

RESOLUTION NO. 469

A RESOLUTION REQUESTING APPROVAL OF COMPUTER ACQUISITION.

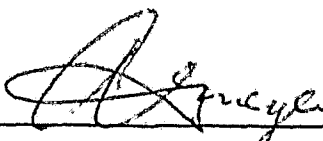
WHEREAS, the city staff has prepared a report on the above captioned subject which is attached hereto as Exhibit "A"; and

WHEREAS, the City Council has duly considered the subject and the recommendation(s) contained in the staff report; and


WHEREAS, interested parties, if any, have had an opportunity to be heard on the subject.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Wilsonville does hereby adopt the staff report attached hereto as Exhibit "A", with the recommendation(s) contained therein and further instructs that action appropriate to the recommendation(s) be taken.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 1st day of April, 1985 and filed with the Wilsonville City Recorder this same date.


A. G. MEYER, Mayor

ATTEST:



DEANNA J. THOM, City Recorder

CITY OF WILSONVILLE
MEMO

March 26, 1985

DATE

TO: Mayor and City Council

FROM: Ray Shorten, Accounting Director 

RE: "Computer Acquisition"

On January 21, 1985, City Council authorized Staff to advertise for request for proposals for a Computer System for the City.

In response to the advertising the following Vendors have submitted proposals for this System. (See attached cost comparison sheet)

1. Service Data Processing
2. N.C.R. Corporation
3. Information Network Systems

These proposals were reviewed by all the department heads.

All agreed unanimously to recommend Vendor #1 "Service Data Processing" proposal as being the best suited to fill the needs of the City.

Vendor #3 "Information Network Systems" was eliminated as the costs appear to be excessive.

Vendor #2 "N.C.R. Corporation" is very competitive price wise and offer an appealing proposal. However, the proven Software of Vendor #1 and the acquisition of their Software by nearly thirty (30) Cities in the State of Oregon causes us to lean towards this Vendor.

A complete copy of the proposals received are available in the office of the Accounting Director.

RECOMMENDATION:

1. Accept the proposal for Computer System submitted by "Service Data Processing" at a total cost of \$57,425.00 and \$3,365.00 on-site annual Maintenance of Hardware.
2. Approve "The Governmental Financial Agreement" submitted by Service Data Processing after being reviewed by Mr. Kohlhoff City Attorney.
3. Authorize funds budgeted in Fiscal Year 1984-1985 Budget in the amount of \$17,228.00 to be expended for initial payment on Computer System per terms of the agreement.
4. Approve lease purchase agreement of \$40,000.00 balance remaining on System.

Latest quotes from Municipal Leasing Firms will be available for the Council Meeting on April 1, 1985.

VENDOR #	VENDOR NAME	HARDWARE COST	SOFTWARE COST	SUBTOTAL COST	ANNUAL ON-SITE COST	TOTAL COST
1.	Service Data Processing	\$33,085.00	\$24,340.00	\$57,425.00	\$3,365.00	\$60,790.00
2.	N.C.R. Corporation	\$30,762.50	\$26,650.00	\$57,412.50	\$4,189.00	\$61,601.50
3.	Information Network Systems	\$76,624.00	\$27,940.00	\$104,564.00	\$3,744.00	\$108,308.00

GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT

Effective Date: _____

BETWEEN: SERVICE DATA PROCESSING, LTD. "SERVICE DATA"
2301 NW THURMAN
PO BOX 10364
PORTLAND, OR. 97210

AND: City of Wilsonville "CITY"
30000 SW Town Center Loop E
Po Box 220
Wilsonville, Or. 97070

Service Data is in the business of providing a computer system known as the "Governmental Financial System", comprising selected data processing and ancillary equipment and selected computer programs developed for use with that equipment. Based upon City's needs, Service Data has offered to purchase for resale to City the selected equipment more fully described in Schedule A of this Agreement, and City desires to purchase that equipment. Service Data is the owner of certain computer programs which Service Data itself has previously developed and is a sublicensor for certain computer programs which have been developed by third parties ("Licensors"), and has offered to license City to use those programs as part of the Governmental Financial System. Among those programs City desires to acquire a license to use the selected programs which are more fully described in Schedule B of this Agreement.

The parties have previously engaged in negotiations regarding this matter and have exchanged questions and information regarding City's data processing needs and the capabilities of the selected equipment and computer programs. In particular, City has supplied Service Data with information regarding the volume and type of transactions for which it desires data processing capability and its operational needs. At City's request, Service Data has prepared and submitted to City its Proposal, which is attached to this Agreement as Schedule C. In response to the Proposal City has

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requested Service Data to provide to it a Governmental Financial System. It is recognized, however, that the final System configuration, equipment sale price and software license fees, as well as the terms of sale and license, are governed solely by this Agreement.

