

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**AMENDMENT TO
CONTRACT #C-2015-070-04-22 AND EXTENSION THEREOF**

This **AMENDMENT** to the **CONTRACT** is made this 2 day of ~~MAY~~ ^{JUNE} of **2020** by and between **HIDALGO COUNTY, TEXAS** (the "COUNTY") and **APPRAISAL and COLLECTION TECHNOLOGIES, L.L.C. ("ACT")**. **WHEREAS**, COUNTY and ACT entered into a Contract titled **HOSTING SERVICES AGREEMENT** on or about June 23, 2015, effective June 1, 2015 (Effective Date), (the "CONTRACT"), in which the ACT agreed to provide Automated Tax Collection System Services for all the Hidalgo County Tax Office as described therein, and

WHEREAS, the RFP for this procurement indicated the intended term and renewal for these services as: *"The contract shall be for the period of five (5) years. Hidalgo County has the option to extend contract for two (2) additional years. Payment for System shall be billed in five (5) equal annual payments."*

WHEREAS, the **CONTRACT** provides the term and renewal for these services as: *"10.1. Term. The "Term" shall be the duration of ACT's obligation to provide Services to Customer. The Term shall commence on the Effective Date and shall continue for an initial period of five (5) years, unless terminated sooner in accordance with this Agreement (the "Initial Term"). The Term shall automatically renew beyond the Initial Term on an annual basis subject to earlier termination in accordance with this Agreement (each, a "Renewal Term")."*

WHEREAS, the five (5) year term of the agreement is expiring and the COUNTY wishes to extend the agreement for two (2) years.

WHEREAS, in an effort to clarify the discrepancy in the term indicated above, the Parties now desire to amend the Contract as hereinafter provided.

NOW THEREFORE, for and in consideration of the terms and provisions set forth herein, for good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, COUNTY and ACT hereby agree to the following amendment to the Contract

1. The current Section 10.1 of the Contract shall be amended by replacing it with the following:

"The "Term" shall be the duration of ACT's obligation to provide Services to Customer. The Term shall commence on the Effective Date and shall continue for an initial period of five (5) years,

unless terminated sooner in accordance with this Agreement (the "Initial Term"). Hidalgo County has the option to extend the contract for two (2) additional years. Payment for System shall be billed in five (5) equal annual payments. Payments of the ACT Services during the extension period shall remain in the same annual amount and paid in the same manner as were made during the Initial Term."

2. The parties understand and agree that any provision of Exhibit "A"-Scope of Work, including but not limited to section 4.1 regarding providing new workstations in accordance with the number of years the contract is extended, shall be applicable and are incorporated by reference; and

3. Except as modified herein, all terms and conditions of the Contract, as amended, remain in full force and effect. COUNTY and ACT ratify and confirm the terms and provisions of the CONTRACT as amended herein.

EXECUTED and effective as of the day and year first written above.



HIDALGO COUNTY

By: Richard F. Cortez
Hon. Richard F. Cortez, County Judge

By: Arturo Guajardo, Jr.
Hon. Arturo Guajardo, Jr. County Clerk

APPROVED BY
COMMISSIONERS' COURT
ON: 6/2/20

COMPANY: APPRAISAL and COLLECTION TECHNOLOGIES, L.L.C.

By: Adrian Garza
Adrian Garza, President

APPROVED AS TO FORM:
Office of Criminal District Attorney
Ricardo Rodriguez, Jr.

By: Robert Viña, III
Robert Viña, III, Assistant District Attorney

Approved By Commissioners Court On: 6/2/20



E-20-044-06-02

2802 S. Bus. Hwy 281
Edinburg, Texas 78539
Phone: (956) 318-2626
Fax: (956) 318-2629
www.co.hidalgo.tx.us/purchasing

May 18, 2020

Appraisal & Collection Technologies, LLC
Attn: Adrian Garza, President
911 Central Parkway North
San Antonio, TX 78232

EM: Adrian.garza@lgbs.com

Term: July 01, 2020 through June 30, 2022

Re: Renewal/Extension Notice/HB 1295 Form Required
Contract/Renewal# C-15-070-06-23 / New Extension № E-20-044
Hidalgo County Tax Office - "Automated Tax Collection System"

Dear Mr. Garza,

Be advised, that County has chosen the option to exercise the two (2) year renewal terms, under the same rates, terms and conditions as provided in the current contract with your company for the referenced project. The County is required, as of January 1, 2016, to comply with the Texas Government Code, §2252.908, and the rules issued by the Texas Ethics Commission found in Title 1, Section 46.1, 46.3 and 46.5 of the Texas Administrative Code. In accordance with these requirements for the type of contract being considered, a business must submit a completed Certificate of Interested Parties Form 1295, to the County before the County may enter into a contract with the business entity.

In order for County staff to process the above referenced extension/renewal; you must complete Form 1295 and file Form 1295 with the Texas Ethics Commission. You can find the 1295 Form through the Texas Ethics Commission at the following website:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

In box 3 of **Form 1295**, provide Reference No. E-20-044. Once completed and filed, "unsworn declaration" Form 1295 must be printed, signed and submitted to our office by the deadline stated below.

In order to maintain the schedule for presentation to Commissioners Court, the signed and "unsworn declaration" Form 1295 must be received in our office completed by no later than 9:00 a.m. on **Thursday, May 21, 2020**. Hidalgo County cannot enter into a contract until Form 1295 is submitted, therefore, failure to timely submit Form 1295 signed an "unsworn declaration" may result in delay of renewal.

In, addition, please include your "Updated Certificate of Insurance" with acknowledgment of receipt to this notice by signing below and returning to the Hidalgo County Purchasing Department, via email: yolanda.velasquez@co.hidalgo.tx.us by no later than date reflected above.

By:  Date: 5/19/2020

Hidalgo County Purchasing Department welcomes and appreciates your participation in the contract process. If any further assistance is required, please do not hesitate to call the Purchasing Department (956)318-2626.

Sincerely,

Yolanda Velasquez

Yolanda Velasquez,
Contract Specialist II

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
 CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
 Appraisal & Collection Technologies, LLC
 San Antonio, TX United States

Certificate Number:
 2020-621317

Date Filed:
 05/19/2020

Date Acknowledged:
 05/21/2020

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
 Hidalgo County

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
 E-20-044
 Automated Tax Collection System

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Haass, Richard	San Antonio, TX United States	X	
	Linebarger Goggan Blair & Sampson, LLP	Austin, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

 Signature of authorized agent of contracting business entity
 (Declarant)

APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

HOSTING SERVICE AGREEMENT

C-15-070-06-23

This Hosting Service Agreement (this "Agreement") is made and entered into as of the date set forth below (the "Effective Date") by and between Appraisal and Collection Technologies, L.L.C., a Texas limited liability company ("ACT"), and the customer County of Hidalgo, Texas, by and through the Hidalgo County Tax Assessor & Collector (the "Customer").

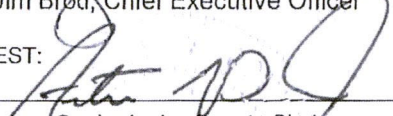
In consideration of the rights and benefits that they each will be receiving under this Agreement, and intending to be legally bound, ACT and Customer (each a "Party" and together, the "Parties") agree to the terms of this Agreement.

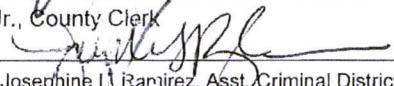
APPRAISAL AND COLLECTION TECHNOLOGIES, L.L.C.

Address:

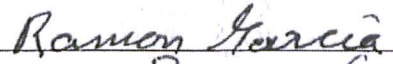
By: 
Jim Brod, Chief Executive Officer

911 Central Parkway North
San Antonio, Texas 78232
Attention: Chief Executive Officer

ATTEST:
By: 
Arturo Guajardo Jr., County Clerk

Approve as to Form By: 
Josephine L. Ramirez, Asst. Criminal District Attorney Chief

CUSTOMER: HIDALGO COUNTY, TX

By: 
Print Name: Ramon Garcia
Title: County Judge

Address:
302 West University Drive
Edinburg, Texas 78539
Attention: County Judge

Effective Date: July 1, 2015

APPROVED BY
COMMISSIONERS' COURT
ON: 6/23/15

ADDITIONAL TERMS AND CONDITIONS OF THIS AGREEMENT BEGIN ON THE FOLLOWING PAGE. THIS AGREEMENT MAY CONTAIN SEVERAL ATTACHED SCHEDULES, THE PAGES OF WHICH MAY NOT BE NUMBERED.

TABLE OF SCHEDULES

Schedule 1	Fee Schedule
Schedule 2	Service and Support Level Specification Agreement
Schedule 3	Statement of Work

TERMS AND CONDITIONS

1. Services.

1.1. Customer's Rights to Use the Services. ACT grants Customer a limited non-exclusive, non-transferable, worldwide right and license to access and use the Services for the duration of the Term (as defined herein) solely for the purposes of tax assessment and collection by or on behalf of Customer. This right is subject to Customer's payment of all required fees described in Exhibit A (the "Fees") attached hereto and incorporated herein and compliance with all of its obligations under this Agreement. The "Services" means the services provided by ACT that are described in Schedule 2 attached hereto and incorporated herein.

1.2. Service Levels. In providing the Services, ACT shall use commercially reasonable efforts to comply in all material respects with any service levels set forth in Schedule 2 ("Service Levels"). ACT shall not be responsible for failing to meet a Service Level to the extent the failure is caused by Customer, a third party or a force or cause beyond ACT's reasonable control.

1.3. Rights of ACT. ACT shall be free to provide Services for others on an unrestricted basis. ACT may subcontract any portion of the Services without notice, consent or any other restriction and has sole discretion in its use of subcontractors and consultants, including, but not limited to third party server hosting services.

2. Customer Restrictions; Proprietary and other Rights.

2.1. Restrictions. Customer shall not, and shall not permit any third party to: (i) sublicense, resell, lease, transfer or assign to any third party the Services or any associated software owned by ACT ("ACT Software") or associated software owned by a third party ("Third Party Software"); (ii) duplicate, modify or make derivative works of any ACT Software or Third Party Software; or (iii) reverse engineer, decompile, disassemble, or translate any ACT Software or Third Party Software. Customer has no rights to the source code of the ACT Software or Third Party Software. Customer may not access the Services other than as expressly provided by ACT pursuant to this Agreement. Access to the Services shall be limited by Customer to employees, contractors, consultants, representative or agents of Customer that are authorized by Customer to access and use the Services on Customer's behalf ("Authorized Users"). Customer shall be solely responsible for any activities that occur under its account with ACT, including the activities of its Authorized Users.

2.2. Data Rights. Customer grants ACT a royalty-free, non-exclusive, non-transferable, worldwide right and license to access and use in any media the data, information, trademarks and content of Customer ("Customer Data") to the extent ACT needs the Customer Data to provide the Services, to configure the format and other technical or display requirements of the Services, and to manipulate and display the Customer Data for processing transactions on behalf of Customer. The Services may be designed to collect transaction, connection and/or performance information for use by ACT ("Transaction Information"). All Customer Data and Transaction Information is and shall remain the sole and exclusive property of Customer and shall not be used by ACT for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

2.3. Privacy Policy. Customer agrees that ACT and its affiliates may use any information Customer provides to ACT, including but not limited to, the Customer Data and Transaction Information for the purposes of this Agreement and in a manner consistent with ACT's then-current Privacy Policy as set forth at www.acttax.com which may be changed by ACT without notice. Customer agrees, however, that ACT is not responsible for any information Customer provides to third parties, and that the privacy policies, if any, of such third parties will govern the use and disclosure of such information.

2.4. Acceptable Use. Customer shall comply, and shall cause its Authorized Users to comply, with the then-current Acceptable Use Policy located at www.acttax.com, as it may be modified from time to time, at ACT's sole discretion without notice ("Use Policy"). ACT shall notify Customer of any Use Policy violation by Customer and Customer shall cure the violation within one business day of receipt of notice of the violation. If the violation is by an Authorized User and the violation is not cured within this timeframe, Customer shall terminate that user's access to the Service. If Customer fails to terminate the access of any Authorized User that continues to violate the Use Policy, ACT shall have the right to terminate this Agreement. Customer shall comply with all written policies related to the Service that are published or reasonably communicated by ACT and all reasonable written directives provided by ACT with respect to use of the Service that are reasonably designed by ACT to ensure efficient operation of the Service.

2.5. Proprietary Rights of ACT. The Services, the ACT Software, the Third Party Software and any trade secrets, know-how, methodologies and processes, copyrights, trademarks, patents, trade secrets, and any other proprietary and intellectual property rights associated with or inherent in the Services, the ACT Software or the Third Party Software are and shall remain the sole and exclusive property of ACT and its third party licensors and shall not be used by Customer for any purpose other than the performance of its obligations and exercise of its rights under this Agreement.

3. Relationship Management. ACT and Customer shall each designate a representative (a "Relationship Manager") for this Agreement. Each Party shall have the right to change its Relationship Manager or designate an alternate by providing written notice to the other Party.

4. Fees, Payment, Taxes.

4.1. Fees. Customer shall pay ACT the Fees set forth in Schedule 1.

4.2. Payment. Unless this Agreement or a Schedule to this Agreement specifically provides otherwise, Customer shall pay all Fees within thirty (30) days of the date of invoice at the address specified in Schedule 1. Any Fees not paid when due shall accrue interest at a rate equal to the lesser of (i) one and one half percent (1.5%) of the invoiced amount per month or (ii) the maximum rate allowable under applicable law on all unpaid amounts. If Customer fails to pay any Fees on a timely basis, ACT may suspend Customer's access to the Services until the outstanding payment including any late charges is made in full.

4.3. Expense Reimbursement. Customer will reimburse ACT for all pre-approved out-of-pocket expenses incurred by ACT in rendering the Services, as specified in the applicable Schedule to this Agreement. Such expenses may include, but shall not be limited to, travel and travel related expenses (including transportation, lodging and meals) and costs of any tangible material acquired by ACT for Customer's benefit.

4.4. Taxes. Customer shall be liable for, and shall reimburse ACT for, all sales, use, transfer, privilege, excise, service, telecommunication, all other taxes and all duties and regulatory fees related to this Agreement, whether foreign, federal, state or local, however designated (including any interest and penalties imposed thereon), other than taxes based on the net income of ACT.

