



COUNTY OF KENDALL, ILLINOIS
ADMIN HR COMMITTEE
County Office Building
County Board Room 210
Wednesday, May 15, 2019 at 5:30p.m.

MEETING AGENDA

- 1. Call to Order**
- 2. Roll Call: Elizabeth Flowers (Chair), Judy Gilmour, Scott Gryder, Matthew Prochaska, Robyn Vickers**
- 3. Approval of Agenda**
- 4. Approval of Minutes from May 6, 2019**
- 5. Department Head and Elected Official Reports**
- 6. Public Comment**
- 7. Committee Business**
 - Discussion of Insurance Renewal Timeline
 - Discussion of Board Rules of Order – Consent Agenda and Electronic Attendance
 - Discussion of GIS Cloud Readiness Contract
 - Discussion of Pitney Bowes SendPro P1500 Mailing System Contract
- 8. Executive Session**
- 9. Items for Committee of the Whole**
- 10. Action Items for County Board**
- 11. Adjournment**

If special accommodations or arrangements are needed to attend this County meeting, please contact the Administration Office at 630-553-4171, a minimum of 24-hours prior to the meeting time

COUNTY OF KENDALL, ILLINOIS
ADMIN HR MEETING
County Office Building
111 W. Fox Street, Room 210; Yorkville
Monday, May 6, 2019

CALL TO ORDER - Committee Chair Elizabeth Flowers called the meeting to order at 5:32p.m.

ROLL CALL

Attendee	Status	Arrived	Left Meeting
Elizabeth Flowers	Present		
Judy Gilmour	Here		
Scott Gryder	Here		
Matthew Prochaska	Here		
Robyn Vickers	Here		

Others in Attendance: Scott Koeppel, Tracy Page

APPROVAL OF AGENDA – Motion made by Member Prochaska second by Member Gryder to approve the agenda. With five members voting aye, the agenda was approved by a 5 -0 vote.

APPROVAL OF MINUTES – Motion made by Member Gryder, second by Member Prochaska to approve the April 17, 2019 minutes. With five members voting aye, the minutes were approved by a 5-0 vote.

DEPARTMENT HEAD AND ELECTED OFFICIAL REPORTS

- *Administration Department* – Mr. Koeppel updated the Board on new hires. Director Smiley has hired a new Maintenance Tech as there was a retirement in his Department. Ms. Johnson assisted with the interviews and will also assist with the upcoming GIS Specialist opening. In Animal Control we are back to the drawing board on the open Kennel Manager position. The person we offered it to accepted another position, so we have to move more quickly on open position.

PUBLIC COMMENT - None

COMMITTEE BUSINESS

- *Presentation Review of Prescription Opportunities and Performance Drug – The Horton Group* – Horton has been rescheduled to June as they would like more time to gather more prescription data.

- *Discussion and Approval of Kencom Intergovernmental Agreement for Technology Support Services* – After a review by the State’s Attorney Office it was decided to separate the Treasury and Administration Agreement from the Technology Support Services Agreement because the scope of technology services have grown. The Treasury Agreement should be passed first. Some things of note, the ink and toner services remain in the agreement. The biggest change is the increase the money because staff has to get training on the new phone system to provide support. With regard to the payments, the monthly payment of \$3500 will start within 30 days of the agreement being signed with a 3% increase every year which will start on December 1st of this year. The amount will total about \$93,000 a year. This agreement is two years initially then there is a one-year notice clause because we are relying on these payments for staff salaries. Motion made by Member Gryder second by Member Prochaska. **With five members voting aye, the agreement was approved to be forwarded by a 5-0 vote**

- *Discussion and Approval of Kencom Intergovernmental Agreement for Administrative, Treasury and Employee Benefits Administration Services* – Mr. Koeppel explained that the Treasury and Employee Benefits Agreement has been updated to reflect how we currently operate. The original agreement was before Kencom became their own entity so we removed the handbook reference and worker’s comp and we changed the health benefits to the Treasurer’s Office. It’s a two-year agreement then auto renews for a year after that and has a 120 day out. Motion made by Member Gryder second by Member Vickers. **With five members voting aye, the agreement was approved to be forwarded by a 5-0 vote**

