer** at the rate of \$1,320/day. The daily rate covers all hours worked by a **New World** employee per day on this project. The daily rate is protected for 24 months after the Effective Date, at which time the daily rate shall be the then-current **New World** daily rate.
7. **“Delivery of Licensed Standard Software”**:
Licensed Standard Software will be delivered in a machine readable form to Customer via an agreed upon network connection, or on appropriate media if requested, as soon as the software is available after the Effective Date.
8. **“Development Software”**:
Standard application software currently under development by **New World** which, if applicable, will be completed and delivered to **Customer** as Licensed Standard Software when available.
9. **“Go Live”**:
The point at which a software system, module or update/upgrade is implemented into active and live operating mode.
10. **“Installation of Licensed Standard Software”**:
Installation of the Licensed Standard Software shall be deemed to occur, for all billings or other events described herein, upon the earlier of:
 - (a) the transfer or loading of the Licensed Standard Software onto a **Customer** server or computer, or
 - (b) thirty (30) days after delivery of the Licensed Standard Software.
11. **“Licensed Custom Software”**:
Any software (programs or portions of programs) developed by **New World** specifically for **Customer’s** own use.
12. **“Licensed Documentation”**:
New World User Manuals which includes the current specifications for the Licensed Standard Software and other written instructions relating to the Licensed Software (such as Product Bulletins, installation instructions, and training materials).
13. **“Licensed Products”**:
The Licensed Software, the related Licensed Documentation, and the Authorized Copies of the foregoing.
14. **“Licensed Software”**:
The Licensed Standard Software, Development Software, Upgrades, and Licensed Custom Software provided under this **Agreement**.
15. **“Licensed Standard Software”**:
The current version of **New World** standard and development application software package(s) (in machine readable code) listed in Exhibit A.
16. **“SSMA”**:
The **New World** Standard Software Maintenance Agreement as set forth in Exhibit C.
17. **“Travel Expenses”**:
All actual and reasonable travel expenses incurred by **New World** for trips relating to this project, including but not limited to, airfare, rental car, lodging, mileage, parking/tolls, and daily per diem expenses.
18. **“Travel Time”**:
Actual **New World** employee travel time billed at the Hourly Rate of \$165/hour, up to, but not exceeding, four (4) hours per each trip relating to this project. Travel time is not contemplated and will not be charged under this **Agreement** but may be used for subsequent services.

19. **“Upgrades”:**

Any enhanced and/or improved versions of the Licensed Standard Software provided as Licensed Standard Software under Exhibit C of this **Agreement** and released after the execution of this **Agreement**.

GENERAL TERMS AND CONDITIONS

1.0 SINGLE USE LICENSE

- 1.1 **New World** grants **Customer** a nontransferable, nonexclusive, and non-assignable license to use the Licensed Software only on the Computer and only for its internal processing needs. **Customer** shall have the right and license to use, enhance, or modify the Licensed Software only for **Customer’s** own use and only on the Computer and only on an authorized workstation. **New World** will deliver to **Customer** one copy of each application of the Licensed Software (in machine readable form compatible with the specified operating environment) and one copy of the related Licensed Documentation. If **Customer** fails to pay all license fees specified in Exhibit A and the applicable custom software fees, if any, **Customer** shall forfeit the right and license to use the Licensed Products and shall return them to **New World**.
- 1.2 In order to assist **Customer** in the event of an emergency, **Customer** is permitted to make up to two (2) back-up copies on magnetic media of each application of the Licensed Software and one back-up copy of the related Licensed Documentation. These Authorized Copies may be stored as defined above so long as they are kept in a location secure from unauthorized use. **Customer** or anyone obtaining access through **Customer** shall not copy, distribute, disseminate, or otherwise disclose to any third party the Licensed Products or copies thereof in whole or in part, in any form or media. This restriction on making and distributing the Licensed Products or copies of any Licensed Product, includes without limitation, copies of the following:
 - (i) Program libraries, either source or object code;
 - (ii) Operating control language;
 - (iii) Test data, sample files, or file layouts;
 - (iv) Program listings; and
 - (v) Licensed Documentation.
- 1.3 Upon written request by **Customer**, and with written permission by **New World**, additional Authorized Copies may be made for **Customer’s** internal use only.

2.0 OWNERSHIP

- 2.1 The Licensed Products and all copyright, trade secrets and other proprietary rights, title and interest therein, remain the sole property of **New World** or its licensors, and **Customer** shall obtain no right, title or interest in the Licensed Products by virtue of this **Agreement** other than the nonexclusive, nontransferable, non-assignable license to use the Licensed Products as restricted herein.
- 2.2 The license to use any Licensed Custom Software provided under this **Agreement**, if any, is included in this license. **New World** shall have the right to use any data processing ideas, techniques, concepts, and/or know-how acquired by it in the performance of services under this **Agreement** including the development of Licensed Custom Software for the advancement of its own technical expertise and the performance of other Software License and Service Agreements or any other applicable agreements. **New World** shall have, without restriction, the right to use all programs, procedures, information, and techniques that are publicly available, obtained or obtainable from third parties and/or developed independently by **New World** without specific reference to **Customer’s** organization.

3.0 CORRECTION AND SOFTWARE MAINTENANCE ON STANDARD SOFTWARE

- 3.1 **New World** provides software correction service and maintenance for the Licensed Standard Software during the term of **Customer’s** SSMA. See Exhibit C for a description of the SSMA start date and term, the services available and the applicable fees and procedures.

4.0 WARRANTIES

- 4.1 **New World** warrants, for Customer's benefit only, that the Licensed Standard Software will perform as specified in its user manuals based on the then-current release of the Licensed Standard Software.
- 4.2 **New World** warrants, for Customer's benefit only, that it possesses the necessary intellectual rights to license to **Customer** the Licensed Standard Software provided hereunder.
- 4.3 **New World** warrants, for **Customer's** benefit only, that the items coded F, T and C in the Response to Customer's RFP will be met as described in Exhibit I so long as such items are contracted for under this **Agreement**.

The foregoing warranties do not apply if the Licensed Product(s) have been modified by any party other than **New World**. **New World** does not warrant that the features or functions of the Licensed Software will meet **Customer's** requirements or in any combination or use **Customer** selects. EXCEPT AS SPECIFICALLY PROVIDED IN THIS PARAGRAPH 4.0, AND ITS SUBSECTIONS, **NEW WORLD** EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE LICENSED PRODUCTS, INCLUDING BUT NOT LIMITED TO, THE LICENSED PRODUCTS' CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

5.0 INSTALLATION AND TRAINING SUPPORT SERVICES

- 5.1 As provided for in Exhibit B and concurrent with timely payments, **New World** shall make available to **Customer** qualified representative(s) who will provide installation and training support services for each application of the Licensed Software delivered. See Exhibit B for a description of the services provided and the applicable fees and procedures.

6.0 CUSTOMER LIAISON AND CUSTOMER RESPONSIBILITIES

The successful implementation of the Licensed Products into **Customer's** environment requires **Customer's** commitment to and cooperation in the implementation process. Accordingly, **Customer** hereby agrees to the following:

- 6.1 **Customer** understands that the Licensed Software is designed to run in a specified operating environment which includes hardware, software and related equipment not provided by **New World**. **Customer** is responsible for assuring that the appropriate hardware equipment, related components and all cabling are installed timely and are suitable for the successful installation of the Licensed Software.
- 6.2 **Customer** agrees to provide the management interface and support necessary to successfully complete the implementation of the Licensed Software. This support includes upper level management priority setting and timely involvement during and after a change in **Customer's** organization, **Customer's** operations and/or after changes in **Customer's** internal policies or procedures which directly affect the software implementation.
- 6.3 **Customer** shall assign an upper level employee to serve as the Customer Liaison for the duration of the Licensed Software implementation. If **Customer** must replace the Customer Liaison for reasons beyond its control, **Customer** will assign a new Customer Liaison as soon as reasonably possible. **New World** is not responsible for any delay caused directly or indirectly by the reassignment of the Customer Liaison. In addition to other duties and responsibilities, the Customer Liaison shall:
 - (i) provide timely answers to **New World's** requests for information;
 - (ii) coordinate a mutually agreeable implementation and training schedule;
 - (iii) have authority to sign for and obligate **Customer** to any matters relating to service requests, design documents, performance test documents and/or delivery and service dates;
 - (iv) in situations where **Customer** participation is required, provide timely input for systems definition, detail design, and use of the software system.
- 6.4 **Customer** is responsible for creating and maintaining its master files, tables and the like which includes accurate data entry, accurate file editing and overall file control to assure successful systems performance.
- 6.5 **Customer** shall provide qualified personnel with sufficient backup to be trained to use the Licensed Software and to interpret the output.

