CONTRACT #4
RFS # 307.01-000051
FA # Pending
Edison # 32685

Comptroller of the Treasury

VENDOR:
Tyler Technologies, Inc.

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF MANAGEMENT SERVICES
James K. Polk State Office Building
505 Deaderick Street, Suite 1400
Nashville, Tennessee 37243-1402
Phone (615) 401-7720

Justin P. Wilson
Comptroller

Melinda K. Parton
Director of Management Services

September 21, 2012

Mr. Lucian Geise
Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Building
Nashville, TN 37243

Dear Mr. Geise:

Please find attached, for the Fiscal Review Committee's consideration, documentation pertaining to requested contract between the Comptroller of the Treasury and Tyler Technologies, Inc. The Office of the Comptroller of the Treasury respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

To facilitate the Committee's review, we present the following summary of the contract.

This contract provides for support and maintenance for the Multi-Processing of Administrative and CAMA Technology (IMPACT) system, purchase of additional licenses for third party software that is required as additional jurisdictions move to the IMPACT system, support for the third party software, and funds to allow for enhancements to the system to accommodate changes in legislation and technology.

The Comptroller's Office and Tyler Technologies, Inc. agreed to this contract.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

Melinda K. Parton

Melinda K. Parton, CGFM
Director of Management Services

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Donald J Ivancic	*Contact Phone:	615 401-7753
*Original Contract Number:	32685	*Original RFS Number:	30701-00051
Edison Contract Number: *(if applicable)*	32685	Edison RFS Number: *(if applicable)*	30701-00051
*Original Contract Begin Date:	11/26/2012	*Current End Date:	11/25/2017
Current Request Amendment Number: *(if applicable)*		Not applicable	
Proposed Amendment Effective Date: *(if applicable)*		Not applicable	
*Department Submitting:		Comptroller of the Treasury	
*Division:		Division of Property Assessments	
*Date Submitted:		09/25/2012	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:			
*Contract Vendor Name:		Tyler Technologies, Inc	
*Current Maximum Liability:		6,257,000.00	

*Current Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY:2013	FY:2014	FY:2015	FY:2016	FY2017	FY2018
974,700	1,245,000	1,245,800	1,256,800	1,277,100	257,600

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from STARS or FDAS report)

FY:2013	FY:2014	FY:2015	FY:2016	FY2017	FY2018
$0	$0	$0	$0	$0	$0

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Not applicable
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	Not applicable
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Not applicable

*Contract Funding Source/Amount:	State:	6,257,000	Federal:	0

Supplemental Documentation Required for Fiscal Review Committee

Interdepartmental:	0	*Other*:	0
If "*other*" please define:		Not applicable	
Dates of All Previous Amendments or Revisions: (*if applicable*)		Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)	
Not applicable		Not applicable	
Method of Original Award: (*if applicable*)		The contract for the acquisition of the IMPACT system was by the Competitive RFP process. The contract for the on-going support and maintenance following the expiration of the original contract is Non-Competitive. A Non-Competitive Contract Request is attached.	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		6,257,000	

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:2013	FY:2014	FY:2015	FY:2016	FY:2017	FY:2018
iasWorld Maintenance	674,670	913,045	931,295	949,920	968,910	243,420
3rd Party Software Support – Apex	21,190	43,755	53,935	55,430	56,590	14,180
3rd Party Software Support – Marshall & Swift right-to-Use license	1,090	1,200	1,320	1,450	1,600	
Additional Apex User Licenses	27,750	37,000	9,250			
Enhancements and Modifications	250,000	250,000	250,000	250,000	250,000	

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:2013	FY:2014	FY:2015	FY:2016	FY:2017	FY:2018
iasWorld Maintenance	0	0	0	0	0	0
3rd Party Software Support – Apex	0	0	0	0	0	0
3rd Party Software Support –	0	0	0	0	0	0

Supplemental Documentation Required for Fiscal Review Committee

Marshall & Swift right-to-Use license						
Additional Apex User Licenses	0	0	0	0	0	0
Additional Apex User License Support Fees	0	0	0	0	0	0
Enhancements and Modifications	0	0	0	0	0	0
Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.						
Proposed Vendor Cost: (No other vendors are available to provide Support and Maintenance for the IMPACT system)	FY:2013	FY:2014	FY:2015	FY:2016	FY:2017	FY:2018
	n/a	n/a	n/a	n/a	n/a	n/a

