
**NORTH OGDEN CITY
STAFF REPORT**

TO: MAYOR AND CITY COUNCIL
FROM: ANNETTE SPENDLOVE, CITY RECORDER
SUBJECT: CODIFICATION
DATE: 9/9/2014

- The City desires to implement a new codification service to replace Sterling Codifiers, Inc. The City desires to obtain the services of Municipal Code Online, Inc. to assist in the implementation of the City's municipal code and provide services for the self-administration of the municipal code. Utah State Code Ann. § 10-3-706, the City "by resolution may authorize and direct the mayor to appoint, with the advice and consent of the governing body, one or more persons to prepare and submit to the governing body a compilation, revision or codification of municipal ordinances. The compensation for the service shall be fixed by resolution of the governing body and paid out of the municipal treasury." The City Council in a work session saw a presentation by Municipal Cod Online and a copy of the agreement. Pricing:
 - 5 Years @ \$3,500
 - 3 Years @ \$3,700
- Early termination is half of the remainder of the agreement.
- This includes all training, ongoing support, hosting, and the conversion (importing your codes into the MCO framework ahead of time).

Council the resolution and agreement is before you tonight for your consideration.

NORTH OGDEN, UTAH

RESOLUTION NO. _____

**A RESOLUTION OF NORTH OGDEN CITY, UTAH, RELATING TO
CODIFICATION OF CITY ORDINANCES, OTHER REGULATIONS, AND
POLICIES.**

WHEREAS, North Ogden City, Utah, (hereafter referred to as “City”) is a municipal corporation duly organized and existing under the laws of the state of Utah;

WHEREAS, in accordance with Utah Code Ann. § 10-3-706, the City “by resolution may authorize and direct the mayor to appoint, with the advice and consent of the governing body, one or more persons to prepare and submit to the governing body a compilation, revision or codification of municipal ordinances. The compensation for the service shall be fixed by resolution of the governing body and paid out of the municipal treasury.”

WHEREAS, in accordance with Utah Code Ann. § 10-3-707, the City is “empowered to revise, codify and compile from time to time and to publish in book, pamphlet or looseleaf form all ordinances of the municipality of a general and permanent character and to make such changes, alterations, modifications, additions, and substitutions therein as it may deem best to the end that a complete simplified code of the ordinances then enforced shall be presented, but with errors, inconsistencies, repetitions, and ambiguities therein eliminated.”

WHEREAS, the City desires to implement a new codification service to replace Sterling Codifiers, Inc.;

WHEREAS, the City desires to obtain the services of Municipal Code Online, Inc., to assist in the implementation of the City’s municipal code and provide services for the self-administration of the municipal code and other documents by the City;

NOW, THEREFORE, be it resolved by the North Ogden City Council as follows:

Section 1. Appointment. Municipal Code Online, Inc. is hereby appointed to assist City staff with the self-administration of the City’s municipal code and to revise and update the same as needed.

Section 2. Compensation. The City Council hereby approves the Agreement with Municipal Code Online, Inc., attached hereto as Exhibit “A” and incorporated herein by this reference.

Section 3. Effective Date. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED by the City Council on this 16TH day of September, 2014.

Brent R. Taylor, Mayor

	Aye	Nay
Council Member Bailey:	_____	_____
Council Member Satterthwaite:	_____	_____
Council Member Stoker:	_____	_____
Council Member Swanson:	_____	_____
Council Member Urry:	_____	_____
(In event of a tie vote of the Council):		
Mayor Taylor	_____	_____

ATTEST:

S. Annette Spendlove, MMC
City Recorder

Exhibit "A"

**Municipal Code Online Inc.
Software as a Service Agreement**

This Municipal Code Online, Inc. Software as a Service Agreement ("SaaS Agreement") is made and entered into on this date _____, by and between Municipal Code Online, Inc. Software Inc. ("Municipal Code Online, Inc." or "Party") a Utah corporation, and North Ogden City, Utah, ("Customer" or "Client" or "Subscriber" or "Party"), with its principal place of business at: 505 East 2600 N, North Ogden, Utah 84414.