7.0 *BILLING AND ADDITIONAL AUTHORIZED WORKSTATION CHARGES*

- 7.1 The attached Exhibits set forth the manner in which fees and payments shall be allocated and made under this **Agreement**. Past due amounts are subject to a service charge of 1.5% per month, which charge **Customer** agrees to pay. To the extent **Customer** imposes additional requirements on **New World** for services other than those expressly provided in this **Agreement**, **New World** retains the right to make additional price adjustments and/or any other adjustments that may be necessitated. Before performing these additional services, **New World** will notify **Customer** that the services are subject to additional charge(s) and **New World** will perform such only after written notice of approval has been received from **Customer**.
- 7.2 If **Customer** wishes to add additional authorized workstations or Licensed Standard Software, **Customer** agrees to pay the additional License fees at the then current software prices in effect. SSMA fees shall be increased according to the additional Licensed Standard Software fees on the next annual billing date after the additional workstations and/or Licensed Standard software is added, or as specified in the future contract. With said payments, the license provided in Paragraph 1.0 permits **Customer's** use of the Licensed Software for the specified workstations.
- 7.3 **Customer** shall notify **New World** if additional authorized workstations need to be added to access the Licensed Software and will pay the additional authorized workstation fees promptly when invoiced.
- 7.4 Any taxes or fees imposed from the course of this **Agreement** are the responsibility of the **Customer** and **Customer** agrees to remit when imposed. If an exemption is claimed by the **Customer**, an exemption certificate must be submitted to **New World**.

8.0 *NON-RECRUITMENT OF PERSONNEL*

- 8.1 During, and for a period of twenty-four (24) months after the expiration of, the Standard Software Maintenance Agreement and/or any renewal maintenance agreement, each party agrees not to solicit or hire current or former employees of the other without the other's prior written consent.

9.0 *CONFIDENTIAL INFORMATION / NON-DISCLOSURE AGREEMENT*

- 9.1 Subject to the requirements of the Freedom of Information Act (FOIA) and/or other comparable applicable state law, each party shall hold all Confidential Information in trust and confidence for the party claiming confidentiality and not use such Confidential Information absent express written consent by the party claiming confidentiality. The other party agrees not to disclose any such Confidential Information, by publication or otherwise, to any other person or organization. **Customer** agrees to timely notify **New World** of any request(s) made for disclosure of confidential information.
- 9.2 **Customer** hereby acknowledges and agrees that all Licensed Products are Confidential Information and proprietary to **New World**. In addition to the other restrictions set forth elsewhere in this **Agreement** or otherwise agreed to in writing, **Customer** agrees to implement all reasonable measures to safeguard **New World's** proprietary rights in the Licensed Products, including without limitation the following measures:
- (i) **Customer** shall only permit access to the Licensed Products to those employees who require access and only to the extent necessary to perform **Customer's** internal processing needs.
 - (ii) With respect to agents or third parties, with the exception of external auditors, **Customer** shall permit access to the Licensed Products only after **New World** has received, approved and returned a fully executed Non-Disclosure Agreement to **Customer** (see Exhibit D). **New World** reserves the right to reasonably refuse access to a third party after it has evaluated the request. **Customer** agrees to provide information reasonably requested by **New World** to assist **New World** in evaluating **Customer's** request to permit third party access to the Licensed Products. In addition to any other remedies, **New World** may recover from **Customer** all damages and legal fees incurred in the enforcement of this provision on third party access;
 - (iii) **Customer** shall cooperate with **New World** in the enforcement of the conditions set forth in the attached Non-Disclosure Agreement or any other reasonable restrictions **New World** may specify in writing in order to permit access;
 - (iv) **Customer** shall not permit removal of copyright or confidentiality labels or notifications from its proprietary materials; and

(v) **Customer** shall not attempt to disassemble, decompile or reverse engineer the Licensed Software.

9.3 **Customer** agrees that in addition to any other remedies that may be available at law, equity or otherwise, **New World** shall be entitled to seek and obtain a temporary restraining order, injunctive relief, or other equitable relief against the continuance of a breach or threatened breach of this paragraph 9.0 on Confidentiality and Non-Disclosure without the requirement of posting a bond or proof of injury as a condition for the relief sought.

10.0 *LIMITATION OF LIABILITY AND RECOVERABLE DAMAGES*

New World's entire liability and **Customer's** exclusive remedies are set forth below:

10.1 For any claim relating to the non-conformance or imperfection of any licensed software provided under this **Agreement**, **New World** will correct the defect so that it conforms to the warranties set forth in subparagraph 4.1; or if after repeated attempts to correct the non-conformity, **New World** is unable to correct the non-conformity, then **Customer** may recover its actual damages subject to the limits set forth in subparagraph 10.2 below. For any other claim arising under or in connection with this **Agreement**, **Customer** may recover its actual damages subject to the limits set forth in subparagraph 10.2 below.

10.2 **New World's** total liability to **Customer** for all claims relating to the Licensed Products and this **Agreement**, including any action based upon contract, tort, strict liability, or other legal theory, shall be limited to **Customer's** actual damages and in no event shall **New World's** liability exceed the Exhibit A Licensed Standard Software fees paid to **New World**.

10.3 **New World** shall not be liable for any special, indirect, incidental, punitive, exemplary, or consequential damages, including loss of profits or costs of cover, arising from or related to a breach of this **Agreement** or any order or the operation or use of the Licensed Products including such damages, without limitation, as damages arising from loss of data or programming, loss of revenue or profits, failure to realize savings or other benefits, damage to equipment, and claims against **Customer** by any third person, even if **New World** has been advised of the possibility of such damages. **New World's** liability for any form of action shall only apply after any and all appropriate insurance coverage has been exhausted.

10.4 If it is determined that a limitation of liability or a remedy contained herein fails of its essential purpose, then the parties agree that the exclusion of incidental, consequential, special, indirect, punitive, and/or exemplary damages is still effective.

11.0 *INTEGRATION WITH U.S. COPYRIGHT ACT*

11.1 In addition to all other provisions provided under this **Agreement**, **Customer** agrees to be bound by and to comply with any and all provisions of the U.S. Copyright Act (*The Copyright Act of 1976, U.S.C. Sections 101-810 (1976) as amended*). If a provision of the U.S. Copyright Act and this **Agreement** conflict, the more restrictive of the two applies. If it cannot be determined which is the more restrictive, then the provision within this **Agreement** shall apply.

12.0 *INDEPENDENT CONTRACTOR*

12.1 **New World** is an independent contractor. The personnel of one party shall not in any way be considered agents or employees of the other. To the extent provided for by law, each party shall be responsible for the acts of its own employees.

12.2 Each party shall be responsible for Workers' Compensation coverage for its own personnel.

13.0 *INSURANCE REQUIREMENTS*

New World shall not commence work under this **Agreement** until it has obtained the insurance required under this paragraph.

13.1 **Workers' Compensation Insurance:** **New World** shall procure and maintain during the term of this **Agreement**, Workers' Compensation Insurance for all of its employees who engage in the work to be performed.

13.2 **Liability and Property Insurance – Comprehensive Form:** **New World** shall procure and maintain during the term of this **Agreement**, Liability and Property Damage Insurance in an amount not less than \$1,000,000 on account for each accident; and in an amount not less than \$1,000,000 for each accident for damage to property.

- 13.3 **Automobile Liability Insurance:** **New World** shall procure and maintain during the term of this **Agreement**, Hired and Non-Ownership Motor Vehicle Bodily Injury and Property Damage Insurance in an amount not less than \$1,000,000 for injuries, including accidental death, to each person; and, subject to the same limit for each person, in an amount not less than \$1,000,000 for each accident; and in an amount not less than \$1,000,000 on account for each accident for damage to property, provided however that the combined single limit for all automotive related claims shall not exceed \$1,000,000.

14.0 DISPUTE RESOLUTION BY ARBITRATION

- 14.1 Any controversy or claim arising out of or relating to this **Agreement**, or breach thereof, shall be settled in arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.
- 14.2 Before a demand for arbitration may be filed by either party, the management of both parties shall have met at least two times in face-to-face meetings in a good-faith effort to resolve any dispute or controversy through normal business management practices. Unless otherwise agreed to in writing, a minimum of one meeting shall take place at each party's home office location.
- 14.3 If the meetings described in Section 14.2 above are not successful in resolving a dispute, prior to entering into arbitration, the parties shall employ the use of a neutral third-party mediator which is mutually agreeable to the parties to help resolve the dispute. The costs of such mediation shall be borne equally by the parties.
- 14.4 The arbitrator(s) shall have no power or authority to add to or detract from this **Agreement**. The arbitrator(s) shall have no authority to award damages over and above those provided for in this **Agreement** and in any event shall not exceed the limitations set forth in subparagraph 10.2, even if the remedy or limitation of liability provisions set forth in this **Agreement** shall for any reason whatsoever be held unenforceable or inapplicable.
- 14.5 Neither party nor the arbitrator(s) may disclose the existence or results of any arbitration hereunder, except if the arbitration results in a Court imposed judgment, the non-disclosure restriction shall not be effective to the extent the matter becomes a public record.
- 14.6 Each party shall bear its own costs in preparing for and conducting arbitration, except that the joint costs, if any, of the actual arbitration proceeding shall be shared equally by the parties.
- 14.7 In the event that a controversy or claim arising out of or relating to this **Agreement**, or breach thereof, is heard or otherwise prosecuted in court, the parties hereby unconditionally waive their respective rights to a jury trial of any such controversy or claim.