5. Confidentiality.

5.1. Non-Disclosure Obligations. Except as is specifically required or permitted by this Agreement, neither Party shall, without the express prior written consent of the other Party, redistribute, market, publish, disclose or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity: (i) any of the other Party's Confidential Information during the Term and for three (3) years after any end to the Term; and (ii) any of the other Party's Trade Secrets at any time during which such information shall constitute a Trade Secret (before or after the end of the Term). The Parties agree that, during the Term and thereafter, each Party will hold Confidential Information and Trade Secrets in a fiduciary capacity for the benefit of the other Party and shall not (a) directly or indirectly use, copy, reproduce, distribute, manufacture, duplicate, reveal, report, publish, disclose or cause to be disclosed, or otherwise transfer any Confidential Information or Trade Secrets of the other Party to any third party, or (b) utilize Confidential Information or Trade Secrets for any purpose, except as expressly contemplated by this Agreement or authorized in writing by the other Party. Each Party will limit the disclosure of the other Party's Confidential Information and Trade Secrets to employees, contractors or agents with a need-to-know, shall notify its employees, contractors and agents of their confidentiality obligations with respect to Confidential Information and Trade Secrets and shall require its respective employees, contractors and agents to comply with these obligations. Each Party shall be liable for any breach by any employee, contractor or agent of the confidentiality obligations contained herein.

5.2. Trade Secrets. For purposes of this Agreement the following terms shall have the following meanings: "Trade Secrets" shall mean information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Parties stipulate that the Services and the ACT Software and the Third Party Software and all intellectual property rights associated with those items shall constitute Trade Secrets of ACT and its licensors.

5.3. Confidential Information. "Confidential Information" shall mean, with respect to a Party, all valuable, proprietary and confidential information belonging to or pertaining to the Party that does not constitute a Trade Secret of the Party and that is not generally known by or available to the Party's competitors but is generally known only to the Party and those of its employees, contractors, clients or agents to whom such information must be confided for internal business purposes. Confidential Information does not include information that: (a) was in the possession of, or was rightfully known by, the recipient thereof without an obligation to maintain its confidentiality prior to receipt from disclosing Party; (b) is or becomes generally known to the public without violation of this Agreement; or (c) is obtained by the recipient in good faith from a third Party having the right to disclose it without an obligation of confidentiality.

5.4. Required Disclosure. Notwithstanding the foregoing, either Party may disclose Confidential Information or Trade Secrets of the other Party in judicial or other government proceedings to the extent that the Party is legally compelled to do so, provided that the Party has notified the other Party in writing at least ten (10) days prior to disclosure and shall have used its best efforts to obtain, and shall have afforded the other Party a reasonable opportunity to obtain, an appropriate protective or similar order providing for the confidential treatment of the Confidential Information or Trade Secrets required to be disclosed.

5.5. Injunctive Relief. Each Party acknowledges that any unauthorized disclosure or use of the other Party's Trade Secrets or Confidential Information would be likely to injure the other Party irreparably. Each Party acknowledges that its misuse or unauthorized disclosure of the other Party's Confidential Information or Trade Secrets shall entitle the other Party to injunctive or other equitable relief.

6. Representations and Warranties.

6.1. ACT Representations and Warranties. ACT represents and warrants to Customer that: (i) it will provide the Services in a manner consistent with reasonably applicable general industry standards; (ii) in providing the Services, it shall comply with all applicable Federal, state and local laws and regulations ("Laws") and shall obtain all required permits and licenses; and (iii) will update the ACT Software and the Service as necessary to comply with changes mandated by legislative changes to the State of Texas Property Tax Code and administrative directives issued by the Property Tax Division of the Comptroller's Office for the State of Texas.

6.2. Customer Representations and Warranties. Customer represents and warrants to ACT that: (i) the Customer Data does not and shall not infringe on or violate any third party's intellectual property or other proprietary rights; (ii) Customer owns the Customer Data or otherwise has the right to place the Customer Data on the ACT's infrastructure in connection with the Services and to view and access the Customer Data through the Services; (iii) no further approval, authorization or consent of any governmental or regulatory authority is required to be obtained by it in order for it to enter into and perform its obligations under this Agreement; and (iv) in connection with its use of the Services, it shall comply with all Laws and shall obtain all applicable permits and licenses.

6.3. Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ACT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY WARRANTY OF NON-INFRINGEMENT. ACT DOES NOT WARRANT THAT: (a) THE SERVICES AND ANY RELATED SOFTWARE WILL OPERATE UNINTERRUPTED; (b) SERVICE OR SOFTWARE ERRORS CAN BE CORRECTED; OR (c) THE APPLICATIONS CONTAINED IN THE SERVICES OR SOFTWARE ARE DESIGNED TO MEET ALL OF CUSTOMER'S BUSINESS REQUIREMENTS.

6.4. Internet Delays. THE SERVICES MAY BE SUBJECT TO LIMITATIONS, DELAYS AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. ACT IS NOT RESPONSIBLE FOR, AND CUSTOMER RELEASES ACT FROM, ANY DELAYS, DELIVERY FAILURES OR DAMAGES RESULTING FROM SUCH PROBLEMS.

7. Indemnification.

7.1. ACT Indemnity. Subject to Section 8, ACT shall indemnify and hold harmless Customer and any affiliated entities and their respective officers, directors, partners, employees, shareholders and agents against any damages awarded against the Customer by a court of competent jurisdiction in connection with a final judgment or ruling that the Customers use of, or access to, the Services infringes a United States patent, copyright or trademark of the third party that is registered as of the date ACT provides Customer with the Services, provided, that: (a) Customer gives ACT prompt notification in writing of any such infringement claim specifying in reasonable detail

the nature and all material aspects of the claim and reasonable assistance, at ACT's expense, in the defense of such infringement claim; and (b) ACT has the sole authority to defend or settle such infringement claim.

7.2. Indemnification Limitations. ACT shall have no obligation for any infringement claim arising out of or relating to: (a) use of the Services other than in accordance with the terms of this Agreement; (b) any Third-Party Software associated with the Service; or (c) use of the Services in combination with any other hardware, software or other materials where absent such combination, the Services would not be the subject of the infringement claim.

7.3. Effect of Infringement Claim. If an infringement claim is asserted or, in ACT's reasonable belief, is likely to be asserted, (a) ACT may require Customer to discontinue use of the Services immediately and Customer shall comply with such requirement; and (b) ACT will, at its sole option, either (i) procure for Customer the right to use and exercise its rights with respect to the Services as provided in this Agreement; (ii) replace the Services with other non-infringing services or modify the Services to make it not infringing while retaining substantially similar functionality; or (c) if the remedies set forth in clauses (b)(i) and (b)(ii) are not commercially feasible, as determined by ACT in its sole discretion, terminate this Agreement, in whole or in part, and pay to Licensee any prepaid Fees paid by Licensee for the infringing Services that are not provided due to the early termination.

7.4. Exclusive Remedy. THE PROVISIONS OF THIS SECTION STATE THE SOLE, EXCLUSIVE, AND ENTIRE LIABILITY OF ACT AND ITS LICENSORS TO CUSTOMER, AND IS CUSTOMER'S SOLE REMEDY WITH RESPECT TO, ANY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF ANY THIRD-PARTY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHT.

8. Limitation of Liability. EXCEPT FOR DAMAGES RESULTING FROM BREACHES OF SECTION 5 (CONFIDENTIALITY), ACT SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL EXEMPLARY OR CONSEQUENTIAL DAMAGES. ACT SHALL NOT BE LIABLE TO CUSTOMER FOR; (I) LOST DATA; OR (II) FAILURE TO REALIZE EXPECTED SAVINGS RESULTING FROM THE USE OF THE SERVICES, EVEN IF ACT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES. IN ANY CASE, EXCEPT FOR DAMAGES RESULTING FROM BREACHES OF SECTION 5 (CONFIDENTIALITY), ACT'S ENTIRE AGGREGATE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE FEES ACTUALLY PAID BY CUSTOMER TO ACT UNDER THIS AGREEMENT. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, THIS SECTION SETS FORTH CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF WARRANTY.

9. Dispute Resolution.

9.1. Injunctive Relief. A material breach of Sections 2.1, 2.4 or 2.5 by Customer would irreparably harm ACT and, accordingly, Customer agrees that in the event of such a breach ACT shall be entitled to apply to a court of appropriate jurisdiction for injunctive relief, specific performance and/or, as the case may be, other interim measures, without the posting of any bond, to prevent or stop harm, including, but not limited to, harm relating to, trademarks, copyrights, patent rights, know-how, trade secrets or other intellectual property rights. These rights to injunctive relief are in addition to those rights specified in Section 5.5.

10. Term and Termination.

10.1. Term. The "Term" shall be the duration of ACT's obligation to provide Services to Customer. The Term shall commence on the Effective Date and shall continue for an initial period of five (5) years, unless terminated sooner in accordance with this Agreement (the "Initial Term"). The Term shall automatically renew beyond the Initial Term on an annual basis subject to earlier termination in accordance with this Agreement (each, a "Renewal Term").

10.2. Non-Renewal. This Agreement may be terminated by Customer or ACT on the last day of the Initial Term or on the last day of any Renewal Term by providing written notice to the other Party not less than nine (9) months prior to the expiration of the Initial Term or the then current Renewal Term, as the case may be, indicating an intention to terminate the Agreement as of the last day of the Initial Term or the then current Renewal Term ("Termination Date").

10.3. Termination.

10.3.1 Termination by ACT. In addition to any other rights ACT may have under this Agreement or law, ACT may, at ACT's option, terminate this Agreement as follows: (i) upon Customer's failure to pay any Fees or other amounts it owes ACT under this Agreement; (ii) upon Customer's material breach of any of its other obligations, representations or warranties under this Agreement where the breach is not cured within thirty (30) business days after written notice of the breach is provided to Customer by ACT (provided, that if ACT determines in good faith that a breach by Customer is incurable, then the termination of the Term shall be effective immediately upon notice without a cure period); or (iii) immediately upon Customer's ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors; or (iv) by providing 180 days notice.

10.3.2 Termination by Customer. Customer may, at Customer's option, terminate this Agreement as follows: (i) for convenience during the Initial Term of the Agreement upon thirty (30) days written notice; (ii) upon ACT's material breach of any of its other obligations, representations or warranties under this Agreement, where the breach is not cured within thirty (30) business days after written notice of the breach is provided to ACT by Customer; and (iii) immediately upon ACT ceasing to do business in the normal course, becoming or being declared insolvent or bankrupt, being the subject of any proceeding relating to liquidation or insolvency which is not dismissed within ninety (90) calendar days or making an assignment for the benefit of its creditors.

10.3.3 Migration Period. Subject to Section 10.3.4, upon the termination or expiration of the Term (other than for violation by Customer of Section 2.1, 2.4, 2.5 or 5.), Customer shall have the right, upon providing written notice to ACT, to receive Services from ACT for up to four (4) months after the termination date (the "Migration Period") provided Customer continues paying all applicable Fees to ACT. With respect to a Migration Period after a termination by ACT pursuant to Section 10.3.1, Customer shall pay Fees on a monthly basis in advance, but in the event that Customer fails to make any one (1) payment when due during the Migration Period, ACT shall be entitled to discontinue the provision of Services.

10.3.4 Effect of Termination; Customer Data. Upon the expiration or termination of the Term and after receipt of all amounts due from Customer, ACT shall return to Customer all Customer Data provided that ACT may retain any Customer Data necessary for it to continue to perform under this Agreement pursuant to any Migration Period obligations, which Customer Data will be returned to Customer at the end of the Migration Period. In addition to returning all Customer Data, ACT shall destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data, and shall ensure that if any Customer Data has been provided to a third party, such third party shall similarly destroy any copies and shall permanently delete and destroy all electronic versions of all Customer Data.

10.3.5 Effective of Termination; Fees. Upon the expiration or termination of the Term, Customer shall (i) pay ACT all amounts then due and owing to ACT, and (ii) return to ACT all proprietary materials of ACT received under this Agreement. Upon termination or expiration of the Term for any reason, in addition to other amounts payable to ACT, Customer shall pay to ACT (i) all costs associated with ACT's provision of Services during any Migration Period, and (ii) any termination fee that may be payable under the applicable Schedule to this Agreement.

10.4. Survival. Termination or expiration of the Term does not terminate other provisions of this Agreement that by their terms do not expire on termination or expiration of the Term.

11. Miscellaneous.

11.1. Entire Agreement. This Agreement and the Schedules referencing this Agreement attached hereto and incorporated herein constitute the entire agreement between Customer and ACT with respect to the subject matter of the Agreement and supercede all prior oral negotiations and prior written agreements with respect to these matters.

11.2. Independent Contractors. Nothing in this Agreement or in the course of dealing between ACT and Customer shall be deemed to create between ACT and Customer (including their respective directors, officers, employees and agents) a partnership, joint venture, association, employment relationship or any other relationship other than an independent contractor relationship.

11.3. Use of Customer Name. ACT shall have the right to identify Customer as a customer of ACT as part of ACT's marketing efforts, including customer lists and naming Customer in press releases.

11.4. Audit Rights. ACT shall have the right during customary business hours, upon reasonable written notice and at ACT's expense, to examine Customer's books and records and use of the Services in order to audit Customer's compliance with this Agreement.

11.5. Waiver; Non-Waiver; Amendment. Failure by either Party to enforce any of the provisions of this Agreement or any rights with respect to it or the failure to exercise any option provided under this Agreement shall in no way be considered to be a waiver of that provision, right or option, or in any way affect the validity of this Agreement. No waiver of any rights under this Agreement, nor any modification or amendment of this Agreement, shall be effective or enforceable, unless it is in writing and signed by each Party.

11.6. Force Majeure. Neither Party to this Agreement, other than for payments due and payable, will be liable to the other for any failure or delay in performance under this Agreement due to circumstances beyond its reasonable control including, without limitation, Acts of God, labor disruption, strikes, lockouts, riots, acts of war, terrorist threat, epidemics, communication line failures, power failures or government action.

11.7. Governing Law. This Agreement shall be governed by the laws of the State of Texas without giving effect to any choice of law principles. The Parties hereby acknowledge and agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

11.8. Assignment. Except as provided in this Agreement, Customer may not assign or transfer any of its rights, duties or obligations under this Agreement (whether by assignment, merger, transfer of assets, sale of stock, operation of law or otherwise) without the prior written consent of ACT and any assignment not in compliance with this Section shall be deemed void. ACT in its sole discretion may assign or transfer any of its rights, duties or obligations under this Agreement.

11.9. Notice. All notices or other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) five (5) calendar days after being deposited in the United States Mail, postage pre-paid, or (c) two (2) calendar days after being deposited for delivery with a nationally recognized overnight delivery service, such as Federal Express, (with written confirmation of receipt) and addressed or sent, as the case may be, to the appropriate addresses set forth on the first page of this Agreement (or to such other addresses as a Party may designate by notice to the other Party). All notices to ACT shall be addressed to the attention of the Chief Executive Officer with a copy delivered to Linebarger Goggan Blair & Sampson, L.L.P. (the "Firm"), to the attention of the Chief Operating Officer, at P.O. Box 17428, Austin, Texas 78760-7428 (or such other address as ACT or the Firm may designate by notice to the other Party).

