

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

466



SUBMITTAL DATE:
007 2 4 2012

FROM: Don Kent, Treasurer/Tax Collector

SUBJECT: Approval of the Agreement with Bid4assets, Inc. to provide internet-based auction of certain tax-defaulted properties for the Treasurer/Tax Collector without securing competitive bids.

RECOMMENDED MOTION: Move that the Board of Supervisors:

1. Approve and execute the one year professional service agreement with Bid4assets, Inc. not to exceed \$350,000.00 annually, which contains an option to renew the agreement for four (4) additional one-year periods; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates, and;
3. Direct the Clerk of the Board to return 3 original signed agreements to Purchasing and Fleet Services


Don Kent, Treasurer/Tax Collector

| | | | | |
|-----------------------|-------------------------------|--------------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$190,000.00 | In Current Year Budget: | YES |
| | Current F.Y. Net County Cost: | \$0 | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$0 | For Fiscal Year: | 2012-13 |

| | | |
|--|---|--------------------------|
| SOURCE OF FUNDS: Treasurer-Tax Collector Budget | 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: 
Karen L. Johnson

FORM APPROVED COUNTY COUNSEL
 BY: Don Kent 10/24/12
 Departmental Director: DALE GARDNER
 Purchasing: Mark Seiler, Assistant Director
 Dept't Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.64

BACKGROUND: The purpose of this contract with BID4ASSETS is to provide a web site service and advertise for auction of tax-defaulted properties. Advertising Web site services will include organizing, posting, hosting, and servicing advertised tax-defaulted properties (including pictures of the properties when needed) and due diligence information for between 100 and 2000 properties at one time. These advertised properties will be auctioned on the Web site at the direction of the County Treasurer-Tax Collector.

Purchasing released a Request for Proposal entitled: TTARC - 010 Conduct Internet-Based Auction of Certain Tax-Defaulted Properties on August 6, 2012. Bid solicitations were e-mailed to six (6) companies and the RFP was further advertised on PublicPurchase.com and the County's Purchasing Website. Bid4Assets submitted the only response/proposal to the RFP. Purchasing performed post bid inquires of all non-responding vendors and found these vendors either lacked the expertise and/or desire to provide the requested services.

PRICE REASONABLENESS: The Bid4Assets proposal was reviewed by an evaluation team consisting of personnel from Purchasing and the Treasurer Tax-Collector. No price increase is being sought by Bid4Assets as pricing offered by Bid4Assets is consistent with that of their previous contract. The evaluation team reviewed the Bid4Asset's proposal based on the bidder's overall responsiveness to the requirements of the scope of service, the ability to perform, software and equipment capability, references and the overall cost.

The evaluation committee recommends that the award be given to Bid4Assets, Inc., as the lowest responsive/ responsible vendor not to exceed the annual amount of \$350,000.00.

REVIEW/APPROVAL: Purchasing and County Counsel concurs with this request.

PROFESSIONAL SERVICE AGREEMENT

To

**CONDUCT INTERNET-BASED AUCTION OF CERTAIN
TAX-DEFAULTED PROPERTIES**

Between

COUNTY OF RIVERSIDE

And

Bid4Assets, Inc



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This Agreement, made and entered into this ^{22nd} day of ^{October}, 2012, by and between Bid4Assets, Inc, (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Services, consisting of three (3) pages at the prices stated in Exhibit B, C & D, Payment Provisions, consisting of six (6) pages.

1.2 CONTRACTOR represents that it has the skills, experience and knowledge necessary to fully and adequately perform under this Agreement and the COUNTY relies upon this representation. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

1.3 CONTRACTOR affirms this it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Period of Performance

2.1 This Agreement shall be effective upon signature of this Agreement by both parties and continue in effect through November 30, 2013, with the option to renew for two (2) years, renewable in one year increments by written amendment, unless terminated earlier. CONTRACTOR shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter.

3. Compensation

3.1 The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed

\$350,000.00 annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

3.2 No price increases will be permitted during the first year of this Agreement. All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

Jodi Jacobs, Controller
8758 Georgia Ave, Ste 520
Silver Spring MD, 20910

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number; quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears.

3.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.

4. Alteration or Changes to the Agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee is the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly.