15.0 TERMINATION

- 15.1 **By Customer:** If **New World** fails to provide the Licensed Software as warranted in accordance with the terms of this **Agreement**, or if **New World** fails to fulfill its responsibilities under this **Agreement**, **Customer** may at its option terminate this **Agreement** with ninety (90) days written notice as follows:
- (i) The termination notice shall provide a detailed description (with examples) of any warranty defects claimed;
 - (ii) **New World** shall have ninety (90) days from receipt of said notice to correct any warranty defects in order to satisfy the terms of this **Agreement**;
 - (iii) During the ninety (90) day cure period, **Customer** shall apply sound management practices and use its best efforts to resolve any issues or obstacles – including cooperating with **New World** and reassigning personnel if necessary to improve the working relationship;
 - (iv) At the end of ninety (90) days unless the termination has been revoked in writing by **Customer**, the **Agreement** terminates.
- 15.2 **By New World:** If **Customer** fails to make prompt payments to **New World** when invoiced, or if **Customer** fails to fulfill its responsibilities under this **Agreement**, including but not limited to those outlined in Paragraph 6.0, then **New World** may at its option terminate this **Agreement** with written notice as follows:
- (i) The termination notice shall define the reason for termination;
 - (ii) If the cited reason for termination is **Customer's** failure to make prompt payment, **Customer** shall have twenty (20) days from receipt of said notice to make payment in full for all outstanding invoiced payments due;

- (iii) If the cited reason for termination is **Customer's** failure to fulfill its responsibilities, **Customer** shall have ninety (90) days from receipt of said notice to correct any actual deficiencies in order to satisfy the terms of this **Agreement**;
 - (iv) During the applicable cure period, **New World** will use sound management practices and its best efforts to resolve any issues or obstacles – including the reassignment of personnel if necessary to improve the working relationship;
 - (v) At the end of the applicable cure period, unless the termination has been revoked in writing by **New World**, the **Agreement** terminates.
- 15.3 In the event of termination by either party, **New World** shall continue to provide its services, as previously scheduled, through the termination date and the **Customer** shall continue to pay all fees and charges incurred through the termination date as provided in the attached Exhibits.
- 15.4 Upon termination, **Customer** shall return to **New World** all Licensed Products, including any copies provided to or created by **Customer** under this **Agreement**.
- 15.5 Nothing in this paragraph on termination is intended to infer that either party has or does not have a claim for damages.
- 15.6 The Terms and Conditions relating to ownership, warranties, non-recruitment of personnel, confidentiality and non-disclosure, limitation of liability and recoverable damages, Copyright Act, dispute resolution and the General provisions (18.0), survive termination.

16.0 INDEMNIFICATION

- 16.1 **New World** agrees to provide a limited indemnification for the acts of its employees, but not indemnification for its Licensed Products, except as the Licensed Products are indemnified under the provisions of Paragraph 16.0.

The limited indemnification for **New World** employees shall only apply in those situations where **New World's** insurance coverage in Paragraph 13 does not cover a claim. If the insurance does not cover a claim, then subject to a recovery limitation of direct damages up to the Exhibit A Licensed Standard Software fees paid to **New World**, the following shall apply.

New World assumes the liability for all losses, claims, damages (including loss of use), expense demands, claims, damages and judgments in connection with or arising out of any injury or damage to property, sustained in connection with, or to have arisen out of the performance of, **New World**, and **New World's** agents, subcontractors, servants and employees, including losses, expenses or damages sustained by the **Customer** and losses, expenses or damages to **New World** or **New World's** subcontractor's vehicles or property. **New World** hereby undertakes and agrees to indemnify, defend and hold harmless the **Customer**, individually or collectively, and the officers, agents, servants and employees of the **Customer**, from any and all such losses expenses, damages (including loss of use, judgments, demands and claims), and shall defend any suit or action brought against them, or any of them, based on any alleged injury (including death) or damage (including loss of use) and shall pay all damages, judgments, costs and expenses, including attorney's fees, in connection with said damages and claims resulting therefrom. The foregoing assumption, indemnification, hold harmless and undertaking of defense shall not apply to any loss, damage, expenses, demand, claim or cause of action arising out of, or caused by the sole negligence of the **Customer**, individually or collectively, or the officers, agents or employees of said **Customer**.

- 16.2 **New World** agrees to indemnify and save the **Customer** harmless from and against any and all judgments, suits, costs, and expenses subject to the limits set forth in this **Agreement** resulting from any alleged infringement of any patent or copyright arising from the licensing of the Licensed Standard Software pursuant to this **Agreement**, provided that **Customer** has notified **New World** in writing of such allegation within thirty (30) days of the date upon which the **Customer** first receives notice thereof. **New World's** obligation to indemnify and save **Customer** harmless under this paragraph is void if the claim of infringement arises out of or in connection with any modification made to the Licensed Standard Software or any use of the Licensed Standard Software not specifically authorized in writing by **New World**.

17.0 NOTICES

- 17.1 Notices to **Customer** shall be deemed effective when sent by Registered or Certified U.S. Mail to the business address of the **Customer**.
Scott County
600 West 4th Street
Davenport, IA 52801-1030
Attention: County Administrator
- 17.2 Notices to **New World** shall be deemed effective when sent by Registered or Certified U.S. Mail to the following address (or to any other address so specified by **New World**):
New World Systems Corporation
888 West Big Beaver, Suite 600
Troy, Michigan 48084
Attention: President

18.0 GENERAL

- 18.1 This **Agreement** is the entire agreement between the parties superseding all other communications, written or oral, between the parties relating to the subject matter of this **Agreement**. **This Agreement may be amended or modified only in writing signed by both parties.**
- 18.2 This **Agreement** is governed by the laws of the State of Iowa and it shall be binding on the successors and assigns of the parties.
- 18.3 Failure to enforce any provision of this **Agreement** shall not be deemed a waiver of that provision or any other provision of this **Agreement**.
- 18.4 No action, regardless of form, arising out of the services performed or Licensed Products delivered hereunder, may be brought by either party more than two (2) years after the cause of action has accrued.
- 18.5 The paragraph headings which appear herein are included solely for convenience and shall not be used in the interpretation of this **Agreement**. Any provision of this **Agreement** determined to be invalid or otherwise unenforceable shall not affect the other provisions, which other provisions remain in full force and effect.
- 18.6 This **Agreement** is entered into solely for the benefit of **New World** and **Customer**. No third party shall have the right to make any claim or assert any right under it, and no third party shall be deemed a beneficiary of this **Agreement**.
- 18.7 Notwithstanding anything contained herein to the contrary, these terms and conditions may be extended to other public entities for purchase of the license and/or services described under this **Agreement**. To the extent they are required, the parties shall execute any requisite cooperative agreements authorizing such extension of terms and conditions. If this is done, **Customer** assumes no authority, liability, or obligation on behalf of any other public entity that may use this **Agreement** for any such purchase.
- 18.8 Other integrated licensed software and services from **New World** may be purchased by **Customer** under the terms and conditions of this **Agreement**.

EXHIBIT AA
TOTAL COST SUMMARY AND PAYMENT SCHEDULE

I. Total Cost Summary: Licensed Standard Software, Implementation Services, and Third Party Products

<u>DESCRIPTION OF COST</u>	<u>COST</u>
A. LICENSED STANDARD SOFTWARE as further described in Exhibit A	\$408,000
1. Licensed Standard Software	\$510,000
2. Less Demonstration Site Discount	(102,000)
B. IMPLEMENTATION SERVICES	362,000
1. PROJECT MANAGEMENT as further described in Exhibit B	
2. INTERFACE INSTALLATION SERVICES as further described in Exhibit B	
3. IMPLEMENTATION AND TRAINING SERVICES as further described in Exhibit B	
4. OTHER IMPLEMENTATION SERVICES as further described in Exhibit B	
5. DATA FILE CONVERSION ASSISTANCE SERVICES as further described in Exhibit F	
6. CUSTOM SOFTWARE/MODIFICATION SERVICES as further described in Exhibit G	
C. THIRD PARTY PRODUCTS AND SERVICES	1,175
1. THIRD PARTY PRODUCTS AND SERVICES as further described in Appendix 1	
	ONE TIME PROJECT COST: \$771,175
	LESS CONTRACT SIGNING DISCOUNT IF AGREEMENT IS EXECUTED BY 12/21/12: (35,000)
	NET PROJECT COST: <u>\$736,175</u>

- | | |
|---|----------|
| E. BUDGET ESTABLISHED FOR CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND/OR CUSTOM SOFTWARE -- as further described in Exhibit H | \$52,800 |
| F. TRAVEL EXPENSES (Estimate) – billed as incurred | \$52,500 |
| G. STANDARD SOFTWARE MAINTENANCE SERVICES – as further described in Exhibit C. | |