The Parties hereby agree as follows:

1. **Contract Period.** This Agreement is effective when signed by Customer and Municipal Code Online, Inc. representatives ("Effective Date") Initial term of this Agreement is provided herein from the Effective Date. Subsequently, this Agreement shall automatically renew annually for a term of one (1) year, and subject to any fee adjustment, unless either Party shall give notice of cancellation at least thirty (30) days prior to the expiration of the original term or any renewal thereof. If Customer terminates this Agreement, then, in addition to amounts due for use of the Services actually rendered prior to the termination of this Agreement, there shall be immediately due and payable by Customer an amount equal to the 50% of the fees that would have been paid the remainder of the term.
2. **Billing and Payment.** Payments are due in advance annually. Service will not start until the payment is received. Services will be terminated if payments are not received within the terms, after serving a seven days notice via U.S. certified mail.
3. **Representations and Warranties General.** Each Party represents and warrants that it has the right and authority to enter into this Agreement, and that by entering into this Agreement, it will not violate, conflict with or cause a material default under any other contract, agreement, indenture, decree, judgment, undertaking, conveyance, lien or encumbrance to which it is a party or by which it or any of its property is or may become subject or bound.
 - a. **Compliance with the Laws.** Each Party shall, at its own expense, comply with all laws, regulations, and other legal requirements that apply to it and this Agreement.
 - b. **Acceptable Use.** Customer is solely responsible for the content of any postings, data, or transmissions using the Services, or any other use of the Services by Customer or by any person or entity Customer permits to access the Services. Customer represents and warrants that it will: (a) not use the Services in a manner that: (i) is prohibited by any law or regulation, or to facilitate the violation of any law or regulation; or (ii) will disrupt a third parties' similar use or Licensed Materials; (b) not violate or tamper with the security of any Municipal Code Online, Inc. computer equipment, service, or program. If Municipal Code Online, Inc. has reasonable grounds to believe that Customer is utilizing the Services for any such illegal or disruptive purpose Municipal Code Online, Inc. may suspend the Services immediately with or without notice to Customer. Municipal Code Online, Inc. may terminate the Agreement as contemplated in Section 11 if Customer in fact fails to adhere to the foregoing acceptable use standards.
 - c. **DISCLAIMER.** THE WARRANTIES SET FORTH IN THIS ARE THE ONLY WARRANTIES MADE BY MUNICIPAL CODE ONLINE, INC. MUNICIPAL CODE ONLINE, INC. MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR

IMPLIED, WITH RESPECT TO THE SERVICES, ANY RELATED SERVICE OR SOFTWARE. MUNICIPAL CODE ONLINE, INC. HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IMPLIED WARRANTIES ARISING FROM A COURSE OF DEALING OR COURSE OF PERFORMANCE. NO ORAL OR WRITTEN INFORMATION GIVEN BY MUNICIPAL CODE ONLINE, INC., ITS EMPLOYEES, LICENSORS, OR THE LIKE WILL CREATE A WARRANTY.

