



GUILFORD COUNTY CONTRACT NO. 90003935
Parent Contract No. 3935

THIS CONTRACT AMENDMENT is hereby made, entered into, and effective as of January 12, 2023, by and between GUILFORD COUNTY, a body politic and corporate of the State of North Carolina, hereinafter referred to as the "COUNTY," and FARRAGUT SYSTEMS INC, hereinafter referred to as the "CONTRACTOR," and also collectively referred to as the "Parties."

W I T N E S S E T H:

WHEREAS, the Parties entered into a CONTRACT on May 1, 2022, whereby the CONTRACTOR agreed to provide the following goods and/or service(s) to the COUNTY: Hosted Services , and

WHEREAS, the initial Contract may be revised or modified with a written Contract executed by both Parties; and,

WHEREAS, the Parties now wish to modify the terms of the Contract; and,

NOW, THEREFORE, the Parties mutually agree that, as of the effective date of this Contract, the following changes are hereby made to the initial Contract as follows:

CHANGES:

To add additional costs to Contract to cover Farragut (Tax Application) Hosted Solutions as referenced by Attachment A. The financial exposure to the County will not exceed \$1,022,575.00 from \$604,200.00 an increase of \$418,375.00. Payment will be made only from budgeted funds in accordance with N.C. Gen. Stat. Chapter 159.

JURISDICTION. The Parties agree that this Contract is subject to the jurisdiction and laws of the State of North Carolina. The CONTRACTOR will comply with bid restrictions, if any, and applicable laws, including N.C.G.S. §143-129(j) regarding E-Verify. Any controversies arising out of this Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.

PRIOR AGREEMENTS. All other provisions of the initial Contract and subsequent modifications and revisions, are hereby ratified and shall continue in full force and effect without change, unless and until revised upon mutual written Agreement of the Parties, or terminated as provided herein.

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This Contract continues with signatures on the following page.)

GUILFORD COUNTY

Guilford County Department Director / Designee

This Cloud Service Statement of Work ("**SOW**") is made and entered into by and between Farragut Systems, Inc. ("**Farragut**") and Guilford County ("**Customer**" or "**County**") and is subject to the terms of the Master Services Agreement: **GUILFORD COUNTY CONTRACT NO. 90003935** (the "**Services Agreement**").
between the parties dated May 1, 2022.

The effective date of this SOW is 1/12/2023 (the "**SOW Effective Date**").

1. INTRODUCTION

Farragut agrees to provide a cloud hosting solution ("**Cloud Service**") beginning April 1, 2023 to Guilford County for the hosting of NCPTS, under the terms of this SOW. Customer has chosen a failover cloud hosting solution as described further below.

2. COVERED SERVERS AND WEB SITES

The following servers and web sites will be hosted under this SOW:

NCPTS Online Servers.

1. Production Environment
 - a. Dedicated Application Server
 - b. SQL Server Instance on Shared Database Server
 - c. Sharded Public Web Access Server
2. Test & Training Environment
 - a. Dedicated Application Server
 - b. Dedicated Database Server
3. All servers provided will be US based.

NCPTS Online Public Site. The public web site to serve the County's citizens and property tax related businesses.

1. Look up property information
2. Look up tax bills
3. Online payments, by connecting with your payment vendor

NCPTS Data Access Server. NCPTS data access server to support County-specific queries, reports, and system integration needs as follows:

1. Secure site-to-site VPN connection between the NCPTS data access server and the County's network.
2. Direct SQL Server access using secured logins for multiple processes accessing the data access server.
3. NCPTS data access server is synchronized with NCPTS operational data for real time data availability.
4. Security processes block all sensitive data from the data access server.

One-Time NCPTS Data/System Migration Services. NCPTS data, third party interfaces and system configurations will be migrated into the Cloud environment.

1. Farragut will provide a project manager and subject matter experts to create and migrate the County's NCPTS environment into the cloud environment.
2. County will be responsible for providing County staff to help assist with the migration based on their knowledge of the County's environment and workflows.