- *Discussion of Worker’s Compensation Tactical Athlete Health and Performance Institute Program* – Mr. Koeppel showed a short video about the benefits of a new Worker’s Compensation Program proposed by ICRMT/ IPMG that is geared at getting employees back to work more quickly by providing specialized attention to employees that opt into the Program. Tactical Athlete Health and Performance Institute (TAHPI), is the company. It is voluntary and would cost \$1285 per incident. The overtime and PEDDA savings would be significant, in addition to getting employees back to work more quickly. Motion made by Member Gryder second by Member Gilmour approve the Program and present the video at the Committee of the Whole Meeting. **With five members voting aye, the Program was approved and will be presented at the May 16th, COW by a 5-0 vote**

EXECUTIVE SESSION - None

ITEMS FOR COMMITTEE OF THE WHOLE -

- *Discussion of Worker’s Compensation Tactical Athlete Health and Performance Institute Program*

ACTION ITEMS FOR COUNTY BOARD

- *Discussion and Approval of Kencom Intergovernmental Agreement for Administrative, Treasury and Employee Benefits Administration Services*

- *Discussion and Approval of Kencom Intergovernmental Agreement for Technology Support Services*

ADJOURNMENT – Member Gryder made a motion to adjourn the meeting, second by Member Prochaska. **With five members voting aye, the meeting was adjourned at 5:57p.m.**

Respectfully Submitted,

Mera Johnson
HR Risk Management & Compliance Coordinator

MONTHLY MEDICAL INSURANCE REPORT
April FY 19

	Non-Union		<u>Total Enrolled</u>				Annual Plan Cost
	Union	Union	Apr-18	May-18	Apr-19	May-19	
HMO EE	20	17	37	37	35	37	\$6,510.56
HMO FAM	7	13	22	22	21	20	\$12,297.46
H.S.A. \$1500 EE	62	42	112	112	104	104	\$9,794.18 *
H.S.A. \$1500 FAM	48	62	110	109	109	110	\$18,666.61 *
H.S.A. \$2800 EE	2	2	6	6	4	4	\$8,991.53 *
H.S.A. \$2800 FAM	5	3	0	0	8	8	\$17,150.72 *
Total Enrolled	144	139	287	286	281	283	

Dental EE	165
Dental Family	181

Total Enrolled 346

NOTES:

- 1) Premiums and headcount paid as of monthly report date
- * 2) Includes Employer HSA contribution *
- 3) 2018 H.S.A. \$2800 are old PPO plan numbers

FY 19 MONTHLY MEDICAL INSURANCE INVOICES

(BUDGETED: \$5,270,000) *42.61% of budget

	December	January	February	March	April	May	June	July	August	September	October	November	Totals
BCBS Medical Premium	355324	104572	390064	352708	361141								\$1,583,810
UHC Final Bill	0	0	1513	0	0								\$1,513
Met Life Dental Premium	0	48213	23852	24138	24249								\$120,452
Met Life Life Premium	0	0	1383	932	471								\$2,786
Health Savings Account	518000	1250	6875	1280	1125								\$526,500
Insurance Refunds	0	0	0	0	0								\$0
HRA Admin Fee	0	0	0	105	0								\$105
FSA Admin Fee	84	84	84	105	0								\$357
TOTALS	\$871,408	\$214,119	\$392,771	\$380,239	\$386,985	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,245,523

