

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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FROM: Larry W. Ward, Assessor-County Clerk-Recorder

SUBMITTAL DATE:
June 15, 2009

SUBJECT: Sole Source: Tyler Technologies, Inc., Amendment Number 2

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve and execute the Second Amendment to the Agreement for Professional Services with Tyler Technologies, Inc.;
- 2) Authorize the Purchasing Agent to execute administrative amendments and exercise the options to renew ongoing costs for an additional 2 one year periods; and
- 3) Authorize the Purchasing Agent to sign any ministerial amendments on behalf of the County.

BACKGROUND: This Amendment would allow the Assessor to acquire a Tyler Technologies proprietary software module for commercial and industrial Appraisal that would integrate with the existing value reduction system. This will significantly increase the Assessor's efficiency and effectiveness in identifying the commercial and industrial properties subject to reductions in value during this sluggish real estate market and economy. On April 7, 2009, the Board of Supervisors recognized the need for the County to know if and when the commercial valuations begin to decline with the residential market. In January 2008, the Assessor acquired a sophisticated program to address the rampant residential property value reductions. In January 2009, the Assessor acquired an Appeals module to address the increase in appeals of Assessor values. There were just under 650,000 assessments in 1996. There are now almost 1,000,000 assessments in Riverside County. The increase in the number of assessments, coupled with a reduction in valuation staff due to budget cuts, manifests the Assessor's need for these tools to become more efficient and effective with less resources.

Larry W. Ward

Larry W. Ward
Assessor-County Clerk-Recorder

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 90,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 25,000	For Fiscal Year:	2008/09

SOURCE OF FUNDS: Departmental Revenues	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: *Rob Rockwell*
Rob Rockwell

Stamp: SEP 24 11 41 AM '09

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE
Purchasing: *Mark Seiler*
Mark Seiler, Assistant Director
Departmental Concurrence
Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

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Price Reasonableness:

The proposed purchase price of \$90,000 and annual maintenance of \$25,000 beginning the second year appears reasonable. The pricing is congruent with our research of similar purchases of this product statewide in various counties.



LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Assessor
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Riverside, CA 92502-2204
(951) 955-6200

County Clerk-Recorder
P.O. Box 751
Riverside, CA 92502-0751
(951) 486-7000

www.riversideacr.com
www.riversidetaxinfo.com

Date: June 15, 2009

From: Larry W. Ward, Assessor Department/Agency: Assessor-County Clerk-Recorder

To: Board of Supervisors

Via: Purchasing Agent

Subject: Sole Source Procurement: Tyler Technologies, Commercial and Industrial Module Supply / Service being requested: Install and integrate proprietary software module with existing assessment value reduction system and provide on-going annual maintenance.

Supplier being requested: **Tyler Technologies, Inc. (Formerly known as Assessment Evaluation Services, Inc.)**

Alternative suppliers that can or might be able to provide supply / service: **None. This is proprietary software for an existing system. To integrate with an alternate system and new vendor would not be cost effective or efficient.**

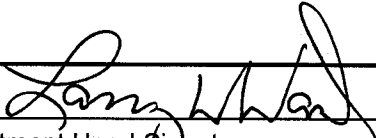
Extent of market research conducted: **The Assessor determined that knowledge of this custom created software system would not be available from other sources due to the proprietary nature of the software.**

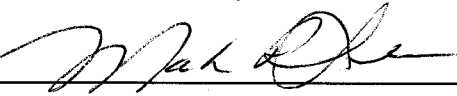
Unique features of the supply/service being requested from this supplier which no alternative supplier can provide: **It is proprietary software that will integrate with the existing value reduction software.**

Reasons why my department requires these unique features and what benefit will accrue to the County: **Commercial and industrial properties are expected to decline in the near future. During these poor economic times and budget cuts, the Assessor needs this module to address the increasing filed appeals and related declines in value with less resources and in a more efficient and effective manner.**

Price Reasonableness: **The pricing is consistent with congruent programs procured by other California counties.**

Does moving forward on this product or service further obligate the County to future similar contractual arrangements: **No.**

 6-15-2009
Department Head Signature Date

 6-15-2009
Purchasing Signature Date

Purchasing Department Comments

Approve

Approve with Comments

Disapprove

**AMENDMENT NO. 2
TO THE AGREEMENT BY AND BETWEEN THE
COUNTY OF RIVERSIDE AND
TYLER TECHNOLOGIES, INC, FORMERLY KNOWN AS ASSESSMENT
EVALUATION SERVICES, INC (AES)**

WHEREAS, on the February 11, 2008, the County of Riverside, California (hereafter referred to as "COUNTY") and TYLER TECHNOLOGIES, INC (hereafter referred to as "TYLER") formerly known as Assessment Evaluation Services, Inc., signed a Software Licensing Agreement (hereafter referred to as the "Agreement") for the Mass Evaluation Software System; and,

WHEREAS, the COUNTY and TYLER desire to amend the Agreement so that TYLER can add a module to perform a program for County of Riverside Commercial and Industrial Valuation appraisal module.

NOW THEREFORE the following terms of this Amendment shall become effective as of the last date set forth on the signature page hereto (the "Effective Date"). All other terms and conditions of the Agreement as previously amended remain the same and in effect, unless specifically altered in this Amendment.

