

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

455



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

SUBMITTAL DATE:
10/18/2012

SUBJECT: Amendment 1 to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System known as SECURE.

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve Amendment 1 to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System.
- 2) Authorize Larry Ward, Assessor-County Clerk-Recorder to execute the amendment.

BACKGROUND: On July 29, 2008, the Board of Supervisors approved Agenda Item number 3.17 for the Approval of the Multi-County Agreement between the Counties of Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System.

The Multi-County Agreement is a collaborative effort and allows authorized statewide and national submitters to record documents electronically via a portal. The benefits of this portal include reduced cost to individual counties, closer communication between southern California title companies and service providers, and quicker, streamlined confirmation times for title companies. This Multi-County Agreement provides that each County that is a party to the Agreement pay an equal share of the initial acquisition cost and annual maintenance costs.

(CONTINUED)

Larry W. Ward, Assessor-County Clerk-Recorder

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 274,500.00	In Current Year Budget:	Y
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	N
	Annual Net County Cost:	\$	For Fiscal Year:	2012/2013

SOURCE OF FUNDS: Reserve for the Electronic Recording Fund and reserve for the Recorder's Modernization Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Karen L. Johnson

FORM APPROVED COUNTY COUNCIL
BY:
MARSHAL VICTOR 10/23/12 DATE

County Executive Office Signature

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
 Dept. Recomm. Consent
 Policy Consent

Prev. Agn. Ref.: July 22, 2008; #3.17

District: ALL

Agenda Number:

3.15

ACIT
 Kevin K Crawford, CIO
 Purchasing, Departmental Concurrent
 Mark Seiler, Assistant Director

The Honorable Board of Supervisors

RE: Amendment 1 to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System known as SECURE.

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The County of Orange County Clerk-Recorder has been designated as the Lead County for SECURE and assigned certain responsibilities for hosting and supporting this system under the Multi-County Agreement. Each of the owner counties has an equal vote in any decision pertaining to the enhancements, modifications, and maintenance of the system.

In the spring of 2012, the Counties discussed long-term maintenance and enhancements for the SECURE system, and agreed that the Los Angeles County Registrar-Recorder/County Clerk information technology staff would be the best solution to provide long-term maintenance and enhancements for the SECURE system.

On June 19, 2012, the Los Angeles County Board of Supervisors approved the "Agreement for SECURE Maintenance and SECURE Version 3" between the County of Orange County Clerk-Recorder and the Los Angeles County Registrar-Recorder/County Clerk.

On June 26, 2012, the Orange County Board of Supervisors approved the "Agreement for SECURE Maintenance and SECURE Version 3" between the Orange County Clerk-Recorder and the Los Angeles County Registrar-Recorder/County Clerk.

Accordingly, the Riverside County Assessor-County Clerk-Recorder requests the approval of additional maintenance costs associated with the "Agreement for SECURE Maintenance and SECURE Version 3" between the Orange County Clerk-Recorder and the Los Angeles County Registrar-Recorder/County Clerk. The additional maintenance costs include an increase of \$139,625 per County per fiscal year, effective July 1, 2012 through June 30, 2015, with an additional \$192,500 for fiscal years 2015-2016 and 2016-2017. **Exhibit B** (that defines the costs of the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership and ongoing maintenance of an Electronic Recording Delivery System") is being amended by Amendment No. 1 and is attached.

The "Agreement for SECURE Maintenance and SECURE Version 3" is broken down into two components:

Component 1 - General/Routine Maintenance Services

- (A) The price agreement with the Los Angeles County Registrar-Recorder' County Clerk, including an amount not to exceed \$520,500 for system maintenance of the multi-county Electronic Recording Delivery System known as SECURE, with the cost to be split equally among the owner counties of Orange, Los Angeles, Riverside, and San Diego (\$130,125 each). The Agreement term will run from July 1, 2012 through December 31, 2013.

The Honorable Board of Supervisors

RE: Amendment 1 to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System known as SECURE.

October 18, 2012

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(B) The price agreement with Los Angeles County Registrar-Recorder/ County Clerk, including an amount not to exceed \$1,155,000 for system maintenance of the Multi-County Electronic Recording Delivery System known as SECURE, with the cost to be split equally among the owner counties of Orange, Los Angeles, Riverside, and San Diego (\$288,750 each). The Agreement term will run from January 1, 2014 through June 30, 2015

Component 2 – Development of SECURE Version Three

The price agreement with Los Angeles County Registrar-Recorder/County Clerk, including an amount not to exceed \$1,170,000 for development of multi-county Electronic Recording Delivery System software known as SECURE Version Three, with the cost to be split equally among the OWNER counties of Orange, Los Angeles, Riverside and San Diego (\$292,500 each). The Agreement term will run from July 1, 2012 through December 31, 2013.