NOW, THEREFORE, in consideration of the above premises and of the valuable consideration recited in Schedules A and B of this Agreement, the parties do mutually agree as follows:

1. Definitions.

1.1 The term "application program" means a computer program intended to perform a specific data processing task.

1.2 The term "Documentation" means any materials related to the Governmental Financial System and provided for use in connection with the System.

1.3 The term "enhancement" means any program, or part thereof, or documentation not included in the Licensed Software at the time of execution of this Agreement that is an improving modification to the Licensed Software.

1.4 The term "file data" means any aggregation of data sets for definite usage.

1.5 The term "Hardware" means the data processing and ancillary equipment to be delivered by Service Data and includes any system software supplied as listed in Schedule A.

1.6 The term "Licensed Programs" means computer programs licensed pursuant to Paragraph 3.1 of this Agreement.

1.7 The term "Licensed Software" means computer programs and documentation licensed pursuant to Paragraph 3.1 of this Agreement.

1.8 The terms "program" and "computer program" mean sets of instructions or statements which are machine readable by data processing or ancillary equipment.

1.9 The term "software" means computer programs and documentation.

1.10 The term "system" means the hardware and the software to be delivered.

1.11 The term "system software" means computer programs which control the operation of a data processing system and documentation related thereto.

1.12 The term "use" includes programming a computer, copying a portion of a program into a computer, or transmitting a portion of a program to a computer for processing the instructions or statements thereof.

2. Hardware Purchase.

2.1 City has reviewed and agreed to the Hardware configuration set forth in the attached Schedule A, and based on City's approval of the Hardware configuration, Service Data shall purchase in its own name the Hardware so described. Service Data hereby agrees to sell to City, and City agrees to purchase such Hardware for the price stated in Schedule A. The price is exclusive of freight and insurance, both of which shall be paid by City and will be invoiced separately. The price does not include local, state or federal sales, use, excise, personal property or other similar taxes or duties, and any such taxes shall be assumed and paid by City. The cost of site preparation and any supplies needed for Hardware operation shall also be paid by City.

2.2 The Hardware shall be shipped by ~~(AIR)~~ ^(SURFACE) freight at the expense of City to the installation site prior to installation. Service Data may prepay the shipment costs and charge those costs to City.

2.3 Risk of ^{casualty} loss or damage to the Hardware being sold hereunder shall become City's responsibility upon delivery to City's offices by the freight company.

2.4 City hereby grants to Service Data a security interest in the Hardware pursuant, but not limited, to the terms of the Uniform

Commercial Code as adopted by the State of Oregon [ORS 79.1070 (1)] for the performance by City of its payment obligations under this Agreement. Prior to the shipment of the Hardware, City shall execute such documents as Service Data shall reasonably deem necessary, including a Uniform Commercial Code financing statement, to evidence and enable Service Data to perfect a security interest in the Hardware.

2.5 Service Data warrants that title to the Hardware shall be good and marketable and shall be conveyed upon shipment by the Hardware manufacturer free and clear of all liens or security interest provided that Service Data shall retain a security interest in the Hardware until payment in full is received by Service Data.

3. Software License.

3.1 Service Data grants to City a personal, non-exclusive license or sublicense to use the computer programs described in Schedule B of this Agreement, and to use the Documentation associated with those programs, solely for City's own internal operation. This license or sublicense shall be binding on Service Data's successors and assigns. City shall execute such separate license agreements as may be required by a Licensor for use of its software in connection with the Governmental Financial System.

3.2 Service Data will provide City with a copy of the object code and full current documentation for each of the Licensed Programs, and enhancements. City may copy the Licensed Programs for its own use, provided that the original and any copies of the Licensed Programs, in whole or in part, shall be the property of Service Data.

3.3 City shall not have the right to use Licensed Programs with any Central Processing Unit other than that included in the Hardware designated in this Agreement unless it is approved in writing by Service Data. However, Service Data will not unreasonably withhold such approval. City may temporarily transfer the Licensed Programs to a backup data processing system for use while City's own System is in-operative until operable status is restored and processing on the backup system is completed.

3.4 Any enhancements to the Licensed Programs made by Service Data at City's request or otherwise shall be the sole and exclusive property of Service Data. City shall have a license to use such enhancements according to Paragraph 3.1 and 3.2.

3.5 Service Data shall have a non-exclusive royalty free right to use and sublicense any enhancements made by City to the Licensed Programs and, upon request, City shall provide Service Data with the source code, object code and full documentation for any such enhancements, without cost, which Service Data may copy and provide to others under a sublicense as needed.

