

Jefferson County  
Board of Commissioners  
Agenda Request

**To:** Board of Commissioners  
Philip Morley, County Administrator

**From:** Frank Gifford, Public Works Director *FG*

**Agenda Date:** April 9, 2012

**Subject:** Paradigm System Implementation Agreement -Change Order #1

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**Statement of Issue:**

The Public Works/Solid Waste Department is required to become compliant with the Payment Card Industry (PCI) regulations. Upgrading the Paradigm software is the first step of the process of becoming PCI compliant. This Change Order allows the software company to install and maintain the software upgrade.

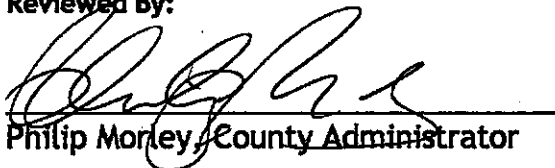
**Analysis/Strategic Goals:** This Change Order addresses the requirement to become PCI compliant. There are no alternatives.

**Fiscal Impact:** \$2,140.37 over the remaining life of the contract.

**Recommendation:** Please sign the three original Change Orders and return them to Public Works for further processing.

**Department Contact:** Dennis Bates at (360) 385-0404

**Reviewed By:**

  
Philip Morley, County Administrator

*4/3/12*  
Date

Change Proposed by Agency  
 Change proposed by Contractor

**Contract Title**  
 Paradigm Software L.L.C. for Scale Software System Installation and Maintenance

**To:**  
 Paradigm Software L.L.C.  
 10944 Beaver Dam Road, Suite C  
 Hunt Valley, Maryland 21030-2255

Endorsed by: Paradigm Software L.L.C.  
 Contractor Firm Name  
[Signature] 22 MAR 12  
 Signature Date  
Vice President  
 Title  
 Consent given by Surety: (when required)  
 By: NA  
 Attorney-in-fact Date

You are ordered to perform the following described work upon receipt of an approved copy of this change order:

This Change Order is for required upgrading and maintenance of the software to become PCI compliant per terms as outlined in the attached Exhibit A, Exhibit B and as shown on the financial worksheet titled Exhibit C.

Approved as to form only:  
David Abouy 3/15/12  
 Jefferson Co. Prosecutor's Office

|                          |                         |                                 |                                       |  |
|--------------------------|-------------------------|---------------------------------|---------------------------------------|--|
| ORIGINAL CONTRACT AMOUNT | CURRENT CONTRACT AMOUNT | ESTIMATED NET CHANGE THIS ORDER | ESTIMATED CONTRACT TOTAL AFTER CHANGE |  |
| \$80,917.79              | \$80,917.79             | \$2,140.37                      | \$83,058.16                           |  |
| ORIGINAL CONTRACT TIME   | CURRENT CONTRACT TIME   | CONTRACT TIME CHANGE (Add/Del)  | NEW CONTRACT TIME                     |  |
| 10- YEAR                 | 10- YEAR                | 0                               | 10- YEAR                              |  |

|   |  |
|---|--|
| APPROVAL RECOMMENDED<br><input checked="" type="checkbox"/> <u>Dennis Best</u> 3/8/12<br>Project Manager Date             | APPROVAL RECOMMENDED<br><input checked="" type="checkbox"/> <u>[Signature]</u> 3/28/12<br>Solid Waste Manager Date |
| APPROVAL RECOMMENDED<br><input checked="" type="checkbox"/> <u>Trish Gifford</u> 3/28/12<br>Director of Public Works Date | APPROVED<br><input type="checkbox"/><br>Chair, Jefferson County Commissioners Date                                 |

**Exhibit A**

**Work Order #3**

**System Implementation Agreement**

JEFFERSON COUNTY and PARADIGM entered into a certain Standard Support Services Agreement dated July 6, 2009 ("Agreement").

JEFFERSON COUNTY and PARADIGM desire to effectuate certain changes and revisions thereof.