0102-027-6547

FY 18 MONTHLY MEDICAL INSURANCE INVOICES

(BUDGETED: \$5,592,000) * 94.72 % of Budget

	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018	5/31/2018	6/30/2018	7/31/2018	8/31/2018	9/30/2018	10/31/2018	11/30/2018	Totals
UHC Medical Premium	0	742810	368253	347181	358582	347181	368182	362862	372862	363407	368938	358725	\$4,356,865
UHC Dental Premium	0	54544	28955	27327	27145	27734	27607	27412	27891	27858	26978	27485	\$328,755
UHC Life Premium	0	1678	0	564	564	564	568	625	1133	560	560	563	\$6,748
Health Savings Account	485000	10500	3826	0	0	0	4125	625	1250	750	378	750	\$617,000
Insurance Refunds	0	0	0	0	0	0	0	0	0	0	0	0	\$0
HRA Admin Fee	83	0	83	165	83	0	165	0	0	0	0	0	\$678
FSA Admin Fee	170	0	188	378	188	0	383	0	0	0	168	84	\$1,698
TOTALS	\$485,252	\$807,854	\$396,782	\$367,109	\$375,160	\$387,559	\$399,040	\$399,599	\$402,935	\$392,575	\$387,017	\$387,617	\$5,211,508

0102-027-6547

FY 17 MONTHLY MEDICAL INSURANCE INVOICES

(BUDGETED: \$5,106,257)*98.84% of Budget

	12/31/2016	1/31/2017	2/28/2017	3/31/2017	4/30/2017	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	Totals
UHC Medical Premium	350000	366848	346172	347688	346995	355552	357694	358354	355637	353212	365533	356453	\$4,280,420
BCBS Final Invoice	0	0	5200	0	0	0	0	0	0	0	0	0	\$5,200
Lincoln Life Dental Premium	25384	28864	27025	24382	26197	25788	25870	25842	25579	25525	25884	25804	\$306,783
Lincoln Life Premium	782	840	616	725	672	734	723	727	718	716	732	726	\$8,721
Health Savings Account	443900	1750	4375	0	0	1750	0	3625	2000	875	0	250	\$458,425
Insurance Refunds	271	0	0	0	142	594	0	0	1439	0	0	0	\$2,446
HRA Admin Fee	0	83	83	83	83	83	83	83	83	83	83	83	\$909
FSA Admin Fee	311	0	323	182	0	339	170	170	170	170	170	170	\$2,153
TOTALS	\$820,558	\$385,405	\$383,793	\$373,029	\$374,000	\$384,840	\$384,638	\$388,000	\$385,625	\$380,561	\$382,412	\$383,285	\$5,047,057

0102-027-6547

FY 16 MONTHLY MEDICAL INSURANCE INVOICES

(BUDGETED: \$6,063,813)* 83.8% of Budget

	12/31/2015	1/31/2016	2/28/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	11/30/2016	Totals
BlueCross Medical Premium	347954	339181	344322	347588	342587	344748	342333	342917	338821	338258	338151	341085	\$4,086,986
Lincoln Life Dental Premium	23476	24220	24182	23782	23921	23906	23721	23949	23721	23349	23196	23365	\$283,618
Lincoln Life Premium	728	732	725	727	721	725	716	723	708	714	708	713	\$8,637
Health Savings Account	343800	0	0	0	0	10000	0	0	0	0	0	0	\$353,500
FSA Admin Fee	148	148	148	148	148	156	156	156	156	156	156	156	\$1,834
TOTALS	\$715,805	\$384,251	\$389,387	\$372,256	\$367,347	\$379,435	\$366,785	\$367,516	\$367,833	\$369,458	\$362,211	\$365,318	\$4,747,584

0102-027-6547

MONTHLY BENEFITS SUMMARY REPORT
April FY 19

Retiree/COBRA (12/1/18 - 11/30/19) (42 Retirees / 1 COBRA)			
Vision	Family	7	\$443.72
Vision	Single	10	\$287.96
Medical	Family	2	\$7,535.15
Medical	Single	11	\$21,817.38
Dental	Family	34	\$5,493.76
Dental	Single	13	\$5,452.74
TOTAL		77	\$41,030.71