The parties therefore agree as follows:

This Amendment includes the following Exhibits, each of which is incorporated herein by reference. Any inconsistencies in the Agreement shall be resolved by the following order of preference:

Amendment 2 – This Document

Exhibit A – Cost and Fee Schedule / Scope of Work

**AMENDMENT NO. 2
TO THE AGREEMENT BY AND BETWEEN THE
COUNTY OF RIVERSIDE AND
TYLER TECHNOLOGIES**

SIGNATURE PAGE

TYLER TECHNOLOGIES, INC

COUNTY OF RIVERSIDE

By: Carmen R. Guido

By: _____

Name: Carmen R. Guido

Name: _____

Title: Vice-President

Title: _____

Date: 06/15/2009

Date: _____

By: Michael Dwyer

Name: [Signature]

Title: Director

Date: 6-15-09

FORM APPROVED COUNTY COUNSEL

BY: [Signature] DATE

NEAL R. KIPNIS

DATE

Exhibit A

COST AND FEE SCHEDULE / SCOPE OF WORK

Commercial and Industrial Valuation Module

Deliverables:

Tyler Technologies (TYLER) Responsibilities

- Configure and prepare test workstation and TYLER server environment.
- Install TYLER Commercial and Industrial Valuation server software and database on existing Valuation TYLER server.
- Establish software development environment.
- Convert existing commercial appraisal data for use in the Commercial and Industrial Valuation Module.
- Work with ACR IT staff to create data map and automated data conversion processes.
- Perform program modifications during software roll-out to meet functional and management objectives.
- Optimize completed software for efficient operation on ACR computer network.
- Perform Software Functional testing.
- Disaster Recovery plan development.
- Work with ACR-IT to coordinate stress testing of software.
- Conduct User Training Sessions.
- Deliver User Documentation.

County [Assessor-County Clerk-Recorder (ACR)] Responsibilities

- Furnish a project manager to oversee implementation of TYLER Commercial and Industrial Valuation software on ACR network.
- Maintain and deliver final design document to TYLER
- Establish VPN Remote Connectivity.
- Provide TYLER with Assessor business rules for use within the TYLER Commercial and Industrial Valuation module.
- Provide access to existing commercial appraisal program database.
- Work with TYLER to map data fields from existing commercial database program into TYLER Commercial and Industrial Valuation module.
- Validate data conversion.
- Define rules for comparable sales selection.
- Establish adjustment schedules for TYLER Commercial and Industrial Valuation Module comp selection.
- Establish TYLER Beta Test team and project testing procedures.
- Software Functional testing.
- Conduct User Acceptance Testing.
- Work with TYLER to develop a Disaster Recovery plan.
- Coordinate Stress Testing of TYLER software.
- Full Deployment of TYLER software to ACR end users.

Exhibit A

COST AND FEE SCHEDULE / SCOPE OF WORK

Fees and Expenses:

The purchase order for this Scope of Work (SOW) states **\$90,000** to cover services. In addition, on-going software maintenance and support costs will total **\$25,000** per year, beginning 12 months from the effective date of this amendment. After the initial year of maintenance at \$25,000, the cost will increase annually in accordance with the London Interbank Offered Rate (LIBOR) annual index (difference between LIBOR on previous due date and current due date), not to exceed four percent.

Exhibit A

COST AND FEE SCHEDULE / SCOPE OF WORK

DESCRIPTION	PRODUCTION		
	Notes	Recurring Costs	One Time Costs
Setup, Configuration and Installation of TYLER Commercial and Industrial Valuation Module			\$90,000
Customization of TYLER Commercial and Industrial Valuation Module			Included
Integration of existing commercial appraisal data			Included
Server Hardware	ACR using existing computer hardware project.		0
Maintenance: begins 12 months from effective date.		\$25,000	0
Total Estimated One Time Costs for Production:			\$90,000

Payment Schedule:

TYLER's payment, as outlined below, will be upon completion of the following milestones.

Invoice #	Estimated Date	Deliverable(s)	Amount
1		Completion and Acceptance of Milestone 1	\$45,000
2		Completion and Acceptance of Milestone 2	\$45,000
			\$90,000

Exhibit A

COST AND FEE SCHEDULE / SCOPE OF WORK

Description of Milestones:

Milestone 1- Completion and Acceptance of Subset A

Milestone 1 encompasses the programming and data conversion prerequisites necessary prior to customization and testing in Milestone 2. This milestone includes delivery of an alpha level software product as defined below.

Site Preparation and Setup

- Configure and prepare test workstation and TYLER Commercial and Industrial Valuation Module server environment
- Establish VPN Remote Connectivity
- Install TYLER Commercial and Industrial Valuation Module software and database on server. Establish development environment
- Grant access to non-customized TYLER Commercial and Industrial Valuation application on test workstations. This version will serve as the alpha version for county customization and testing in milestone 2

Data Conversion and Business Rules

- Work with ACR IT staff to create data map and automated data conversion processes
- Define rules for comparable sales selection.
- Create and test database access.

Milestone 2- Completion and Acceptance of Subset B

Milestone 2 encompasses the testing and customization of the alpha level TYLER Commercial and Industrial Valuation software (delivered as part of milestone 1) to correct all software bugs encountered during testing. The culmination of this milestone will be the installation of the finished product on all appropriate workstations. This milestone includes

Design Review

- County and TYLER to conduct application design review to determine required customizations.
- County to provide final design document for acceptance by County and TYLER

Testing

- County to establish TYLER Beta Test team and project testing procedures
- County to validate data conversion and work with TYLER to correct any issues.
- County to perform Software Functional testing and work with TYLER to correct problems.
- County to perform user Acceptance Testing
- TYLER and County to perform disaster recovery testing and system stress testing.

Exhibit A

COST AND FEE SCHEDULE / SCOPE OF WORK

Deployment

County to deploy software to target users

TYLER to provide user training sessions

TYLER to deliver full user documentation