The development of SECURE Version 3 is needed to enhance the SECURE system. **Exhibit D** will be added by this Amendment No. 1 to the Multi-County agreement to reflect the Riverside County milestone payment requirements for the SECURE Version 3 enhancements.

Riverside County Ordinance No. 876 established a recording fee "ERDS Fee" under the Electronic Recording Delivery Act of 2004, and is found in California Government Code Section 27397 (c)(1). Government Codes 27361(c) and 27361.3 provide for a recording fee "Modernization Fee" collected for Recorder Modernization. Accordingly, the funding for the additional SECURE maintenance and enhancements will be covered by the ERDS Fee and Modernization Fee.

The Riverside County cost for the Agreement for SECURE Maintenance and SECURE Version 3 is broken down by fiscal year as follows:

FY 12/13:

Component 1	\$186,750
Component 2	<u>\$ 87,750</u>
Total	\$274,500

FY 13/14:

Component 1	\$239,625
Component 2	<u>\$204,750</u>
Total	\$444,375

FY 14/15:

Component 1	\$292,500
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The Honorable Board of Supervisors

RE: Amendment 1 to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System known as SECURE.

October 18, 2012

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FY 15/16:

(Contingent upon approval of the first one-year contract extension of the Agreement for SECURE Maintenance and SECURE Version 3 between Los Angeles and Orange Counties:

Component 1	\$292,500
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FY 16/17:

(Contingent upon approval of the second one-year contract extension of the Agreement for SECURE Maintenance and SECURE Version 3 between Los Angeles and Orange Counties:

Component 1	\$292,500
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LARRY W. WARD
COUNTY OF RIVERSIDE
ASSESSOR-COUNTY CLERK-RECORDER

Assessor
P.O. Box 12004
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: October 18, 2012

From: Larry W. Ward Department/Agency: Assessor-County Clerk-Recorder
Bobbie Schutte (James Moore)

To: Board of Supervisors/Purchasing Agent

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for Software Development and Maintenance

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

- 1. Supply/Service being requested:** This purchase modifies the original Multi-County Agreement to provide for the maintenance of the SECURE application software and the enhancement (SECURE Version Three) of the program, via the Agreement for SECURE Maintenance and the software development for SECURE Version Three.
- 2. Supplier being requested:** County of Los Angeles County Registrar-Recorder/County Clerk.
- 3. Alternative suppliers that can or might be able to provide supply/service:** The Board of Supervisors approved Agenda Item # 3.17 on 7/28/2008 for the approval of the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for the shared ownership, ongoing maintenance, and software development upgrades of the Electronic Recording Delivery System known as SECURE. The lead County, Orange County Clerk-Recorder, agreed to contract for these services with the Los Angeles County Registrar-Recorder/County Clerk.
- 4. Extent of market search conducted:** The Counties discussed long-term maintenance and enhancements for the SECURE system, and agreed that the Los Angeles County Registrar-Recorder/County Clerk -Information Technology would be the best solution to provide long-term maintenance and enhancements for the SECURE system. Each of the owner Counties has an equal vote in any decision pertaining to the enhancements, modifications, and maintenance of the system.
- 5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** *Component 1 - General/Routine Maintenance Services* – The price agreement with the Los Angeles County Registrar-Recorder's County Clerk is for system maintenance of the Multi-County Electronic Recording Delivery System known as SECURE, with the cost to be split equally among the owner Counties of Orange, Los Angeles, Riverside and San Diego.



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Component 2 - Development of SECURE Version Three – The price agreement with the Los Angeles County Registrar-Recorder's County Clerk is for development of the Multi-County Electronic Recording Delivery System known as SECURE Version Three, with the cost to be split equally among the owner Counties of Orange, Los Angeles, Riverside and San Diego.

- 6. Reasons why my department requires these unique features and what benefit will accrue to the county:** The SECURE system is vital to the Riverside County Recorder. Approximately 50% of the documents accepted for recording at the Riverside County Recorder's office are recorded electronically through the system. The Multi-County Agreement is a collaborative effort and allows authorized statewide and national submitters to record documents electronically via a portal. The benefits of this portal includes reduce cost to individual counties, closer communication between southern California title companies and service providers, and quicker, streamlined confirmation times for title companies.
- 7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** As reflected in Orange County's Sole Source/Proprietary Request – Los Angeles County Registrar-Record /County Clerk offered dedicated, consistent and scalable staffing, plus technical expertise and continual database training. Three staff members will be dedicated to SECURE through these agreements. The prices are very competitive within the industry. There is tremendous cost savings in being able to use co-owner resources instead of contracting exclusively with another vendor. An outside vendor would be required to learn department processes to provide software enhancements services to SECURE.