Non-Competitive Contract Request

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@state.tn.us

APPROVED
COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	30701–00051
1. Contracting Agency	Comptroller of the Treasury
2. Proposed Contractor	Tyler Technologies, Inc.
3. Proposed Contract Period – *with ALL options to extend exercised* *The proposed contract start date shall follow the approval date of this request.*	60 months
4. Maximum Contract Cost – *with ALL options to extend exercised*	$ 6,040,000.00
5. Office for Information Resources Endorsement – *information technology (N/A to THDA)*	☐ Not Applicable X Attached
6. eHealth Initiative Support – *health-related professional, pharmaceutical, laboratory, or imaging*	X Not Applicable ☐ Attached
7. Human Resources Support – *state employee training*	X Not Applicable ☐ Attached

8. Has the contracting agency bought the subject service before?

☐ NO X YES, it was procured by...

☒ *RFP* ☐ *Another Competitive Method* ☐ *Non-Competitive Negotiation*

9. Service Description – *brief summary only – do NOT restate the proposed scope of service*

Orable Database Administration Services

10. Explanation of Need for or Requirement Placed on the State to Acquire the Service

The IMPACT system was originally acquired using the competitive RFP process. The IMPACT system is the core software used to manage the property assessments process, the property tax billing process and to manage related processes used by the State as well as the counties and cities which have contracted with the State to supply these services.

Regular support and maintenance is required to assure that the software is working to specifications. In addition, the support and maintenance agreement includes regular updates and adjustments to the core software.

11. Name & Address of the Contractor's Principal Owner(s) – *NOT required for a TN state education institution*

Andrew Teed, President
Tyler Technologies, Inc.

Request Tracking #	30701–00051
3199 Klepinger Road Dayton, Ohio 45406	

12. Evidence Contractor's Experience & Length Of Experience Providing the Service

The State of Tennessee has been working with Tyler since 2007 on the IMPACT project.

13. Efforts to Identify Reasonable, Competitive, Procurement Alternatives

The IMPACT system is licensed from Tyler Technologies and configured specifically for the needs of the State of Tennessee and the counties and cities in Tennessee which depend upon the IMPACT system. Because the underlying software is proprietary to Tyler Technologies and because of the high level of configuration to State specifications, no other vendor can properly provide support and maintenance. No other vendor can provide regular updates to the software that is the core of the IMPACT system.

14. Justification – specifically explain why non-competitive negotiation is in the best interest of the state

The IMPACT system is licensed from Tyler Technologies and configured specifically for the needs of the State of Tennessee and the counties and cities in Tennessee which depend upon the IMPACT system. Because the underlying software is proprietary to Tyler Technologies and because of the high level of configuration to State specifications, no other vendor can properly provide support and maintenance. No other vendor can provide regular updates to the software that is the core of the IMPACT system.

Agency Head Signature and Date – *MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances*

Limitation of Liability Request

In accordance with TCA, §12-4-119, et seq., F&A Commissioner approval is required ONLY if the proposed limitation of contractor liability is an amount less than two (< 2) times the value of the contract.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@state.tn.us

APPROVED
COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	30701-00051-LLR01
1. Contracting Agency	Comptroller of the Treasury
2. Contract, RFP, or Procurement Method Tracking #	30701-00051
3. Proposed Contract Period –*with ALL options to extend exercised*	60 months
4. Anticipated Contract Maximum Liability –*with ALL options to extend exercised*	$ 6,257,000.00

5. Approval of this request will permit a limitation of contractor liability by means of the following contract provision.

E.12 Limitation of Liability. The parties agree that the Contractor's annual liability under this Contract shall be limited to an amount equal to two times the then current annual amount as described in the table in Section C.3, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.