PRICING ASSUMES CONTRACT EXECUTION BY DECEMBER 21, 2012

Exhibit AA / COST SUMMARY AND PAYMENT SCHEDULE

II. Payments for Licensed Standard Software, Implementation Services, and Third Party Products

<u>DESCRIPTION OF PAYMENT</u>		<u>PAYMENT</u>
A. LICENSED STANDARD SOFTWARE		\$388,000
1. Amount invoiced upon Effective Date (25%)	\$97,000	
2. Amount invoiced upon delivery of each Licensed Standard Software (25%)	97,000	
3. Amount invoiced upon Go-Live of Financial Management Base Suite or 365 days after Effective Date, whichever occurs first (25%)	97,000	
4. Amount invoiced upon Go-Live of Human Resources Management Base Suite or 365 days after Effective Date, whichever occurs first (25%)	97,000	
B. IMPLEMENTATION SERVICES		347,000
1. Amount invoiced upon Effective Date	\$73,750	
2. Amount invoiced upon completion of SOW Step 3- Complete and Approved Project Plan	73,750	
3. Amount invoiced upon completion of SOW Step 4A Technical System Setup	73,750	
4. Amount invoiced upon completion of SOW Step 7 Conduct User Training	73,750	
5. Amount invoiced upon completion of SOW Step 8 Conduct Go-Live (15%)	52,000	
C. THIRD PARTY PRODUCTS AND SERVICES		1,175
1. Amount invoiced upon Effective Date (100%)	\$1,175	
	ONE TIME PAYMENTS:	<u>\$736,175</u>

- E. BUDGET ESTABLISHED FOR CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND/OR CUSTOM SOFTWARE -- as further described in Exhibit H \$52,800
- F. TRAVEL EXPENSES (Estimate) \$52,500*
(These expenses are billed as incurred)
1. 35 Trips are anticipated
- *Estimate
- G. STANDARD SOFTWARE MAINTENANCE SERVICES – as further described in Exhibit C

ALL PAYMENTS ARE DUE WITHIN FORTY-FIVE (45) DAYS FROM RECEIPT OF INVOICE.

Billings are applied ratably to each deliverable included under the total one-time cost.

EXHIBIT A
LICENSED STANDARD SOFTWARE AND FEES

License Fee for Licensed Standard Software And Documentation Selected By Customer:

LOGOS.NET STANDARD APPLICATION SOFTWARE^{1,2,3}		
ITEM	DESCRIPTION	INVESTMENT
<u>FINANCIAL MANAGEMENT</u>		
1.	Logos.NET Financial Management Base Suite	\$70,000
	- General Ledger	
	- Budget Management	
	- Annual Budget Preparation	
	- Accounts Payable	
	- Revenue/Cash Receipting	
2.	Logos.NET Additional Financial Management Software	
	- Asset Management	9,000
	- Project Accounting	9,000
	- Misc. Billing & Receivables	9,000
	- Government (GASB) Reporting	21,000
	- Bank Reconciliation	7,000
3.	Expanded Revenue Collections	
	- 3rd Party Receivables Interface (Batch)	9,000
	- PC Cash Register Interface	9,000
4.	Logos.NET Procurement Management Suite	
	- Purchasing Base	21,000
	- Requisition Processing	9,000
	- Bid & Quote Management	9,000
	- Contract Accounting	9,000
	- Inventory Management	21,000
SUB-TOTAL FINANCIAL MANAGEMENT MODULES		\$212,000

PAYROLL & HUMAN RESOURCES SUITE

5. Logos.NET Human Resources Management Base Suite	52,000
- Payroll Processing	
- Personnel Management	
- Position Control	
6. Logos.NET Human Resources	
- Employee Event Tracking	12,000
- Personnel Action Processing	12,000
7. Logos.NET Benefits Management	
- Benefits Administration	10,000
- COBRA Billing Administration	10,000
- Workers Compensation Administration	15,000
- Leave Management	15,000
8. Logos.NET Additional Payroll & HR Modules	
- Position Budgeting	12,000
- Time & Attendance Interface ⁴	12,000
- Benefit Tracking (Non-Employee)	12,000

SUB-TOTAL PAYROLL/HUMAN RESOURCES MODULES \$162,000

eSUITE⁹

9. eSuite Base Software	21,000
10. eFinance	
- eSupplier	10,000
- eBid	10,000
- ePayments	10,000
11. eHR	
- eEmployee	30,000
- eBenefits Administration	15,000

SUB-TOTAL eSUITE SOFTWARE MODULES \$96,000

BUSINESS ANALYTICS

- 12. **Finance Analytics**
 - Includes 10+ users 20,000
- 13. **Human Resource/Payroll Analytics**
 - Includes 10+ users 20,000

SUB-TOTAL BUSINESS ANALYTICS SOFTWARE MODULES \$40,000

AUTHORIZED USERS

- 14. **Site License for up to 500 Authorized Users⁶** Included

NEW WORLD STANDARD SOFTWARE LICENSE FEE \$510,000

Less: Demonstration Site Discount (102,000)

TOTAL SOFTWARE LICENSE FEE^{7,8} \$408,000

Note: A Site License is included for this solution. This Site License entitles Scott County, Iowa to 500 authorized users for the Standard Software licensed in Exhibit A, to be divided up between applications. The Site License is available to only the affiliated Public Administration agencies or joint ventures of which Scott County, Iowa, is the fiscal agent within Scott County, Iowa.

Exhibit A / LICENSED STANDARD SOFTWARE AND FEES

ENDNOTES

- ¹ *Personal Computers must meet the minimum hardware requirements for New World Systems' Logos.NET product. Microsoft Windows XP or greater with IE 7.0 or greater is the required operating systems for all client machines. Windows 2008 Server is required for the Application Server(s), Web Server(s) and Database Server. Microsoft SQL Server 2008 is required for the Database Server.*
- ² *New World Systems' Logos.NET product requires Microsoft Windows 2008 Server and Microsoft SQL Server 2008 including required Client Access Licenses (CALs) and Windows Server 2008 External Connector (EC) licenses for applicable Microsoft products. Servers must meet minimum hardware requirements provided by New World Systems.*
- ³ *Suggested minimum: 100MB Ethernet Network. 10MB CAT5 Ethernet Network may have less than adequate response time. Further consultation would be required to assess your network.*
- ⁴ *Time & Attendance interface is a two-way interface. Additional support may be required for 3rd Party changes; not included in SSMA.*
- ⁵ *GIS integration currently supports either ESRI's ArcIMS or ArcGIS Server software; the ArcIMS and ArcGIS Server software and any services related to the installation and setup of ArcIMS or ArcGIS are not included in this proposal. The ArcIMS or ArcGIS Server software would need to be purchased, installed and setup separately.*
- ⁶ *Additional cost per group of 5 for authorized users is \$5,000.*
- ⁷ *Prices assume that all software proposed is licensed, except those modules listed as "Optional".*
- ⁸ *Licensed Software, and third party software embedded therein, if any, will be delivered in a machine readable form to Customer via an agreed upon network connection. Any taxes or fees imposed are the responsibility of the purchaser and will be remitted when imposed.*
- ⁹ *eSUITE Licenses are unlimited and not subject to the number of users defined in Exhibit A.*

Exhibit A / OPTIONAL LICENSED STANDARD SOFTWARE AND FEES

Optional Licensed Standard Software Pricing

Customer may license the following software modules at the indicated current list prices for up to eighteen (18) months from the date of execution of this **Agreement**.

OPTIONAL SOFTWARE MODULES

LOGOS.NET STANDARD APPLICATION SOFTWARE ^{1,2,3}		
ITEM	DESCRIPTION	INVESTMENT

FINANCIAL MANAGEMENT

- | | | |
|--|--|---------|
| 1. Logos.NET Additional Financial Management Software | | |
| - Grant Management | | \$9,000 |
| - Work Orders | | 21,000 |
| 2. Expanded Revenue Collections | | |
| - PC Cash Register Interface | | 9,000 |

eSUITE

- | | | |
|--|--|--------|
| 3. eFinance | | |
| - eMiscellaneous Billing (development) | | 10,000 |
| 4. eHR | | |
| - eTraining (development) | | 15,000 |

Training and Support Services cost as well as Maintenance (SSMA) costs for these optional modules are not included.

EXHIBIT B
PROJECT MANAGEMENT, IMPLEMENTATION AND
TRAINING SUPPORT SERVICES

1. Project Management Services

New World shall act as Project Manager to lead **Customer's** management in implementing the Exhibit A software. This responsibility will include developing, documenting, coordinating and managing the overall Implementation Plan with **Customer's** management and the Customer Liaison. Project Management Services include:

- a) a summary level Implementation Plan;
- b) a detail level Implementation Plan;
- c) revised Implementation Plans (if required);
- d) managing risks and issues;
- e) monthly project status reports; and
- f) project status meetings
 - a project review (kickoff) meeting at **Customer's** location
 - progress status meeting(s) will occur during implementation via telephone conference or at **Customer's** location; and
 - a project close-out meeting at **Customer's** location to conclude the project.

The implementation services fees described in Exhibit AA include Project Management fees for a period up to 24 months after the Effective Date.

2. Implementation and Training Support Services

Based on the Licensed Standard Software listed on Exhibit A, up to **130** days of **New World** implementation and training support services have been allocated for this project. Excess services requested shall be billed at the Daily Rate. Avoiding or minimizing custom or modified features will aid in keeping the support costs to the amount allocated. **Customer** agrees to reimburse **New World** for support trips canceled by **Customer** less than ten (10) calendar days before the scheduled start date to cover **New World's** out-of-pocket costs. The recommended implementation and training support services include:

- a) implementation of each package of Licensed Standard Software; and
- b) **Customer** training and/or assistance in testing for each package of Licensed Standard Software.

