

**City and County of San Francisco
Office of Contract Administration
Purchasing Division**

First Amendment

THIS AMENDMENT (this "Amendment") is made as of **March 3, 2014** in San Francisco, California, by and between **21Tech, LLC** ("Contractor"), and the **City and County of San Francisco**, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount and expand the scope of the deliverables;

NOW, THEREFORE, Contractor and the City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

a. Agreement. The term "Agreement" shall mean the Agreement dated June 18, 2013 between Contractor and City as amended by this first amendment dated March 3, 2014.

b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement. The Agreement is hereby modified as follows:

a. Section 4. Section 4, "Services Contractor Agrees to Perform," currently reads as follows:

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

Such section is hereby amended in its entirety to read as follows:

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," and in Appendix A-3, "Change Requests," attached hereto and incorporated by reference as though fully set forth herein.

b. Section 5. Section 5, "Compensation of the Agreement," currently reads as follows:

Compensation shall be made according to payment schedule identified in the Statement of Work executed between City and Contractor, according to the billing events schedule described in Appendix A, as set forth in Section 4 of this Agreement that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed **\$1,787,120**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **the Office of the Treasurer & Tax Collector** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

Such section is hereby amended in its entirety to read as follows:

Compensation shall be made according to the payment schedule identified in **Appendix B, "Calculations for Professional Services," and in Appendix B-1, "Calculation of Charges – Change Requests,"** attached hereto and incorporated by reference as though fully set forth herein, for deliverables that Treasurer, or his or her authorized representative, in his or her sole discretion, concludes has been performed. Sign-off of a deliverable by the Treasurer's authorized representative or use of any material produced as part of a deliverable in the implementation process or use in production is considered acceptance of that deliverable and obligates the City to pay for that deliverable when accompanied by an accompanying Contractor invoice. Each key deliverable will require a sign-off by the client manager on the project. The sign-off process should not take more than 5 business days without an acceptable reason for delay. The City will make a good faith attempt to pay all invoices within 30 days of billing. However, in no event shall City be liable for interest or late charges for any late payments made after such 30 days period. In no event shall the amount of this Agreement exceed \$2,411,678. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculations of Professional Services," and in Appendix B-1, "Calculation of Charges – Change Requests," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports,

services, or both, required under this Agreement are received from Contractor and approved by the Office of the Treasurer & Tax Collector as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

If City is more than 60 days in arrears on its payment obligation to Contractor, and Contractor has notified the City in writing after the City is more than 30 days in arrears on that payment obligation, Contractor may suspend Services hereunder until such time as City is current on its payment obligations.

c. Appendix A-3. Change Requests

Appendix A-3 Change Requests is hereby added to the Agreement, as follows:

Appendix A-3

After initial discovery, the following items have been identified to be additions to the project scope and require change control.

1. Account Update: to support the “combined group” aspect of the Gross Receipts implementation, additional online features, including integration to Aumentum, are required to designate and communicate if entities are related. This will include the ability to add and remove members, add and remove filers, and modifications to existing functionality. This will also likely impact RG15 Kludge.

- **Milestone Deliverable 14**

- 14a. **TTX Acceptance of Requirements for Account Update Functionality**
- 14b. **TTX Acceptance of Development for Account Update Functionality**
- 14c. **TTX Acceptance of Test for Account Update Functionality**
- 14d. **TTX Acceptance of Deployment for Account Update Functionality**

2. IMS: develop additional functionality to IMS web services to support queues. This is to allow TTX the ability to manually review submissions that meet specific criteria within Account Update. Given that combined reporting is in its first year, TTX will need a way to flag potential errors, conflicts, or follow-up accounts with respect to related entities.

- **Milestone Deliverable 14**

- 14a. **TTX Acceptance of Requirements for IMS Functionality**
- 14b. **TTX Acceptance of Development for IMS Functionality**
- 14c. **TTX Acceptance of Test for IMS Functionality**
- 14d. **TTX Acceptance of Deployment for IMS Functionality**

3. FIS: TTX must support business tax payment via the web. A separate third party tool kit is required to interface with the online forms to satisfy TTX’s requirement. FIS is a third party online payment processor that can be integrated with Wausau and the online forms.