11.10. Severability. If any provision of this Agreement is held invalid or unenforceable, the provision shall be deemed modified only to the extent necessary to render it valid or eliminated from this Agreement, as the situation may require, and this Agreement shall be enforced and construed as if the provision had been included in this Agreement as modified in scope or applicability or not been included, as the case may be.

11.11. No Third Party Beneficiaries. This Agreement inures to the benefit of ACT and Customer only and no third party shall enjoy the benefits of this Agreement or shall have any rights under it except as is expressly provided in this Agreement.

11.12. Headings. The headings preceding the text of the paragraphs of this Agreement have been inserted solely for convenience of reference and neither constitute a part of this Agreement nor affect its meaning, interpretation or effect.

11.13. Interpretation; Order of Precedence. In the event of any discrepancy or conflict between the terms of this Agreement and the terms of any Schedule, the terms of this Agreement shall control. This Agreement and any Schedule hereto shall prevail over any additional, conflicting, or inconsistent terms or conditions which may appear on any purchase order or other document issued by Customer.

11.14. Export Controls. Customer agrees to comply fully with all relevant export laws and regulations of the United States including but not limited to the U.S. Export Administration Regulations (collectively, "U.S. Export Controls").

SCHEDULE 1

Fee Schedule

Annual Contract Fee for term beginning July 1, 2015 through June 31, 2020 will be \$190,000 ("Contract Fee").

The above annual contract fee includes other modules in addition to the ACT Tax Collection System (TCS) software. Those modules available at no additional cost include TaxLedge (entity remittance software), Permits (TABC beer and liquor fees), Special Inventory Tracking (SIT) and Liens (code compliance and miscellaneous fees).

Customer will be sent an invoices and payment will be made in equal quarterly installments. Payment will be sent to

ACT, LLP
911 Central Parkway North, Suite 200
San Antonio, Texas 78232

User requested system alterations:

All requests by Customer for modifications, enhancements, consolidations of new tax jurisdictions, or other changes to the ACT System (as defined in the Service and Support Level Specification Agreement attached to the Agreement as Schedule 2 (the "SSLSA")) shall be evaluated by ACT and processed in accordance with the Change Control Procedures set forth at Schedule C of the SSLSA. If the Customer request is approved in accordance with such Change Control Procedures, ACT will determine if the request is billable. Customer acknowledges that any request determined to be billable will be charged at the following rates:

<u>Rate Classification</u>	<u>Hourly Rate</u>
Principal	\$195.00
Project Manager	\$150.00
Senior Analyst	\$115.00
Developer	\$ 95.00
Quality Assurance / Trainer	\$ 75.00
Mileage	IRS standard rate
Airfare	Actual Airfare
Per Diem	Actual Charges

SCHEDULE 2

Service and Support Level Specification Agreement

(attached)

SCHEDULE 3

Statement of Work

ACT shall purchase and cause to be delivered to the Hidalgo County Tax Office or any other location in Edinburg, Texas specified by the Tax Assessor Collector ("TAC") the following equipment.

Area	Quantity	Item	Price	Total
Workstations	50	Dell OptiPlex 9030 AIO: OptiPlex 9030 AIO BTX 9030BX Processor: Intel® Core i5-4590s Processor (Quad Core, 6 MB, 3.00 GHz w/HD4600 Graphics) Operating System(s): Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license) Application Software: Microsoft® Office Home and Business 2013, English, French and Spanish Adobe® Acrobat® XI Standard, Digital Delivery Memory: 8GB (2x4GB) 1600MHz DDR3L Memory 8G2D3 Hard Drive: 500GB 5400 rpm SATA Hard Drive 500G54 Video Card: Intel® Integrated Graphics INT CD ROM/DVD ROM: 8x Slimline DVD+/DR Drive 8DVDRW Keyboard/Mouse: English Wireless Keyboard and Mouse KBMSW8 Stands: Integrated Basic Stand BSTND LCD: 23 IN WLED Full-HD AIO Non-Touch Display NONTCH Hardware Support Services: 5 Year Hardware Service with Onsite/In-Home Service After Remote Diagnosis		\$82,526.57

		<p>NBD5</p> <p>Business Essentials: American Power Conversion BE750G Back UPS- 450 Watt A7000302</p>		
Power User Systems	25	<p>Dell OptiPlex 9020 Small Form Factor: OptiPlex 9020 Small Form Factro 9SFFX</p> <p>Processor: Intel® Core i5-4590s Processor (Quad Core, 6 MB, 3.30 GHz w/HD4600 Graphics) Operating System(s) Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license)</p> <p>Application Software: Microsoft® Office Home and Business 2013, English, French and Spanish Adobe® Acrobat® XI Standard, Digital Delivery</p> <p>Memory: 8GB (2x4GB) 1600MHz DDR3 Memory 8G2D</p> <p>Hard Drive: 500GB 3.5 inch SATA (7.200 RPM) Hard Drive</p> <p>Video Card: Intel® Integrated Graphics</p> <p>CD ROM/DVD ROM: 8x Slimline DVD+/DR Drive 8DVDRW</p> <p>Keyboard/Mouse: English Wireless Keyboard and Mouse KBMSW8</p> <p>Dell Monitors: Dell UltraSharp 24 Monitor – U2412M</p> <p>Hardware Support Services: 5 Years Pro Support with next Business Day Onsite Service</p> <p>Business Essentials: American Power Conversion BE750G Back UPS- 450 Watt A7000302</p>		\$42,705.41

Administrative	15	Dell OptiPlex 9020 Small Form Factor: OptiPlex 9020 Small Form Factor 9SFFX Processor: Intel® Core i7-4790s Processor (Quad Core, 8 MB, 3.60 GHz w/HD4600 Graphics) Operating System(s): Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license) Application Software: Microsoft® Office Home and Business 2013, English, French and Spanish Adobe® Acrobat® XI Standard, Digital Delivery Memory: 16GB (4x4GB) 1600MHz DDR3 Memory Hard Drive: 500GB 3.5 inch SATA (7.200RPM) Hard Drive Video Card: AMD Radeon™ R7 250, 2 GB, Half Height, (DP and DVI-I) CD ROM/DVD ROM: 8x Slimline DVD+/DR Drive 8DVDRW Keyboard/Mouse: English Wireless Keyboard and Mouse KBMSW8 Dell Monitors: Dell UltraSharp 24 Monitor – U2412M Hardware Support Services: 5 Year ProSupport with Next Business Day Onsite Service Business Essentials: American Power Conversion BE750G Back UPS- 450 Watt A7000302 Dell Portable Backup Hard Drive-1 TB	\$25,209.75
		Total Quote for Computers	\$150,441.73

Printers	90	HP LJ P2035 30PPM	\$20,871.36
Scanners	100	Heron Kit D130 Scanners with Stands	\$17,962.43
		Total Quote for Printers/Scanners	\$38,833.79

TOTAL

\$189,275.52

ACT shall notify the TAC of the expected arrival date of the equipment. The TAC will designate an area in their office where all hardware will be delivered, pending installation. The TAC will designate a staff member to inspect for damage and sign for all deliveries and insure items are in their designated area, pending installation.

The TAC shall notify ACT upon the successful delivery of all equipment. ACT shall coordinate an installation date with the TAC and the IT Department. On the agreed upon date, an ACT representative shall perform the following:

- i. Discuss the computer policies with the IT Department, i.e. naming conventions, group policies, passwords and network security. Set up a tentative plan to work with the IT Department for the actual placement and connectivity of the hardware.
- ii. Unbox all hardware and inspect for any damage.
- iii. Inventory all equipment, documenting the location of Dell Service Tags and HP Printer Serial Numbers.
- iv. Start the process to activate all the Dell computers:
 1. Ensure that all computers boot up properly.
 2. Configure naming conventions assigned by the IT Department, and if permission is given, configure on the domain.
 3. Install Microsoft Office version and the ACT Software (performed by ACT Technician).
 4. Install System Center Endpoint Protection(performed by Hidalgo County IT)
 5. Install other software as designated (performed by Hidalgo County IT)
 6. Label computer at the location for connectivity (HCTO User).
- v. Work with the Hidalgo County IT Department, for actually swapping out the old Dell Computer for the new Dell Computer. Create a schedule that would designate the Main Tax Office installation and any substation installations.
- vi. Insure user can login and print from their new system.
- vii. Old computers will follow the process below:
 1. If designated for donation:
 - a. Document all Dell Service tags for donation.
 - b. ACT Technician will reformat old computer and reload only the licensed Microsoft Operating System on said computer.
 - c. Advise the local LGBS Office Manager of computer status for pick-up.
 - d. Have the donation document signed and assist with the removal of the said computers.
 2. If designated for disposal:
 - a. Document all Dell Service Tags for destruction.
 - b. ACT Technician will remove all hard drives from each of the systems.
 - c. Work with the Hidalgo County IT Department in the destruction of the removed hard drives.
 - d. Work with the Edinburg Law Office for the disposal of the remaining computer shells.
 3. Once all new systems have been installed and successfully login, review all items with the HCTO Tax Assessor and Hidalgo County IT Representative for final overview of installation.

Provide documentation and copy of any licensing agreements to all party's involved with this installation; HCTO Tax Assessor, Hidalgo County IT Representative, Edinburg LGBS Office and ACT Chief Executive Officer.

**Appraisal & Collection
Technologies
(ACT)**

**Service & Support
Level Specification
Agreement**

Hidalgo County Tax
Office
Edinburg, Texas

July 1, 2015

Exhibit B
Service and Support Level Specification Agreement
Hidalgo County Tax Office

1. INTRODUCTION

1.1. Purpose and Objectives

This Service and Support Level Specification Agreement is made pursuant to the "Hosting Service Agreement" dated July 1, 2015 between Appraisal and Collection Technologies (ACT) and Hidalgo Tax Office (HTO), the Client.

The purpose of the Service Level Agreement is to identify current and projected levels and qualifications of support staff, hardware and software components, systems support service levels including the roles, responsibilities and response times between ACT and HTO for change management, version control, security, problem source identification and resolution, back-up/recovery and disaster recovery, help-desk, user training, system enhancement development, system configuration and operations and upgrades.

1.2. Definitions

"ACT" means Appraisal and Collection Technologies LLC, a wholly owned entity of Linebarger Goggan Blair & Sampson, LLP. All references to ACT herein include ACT personnel and ACT management.

"ACT System" or "System" means the Appraisal and Collection Technologies Tax Collection System, developed by ACT for use by a current tax office (software and hardware) including all upgrades and modifications. The ACT System Service Components are listed in Section L.

"ACT System Source Code" means the programs and database objects that make up the ACT System.

"ACTEVAL" means that particular portion of the ACT System where HTO testing data resides and is manipulated

"ACTPROD" means that particular portion of the ACT System where the HTO live data resides and is manipulated.

ACT Service Level Agreement

"ACT User Manual" means a set of instructions designed to teach persons to use the ACT System and as used herein refers to those instructions embedded within the ACT System contained help functionality.

"CAD" means the County Appraisal District.

"Change Control Procedures" means the process to be followed when software or hardware changes are required to the ACT System.

"Client Manager" means the ACT resource responsible for managing the relationship between the client and ACT.

"Client Preferences" means those settings within the ACT System which can be managed by HTO and serve to alter the ACT System's behavior.

"Data Fix" means the insertion or correction of data directly in the Primary System via specialized tools. A Data Fix bypasses all ACT System controls, audits, and edits.

"Entitlements" means security settings within the ACT System that serve to enable a user to perform specific operations.

"Global Code Preferences" means those settings which are configurable within the ACT System, but are intended to be managed by ACT and not HTO.

"Hardware" means any and all computer components installed by ACT at HTO facilities to operate the System.

"Help Desk Services" mean the specified support services provided by ACT to HTO to facilitate understanding in operating and executing the delivered Services.

"Hosting Service Agreement" means the Agreement executed between HTO and ACT that provides the license for the ACT System to HTO, to which the Service and Support Level Specification is Exhibit B.

"Metrics" means the numeric criteria against which performance under this Agreement are to be measured.

"Normal Business Hours" means 7:00 AM to 6:30 PM CST Monday through Thursday and 7:00 AM to 6:00 PM CST Friday, except published holidays.

"Object Fix" means computer code changes to the ACT System Source Code designed to create or alter the ACT System functionality.

"Peak Business Periods" means end of tax year processing periods, end of fiscal year processing periods, month end close processing periods, certified tax billing processing periods and any other time designated as critical by HTO.

ACT Service Level Agreement

"Primary System" means the ACTPROD portion of the ACT System.

"PRC" means the internal ACT Problem, Request and Control system utilized to manage the software development life cycle. All Software Problems and Software Change Requests are entered into this system for resolution control.

"Problem Escalation" means the procedure for alerting and notifying increasingly senior members of ACT of the non-resolution of problems.

"Problem Management" means the procedures for providing support and problem resolution services to HTO.

"Problem Priority" means the method used to define the urgency of a reported issue or change.

"Services" mean the work that ACT performs for HTO.

"Service Availability" means the times and periods that ACT will make their Services available to HTO.

"Service Component" means a divisible and identifiable part of the overall Services to be delivered.

"Service review meetings" mean meetings that are held between ACT and HTO specifically to discuss issues arising from the delivery of the Services including the performance of the Service delivery.

"Software Change Request" means new system design to support business requirements not currently supported by ACT System functionality.

"Software Problem" means existing ACT System functionality not working as it was originally intended to function as documented in the ACT User Manual.

"Standby System" means the copy of ACTPROD that is replicated at the ACT Disaster Recovery Site.

"System Availability" means the ability of HTO to process transactions and access data.

"Test System" means an environment where user testing can occur without impact to the Primary System. The main component of the Test System is ACTEVAL.

ACT Service Level Agreement

2. SCOPE OF WORK

2.1. Services

Services to be delivered under this Agreement are set forth in Schedule A.

2.2. Services Availability

The availability, operational reliability, and response times of the Services to be delivered and disaster recovery procedures are set forth in Schedule B.

2.3. Changes to Services

Change Control Procedures are described in Schedule C.

3. PERFORMANCE, TRACKING AND REPORTING

3.1. Key Personnel Changes

ACT will notify HTO within (3) days of changes to any ACT Resources that could potentially affect the delivery of Services to HTO.

3.2. Services Availability Monitoring

The methodology to be used to monitor Services Availability is set forth in Schedule D.