The project management, implementation and training support services provided by **New World** may be performed at **Customer's** premises and/or at **New World** national headquarters in Troy, Michigan (e.g., portions of project management are performed in Troy).

3. Interface Installation Service

New World shall provide interface installation services as described in this paragraph below. These services do not include hardware and/or third party product costs which shall be **Customer's** responsibility, if required. Whenever possible, these services will be done remotely, resulting in savings in Travel Expenses and Time. If on-site installation and training is required, **Customer** will be responsible for the actual Travel Expenses and Time. The services include the following interfaces.

- a) Bank Reconciliation
- b) 3rd party Receivables (Batch)
- c) Time and Attendance

Exhibit B / PROJECT MANAGEMENT, IMPLEMENTATION AND TRAINING SUPPORT SERVICES

4. Hardware Quality Assurance Service

New World shall provide Hardware Systems Assurance of **Customer's** Logos.NET server(s). These services do not include hardware and/or third party product costs which shall be **Customer's** responsibility, if required. Whenever possible, these services will be provided remotely, resulting in savings in travel expenses and time. If on-site installation is required, **Customer** will be responsible for the actual travel expenses and time.

- a) Hardware Quality Assurance Services (Standard) Environment:
Hardware Systems Assurance and Software Installation:
- Assist with High Level System Design/Layout
 - Validate Hardware Configuration and System Specifications
 - Validate Network Requirements, including Windows Domain
 - Physical Installation of **New World** Application Servers
 - Install Operating System and Apply Updates
 - Install SQL Server and Apply Updates
 - Install New World Applications Software and Apply Updates
 - Establish Base SQL Database Structure
 - Install Anti-Virus Software and Configure Exclusions
 - Install Automated Backup Software and Configure Backup Routines
 - Configure System for Electronic Customer Support (i.e. NetMeeting)
 - Tune System Performance Including Operating System and SQL Resources
 - Test High Availability/Disaster Recovery Scenarios (if applicable)
 - Provide Basic System Administrator Training and Knowledge Transfer
 - Document Installation Process and System Configuration

5. Additional Services Available

Other **New World** services may be required or requested for the following:

- a) additional software training;
- b) tailoring of Licensed Standard Software by **New World** technical staff and/or consultation with **New World** technical staff;
- c) **New World** consultation with other vendors or third parties;
- d) modifying the Licensed Standard Software;
- e) designing and programming Licensed Custom Software; and
- f) maintaining modified Licensed Standard Software and/or custom software.

Customer may request these additional services in writing using **New World's** Request For Service (RFS) procedure (or other appropriate procedures mutually agreed upon by **Customer** and **New World** and will be provided at the Daily Rate).

EXHIBIT C
STANDARD SOFTWARE MAINTENANCE AGREEMENT (SSMA)

This Standard Software Maintenance Agreement (SSMA) between **New World** and **Customer** sets forth the standard software maintenance support services provided by **New World**.

1. SSMA Period

This SSMA shall remain in effect for a term of five (5) years (the SSMA term) beginning on the delivery of Licensed Standard Software (“Start Date”) and ending on the same calendar date at the conclusion of the SSMA term. **New World** shall provide **Customer** no-charge SSMA for a period of 365 days from the Start Date.

2. Services Included

New World shall provide the following services during the SSMA term.

- a) upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than eighteen (18) months after a new release is announced by **New World**. Current best practice is nine (9) months after release);
- b) temporary fixes to Licensed Standard Software (see paragraph 6 below);
- c) revisions to Licensed Documentation;
- d) reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone); and
- e) invitation to and participation in user group meetings.

Items a, b, and c above will be distributed to **Customer** by electronic means.

Additional support services are available as requested by **Customer** at the Daily Rate.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer’s** request, or for prior releases of **New World’s** software, then the additional **New World** maintenance or support services provided shall be billed at the Daily Rate.

4. Billing

Maintenance costs will be billed annually.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA ninety (90) days after delivery. Costs for the maintenance for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the maintenance year and on a full year basis thereafter.

Exhibit C / STANDARD SOFTWARE MAINTENANCE AGREEMENT

6. Requests for Software Correction on Licensed Standard Software in Production

If, after Customer has cutover to live production use of the Licensed Standard Software, **Customer** believes that the Licensed Standard Software does not conform to the current specifications set forth in this Agreement and the then-current **New World** user manuals, **Customer** shall notify **New World** in writing, email, or through the **New World** support website, that there is a claimed defect and specify what it believes to be defective. **New World** shall only accept notices of defect and requests for software correction from the **Customer** Liaison, unless the **Customer** Liaison is not available or the defect or software correction is believed by **Customer** to be so critical that immediate notification to **New World** is required. Documented examples of the claimed defect must accompany each notice. **New World** shall review the documented notice and when system operation, a feature or report, or any other feature or function of the Licensed Standard Software does not conform to the published specifications, **New World** shall provide software correction service at no charge. (See Section 4.0 (“Warranties and Representations”) of the Agreement for the **New World** warranties provided). A custom request for change to Licensed Standard Software to include functionality which is not part of the software design, is handled as a billable Request For Service (RFS) (see Exhibit B – Project Management, Installation and Training Support Services and Fees, paragraph 5). **Customer** may submit software enhancement suggestions for **New World** to consider. If **New World**, at its discretion, decides to add a software feature as a result of **Customer’s** software enhancement suggestion, the feature will be added as Licensed Standard Software and there will be no additional charge.

During the term of this SSMA, and only after Customer has cutover to live production use of the Licensed Standard Software, **New World** shall furnish error, defect, fault, performance degradation, operation or malfunction correction in accordance with the Priority Categories below, based on **Customer’s** determination of the severity of the error defect, fault, performance, operation or malfunction and **New World’s** reasonable analysis of the priority of the Error, defect, fault, performance degradation, operation or malfunction.

- (a) **Priority 1:** *An Error, defect, fault, performance degradation, operation or malfunction which renders the Licensed Standard Software inoperative; or causes the Licensed Standard Software to fail catastrophically.*

After initial assessment of the Priority 1 Error, defect, fault, performance degradation, operation or malfunction by a **New World** Call Center analyst, if required, **New World** shall assign a qualified product technical specialist(s) within one (1) hour, to diagnose and correct the Error, defect, fault, performance degradation, operation or malfunction. **New World** shall work continuously to make the correction, and shall provide ongoing communication to **Customer** concerning the status of the correction until the Licensed Standard Software is restored to operational status and confirmed as such by **Customer**. Immediately after notification of the Priority 1 event by **Customer**, **New World** shall offer to **Customer** workaround solutions, including patches, configuration changes, and operational adjustments and reverting to prior version of **New World’s** software.

The goal for correcting a Priority 1 event is 24 hours or less.

Exhibit C / STANDARD SOFTWARE MAINTENANCE AGREEMENT

- (b) **Priority 2:** *An Error, defect, fault, performance degradation, operation or malfunction which substantially degrades the performance of the Software, but does not prohibit Customer's use of the Licensed Standard Software.*

New World shall assign a qualified product technical specialist(s) within four (4) hours, to diagnose and correct the Error, defect, fault, performance degradation, operation or malfunction. **New World** shall work diligently to make the correction, and shall provide ongoing communication to **Customer** concerning the status of the correction until the Licensed Standard Software is restored to operational status and confirmed as such by **Customer**. Immediately after notification of the Priority 2 event by **Customer**, **New World** shall offer to **Customer** workaround solutions, including patches, configuration changes, and operational adjustments and reverting to prior version of **New World's** software.

The goal for correcting a Priority 2 event is five (5) Business Days, or less.

- (c) **Priority 3:** *An Error, defect, fault, performance degradation, operation or malfunction which causes only a minor impact on the use of the Licensed Standard Software.*

New World may include a correction in subsequent Licensed Standard Software releases.

Customer may contact the following **New World** resources for management level issue resolution escalation:
Vice President of Logos Customer & Product Operations, currently Sandro Viselli

The no-charge software correction service does not apply to any of the following:

- a) situations where the Licensed Standard Software has been changed by any party other than **New World**;
- b) situations where **Customer's** use or operations error causes incorrect, operation, performance, information or reports to be generated; and
- c) requests that go beyond the scope of the Specifications set forth in this Agreement and the then-current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for .NET Server(s)

New World agrees to provide software maintenance at the costs listed below for the **New World** Licensed Standard Software packages described in Exhibit A.

<u>Annual Maintenance Cost</u>	
Year 1	No charge
Year 2	\$89,250
Year 3	89,250
Year 4	89,250
Year 5	89,250

For a comparable range of services, **New World** agrees that the increase in the annual maintenance cost for year 6 shall not exceed 3% over the prior year.

EXHIBIT D
NEW WORLD SYSTEMS CORPORATION
NON-DISCLOSURE AND SECURITY AGREEMENT FOR THIRD PARTIES

This **Agreement**, when accepted and executed by **New World**, grants the undersigned the permission to use and/or have limited access to certain **New World Systems® Corporation (New World)** proprietary and/or confidential information.