3.6 Service Data warrants that it is either the sole owner of the Licensed Software, free and clear of any liens or encumbrances, or it otherwise has the right to grant a license to use the Licensed Software.

4. Protection of Service Data's Proprietary Rights.

4.1 City may not assign or sublicense the rights granted under Paragraph 3 to any other person. Service Data grants no proprietary rights in the Licensed Software to City.

4.2 City acknowledges that the Licensed Software is a trade secret, for the protection of which Service Data and Licensors have certain legal and equitable remedies. City shall take reasonable security precautions and all necessary steps to prevent disclosure of the Licensed Software to third parties, and shall not make unauthorized copies of the Licensed Software. City shall require all persons permitted access to the Licensed Software to sign a written acknowledgement of confidentiality of the Licensed Software and agreement to abide by the terms of this Agreement.

4.3 City acknowledges that Service Data holds the sole and exclusive copyright for at least that Licensed Software designated in writing by Service Data or bearing at the time of delivery a notice of copyright by Service Data. Placing of a copyright notice on any Licensed Software shall not be deemed a publication or placement in the public domain.

4.4 City shall not use the Licensed Software except in connection with the operation of the data processing activities described to Service Data prior to the date of this Agreement. Unless otherwise agreed

to in writing between the parties City shall not allow any other person to use Licensed Software if it shares time on the Hardware.

5. Delivery, Installation and Testing.

5.1 Service Data is responsible for the delivery and for the coordination of the installation and testing of the Hardware, and for the delivery, installation and testing of the Licensed Software.

5.2 Based upon industry practices, Service Data estimates that delivery of the Hardware can be accomplished within 30-60 days from signing of this Agreement, and that installation and testing of the Hardware can be accomplished within 15 days thereafter. However, City recognizes that delivery of the Hardware may be outside of Service Data's control, in which case the completion date of the System shall be extended by the period of time consumed by such delay. Service Data will notify the City of hardware manufacturer's estimated delivery date.

5.3 Installation, testing, and full implementation of the Governmental Financial System, including all application programs that are described in Schedule B, shall be accomplished in accordance with the timetable set forth in Schedule B. It is recognized that installation and testing of the System by the specified dates is subject to City meeting its responsibilities set forth in part 6 hereof.

6. City Responsibilities.

✓ 6.1 City assumes full responsibility for the operating environment in which the Hardware purchased under this Agreement is to function. Prior to Hardware shipment, City shall prepare the site for installation of the Hardware in accordance with the installation specifications set forth in Schedule D of this Agreement.

6.2 Service Data will coordinate and supervise the installation and testing of the Hardware, however, City understands and acknowledges that the installation and testing of the Hardware is its financial responsibility. Accordingly, prior to the actual estimated Hardware delivery date, City shall execute one or more agreements with the Hardware manufacturers or with some

other qualified person providing for the installation and testing of the Hardware. Service Data shall provide reasonable information available to it regarding such agreements available from Hardware manufacturers.

6.3 In any instances of contention for use of the Hardware Service Data shall have first priority for installation, testing and maintenance of the System.

6.4 City shall provide the following resources for Service Data's use in fulfilling the terms of this Agreement:

(a) One qualified City representative assigned to work with Service Data's representative on the installation, testing and maintenance of the System with appropriate authority to make decisions for City regarding the System. City understands that Service Data will rely upon the decisions of the representative having such authority;

(b) At least one qualified operator designated by City to be available at reasonable times for training in the operation and use of the System, and to enter data and operate the System for acceptance testing throughout the acceptance testing period.

(c) The availability of City's personnel upon reasonable request of Service Data to answer questions and advise Service Data regarding City's facilities, operations, and requirements; and

(d) Adequate office space at City's premises for Service Data personnel to perform their responsibilities.

6.5 City shall comply with all local, state, and federal laws respecting the use of the Hardware, Licensed Programs, and any other programs used with the Hardware, including payment of sales, use, inventory, or other tax, or license fees. If Service Data is required to collect or pay a sales tax upon the sale or delivery of any goods or services it sells, leases, or delivers to City, (that tax may or may not be included in the prices stated in Schedules A and B) City will pay when due the amount of such tax either to Service Data, or directly to the appropriate governmental entity with notice to Service Data.

7. Handbooks and Manuals.

Service Data shall provide to City as full and complete documentation without additional charge one copy each of the current operator's manuals for the Hardware and a current user manual appropriate for each of the Licensed Programs described in Schedule B, for each Paid attendee to Service Data training sessions. Service Data shall provide additional copies to City at Service Data's current market price if City requests the additional copies. The user manuals for Licensed Programs are subject to Paragraph 4 of this Agreement.

