

Via

MEMORANDUM

TO: Mayor and City Council

FROM: Jim Harmon, Controller

THRU: Don Taylor, Finance Director
Steve Barwick, City Manager

DATE OF MEMO: March 10, 2010

MEETING DATE: March 22, 2010

RE: Contract for Electronic Timekeeping and Scheduling

REQUEST OF COUNCIL:

Staff is requesting authorization from Council to contract for the purchase and implementation of electronic timekeeping and scheduling software from Kronos, Incorporated. The authorizing resolution and contract follow this memo. The contract has been approved as to form by the City Attorney.

PREVIOUS COUNCIL ACTION:

Council has not previously reviewed the electronic timekeeping and scheduling software.

BACKGROUND:

As part of the City's on-going efforts to improve services, reduce cost, eliminate errors and provide better information to decision makers, the Finance Department began discussing electronic timekeeping and scheduling with other departments early in 2009. After finding support for the concept, a Request for Proposals was prepared, reviewed and made available. Responses to the RFP were due September 21, 2009. A committee from several departments reviewed the proposals, conducted on-site demos and agreed upon the recommended proposer. The project was delayed while IT explored virtualization of this and other applications. Virtualization allows multiple applications to reside and run on a single server, saving costs for servers as well as cooling and electrical capacity. The first two months of 2010 were spent clarifying the proposal and reducing the anticipated cost of the project.

Electronic timekeeping and scheduling allow employees to enter time either via time clocks or personal computers. The majority of employees will be utilizing PCs. Recreation will be using

time clocks at the ARC, and perhaps another facility initially. Time can be entered on PCs either as the day progresses or in summary. It is felt most employees will enter summary information. Scheduling will be utilized initially by Recreation and Police.

Since employees enter time electronically, supervisors approve the time electronically and the time is transferred to the payroll system electronically, errors related to timesheet entry should be eliminated. Finance staff currently spends between one and two days entering and checking the entry of time for each pay period. We should save nearly two person days for one employee and half a person day for another each pay period with the implementation of the electronic timekeeping system. For the 26 pay periods annually this will result in a savings of thirteen work weeks for an employee.

Kronos is the only timekeeping system we reviewed that allows for advance scheduling of leave time, a valuable tool for overall scheduling.

Kronos provides a wide array of standard reports from both timekeeping and scheduling. Custom reports can be developed and reporting can be done electronically or via export to other programs, such as Excel.

FINANCIAL/BUDGET IMPACTS:

Finance will fund this project with carryover savings.

Cost of Software, 3 Time Clocks and Implementation	\$71,332
Anticipated Travel Costs	0
IT Costs	8,000
Contingency	7,000

Total	\$86,332

Ongoing maintenance: Ten months included in the cost above. Subsequent years will be at approximately \$5,500 per year.

ENVIRONMENTAL IMPACTS:

By eliminating trips to City Hall to deliver paper timesheets, some positive impact on the environment will occur.

RECOMMENDED ACTION:

Staff recommends approval of the contract.

ALTERNATIVES:

If Council does not want to approve the staff recommendation we can continue with paper time sheets or explore other less robust solutions.

PROPOSED MOTION:

I move to approve Resolution # 24 approving a contract between the City of Aspen, Colorado and Kronos Incorporated setting forth the terms and conditions regarding electronic timekeeping and scheduling software including appropriate hardware and authorizing the City Manager to execute said contract.

CITY MANAGER COMMENTS: *Recommend approval of this contract for an electronic timekeep system*

ATTACHMENTS:

- A - Resolution
- B - Contract

RESOLUTION # 24
(Series of 2010)

A RESOLUTION APPROVING A CONTRACT BETWEEN THE CITY OF ASPEN, COLORADO, AND KRONOS INCORPORATED SETTING FORTH THE TERMS AND CONDITIONS REGARDING ELECTRONIC TIMEKEEPING AND SCHEDULING SOFTWARE INCLUDING APPROPRIATE HARDWARE AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID CONTRACT

WHEREAS, there has been submitted to the City Council a contract between the City of Aspen, Colorado, and Kronos Incorporated, a copy of which contract is annexed hereto and made a part thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASPEN, COLORADO:

Section 1

That the City Council of the City of Aspen hereby approves that contract between the City of Aspen, Colorado, and Kronos Incorporated regarding electronic timekeeping and scheduling software including appropriate hardware for the city of Aspen, a copy of which is annexed hereto and incorporated herein, and does hereby authorize the City Manager of the City of Aspen to execute said contract on behalf of the City of Aspen.