Installed At: **Scott County**
Customer Name

Located At: **600 West Fourth Street**
Davenport, Iowa 52801

Authorized Signature of Customer:

Name (Please Print or Type)	Title	Signature
-----------------------------	-------	-----------

In exchange for the permission to use or have access to **New World** proprietary and/or confidential information, including without limitation, **New World** software and/or documentation, the organization and individual whose names appear below, agree to the following:

1. No copies in any form will be made of **New World** proprietary or confidential information without the expressed written consent of **New World's** President, including without limitation, the following:
 - a) Program Libraries, whether source code or object code;
 - b) Operating Control Language;
 - c) Test or Sample Files;
 - d) Program Listings;
 - e) Record Layouts;
 - f) All written confidential or proprietary information originating from **New World** including without limitation, documentation, such as user manuals and/or system manuals; and/or
 - g) All **New World** Product Bulletins and/or other **New World** Product related materials.
2. **New World** software, **New World** documentation, or other proprietary or confidential information shall not be used for any purpose other than processing the records of the **Customer** identified above as permitted in the **Customer's Standard Software License and Services Agreement** with **New World**.
3. The undersigned agree(s) that this **Agreement** may be enforced by injunction in addition to any other appropriate remedies available to **New World**.

Agreed and Accepted by Third Party (Organization)

Agreed and Accepted by Third Party (Individual)

Organization: _____

Individual: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Accepted and Approved by New World Systems Corp.

By: _____

Title: _____

Date: _____

EXHIBIT E
DEMONSTRATION SITE DISCOUNT

New World has provided **Customer** a significant discount in exchange for the privilege of using **Customer's** site for demonstration purposes. Accordingly, after the Licensed Software has been delivered and installed, **Customer** agrees to act as a demonstration site for prospective **New World** customers. **Customer** also agrees to serve as a reference or remote demonstration site on the telephone for prospective **New World** customers. By agreeing to be a demonstration site, **Customer** is not necessarily endorsing the **New World** software and **Customer** will not actively participate in any type of marketing and advertising campaign for or on behalf of **New World**.

Demonstrations will be coordinated with the appropriate **Customer** personnel and will be scheduled to minimize the interruption to **Customer's** operations. **New World** will provide **Customer** reasonable notice for preparation.

Acceptance of the Demonstration Site Discount by the **Customer** does not bind the **Customer** to any obligations beyond those described within this **Agreement**.

EXHIBIT F
DATA FILE CONVERSION ASSISTANCE

New World will provide conversion assistance to **Customer** to help convert the existing data files specified below. If additional files are identified after the contract execution, estimates will be provided to **Customer** prior to **New World** beginning work on those newly identified files.

1. General

- a) This conversion effort includes data coming from one unique data source, not multiple sources.
- b) No data cleansing, consolidation of records, or editing of data will be part of the data conversion effort. Data cleansing, removal of duplicate records, and editing must take place by **Customer** prior to providing the data to **New World**

2. New World Responsibilities

- a) **New World** will provide **Customer** with a conversion design document for signoff prior to beginning development work on the data conversion. No conversion programming by **New World** will commence until **Customer** approves this document.
- b) **New World** will provide the data conversion programs to convert **Customer's** data from a single data source to the **New World Licensed Standard Software** for the specified files that contain 500 or more records.
- c) As provided in the approved project plan for conversions, **New World** will schedule a conversion analysis trip and a separate data conversion testing trip to **Customer's** location. The conversion testing trip for each application is a billable support trip, using standard Exhibit B daily billable rates, which is scheduled in conjunction with the delivery of the converted data to the **Customer**.
- d) **New World** will provide the **Customer** up to five (5) test sets of the converted data. Additional test sets requested may/will require additional conversion costs.
- e) **New World** will provide the standard conversion record layouts to the **Customer** and convert the available data elements defined in the standard conversion record layouts.
- f) Up to seven years of historic data will be converted by **New World**.

3. Customer Responsibilities

- a) **Customer** will provide data in standard conversion record layouts as provided by **New World**. Submitted data files must include an accurate count of records contained in the files.
- b) Data will be submitted to **New World** in one of the following formats: AS/400 files, Microsoft SQL Server database, Microsoft Access database, Microsoft Excel Spreadsheet, or an ASCII-format delimited text file. Data and databases will be transferred using the New World ftp site.
- c) **Customer** understands that files or tables containing less than 500 records or table entries will not be converted.
- d) As provided in the project plan for conversions, **Customer** will provide a dedicated resource in each application area to focus on conversion mapping and testing. This includes dedicating a support person(s) whenever **New World** staff is on site regarding conversions. Roughly a one to one commitment exists for **Customer** commitment and **New World** commitment. **Customer** understands that thorough and timely testing of the converted data by **Customer** personnel is a key part of a successful data conversion.
- e) **Customer** agrees to promptly review conversion deliveries and signoff on both the conversion design document and on the final conversion after the appropriate review. Applying the converted data to the production (Live) environment will constitute conversion acceptance by **Customer**.
- f) If the **Customer** cannot provide data in the format defined in New World's standard conversion record layouts then **New World** will map the data to New World's standard conversion record layout at the Daily Rate. The **Customer** must provide complete file and field definitions for **New World** to map the data.

Exhibit F / DATA FILE CONVERSION ASSISTANCE

4. Files to be converted

Up to 4 files from the following possible sources are included.

Financial

- Vendor Information
- Asset Management (Fixed Assets)
- General Ledger/Budget History

Payroll

- Employee Information

EXHIBIT G
CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR
CUSTOM SOFTWARE

1. Definition of Project

New World will provide the **Customer** requested Standard Software Enhancements and/or Custom Software as discussed below to address the **Customer's** requirements. **Customer** agrees to cooperate in not making modifications and enhancements too extensive as defined in the 2(b)(1) procedure below.

An analysis and assessment to verify the scope of effort for the project will be conducted. A revised estimate for the modifications/interfaces may be provided at the conclusion of the assessment. Customer may elect to cancel or proceed with the modifications/interfaces based on the revised estimate. **New World** will not begin work effort related to modifications/interfaces without written notice from **Customer**.

Capabilities included in the initial scope:

Custom Software/Interfaces

- (1) Novatime to New World - Time and Attendance: A two way user initiated batch interface process to and from Logos.NET payroll system and Novatime time keeping system. Limited Logos.NET employee information is exported out of the Logos system and imported into Novatime Hour's information is exported from Novatime and imported into Logos.NET's centralized or departmental hours entry. Employee information includes employee number, name, address, current pay rates, current positions, project codes, accruals usage and accrual balances.
- (2) Collective Data Fleet Management System: Once the work order information is closed, we will interface the corresponding Asset information, i.e., transfers, increase in the value of asset, decrease in asset value, to our Asset Management module to allow Logos.NET to handle the corresponding "accounting" functions of those.
- (3) Community Services Network MIS Interface: A one-way, user-initiated batch process to import accounts payable invoices from a third party system to New World's accounts payable invoice process.
- (4) Tyler Tax Incode Interface: A one-way, user-initiated batch process to import journal transactions from a third party system to New World's general ledger.
- (5) COTT Systems Records Interface: A one-way, user-initiated batch process to import journal transactions from a third party system to New World's general ledger.
- (6) Active Outdoors Recorders DNR Interface: A one-way, user-initiated batch process to import payment receipts from a third party system to New World's revenue collection module.
- (7) Recreation Application Interface: A one-way, user-initiated batch process to import payment receipts from a third party system to New World's revenue collection module.
- (8) NeoGov Interface: NeoGov will be used to manage the Customer's recruiting and applicant tracking processes. It is expected that job requisitions will be handled in New World and once approved, position data will be interfaced to NeoGov to create the job notice. Once an applicant has been selected for hire, applicant info will be interfaced back to New World to complete the hire process.

**Exhibit G / CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS /
MODIFICATIONS AND / OR CUSTOM SOFTWARE**

- (9) Numara Footprints Work Orders Interface: A two-way, user-initiated batch process to import and export journal transactions to and from a third party system and New World's general ledger.
- (10) State MMIS Interface: A one-way, user-initiated batch process to import accounts receivable invoices from a third party system to New World's miscellaneous billing invoice processing; and a one-way, user-initiated batch process to export journal transactions from New World to a third party system.
- (11) AP Purchasing Card Import: A one-way, user-initiated batch process to import purchasing card transactions from the bank, or vendor, to New World's accounts payable purchasing card invoices.
- With New World providing consultation, Customer is responsible for obtaining technical contacts and/or technical specifications from the third parties involved.*

2. Methodology to Provide Enhancements and/or Custom Software

a) Definition of New World's Responsibility

This project includes the following activities to be performed by **New World**.

- (1) Review of required features with **Customer**. Only items identified in Paragraph 1 above will be provided in this implementation plan.
- (2) Preparation of Requirements Document (RD) to include:
- Detailed description of the required feature
 - menu samples
 - screen samples
 - report samples
- (3) Programming and programming test.
- (4) On-site training, testing and/or other support services at the Daily Rate.