- d. **LIMITATION OF LIABILITY.** EXCLUDING THE LIABILITY UNDER THE SECTION ENTITLED "NO INFRINGEMENT" BELOW, UNDER NO CIRCUMSTANCES WILL MUNICIPAL CODE ONLINE, INC. OR ANYONE ELSE INVOLVED IN ADMINISTERING, DISTRIBUTING OR PROVIDING THE SERVICES, BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT RESULT FROM THE USE OF OR INABILITY TO USE THE SERVICES, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE OR LOST PROFITS, OR DAMAGES THAT RESULT FROM MISTAKES, OMISSIONS, INTERRUPTIONS, DELETION OF FILES OR EMAIL, ERRORS, DEFECTS, VIRUSES, DELAYS IN OPERATION OR TRANSMISSION, FAILURE OF PERFORMANCE, THEFT, DESTRUCTION OR UNAUTHORIZED ACCESS TO MUNICIPAL CODE ONLINE, INC.'S RECORDS, PROGRAMS OR SERVICES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN THE EVENT OF ANY BREACH BY MUNICIPAL CODE ONLINE, INC. OF THIS AGREEMENT, MUNICIPAL CODE ONLINE, INC.'S LIABILITY TO CUSTOMER WILL NOT EXCEED THE AMOUNT PAID TO MUNICIPAL CODE ONLINE, INC. BY CUSTOMER DURING THE PREVIOUS THREE MONTHS.
- e. **No Infringement.** Municipal Code Online, Inc. warrants that its software (excluding Customer content) will not infringe any patent, trademarks, copyright or any proprietary rights of a third party or constitute a misuse or misappropriation of a trade secret. Customer shall notify Municipal Code Online, Inc. promptly in writing of any known action brought against Customer based on an allegation that Customer's use of any materials infringes any patent, trademark, copyright, or infringes any right of a third party, or constitutes misuse or misappropriation of a trade secret ("Infringement"). Municipal Code Online, Inc. will defend, indemnify and hold Customer harmless from any such action at Municipal Code Online, Inc.'s sole expense, provided that Municipal Code Online, Inc. shall have the sole control of the defense of any such action, all negotiations and/or its settlement, and Customer reasonably cooperates with Municipal Code Online, Inc. in such defense. In the event that a final injunction is obtained against Customer's use of the Services by reason of an Infringement or Customer is otherwise prohibited from using same, Municipal Code Online, Inc. shall to the extent possible and at its expense, within sixty (60) days, either:
 - i. Procure for Customer the right to continue to use the Services that are infringing, or
 - ii. Replace or modify the Services to make its use non-infringing while being capable of performing the same function. If neither option is available to Municipal Code Online, Inc., then Customer, at Customer's option, may terminate this Agreement without penalty or further payment other than payment of fees for use of the Services prior to said termination.

4. Confidential Information.

- a. **Definition.** For purposes of this Agreement "Confidential Information" shall mean information including, without limitation computer programs, source or object codes, algorithms, know-how, formulas, processes, technical inventions (whether patentable or not), schematics, and other technical information, or if disclosed verbally, is identified as confidential at the time of disclosure. In addition to the foregoing, Confidential Information shall include third party software, if any, that may be provided to Customer under this Agreement, including any related source or object codes, technical data, data output of such software, documentation, or correspondence owned by the applicable licensor. Confidential Information excludes information that: (i) was or becomes publicly known through no fault of the receiving Party; (ii) was rightfully known or becomes rightfully known to the receiving Party without confidential or proprietary restriction from a source other than the disclosing Party; (iii) is independently developed by the receiving Party without the participation of individuals who have had access to the Confidential Information; (iv) is approved by the disclosing Party for disclosure without restriction in a written document which is signed by a duly authorized officer of such disclosing Party; and (v) the receiving Party is legally compelled to disclose; provided, however, that prior to any such compelled disclosure, the receiving Party will: (a) assert the privileged and confidential nature of the Confidential Information against the third party seeking disclosure, and (b) cooperate fully with the disclosing Party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of such disclosure and/or use of the Confidential Information. In the event that such protection against disclosure is not obtained, the receiving Party will be entitled to disclose the Confidential Information, but only as, and to the extent, necessary to legally comply with such compelled disclosure.
 - b. **Nondisclosure.** Each Party agrees to maintain all Confidential Information in confidence to the same extent that it protects its own similar Confidential Information.
 - c. **Injunctive Relief.** In the event of an actual or threatened breach of the above confidentiality provisions, the non-breaching Party will have no adequate remedy at law and will be entitled to immediate injunctive and other equitable relief, without bond and without the necessity of showing actual money damages.
 - d. **Customer Responsibility.** Customer is solely responsible for the content of data transmitted by Customer using the Services, and shall defend, indemnify and hold harmless Municipal Code Online, Inc. from and against all liabilities and costs (including reasonable attorneys' fees) arising from any and all third-party claims by any person based upon the content of any such communications data or content.
 - e. **Customer is not permitted to resell the Services.** Customer shall use the Services only for lawful purposes. To the extent deemed necessary by Customer, Customer shall implement security procedures necessary to limit access to the Services to Customer's authorized users and shall maintain a procedure external to the Services for reconstruction of lost or altered files, data or programs.
 - f. **Contact.** Customer is responsible for establishing designated points of contact to interface with Municipal Code Online, Inc.
5. **Licenses.** Municipal Code Online, Inc. hereby grants to customer a personal, nonexclusive, nontransferable license during the term of this Agreement to use, in object code form, all software and related documentation provided by Municipal Code Online, Inc. ("Licensed Material"), which may be furnished to Customer under this Agreement. Customer agrees to use commercially