6. Service Description – *brief summary only– do NOT restate the proposed scope of service*

Software support and maintenance for the IMPACT system

7. Potential Risks of Liability to the State Resulting from the Procurement

Remote risk that Tyler Technologies will not be able to continue support of the IMPACT system software

8. Anticipated Impact of Proposed Limitation of Liability on the State

Should the IMPACT system software fail to operate, and if Tyler Technologies is unable to correct the problem, the counties which rely upon support from the State via the IMPACT system will be required to find a replacement system

9. Contracting Agency Staff Familiar with Request – *name, e-mail address & telephone #*

Kathy Stickel
Kathy.Stickel@cot.tn.gov
747-5241

Request Tracking #	30701-00051-LLR01

10. Justification

This is a multi-year contract for annual support and maintenance. Limiting the liability to twice a single year's support and maintenance fee would be consistent with the liability limit of a single year contract. The proposed wording affords the State the same protection per year as a single year contract, but provides the State with the protection of a multi-year contract.

Agency Head Signature and Date – *MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances*

OIR Pre-Approval Endorsement Request
E-Mail Transmittal

TO : Jane Chittenden, OIR Procurement & Contract Management Director
Department of Finance & Administration
E-mail : Jane.Chittenden@tn.gov

FROM : Rusty Lacy
E-mail : rusty.lacy@cot.tn.gov

DATE : 6/21/12

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 30701-00051
OIR Endorsement Signature & Date: Mark Bengel (ga) 9/7/12 **Chief Information Officer** *NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.*

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	**Comptroller of the Treasury**
Agency Contact (name, phone, e-mail)	**Rusty Lacy** **615-401-7764** Rusty.Lacy@cot.tn.gov
Subject Procurement Document (mark one) ☐ RFP ☐ Competitive Negotiation Request ☐ Alternative Procurement Method Request X Non-Competitive Contract Request ☐ Non-Competitive Amendment Request ☐ Contract ☐ Contract Amendment ☐ Grant ☐ Grant Amendment	
Information Systems Plan (ISP) Project Applicability ☐ Not Applicable to this Request	

Applicable RFS # 30701-00051

X Applicable– ISP Project# IG02IMPACT

Response Confirmed by IT Director/Staff (name):

Required Attachments (as applicable – copies without signatures acceptable)

X RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request

☐ Original Contract/Grant or Amendment

☐ Proposed Contract/Grant or Amendment

Subject Information Technology Service Description
(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, *etc.* As applicable, identify the contract & solicitation sections related to the IT services.)

This is the maintenance contract for the IMPACT system which has gone live and is being rolled out to the county property assessors. The development contract is scheduled to end in November 2012. Services will include the usual items such as updates and patches to the base product, updates to the database and any third party software.

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
Comptroller of the Treasury
AND
Tyler Technologies Inc.

This Contract, by and between the State of Tennessee, Comptroller of the Treasury, hereinafter referred to as the 'State" and Tyler Technologies Inc., hereinafter referred to as the "Contractor," is for the provision of providing Support and Maintenance Services for IMPACT, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Delaware
Contractor Edison Registration ID # 0000068047

A. SCOPE OF SERVICES:

A.1. General Support and Maintenance Scope

The contractor shall provide support and maintenance for the IMPACT system and associated third party software for the contract term described in section C.1. Support and maintenance includes hot line support, online support, approved enhancements, and updates to the base software.

A.2. Scope of Services

A.2.a The Contractor shall provide Hot Line support for the base system. This support will provide toll-free assistance (via phone) in determining the root cause of system errors (whether user error, operation related error, or base system software error). The priority of the Hot Line support will be determined by the State and the Contractor shall respond as outlined below. The Hot Line is also available for questions on normal operation of the base system.

I. The Hot Line shall be available from 8:00 A.M. to 4:30 P.M. Central, Monday through Friday. The Contractor shall provide staff outside the standard hours stated above with prior notice provided by the State.
II. The Contractor shall provide the following Hot Line response times:

Priority	*Definition*	*Response*	*Issue Resolved*
Critical	Software is inoperable for all State users.	State is contacted within 1 hour.	Within 1 business day or an agreed upon due date and time.
High	Issue affects daily processing or day-to day functions of the State. Issue affects a large group of State users.	State is contacted within 1 hour.	Within 2-5 business days or an agreed upon due date.
Medium	Issue affects a small group of users and does not affect day-to-day processing.	State is contacted within 1 hour.	Within 4 – 10 business days, or an agreed upon due date.
Other	Issue affects 1 State user and is non-critical to daily processing.	State is contacted within 1 hour.	Typically 6+ business days, but no longer than 21 business days from reported problem or a maximum number of days as agreed upon by the state.