Dated: _____

Michael C. Ireland, Mayor

I, Kathryn S. Koch, duly appointed and acting City Clerk do certify that the foregoing is a true and accurate copy of that resolution adopted by the City Council of the City of Aspen, Colorado, at a meeting held March 22, 2010.

Kathryn S. Koch, City Clerk



ORDER FORM DETAIL

Quote#: 206304 - 1
Expires: 03-APR-2010
Prepared By: Chapin, Christopher David

Order Type: Standard US
Date: 12-MAR-2010
Page: 1/2

Bill To: Attn:DON TAYLOR
CITY OF ASPEN
130 S GALENA ST
ASPEN
CO 81611
United States

Ship To: Attn:DON TAYLOR
CITY OF ASPEN
130 S GALENA ST
ASPEN
CO 81611
United States

Solution ID: 6094654

Contact: Don Taylor
Email: Don.Taylor@ci.aspen.co.us

Payment Terms: N30
Currency: USD
Customer PO Number:

FOB: Shipping Point
Ship Method:
Freight Term: Prepay & Add

Order Notes:
This is an Essentials Deal.

Maintenance is Prorated through December 31, 2010 to coincide with the City of Aspen's Fiscal Year Budget.

Your Kronos solution includes:

SOFTWARE

Item	License/Qty	Total Price
WORKFORCE TIMEKEEPER V6	500	\$6,156.00
WORKFORCE MANAGER V6	65	\$6,224.00
WORKFORCE ACCRUALS V6	500	\$2,394.00
WORKFORCE EMPLOYEE V6	500	\$4,189.00
WORKFORCE INTEGRATION MANAGER V6	500	\$3,277.00
Total Price		\$22,240.00

*Includes applicable software media

EQUIPMENT

Item	Quantity	Total Price
4500,FULL,NUM,B/C,EXP MEMORY	3	\$5,100.00
Total Price		\$5,100.00

SUPPORT SERVICES

Item	Duration	Total Price
GOLD SUPPORT SERVICE	10 MON	\$3,706.60
DEPOT EXCHANGE SUPPORT SERVICE	10 MON	\$650.01
Total Price		\$4,356.61

*Support values listed above are total for all applicable products in each section of this Order Form

Kronos | Time & Attendance • Scheduling • Absence Management • HR & Payroll • Hiring • Labor Analytics



Quote#: 206304 - 1

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PROFESSIONAL SERVICES / EDUCATIONAL SERVICES

Item	Hours/Points	Price per Hour/Point	Total Price
MOMENTUM ONLINE TIME ESSENTIALS	205		\$33,825.00
Project Manager	23	\$165.00	
Application Consultant	182	\$165.00	
BILL-AS-YOU-GO INSTRUCTOR LEAD TRAINING	8300	\$0.70	\$5,810.00
Total Price			\$39,635.00

QUOTE SUMMARY

Description	Total Price
Subtotal	\$71,331.61
Deposit	(\$0.00)
Tax	\$0.00
Grand Total	\$71,331.61

CITY OF ASPEN	Kronos Incorporated
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Effective Date: _____	Effective Date: _____
<p><i>Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE. The JBoss® Enterprise Middleware components embedded in the Software are subject to the End User License Agreement found at http://www.redhat.com/licenses/jboss_eula.html. Shipping and handling charges will be reflected on the final invoice.</i></p>	

KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT

Rev KR-102509

City of Aspen ("Customer") and Kronos Incorporated ("Kronos") agree that the terms and conditions set forth in this Agreement shall apply to all Kronos Equipment, Software, Professional and Educational Services, Support, and such other Kronos offerings, as specified on an order form (an "Order Form") signed by the parties which expressly references this Agreement (or is signed contemporaneously hereto). For purposes of this Agreement, the term "Customer" shall include Customer's parent company as well as Customer's wholly owned subsidiaries, if any.