The Riverside County cost for the Agreement for SECURE Maintenance and SECURE Version Three is broken down by fiscal year as follow:

FY 12/13:

Component 1: General/Routine Maintenance Service	\$186,750
Component 2: Development of SECURE Version Three	<u>\$ 87,750</u>
Total	\$274,500

FY 13/14:

Component 1: General/Routine Maintenance Service	\$239,625
Component 2: Development of SECURE Version Three	<u>\$204,750</u>
Total	\$444,375

FY 14/15:

Component 1: General/Routine Maintenance Service	\$292,500
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FY 15/16:

Component 1: General/Routine Maintenance Service	\$292,500
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(Contingent upon approval of the first one-year contract extension of the Agreement for SECURE Maintenance and SECURE Version between Los Angeles and Orange Counties)



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FY 16/17:

Component 1: General/Routine Maintenance Service **\$292,500**
(Contingent upon approval of the first one-year contract extension of the Agreement for SECURE Maintenance and SECURE Version between Los Angeles and Orange Counties)

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain). No. The Riverside County cost for the Agreement for SECURE maintenance and SECURE Version Three is broken down by fiscal year, renewable in one year increments.

9. **Period of Performance:**

The Agreement for SECURE Maintenance and SECURE Version Three shall commence on July 1, 2012 and shall continue through June 30, 2015, with an option for two (2) one-year extensions for maintenance services as outlined in Component 1.

County has the right to terminate the Agreement with a 60-day written notice.

(Provide a defined period of performance. Please note multi-year terms require Board approval, unless renewable in one year increments and the Purchasing Agent approves the terms.)

ACR is requesting approval for up to 4 additional years on this sole source as long as the renewal cost does not exceed the Consumer Price Index for LA and Orange Counties.

Larry Ward

10-22-12

Department Head Signature

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ _____
through 6-30-2015

One time Annual Amount

FY 2012/13 - \$274,500

FY 2013/14 - 444,375

FY 2014/15 \$292,500

FY 2015/16 \$292,500

Mark [Signature]

10-22-12

13-192

Purchasing Agent

Date

Approval Number

(Reference on Purchasing Documents)

**FIRST AMENDMENT TO THE MULTI-COUNTY AGREEMENT BETWEEN THE
COUNTIES OF LOS ANGELES, ORANGE, RIVERSIDE, AND SAN DIEGO FOR
SHARED OWNERSHIP AND ONGOING MAINTENANCE OF AN ELECTRONIC
RECORDING DELIVERY SYSTEM**

This First Amendment to the Multi-County Agreement between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System is effective as of July 1, 2012.

WHEREAS, the Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System (“Agreement”) was entered into and made effective as of the 19th day of August, 2008; and

WHEREAS, the Agreement provided for the sharing of the ownership and ongoing maintenance of an electronic recording delivery system known as the Statewide Electronic Courier Universal Recording Environment (“SECURE”); and

WHEREAS, the Counties desire to enhance and upgrade the SECURE system to a new version, called SECURE Version 3, and to provide for increased maintenance costs;

NOW THEREFORE, the Counties agree to amend the Agreement as provided below.

1. Amend Section 5(a) of the Agreement, “Costs”, to add the following sentence at the end of the section:

Each County that is a party to this Agreement shall pay \$292,500 to enhance and upgrade the SECURE system to a new version, SECURE Version 3, as provided for in Exhibit D.

2. Amend Section 17 of the Agreement, “Notices” to provide notice to the County of San Diego as follows:

The County of San Diego:

Val Wood
Chief Deputy Recorder/County Clerk
1600 Pacific Highway, Room 260
San Diego, CA 92101

3. Amend Exhibit B of the Agreement, Section c, to state as follows:

- c. Annually collect the direct maintenance costs for SECURE for each County. The initial annual direct maintenance cost was estimated at \$100,000 per County. For

fiscal year 2012-2013, the annual direct maintenance cost per County is \$186,750; for fiscal year 2013-2014, the annual direct maintenance cost per County is \$239,625; for fiscal year 2014-2015 and each fiscal year thereafter, unless otherwise amended, the annual direct maintenance cost per County is \$292,500.

4. Add Exhibit D, as attached hereto, to the Agreement to provide for payment to enhance and upgrade the SECURE system to a new version, SECURE Version 3.
5. All other terms and conditions of the Agreement remain unchanged.
6. This First Amendment to the Agreement may be executed in counterparts by all Counties. The First Amendment is in effect as to any signatory party on execution and, for purposes of enforcement, true copies of signatures shall be deemed to be original signatures.