8. Acceptance.

8.1 Acceptance by City of Service Data's tender of the Governmental Financial System shall be comprised of the two distinct steps of approval of the Hardware and approval of the Licensed Programs, both of which are required for acceptance of the System. The parties intend that acceptance of the System by City will have the effect as to Service Data prescribed by the Uniform Commercial Code as adopted by the State of Oregon [ORS 72.6070] and in effect on the date of this Agreement.

8.2 City accepts Service Data's tender of the System on the earlier between the date City acknowledges in writing that the Hardware and the Licensed Programs are operating in a satisfactory manner, or the date determined pursuant to Paragraph 8.3. Acceptance by City of the Governmental Financial System need not be made until after installation and testing of the System, and shall be based solely upon the Hardware's ability to meet the performance standard described in Paragraph 8.4 and the System's ability to perform the work tasks set forth in Schedule E of this Agreement.

8.3 Service Data's tender of the Governmental Financial System will be presumed to be accepted either ten days after notice from Service Data that the Hardware and Licensed Programs are operating in a satisfactory manner or ten days after completion of the 90-day Hardware performance period as set forth in Paragraph 8.4, whichever shall occur later, unless before the end of the later such time period City has given to Service Data timely written notice pursuant to either Paragraph 8.4 or 8.5 that specifies in detail any alleged deficiencies in the actual performance.

8.4 Service Data shall notify City in writing when the Hardware is installed and tested and at least one application program from among the Licensed Programs is ready for use. If the Hardware meets the Hardware performance standard of this Agreement within 90 calendar days after such notification the Hardware shall be deemed approved. The Hardware shall be deemed to have met the Hardware performance standard if for any period of 30 consecutive calendar days the Hardware is operationally available on working days for use on an on-line basis 90% of the time (calculated by dividing the total time that the System is available for use on working days by the total working day time during the 30 day period, the working day running from 8:30 a.m. to 5:30 p.m., Monday through Friday, state and federal holdiays excepted). Unless Service Data is notified in writing within ten days after the 90 day Hardware performance period that the performance standard has not been met, the Hardware shall be deemed approved.

If the Hardware performance standard has not been met within 90 days of such notification City shall have the option of terminating the Agreement without penalty or continuing performance tests. City's option to terminate the Agreement shall remain in effect until such time as a successful completion of the Hardware performance period is attained. In the event City elects to terminate this Agreement, written notice shall be given to Service Data which states the alleged deficiencies of the Hardware, in accordance with the notice clause of this Agreement. Upon receipt of such termination notice, Service Data shall be allowed 30 days to cure any such deficiencies, in which case the Hardware shall be deemed approved. If Service Data cannot cure any actual such deficiencies within 30 days the contract will be terminated. Upon termination Service Data will pick up all Hardware and Licensed Software, returning full payment to City for the purchase of the Hardware and licensing of the software.

8.5 Service Data shall notify City in writing when a Licensed Program is installed, tested and has been run in one full production cycle. Upon such notice City shall, within ten days, evaluate the Licensed Program. If the Licensed Program is able to perform the work tasks set forth in Schedule F of this Agreement is shall be deemed approved. Unless within these ten days Service Data is notified in writing that the Licensed Program fails to perform a required work task the Licensed Program shall be deemed approved.

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If any such Licensed Program fails to perform a required work task City shall have the option of terminating the Agreement without penalty or requesting Service Data to correct any alleged deficiencies. City's option to terminate shall remain in effect until such time as successful completion of the required work task has been attained. In the event City elects to terminate this Agreement, written notice shall be given to Service Data which states the alleged deficiencies of the Licensed Program, in accordance with the notice clause of this Agreement. Upon receipt of such termination notice, Service Data shall be allowed 45 days to cure any such deficiencies, in which case the Licensed Program shall be deemed approved. If Service Data cannot cure any actual such deficiencies within 45 days the contract will be terminated. Upon termination Service Data will pick up all Hardware and Licensed Software, returning full payment to City of the purchase of the Hardware and licensing of the software.

9. Payment.

9.1 Upon execution of this Agreement City shall pay **17,228** (30% of total of hardware, system software, software license, training and installation fees) in advance to be applied toward the purchase of the Hardware. Within either 10 days following the Hardware invoice or date that the Hardware is installed and Service Data has notified City that it is ready for use, whichever is later, City shall pay the balance, **17,207**, of the Hardware purchase price.

9.2 For the Licensed Programs and support services set forth in Schedule B City shall pay **17,244** (75% of software license, training and installation fees) due at the same time as the Hardware installation payment set forth in Paragraph 9.1, and the remaining balance **5,746** (25% of each individual license, training and support fee) shall be paid at the time of successful performance for each of the corresponding work tasks set forth in Schedule E of this Agreement.