A.2.b The Contractor shall provide 24 hour, 7 day Online Support access via a web-based incident resolution information system (ONYX). The Contractor shall also provide a system that includes, but is not limited to, FAQs, a knowledge base system of issues, and communication through email.

A.2.c The State may request, at its sole discretion, additional work involving the enhancement or modification to the Impact System. These changes may include legislative changes (beyond the 80 hours provided for in section A.2.d.) and changes in business practices to the Division of Property Assessment, State Board of Equalization and Office of State Assessed Properties. These changes shall be submitted in writing to the Contractor and cost estimates will be provided. Once the State agrees to the cost estimate, the Contractor delivers the enhancement, and the State approves the delivered request, payment shall be remitted as described in section C.3. Changes shall be warranted as described in section E.5.

A.2.d The Contractor shall provide base system updates to the State during the coverage period.

i. iasWorld Updates

The Contractor shall distribute an estimated schedule of when releases and patches will be available. The Contractor will provide assistance in performing such updates, via remote connection, during the Contractor's normal business hours. Onsite assistance may be obtained at time and materials rates documented in section C.3.c. The State shall test and implement updates and patches to iasWorld as soon as reasonably possible.

ii. iasWorld Data Tables

The State is responsible for updating any data stored in the base system data tables, whether such updates occur through the normal course of business from user data entry, through update from some iasWorld batch process, or through an SQL update. Updates may be performed to the iasWorld data for various reasons by the Contractor as requested by the State subject to the Time and Materials rates documented in section C.3.c.

iii. Operating System (OS) Updates

The State will obtain and install the latest updates to the operating system and will coordinate installation with the Contractor. The State will ensure the necessary resources are allocated to this task.

iv. Oracle Updates

The State is responsible for scheduling updates to Oracle to keep the database software compatible with the latest version supported by Oracle. The Contractor shall provide assistance in performing such updates via remote connection during the Contractor's normal business hours. On-site assistance may be obtained at time and materials rates documented in section C.3.c.

v. Legislative Changes

The Contractor shall provide, at no charge to the state, up to 80 hours of modifications for statutorily mandated changes per maintenance year. Changes shall be warranted as described in section E.5.

A.2.e The State shall maintain Software licenses for the following 3rd party products; Internet Information Server (IIS), Oracle 10g, Oracle 11g, Oracle Reporting, Arc GIS 10, and Adobe Acrobat.

A.2.f The State shall provide the Contractor with a means to electronically connect to the State and to the iasWorld server to enable software transfers, electronic correspondence, and remote troubleshooting.

A.2.g The following are examples of items that are **not** included in this Agreement, unless otherwise stated. The Contractor shall provide such services as requested by the State. Time and Materials rates will apply for such services as documented in section C.3.c.

i. Creating ad hoc reports or new iasWorld reports.

ii. Recovery of software, operating system, or data due to systems or hardware failure.

iii. Updates to iasWorld cost or tax tables.

iv. Oracle DBA and network administration duties.

v. Errors and problems related to other 3rd party vendor software not specifically covered by this agreement.

A.2.h Supported Third Party Software

i. Marshall and Swift.
   a. The Contractor shall provide an annual Right-To-Use license, currently 4,013 parcels, for thee Marshall & Swift tables for property type 7. Rates for the annual Right-To-Use license are documented in C.3.
   b. Should the number of parcels increase or decrease, the rates shall be adjusted accordingly as described in section C.3. The State shall notify the contractor no later than Nov 1st of each year as to the total number of parcels being valued using Marshal & Swift calculations.