3.3. Services Level Reporting

The content and schedule of Services Level reports are set forth in Schedule E.

3.4. Services Review Meetings

Services review meetings to discuss such items as Services performance levels, Software Problems, proposed Software Change Requests and administrative issues will be held on an as-needed basis with ACT at HTO.

4. PROBLEM MANAGEMENT

4.1. Help Desk Services

Schedule F provides information on ACT's Help Desk Services and support procedures.

ACT Service Level Agreement

4.2. Problem Escalation & Priority Resolution

Schedule G details the Problem Escalation procedure. Schedule H details Software Problem definitions and resolution time frames. Schedule J contains a sample of ACT's Software Problem resolution request form.

4.3. Data Backup & Retention

Schedule I details ACT's System backup and retention policy for HTO data.

4.4. Contact Information

Schedule K contains ACT production support contact information.

4.5. ACT System Service Components

Schedule L itemizes the ACT System Service Components.

5. HTO DUTIES AND RESPONSIBILITIES

5.1. HTO will ensure that ACT has timely access to appropriate HTO personnel and will arrange for ACT to have suitable and safe access to the HTO facilities and systems.

5.2. HTO will ensure that ACT has timely access to any areas where ACT equipment (including peripheral hardware or connections) is housed to ensure agreed upon levels of service.

6. SCHEDULES

SCHEDULE A	Services
SCHEDULE B	Services Availability
SCHEDULE C	Change Control Procedure
SCHEDULE D	Services Monitoring and Performance Measurement
SCHEDULE E	Service Level Reporting
SCHEDULE F	Support and Help Desk Services
SCHEDULE G	Problem Escalation
SCHEDULE H	Software Problem Priority Resolution Matrix

ACT Service Level Agreement

SCHEDULE I	System Backup
SCHEDULE J	Problem Report and Correction Form
SCHEDULE K	ACT Production Support Contact Information
SCHEDULE L	ACT System Service Components

7. SCHEDULE A SERVICES

Schedule A provides a detailed list of the Services that are to be delivered to HTO and identifies HTO's responsibilities to receive these Services.

HTO owns and shall maintain exclusive control of all of its records stored in the ACT System including data imported from external sources. ACT has no rights to HTO data but may gain access by complying with established Open Record Request procedures directed to the HTO Public Information Officer. ACT may utilize the HTO data stored within the ACT system as necessary to perform the services.

HTO will provide access to necessary resources and information in a timely manner to support ACT in delivering these Services.

7.1. ACT Responsibilities

ACT shall provide technical and analytical support for processing and reporting performed in any ACT System Service Component installed at HTO during the term of the Contract.

Current Business Areas include:

- a) Assessment & Freeze Processing
- b) Current and Delinquent Billing
- c) Electronic Batch & Online Payments
- d) Special Transaction Processing (such as reversals, returned items, agricultural-rollbacks, pro-rations & transfers)
- e) Batch & Online Receipting
- f) Refund Processing & Check Generation
- g) Collection & Monthly Reporting
- h) Jurisdictional Disbursement Processing
- i) Litigation Status Management
- j) Certified Tax Year and Annual Fiscal Rollover
- k) Hotel and Dealer Sales Filings
- l) In-bound and Outbound Data Exchange
- m) Master Data & Client Preference Maintenance
- n) User Security Management
- o) And any other processes or functions performed in ACT not itemized above

ACT Service Level Agreement

7.2. ACT Supplied Hardware and Third Party Software

- (a) ACT will be responsible for maintaining all Oracle components including product upgrades.
- (b) ACT will manage, acquire and administer all licenses and maintenance agreements related to the Oracle software toolset and ACT related hardware.
- (c) ACT will maintain the current level of hardware infrastructure and backup equipment to minimize downtime to HTO.
- (d) ACT will maintain hardware infrastructure for that hardware provided by ACT and the broadband connection between the hardware and the ACT facilities. HTO will be responsible for the maintenance of all other hardware owned by HTO and peripheral devices used by the ACT System throughout HTO operations. The management and maintenance of the HTO network and servers will be the responsibility of HTO.
- (e) A SOC 1, Type II examination will be performed by an independent consulting firm annually.

7.3. ACT Help Desk

ACT shall maintain and manage a Help Desk to support users at HTO.

7.4. Consolidation of New Jurisdictions

ACT will provide the necessary software and hardware (System) modifications to support the collection of ad valorem taxes for new jurisdictions consolidating into the HTO. ACT will perform data conversion activities in conjunction with HTO resources. ACT agrees to perform all necessary data conversion at a cost not to exceed the amount reflected in the Hosting Service Agreement (Schedule 1 - Fee Schedule).

7.5. System Modifications

HTO will make any request for System modifications in writing with sufficient specificity to identify the exact change being requested and the reason the change is necessary or desirable. HTO shall complete the ACT supplied template (see Schedule J) as well as other documents to complete the specification for the enhancement.

As requested by HTO, ACT shall work with HTO to implement other ACT System Service Components offered by ACT not currently installed at HTO.

ACT Service Level Agreement

ACT will maintain core development of application fixes and enhancements to the ACT System Source Code.

Reports used across clients developed within the ACT System will remain the responsibility of ACT.

HTO will develop and maintain user requested reports using an ad hoc reporting tool provided and licensed by ACT. ACT will be available to aid in this effort as needed. However, joint HTO and ACT report development using an ad hoc reporting tool will be mutually agreed upon in advance by both parties.

ACT System Object Fix(es) will follow the procedures outlined in Schedule C.

7.6. System Configuration Management

ACT shall maintain distribution rules, rates and commissions for TaxLedge as follows: HTO will deliver to ACT complete data for all changes in writing. These changes will then be inserted into the ACT System by ACT and approved by HTO before production usage.

ACT shall manage Global Code Preferences used throughout the ACT System.

HTO will maintain the HTO client Preferences code set. ACT shall support HTO in this activity as requested by HTO.

ACT will provide support to aid HTO in performing business requirements analysis and assisting in the specifications documentation of Software Change Requests.

ACT shall manage on-line system change request documentation. HTO approved requested updates shall be provided to ACT in writing (See Section J). While ACT cannot guarantee incorporation of all requested changes into the ACT System, each written request will be addressed in writing within a timely manner. (See Section H for response time.)

7.7. Security Administration

ACT shall add and maintain any HTO required security roles based on specifications supplied by HTO for the ACT System.

HTO shall setup and maintain User IDs for the ACT System. HTO, or ACT upon direction from HTO, shall assign users to roles.

HTO shall assign Entitlements to users for the ACT System.

As ACT enhances front-end security functionality to allow for HTO personnel to assume more security related responsibilities, HTO shall assume these

ACT Service Level Agreement

responsibilities, with ACT training and / or assistance as needed.

7.8. Training

ACT shall provide continuing product training as requested by HTO. ACT System training will be performed via Webinar. To ensure effective training, coordination of dates and class size will be agreed upon in advance by ACT and HTO. For any training to be provided on-site, HTO will provide facilities and required equipment to support the training.

Unless otherwise agreed between the parties, third party vendor training for HTO is the responsibility of HTO.

8. Schedule B SERVICES AVAILABILITY

Schedule B provides a list of the times and periods when the ACT System will be available to HTO.

Access to the ACT System should be available at all times except when essential maintenance to hardware or software is required. If it becomes necessary to interrupt service during Normal Business Hours, ACT will attempt prior notification to HTO unless the situation is critical in nature and could cause more damage if not handled immediately. As much as possible, interruptions will be scheduled to minimize any impact on users.

8.1. System Availability

ACT commits to 99% ACT System Availability during Normal Business Hours. ACT shall also provide this level of System Availability during Peak Business Periods. Upon request, ACT shall provide monthly reports summarizing System Availability and downtime using ACT provided system utilities. ACT will notify HTO of any unscheduled outage and resolve the issue as quickly as possible.

8.2. ACT Personnel Availability

HTO will provide ACT reasonable notice when ACT support is required outside Normal Business Hours. ACT will provide support as required under these situations.

8.3. Scheduled System Downtime

Scheduled downtime will be conducted outside Normal Business Hours and Peak Business Periods.

Scheduled downtime will occur on a weekly basis on Mondays from 5:00 AM – 5:30 AM CST. This scheduled downtime is required to conduct a weekly cold backup.

ACT Service Level Agreement

Planned downtime outside the Scheduled System Downtime may be necessary. ACT shall provide two (2) days advance written notice to HTO, unless the maintenance is deemed critical to system stability.

If HTO requires System Availability during ACT Scheduled System Downtime, HTO shall provide ACT with advance written notice. ACT shall strive to fulfill these requests.

8.4. Unplanned System Downtime

Upon identification or notification by HTO of an unscheduled event that reduces System Availability, ACT shall begin problem source identification and troubleshooting the problem within a 15-minute timeframe. ACT shall use all means at its disposal to keep HTO updated as to the status of the problem and the estimated time of the return of System Availability.

8.5. Back-Up Procedures

Backup procedures are performed as defined in Schedule I.

8.6. Disaster Recovery / Hardware Failure

Physical Redundancy: HTO's Primary System is replicated at the ACT Disaster Recovery Site (Standby System).

Power Redundancy: HTO is responsible for providing power to the HTO facilities and all equipment housed within it. The ACT Primary System is housed in a facility in San Antonio, Texas. This facility is equipped with a stand-by generator with sufficient capacity to continue to operate in the event of a power grid outage.

A fail-over to the Standby System will be initiated and managed by ACT. ACT will work to re-route HTO to the Standby System. HTO will provide technical assistance as needed.

Once the defect is cured on the Primary System, ACT will have 5 business days to restore Services on the Primary System by reloading its data from the Standby System

8.7. Disaster Types

Level 1 Disasters are defined as having low data impact, possibly high operations impact, but no continuity issues. These disasters do not put data that is on the database at risk. Level 1 disasters include:

Failure of the Router: ACT will troubleshoot and if it is determined that a new router is necessary, one of ACT's backup routers will be dispatched with an appropriately trained technician to install the new equipment.

Level 2 Disasters are defined as having medium to high data impact, possibly high operations impact, and potential continuity issues. ACT will focus to

ACT Service Level Agreement

minimize data loss. Level 2 disasters include:

Failure of the main HTO Primary System: Should a failure of the Primary System occur, the un-posted Data Guard logs would be posted to the Standby System that would become the Primary System. HTO would begin to receive Services from the Standby System.

Failure of an application server: There are multiple application server instances that facilitate HTO access to the Primary System. If one instance fails, the user would be required to restart the application which would redirect the user to the other application server instance.

Level 3 Disasters are defined as having high data impact, high operations impact and business continuity issues. Level 3 Disasters include: Major damage/loss of building and infrastructure, chemical or biological incident that makes the building inhospitable to employees, and a meteorological event that makes access to the building impossible for employees.

Whenever HTO cannot obtain Services from the Primary System and ACT determines that continued attempts to cure the cause of the Service interruption is not timely, ACT will utilize the Standby System to continue Services to HTO.

9. SCHEDULE C CHANGE CONTROL PROCEDURES

Schedule C provides information on the change control procedures to be followed for Software Problem or HTO requested changes to the ACT System.

9.1. Software Design Change Requests

HTO Software Change Requests shall be delivered to ACT in writing for consideration. (See Section J)

HTO shall provide a written specification identifying details of the requested change and reason for the change. HTO shall make key personnel available to discuss the requested change.

ACT shall evaluate the Software Change Request and perform a cost benefit impact analysis considering the HTO requirements as well as the impact on other ACT clients. ACT may share Software Change Request information with other clients.

If impact analysis yields a potential conflict with other clients, ACT will work with HTO (and all clients) to resolve in a mutually beneficial manner.

After HTO and ACT approve a Software Change Request, a target availability date will be scheduled that is agreed upon by parties and takes into consideration development and internal test timeframes.

ACT Service Level Agreement

After ACT develops and internally tests an Object Fix as necessary to meet the objectives of the Software Change Request, ACT will migrate the Object Fix(es) to the Test System on a weekly basis, unless a HTO emergency requires sooner action. In this environment, HTO will have the opportunity to test the Object Fix.

If an Object Fix involves a HTO specific object, for example, a tax statement, testing is limited to HTO.

HTO has the right to test any Object Fix and provide written test results to ACT in three (3) business days.

If HTO identifies a Software Problem, ACT will remediate the Object Fix and re-test before re-migrating it to the Test System.

If Software Change Request functionality or Software Problem(s) are identified during testing that were not in the original request scope, a new Software Change Request will be required and a new schedule of development will need to be discussed and agreed upon.

Once HTO verifies that the Software Change Request performs as expected, including successful execution of relevant transactions in the Test System to ensure no corruption of non-related functions, ACT shall migrate the Object Fix to the Primary System.

HTO will have the option to test all Object Fix(es) before migration to the Primary System.

ACT will not be obligated to approve any change request that ACT reasonably believes (i) does not conform to generally accepted industry standards or best practices, (ii) could adversely impact or materially degrade the performance of the ACT System, (iii) could adversely impact ACT's ability to meet its service level commitments or other obligations under this agreement, or (iv) could adversely impact other clients that use the ACT System. If ACT declines to approve a change request for any of these reasons, it will work with HTO in an effort to revise the change request in a mutually acceptable manner.

The ACT System warranty shall extend to all additions and modifications to the ACT System by ACT unless the modification has been requested by HTO and ACT has advised against the modification because of associated risks in so doing.

9.2. Software Problems

HTO shall provide ACT detailed information when reporting a Software Problem. Examples of relevant information include the date and time the problem

ACT Service Level Agreement

occurred, a detailed description of the issue in terms of impact on business processing, the process that was being performed within the ACT System when the error occurred, system error message received and the user ID operating the system. This information will be captured using the PRC form or a document template of similar nature which must be approved by HTO. (See Schedule J.)

Software Problems will be assigned a priority and resolved within the timeframe outlined in Schedule H.

Once ACT develops and internally tests the Object Fix for a Software Problem, ACT will migrate the Object Fix to the Test System. This migration will occur weekly on Monday nights outside Normal Business Hours.

Within three (3) days of the migration, HTO shall verify that the Object Fix is operating as needed. Unless a written notice of exception is received from HTO, ACT shall migrate the Object Fix to the Primary System on Thursday nights after Normal Business Hours, following HTO's three day review period.

If continued Software Problem(s) are identified with a particular Object Fix, ACT will correct and re-test before migrating the Object Fix back to the Primary System.

If a Software Change Request or Object Fix is rejected by HTO, the application code will be placed on hold or removed from the Test System and not migrated further to the Primary System. A PRC will be initiated on behalf of HTO in ACT's PRC system to track an Object Fix that will meet HTO needs and minimize code deviations across HTO and other client environments.