Kronos and Customer hereby agree that the terms and conditions of this Agreement apply to any Order Form executed by Kronos and Customer which expressly references this Agreement (including any Order Form signed contemporaneously with this Agreement regardless of the appearance of any express reference to this Agreement). Either party may terminate this Agreement upon thirty (30) days prior written notice to the other party, provided however that any Order Form signed by the parties prior to the effective date of such termination shall remain in effect unless otherwise specifically terminated in accordance with the terms of this Agreement. Kronos may require additional terms and conditions for the sale or license of products or services not contemplated by this Agreement (including without limitation those that may be related to international services) provided that no such additional terms and conditions shall be binding upon Customer without Customer's prior written consent. Notwithstanding, Kronos will not be obligated to accept or approve an order for any products or services for which such additional terms and conditions are required. All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts. This Agreement and the Order Form shall supersede the pre-printed terms of any Customer purchase order or other Customer ordering document, and no such Customer pre-printed terms shall apply to the items ordered.

1. PAYMENT AND DELIVERY

Unless otherwise set forth in this Agreement, payment terms are indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery"). Kronos will invoice Customer for products upon Delivery. Unless otherwise set forth on the Order Form, Professional and Educational Services are provided on a time and materials basis, invoiced monthly as rendered. Customer agrees to pay all applicable taxes levied or based on the products, services or other charges hereunder, including state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on net income. Customer agrees to pay a late charge of one percent (1%) per month, (but not in excess of the rate allowed by law), on any overdue amounts not the subject of a good faith dispute. If full payment is not made within 90 days of final payment due date, Customer is responsible for all expenses, including legal fees, incurred by Kronos for collection.

2. GENERAL LICENSE TERMS

Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price Customer pays for a copy of the Software constitutes a license fee that entitles Customer to use the Software as set forth below. Kronos grants to Customer a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software. This license may be terminated by Kronos by written notice to Customer upon any material breach of this Agreement by Customer which remains uncured for a period of thirty (30) days after such written notice from Kronos. Upon such termination of this license by Kronos, Customer will have no further right to use the Software and will return the Software media to Kronos and destroy all copies of the Software (and related documentation) in Customer's possession or control. This license is subject to all of the terms of this Agreement.

3. FEE BASED LIMITATIONS

Customer recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by Customer. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous or active users, Software product modules, Software features, computer model and serial number, and/or the number of telephone lines or terminals to which the Software is permitted to be connected. Customer agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of Customer's own business. Customer agrees not to increase the number of employees, simultaneous or active users, terminals, products modules, features, or to upgrade the model, as applicable, unless and until Customer pays the applicable fee for such increase/upgrade. Customer may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. Customer may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

4. OBJECT CODE ONLY

Customer may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code.

5. PERMITTED COPIES

Customer may copy the Programs as reasonably necessary to load and execute the Programs and for backup and disaster recovery and testing purposes only, except for additional copies of the Teletime Software (which must be purchased separately). All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the Customer.

6. UPDATES

In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

7. EXPORT

Customer acknowledges that the Software may be restricted by the United States Government from export to certain countries and certain organizations and individuals, and agrees to comply with such laws. Customer agrees to comply with all applicable laws of all of the countries in which the Software may be used by Customer and shall indemnify Kronos for any noncompliance which results in damages or liability for Kronos. Customer's obligations hereunder shall survive the termination or expiration of this Agreement. Customer must obtain Kronos' prior written consent before exporting the Software.