ii. Apex Software.
   a. The Contractor shall provide the State with software support for 300 seats previously licensed to the State.
   b. The Contractor shall provide product updates, bug fixes and support for the Apex software.
   c. Additional user licenses and support shall be provided in blocks of 25 users at the rates documented in section C.3.
   d. The Contract will also provide for APEX Toll Free Support Services on all current APEX software products and will ensure that service inquiries are responded to within one (1) business day.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning November 26, 2012, and ending on November 25, 2017. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. Except as provided below, in no event shall the maximum liability of the State under this Contract exceed Six Million Two Hundred Fifty-Seven Thousand Dollars ($6,257,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials, or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability

CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date	End Date	Agency Tracking #	Edison Record ID
11/26/2012	11/25/2017	30701–00051	32685

Contractor Legal Entity Name	Edison Vendor ID
Tyler Technologies, Inc	0000068047

Service Caption (one line only)

Support and Maintenance Services for IMPACT

Subrecipient or Vendor	CFDA #
☐ Subrecipient ☒ Vendor	920-47

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013	974,700	0	0	0	974,700
2014	1,245,000	0	0	0	1,245,000
2015	1,245,800	0	0	0	1,245,800
2016	1,256,800	0	0	0	1,256,800
2017	1,277,100	0	0	0	1,277,100
2018	257,600	0	0	0	257,600
TOTAL:	**6,257,000**	**0**	**0**	**0**	**6,257,000**

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☒ NO

Ownership/Control

☐ African American ☐ Asian ☐ Hispanic ☐ Native American ☐ Female

☐ Person w/Disability ☐ Small Business ☐ Government ☒ NOT Minority/Disadvantaged

☐ Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

☐ RFP	The procurement process was completed in accordance with the approved RFP document and associated regulations.
☐ Competitive Negotiation	The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.
☐ Alternative Competitive Method	The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.
☒ Non-Competitive Negotiation	The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.
☐ Other	The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

OCR USE - FA

Speed Chart (optional)	Account Code (optional)

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Priority	*Definition*	*Response*	*Issue Resolved*
Critical	Software is inoperable for all State users.	State is contacted within 1 hour.	Within 1 business day or an agreed upon due date and time.
High	Issue affects daily processing or day-to day functions of the State. Issue affects a large group of State users.	State is contacted within 1 hour.	Within 2-5 business days or an agreed upon due date.
Medium	Issue affects a small group of users and does not affect day-to-day processing.	State is contacted within 1 hour.	Within 4 – 10 business days, or an agreed upon due date.
Other	Issue affects 1 State user and is non-critical to daily processing.	State is contacted within 1 hour.	Typically 6+ business days, but no longer than 21 business days from reported problem or a maximum number of days as agreed upon by the state.

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   b. The Contractor shall provide product updates, bug fixes and support for the Apex software.
   c. Additional user licenses and support shall be provided in blocks of 25 users at the rates documented in section C.3.
   d. The Contract will also provide for APEX Toll Free Support Services on all current APEX software products and will ensure that service inquiries are responded to within one (1) business day.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning November 26, 2012, and ending on November 25, 2017. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. Except as provided below, in no event shall the maximum liability of the State under this Contract exceed Six Million Two Hundred Fifty-Seven Thousand Dollars ($6,257,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials, or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability

represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the schedule below in a total amount not to exceed the Contract Maximum Liability established in section C.1.

C.3.a The Contractor shall be compensated for ongoing maintenance services according to the following table:

	Service	Year 1 11/26/2012 – 11/25/2013	Year 2 11/26/2013 – 11/25/2014	Year 3 11/26/2014 – 11/25/2015	Year 4 11/26/2015 – 11/25/2016	Year 5 11/26/2016 – 11/25/2017
i.	IMPACT/iasWorld Maintenance **QUARTERLY RATE NOTE:** The State will require Central Site Support, designating up to 10 individuals from the State who shall be authorized to contact the Vendor for support.	$224,890.00 per Quarter	$229,385.00 per Quarter	$233,970.00 per Quarter	$238,650.00 per Quarter	$243,420.00 per Quarter
ii.	Third Party Software Support, including telephone support and automatic updates to the product. (Apex). **QUARTERLY RATE NOTE:** The State will require Central Site Support, designating up to 10 individuals from the State who shall be authorized to contact the Vendor for support.	$5,625.00 per Quarter	$5,735.00 per Quarter	$5,850.00 per Quarter	$5,970.00 per Quarter	$6,090.00 per Quarter