UNEMPLOYMENT CHARGES 2019	
1st Quarter	\$620
2nd Quarter	
3rd Quarter	
4th Quarter	
TOTAL	

DEPARTMENT	New Hires		Resignations/Terms	
	YTD	Current Month	YTD	Current Month
Administration				
Animal Contr				
Assessment	1			
Circuit Clerk	3		2	
Coroner				
County Clerk				
Facilities				
Forest Pres	1	1	1	1
Health Dept.	1			
HWY				
KenCorn			1	
PBZ				
Probation	1		1	
Public Defender				
Sheriff	5		3	
State's Att	1			
Technology				
VAC	1		1	
Totals	14	1	9	0

BENEFITWALLET HSA FUNDING		
Month	Deposit	
December	516,000	
January	1,250	
February	6,875	
March	1,260	
April	1,125	
May		
June		
July		
August		
September		
October		
November		
Total	\$	526,500

MONTHLY ADMINISTRATION / HR SUMMARY REPORT

April 30, 2019

W.C. Claims Expenses (12/1/18 - 11/30/19)					
	2015-16 Policy	2016-17 Policy	2017-18 Policy	2018-19 Policy	Total Claims
December	\$ 228	\$ 1,967	\$ 2,184		\$ 4,378
January	446	5,609	220	1,351	7,626
February	770	4,657	742	64	6,234
March	6,636	1,641	2,542	610	11,430
April	1,215	15,811	159	10,072	27,258
May					0
June					0
July					0
August					0
September					0
October					0
November					0
Total Claims Expense	\$ 8,295	\$ 29,705	\$ 5,828	\$ 12,098	\$ 56,926

PEDA Payments (Included in Total Claims Expense)

PEDA Reimbursements YTD \$ 26,888

W.C. Annual Premium

W.C. Premium \$ 131,080 \$ 139,096 \$ 171,411 \$ 175,442

Self Insured Retention (SIR)

Self Insured Amount \$ 250,000 \$ 250,000 \$ 250,000 \$ 250,000

No. of claims >\$250k	0	0	0	0
No. of claims >\$100k & <\$250k	1	2	0	0
No. of claims <\$100k	39	44	20	11
Total claims paid	40	46	20	11

W.C. Claims	2015-16 Policy	2016-17 Policy	2017-18 Policy	2018-19 Policy
W.C. Claims paid prior year	\$ 308,024	\$ 560,320	\$ 14,430	\$ -
W.C. Claims paid current year	9,295	29,705	5,828	12,098
Total claims paid	\$ 317,319	\$ 590,025	\$ 20,258	\$ 12,098

Workers' Comp. Claims	Policy Year				
	2015-16 Policy	2016-17 Policy	2017-18 Policy	2018-19 Policy	
	Prior Year Total	Prior Year Total	Prior Year Total	DEC-MAR	APR
Administration	1				
Animal Control	6	1	4		
Circuit Clerk	1	1	1	1	
Coroner					
County Clerk	1	2			
Facilities				1	
Forest Preserve	3	2		1	
Health Dept.	3	2	2	1	
Highway	1	2	1	1	
Judiciary					
PBZ					
Probation	1				
Public Defender					
Sheriff - Corrections	5	18	2	1	
Sheriff - Patrol	16	18	10	3	1
State's Attorney	2	2			1
Technology					
VAC					
Totals	40	46	20	9	2

**Illinois Counties Risk Management Trust
Claims Analysis
5/1/2019**

Worker's Compensation

FY19 - Current Year's Total Claims

	Incident Date	Department/Office	Status	Paid	Missed > 3 Days Work	Returned to Work
1	12/9/2018	Corrections	closed	1,416	N	Y
2	1/5/2019	Forest Preserve	closed	-	N	Y
3	1/23/2019	Sheriff	closed	-	N	Y
4	1/25/2019	Sheriff	open	1,061	N	Y
5	1/28/2019	Health	open	369	N	Y
6	2/12/2019	Highway	open	343	N	Y
7	2/17/2019	Sheriff	open	17,548	Y	Y
8	2/21/2019	Circuit Clerk	closed	-	N	Y
9	3/8/2019	Facilities	open	818	N	Y
10	4/26/2019	Sheriff	open		N	Y
11	4/25/2019	State's Attorney	open	-	N	Y