reasonable efforts to ensure that its employees and users of all Licensed Material hereunder comply with the terms and conditions set out in this Agreement. Customer also agrees to refrain from taking any steps, such as reverse assembly or reverse compilation, to derive a source code equivalent to the Licensed Material. All Licensed Material furnished to Customer under this Agreement shall be used by Customer only for Customer's internal business purposes, shall not be reproduced or copied in whole or in part.

- 6. Customer Data.** All data is owned by Customer and is to be strictly held as confidential. Municipal Code Online, Inc. will delete and destroy all copies of data once the Agreement is terminated with or without default. Customer has the option to receive a backup of data prior to deletion. All right, title and interest in and to the Licensed Material, and all copyrights, patents, trademarks, service marks or other intellectual property or proprietary rights relating thereto, belong exclusively to Municipal Code Online, Inc. Any modification to the Software performed by Customer directly or indirectly extending the current capabilities shall be the property of Municipal Code Online, Inc. and all copyrights and other rights are hereby assigned to Municipal Code Online, Inc.
- 7. Customer Acknowledgement.** The Customer acknowledges that software is complex and never wholly free from defects, errors and bugs, and the Municipal Code Online, Inc. gives no warranty or representation that the software will be wholly free from such defects, errors and bugs. The Municipal Code Online, Inc. does not warrant or represent that the software will be compatible with any application, program, or other software utilized by the Customer.
- 8. Professional Services Excluded.** Municipal Code Online, Inc. will not and does not purport to provide any legal, taxation, or accountancy advice or services under this Agreement or in relation to the software. Any additional services that may be rendered under this Agreement by Municipal Code Online, Inc., employees, officers, or agents shall constitute recommendations from a consultant and nothing more. Municipal Code Online, Inc. does not warrant or represent that the software will not give rise to any civil or criminal legal liability on the part of the Customer or any other person.
- 9. Place of Notice.** Any notice required by this Agreement shall be deemed received properly received if sent by certified mail to:

 - a. Municipal Code Online, Inc., 342 West 200 South #105, Salt Lake City, Utah 84101.
 - b. 505 E 2600 N, North Ogden, Utah 84414
- 10. Service Outage.** Municipal Code Online, Inc. will acknowledge requests from Customer for credit for service outage originating with Municipal Code Online, Inc., not including routine maintenance and upgrades. The duration of a Service Outage will be determined by summing the amount of time service outage occurs over the pro rata cost of the one (1) year License Fee.
- 11. Back-up of Data.** Municipal Code Online, Inc. will perform regular back-up of Customer data.
- 12. Termination.** Customer shall be responsible for payment of all charges under a terminated Agreement incurred as of the effective date of termination. This Agreement may be terminated immediately upon written notice by either Party if the other Party becomes insolvent or involved in a liquidation or termination of business, files a bankruptcy petition, has an involuntary bankruptcy petition filed against it (if not dismissed within thirty days of filing), becomes adjudicated bankrupt, or becomes involved in an assignment for the benefit of its creditors. If a Party fails to perform or observe any material term or condition of this Agreement and the failure continues un-remedied for thirty (30) days after receipt of written notice:

 - a. The other Party may terminate this agreement, or
 - b. Where the failure is a non-payment by Client of any charge when due, Municipal Code Online, Inc., may, at its option, terminate or suspend Services with or without any notice.

13. Support. Customer shall receive support for any and all requests as they pertain to malfunction of the software or services outlined in this Agreement provided by Municipal Code Online, Inc. outside the reasonable control and expectations of the Customer. Municipal Code Online, Inc. will be notified of any such malfunctions via a provided support email address. Customer will receive a response to notifications.