8. FIRMWARE

Customer may not download firmware updates for the Kronos Equipment unless Customer is maintaining such Equipment under a support plan with Kronos. Kronos shall have the right to audit Customer's Kronos Equipment to determine if Customer has downloaded any firmware to which Customer is not entitled. If such audit reveals that Customer has downloaded firmware for the Kronos Equipment to which Customer is not entitled, Customer shall be responsible to pay Kronos for such updated firmware at Kronos' then-current per event charge for such firmware.

9. TRAINING POINTS

Customer agrees to purchase the quantity of Kronos "training points" indicated on the Order Form at the rate quoted (the "Training Points"). Purchased Training Points may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at <http://customer.kronos.com> and each session has the Training Points value indicated. Training Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services. Kronos will invoice Customer for the Training Points identified in the Order Form upon execution of such Order Form with payment due upon the payment terms indicated in such Order Form.

10. ACCEPTANCE

For Customer's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period (the "Test Period") that commences upon Installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on Customer's server(s); and c.) implementation team training, if any, is complete. During the Test Period, Customer shall determine whether the Equipment and Software meet the Kronos published electronic documentation, ("Specifications").

The Test Period shall be for 30 days. If Customer has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If Customer provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and Customer shall have an additional 30 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 30 day period, either Customer or Kronos may terminate this Agreement. Upon any such termination, Customer shall return all Equipment and Software (and related documentation) to Kronos, and Kronos shall refund any monies paid by Customer to Kronos for the returned Equipment and Software. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

11. LIMITED WARRANTY

Kronos warrants that all Kronos Equipment and Software media shall be free from defects in materials and workmanship, for a period of ninety (90) days from Delivery. In the event of a breach of this warranty, Customer's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software media, at Kronos' option, provided that Customer's use, installation and maintenance thereof have conformed to the Specifications. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) or Software media in the event of:

- (a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
- (b) failure of Customer to provide and maintain a suitable installation environment, as specified in the Specifications; or
- (c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

12. INDEMNIFICATION

Kronos agrees to indemnify Customer and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement of United States or Canadian patents or copyrights asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim; and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos' reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight-line depreciation commencing with the date of the relevant Order. Additionally, Kronos agrees to be liable for tangible property damage or personal injury caused solely by the negligence or willful misconduct of its employees.

13. PROFESSIONAL AND EDUCATIONAL SERVICES

(a) TRAVEL EXPENSES

Customer agrees to reimburse Kronos for all reasonable and necessary travel incurred by Kronos in the performance of any professional and/or educational services, provided that such travel complies with the then current Kronos Travel and Expense Policies. Customer further agrees to pay any travel expenses such as airfare, lodging, meals and local transportation, plus an administrative fee of ten percent (10%) of the amount of such travel expenses, incurred by Kronos to deliver purchased professional services and/or educational services in accordance with the Kronos Travel and Expense Policies. Customer will be billed by Kronos for such travel expenses and payment thereof shall be due net 30.

(b) ENGAGEMENTS

Unless otherwise indicated on the Order Form, Professional and Educational Services ("Professional Services") shall be provided on a time and material basis at the rates set forth in the Order Form. If a dollar limit is stated in the Order Form or any associated statement of work ("SOW"), the limit shall be deemed an estimate for Customer's budgeting and Kronos' resource scheduling purposes. After the dollar limit is expended, Kronos will continue to provide Professional Services on a time and materials basis, if a Change Order or Schedule of Services for continuation of the Professional Services is signed by the parties.

(c) **WARRANTY**

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and Customer so notifies Kronos within 30 days of receipt of invoice for the applicable services, the Customer's sole remedy and Kronos' exclusive liability shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to Customer.

(d) **KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES**

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased under the applicable SOW and may be accessed at: <http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

14. SOFTWARE SUPPORT SERVICES

(a) **SUPPORT OPTIONS**

Customer may select from the following Software support purchase options: Gold (or Gold Plus) and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (defined below). Customer must purchase the same Service Type for all of the Software specified on the Order Form, (however, if Customer is purchasing support services for Visionware Software, Customer may only purchase Gold Service Type for the Visionware Software). All Updates shall be provided via remote access. Customer may purchase support services for Equipment in accordance with the terms and conditions of Kronos' standard Equipment Support Services Agreement a copy of which is available upon request and is located at: <http://www.kronos.com/Legal/EquipmentSupportAgr.aspx>.