- **Milestone Deliverable 14**

- 14a. **TTX Acceptance of Requirements for FIS Functionality**

- 14b TTX Acceptance of Development for FIS Functionality**
- 14c TTX Acceptance of Test for FIS Functionality**
- 14d TTX Acceptance of Deployment for FIS Functionality**

4. Administrative Office Tax: as part of the Gross Receipts tax implementation, certain filers pay an Administrative Office Tax in lieu of the Payroll Expense Tax and Gross Receipts Tax. An additional online application – eligibility, form logic, and integration with FIS and Aumentum housed within the overall Gross Receipts filing will be created.

- **Milestone Deliverable 15**

- 15a. TTX Acceptance of Requirements for Administrative Office Tax**
- 15b. TTX Acceptance of Development for Administrative Office Tax**
- 15c. TTX Acceptance of Test for Administrative Office Tax**
- 15d. TTX Acceptance of Deployment for Administrative Office Tax**

5. UAT III: to ensure proper testing of a completely new tax, as well as accommodate any unforeseen scenarios or requirements, a third round of user acceptance testing (UAT), consisting of 23 days, is needed to allow TTX to fully test the end-to-end solution.

- **Milestone Deliverable 15c**

- 15c. TTX Acceptance of UAT III**

6. LICA Conversion: unified licensing, or the ability to generate a consolidated bill in Aumentum, is a dependency for converting LICA data (licenses). As such, the conversion will take place upon rollout of unified licensing functionality in the May 2014 time frame. While existing scripts can be leveraged to execute the conversion, due to the nature of migrating data into a production environment, comprehensive testing must occur in order to mitigate any potential negative impact. A minimum of three conversion test cycles will be run to ensure proper migration.

- **Milestone Deliverable 15**

- 15a. TTX Acceptance of Requirements for LICA Conversion**
- 15b. TTX Acceptance of Development for LICA Conversion**
- 15c. TTX Acceptance of Test for LICA Conversion**
- 15d. TTX Acceptance of Deployment for LICA Conversion**

All requests as outlined above will require additional analysis, requirements gathering, development, testing (unit, systems integration, user acceptance), and project management. The tasks for these efforts will be incorporated into the Gross Receipts project plan.

Rate: \$165 per hour

#	Module	Estimated Cost
1	Account Update	\$126,720
2	IMS	\$68,640

3	FIS	\$66,198
4	Administrative Office	\$69,960
5	UAT III	\$155,760
6	LICA Conversion	\$137,280
	Total	\$624,558

d. Appendix B-1. Calculation of Charges – Change Requests

Appendix B-1 Calculation of Charges – Change Requests is hereby added to the Agreement as follows:

Appendix B-1

Milestone Number	Key Deliverables	Due Date	Payment Amount
14a	a. Requirements Acceptance i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,069
14b	b. Development i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,070
14c	c. Test i. Account Update ii. IMS iii. FIS	Mar-14	\$ 78,070
14d	d. Deployment i. Account Update ii. IMS iii. FIS	May-14	\$ 78,070
15a	a. Requirements Acceptance i. Administrative Office Tax ii. LICA Conversion	Mar-14	\$ 78,070
15b	b. Development i. Administrative Office Tax ii. LICA Conversion	Apr-14	\$ 78,070
15c	c. Test i. Administrative Office Tax ii. UAT III	June-14	\$ 78,070

	iii. LICA Conversion		
15d	d. Deployment		
	i. Administrative Office Tax	Sept-14	\$ 78,070
	ii. LICA Conversion		
	Total		\$ 624,558

3. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after **the date of this Amendment.**

4. Legal Effect. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY

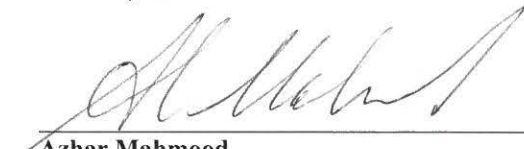
Recommended by:



Pauline Marx
Chief Assistant Treasurer
Office of the Treasurer & Tax Collector

CONTRACTOR

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City vendor number: 37769

Approved as to Form:

Dennis J. Herrera
City Attorney

By:



Scott M. Reiber
Deputy City Attorney

Approved:



Jaci Fong
Director of the Office of Contract
Administration, and Purchaser