For modification requiring over five (5) days of work, **New World** utilizes a design document procedure [see 2(b)(1) below]. For smaller modifications, **New World** uses a Request For Service (RFS) procedure. Both procedures are reviewed with **Customer** at a pre-installation planning meeting. The RFS procedure utilizes a form with a narrative description and supporting documentation if applicable to define the work to be done.

Exhibit G / CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE

b) Implementation Schedule

<u>Activity</u>	<u>Targeted Time Period</u>
(1) Complete Design Review with Customer Staff. Customer agrees to be reasonable and flexible in not attempting to design the modifications to be more extensive than called for in the scope (cost and schedule) of this project.	To be determined
(2) New World submits completed RD to Customer .	To be determined
(3) RD is accepted and signed off by Customer (no programming will be done by New World until the formal sign-off and Customer's authorization to proceed in writing).	To be determined
(4) New World completes programming from RD and provides modified software to Customer .	To be determined
(5) Software Modification Acceptance Test based on RD.	To be determined

c) Customer's Responsibility

All **Customer** requested changes after RD sign-off must be documented by **Customer** and authorized in writing including potential costs, if any. Additional changes will most likely delay the schedule and may increase the cost.

EXHIBIT H
BUDGET ESTABLISHED FOR CUSTOMER REQUESTED
STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE

1. Establish a Budget for Software Enhancements and/or Custom Software

As described in Exhibit AA, **Customer** has allocated a budget of **\$52,800** to provide customer specific Standard Software Enhancements, Modifications, or Custom Software. **Customer** may elect to proceed by providing **New World** with a written Notice to Proceed. Upon receipt of a Notice to Proceed, **New World** shall invoice **Customer** for 60% of the associated costs, which **Customer** agrees to pay within thirty (30) days of invoice. The remaining 40% shall be invoiced upon delivery of the item requested, which **Customer** agrees to pay within thirty (30) days of invoice.

2. Notice to Proceed

After receiving a written Notice to Proceed by Customer, **New World** will provide **Customer** the requested Standard Software Enhancements and/or Custom Software as specified in the Notice and/or as further discussed below. **Customer** agrees to cooperate in not making modifications and enhancements too extensive as defined in the 3(b)(1) procedure below.

An analysis and assessment (“Assessment”) to confirm the scope of effort for the specified work will be conducted prior to beginning actual programming work on **Customer’s** required enhancement(s). If the Assessment exceeds the budget in this Exhibit, at **Customer’s** request, **New World** will provide a revised estimate for the modifications/interfaces. Within thirty (30) days of receipt of New World’s revised estimate, **Customer** shall notify **New World** whether it will proceed with the modifications/interfaces based on the revised estimate by providing New World a new Notice to Proceed.

3. Methodology to Provide Enhancements and/or Custom Software

a) Definition of New World’s Responsibility

This project includes the following activities to be performed by **New World**.

- (1) Review of required features with **Customer**. Only items identified in the Assessment above will be provided in this implementation plan.
- (2) Preparation of Requirements Document (RD) to include a detailed description of the required feature.
- (3) Programming and programming test.
- (4) On-site training, testing and/or other support services using Exhibit B rates and fees.

Exhibit H / BUDGET ESTABLISHED FOR CUSTOMER REQUESTED STANDARD SOFTWARE ENHANCEMENTS / MODIFICATIONS AND / OR CUSTOM SOFTWARE

b) Implementation Schedule

<u>Activity</u>	<u>Targeted Time Period</u>
(1) Complete Design Review with Customer Staff. Customer agrees to be reasonable and flexible in not attempting to design the modifications to be more extensive than called for in the scope (cost and schedule) of this project.	To be determined
(2) New World submits completed RD to Customer .	To be determined
(3) RD is accepted and signed off by Customer (no programming will be done by New World until the formal sign-off and Customer's authorization to proceed in writing).	To be determined
(4) New World completes programming from RD and provides modified software to Customer .	To be determined
(5) Software Modification Acceptance Test based on RD.	To be determined

c) Customer's Responsibility

All **Customer**-requested changes after RD sign-off must be documented by **Customer** and authorized in writing including potential costs, if any. Additional changes will most likely delay the schedule and may increase the cost.

EXHIBIT I
INCORPORATION BY REFERENCE OF NEW WORLD'S RESPONSE TO CUSTOMER'S RFP
SOFTWARE SPECIFICATIONS

For the applications licensed on Exhibit A, the **New World** Detail Response to the software specifications of **Customer's** RFP is incorporated in this **Agreement** by reference.

All items coded "Yes" (as qualified) in the **New World** Detail Response to **Customer's** RFP Questionnaire will be provided to **Customer** through currently existing Exhibit A software capabilities, **Customer's** use of 3rd Party software, custom programming provided by **New World** and/or future enhancements to Exhibit A software provided under Exhibit C. Items that are qualified, or coded as requiring modification, may be provided using Exhibit B support services at the then current daily rates.

If the terms and conditions of the **New World** Detail Response to the specifications of the RFP and this **Agreement** are in conflict, the governing terms and conditions shall be this **Agreement**.

If **Customer** has not licensed the software on Exhibit A to meet a software specification, then that specification shall not apply in any acceptance test and/or to fulfill the above criteria.

EXHIBIT J
ACCEPTANCE TESTING

Each application of Licensed Software shall be deemed to have been accepted upon the successful completion of either Criteria 1 or Criteria 2 (listed below) whichever occurs first. Acceptance Testing is successful under either Criteria 1 or Criteria 2 unless the Licensed Software application contains a warranty defect which substantially impairs the value and **Customer's** use of the Licensed Software. Any claimed defects must be documented in writing as set forth in Exhibit C.

Criteria 1:

Using Exhibit B support services, **New World** shall assist **Customer** in conducting the following software Acceptance Test.

Following published specifications using established procedures and controls, the test criteria includes:

1. the successful entering and editing of a representative sample of transactions;
2. the successful processing of a representative sample of file maintenance transactions for the master file transactions; and
3. the successful generation of standard output reports.

Testing under Criteria 1 may be completed before **Customer** has gone "live" on the application. If Criteria 1 is used, **Customer** agrees to provide the requisite resources to timely complete the Acceptance Test procedure. If **Customer** unreasonably delays the start of the Criteria 1 test procedure for more than fourteen (14) calendar days beyond the designated test date, then successful software acceptance shall be deemed to have occurred for that application of Licensed Software on the fifteenth (15th) day after the designated test date.

Criteria 2:

Successful acceptance of each application of Licensed Software delivered shall be deemed to have occurred at the time **Customer** begins using the application of Licensed Software to produce data or output which is distributed for actual use and/or otherwise used as "live data".

EXHIBIT K
TRAVEL POLICY

REIMBURSEMENT OF EMPLOYEE BUSINESS EXPENSES

In order to comply with IRS and company policies, all expense reports must be properly documented. “Properly documented” means providing valid receipts, explanations and other information required by company policy. Expenses that are not properly documented will not be reimbursed. This policy is subject to change at New World’s discretion without notice.

1. Receipts

In general: Original detailed receipts from third parties are required for all expenditures except mileage and per diem allowance. (Photocopies of receipts are not acceptable.) Examples of original receipts include: hotel bills, rental car receipts, receipts attached to airline tickets, detailed restaurant checks, and cash register receipts. Where expenses have been charged to a credit card, the original credit card voucher must be attached as well (Photocopies of vouchers are not acceptable.) A credit card voucher or statement alone is not sufficient for expense report purposes.

For air travel: Boarding passes, ticket stubs and travel agent itineraries must be submitted. If you paid for the airfare yourself, you must also submit your airline receipt and credit card voucher or other valid proof of payment. For E-tickets: although there is no ticket stub to turn in, please submit boarding passes, itineraries and all other documentation provided by the travel agent and airline.

For rental cars: The final rental contract receipt and credit card voucher must be submitted.

For restaurants: Tear-off tabs and handwritten receipts for cash will generally not be accepted if they exceed \$25.

All receipts must clearly indicate: Seller’s name/location, date, amount, method of payment, and a detailed description of charges. In those rare cases where you have lost a receipt or did not get one, provide the above information along with an explanation of why there is no receipt. Do not cross out or change any of the information on a receipt. If explanations are required, make them on a separate sheet or in a blank space on the receipt. Illegible or altered receipts will not be accepted. A substituted receipt will not be accepted. The Company will retain your original receipts and expense reports for at least a year, should you ever need access to them.

2. Business Purpose

Every reimbursable expenditure must have a business purpose associated with it. For travel related expenses, the nature of the trip should be clearly described on the expense report. Entertainment and employee relations expenses require the name of the prospect/Customer and the event, type of entertainment, location/establishment name, the number of people entertained, their names, and the business purpose. All other reimbursable expenses require an explanation of the business purpose or benefit of the expenditure.

Exhibit K / TRAVEL POLICY

Reimbursable Expenses

The following types of expenses are generally considered reimbursable:

1. Mileage

You will be reimbursed for the daily business use of your personal vehicle when such mileage exceeds your normal roundtrip commuting mileage.

Example: Susan Jones lives 20 miles from the office, making her normal roundtrip commuting mileage equal to 40. If she travels 50 miles to the airport on Monday, she will be reimbursed for 10 miles for that day (50 miles driven that day less her normal 40 mile daily commute).