Total FY19 Claims Paid To Date \$ 21,555

Worker's Compensation

Prior Years' Active Claims

	Incident Date	Department/Office	Status	Paid	Missed > 3 Days Work	Returned to Work
2011-12 Policy						
1	6/30/2012	Forest Preserve	re-opened	189,851	Y	Terminated
				189,851		
2015-16 Policy						
2	4/12/2016	Sheriff	open	92,261	Y	Y
3	9/13/2016	Sheriff	open	106,585	Y	Y
				198,846		
2016-17 Policy						
4	2/28/2017	Corrections	open	29,163	Y	Y
5	10/26/2017	Corrections	open	158,532	Y	Y
6	4/19/2017	Sheriff	open	86,847	Y	Y
7	11/21/2017	Sheriff	open	145,642	Y	Y
				420,184		
2017-18 Policy						
8	12/12/2017	Corrections	open	15,107	Y	Y
9	5/2/2018	Sheriff	closed	3,432	N	Y
10	8/3/2018	Sheriff	re-opened	2,007	N	Y
11	11/1/2018	Corrections	open	771	N	Y
12	11/18/2018	Sheriff	open	1,782	N	Y
				23,100		

Total Prior Year's Active Claims \$ 831,980

**Illinois Counties Risk Management Trust
Claims Analysis
5/1/2019**

Property & Casualty

FY19 - Auto PC

Incident Date	Department/Office	Status	Paid	Coverage Type
1 4/28/2019	Sheriff	Open		Auto PD - Collision

Total FY19 Auto Claims \$ -

FY19 - General Liability

Incident Date	Department/Office	Status	Paid	Coverage Type
1 1/25/2019	Courthouse	closed		
2 12/5/2018	Circuit Clerk	open	-	

Total FY19 General Liability Claims \$ -

Prior Years'- General Liability

Incident Date	Department/Office	Status	Paid	Coverage Type
2013-14 Policy				
1 5/15/2014	Sheriff	open	\$ 535,463	Errors & Omissions
			535,463	
2015-16 Policy				
2 8/9/2016	Sheriff	open	17,528	Law Enforcement Liability
3 11/4/2016	Sheriff	open	9,766	Law Enforcement Liability
			27,294	
2016-17 Policy				
4 9/23/2014	Various	open	12,651	General Liability
			12,651	
2017-18 Policy				
5 7/1/2018	Sheriff	open	2,072	General Liability

Total Prior Year's General Liability Claims \$ 570,000



KENDALL COUNTY ADMINISTRATIVE SERVICES DEPARTMENT

**To: Admin HR Committee; Elizabeth Flowers (Chair), Judy Gilmour, Scott Gryder,
Matthew Prochaska, Robyn Vickers**

From: Mera Johnson, HR Risk Management & Compliance Coordinator

Re: Horton Group Insurance Renewal Timeline

The Health Insurance renewal for 1/1/2020 will be presented to the Committee in late September or early October. The timeline is different from prior years because this is Horton's second year with the County and the County's first year returning to Blue Cross Blue Shield (BCBS). There is limited user data and historical user data which is typically used to make projections and renewal costs. In the future renewal information will be available in August.

A renewal projection or forecast will be presented by late August. The Health Research Institute (HRI) projects a 6% medical cost trend in 2019. Renewal is affected by three components: Demographics, Risk and Trend. Demographics is based on population age/gender mix. Risk is Kendall County's experience including premium vs claims and larger claim activity. Trend is health care inflation with our plan changes.

Horton will also do a full market search to compare renewal information proposed by Blue Cross Blue Shield (BCBS).