9.3 If any payment is not paid when due and such default continues for a period of ten days, Service Data shall be entitled to collect, and City agrees to pay, in addition to the Hardware purchase price and software license fees, interest at one and one-half percent per month until the amount due is paid, and collection costs, including reasonable attorney's fees.

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9.4 In the event that City cancels any portion of the Hardware prior to delivery, or reschedules delivery of the Hardware, City agrees to pay the following cancellation or rescheduling charges based upon the number of days prior to scheduled delivery that written notice of cancellation or rescheduling is actually received from City:

Days Prior to Scheduled Delivery	% of Hardware Price
90 - 61	10
60 - 45	15
44 - 31	25
30 or less	35

City shall also reimburse Service Data for the unrecoverable portion of any license fee Service Data has had to pay to Licensors for Licensed Programs that City cancels after Service Data has ordered any such program on City's behalf.

10. Maintenance and Support.

10.1 City understands and acknowledges that maintenance of the Hardware is its responsibility. Accordingly, City shall execute one or more maintenance agreements for the Hardware, as necessary, with the Hardware manufacturers or with some other person qualified to maintain the Hardware, which agreements shall be effective upon delivery of the Hardware and shall remain in effect during the term of this Agreement. Service Data shall provide reasonable information available to it regarding maintenance agreements available from the Hardware manufacturers.

10.2 Subject to availability Service Data shall provide City with improvements and modifications to the Hardware at the prevailing market price.

10.3 Unless otherwise set forth herein, all expenses necessary to provide such support including travel, telephone, out-of-town meals and lodging will be paid by the City upon receipt of invoice.

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10.4 Service Data shall provide education and training as specified in proposal for licensed application programs. Service Data shall provide an initial allowance of direct support for System installation, additional training and consultation. Any additional support time provided shall be approved in advance by City. Unless otherwise set forth herein, no program modifications are included in this support time except those modifications deemed necessary by Service Data to meet the work tasks set forth in Schedule E of this Agreement.

10.5 For a period of one year following the date of this Agreement Service Data shall correct any programming errors in the Licensed Programs and System programs at no labor cost to City. If City requests on-site error correction City agrees to pay reasonable expenses for travel of Service Data personnel to the site of City's System. During this period Service Data shall also provide City with enhancements, as designated by Service Data, to the Licensed Software (which shall then become part of the Licensed Software) at no additional cost.

10.6 After one year following the date of this Agreement Service Data shall provide the services and enhancements in accordance with Paragraph 10.5 for consecutive one-year periods provided that City pays Service Data in advance of each such period an annual license fee. Such annual license fee is subject to change. It is based upon the number of licensed programs provided to the City.

10.7 Service Data shall be deemed notified of program errors when actually contacted by telephone or telegraph, or upon actual receipt of a letter. Service Data shall respond within ⁶~~96~~ hours on-site should the urgency require, as reasonably determined and requested by City. Reponse is limited to normal business hours (8:30 am to 5:30 pm) Mondays through Fridays, weekends and state and federal holidays excepted.

10.8 Service Data will be available for additional support services either on a contractual or on a time and materials basis as needed by City at Service Data's current market price. City agrees to on-going Production Support Services beginning at the time of software delivery and continuing until 90 days written notice by either party.

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11. Warranties and Limitation of Warranties.

11.1 City warrants that the information which it has provided Service Data respecting its current operations is complete to the best of City's ability to accumulate such information. Service Data has assessed the information which City has provided and, applying its expertise in the field of data processing, has recommended the Hardware to City to be adequate for City's present purposes using the Licensed Programs listed in Schedule B. This determination and consequent recommendation are valid only to the extent City has projected accurately its transaction volumes in its estimates to Service Data and does not constitute a warranty that the System will accommodate any expanded needs the City may develop. City acknowledges that if it expands the data to be processed to a greater degree than estimated, adds programs beyond those specified in Schedule B, or requests an enhancement of the Service Data programs, the capacity of the System the City purchases by this Agreement may not be sufficient for City's expanded demands.

11.2 Service Data warrants that all the equipment described in Schedule A, when initially installed, will be new and in good working condition. Service Data makes no warranty, expressed or implied, respecting the performance of the Hardware, except that the Hardware is suitable for the purposes for which it was sold.

11.3 Service Data warrants to City that the manufacturer of the Hardware has in turn warranted to Service Data that the Hardware is free of defects in materials and workmanship and conforms to the descriptions of the Hardware in which the manufacturer has given to Service Data. The manufacturer has further warranted that use of the Hardware by Service Data or its customer will not infringe any patent or give rise to an obligation on the part of the user to pay royalties to any party. Service Data assigns to City all of Service Data's rights and remedies under these and all other warranties, expressed or implied, which the manufacturer has made to Service Data respecting the Hardware that City purchases.