9.3. HTO Testing Timeframe

Time is of the essence in resolving Software Problems. HTO will test an Object Fix in the Test System according to the HTO test plan in accordance to the timeframes listed below:

Software Problem: three (3) working business days (generally Tuesday through Thursday).

Software Change Request: three (3) working business days, unless otherwise agreed upon by HTO and ACT (generally Tuesday through Thursday).

ACT shall migrate Object Fix or Data Fix to the Primary System unless a written exception is received from HTO.

ACT shall migrate Object Fix(es) to the Test System weekly. Exceptions to this practice would occur if a HTO generated high priority Object Fix is ready for HTO review.

ACT shall migrate Object Fix(es) weekly on Monday nights, as needed. HTO shall be provided three (3) days to test, i.e. Tuesday through end-of-day Thursday. HTO shall notify ACT in writing of a defect in any PRC by 4 PM Thursday. Unless HTO has notified ACT of a defect, ACT shall migrate these

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Object Fix(es) into the Primary System, also on a weekly basis, on Thursdays after Normal Business Hours.

10. SCHEDULE D SERVICE MONITORING AND PERFORMANCE MEASUREMENT

Schedule D provides detailed information on the monitoring of Services delivered to HTO and the Metrics and other means to be applied to measure the performance of the Services delivered.

10.1. Performance Monitoring

ACT shall have tools in place to be used to analyze performance issues.

HTO users who experience ACT System performance issues shall report such issues to HTO and ACT. ACT shall investigate reported performance issues. If the problem is identified as an ACT issue, performance tuning results and targets will be reviewed and approved and Object Fix(es) made as necessary.

If, after ACT investigation, ACT believes the underlying cause of the issue originates with HTO, the issue shall be turned over to HTO for further review or jointly reviewed by ACT and HTO.

Parties will review any non-compliance with performance expectations.

10.2. Software Problems

ACT commits to deliver within the specified timeframes. Schedule H outlines the delivery timeframe for Software Problem resolution. Processes covered under each Problem Priority level are outlined in Schedule H.

HTO will provide appropriate and timely turnaround to support ACT problem resolution efforts and timeframes listed in Schedule H.

10.3. Software Enhancements

ACT commits to deliver within the negotiated target dates associated with Software Change Requests.

10.4. Hardware Failure

Timeframes for recovery in the event of hardware failures are specified in Schedule B.

10.5. Remote Access to System

ACT cannot guarantee performance or response times on network links for which ACT has no control. As such, ACT does not guarantee response time

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performance Metrics for remote users, i.e. those defined as users accessing the System outside the HTO network. (HTO Branches are considered inside the HTO network.)

11. SCHEDULE E SERVICE LEVEL REPORTING

Schedule E provides information on the service level reporting provided by ACT.

11.1. Reporting

Within five (5) days of the receipt of a request from HTO, ACT shall provide HTO a summary listing of all open work orders (PRCs) including Software Problems, Software Change Requests and performance or hardware issues.

The report shall identify:

1. PRC identification number
2. PRC reported date
3. Original and current problem target completion date
4. Problem description
5. Current PRC status
6. Completion date

11.2. PRC System

ACT and HTO shall use ACT'S PRC system to manage and report Software Problems, Software Change Requests and Data Fix(es). PRC reports shall be updated and enhanced periodically by agreement of the parties.

11.3. Other Reports

ACT and HTO shall agree to other reporting requirements as needed.

12. SCHEDULE F SUPPORT & HELP DESK SERVICES

Schedule F provides information on the Support & Help Desk Services available from ACT. HTO shall have completed the HTO annual authorized personnel form which lists those individuals from HTO who are authorized to communicate work request to ACT.

12.1. Help Desk Operation

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ACT will staff a help desk with knowledgeable Tax System personnel and be available for assisting HTO from 7:00 AM through 6:30 PM CST Monday through Thursday and 7:00 AM through 6:00 PM CST Fridays, excepting holidays.

12.2. Problem Reporting

HTO shall communicate ACT System issues pursuant to internal HTO procedures. At the option of HTO, these issues will be presented to ACT via the ACT supplied Problem Report and Correction Form (see schedule J) or through the use of an internally developed HTO document that supplies the same information. The form will contain the problem description, who reported the issue and contact information, resolution priority, requested target date and backup documentation. ACT will review the form for completeness and assess the target date for feasibility. Once this process is complete, the unit of work will be assigned a PRC identification number, discussed in ACT's daily operational meeting, and sourced to an ACT resource for further review.

If a Data Fix is requested, HTO shall submit a work order to ACT with a proactive request for the Data Fix or if this is not the case, and a Data Fix is deemed necessary, ACT must have written approval from HTO before a Data Fix will be made to the Primary System.

For smaller (fewer than 10 minutes), non-critical type requests, such as cancelling a scheduled production job, HTO may submit an oral request to ACT. This type of request does not require backup documentation, a work order, or a PRC.

Critical priority items (i.e. AAA as defined in Section H) that affect System Availability or cause processing delays shall be directly communicated (verbally) by HTO to ACT. A PRC will be generated by ACT to track the issue.

12.3. Service Delivery

ACT can be available outside Normal Business Hours to perform emergency production support services. Contact information for ACT will be provided to HTO.

13. SCHEDULE G PROBLEM ESCALATION

Schedule G provides information on the Problem Escalation procedure to be applied to the Services.

13.1. Notification

ACT shall be notified of all Software Problems, no matter the level of priority via submission of a problem report (see schedule J).

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13.2. Status Reporting and Escalation

ACT shall contact HTO on a regular basis (at minimum every four (4) hours) during periods when System Availability is reduced to provide information related to the actions being taken to resolve the issue as timely as possible. In the event that an incident is not being resolved within the agreed timeframes, escalation procedures are outlined below.

ACT's Problem Escalation process assigns timeframes to contact varying management levels within ACT based on the severity of the problem and the amount of time the issue remains unresolved.

The Position levels 2, 3 and 4 configuration of timeframes outlined below shall apply when ACT exceeds the expected delivery timeframe (See Schedule H).

Resolution timeframes below are measured in hours and business days.

Problem Level	Position 1 (ACT Support / Help Desk)	Position 2 (Client Manager)	Position 3 (ACT Director)	Position 4 (Chief Executive Officer)
Priority AAA	15 minutes	1 hour	4 hours	1 day
Priority AA	1 hour	2 days	3 days	4 days
Priority A	4 hours	5 days	10 days	20 days
Priority B / Enhancements	8 hours	5 days	15 days	30 days

For example, ACT shall resolve a AAA (commonly known as "triple A") development/hardware issue within 15 minutes of the occurrence or missed deadline. If the item remains unresolved, the Client Manager shall be contacted. If, after one additional hour, the item remains unresolved or open, the Director of ACT shall be contacted and they must resolve the issue within four (4) hours. If the item still remains open, ACT's Chief Executive Officer shall be contacted for final resolution within one day.

14. SCHEDULE H PROBLEM PRIORITY RESOLUTION MATRIX

Schedule H provides information on the Problem Description and Issue Resolution to be applied to the Services.

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Resolution timeframes below are measured in hours and business days unless otherwise noted.

Priority	Resolution Timeframe (or as noted above)	Business Process Scope / Impact	Resolution Timeframe Calculation
Priority AAA Critical – Hardware	48 hours	a) Hardware/database/NetApp failure. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 15 minutes of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the production environment.
Priority AAA Critical - Software	72 hours	a) Posting of payments. b) Generating receipts. c) Generation of bills. d) Disbursement of funds. -A work-around does not exist. -Process delays are not acceptable.	Start Time: Within 1 hour of notification to ACT on-site Support/Help Desk. End Time: Introduction of fix to the test bed environment.
Priority AA High	10 days	a) Generation of refunds. b) Processing of CAD data. c) Posting of transfers & returned items. d) Monthly closeout. -A work-around may be available, but it is time intensive, or no work-around exists. -Process delays likely.	Start Time: Within 3 days of notification to ACT on-site Support/Help Desk. End Time: Introduction of problem to the test bed environment.
Priority A Medium	30 days	a) Cosmetic change to external reports or documents. b) Other items not listed above will be jointly defined by the HTO and ACT. -A feasible work-around is available to be performed on a limited basis. -Minimal process delays when work-arounds are in place.	Start Time: Case by case basis - dependent on complexity of issue. End Time: Introduction of problem to the test bed environment.

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<p>Priority B Low</p>	<p>60 days</p>	<p>a) Cosmetic change to reports or documents.</p> <p>b) Other items not listed above will be jointly defined by HTO Management and ACT Group.</p> <p>-A feasible work-around is available.</p> <p>-No process delays.</p>	<p>Start Time: Case by case basis - dependent on complexity of issue.</p> <p>End Time: Introduction of fix to the test bed environment.</p>
<p>Enhancements</p>	<p>Case by Case Basis</p>	<p>-HTO and ACT will mutually agree upon enhancement priority and delivery dates.</p>	<p>Start Time: Case by case basis - dependent on complexity of change request.</p> <p>End Time: Introduction of change to the test bed environment.</p>

15. SCHEDULE I SYSTEM BACKUP

All data shall be kept on the Primary System and shall be available on-line. When backup copies are made, they serve as a snapshot of the entire database. Each additional backup contains the previous history in addition to any changes to data since the prior backup. This procedure is in compliance with the State Comptroller's "Retention Section For Records Common to All Local Governments", Part 5: Electronic Data Processing Records. Should the Comptroller's requirements change, record retention schedule will be modified to remain in compliance with the State Comptroller's guidelines.

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The schedule outlined below may be modified upon agreement between the parties.

15.1. Daily backups

Server: Oracle DB Storage Server (Primary System)
Type: Full backup
Schedule: Monday: 5:00 am (cold backup snapshot)
Tuesday – Saturday: 5:00 a.m. (hot backup snapshot)
Monday – Saturday: 9:00 p.m. (snapshot backup to tape)
Contents: Production Environment for TCS, Tax Ledge, SIT and Hotel:
All Data, Archive Logs, and Bin DireHTOries (programs and
software on database server)
Media: Disk & Tape (copying snapshots to tape media)
Retention: 30 days

Server: Oracle DB Server; Oracle APP Servers
Type: Full & Incremental Backup
Schedule: Full Backup – Friday – 9:00 p.m.
Incremental Backup – Monday – Thursday – 9:00 p.m.
Contents: Operating System, Program files, Scripts, etc.
Media: Disk
Retention: 30 days

15.2. Monthly Backups

Server: Oracle DB Storage Server (Primary System)
Type: Full Backup
Schedule: Morning of the first business day of the new month
prior to HTO
business hours. Monthly backups shall occur at
1:00 am. Should this conflict with another backup scheduled for that
day, the monthly backup shall begin after the first backup is
complete.
Contents: 1) Production Environment for TCS, Tax Ledge,
SIT and Hotel on
Oracle DB Storage Server
2) SPOOL (USR2SPOOL) & IMAGES
(USER2HCTAX) volumes
on Oracle DB Storage Server
Media: Tape
Retention: 12 months

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15.3. Standby System

Server: Oracle DB Storage Server
Type: Full Backup
Schedule: Monday: Weekly 1:00 a.m. (cold backup snapshot)
Contents: HTO Production Environment data for TCS, Tax Ledge, SIT and Hotel
Media: Disk
Retention: 30 days

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16. SCHEDULE J PROBLEM REPORT AND CORRECTION FORM

Schedule J contains ACT's standard form to report problems and request fixes.

Create a PRC

PRCs are used to report system bugs or enhancement requests. To submit a new PRC to ACT, please fill in the fields below, then click the **Submit** button.

* indicates a required field

ACT Version: ACT 7.0	Date Reported: <input type="text"/>
* Client Name: <input type="text" value="Make a selection"/>	Person Reporting: <input type="text"/>
Attached Account Number:	* Type: <input type="text" value="Make a selection"/>
Date Needed(MM/DD/YYYY):	Priority: B <input type="text"/>
Additional Documentation Follows? <input type="checkbox"/>	Screen Name:
* E-Mail Address of Person Reporting:	
Supervisor E-Mail Address:	

* Brief Description of Requested Change (Characters: 0 / 1000)

The change description is limited to 1,000 characters; characters beyond this limit will be removed.

17. SCHEDULE K ACT PRODUCTION SUPPORT CONTACT INFORMATION

During Normal Business Hours the ACT Help Desk can be reached by email at acthelp@lgbs.com or by calling (877) 422-8829 or (210) 403-8670. Outside of Normal Business Hours critical problems can be reported to the ACT Help Desk by email at acthelp@lgbs.com.

18. SCHEDULE L ACT SYSTEM SERVICE COMPONENTS

This schedule describes the Service Components of the ACT System.

18.1. Base Tax Collection System

- Billing
- Collections
- Records Maintenance
- Reports and Correspondences

18.2. TaxLedge System

- Refund Check Processing
- Disbursements
- Bank Reconciliation

18.3. Special Inventory Tax System

- Escrowing and Billing
- Collections
- Reports and Correspondences
- Integrated with Taxledge to Process Disbursements

18.4. Licensing and Permits System

- Permit Issuance and Renewal
- Receipt Issuance
- Billing & Collections
- Reports and Correspondences
- Integrated with Taxledge to Process Disbursements

18.5. Hotel Motel Occupancy Tax System

- Filings & Billing
- Collections
- Reports and Correspondences

18.6. Offline Remittance Capture System

- Local Payment Processing & Receipt Generation
- Data Import to ACT System Post Failure Resolution

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18.7. Other Subsidiary Systems

- Customer Service
- Appraisal District
- Lockbox
- Mortgage Company
- Litigation and Enforcement
- Internet
- Appraisal District
- Image Integration

18.8. ACT software enables the following functions:

- Current and Delinquent Tax Collection
- Concurrent Collection of Multiple Taxing Authorities
- Supplements and Adjustments Processing (HB1010 Support)
- Online and Batch Payment Processing
- Refunds – (Requested, Automatic, Litigated and Prior Year)
- Special Exemptions
- Returned Mail Processing
- Jurisdiction Control
- Comments, Notes and Event Tracking
- Change Logging
- Delinquent Attorney Support
- Security and Recoverability
- Comprehensive Audit Trail
- Extensive Reporting System
- FTP Report Processing
- Tax Ceiling Management
- TIF / TIRZ processing
- Internet Payment by credit card
- Check & Document Imaging
- Internet Portfolio of Accounts
- Installment Contracts and Quarterly Payment Plans
- Ad Hoc Reports
- Lien Management
- In Bound and Outbound Data Exchange

18.9. Oracle Discoverer

In addition to the ACT System, the Oracle Discoverer application, developed by Oracle Corporation, shall be utilized for user defined reporting purposes. Oracle Discoverer is an intuitive ad hoc query, reporting, analysis, and web-publishing tool that allows business users at all levels access to information from databases. Discoverer's intuitive user interface guides the end user through the entire process of building and publishing sophisticated reports and graphs. Users can quickly and easily choose from multiple charting and layout options to rapidly create a visual representation of their query results.