iii.	Third Party Software Support, including telephone support and automatic updates to the product. (Marshall & Swift Right-To-Use license). **ANNUAL RATE**	$1,090 Annually	$1,200 Annually	$1,320 Annually	$1,450 Annually	$1,600 Annually
iv.	Additional Apex Users Licensure. Each additional block of twenty-five (25) Apex user licenses; one-time, non-recurring cost.	$4,625 per block of 25 additional licenses	$4,625 per block of 25 additional licenses	$4,625 per block of 25 additional licenses	$4,625 per block of 25 additional licenses	$4,625 per block of 25 additional licenses
v.	Additional Users – System Support. Each additional block of users (25 Apex user licenses); Quarterly Rate. (Contract Section A.11.b). **QUARTERLY RATE NOTE:** The State will require Central Site Support, designating up to 10 individuals from the State who shall be authorized to contact the Vendor for support.	$478.00 per quarter per block of 25 additional users per quarter to begin 12 months after initial purchase of additional licenses in item iv. Above	$487.50 per quarter per block of 25 additional users per quarter to begin 12 months after initial purchase of additional licenses in item iv. Above	$497.00 per quarter per block of 25 additional users per quarter to begin 12 months after initial purchase of additional licenses in item iv. Above	$506.25 per quarter per block of 25 additional users per quarter to begin 12 months after initial purchase of additional licenses in item iv. Above	$518.75 per quarter per block of 25 additional users per quarter to begin 12 months after initial purchase of additional licenses in item iv. Above

C.3.b Additional work (enhancements or modifications to the Impact System) service rates. Pursuant to Contract Section A.2.c, the State may request, at its sole discretion, additional work involving the enhancement or modification to the base system. These changes shall be submitted in writing to the Contractor and cost estimates will be provided.

i. Remuneration for any such enhancement or modification shall be based on the applicable contingent payment(s) detailed below and as approved by the State.

	Service	Year 1 11/26/2012 – 11/25/2013	Year 2 11/26/2013 – 11/25/2014	Year 3 11/26/2014 – 11/25/2015	Year 4 11/26/2015 – 11/25/2016	Year 5 11/26/2016 – 11/25/2017
i.	Project Manager (per hour)	Off-Site $175.00	Off-Site $175.00	Off-Site $175.00	Off-Site $175.00	Off-Site $175.00
		On-Site $220	On-Site $220	On-Site $220	On-Site $220	On-Site $220

ii.	Database Administrator (DBA) (per hour)	Off-Site $165.00	Off-Site $165.00	Off-Site $165.00	Off-Site $165.00	Off-Site $165.00
		On-Site $205	On-Site $205	On-Site $205	On-Site $205	On-Site $205
iii.	Technology Staff (per hour)	Off-Site $150.00	Off-Site $150.00	Off-Site $150.00	Off-Site $150.00	Off-Site $150.00
		On-Site $185	On-Site $185	On-Site $185	On-Site $185	On-Site $185
iv.	Appraisal Staff (per hour)	Rates provided upon request	Rates provided upon request	Rates provided upon request	Rates provided upon request	Rates provided upon request

ii. Compensation to the Contractor for enhancements and modifications as described in section A.2.c shall not exceed $1,250,000 during the period of the Contract. If, at any point during the Contract term, the State determines that spending for such approved enhancements would exceed the maximum amount, the State will execute an amendment to address the need.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State quarterly for items i., ii., iv. and v. in the amounts specified in C3, above, and annually for item iii. in the amount specified in C3 above, to:

Ralph Duke
Office of Management Services
State of Tennessee, Office of the Comptroller of the Treasury
505 Deaderick Street, Suite 1400
Nashville, TN 37243
ralph.duke@cot.tn.gov
(615) 401-7763 (Office)
(615) 532-2224 (Fax)

i. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice Number (assigned by the Contractor)
(2) Invoice Date
(3) Contract Number (assigned by the State)
(4) Customer Account Name: Comptroller of the Treasury, Office of Management Services
(5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
(6) Contractor Name
(7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
(8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
(9) Contractor Remittance Address
(10) Description of Delivered Service
(11) Complete Itemization of Charges, which shall detail the following:

i. Service Description (including name & title as applicable) of each service invoiced
ii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
iii. Amount Due by Service
iv. Total Amount Due for the invoice period

ii. The Contractor understands and agrees that an invoice under this Contract shall:

(1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
(2) only be submitted for completed service and shall not include any charge for future work;
(3) not include sales tax or shipping charges; and
(4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).

b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the

Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.