Data/System Migration Services	Farragut Responsibilities	Customer Responsibilities	Completion Criteria
PHASE 1: Standup POC Environment			
Current Environment Mapping	<p>Farragut will meet with Customer to understand current environment and any non-standard data entry or exit points.</p> <p>Farragut will provide an environment map based on Customer's current supported configuration.</p> <p>Farragut will support Customer leaders in preparing staff for the coming changes in business processes.</p>	<p>Customer will validate the Farragut provided environment and make updates where necessary.</p> <p>As Farragut is only responsible for providing standard dataflows and Customer specific dataflows previously contracted, Customer will need to determine if any changes in business processes are necessary.</p>	<p>Farragut has a map of current system.</p> <p>Customer is aware of any changes required in current business processes.</p>
Data Gathering	Farragut will provide Customer with a secure link to transfer data needed to create the Customer's cloud environment	Appropriate Customer staff will provide necessary data (i.e. database backups, data stores from current environment, interface source files, etc).	Customer data is securely transferred to a data storage location within the cloud environment.
Customer Cloud Environment Created	<p>Farragut will first build a standard cloud environment for production based on Customer's current contractual software. This includes:</p> <ol style="list-style-type: none"> 1. Application Server(s) for B&C, CAMA and Appeals 2. Database Server(s) for B&C, CAMA and Appeals 3. Interfaces used by the Customer (for example: <ol style="list-style-type: none"> a. Finance b. Permits c. Online Listings d. IVR e. Lockbox) 4. Printing capabilities 5. Check Scanner Functionality 	Appropriate Customer staff will be available to answer questions regarding system setup when necessary.	Customer is able to log into and test functionality utilizing the cloud environment.
User Testing & Acceptance	<p>Farragut will provide login information for the environment to be utilized during user acceptance testing</p> <p>Farragut will provide support for user acceptance testing.</p> <p>Farragut will correct/repair critical configuration issues reported during user acceptance testing that materially impede the Customer's business processes. Other issues will be addressed post-production under the maintenance & support agreement.</p>	<p>Customer will execute system testing for all the NCPTS functionalities currently utilized in the on-premises environment and will document and report discovered issues.</p> <p>Customer test and validates all critical configuration updates.</p>	<p>Critical configuration issues are addressed.</p> <p>Customer is able to conduct business processes utilizing the Cloud environment.</p>

Farragut will utilize Microsoft's Windows Azure cloud-based application platform to provide the County with the NCPTS Cloud Service.

3. NCPTS SYSTEM ADMINISTRATION SERVICES

Farragut will provide the following system administration management services under this SOW:

1. Maintain server and database backups
2. Update installation databases (production and test) as required
3. Apply database and NCPTS application updates and patches
4. Log and track data changes
5. Monitor production environment and communicate issues
6. Refresh test environment

7. Run tax processes as agreed by the parties – including Registrar Reports, End of Year Process, Upload DOR Schedules, Create Listing Abstracts, Create Listing Extract, Run Annual Billing, Manage Public Web Site, Manage CAMAFlow to Billing, Manage Nightly Finance Updates, Manage Nightly Reporting DB Updates, and Manage Nightly Database Maintenance
8. Provide reasonable help with adhoc data scripts and reports
9. Provide SOC report annually.

4. SECURITY

Microsoft Azure's infrastructure security allows for the following:

1. **Automatic encryption.** Everything sent within the Azure environment is automatically encrypted. The Azure network has automatic detection to prevent distributed denial-of-service (DDoS) attacks, similar to some of the largest services on the Internet, such as Xbox and Microsoft's Office 365.
2. Other safeguards include **automated smart traffic monitoring and profiling**. It is easier to detect and deflect threats when systems know when something looks out of the ordinary, reducing the risk any threats pose that may have breached external security systems.
3. Microsoft goes to great lengths to **protect hardware and firmware**, constantly reviewing and revising code, even creating hardware that can automatically detect threats before software is loaded and active. If anything malicious is detected, it can pause software activity until the threat is removed.
4. Azure is the first cloud platform to support both **software and hardware-based Trusted Execution Environments (TEEs)**. TEEs ensure that encrypted data – whether it is stored, in transit or inactive is – safe from unauthorized access and tampering.
5. Fusion **detection for ransomware** captures malicious activities at the defense evasion and execution stages of an attack, it gives Microsoft security analysts an opportunity to quickly understand the suspicious activities that happened around the same timeframe, connect the dots, and take immediate actions to disrupt the attack.

Farragut will implement a layered defense strategy across identity, data, hosts, and networks utilizing various security tools and capabilities, including:

1. **Windows updates** address known bugs in software and operating systems and fill critical security holes that could drastically impact cloud environment security. Farragut applies these updates regularly to keep the environment up to date and highly secure.
2. Farragut uses a **reverse proxy server** to protect the NCPTS server's identity. This type of proxy server also moves requests strategically on behalf of web servers, typically to help increase performance, security, and reliability.
3. **Remote Access Policy:** Farragut defines appropriate roles and access right to limit the access to cloud servers based on Farragut Admin, County Admin, and Farragut Support roles.
4. **IP based access restriction** allows the administrator to control access to the cloud environment based on IP (Internet Protocol) addresses. Only those users who access the cloud environment from the defined IP addresses are allowed to login, view and update the NCPTS applications.