NOW, THEREFOR, for and in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, JEFFERSON COUNTY and PARADIGM hereby agree to changes in the Agreement as Follows:

1. Add the following to the Purchase Price and Payment Schedule of the Agreement.

| Qty | UM | Description  | Unit Price | Extended Price |
|-----|----|--|------------|----------------|
|     |    | Due to changes in the PCI Compliance guidelines, Paradigm Software will be moving forward with the following to ensure their software is PCI Compliant. <ul style="list-style-type: none"><li>• Rewrite a separate, standalone payment application that will seamlessly integrate with the Paradigm Station Program.</li><li>• Sign a contract with a Qualified Security Assessor (QSA) that will guide Paradigm through the PCI Validation Process.</li><li>• Submit Paradigm's software through the PCI Validation process. This is an optional process; however, Paradigm feels it will give the County a better comfort level knowing Paradigm is "PCI Validated".</li><li>• Paradigm will pay a yearly renewal fee and associated costs to maintain their "PCI Validated" status.</li><li>• All Middleware that Paradigm deals with are upgrading their software as well to adhere to the stricter PCI Compliance changes, thus Paradigm need to purchase the latest Software Development Kits (SDKs) for each Middleware. Paradigm has also signed support contracts for most of the middleware for enhanced support coverage.</li><li>• Upcoming PCI changes may require that credit card capture devices encrypt card data at the device level; thus, Paradigm is recommending that the County upgrade their devices at this time to resolve this expected requirement. This includes, Magnetic Stripe Readers, Signature Capture Pad/Mag Stripe Combo Devices, and Check Reader/Mag Stripe Combo Devices.</li></ul> |            |                |

Additional information on PCI Compliance can be found at

<http://www.pcisecuritystandards.org>

|               |    |  |            |                          |
|---------------|----|--|------------|--------------------------|
| 1             | FF | Upgrade to Paradigm Pay Module   | \$1,000.00 | \$1,000.00               |
| 1             | EA | PCI Compliant USB Magnetic Stripe Reader   | \$125.00   | \$125.00                 |
| 1             | HR | Configuration Hours to Make necessary Software Changes and Assist in Making Potential ICVerify Changes (Only Actual Hours Used Will Be Billed) | \$175.00   | \$175.00                 |
| 1             | FF | WA Sales & Use   | \$23.40    | \$23.40                  |
| <b>Total:</b> |    |  |            | <b><u>\$1,323.40</u></b> |

2. Add the following pro-rated increase in annual maintenance to the Purchase Price and Payment Schedule of the Agreement. This amount is for the increase in annual maintenance from the above effective date until the annual renewal of the County's Standard Support Services Agreement.

| Qty           | UM | Description  | Unit Price | Extended Price        |
|---------------|----|--|------------|-----------------------|
| 1             | EA | Upgrade to Paradigm Pay Module (March 2012 – April 2012) | \$16.67    | \$16.67               |
| 1             | FF | WA Sales & Use   | \$0.30     | \$0.30                |
| <b>Total:</b> |    |  |            | <b><u>\$16.97</u></b> |

3. Add the following information to the Terms and Conditions section of the Agreement.
- 100% Software Due at Time of Contract Acceptance **\$1,340.37**

Except as hereinabove set forth, the Agreement shall remain unmodified and be in full force and effect.

**Exhibit B**

**Work Order #4**

**Standard Support Services Agreement**

JEFFERSON COUNTY and PARADIGM desire to effectuate certain changes and revisions thereof.

NOW, THEREFOR, for and in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, JEFFERSON COUNTY and PARADIGM hereby agree to changes in the Agreement as Follows:

1. Add the following software and appropriate support percentage to schedule A of the Standard Support Services Agreement;

| Qty | UM | Description  | Unit Price | Extended Price | Annual Service Charge |
|-----|----|--|------------|----------------|-----------------------|
|     |    | <p>Due to changes in the PCI Compliance guidelines, Paradigm Software will be moving forward with the following to ensure Paradigm software is PCI Compliant.</p> <ul style="list-style-type: none"><li>• Rewrite a separate, standalone payment application that will seamlessly integrate with the Paradigm Station Program.</li><li>• Sign a contract with a Qualified Security Assessor (QSA) that will guide Paradigm through the PCI Validation Process.</li><li>• Submit Paradigm software through the PCI Validation process. This is an optional process; however, Paradigm feels it will give the COUNTY a better comfort level knowing Paradigm is "PCI Validated".</li><li>• Paradigm will pay a yearly renewal fee and associated costs to maintain Paradigm's "PCI Validated" status.</li><li>• All Middleware that Paradigm deals with are upgrading their software as well to adhere to the stricter PCI Compliance changes, thus Paradigm needs to purchase the latest Software Development Kits (SDKs) for each Middleware. Paradigm has also signed support contracts for most of the middleware for enhanced support coverage.</li><li>• Upcoming PCI changes may require that credit card capture devices encrypt card data at the device level; thus, Paradigm is recommending that the COUNTY upgrade their devices at this time to resolve this expected requirement. This includes, Magnetic Stripe</li></ul> |            |                |                       |

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Readers, Signature Capture Pad/Mag Stripe Combo  
Devices, and Check Reader/Mag Stripe Combo  
Devices.