D.5. Subcontracting. Notwithstanding the 3rd party software identified in Section A.2.h., the Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401, *et seq.*

D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.12. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.13 Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint ventures, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.

D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.

D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.

D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.20. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Ralph Duke
Office of Management Services
State of Tennessee, Office of the Comptroller of the Treasury
505 Deaderick Street, Suite 1400
Nashville, TN 37243
ralph.duke@cot.tn.gov
(615) 401-7763 (Office)
(615) 532-2224 (Fax)

And

Kathy Stickel
Office of Management Services
State of Tennessee, Office of the Comptroller of the Treasury
505 Deaderick Street, Suite 1400

Nashville, TN 37243
kathy.stickel@cot.tn.gov
(615) 747-5241 (Office)
(615) 532-2224 (Fax)

The Contractor:

Andrew Teed, President
Tyler Technologies Inc
4100 Miller Valentine Court
Moraine, Ohio 45439
andy.teed@tylertech.com
(800) 800-2581 (Office)
(937) 278-3711 (Fax)

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

E.5. Warranty of System Products/Services.

E.5.a. i. This warranty language shall supersede any warranty language provided by the Uniform Computer Information Transactions Act (UCITA).

ii. General Terms. The Contractor expressly warrants the IMPACT System, and any products or services resulting from additional work and/or enhancements produced or provided by the Contractor to the State, as being compliant in all respects with the terms of the Contract or the additional work or enhancement request, and warrants that these products or services will be free from errors, defects, deficiencies or deviations, and that the products or services will perform in such a manner as the Contract, additional work or enhancement request require, so that the intended function of the products or services is accomplished in all respects as intended by the Contract, the additional work or enhancement request, and is otherwise consistent with industry standards.

E.5.b. Warranty Periods.

i. The warranty period(s) shall be three hundred sixty-five (365) days, and shall apply to all software accepted by the State and to products or services resulting from additional work

and enhancements related to that software.

ii. If any additional work or enhancements are requested by the State, the three hundred sixty-five (365) day warranty for that enhancement begins on the date the State provides written acceptance of the product or services resulting from an additional work or enhancement request. The warranty period for additional work or enhancements initiated during the final year of the contract shall run for the remaining term of the Contract.

iii. The warranty shall be applicable when State staff performs any function under direction of the Contractor during any turnover, training or maintenance periods required in the Contract.

E.5.c. Warranty Coverage.

i. The warranty encompasses any errors, defects, deficiencies or deviations (collectively "defects") discovered in any products or services, and errors created in State data caused by such defects, to the extent that such defects and resultant data errors are not the result of State supplied hardware or software (see Contract Section E.5.i.ii, below.

ii. The warranty requires the correction by the Contractor of all products or services containing any errors, defects, deficiencies or deviations in State data caused by such. Correction is required, whether occurring in the original contract or resulting from an additional work or custom enhancement requested by the State, or that which is procured in any amendment to the Contract, or in any interfaces created, or in all training manuals and system documentation provided by the Contractor.

iii. Correction of Deficiencies. Any corrections of deficiencies relating to the Contract Scope of Services requirements or deliverables and any investigation necessary to determine the source of such deficiencies shall be completed by the Contractor at no cost to the State.