(b) **EXTENDED SUPPORT PROGRAM (DELL SERVERS)**

Customers purchasing the Extended Support Program (as indicated on the Order Form) for their Dell servers purchased from Kronos shall receive a specialized, bundled set of Kronos Support Services. Because of the specialized nature of these services, the terms and conditions located at <http://www.kronos.com/Legal/SupplementalTerms.aspx> shall supersede the provisions of this Agreement for the Extended Support Program.

(c) **TERM OF SOFTWARE SUPPORT**

Unless otherwise indicated on the Order Form, support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. Support service shall automatically renew for additional one year terms on the anniversary date of its commencement date, unless either party notifies the other in writing thirty (30) days prior to that anniversary renewal date. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with thirty (30) days advance written notice to Customer. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 4% over the prior year's annual support fee.

(d) **GOLD SERVICE OFFERINGS**

Customer shall be entitled to receive:

- (i) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that Customer's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If Customer requests Kronos to install such Updates or to provide retraining, Customer agrees to pay Kronos for such installation or retraining at Kronos' then-current time and materials rate.
- (ii) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period. The Service Coverage Period for the Gold Service Offering is 8:00 a.m. to 8:00 p.m., local time, Monday through Friday, excluding Kronos holidays.
- (iii) Web-based support including access to Software documentation, FAQ's, access to Kronos knowledge base, Customer forums, and e-case management. Such offerings are subject to modification by Kronos. Current offerings can be found at <http://www.kronos.com/services/support-services.aspx>.
- (iv) Web-based remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the Service Coverage Period.
- (v) Access to specialized content as and when made available by Kronos such as technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies.

(e) **PLATINUM AND PLUS SERVICE OFFERINGS:**

Platinum: In addition to the Service Offerings specified for the Gold Service Offering above, the Service Coverage Period for the Platinum Service Offering is 24 hours a day, seven days a week, 365 days a year.

Plus option: In addition to the Service Offerings specified for the Gold Service Offering above, customers purchasing the Plus option shall receive the services of a dedicated, but not exclusive, Kronos Technical Account Manager ("TAM") for one production instance of the Software. Customers purchasing the Gold-Plus option shall designate up to one primary and one secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM, while customers purchasing the Platinum-Plus option shall designate up to two primary and three secondary backup Technical Contacts. Upon request, Customer may designate additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos product training for the Software covered under this Agreement at Customer's expense.

Customers purchasing the Platinum-Plus option shall also receive a one day per year visit to be performed at the Customer location where the Software is installed. During this onsite visit, Kronos shall work with Customer to identify ways to help Customer increase functionality or maximize utilization of the Software in Customer's specific environment. Customer must be utilizing the then-current version of the Software. Travel and expenses are not included and shall be paid by Customer.

(f) PAYMENT

Customer shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term upon receipt of invoice. Customer shall pay additional support charges, if any, and time and material charges upon receipt of invoice.

(g) ADDITION OF SOFTWARE

Additional Software purchased by Customer during the initial or any renewal term shall be added to this Agreement at the same support option as the then current Software support coverage in place under these terms. Customer agrees to pay the charges for such addition, and any such addition shall be automatically renewed as provided in these terms.

(h) RESPONSIBILITIES OF CUSTOMER

Customer agrees (i) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of Kronos' standard remote access technology, if required; (ii) to maintain and operate the Software in an environment and according to procedures which conform to the Specifications; and (iii) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos. Failure to utilize Kronos' remote access technology may delay Kronos' response and/or resolution to Customer's reported Software problem. If Customer requires the use of a specific remote access technology not specified by Kronos, then Customer must purchase the Plus option to receive support and provide Kronos personnel with full, free and safe access to the remote access hardware and/or software.