5. BACKUP AND RECOVERY

Farragut will provide backup and recovery services as set forth in this Section. NCPTS will use commercially reasonable efforts to support the following recovery objectives:

1. Recovery Point Objective: 1 hour (maximum data loss objective)
2. Recovery Time Objective: 24 to 48 hours (maximum server downtime objective)

NCPTS backup and recovery services include:

1. Server Backups
 - a. Geo-Redundant Storage
 - i. Primary – South Central US
 - ii. Secondary – North Central US
 - b. Nightly backups – Stored for 30 days
2. Database Backups

- a. Geo-Redundant Storage
 - i. Primary – South Central US
 - ii. Secondary – North Central US
- b. Transaction Logs – Hourly – Stored for 4 days
- c. Full Backups – Nightly – Stored for 4 days
- 3. File Storage (Extract, NCPTSSStorage, LRCStorage, AppealsStorage)
 - a. Geo-Redundant Storage
 - i. Primary – South Central US
 - ii. Secondary – North Central US
 - b. Files are stored indefinitely during the term of this SOW

6. FAILOVER PROTECTION

In addition to the backup and recovery services above, Farragut will provide failover protection as described in this Section.

Farragut will leverage Azure availability zones for a high availability offering that protects NCPTS applications and data from datacenter failures. Availability zones are unique physical locations within an Azure region. Each zone is made up of one or more data centers equipped with independent power, cooling, and networking. Zone-redundant services replicate NCPTS applications and data across zones to protect from single-points-of-failure.

Data center failover protection includes the following servers and services:

- 1. Production
 - a. Two dedicated application servers (located in different datacenters within an Azure availability zone)
 - b. Two dedicated database servers (located in different datacenters within an Azure availability zone) c. Shared public web access server
- 2. Test & Training Server
 - a. Dedicated application/database server
- 3. Cloud System Administration
 - a. Server, application, database, and failover administration tasks.

For the production servers as configured above, Microsoft provides a 99.99% SLA. See https://azure.microsoft.com/en-us/support/legal/sla/virtual-machines/v1_9/ for more details. Farragut will pass along to County any credits provided by Microsoft due to failure to meet its SLA. Failure to meet the SLA for non-hardware or network related downtime and downtime not covered in the Software Maintenance and Support Agreement for NCPTS, Farragut will provide a service credit of 4% of the monthly fee for each day that the system is unavailable.

Farragut will, to the extent practicable, give at least eight (8) hours prior notice for maintenance downtime and schedule maintenance downtime for the Cloud Service between midnight Friday night and 6:00 pm Eastern time on Sunday on weekends, and between midnight and 1:00 am on other days.

7. INTEGRATIONS

Subject to Customer maintaining the appropriate licenses in place with Farragut and third-party licensors, and to availability of interface information and API's/software from third-party licensors, Farragut will maintain integrations for the following systems under this SOW:

- ESRI GIS & Mapping (ParcelSync, MapMetrics)
- Deeds (DeedSync)
- Permits
- Finance
- Payment Vendors
- IVR Payments

- TMA Online Listing
- Apex Sketch
- MobileAssessor
- Pictometry Imagery
- CoreLogic (Marshall & Swift) Online Commercial Costs

If a third-party licensor imposes a cost or fees on Farragut for use of interface software or specifications, Customer agrees to reimburse Farragut or pay such costs or fees directly with the vendor.

8. County Responsibility

County is responsible for performing all functions of the application deemed necessary for performing their day-to-day operations. This includes, but is not limited to:

- Running/printing reports
- Data validation
- Data corrections, except where the system doesn't allow for it.

9. OUT OF SCOPE

Any items or tasks not included in this SOW are out-of-scope and may be available in Farragut's discretion at an additional, agreed fee. Out of scope items include, but are not limited to:

- ✦ **Backup Retention Period:** Server and database backups retention for any period beyond the standard backup retention period of 30 days.
- ✦ **Additional Testing Environments:** Additional testing environments can be added as needed – for example during Reappraisal. Current pricing: \$2500/month.
- ✦ **County Domain Name:** Use of County domain names for accessing NCPTS applications versus standard ncptscloud.com and ncptscloudtest.com domains.
- ✦ **Single Sign-on** using Active Directory
- ✦ **Multifactor Login Authentication:** Integration of NCPTS Cloud Service with third-party products that offer SAML connection to provide two-factor authentication.
- ✦ Programming services
- ✦ Provisioning of any computer hardware, supporting software, and internet access at Customer's site needed to access the Cloud Service
- ✦ **GIS System:** County will be responsible for maintaining their GIS environment on-premise.