4.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

5. Termination

5.1. COUNTY may terminate this Agreement without cause upon 30 days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

5.2 COUNTY may, upon five (5) days written notice, terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress to endanger performance and does not immediately

cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

5.3 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Agreement on the date specified in the notice of termination; and
- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

5.4 After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement and at the rates set forth in Exhibit B.

5.5 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.6 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6. Ownership/Use of Contract Materials and Products

The CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement shall be the sole property of the COUNTY; and may be used by the COUNTY for any purpose COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports or products without prior written authorization of the COUNTY.

7. Conduct of Contractor

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. Inspection of Service; Quality Control/Assurance

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected, the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also

terminate this Agreement for default and charge to CONTRACTOR any costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess or evaluate CONTRACTOR's performance under this Agreement at any time upon reasonable notice to CONTRACTOR.

9. Independent Contractor

The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

10. Subcontract for Work or Services

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.

11. Disputes

11.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be

decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

11.2 Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

12. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

13. Use By Other Political Entities

The CONTRACTOR agrees to extend the same pricing, terms and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR; and COUNTY shall in no way be responsible to CONTRACTOR for other entities' purchases.

14. Non-Discrimination

CONTRACTOR shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap,

medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to

anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

County of Riverside
Purchasing and Fleet Services
2980 Washington Street
Riverside, CA 92504
Attn: James P. Hewett JD/MBA

with copy to:

Treasurer-Tax Collector
4080 Lemon Street, 4th Fl.
Riverside, CA 92502
Attn: Sherry Hillard

CONTRACTOR

Bid4Assets, Inc
Will Scott – Senior Director,
Government Services
8757 Georgia Ave, Ste 520
Silver Spring, MD 20910

19. Force Majeure

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

21.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of

their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR'S indemnification to Indemnitees as set forth herein. CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

21.3 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

21.4 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CONTRACTOR from indemnifying the Indemnitees to the fullest extent allowed by law.

21.5 CONTRACTOR's indemnification obligations shall also apply to any action or claim regarding actual or alleged intellectual property infringement related to any material or product provided to COUNTY pursuant to this Agreement. In the event of any such action or claim, CONTRACTOR shall provide immediate notice to COUNTY of the action or claim. CONTRACTOR may defend or settle the action or claim as CONTRACTOR deems appropriate; however, CONTRACTOR shall be required to obtain for COUNTY the right to continue to use the material or product (or a similar non-infringing material or product with the same function) on terms identical to those stated in this Agreement.

22. Insurance

22.1 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

22.2 Workers' Compensation: If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

22.3 Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

22.4 Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

22.5 Professional Liability: Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

22.6 General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceed \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the Country's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as*

required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

6) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

8) CONTRACTOR agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

23. General

23.1 CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the

same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

23.10 CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.12 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

COUNTY:

County of Riverside
2980 Washington St. 34
Riverside, CA 92504

CONTRACTOR:

Bid4Assets, Inc
8757 Georgia Ave, Ste 520
Silver Spring, MD 20910

Signature: _____

Signature:  _____

Print Name: _____

Print Name: Matthew D. Baker

Title: _____

Title: CEO

Dated: _____

Dated: 10/22/12

FORM APPROVED COUNTY COUNSEL
BY:  10/24/12
DALE A. GARDNER DATE

EXHIBIT A
SCOPE OF SERVICE

Web Site Advertising Services for Tax-defaulted Properties:

Consultant to provide Web site services for the Treasurer-Tax Collector of Riverside County, California to advertise for auction of tax-defaulted properties. Advertising Web site services will include organizing, posting, hosting, and servicing advertised tax-defaulted properties (including pictures of the properties when needed) and due diligence information. These advertised properties will be auctioned on the Web site at the direction of the County Treasurer-Tax Collector. For the duration of each auction, advertising on the Web site will be available to the public twenty-four hours per day, seven days per week ("24/7"). In addition, Consultant will collect information from successful purchasers for use by the county in completion of deed certificates.

According to California law, the Treasurer-Tax Collector may recover the cost of advertising for tax-defaulted property auctions. Auction advertising for three to five weeks is anticipated before the auction. The auction advertising Web site will be developed and maintained to accommodate all necessary aspects of auction advertising acceptable to the County Treasurer-Tax Collector, including advertising of sale results.