City appoints Service Data, who accepts, to serve without additional compensation as City's agent to negotiate with the manufacturer of the Hardware to attempt to obtain performance or other remedy under the manufacturer's warranties.

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11.4 Service Data warrants that Service Data programs conform to Service Data's express written representations and are free of substantial defects. If any person other than Service Data is granted access to the Licensed Programs, any warranty may, at Service Data's option, immediately become null and void.

11.5 Service Data DISCLAIMS ALL OTHER WARRANTIES RESPECTING THE HARDWARE AND LICENSED PROGRAMS, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. SERVICE DATA FURTHER DISCLAIMS ALL TORT LIABILITY, EXCEPT LIABILITY FOR ITS OWN NEGLIGENCE. THESE DISCLAIMERS APPLY TO SERVICE DATA EVEN IF THE HARDWARE IS SOLD IN A DEFECTIVE CONDITION UNREASONABLY DANGEROUS TO CITY OR TO CITY'S PROPERTY, BUT THE PARTIES DO NOT INTEND THESE DISCLAIMERS TO LIMIT CITY'S RIGHTS AGAINST THE MANUFACTURER OF THE HARDWARE.

12. Confidentiality.

Service Data agrees to maintain in strict confidence all information City has given or hereafter gives to Service Data concerning City's operations. If an error in the Licensed Programs causes City inadvertently to disseminate information about City's operations to persons unauthorized to receive such information, such dissemination shall not constitute a breach of this paragraph.

13. Patent and Copyright Protection.

13.1 Service Data shall fully indemnify City for, and hold City harmless from, any claim by a third party that City's use of the Licensed Software or a combination of the Licensed Software and Hardware infringes any proprietary right of, or creates any obligation to pay royalties to, the third party, and shall defend City against such claim if City so requests, provided that City shall give Service Data prompt written notice of such claim and full right and opportunity to conduct a defense thereto, together with full information and all reasonable cooperation, and further provided that the claimed infringement does not result from software or hardware not furnished hereunder.

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13.2 If, in Service Data's opinion, the Software or Hardware hereunder are likely to, or do become, the subject of a claim of infringement of a United States patent or copyright, then without diminishing Service Data's obligation under Paragraph 13.1 Service Data may, at its option, substitute for the alleged infringing Software or Hardware other equally suitable Hardware or Software or, at Service Data's option and expense, obtain the right for City to continue to use such Hardware or Software.

13.3 If the use of any Hardware or Software by City shall be prevented by permanent injunction and an equally suitable substitute cannot be provided by Service Data, Service Data agrees to take back such Hardware and Software and refund any sums that City has paid Service Data under this Agreement.

14. Offers of Employment.

14.1 City agrees that it will not offer to employ any employee of Service Data between the date of this Agreement and the conclusion of six months from the date of acceptance of the Governmental Financial System.

14.2 City agrees that it is impossible accurately to estimate the damage that Service Data would suffer as a consequence of a breach of Paragraph 14.1. Therefore, the parties agree that upon breach of Paragraph 14.1, City shall pay to Service Data, as liquidated damages and not as a penalty, twelve times the salary that Service Data paid or would have paid the employee for the month in which the City made the offer. The parties affirm that such liquidated damages would reasonably approximate just compensation for the damage such a breach would cause.

15. Remedies for Service Data Breach.

15.1 Service Data shall not be liable for special, incidental, or consequential damages for breach of the warranties of Paragraphs 2.5, 3.6, or 11.

15.2 Service Data specifically shall not be liable for any damages out of the loss of file data due to a malfunction of the Hardware or an error in the Licensed Software.

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15.3 In any dispute between the parties to this Agreement that results in a court proceeding, the prevailing party shall be entitled to recover the cost of the action or suit and reasonable attorney's fees, as established by the court, at trial and on appeal.

16. General Provisions.

16.1 This Agreement is effective as the "Effective Date" shown on the first page hereof.

16.2 Neither party shall be liable for any delay or failure in performance under this Agreement resulting from a cause beyond its control, including a delay caused by the manufacturer of the Hardware, unless such cause was reasonably foreseeable and the party obligated to perform failed to take such commercially reasonable action to mitigate the effects of the cause as would have enabled it, had it taken the action, either to perform as agreed or to perform with less delay.

16.3 This Agreement expresses the entire understanding between the parties as of the date first above written and supersedes all prior proposals, agreements, or understandings, whether written or oral, except those schedules attached as part of this Agreement. This Agreement may be modified only by a writing signed by the party to be charged.