Timeline

August - Market Search / Competitor Quotes

Late August - Renewal Projection

Late September - Actual Renewal information from BCBS

April 26, 2019

Meagan Briganti
GIS Coordinator
Kendall County Technology Services
111 Fox Rd, Yorkville, IL 60560

Dear Meagan,

Thank you for your interest in our GIS Support Block. Included in the following pages are GISInc's Support Block details and prices.

GIS Support Blocks will provide a vehicle for accessing GIS support on-demand for the County of Kendall, IL. I hope you find this information helpful. If I can provide further assistance, please do not hesitate to contact me.

Thank you again for your interest. We look forward to working with you.

Sincerely,



Corey Baker
Business Development Manager
Geographic Information Services, Inc.
2100 Riverchase Center, Suite 105 | Birmingham, AL 35244
p: (205) 725-5942 | c: (205) 504-2825 | e: corey.baker@gisinc.com

I. GIS Support Block

GIS Support Blocks provide a vehicle for accessing GIS support on-demand. Once a GIS Support Block is put in place, GISinc will provide professional services to assist the County with GIS support. All services provided as part of the GIS Support Blocks will be conducted by the most effective and cost-efficient method, including: virtually through remote network access, telephone conference calls, Internet (WebEx) demonstrations, or on-site consultants.

How do GIS Support Blocks work?

Once the GIS Support Block vehicle is in place, GISinc will provide the County with a single point-of-contact. GISinc will identify the support tasks and establish a communication plan for coordinating the activities of the task as well as status reporting. We will match the support task with the correct GISinc resource.

If a support task becomes large, GISinc may require using a management team. This function includes people, processes, and technology that are designed to make sure that the County receives outstanding value. Milestones and completion dates will be established for the Planning and Analysis, Client review, Design, Client review, Development, Testing, and Installation/Implementation phases of a large task or project. There are many tasks and risks that have the potential to derail a project. To manage this effort, larger tasks or projects that we execute are assigned a Project Coordinator or Technical Architect from GISinc.

II. Pricing & Acceptance

Prepaid blocks of hours can be purchased at the prices listed in Table 1 and volume discounts are included at each block level. Support block hours expire after 12 months from the date of signature. GISinc will invoice Kendall County, IL upon receiving the signed form.

You may indicate your acceptance of the above proposal with a signature from authorized personnel at the County. Any expenses or travel incurred by GISinc while performing GIS Support Block services for the County will be billed at actual costs separate from this contract.

Kendall County, IL

Support Block
Amount: \$ _____

Signature: _____

Name: _____

Title: _____

Date: _____

TABLE 1

Price	Block of Hours
\$5,000	30
\$10,000	60
\$15,000	95
\$20,000	135
\$25,000	175
\$30,000	215
\$50,000	370
\$60,000	455
\$75,000	585
\$100,000	800

Quotation Terms and Conditions

This confidential quotation is valid for thirty (30) days unless otherwise stated and does not include shipping or tax unless otherwise stated. This quotation information is proprietary and may not be copied or released other than for the express purpose of system and service selection and purchase. This information may not be given to outside parties or used for any other purpose without written consent from Geographic Information Services, Inc. (GISinc).

Payment Terms: Client will be billed monthly for all travel expenses and labor costs based on hours worked. Client agrees to NET 30 terms after receipt of invoice on this prepaid GIS support block. Supporting details will be provided as requested to detail the hours, rates, and deliverable(s) performed during the preceding month.



Standard Terms and Conditions

These standard terms and conditions ("Terms and Conditions") apply to any proposal, quotation and the resultant agreement relating to products and services sold by Geographic Information Services, Inc ("GISinc") to a customer ("Customer"). These Terms and Conditions, together with the proposal, quotation and contract, including any statement of work, herein SOW, shall constitute the entire agreement ("Agreement") between the parties.