E.5.d. Time Frames for Warranty Services.

i. The Contractor must promptly, at the direction of, and within the times specified in section A.2.a, correct any errors, defects, deficiencies or deviations from specifications and all the IMPACT-related system errors and performance or operational delays.

ii. The Contractor shall provide, to the best of its ability, emergency maintenance services to correct code problems or any performance or operational problems related to the design or coding of the system software, it's functioning or interfaces, as defined as Critical Priority items in accordance with section A.2.a, on a twenty-four (24) hour, seven (7) days a week basis.

iii. Products and services shall be either replaced, revised, repaired, or corrected within twenty-one (21) calendar days of written notification by the State of the errors, defects, deficiencies or deviations; provided, however, that if the continued use of a defective or deficient product or service would cause damage to the State system(s) or associated data, or would otherwise seriously impair, as determined by the State, the ability of users of the system(s) to do their jobs or the functions for which the system was established, then Contractor shall act to repair the deficiencies immediately, unless an extension is otherwise granted in writing, by the State.

iv. The State will determine when any errors, defects, deficiencies, or deviations have been resolved.

E.5.e. Resources Required for Warranty Service.

The Contractor shall apply all necessary resources to correct the errors, defects, deficiencies or deviations without cost or expense to the State, and shall make these corrections within the time-frame specified by the State.

E.5.f. Failure to Provide Effective Warranty Services.

If the Contractor fails to repair an error, defect, deficiency or deviation for products or

services covered by the warranty, the State may, at its option, act to correct or repair the error, defect, deficiency or deviation, and the Contractor shall be required to reimburse the State for all costs incurred to conduct the repair.

E.5.g. Contact for Warranty Services.

i. The Contractor will be the initial contact point for all warranty notifications and support requests, regardless of the perceived source of the problem.

ii. The Contractor may elect to have telephone or on-site warranty repair or support services performed by subcontracted personnel; however, if this is the case, the Contractor shall be responsible for coordinating the effort so that the use of any third party support is transparent to the State and so that the State shall not have to deal directly with the sub-contractor.

iii. The State reserves the right to approve Subcontractors for warranty service, and such Subcontractors shall be approved in writing by the State.

iv. The above notwithstanding, the State reserves the right to contact subcontractors directly if this is deemed to be in the best interest of the IMPACT system.

E.5.h. Maintenance of Operations and Services During Warranty Work.

The correction of errors, defects, deficiencies or deviations in work products/services shall not detract from or interfere with software maintenance or operational tasks.

E.5.i. Problems Not Caused by Contractor Fault.

i. If Contractor personnel determine that the problem is not the fault of Contractor-provided software or hardware, then the Contractor shall notify State support personnel immediately.

ii. If the State agrees that the problem is due to software, hardware, or project management decisions that are the responsibility of the State, the State shall resolve the problem. However, in this case, if requested by the State, Contractor personnel shall remain onsite and/or dedicated to the problem to perform any required joint functions until the problem is resolved, and the State shall compensate the Contractor at the rates specified in section C.3.b.

E.6. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code whether created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.

b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.

c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques

obtained and used during the course of providing the services requested under this Contract.

d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.7. Ownership of Software and Work Products.

a. Definitions.

(1) "Contractor-Owned Software," which shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.

(2) "Custom-Developed Application Software," which shall mean customized application software developed by Contractor solely for State.

(3) "Rights Transfer Application Software," which shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.

(4) "Third-Party Software," which shall mean software not owned by the State or the Contractor.

(5) "Work Product," which shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer Application Software, the definition of Work Product shall also include such software.

b. Rights and Title to the Software

(1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted herein.

(2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.

(3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted thereby.

c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.8. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

(1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers' liability whichever is greater.

(2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate.

(3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence.

(4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

E.9. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.10. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the

Contractor shall be responsible to the State for the residual value of the property at the time of loss.

E.11. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.12 Limitation of Liability. The parties agree that the Contractor's annual liability under this Contract shall be limited to an amount equal to two times the then current annual amount as described in the table in Section C.3, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.

IN WITNESS WHEREOF,

Tyler Technologies Inc:

9/19/12

CONTRACTOR SIGNATURE **DATE**

Andrew D. Teed, President, Appraisal and Tax Division

Comptroller of the Treasury:

9/20/12

Justin P. Wilson – Comptroller of the Treasury **DATE**

ATTACHMENT A

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Tyler Technologies Inc
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	75-2303920

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

Andrew D. Teed, President AFT Division, Tyler Technologies

PRINTED NAME AND TITLE OF SIGNATORY

9/19/12

DATE OF ATTESTATION