Additional information on PCI Compliance can be found at  
<http://www.pcisecuritystandards.org>

|                                      |    |                                  |            |            |                        |
|--------------------------------------|----|----------------------------------|------------|------------|------------------------|
| 1                                    | FF | Upgrade to Paradigm's Pay Module | \$1,000.00 | \$1,000.00 | \$100.00               |
| <b><u>Annual Service Charge:</u></b> |    |                                  |            |            | <b><u>\$100.00</u></b> |
|                                      |    |                                  |            |            | <b>Year</b>            |

2. Add to the annual charge of the software support schedule **\$100.00** for a total annual charge of **\$4,523.78**.
3. Except as hereinabove set forth, the Agreement shall remain unmodified and be in full force and effect.

**Exhibit C**

| Date                                 |               | Year |  | DESCRIPTION  | ORIGINAL CONTRACT AMOUNT | ANNUAL AMOUNT | NET CHANGE | NEW ANNUAL AMOUNT | NEW CONTRACT AMOUNT | Contract Name | Paradigm Software L.L.C. for Scale Software System Installation and Maintenance |
|--------------------------------------|---------------|------|--|--|--------------------------|---------------|------------|-------------------|---------------------|---------------|---|
| WORK ORDER                           |               |      |  |  |                          |               |            |                   |                     |               |   |
| <b>JEFFERSON COUNTY PUBLIC WORKS</b> |               |      |  |  |                          |               |            |                   |                     |               |   |
| <b>CHANGE ORDER</b>                  |               |      |  |  |                          |               |            |                   |                     |               |   |
| 1                                    | 2009          |      |  | Paradigm Software System Installation              | \$30,450.00              | \$0.00        | \$0.00     | \$0.00            | \$30,450.00         |               |   |
| 3                                    | 2012          |      |  | PCI Compliance Installation                        | \$0.00                   | \$0.00        | \$1,323.70 | \$0.00            | \$1,323.70          |               |   |
| 2                                    | 7/2009-7/2010 |      |  | Standard Support Services                          |                          | \$4,012.50    | \$0.00     | \$0.00            | \$4,012.50          |               |   |
|                                      | 7/2010-7/2011 |      |  | Standard Support Services & PCI Compliance Support |                          | \$4,212.13    | \$16.67    | \$4,228.80        | \$4,228.80          |               |   |
| 4                                    | 7/2011-7/2012 |      |  | Standard Support Services & PCI Compliance Support |                          | \$4,423.78    | \$100.00   | \$4,523.78        | \$4,523.78          |               |   |
|                                      | 7/2012-7/2013 |      |  | Standard Support Services & PCI Compliance Support |                          | \$4,644.97    | \$100.00   | \$4,744.97        | \$4,744.97          |               |   |
|                                      | 7/2013-7/2014 |      |  | Standard Support Services & PCI Compliance Support |                          | \$4,877.22    | \$100.00   | \$4,977.22        | \$4,977.22          |               |   |
|                                      | 7/2014-7/2015 |      |  | Standard Support Services & PCI Compliance Support |                          | \$5,121.08    | \$100.00   | \$5,221.08        | \$5,221.08          |               |   |
|                                      | 7/2015-7/2016 |      |  | Standard Support Services & PCI Compliance Support |                          | \$5,377.13    | \$100.00   | \$5,477.13        | \$5,477.13          |               |   |
|                                      | 7/2016-7/2017 |      |  | Standard Support Services & PCI Compliance Support |                          | \$5,645.99    | \$100.00   | \$5,745.99        | \$5,745.99          |               |   |
|                                      | 7/2017-7/2018 |      |  | Standard Support Services & PCI Compliance Support |                          | \$5,928.29    | \$100.00   | \$6,028.29        | \$6,028.29          |               |   |
|                                      | 7/2018-7/2019 |      |  | Standard Support Services & PCI Compliance Support |                          | \$6,224.70    | \$100.00   | \$6,324.70        | \$6,324.70          |               |   |
|                                      |               |      |  | Subtotal   | \$30,450.00              | \$50,467.79   |            |                   |                     |               |   |
|                                      |               |      |  | 10 Year Contract Value                             | \$80,917.79              |               | \$2,140.37 |                   |                     |               |   |
|                                      |               |      |  | Net Payment  |                          |               |            |                   |                     |               | \$1,340.37  |