These Terms and Conditions are governed by the terms of the applicable License Agreement for any incorporated software ("License Agreement"). Capitalized terms used and not otherwise defined herein shall have the respective meaning set forth in the License Agreement.

1. GENERAL PROVISIONS.

This proposal including the SOW and all Terms and Conditions set forth herein, constitutes the entire agreement between GISinc and Customer. The Terms and Conditions of the proposal shall govern and control the terms of any purchase order or purchase confirmation form from the Customer. Customer acknowledges that GISinc has not authorized any of its sales agents or representatives to make any representations, warranties or agreements on behalf of, or to bind GISinc in any way. This confidential proposal is valid for thirty (30) days and unless otherwise stated.

2. SCOPE OF SERVICES.

During the term of the Agreement, GISinc shall furnish the services in accordance with the SOW set forth in the proposal.

3. WORK PERFORMANCE.

GISinc agrees that all work performed hereunder shall be performed on a best effort basis by GISinc's staff having an appropriate experience and skill level, and in compliance with the SOW.

4. TAXES.

Unless this Agreement specifies otherwise, the price included in the proposal does not include, and Customer is liable for and shall pay, all taxes, impositions, charges, and exactions imposed on or measured by this Agreement. Prices shall not include any taxes, impositions, charges, or exactions for which Customer has furnished a valid exemption certificate or evidence of exemption.

5. CHANGES.

No changes, modification, amendment shall be binding upon GISinc unless otherwise agreed to in writing. Customer's authorized representative may in writing, direct changes within the general scope of the Agreement. If such change increases or decreases the cost or time required to perform this Agreement, Customer and GISinc shall negotiate an equitable adjustment in the price and schedule to reflect the

appropriate change. GISinc shall adjust the proposal to reflect the change. Customer shall modify any purchase order or confirmation form and reissue to GISinc accordingly.

6. INVOICE AND PAYMENT.

Customer shall pay GISinc within thirty (30) days after receipt of invoice or as per the terms indicated in the proposal. GISinc will bill Customer monthly for all travel expenses and labor costs based on hours worked.

7. CANCELLATION.

Customer shall provide thirty (30) days written notice to GISinc prior to canceling an order. Customer will compensate GISinc for all authorized services satisfactorily performed through the cancellation date under the payment terms in section 6 of these Terms and Conditions.

8. ASSIGNMENT.

Neither party shall assign any of its rights or interest in this Agreement or subcontract all or substantially all of its performance of this Agreement without the other party's prior written consent.

9. INDEMNITY.

The parties shall indemnify and hold harmless the other, its officers and employees from and against damages, claims liabilities, fines, penalties and expenses (to include reasonable attorney's fees) due to its negligent acts, willful misconduct, errors or omissions of any GISinc employee during the performance of its obligations hereunder that arise out of (1) injuries or death to persons or damage to property, (2) services and/or deliverables agreed to under this order (3) violation of any federal, state, county or municipal laws. GISinc's total liability to Customer for any reason shall not exceed the total amount paid to GISinc by Customer for the services provided under this Agreement.

GISinc's duty to defend and hold harmless Customer shall not apply to any liability claim for damages or injuries arising from or as a result of the negligence of Customer or employees / agents of Customer.

GISinc shall have no liability for any claim of Infringement to the extent based on (1) the use of a superseded or altered version of any GISinc provided product or framework or (2) the combination, operation or use of the GISinc provided product with software, hardware or other materials not furnished or authorized to be used by GISinc.

To the extent permitted by law, in no event shall either party be liable to the other for any lost revenues, lost profits, incidental, indirect, consequential, special or punitive damages of any kind.

10. WARRANTY.

GISinc warrants that it will perform the services in good faith and in conformance with professional industry standards. All GISinc employees, that work on the project, shall have the knowledge, education, training, skills and experience of the subject matter to which they will be performing services.

GISinc warrants the completed application against bugs and defects for a period of 30 days after acceptance. Ongoing support, functional enhancements, or performance issues caused by a change in the customer's IT environment are not included in the warranty. Coverage for these items will require a separate agreement.