EXHIBIT “A”

REQUIREMENTS

Hidalgo County Tax Office
“AUTOMATED TAX COLLECTION SYSTEM”

RFP NO: 2015-070-04-22

HIDALGO COUNTY TAX OFFICE
“AUTOMATED TAX COLLECTION SYSTEM”
RFP NO: 2015-070-04-22

The Hidalgo County Purchasing Department will receive sealed envelopes containing proposals for the provision of a Turn-Key “Automated Tax Collection System” as specified herein. Sealed proposals will be accepted until 9:30 A.M., Wednesday, April 22, 2015. ANY RFP RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.

Deliver Submittal to:
RFP Number: 2015-070-04-22

The Submittal Envelope Must Show The RFP Number, Name And Opening Date.

<u>US Postal Mail Address:</u> Martha L. Salazar, CPPB, Purchasing Agent Hidalgo County Purchasing Department Administration Building 2812 S. Business Hwy 281 Edinburg, Texas 78539	<u>Physical Address:</u> Martha L. Salazar, CPPB, Purchasing Agent Hidalgo County Purchasing Department Administration Building 2802 S. Business Hwy. 281 Edinburg, Texas 78539
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The following outlines the Request For Proposals:

SECTION I - GENERAL TERMS AND CONDITIONS

ADDITIONAL INFORMATION: Hidalgo County is requesting that “Request for Proposals” be routed to Martha L. Salazar, CPPB, Purchasing Agent, at: 2802 South Business Hwy 281, New Administration Building, Edinburg, Texas 78539. All inquires must be directed to hidalgo County Purchasing Agent, Martha L. Salazar. All responses will be distributed through Hidalgo County Purchasing Department.

WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE NO LATER THAN Wednesday, April 15, 2015, at 5:00 P.M. at (956) 318-2629. Responses will be sent to all applicants via facsimile by Friday, April 17, 2015. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

PROPOSER'S AFFIDAVIT:

Prior Contract award, respondents to this RFP must submit a signed Proposer's Affidavit (attached herein in **Exhibit E**) certainly that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit **NON-DISCRIMINATION:** Proposers, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

PROCESSING TIME FOR PAYMENT:

Proposer's are advised that a minimum of thirty (30) days is required to process invoices for payment.

ELECTRONIC TRANSMISSION OF BIDS:

Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

PROOF OF FINANCIAL AND BUSINESS CAPABILITY:

Proposer must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the proposer ability.

PROPOSER DEFAULT:

Hidalgo County reserves the right, in case of proposer default, to procure the articles or services from other sources and hold the defaulting proposer responsible for any excess costs occasioned thereby.

RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:

It is the responsibility of the proposer to review the Request for Proposal (RFP) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or proposer procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

HAND DELIVERED PROPOSALS:

Hidalgo County requires proposer, when hand delivering proposals, to make sure that it is stamped with date and time by the County Purchasing Staff.

SIGNING OF PROPOSALS:

In order to be considered all submittals **must** be signed. **Please sign the original in blue ink.**

WAIVING OF INFORMALITIES:

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

SUBCONTRACTING:

The successful proposer **may not** subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

DURATION OF CONTRACT: The Automated Tax Collection System ("System") must be available for installation/conversion upon award of the contract. The contract shall be for the period of five (5) years. Hidalgo County has the option to extend contract for two (2) additional years. Payment for System shall be billed in five (5) equal annual payments.

Hidalgo County reserves the right to continue this proposal for an additional one-hundred twenty days (120) "grace period" at the end of the contract term for unforeseen delay of award for the next term and contingent upon cost remaining unchanged. Additional requirements to be included in the contract are stated under **Exhibit "A" REQUIREMENTS/SCOPE OF SERVICES.**

DEFINITIONS:

For Purposes of this RFP:

"Operational" is defined as ready to be used and/or system implemented.

"Fully Balanced" is defined to mean that all reports, including payment history and unpaid balances for the last twenty years on the new system when loaded and must match exactly to the numbers on the old system as of the day of conversion for all jurisdictions.

LIQUIDATED DAMAGES:

Should the Services fail to be Operational and Fully Balanced by July 1, 2015, the County will be forced to continue to operate the current system at an approximate cost of One Thousand Three Hundred Dollars (\$1,300.00) per calendar day. Should Company fail to complete project within the stated time, the Proposer agrees to pay to County, as liquidated damages, the sum of One Thousand Three Hundred Dollars (\$1,300.00) per calendar day for each calendar day of delay until the project is completed and Operational and Fully Balanced.

DAVIS BACON ACT:

All selected and awarded firms are required to include the Davis-Bacon Act when advertising and developing specifications (if applicable).

SECTION II - RFP REQUIREMENTS

REQUEST FOR PROPOSALS:

The required contents and limitations for the preparation of the RFP are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFP. A total of **one (1) original and seven (7) copies** of the RFP shall be submitted to the address on the cover letter.

UNDERSTANDING OF THE PROJECT:

This section should demonstrate the proposer's understanding of the project needs, the services required, and any local issues or concerns. Briefly explain how long you have been organized and your business objectives. Explain how long you have been in business. This description should be concise, candid, and limited to 3 pages in length.

PROPOSER QUALIFICATIONS (IF APPLICABLE TO PROJECT):

Hidalgo County is soliciting to contract with a proposer who is qualified, licensed and certified. The proposer will directly perform the required services are required to have any and all applicable licenses, permits, credentials, qualifications to perform necessary services and must submit any and all applicable licenses, permits, credentials, qualifications with RFP. Photostat copies are acceptable.

PERSONNEL AND STAFFING:

The proposer should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided. Information regarding the proposer's credentials, education and experience with other entities is required and will be scored accordingly during the evaluation process.

REQUIRED CERTIFICATES AND SUBMITTAL:

This section will contain any/all licenses, registrations, permits, and certifications as required by the STATE OF TEXAS and HIDALGO COUNTY that you possess that deem you as qualified. **If proposer/vendor cannot meet any of the following services/responsibilities, such exceptions must be noted on the company's cover letter.**

PROPOSERS ARE TO PROVIDE A FEE SCHEDULE WITH THIS SUBMITTAL:

Proposer(s) is to provide a proposed fee on proposal page based on the Specifications, scope of services/work requested and label proposal page as Exhibit "B" - Proposal Page.

All/Any costs and expenses associated with the preparation and submission of (bids, proposals and/or quotes) shall be the responsibility of the proposer and not reimbursements for such charges or expenses shall be passed onto Hidalgo County. Hidalgo County has the authority to utilize State Contracts from its membership with their existing or new cooperatives when ever it is in the County's best interest to do so.

The County of Hidalgo is seeking to enter into a contract with a qualified vendor capable of providing the Tax Assessor-Collector with "TURN-KEY" Automated Tax Collection System.

1.0 GENERAL

- 1.1 Hidalgo County Tax Office (hereafter called "County") is requesting proposals from qualified providers (hereafter called "vendor") for a Texas-based ad valorem Tax Collection System that performs all assessment and collection functions in strict compliance with the Texas Constitution and all applicable laws, especially those requirements set forth in the Texas Property Tax Code, to be used in the tax assessing, collecting, and reporting applications. The existing Tax Collection System is currently meeting all requirements of the Hidalgo County Tax Office. County is nearing the end of the contract for that system and desires to insure that the best system available is procured to the benefit of the Tax Office.

The scope of this Request for Proposal (RFP) includes the acquisition, delivery, installation, conversion, training, maintenance and support of the new system and services.

- 1.2 The procured system and services must be a turnkey installation and include all necessary hardware and software to maintain or exceed the existing level of users and service.
- 1.3 The objective of this RFP is to obtain proposals that will provide County with application software and support services that are comparable or better in nature, quality, design, performance, reliability, and maintainability to the specification described.
- 1.4 Vendors are encouraged to respond with a solution that meets the specifications of this RFP. However, if a vendor believes that an alternative solution is available and would result in an improved solution that achieves the overall objective of this RFP, the Vendor is encouraged to submit such a proposal. Vendors should highlight and thoroughly describe the alternate solution with emphasis on any variance from the specification(s). Failure to list any such alternate solution shall mean the respondent has taken no exception and shall furnish a System in compliance with the specification(s) set herein.
- 1.5 **Vendors must arrange to visit the job site prior to submitting the RFP (Refer to Legal Notice, Page 3 #5). For arrangements please contact Yolanda Velasquez . @ 9956) 318-2626 ext. 4881 or via email: yolanda.velasquez@co.hidalgotx.us .Information pertaining to visit date, time and location will be given at the time appointment.**
- 1.6 A **Pre-Bid Conference** will be held on **Thursday, April 09, 2015@ 2:30 p.m.** at the Hidalgo County Purchasing Department (Conference Room), at 2802 S. Business Hwy. 281-New Administration Bldg., Edinburg, Texas 78539.

2.0 PERIOD OF CONTRACT AND LIQUIDATED DAMAGES CLAUSE

- 2.1 The System should be available for installation/conversion upon award of the contract. The vendor must guarantee conversion of current data with a 20 year history, be fully balanced and operational by July 1, 2015. This contract shall be for the period of five (5) years. Payment for system shall be billed in 5 equal annual payments. Hidalgo County reserves the right to continue this proposal for an additional one-hundred twenty day (120) "grace period" at the end of the contract term for unforeseen delay of award for next term and contingent upon cost remaining unchanged.

Proposer and County agree that any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) this contract is terminated without cause by County with the thirty (30) days written notice to the proposer.

- 2.2 **LIQUIDATED DAMAGES.** Should the Services fail to be Operational and Fully Balanced by July 1, 2015, the County will be forced to continue to operate the current system at an approximate cost of One Thousand Three Hundred Dollars (\$1,300.00) per calendar day. Should Company fail to complete the project within the stated time, the Proposer agrees to pay the County, as liquidated damages, the sum of One Thousand Three Hundred Dollars (\$1,300.00) per calendar day of delay until the project is Operational and Fully Balanced.

3.0 GOVERNING LAW

- 3.1 Proposer is advised that these requirements shall be fully governed by the laws of the State of Texas and that County may request and rely on advice, decisions and opinions of the Attorney General of Texas and the Hidalgo County District Attorney concerning any portion of these requirements.

- 3.2 This request for proposal is limited to an “Automated Tax Collection System” only. Any offer or proposal purporting to offer anything other than “Automated Tax Collection System” will not be considered and may, in fact, be grounds for disqualification from consideration or down grading of a proposal.

This request for proposal process is intended to comply with all applicable statutes, attorneys' general opinions and professional ethical considerations.

4.0 SCOPE OF WORK

TAX OFFICE ENVIRONMENT: The County collects for forty-six (46) tax jurisdictions for billing, collecting, and distribution of their respective tax revenues. The tax system maintains approximately 365,000 accounts with a twenty (20) year history containing approximately twelve (12) million tax unit records. The current tax system has approximately ninety (90) local in-house users including users at 5 remote substations. Our current system allows remote logins for one bank, eight title companies, and three law firms. An interactive web site is also maintained.

- 4.1 **TECHNICAL REQUIREMENTS:** The system must be based on current standard technology and the proposed solution must be fully compatible with other current technologies. It must be of such design to enable the vendor to make suitable future modifications as required by County. The vendor will provide and implement all future upgrades available to any of the vendor's other tax collection clients, that are in Texas, as part of the original purchase. All modifications, additions, or upgrades of the system will require the vendor to transfer all past and current data into the new system without additional cost to County. To this end, the following metrics must be met:

- A detailed and itemized list of all hardware and software being proposed.
- Must be compatible with current PCs, printers, and existing network setup. If not compatible vendor must submit a list of needed hardware and software, including price, of what will be needed to make the proposed solution a turnkey setup.
- Vendor must list all environmental requirements needed to house proposed solution's hardware, i.e. power requirements, humidity control, temperature tolerance, battery backup time and power levels, etc.
- Vendor must provide new computer hardware for ninety (90) workstations including PC's, printers, UPSs, cables, card readers, stands and bar code readers. County will require for vendor to provide three types of systems: Workstations, Power Users, and Administrative Users. Each type of system requirements will be attached to this RFP as Exhibits A-1, A-2 & A-3. County will need fifteen (15) Administrative systems, twenty-five (25) power user systems, and fifty (50) workstation systems. Vendor has ninety (90) days from the day the contract is awarded to deliver the new computer hardware.
- If vendor extends contract past the initial five (5) years, vendor will provide new workstations in accordance with how many years the contract is renewed. Example, if contract is extended for two (2) years County will receive thirty-six (36) new workstations.

4.1.1 Performance:

The system must support the major tax office business processes in a manner to allow for efficient operation of the tax office. To this end, the following metrics must be met:

- Load of new year tax data from appraisal district (2 days)
- Load monthly supplements and name change files from appraisal district (2 days)
- Generation of new year certified tax statements (12 hours)
- Generate end-of-day reporting (1 hour)
- Generate end-of-month reporting (3 hours)

- Fiscal period accounting roll-over (12 hours)
- Take a simple single account payment and print a receipt (8 seconds)
- Post lockbox type flat files (1hour)
- Import payment files that are in ms excel format

4.1.2 System Security:

The vendor is required to provide both a primary and backup server(redundant system). Servers should work in a manner that if the primary server goes down, the backup server continues to operate the system without interruption of service.

Both primary and backup servers shall be housed and maintained entirely by the vendor. Both servers should be housed in a secure facility that provides for uninterruptible power and equipped with electronic and physical security. Primary server and backup servers shall be housed in a geographic location that is not prone to natural disasters i.e., hurricanes, tidal floods, etc. Backup server shall be located at least 50 miles away from primary server to avoid being affected by local power outages, storms, etc., at the same time. Copies of audits, inspections, and/or certifications for the facilities shall be enclosed in the proposal. An onsite inspection of the facility will be made by the tax office staff prior to acceptance of the proposal.

- Vendor must provide written plan on how it intends to recover County operations within eight (8) hours from a complete system failure.
- As part of the contingency plan, vendor should have an offline remittance system that can continue taking collection payments and provide temporary receipts to customers.
 - This offline system must be net-workable where County system administrator can push updates and security login credentials to all needed workstations instantly.
 - The offline system should be able to update payment history with Tax collection System once it has been reestablished.