10. FEES AND EXPENSES

Customer agrees to pay Farragut an annual fee of US \$214,500 for the Cloud Service described in this SOW. Farragut will invoice Customer \$203,875 (\$214,500 plus \$17,875 for the additional month less \$28,500 remaining from NCPTS Admin Support contract) on 4/1/2023 and \$214,500 upon May 1, 2024 and each annual renewal thereof. After the initial term of this SOW, the annual fee may be adjusted by Farragut each year by not more than 5%.

Travel is not anticipated to be required under this SOW. If the parties agree that travel is required, Customer will reimburse Farragut for all reasonable expenses of Farragut associated with such travel.

Customer will pay all invoices within thirty (30) days of receipt.

The pricing herein is based on the assumption that the volume and frequency of data communicated by Customer within NCPTS does not materially increase. If this assumption changes, then additional fees (as mutually agreed in an Amendment to this SOW) will apply.

11. TERM AND TERMINATION

The initial term of this SOW ends on April 30, 2025. After the end of the initial term, renewal terms will be reviewed in conjunction with Master Services Agreement: **GUILFORD COUNTY CONTRACT NO. 90003935**, unless either party provides written notice to the other party of its intent to terminate this SOW at least ninety (90) days prior to the end of the then-current term.

Either Party may terminate this Agreement for any reason without cause and without penalty upon one hundred eighty (180) days written notice to the other Party. All goods and/or services provided and accepted as of the date of termination will be paid for; similarly, amounts paid in advance, if any, for which goods and/or services have not been provided and accepted by the COUNTY will be promptly refunded to the COUNTY by the CONTRACTOR within thirty (30) days of date of termination of this Contract. Customer may terminate this SOW if Farragut is in material breach of this SOW and does not cure such material breach, in accordance with Section 4.2 of the Services Agreement. Section 4.3 of the Services Agreement will not apply to this SOW.

12. ADDITIONAL TERMS

The County maintains exclusive ownership of its data hosted under this SOW. Upon termination or expiration of this SOW, Farragut will deliver all the County's data hosted under this SOW in the form of a SQL database backup file. Farragut will access the County data only to provide and improve Services under this SOW, any other SOW between the parties, and under the Maintenance & Support Agreement between the parties.

The Cloud Service is provided for and may be used solely for the benefit of Customer. Customer is responsible for all use of the Cloud Service by its employees and contractors. All contractors of Customer must access and use the Cloud Service solely for the benefit of Customer and not for their own benefit or for the benefit of any third party.

The parties agree to work together in good faith to meet target schedules and avoid delays under this SOW. If either party believes that a delay may be likely, whether due to factors within the control of such party or outside the control of such party, then it shall promptly notify the other party and the parties will meet as soon as practicable to discuss ways to mitigate or avoid any such delays.

Customer shall provide Farragut with access to Customer's personnel, facilities, databases, information, approvals and security clearance as reasonably requested by Farragut in connection with this SOW.

The liability of Farragut under this SOW will not exceed the total fees paid by Customer to Farragut within the twelve (12) months prior to the date the event giving rise to the liability took place.

Farragut shall have a royalty-free, worldwide, perpetual license to use or incorporate into the Cloud Service any suggestions, ideas, enhancement requests, feedback, or other information provided by Customer or any Customer user relating to the Cloud Service.

In the event of any conflict between the terms of the Services Agreement and this SOW, this SOW shall take precedence but only with respect to the Services in this SOW.

Customer acknowledges and agrees that Farragut may retain the services of independent consultants ("**Subcontractors**") from time to time to perform, or assist Farragut in performing, Services under this SOW. All Subcontractors shall perform such Services under Farragut's direction and control and shall act as independent contractors of Farragut. Farragut shall be responsible for any breach of the Services Agreement by Subcontractors as though such breach were made by Farragut.

This SOW replaces and supersedes all prior discussions, understandings and agreements regarding the subject matter of this SOW. In the event of any conflict between the terms of this SOW and the Services Agreement, the terms of this SOW shall control.

All terms and pricing in this SOW will expire if this SOW is not fully executed within 60 days from the date of submission.

Farragut Systems, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Customer: Guilford County

By: _____

Name: _____

Title: _____

Date: _____