14. Price, Fees & Additional Costs.

- a. Term and Annual Fee.** Customer shall pay Municipal Code Online, Inc. an annual fee under this Agreement in the amount of: () **3,500.00 for a (5) year term, or () \$3,700.00 for a three (3) year term.** This fee includes completing all of the necessary prerequisite tasks to be able to use and obtain access to all of the functionality of the given software as described in this Agreement. This also includes the creation of the service instance, allocation of the required resources, and the conversion and adaptation of a single document, generally the Customer's Municipal Ordinances, to be consumable within the Service. This document must be provided to Municipal Code Online, Inc. in digital form from the Customer. The destination format for storage and presentation will be in the form of standard HTML. The implementation includes all Service fees for the duration of this Agreement. This fee also provides for the allocation of ongoing resources and any included feature and product enhancements made available to the Service generally. This fee is billed up front and in whole for the next term.
- b. Start-up and Conversion Fees.** Any Start-up and Conversion fees are **\$0.00** as such fees are hereby waived based upon the initial multi-year term of this Agreement.
- c. Support and Consultation Fees.** Support or assistance with any software Service or platform functionality will be provided to the Customer via a provided support Email address at no additional cost. Other non-technical support assistance such as codification of ordinances or regulations or data input on Customer's behalf will be billed at a rate of \$15 per page, or \$40 per hour rounded up to the next nearest hour interval. Consulting support including but not limited to drafting documents and related tasks, consultation, including presentations and meeting attendance for special projects requested by Customer will be billed at a rate of \$100 per hour, rounded up to the next nearest hour interval. Any requested support, technical, or otherwise which will result in incurring any added or additional expense to the Customer will first be made known to the Customer and subsequently approved by an authorized party on the behalf of the Customer. Documentation of this approval must be sent to Municipal Code Online, Inc. by the Customer or its authorized agent, before any work can or will be completed.

15. General Provisions & Force Majeure.

- a.** This Agreement, including any amendments and attachments hereto that are incorporated herein, constitute the entire agreement between the parties and shall be binding on the parties when accepted by Customer.
- b.** No modification, termination or waiver of any provisions of this Agreement shall be binding upon a Party unless in writing signed by an authorized officer of the relevant Party(ies).
- c.** No provision of any purchase order or other document issued by Customer, which purports to alter, vary, modify, or add to the provisions of this Agreement, shall be binding upon Municipal Code Online, Inc. or effective for any purpose, unless accepted by Municipal Code Online, Inc. in writing.
- d.** It is further expressly understood and agreed that, there being no expectations to the contrary between the parties, no usage of trade or other regular practice or method of dealing either within the computer software industry, Municipal Code Online, Inc.'s

industry or between the parties shall be used to modify, interpret, supplement, or alter in any manner the express terms of this Agreement or any part thereof.

- e. Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or employment relationship between the parties, nor shall either Party have the right, power, or authority to create any obligation or duty, express or implied, on behalf of the other.
- f. The Licensed Materials shall not be exported or re-exported in violation of any export provisions of the United States or any other applicable jurisdiction.
- g. This Agreement may not be assigned, sublicensed or transferred, in whole or in part, by Customer without the prior written consent of Municipal Code Online, Inc. Any attempted assignment, subletting or transfer shall be void.
- h. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.
- i. No delay or failure of Municipal Code Online, Inc. or Customer in exercising any right herein and no partial or single exercise thereof shall be deemed of itself to constitute a waiver of such right or any other rights herein. Any waiver by Municipal Code Online, Inc. or Customer of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.
- j. Neither Party is held liable in the event that a Party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of natural disaster, terrorism, fire, explosion, power blackout, earthquake, flood, the elements, strike, embargo, labor disputes, acts of civil or military authority, war, acts of god, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies, actions or decrees of governmental bodies or communication line failure not the fault of the affected Party or other causes beyond such Party's reasonable control (a "Force Majeure Event") the Party who has been so affected shall give notice to the other Party and shall do everything possible to resume performance.
- k. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and each of which together shall constitute a single instrument.
- l. This Agreement shall be governed by and construed under the laws of the State of Utah applicable to contracts made in and without regard to conflicts of law.

Signature below by your authorized representative is your consent to the terms and conditions of this Agreement

For Customer:

For Municipal Code Online, Inc.:

By: _____

By: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____