16.4 If any provision of this Agreement is determined to be invalid or unenforceable, the parties intend that the remaining provisions shall continue to have full force and effect.

16.5 Any notice required or permitted by this Agreement shall be in writing, Paragraph 10.6 excepted. A notice is "given" on the earlier date between the date the party notified actually receives it or the date when the party giving the notice posts the notice by registered or certified mail addressed to the address of the party stated above, or such address as the party by notice has informed the other party that it will receive notices.

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16.6 The parties agree that this Agreement is to be interpreted according to the laws of the State of Oregon.

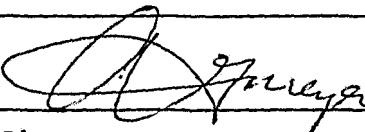
IN WITNESS WHEREOF, Service Data and City have caused their duly authorized representative to set their respective hands as of the day and year first above written.

"SERVICE DATA"

SERVICE DATA PROCESSING, LTD.

By: _____
Signature Title

"CITY"

By:  MAYOR
Signature Title

By: _____
Signature Title

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HARDWARE CONFIGURATION

Qty	Model No.	Description	Purchase Price	On-Site Annual Maintenance
2	B26-WS4	Master workstation, 8MHz INTEL IAPX 186 processor with 512KB CPU, printer port, (1) RS422 and (2) RS232, X-bus connection, power supply w/cord, display, keyboard, 10MB winchester disk with 630KB diskette, power supply w/cord for disk.	\$14,660	\$1,460
1	B25-MX3	10MB expansion disk (total-20MB)	2,695	277
1	B25-PS	Power supply with cord for expansion disk.	225	
2	B26-WSI	Cluster workstation, 8MHz, INTEL IAPX 186 processor with 512KB CPU printer port, (1) RS422 and (2) RS232, X-bus connection, power supply w/cord, display and keyboard.	7,300	730
2	AP1351	200CPS matrix printer with correspondence/graphics print	5,040	598
1	AP1305	55CPS letter quality printer	2,865	300
1	PC-051	50' cluster cables	300	---
		TOTAL HARDWARE	\$33,085	\$3,365
SYSTEMS SOFTWARE				
1	B26-ST4	BTOS master operating system		
	B26-MS4		\$ 500	
1	B26-1S4	ISAM	100	
1	B20-CBT	COBOL compiler	750	
		TOTAL SYSTEMS SOFTWARE:	\$ 1,350	

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CITY OF WILSONVILLE

GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT
SCHEDULE A

TOTAL HARDWARE SUMMARY

	Purchase Price	On-Site Annual Maintenance
Finance Department/Administration	\$19,435	\$ 1,971
Building/Planning/Public Works	13,650	1,394
System Software	1,350	-----
Total H/W Costs:	\$34,435	\$ 3,365

Date:

Initialed:

ML7

Initialed:

This Schedule has effect only as part of the GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT of the same date to which it is attached.

CITY OF WILSONVILLE

SCHEDULE B SOFTWARE AND SUPPORT COSTS

Description	Initial License	Training	Install Support	Annual License	Production Support
General Ledger/Financial Reporting	2,000	300	500	150	360
Budget and Revenue Control/ Allotments	2,000	300	500	150	360
Budget Preparation/ Expenditure History	1,600	300	300	100	300
Accounts Payable/Cash Management	2,000	300	500	150	360
Utility Billing/Receivables	2,700	900	1,000	200	480
Fixed Assets	200	600	1,000	150	300
Burroughs WRITEone Wordprocessing	650	600	300		350
Burroughs Multiplan spreadsheet	250	(1)	300		
PDS-Adept Database Management (For Inventory control, report writer and future applications)	1,890	1,000(2)	1,000	200	480
TOTALS	\$13,290	\$4,300	\$5,400	\$1,100	\$2,990

- * Installation support includes direct technical support up through live production.
- ** Annual license fee includes renewal of software warranty and all program enhancements. Payable first anniversary and each year thereafter.
- *** Production Support Services includes unlimited direct technical support to keep your system in production. Annual fee-payable 90 days from installation of hardware and each year thereafter.
- (1) Multiplan includes a tutorial therefore no training is required.
- (2) Includes training for 2 city personnel.

EFFECTIVE DATE:

INITIAL *ML7*
INITIAL

This Schedule has effect only as part of the GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT of the same date to which it is attached.

GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT

BURROUGHS B-25 SPECIFICATIONS

SCHEDULE D

PHYSICAL SPECIFICATIONS

Size of the B25 Modules:

MODULE	HEIGHT		WIDTH		DEPTH		WEIGHT*	
	In.	cm.	In.	cm.	In.	cm.	Lbs.	Kgs.
B26-CPU	8.00	20.32	5.75	14.61	12.00	30.48	12.0	5.46
B26-256	6.75	17.15	6.75	17.15	.75	1.90	1.0	.49
B25-D1	12.00	30.48	12.25	31.12	12.00	30.48	21.0	9.55
B25-K1	1.18	30.00	18.00	45.72	9.00	22.86	5.0	2.27
B25-M1	8.00	20.32	5.75	14.61	12.00	30.48	15.0	6.82
B25-M3	8.00	20.32	5.75	14.61	12.00	30.48	14.0	6.36
B25-MX3	8.00	20.32	2.52	6.40	12.00	30.48	10.0	2.73
B25-MU3	8.00	20.32	4.60	11.68	12.00	30.48	7.7	3.50
B25-GRA	8.00	20.32	2.52	6.40	12.00	30.48	5.0	2.27
B25-D3	15.00	30.10	13.75	34.93	15.00	30.10	27.0	12.27
B25-PS	3.00	7.62	4.50	11.43	10.50	26.67	5.0	2.27

*Shipping Weight

CABLE LENGTHS

AC Power Cable

6.5 Feet
1.98 Meters

DC Power Cable

6.0 Feet
1.83 Meters

Processor to Video

16 feet
5.30 meters

Keyboard to Monitor

14 Inches or 35 cm Coiled
6 Feet or 1.83 Meters Extended

Cluster Cable (RS422)

50 Feet
15.24 Meters

Maximum Cluster Length

1200 Feet
366 Meters

Page One

Date: _____

Initialed: DL7

This Schedule has effect only as part of the GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT of the same date to which it is attached.

GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT

BURROUGHS B-25 SPECIFICATIONS

SCHEDULE D

ELECTRICAL SPECIFICATIONS

AC Power:

60 Hz. +/- 0.5 Hz. (U.S./International)
50 Hz. +/- 0.5 Hz. (International)

Voltage:

85 to 130 Vrms (U.S./International)
170 to 260 Vrms (International)

AC Power Requirements:

B25 System with one (1) Power Module

150 Watts 2.5 Amps (U.S./International)
1.2 Amps (International)

B25 System with two (2) Power Modules

300 Watts 5.0 Amps (U.S./International)
2.5 Amps (International)

B25 System with three (3) Power Modules

450 Watts 7.5 Amps (U.S./International)
3.8 Amps (International)

B25-D3 15" Color Display

100 Watts 2.0 Amps (U.S./International)
1.0 Amps (International)

TEMPERATURE AND HUMIDITY

Operating Temperature:

10 C to 40 C
50 F to 104 F

Non-Operating Temperature:

-40 C to +75 C
-40 F to +167 F

Humidity:

5% to 95%

ALTITUDE

Operating:

15,000 feet
4600 meters

Non-Operating:

25,000 feet
7600 meters

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Date: _____

Initialed: ML7

This Schedule has effect only as part of the GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT of the same date to which it is attached.

CITY OF WILSONVILLE
GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT
SCHEDULE E WORK TASKS

The work tasks as outlined in the specifications for applications software will be performed in order to make the software useable for the City of Wilsonville, Oregon. The application software will be deemed accepted at the time the reports included for each module are accurately produced using the City of Wilsonville, Oregon's live data.

EFFECTIVE DATE

INITIAL

WLF

INITIAL

This schedule has effect only as part of the GOVERNMENTAL FINANCIAL SYSTEM AGREEMENT of the same date to which it is attached.

SOFTWARE CONFIDENTIAL DISCLOSURE AGREEMENT

In consideration of my employment by the City of
(hereinafter the "CITY") in a position
where my duties involve, or are likely to involve, access to
and the possession of computer software and other confidential
technical information relating to the "Government Financial
System" licensed to the City by Service Data Processing, Ltd.,
and may also involve the enhancement of such software and in-
formation, I agree to receive and hold in confidence all such
software and information including, without limitation, the
source code, the object code, all documentation therefor, and
all enhancements thereto whether made by me or anyone else.

Information relating to said software will be used
by me solely for the purpose of carrying out my duties as an
employee of the City. I agree to limit dissemination of such
confidential information only to those who have similarly agreed
in writing to be bound by the terms of this Software Confidential
Disclosure Agreement, and not otherwise to use or disclose
such information without the prior written consent of Service
Data Processing, Ltd.

I further acknowledge that I have read the Governmental
Financial System Agreement entered into between the City and
Service Data Processing, Ltd. and agree to abide by the terms
thereof.

Dated: _____, 19__.

(Name - printed)

(Signature)

DL7