11. LIMITATION OF LIABILITY.

NOTWITHSTANDING ANY OTHER PROVISION HEREOF, GISINC SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR EXEMPLARY LOSS, DAMAGE, COST OR EXPENSE (INCLUDING, WITHOUT LIMITATION, LOST PROFITS AND OPPORTUNITY COSTS), EVEN IF THE CUSTOMER HAS BEEN ADVISED, OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES. GISINC'S AGGREGATE LIABILITY FOR DAMAGES ARISING OUT OF, RELATING TO OR IN ANY WAY CONNECTED WITH THE RELATIONSHIP OF THE PARTIES, THIS AGREEMENT, ITS NEGOTIATION OR TERMINATION, OR PURSUANT TO ANY SOW (WHETHER IN CONTRACT OR TORT) SHALL IN NO EVENT EXCEED THE AMOUNT OF FEES RECEIVED BY GISINC FROM CUSTOMER PURSUANT TO THE APPLICABLE SOW UNDER WHICH THE ALLEGED LIABILITY AROSE.

12. FORCE MAJEURE.

Neither party will be liable to the other for delays in performing any obligations under the Agreement due to circumstances beyond its reasonable control, including but not limited to revolts, insurrections, riots, wars, acts of enemies, national emergency, strikes, floods, earthquake, embargo, inability to secure materials or transportation, and acts of God, and other events beyond the reasonable control of the parties caused by nature or governmental authorities.

13. SERVERABILITY.

If any provision of the Agreement is found to be invalid, illegal or unenforceable, then, notwithstanding such invalidity, illegality or unenforceability, the Agreement and the remaining provisions shall continue in full force and effect. In this event the parties will agree upon a valid, binding and enforceable substitute provision which shall be as close as possible to the commercial interests of the invalid or unenforceable provision.

14. GENERAL SERVICES ADMINISTRATION SCHEDULE

As indicated in the proposal, if applicable, this Agreement incorporates and shall be governed by the terms of a General Services Administration ("GSA") Schedule entered by GISinc and the United States Government. GISinc's GSA Schedule number: GS-35F-0682R.

15. GOVERNING LAW.

This Agreement and any disputes arising out of, or relating to, this Agreement shall be governed by the laws of the State of Alabama without regard to the conflict of law rules thereof, provided that (i) contract provisions that have been incorporated directly from or by express reference to the Federal Acquisition Regulations ("FAR"), FAR supplements or GSA schedule terms, (ii) contract provisions that have been flowed down from a contract with the U.S. Government, and

(iii) the Changes and Termination for Convenience articles, shall be construed and interpreted according to the federal common law of government contracts, as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the federal government.

16. DISPUTE RESOLUTION.

Customer and GISinc shall endeavor to resolve any controversy, claim or dispute arising out of or relating to the Agreement, or the performance or breach thereof, by negotiation. Any claim that is not resolved by negotiation within thirty (30) days of notification shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The hearing locale will be held in the AAA office closest to GISinc corporate headquarters.

17. OTHER.

This Agreement shall be governed by and constructed in accordance with the laws of the State of Alabama without regard to conflicts of laws provisions thereof.

Both GISinc and Customer will comply with all laws applicable to the Agreement.

All notices given under the Agreement will be effective when received in writing. Notices to the Customer and GISinc will be sent to the address provided in the proposal.

Changes to the Agreement must be in writing and must be signed by both parties.

18. COMPLETE AGREEMENT.

Customer acknowledges that it has read the Agreement, understands it and agrees to be bound by its Terms and Conditions. This contract contains the entire agreement of the parties and supersedes any and all prior agreements, understandings and communications between Customer and GISinc related to the subject matter of this contract. No amendment or modification of this contract shall bind either party unless it is in writing and is signed by Customer's authorized representative and an authorized representative of GISinc.