(i) DEFAULT

Customer shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to Customer on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term. Kronos reserves the right to terminate or suspend support service in the event the Customer is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice. In addition, the support services will terminate and all charges due hereunder will become immediately due and payable in the event that Customer ceases to do business as a going concern or has its assets assigned by law.

(j) WARRANTY

Kronos warrants that all support services shall be performed in a professional and competent manner.

(k) KRONOS SUPPORT SERVICE POLICIES

Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at: <http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

15. KNOWLEDGEPASS EDUCATION SUBSCRIPTION:

The parties hereby agree that the following terms shall apply to Customer's purchase of the Kronos KnowledgePass Education Subscription only, if specified on the Order Form:

(a) Scope: The KnowledgePass Education Subscription is only available to customers who are licensing Kronos' Workforce Central Software products and who are maintaining such products under a support plan with Kronos. The KnowledgePass Education Subscription provides access via the internet to certain educational offerings provided by Kronos (the "KnowledgePass Content"), including:

- i. Hands-on Guided Practices ;
- ii. Tutorials;
- iii. Concept movies;
- iv. Job Aids in *pdf form;
- v. Training Kits (downloadable zip files of modifiable learning content);
- vi. Information Webinars; and
- vii. Train-the-Trainer Resource Center (which is only available to customers who purchase one of Kronos' Train-the-Trainer Programs) which includes:
 - Instructor Guide
 - Student Guide
 - Job Aids
 - Database files

The content of these offerings are subject to change by Kronos without notice.

(b) Term of Subscription: The KnowledgePass Education Subscription shall run co-terminously with Customer's Software Support, and shall renew for additional one (1) year terms provided Customer renews its KnowledgePass Education Subscription as provided below.

(c) Payment: Customer shall pay the annual subscription charge for the initial term of the KnowledgePass Education Subscription in accordance with the payment terms on the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription at least forty five (45) days prior to expiration of the then current term. KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the initial term or any renewal term.

(d) Limitations: Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf form solely for Customer's internal use and may not disclose such KnowledgePass Content to any third party other than Customer's employees. Customer may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of Training Kits solely for Customer's internal use.

(e) Train-the-Trainer Program (TTT): Certification under the Train-the-Trainer Program is valid only for the point release of the Software for which the TTT Program is taken, and covers only the Customer employee who completes the TTT Program.

16. CONFIDENTIAL INFORMATION

"Confidential Information" is defined as information that is: i) disclosed between the parties after the date of this Agreement that is considered confidential or proprietary to the disclosing party; and ii) identified as "confidential" at the time of disclosure, or would be reasonably obvious to the receiving party to constitute confidential information because of legends or other markings, by the circumstances of disclosure or the nature of the information itself. Additionally, the terms, conditions and pricing contained in this Agreement and the Order Form, the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the disclosing party who have a need to know) the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence; or (e) was required to be disclosed by applicable law; provided that the receiving party notifies the disclosing party of such requirement prior to disclosure, and provided further that the receiving party makes diligent efforts to limit disclosure.

17. MARKETING ACTIVITIES

Customer agrees that Kronos may use Customer's name as part of Kronos' published customer lists. Upon Kronos' request, Customer will participate in mutually beneficial marketing and public relations activities with Kronos. All content shall be subject to the prior review and approval of Customer, such approval not to be unreasonably withheld.

18. LIMITATION OF LIABILITY

CUSTOMER'S EXCLUSIVE REMEDIES AND KRONOS' SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES', AFFILIATES', OR THIRD PARTY LICENSOR'S LIABILITY TO A CUSTOMER, HOWSOEVER CAUSED, EXCEED THE VALUE OF THE ORDER WHICH GIVES RISE TO THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR CUSTOMER'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

19. GENERAL

(a) This Agreement shall be governed by Colorado law. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of this Agreement.

(b) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.

(c) Customer shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.

(d) Neither party shall be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Both parties agree to use their best efforts to minimize the effects of such failures or delays.