4.1.3 User Security:

- Security must be role based and managed by a tax office authorized employee via a standard user interface
- User IDs will inherit authorizations based on their role (or group). Changing authorizations due to change in duties should be a simple matter of reassigning the user id to the new role (or group)
- Password management should follow strict guidelines
- A combination of application and database security may be required to ensure data security
- The proposed system must provide for logging and viewing all data changes within the system
- Must be able to view system and user logs to see the user's history or activities.
- Must be able to customize rolls for each of our user groups.

4.1.3.a Please answer the following questions as thorough as possible for us to be able to evaluate your RFP.

- We have a windows based network with active directory and with established trusts with other county departments' active directories within our network, how would you prevent anyone from within the network that is not authorized to do so from gaining access to the data tables?
- How would you prevent anyone from the outside from compromising the data tables? In this scenario, we have given a title company a vpn portal to log into the system for inquiry

purposes. If that login and password gets compromised, how secure is your system to prevent anyone with inquiry only access from making changes to the tables?

- Does your system have an administrative console where we can see all users logged into the system? Does it track login attempts and lock them out after three unsuccessful tries?

4.1.4 Database:

- Hidalgo County currently operates Oracle and SQL SERVER Database Management System.
- The proposed system must provide for monitoring of database performance
- Public information requests should be handled by providing informative data to the end user that requires minimum operator intervention and that follows safe guidelines when dealing with confidential information.
- The system must handle confidential data with the highest sensitivity when dealing with public access, reports, and listings.
- You must maintain a website for the Hidalgo County Tax Information.
- The information you provide on your website must comply with what we currently provide our tax payers at this time. This includes providing paid history, Levy balances broken down by taxing unit. The ability to perform searches by name, address, account number, or appraisal district number. Tax payers should have the ability to pay their taxes online.

The System must provide a robust ad hoc reporting capability so that the Tax Office can create reports from any data in the system without the assistance, or intervention of the Vendor or Information Systems staff.

4.2 Additional system modules and integrations: County Tax requires that additional modules be included with proposal that are needed to maintain current office requirements.

4.2.1 Beer and Wine:

- County needs a module that meets all State requirements for the collection of Beer and Wine Tax.

4.2.2 Opex/rtlawrence compatible:

- County currently has the rtlawrence mass payment system for mail payments. Vendor must be able to accept payments file requirements from this system.

4.2.3 E-Checks:

- County currently has the ability to accept E-Checks through the County website using NACHA file format. Module should generate NACHA file and payment file. Website must be able to set-up multiple payments using scheduled payment option.

4.2.4 Credit Card Payments:

- System must be able to be compatible with County credit card vendor when accepting credit card payments in person or through the County Tax Office website.

4.2.5 Quick Books Enterprise:

- System must be able to import and export files with Quick Books Enterprise.

4.3 **STATEMENT PRINTING:** Each year approximately 365,000 statements and related mailings are produced. Printing is accomplished by generating a print tape and delivery to the current County printing vendor.

4.4 **APPLICATION SOFTWARE:** The County requires a high performance property tax system. The System must support role-based security. The System must be designed so that the end user does not have direct access to the database tables. The System must maintain all proper accounting controls, audit trails, and

transaction logs.

The System should provide ease of use facilities and provide consistent, user friendly access methods. The System should be user friendly so that the end user can operate the system productively. The System should have extensive search capabilities for timely account access. The System must maximize productivity and accuracy while minimizing redundant data entry.

Help and informational messages must be provided for all data fields. The messages must be displayed upon user demand and via hover help.

All data entered must be checked for validity and provisions made to correct any erroneous entries.

The System must comply with the Texas State Property Tax Code and all other laws pertaining to property taxation in the State of Texas and have continuing support for legislative mandates requiring implementation prior to effective dates. It must meet or exceed all existing office processes for tax assessments, collections, accounting, auditing and disbursement.

4.5 USER REQUIREMENT CRITERIA: Requirements include, but are not limited to:

Support consolidated assessment and collection functions for forty-six (46) taxing entities on approximately 365,000 current year accounts and total administrative, receivable, and transaction file containing approximately twelve (12) million records. Each tax account may contain multiple records for as many as the maximum number of units.

Provide real time update and tax collections for credit cards, e-check, and barcode readers. Support a minimum of ninety (90) workstations running Windows XP/Windows 7 and a minimum of ninety (90) printers simultaneously on-line.

4.6 PRIMARY FUNCTIONS: The contracted vendor must supply a vendor-hosted tax system that performs all assessment and collection functions in strict compliance with the Texas Constitution and all applicable state laws, especially those requirements set forth in the Texas Property Tax Code. All processes and forms produced must also meet the standards established by the state Comptroller's office. Reports must provide sufficient audit controls for all processes and conform to standards established by the Tax Assessor Collector. Rounding in the system must be consistent, limited in scope, and conform to levels established by Hidalgo County Tax Office rules.

There must be sufficient system security to identify the operator and date of every change of any type entered into the system. Every programming or data change entered by vendor's staff must have prior authorization by the Hidalgo County Tax Office management before entry into the production database. There must be an easily accessible log of all changes showing the data before and after the entry. This record must be system generated and unaltered by staff.

There must be controls that restrict operator's updating and cashiering capabilities according to County Tax Office rules.

System must have an area to enter notes or comments at the account level and capability to restrict access to this field. Key processing steps must produce system-generated notes.

There must be search capabilities to locate and retrieve account information by entering known data such as owner, situs location, DBA, tax suit number, partial account number or appraisal district number. Must be able to search payments by date and amount and identify fiduciary information from codes.

User must be able to retrieve data from the system for simple reports on demand.

System must include inquiry access to accounts via the Internet, with the ability to make electronic payment via the Internet with real-time updates of payments.

4.7 FINANCIAL REPORTING: The new tax system must provide an accounting package that will allow for modifications for future financial requirements. The accounting system must allow us to download daily tax collections, attorney fees, and miscellaneous fees. It must be able to reconcile payment transactions made by cashiers and tie them to the daily deposit. It must allow for the disbursement of funds daily, weekly, or monthly via wire transfer, check, or ACH to the taxing jurisdictions. It must be able to calculate and withhold the cost per account amount for each jurisdiction twice a year through remittances and also tie the figures into the monthly tax report.

The system must conduct the following:

- Must be able to upload and download files to Intuit QuickBooks Enterprise.
- Automatically load tax adjustment refunds and overpayment refunds.
- Provide the capability to manually enter tax refunds, special inventory refunds and escrow refunds.
- Be able to automatically print checks from all bank accounts.
- Be able to print a refund register (the picture before the checks are actually printed).
- Print a bank register which includes the check number, payee, payee address, check date, check amount, and type of refund.
- Be able to convert the bank register into an Excel spreadsheet and allow for an export file to be created to be forwarded to the bank for Positive Pay (provide the bank with a file containing the check number, check date, and amount for each of our bank accounts to clear checks as they are cashed).
- Be able to hold, delete, or process check requests (ad valorem, refund, special inventory, and escrow) once the file is loaded into the system for supervisor approval.
- Be able to void/cancel or reprint checks or to reuse check numbers (ad valorem, refund, special inventory, and escrow) once they are printed with supervisor approval.

The system must also produce:

- Detailed daily, weekly, monthly, and yearly reports for tax collections, escrow, special inventory, and miscellaneous fees by taxing jurisdictions.
- Summary reports for daily, weekly, monthly, and yearly tax collections, escrow, special inventory, and miscellaneous fees by taxing jurisdictions. All reports must have adequate cross checks to allow for reconciliation.

4.8 ASSESSING REQUIREMENTS: All appraisal district updates must be processed electronically for the current year and five (5) preceding years. Updates will affect various types of taxing units, which will have differing value and exemption data. These updates must adjust the tax receivables appropriately for all taxing units, postpone delinquency dates, and produce tax statement files and/or refund files, without intervention by tax office staff.

System must be able to automatically create, calculate, and print statements for agriculture rollback taxes as per Texas Property Tax Code section 23.55.

Summary reports after each update must show the adjusted year to date totals by taxing unit values, exemptions, and levy. The figures must be balanced to figures provided by each appraisal district to verify successful loading of data. Owner, location, and other administrative data must match the most recent information provided by the appraisal districts. System must allow manual overrides to correct receivables.

Users must be able to do “what if” scenarios, i.e. change value and exemption information in the system to determine the impact of such a change and provide estimated levy differences without actually changing the system amounts.

Every tax account must identify all taxing units levying a tax, the appraised and taxable value of the property within that unit, its exemption reductions, any special valuations, and its current calculated levy amount and beginning levy at the start of the fiscal year. There must also be a display at the account level summarizing data for all units combined.

- System must store previous account number information for research when dealing with account splits, account mergers, ag rollbacks and deleted accounts.
- System must have the capability to produce a tax certificate.
- System must produce an assessing Audit report that can be specific to an operator and date range. (modified receivable report sorted by operator)
- Online system must maintain multiple freeze records starting in various years for different units.
- System must automatically adjust receivables for penalties added per Texas Property Tax Code sections 25.25 and 23.431 and add interest on omitted property per section 26.09.
- The system must track when notices required by section 33.08 of the Texas property Tax Code are produced and adjust attorney collection penalties accordingly.
- System must produce tax statements in the same format for individual accounts upon demand, and files of large batches for mass mailings. The form, which includes graphics and special fonts, will be provided by the tax office. Multiple statements for the same taxpayer should be grouped. Statements mailed to fiduciaries should also be grouped. A record of statements generated should be maintained on each account. Vendor should be prepared to interface with the county's third-party vendor for mass mailings.
- Users must be able to produce single statements as of a prior month or later month on unpaid accounts.
- System must have adequate information to be able to prepare in a timely manner all forms required by contract or state law, such as mobile home tax reports for moving and tax sale bidders statements.
- How long will it take to load the certified data from 37 tax units and balance back to appraisal district?
- How long will it take to generate statements for customers, agents, and mortgage companies for 365,00 parcels?
- Must be able to track assessing modifications by operator.
- Must be able to track assessing modifications by batch.
- Need History and original receipts archived prior to any value changes.
- Must be able to track tax deferral start and end dates.
- Must be able to create a Statement of Location certificate and Tax Sales Certificate.

4.9 **TAX COLLECTION REQUIREMENTS:** All unpaid receivables must be tracked for every taxing unit for an unlimited period of time if under lawsuit, and up to twenty (20) years if not under suit. Paid in full accounts must be maintained on the system for a minimum of six (6) years. Each payment must be tracked with the actual date of posting of funds, effective date, and payer (including address) information. Users must be able to track the allocation of each payment to individual taxing units and to levy, penalty, interest, and collection fees. Delinquent taxes must automatically purge according to section 33.05 of the Texas Property Tax Code at 10/20 years. Purge reports must account for before and after figures by taxing unit to track removal of receivables.

Operators and batch jobs must be able to cashier all types of transactions for all years on the system.

These include, but are not limited to, partial payments, escrow, overpayments, adjustments that remove all or a portion of the receivable to uncollectable status, and litigation and bankruptcy payments that may include special interest provisions.

Payments may be a mixture of cash, credit cards, checks, money orders and online credit card payments. Each payment type must be tracked. End of day totals for cashiers should show cumulative totals for each payment type. Reports should be separated by cashier and location.

Individual payments may be made by cash, check, credit card, electronic check, and wire transfer. Payments and levy corrections must be automatically adjusted to tolerance levels set by the Hidalgo County Tax Office, with a sufficient audit trails for all transactions.

Cashiers must be able to process multiple accounts with one check or with multiple checks for one account.

System must permit real-time corrections of cashiering errors by a supervisor, but not allow cashiers to adjust transactions in their deposits or to work in another cashier's deposit.

System must have the ability to quickly transfer funds from one account to another, or from one year or one unit to another on the same account.

Effective dates of payment may be different than the actual date of cashiering. Both dates are to be tracked online and in reports.

Electronic check payments, credit card payments made via the telephone or Internet, lockbox payments, and mortgage company payments must be posted without intervention by tax office staff on the same day the file is received or as directed by the tax office. Mortgage company payments are made through an FTP file accompanied by paper check, or wire transfer of funds.

The lockbox processing solution must integrate check and coupon images directly into the system, which greatly facilitates research of payments for refunds. The lockbox process must support the non-remittance advice component, which allows the bank to deposit funds received without a coupon and forward this to the tax office electronically for processing.

System should support manual coding of quarter payment accounts and disaster accounts. For these accounts, it should extend the delinquency date according to the Texas Property Tax Code.

Penalty and interest should be automatically adjusted when a tax deferral is entered on the account.

Statutory collection fees must be automatically added to receivables at the appropriate time.

Delinquent installment payment agreements should be prepared through the system with a combination of manual data entry and system retrieval of account data.

The system should produce aging and default reports on these agreements and be able to transmit this report information electronically to the delinquent tax attorneys.

Collection of all fees should be tracked in the system.

Users must be able to generate a receipt and a duplicate receipt for every payment, showing the correct payer.

Must be able to process uncollectable accounts due to sheriff's sales or Bankruptcies.

System must be able to automatically generate an overpayment refund application.

Must be able to void one transaction on a multi payment and not void all payments.

System must be able to track and generate reports that can account for wrap up periods when a taxing unit changes delinquent attorneys. Reports must account for attorney fees for each of the law firms doing the wrap up.

System must generate Homestead Contract Agreements that meet state requirements.

System must keep image copies of all Certified Statements, Correction Statements and Supplement Statements for each account. These statements must be accessible from the general information screen of each account.

System must import attorney offline coding files. Each law firm is responsible for coding and uncoding their own litigation information to our accounts. This information is provided to tax office as a flat file that is uploaded and updates the County Database.

4.9.1 **VEHICLE INVENTORY TAX:** System must have a fully operational special inventory tax module that is part of the Tax Collection System and not its own independent database to simplify account research and updating. Funds collected in this module are held in escrow during the current tax year and disbursed at the end of each year. System must automatically calculate all penalties and overages and distribute these correctly according to Texas State Property Tax Code. This distribution must include entities for which the county does not normally collect. Various reports and letters are available.

4.10 **REFUNDS:** Both adjustment and overpayment refunds must be generated automatically by cashiering and update processes and process electronically through ledgers, check writing, and reporting.

The system must maintain a record of all payers tied to payments and tie refunds to payer. Refund request letters should be prepared through batch jobs submitted by type and date range.

5.0 **TRAINING:** During the conversion and testing phase, the vendor is to provide training of all users of the system at the Hidalgo County Tax Office location. The training should be conducted in modules specific to job functions and permission levels, so that an overview may be provided to basic users and more extensive information provided for advanced users. Users should be trained with a combination of written materials, demonstrations, and hands-on use of the system in a test environment. Parallel testing of specific functions will not begin until training in the function has been completed.