You will not be reimbursed for business mileage if the total distance driven is less than your normal commuting mileage on the days you drove. All approved miles traveled on a Saturday, Sunday or company holiday will be paid if you are on authorized company business that day.

The mileage reimbursement covers all variable vehicle expenses, including, but not limited to: gas, oil, tires, insurance, maintenance, licenses, depreciation, wear-and-tear, damage, deductibles, interest, loan or lease payments, replacement rental, liability, etc.

Employees are required to keep accurate records of their business mileage in accordance with IRS regulations. Those records must be made available to the company upon request.

Mileage Reimbursement Rates The costs of driving a vehicle vary depending on the number of miles driven and other factors. Certain costs, like fuel, depreciation, etc., increase with each additional mile driven. Other costs, like insurance, car payments, etc., stay about the same regardless of the number of miles driven and are personal costs, in large part. To address this, New World has two reimbursement mileage rates:

1. *Under 400 Miles Per Week:* For weeks where your reimbursable mileage is 400 miles or less, you will be reimbursed at the standard rate of \$.43 per mile, or

2. *Over 400 Miles Per Week:* For weeks where your reimbursable mileage is more than 400 miles, you will be reimbursed at the standard rate of \$.43 per mile for the first 400 miles; All miles driven in excess of 400 miles per week will be reimbursed at the high mileage rate of \$.33 per mile.

2. Parking, Tolls, etc.

The company will reimburse you for parking, tolls, and certain other other fees associated with vehicle business travel that are not otherwise covered by the mileage reimbursement.

When parking overnight or longer, you must use the overnight, deck or long-term parking lots to avoid excessive parking costs. Any excessive parking expense will not be reimbursed.

3. Airfare

The authorized mode of air travel for company business in the United States is coach economy class. The company does not pay any premium or additional charge for first class or other upgraded service. Under current policy, you may choose to participate in Frequent Flyer programs as long as actual flights are chosen based on lowest fares, not maximizing personal mileage credits.

Exhibit K / TRAVEL POLICY

Air travel is not allowed to destinations that are within 200 miles of your home or local office or in any situation where it is more economical to drive rather than fly. All trips should originate from the major airport that is nearest to our local office (Detroit Metro for Troy office employees) unless it is less expensive to use a different airport.

You are expected to book airline reservations 14 days in advance if possible to take advantage of reduced rate fares. You're expected to accept the lowest fare with New World's preferred carrier, connecting flights, and alternative flights, which depart within 2 hours of your desired departure time. The recommendations of New World's Authorized travel Agent should normally be followed.

Air travel reservations must be booked through a company-approved travel agent who will bill New World directly for the expense. In certain rare cases reservations may be made directly with the carrier as a result of flight cancellations and necessary last minute changes in travel plans. In cases where you directly pay for air fare yourself you must obtain a detailed receipt and submit it for reimbursement along with your credit card voucher or other proof of payment, boarding passes and any ticket stubs.

Your boarding passes, ticket stubs (unless using an E-ticket), and travel agent's itinerary must be submitted with your expense report for all air travel—regardless of whether the company or you paid the bill. If your itinerary differs from the actual flights you made, provide an explanation on the itinerary.

Unused Tickets

Unused tickets are valuable and must be returned to the controller's office immediately so that proper credit can be received. Do not keep unused tickets or try to convert them in any way for future use or gain.

4. Rental Cars

Compact cars should normally be rented. Full-size vehicles and vans may only be rented if groups exceeding 4 people or oversize packages must be transported and it is more economical to rent a larger vehicle. Every effort should be made to share rental cars when attending common events with other New World employees.

You should return rental cars with a full tank of gas. Rental agencies charge excessive gasoline prices (currently \$6.00/gallon or more) to refuel a vehicle. While New World will reimburse you for normally-priced gasoline you put into rental cars, we will not reimburse employees for excessive rental agency fuel charges that exceed \$10 per rental. Fill up in the morning or night before if you're not sure you'll have time when you return the car.

If you use a rental car on a trip that originates from your home or office, you may claim the standard mileage rate for the business mileage (minus normal commuting mileage), but the cost of the rental car itself and gas, etc. will not be reimbursed.

In certain circumstances a Customer may request or allow you to drive a rental car to a location beyond 200 miles from your home or office. This will be allowed only if an authorized Customer representative agrees in writing to reimburse New World for the full cost of the rental car and all driving time at standard rates.

National Car Rental (NCR) To save money and better control expenses, the company maintains a corporate account with National Car Rental. Our account recap number can be found on your NCR card. You must use National unless they do not have a rental car available at that location. The collision damage waiver and personal accident insurance should be declined on all business rentals made under our regular NCR corporate plan. When renting your vehicle, verify that they are charging you the correct rate, which is usually stated on the itinerary from our travel agent.

It's most economical to return the car to the same location where you originally rented it. If you must return the car to another location, be aware that substantial additional charges will be assessed by National based on the distance between the origination and drop-off offices.

Exhibit K / TRAVEL POLICY

5. Ground Transportation

When renting a car is not more economical, the company will reimburse you for the costs of ground transportation, including taxi cabs, shuttle services, bus fares, etc. including up to a 15% tip where appropriate. Cabs in many large cities/airports can provide a detailed machine printed receipt. Such receipts should be obtained whenever possible. Share cab rides with other New World employees whenever possible to save money.

On trips that exceed 2 days: Cab fare will not be reimbursed if it would have been cheaper to rent a car.

6. Per Diem Allowances

Standard Per Diem for Overnight Travel: A standard per diem is paid for each **evening** you stay overnight on business. The standard per diem amount is \$52 for travel within the 48 continental U.S. states and \$44 outside the continental U.S. The standard per diem is intended to cover all meals, tips of all kinds, and other incidental expenses for that evening and the next day.

You may claim an additional \$26 per diem on the day of your return if you arrive home after 7:00 p.m. (i.e., flight must arrive after 6:30 p.m.) You may claim an additional full per diem on the day of your return if you arrive home after midnight (i.e., flight must arrive after 11:30 p.m.)

Standard Per Diem for One-Day Trips: On one-day trips you may depart and return the same day and not spend an evening out of town. In those cases, a \$26 per diem may be claimed if you spend 12 hours or more away from home on company business and travel more than 50 miles away from your office.

Billing and Special Situations: New World's Customers are normally invoiced for all per diem allowances paid to employees for service trips. Sometimes our arrangements with Customers may specify a per diem amount that is higher or lower than the standard rates above for business reasons. As a general rule, this will not change the standard per diem allowance paid to employees. You will be notified in advance in writing if any exception to this general rule applies in a specific situation.

7. Lodging

You are expected to stay in economy hotels/motels when traveling on company business (examples: Comfort Inns, many Holiday Inns, and other clean newer bargain motel chains, etc.) Lodging at higher priced luxury or resort hotels will not be reimbursed unless approved by the President, or Vice President - Finance as being necessary for business reasons—for example, staying at a resort location to attend a trade show or staying close to the prospect's office during the sales process. Many hotels have government rates or special rates available to IBM or Microsoft Business Partners or guests of the city/county. You should always attempt to receive any reduced rate.

Only room charges and taxes will be reimbursed for the days that official company business is conducted. Charges for personal purchases like health club fees, room service, movies, snack bars, restaurant meals, bar charges, personal items, etc. are not reimbursable. On extended trips, a laundry/dry cleaning allowance of \$10 per week will be reimbursed for travelers on extended trips who have not returned home for over 7 consecutive days.



APPENDIX 1
AGREEMENT AND AUTHORIZATION FOR PROCUREMENT
OF THIRD PARTY PRODUCTS AND SERVICES

The attached configuration (Exhibit 1) describes the Third Party products and services that **New World** will obtain for **Customer**. By execution of this **Agreement**, **Customer** authorizes **New World** to order the Exhibit 1 products for delivery to:

Scott County
600 West Fourth Street
Davenport, IA 52801

The payments for Appendix 1 Services are covered under the Cost Summary and Payment Schedule in Exhibit AA.

Customer is responsible for the site preparation and related costs to install the Exhibit 1 Third Party products. **Customer** is responsible for any returned product charges, including re-stocking and shipping fees, for all Third Party products ordered by **New World** on the **Customer's** behalf. Travel Expenses incurred by **New World** are in addition to the Exhibit 1 cost and will be billed weekly as incurred.

The Exhibit 1 components and cost may only be changed by mutual agreement of the parties. If a change order in the configuration requires additional costs, **New World** shall notify **Customer** of the additional costs and with **Customer's** approval these costs shall be borne by **Customer**. Without such approval, the change order will not be processed.

Customer shall or may be required to execute selected agreements with vendors and **New World** shall not confirm the ordering of any Exhibit 1 products without **Customer's** authorized signature on said Agreements. **Customer** shall receive the benefit of all warranties, services, etc. provided for in the Agreements.

EXHIBIT 1

THIRD PARTY PRODUCTS AND SERVICES

1. PC Based Cash Register Component Kit \$1,175

Includes: MMF Cash Drawer, Epson USB Receipt/Validation/Slip Printer and Symbol/Motorola USB Bar Code Scanner

NOTE: Windows PC Workstation Not Included