IN WITNESS HEREOF, the Counties hereto have caused this First Amendment to the Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System to be executed and attested to by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE COUNTY OF LOS ANGELES:

By: Dean C. Logan

Signature: _____

Title: Los Angeles County Registrar-Recorder/County Clerk

Dated: _____

THE COUNTY OF LOS ANGELES COUNTY COUNSEL:

Approved as to form by: _____

Signature: _____

Title: _____

Dated: _____

Approved by the County of Los Angeles Board of Supervisors on: June 19, 2012

IN WITNESS HEREOF, the Counties hereto have caused this First Amendment to the Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System to be executed and attested to by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE COUNTY OF ORANGE:

By: Tom Daly _____

Signature: _____

Title: Orange County Clerk-Recorder _____

Dated: _____

THE COUNTY OF ORANGE COUNTY COUNSEL:

Approved as to form by: _____

Signature: _____

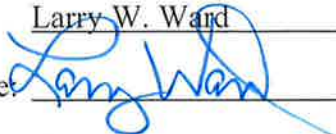
Title: _____

Dated: _____


Approved by the County of Orange Board of Supervisors on : _____

IN WITNESS HEREOF, the Counties hereto have caused this First Amendment to the Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System to be executed and attested to by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE COUNTY OF RIVERSIDE:

By: Larry W. Ward
Signature: 
Title: Riverside County Assessor-County Clerk-Recorder
Dated: 10-22-12

THE COUNTY OF RIVERSIDE COUNTY COUNSEL:

Approved as to form by: Marsina L. Victor
Signature: 
Title: Principal Deputy
Dated: 10/23/12

Approved by the County of Riverside Board of Supervisors on : _____

IN WITNESS HEREOF, the Counties hereto have caused this First Amendment to the Multi-County Agreement Between the Counties of Los Angeles, Orange, Riverside, and San Diego for Shared Ownership and Ongoing Maintenance of an Electronic Recording Delivery System to be executed and attested to by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE COUNTY OF SAN DIEGO:

By: Ernest J. Dronenburg, Jr.

Signature: _____

Title: San Diego County Assessor/Recorder/County Clerk

Dated: _____

THE COUNTY OF SAN DIEGO COUNTY COUNSEL:

Approved as to form by: Walter de Lorrell

Signature: _____

Title: Senior Deputy County Counsel

Dated: _____

Approved by the County of Board of Supervisors on: _____

EXHIBIT B

Costs

The Lead County shall:

- a. Receive and receipt for all money of SECURE and place it in a special established fund designated solely to SECURE;
- b. Be responsible upon his or her official bond for the safekeeping and disbursement of all SECURE money held by him or her;
- c. Annually collect the direct maintenance costs for SECURE for each County. The initial annual direct maintenance cost is estimated at \$100,000 per County, as of July 1, 2012, the annual direct maintenance cost will increase by \$139,625 per County per fiscal year through June 30, 2015, with an additional \$192,500 for fiscal years 2015-16 and 2016-17;
- d. Review the annual costs for SECURE, to include any adjustment and/or enhancement costs, provide the results of the review to the Counties, and adjust them only to include direct costs;
- e. Disburse, when due, out of SECURE funds, all sums payable on outstanding bills and money owed approved by the Counties;
- f. Issue checks to pay demands against SECURE which have been approved by the Counties;
- g. Be responsible on his or her official bond for his or her approval of disbursement of SECURE money;
- h. Keep and maintain records and books of accounts on the basis of the uniform classification of accounts adopted by the State Controller (the books of accounts shall include records of assets, liabilities and of contributions made by each party); and
- i. Cause to be made an annual audit of the accounts and records of SECURE as prescribed in California Government Code sections 6505 and 26909.

Exhibit D

Payment for Development of SECURE Version 3

Pursuant to the Agreement for SECURE Maintenance and SECURE Version 3 that was entered into between the County of Orange as the Lead County and Los Angeles County effective July 1, 2012 (“Enhancement Agreement”) to enhance and upgrade the SECURE system, each Owner County shall pay \$292,500 for the development of SECURE Version 3.

Owner County Milestone Payments for SECURE Version 3

The Owner Counties shall pay their share of the SECURE Version 3 development costs incrementally, upon the occurrence of the following milestones as provided for in the Enhancement Agreement:

Due Date	Milestone	%	Payment Amount
10/29/2012	SECURE Assessment Phase	30	\$ 87,750
1/23/2014	SECURE Development Phase	30	\$ 87,750
1/31/2014	SECURE Acceptance Testing Support SECURE Version 3	40	\$ 117,000
	Total	100	\$292,500