6.0 **REPORTS:** Vendor must be able to produce the following reports, or equivalent as a minimal standard:

A Late Rendition report that is prorated by entities and shows the split fee that is to be disbursed to the Appraisal District.

A balance reconciliation report for all rollbacks and reversals.

A report that shows, at the account level, the before and after image after updates. The data items reported are taxing units, values, exemptions, and levy.

A report that shows the differences between our records and the appraisal district's records when an update is processed.

A monthly summary report of supplements and cancellations by roll year and amount.

A monthly report that shows the summary of collections by roll year. It breaks out the amount of taxes due starting October 1 of each roll year, monthly adjustments, adjustments year to date, monthly levy paid, levy paid year to date, levy balance and percentage of collections. This report also has a separate line for the

current roll year adjustments, value and levy including the tax rate.

Beginning Tax Roll – This report can be generated by individual taxing unit or in a composite format (account number with all taxing entities). The report can be produced in both alpha and numeric format. The report provides the total number of accounts, land value, improvement value, total real property, total personal property, total appraised value, less agricultural exclusion, homestead exemption, over 65, cap, disabled, historic, disabled vet, survivor spouse, abatement, prorated, freeport, leased vehicle, total exemption amount, taxable value and actual levy.

The detailed report provides the account number, taxing unit/units, owner name, address, number of acres, type/amount of exemptions, appraised value, legal description, tax levy and roll year.

A report that lists the over 65 freeze and value information needed for the school district's annual reports to the Texas Comptroller's Office.

10/20 Tax Purge – This report lists the taxing unit number, roll year, account number, owner name, levy and amount due. This report generates a summary for each taxing unit in account number sequence how much was purged both real and personal. It also provides the number of accounts being purged.

A daily report that lists the status of all deposits opened for the day, by deposit number, deposit date, receipt date, status of deposit (open or closed), type of deposit, operator name, number of transactions processed, payment type (cash, check, or credit card) and the system date.

A daily report that lists the cashier checkout total summary. This report categorizes each clerk by deposit and location. It lists the operator id code, deposit number and a summary of collections by payment and type (cash, check, or credit card).

A Report that shows the loss to tax deferrals for the school district's annual reports to the Texas Comptroller's Office.

Deposit Detail Report - lists all transactions within a deposit showing amount, payment type and account to which transaction was posted and taxing units.

Reports that list the deposit distribution (collections, refunds, other fees, transfers and reversals) at the taxing unit level. The user can specify date ranges (daily, monthly, and yearly).

A report that shows a summary of what was processed by deposit number.

A report sorted by taxing unit showing a number of deposits processed.

A summary report that shows by taxing unit how much was collected in real and personal taxes.

A report by taxing unit that breaks-out the collections by roll year and the M&O and I&S rates.

A summary report by taxing unit that shows what monies were collected broken down by M&O and I&S rates.

A report by taxing unit that shows penalty and interest collected by roll year.

A report by taxing unit showing miscellaneous fees collected.

A report showing refunds generated.

A report showing County Education District collections.

A report that shows, at the account level, the before and after image after updates. The data items reported are taxing units, values, exemptions, and levy.

A report that shows all negative transactions, including reversals and transfers. Grand Totals should be provided.

A report that shows the distribution of maintenance and operations (M&O) funds by their various tax rates.

A report that shows an accumulative total of the two previous reports with grand totals on the last page.

A report that shows the penalty and interest collected for the specified date range.

A report that shows refund pending amounts taken from individual units for the specified date range.

A report that shows attorney fees collected for the specified date range.

A report that lists by tax unit, then by deposit and account number, the rendition penalty details for each account

Daily deposit detail report that lists all transactions by receipt date, or deposit date, and recaps distribution to taxing units.

A Fiduciary listings report that lists fiduciary contact information alphabetically, or in order by code number.

Top 50 Taxpayers Report. This report by jurisdiction lists the top 50 real and personal taxpayer's accounts and their accumulated levy.

Quarter payment coding report shows accounts under the quarter payment plan that are qualifying or not qualifying as of each payment due date.

Summary reports that show, by taxing unit, the year to date totals of values, exemptions, special valuations and levy, and tax rate and exemption amounts for the unit for the year.

Request of a report that can be used to process refunds. It can be run for various types of refunds, such as litigation, adjustment and overpayment. User can specify threshold amounts and date ranges. It shows the amount of refund by taxing unit, the total amount for the account, to whom the refund will be paid, where the funds were originally paid and if there are taxes due that should be collected before the refund is issued.

A daily report at the clerks level that shows refunds less than \$5.00 (TOP). It lists the account number, taxing unit number, roll year, receipt number, deposit number, amount of refund, cashier, type and deposit date. This report can be printed using date ranges.

Lockbox reconciliation reports that show all payments posted. Errors and exceptions such as tolerance or overpayments are shown in detail. Totals are given for each category of transaction.

A monthly report by taxing unit that shows taxes available for collections at base, at base plus P&I, and attorney fees at a given point in time.

Delinquent Tax Roll – The detailed report can be generated by individual taxing unit or in a composite format (account number with all taxing entities). The report provides a list of the account numbers, owner name, address, and number of acres, type/amount of exemption, appraised value, legal description, tax levy and balance by roll year. The report provides a summary page by taxing unit showing the levy amount, levy paid, and levy balance.

A report that tracks tax lawsuit and bankruptcy information added or removed from the system by law firm updates.

Tax Rate Chart must be prepared from data entered from ordinances, or orders submitted by the taxing units each year. It shows the taxing jurisdiction name and code, the total tax rate, all the exemptions allowed by the unit – whether local option or state mandated, and the dollar amount of levy reduction for the maximum exemption. This is verified each year before levy calculations. It must be approved and signed by the Tax Assessor Collector and is distributed to the public.

Tax Roll Statement – The statement lists the current roll year, number of accounts per category, market value per category, taxable value per category, freeze loss, total levy per category, tax rate, assessment ratio and the total tax rate. The statement summarizes the information by type (real, personal, mobile homes, minerals, intangibles, and vehicle inventory tax). This report is signed by the Tax Assessor-Collector and sent to the taxing units.

Miscellaneous financial accounting reports

A recap report to generate for a given month should take less than one (1) hour to generate.

A full DTR should take less than two (92) hours to generate.

A custom report from scratch should take less than two (2) weeks to generate.

System must allow DTR's and Recaps to be run from a trigger list.

System must allow statements to be generated from a trigger list.

System must generate complete bill listings.

System must allow us to input our own headers and notes to generated statements.

7.0 TESTING: County will conduct a series of rigorous tests on the selected solution after data conversion.

Structured tests will be conducted following functional scripts to verify that all required functionality is present and working correctly in the solution and that the data conversion has occurred successfully.

Parallel testing will be conducted using the solution to conduct everyday business in parallel with the current system to verify that the solution functions properly in the Hidalgo County environment at the required capacity.

Acceptance testing will be formally finalized with a successful execution of the structured test scripts on June 18, 2015. Vendor will be granted the opportunity to rectify any discrepancies identified in testing prior to the date specified for the formal acceptance test.

8.0 PROPRIETARY SOFTWARE: All proprietary software and documentation shall be placed in escrow located in Hidalgo County, Texas, with specific location approved by County, for future use by the Hidalgo

County Tax Office for maintenance and support of the Tax System in the event of a vendor default.

The vendor shall maintain software in the escrow to match the vendor's most current version of the software in use by Hidalgo County Tax Office.

9.0

WARRANTY, MAINTENANCE, AND SERVICE: Warranty of the system shall be for at least one (1) year from the date of formal acceptance. Upon warranty expiration, a software and hardware maintenance and service contract will be initiated.

On site training, maintenance, and support is required during the warranty period. For years two (2) three (3), four (4), and five (5) training, maintenance, and support shall be incorporated into the contract through a maintenance agreement, if County so chooses, with options for five (5) or more additional years.

Maintenance of the System must include:

Legislative changes

Software "bug" fixes

Latest software versions

Software Service of the System will include:

Hosting of the tax office system at the vendor data center

Special program enhancements defined by the tax office

Appraisal file processing from multiple appraisal districts

Interface with BANK lockbox system

Interface with mortgage escrow servicing companies

The system must guarantee 99% availability with a four (4) hour maintenance response time.

Vendor will provide a schedule of Maintenance and Support Costs associated with each component specified in the Cost Summary. The maintenance schedule must include the annual maintenance cost for five (5) years.

SECTION III: SELECTION AND SCHEDULES

A. SELECTION, EVALUATION AND RANKING

The RFP shall be submitted according to the schedule below. The County of Hidalgo is not required to select the proposal with the lowest fees, but shall take into consideration other factors, including past experience, evidence of good organization background, references, ability to provide requested services, and any other factors found necessary for quality services including a presentation of the proposed system. Hidalgo County will evaluate the proposal utilizing the evaluation criteria outlined in Exhibit "B" attached herein. Thereafter, Hidalgo County Commissioners' Court will rank and/or award this proposal. **Proposals will be granted on a 100-point system with emphasis on ability to service Hidalgo County including, but not limited to, the items listed below:**

- 10.1 County shall review all eligible proposals and, based upon this review, may schedule interviews and/or negotiation meetings. Proposals shall be evaluated on the following criteria:
- 10.1.1 **COST** 20 points
Payment for system shall be billed in 5 equal annual payments.
 - 10.1.2 **TECHNICAL REQUIREMENTS:** 20 points
 - Performance
 - System Security
 - User Security
 - Database
 - 10.1.3 **TAX COLLECTION REQUIREMENTS:** 20 points
 - Does proposal meet or exceed current system in place
 - Compatibility with requirements by taxing units and banking procedures
 - Reports
 - 10.1.4 **ASSESSING REQUIREMENTS:** 10 points
 - Does proposal meet or exceed current system in place
 - Compatibility with appraisal district data uploads
 - Reports
 - User audits and controls
 - 10.1.5 **FINANCIAL REPORTING/VEHICLE INVENTORY TAX:** 10 points
 - Does proposal meet or exceed current system in place
 - Is system compatible with QuickBooks Enterprise?
 - 10.1.6 **Maintenance, Training, Support and Service:** 20 points
 - Location of maintenance, training and support centers(s)
 - within CITY metropolitan area
 - outside CITY metropolitan area
 - Method of maintenance, training and service
 - on site very strongly preferred
 - by local phone, within CITY area codes(s)
 - by 800 or toll-free phone service
 - long distance
 - Hours of availability
 - emergency/hot line: 24 hours – 7 days a week
 - operational hours 8:00AM – 5:00PM CST
 - guaranteed response time
 - past performance response time – to include site visit

Exhibit “A-1”

WORKSTATIONS COMPUTER REQUIREMENTS

HIDALGO COUNTY TAX OFFICE

“AUTOMATED TAX COLLECTION SYSTEM”

WORKSTATIONS COMPUTER REQUIREMENTS

Dell OptiPlex 9030 AIO:

OptiPlex 9030 AIO BTX 9030BX

Processor:

Intel® Core i5-4590s Processor (Quad Core, 6 MB, 3.00 GHz w/HD4600 Graphics)

Operating System(s)

Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license)

Application Software:

Microsoft® Office Home and Business 2013, English, French and Spanish

Adobe® Acrobat® XI Standard, Digital Delivery

Memory:

8GB (2x4GB) 1600MHz DDR3L Memory 8G2D3

Hard Drive:

500GB 5400 rpm SATA Hard Drive 500G54

Video Card:

Intel® Integrated Graphics INT

CD ROM/DVD ROM:

8x Slimline DVD+/DR Drive 8DVDRW

Keyboard/Mouse:

English Wireless Keyboard and Mouse KBMSW8

Stands:

Integrated Basic Stand BSTND

LCD:

23 IN WLED Full-HD AIO Non-Touch Display NONTCH

Hardware Support Services:

5 Year Hardware Service with Onsite/In-Home Service After Remote Diagnosis NBD5

Business Essentials:

American Power Conversion BE750G Back UPS- 450 Watt A7000302

Exhibit “A-2”

POWER USERS COMPUTER REQUIREMENTS

HIDALGO COUNTY TAX OFFICE

“AUTOMATED TAX COLLECTION SYSTEM”

POWER USERS COMPUTER REQUIREMENTS

Dell OptiPlex 9020 Small Form Factor:

OptiPlex 9020 Small Form Factro 9SFFX

Processor:

Intel® Core i5-4590s Processor (Quad Core, 6 MB, 3.30 GHz w/HD4600 Graphics)

Operating System(s)

Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license)

Application Software:

Microsoft® Office Home and Business 2013, English, French and Spanish

Adobe® Acrobat® XI Standard, Digital Delivery

Memory:

8GB (2x4GB) 1600MHz DDR3 Memory 8G2D

Hard Drive:

500GB 3.5 inch SATA (7.200 RPM) Hard Drive

Video Card:

Intel® Integrated Graphics

CD ROM/DVD ROM:

8x Slimline DVD+/DR Drive 8DVDRW

Keyboard/Mouse:

English Wireless Keyboard and Mouse KBMSW8

Dell Monitors:

Dell UltraSharp 24 Monitor – U2412M

Hardware Support Services:

5 Years Pro Support with next Business Day Onsite Service

Business Essentials:

American Power Conversion BE750G Back UPS- 450 Watt A7000302

Exhibit “A-3”

ADMINISTRATIVE COMPUTER
REQUIREMENTS

HIDALGO COUNTY TAX OFFICE

“AUTOMATED TAX COLLECTION SYSTEM”

ADMINISTRATIVE COMPUTER REQUIREMENTS

Dell OptiPlex 9020 Small Form Factor::

OptiPlex 9020 Small Form Factor 9SFFX

Processor:

Intel® Core i7-4790s Processor (Quad Core, 8 MB, 3.60 GHz w/HD4600 Graphics)

Operating System(s)

Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license)

Application Software:

Microsoft® Office Home and Business 2013, English, French and Spanish
Adobe® Acrobat® XI Standard, Digital Delivery

Memory:

16GB (4x4GB) 1600MHz DDR3 Memory

Hard Drive:

500GB 3.5 inch SATA (7.200RPM) Hard Drive

Video Card:

AMD Radeon™ R7 250, 2 GB, Half Height, (DP and DVI-I)

CD ROM/DVD ROM:

8x Slimline DVD+/DR Drive 8DVDRW

Keyboard/Mouse:

English Wireless Keyboard and Mouse KBMSW8

Dell Monitors:

Dell UltraSharp 24 Monitor – U2412M

Hardware Support Services:

5 Year ProSupport with Next Business Day Onsite Service

Business Essentials:

American Power Conversion BE750G Back UPS- 450 Watt A7000302
Dell Portable Backup Hard Drive-1 TB