(e) All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.

(f) No action, regardless of form, may be brought by either party more than two (2) years after the cause of action has arisen.

(g) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.

(h) The parties agree that if this Agreement is delivered via fax or electronically delivered via email it shall constitute a valid and enforceable agreement.

(i) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, Customer is not entitled to any products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, nor any other future product in executing this Agreement.

(j) Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA.

20. COVENANT AGAINST CONTINGENT FEES

Kronos hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working for Kronos, to solicit or secure this contract, that Kronos has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of this Agreement.

21. ILLEGAL ALIENS

(a) Purpose. During the 2006 Colorado legislative session, the Legislature passed House Bills 06-1343 (subsequently amended by HB 07-1073) and 06-1023 that added new statutes relating to the employment of and contracting with illegal aliens. These new laws prohibit all state agencies and political subdivisions, including the Customer, from knowingly hiring an illegal alien to perform work under a contract, or to knowingly contract with a subcontractor who knowingly hires with an illegal

alien to perform work under the contract. The new laws also require that all contracts for services include certain specific language as set forth in the statutes. The following terms and conditions have been designed to comply with the requirements of this new law.

(b) Definitions. The following terms are defined in the new law and by this reference are incorporated herein and in any contract for services entered into with the Customer.

"Basic Pilot Program" means the basic pilot employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, that is administered by the United States Department of Homeland Security.

"Public Contract for Services" means this Agreement.

"Services" means the furnishing of labor, time, or effort by a Contractor or a subcontractor not involving the delivery of a specific end product other than reports that are merely incidental to the required performance.

(c) By signing this document, Kronos certifies and represents that at this time:

(i) Kronos shall confirm the employment eligibility of all employees who are newly hired for employment in the United States; and

(ii) Kronos has participated or attempted to participate in the Basic Pilot Program in order to verify that new employees are not employing illegal aliens.

(d) Kronos hereby confirms that:

(i) Kronos shall not knowingly employ or contract new employees without confirming the employment eligibility of all such employees hired for employment in the United States under the Public Contract for Services.

(ii) Kronos shall not enter into a contract with a subcontractor that fails to confirm to the Kronos that the subcontractor shall not knowingly hire new employees without confirming their employment eligibility for employment in the United States under the Public Contract for Services.

(iii) Kronos has verified or has attempted to verify through participation in the Federal Basic Pilot Program that Kronos does not employ any new employees who are not eligible for employment in the United States; and if Kronos has not been accepted into the Federal Basic Pilot Program prior to entering into the Public Contract for Services, Kronos shall forthwith apply to participate in the Federal Basic Pilot Program and shall in writing verify such application within five (5) days of the date of the Public Contract. Kronos shall continue to apply to participate in the Federal Basic Pilot Program and shall in writing verify same every three (3) calendar months thereafter, until Kronos is accepted or the public contract for services has been completed, whichever is earlier. The requirements of this section shall not be required or effective if the Federal Basic Pilot Program is discontinued.

(iv) Kronos shall not use the Basic Pilot Program procedures to undertake pre-employment screening of job applicants while the Public Contract for Services is being performed.

(v) If Kronos obtains actual knowledge that a subcontractor performing work under the Public Contract for Services knowingly employs or contracts with a new employee who is an illegal alien, Kronos shall:

(1) Notify such subcontractor and the Customer within three days that Kronos has actual knowledge that the subcontractor has newly employed or contracted with an illegal alien; and

(2) Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this section the subcontractor does not cease employing or contracting with the new employee who is an illegal alien; except that Kronos shall not terminate the Public Contract for Services with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(vi) Kronos shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment undertakes or is undertaking pursuant to the authority established in Subsection 8-17.5-102 (5), C.R.S.

(vii) If Kronos violates any provision of the Public Contract for Services pertaining to the duties imposed by Subsection 8-17.5-102, C.R.S. the Customer may terminate the Public Contract for Services.

DATED: _____

CUSTOMER: CITY OF ASPEN

KRONOS INCORPORATED

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____