Consultant shall, at the direction of the organizing Treasurer-Tax Collector, establish parameters for auction advertising (in terms of time, minimum price, reserve price and settlement terms), develop a Web-based and traditional marketing effort, disseminate due diligence information online to potential bidders, and support the sale of tax-defaulted properties.

Consultant shall assign passwords to registered, pre-qualified bidders. The Treasurer-Tax Collector will determine which bidders are qualified and will provide that information to the Consultant.

Consultant shall send emails to registered users and bidders upon the occurrence of any of the following events: (1) auction advertising information posted online (2) auction commencement (3) bid has been received (4) bidder has been outbid. Consultant shall structure auction advertising so that bidders can bid automatically.

Pre-Qualification of Bidders:

Consultant must structure the auction advertising Web site to be conducted so as to inform potential buyers of certain relevant information concerning California property tax sales and to require potential buyers to acknowledge the receipt of this information as a precondition to bidding on properties. In addition to the acknowledgments mentioned above, the auction advertising Web site may also require that potential bidders submit a qualifying deposit to the Treasurer-Tax Collector demonstrating the bidder's ability to comply with the terms of sale as a precondition to bidding on any tax sale property in exchange for a password from the Consultant enabling those bidders to make a bid. At the sole discretion of the Treasurer-Tax Collector, a qualifying deposit may be waived and other bidder qualifications may be imposed.

Rejecting Bids:

Consultant must structure the auction advertising Web site in a manner that permits the Treasurer-Tax Collector to reject a bid for tax-defaulted properties for any reason whatsoever.

Withdrawing Properties:

Consultant must structure the auction advertising Web site in a manner that permits the Treasurer-Tax Collector to withdraw single or multiple properties from the on-going auction advertising for any reason whatsoever.

Off-line Bidding Option:

Consultant must structure the auction advertising Web site in a manner that enables people without Internet access to bid on tax-defaulted properties via fax or letter.

Confirmation of Successful Bid:

Consultant will notify the successful bidder, at the direction of the Treasurer-Tax Collector, immediately after the auction. Vendor will advertise the results of each tax-defaulted property auction.

Payment:

Consultant must structure the auction advertising Web site so that a bidder must tender payment into the Treasurer-Tax Collector's Account within seventy-two (72) hours or three (3) business days of notification that he or she is the successful bidder. This tender will go towards the property; will offset cost of bid; or will be returned. Various means of payment will be established such as cash, credit card, cashier's check, wire transfer, or any other means as directed by the Treasurer-Tax Collector.

Bidder's Instructions:

Consultant must include a bidders' instruction section on the auction advertising Web site that sets forth the following information: (1) This is a "buyer beware" sale (2) All sales are where is, as is, and final (3) You must be 18 years of age to bid (4) The minimum price should be listed on the Web site; (5) Auction start date and time (6) Auction ending date and time (7) The Treasurer-Tax Collector's method of pre-

qualifying buyers (8) The Treasurer-Tax Collector's right to reject bids for any reason whatsoever (9) The Treasurer-Tax Collector's right to withdraw properties for any reason whatsoever and, (10) Off-line bidding procedures.

Seller's Instructions:

County will provide Bid4Assets data as requested in a bulk asset upload form provided by Bid4Assets. County will provide this data at least two weeks prior to the beginning of the County's Preview period, during which interested bidders may examine the property listings and due diligence online. The County will provide supporting documents in any format available (jpeg, PDF, hyperlink etc.).

Security:

Consultant must provide a secure online environment to protect the confidentiality of the data exchanged. The auction advertising Web site must be hosted on a secure server, using Secured Socket Layers. Site must provide a complete audit trail of all transactions. If Consultant chooses to deviate from these requirements, Consultant must justify the security features of its chosen system to the County.

**EXHIBIT B
PAYMENT PROVISIONS**

Bid4Assets will charge a flat Per Parcel Fee (by APN/ATN number) on SOLD, REDEEMED/WITHDRAWN or POSTPONED parcels or batch of parcels only. Please see the table below for more information.

Following the initial upload of information and approval by Counties to make assets “live” on the advertising Web site, additional fees will be incurred if a County requests the addition, deletion or modification of data to asset. A fee of ten (\$10.00) will be charged at each occurrence for each asset that is affected.

A \$500 set up fee will be charged for the initial listing of less than 50 parcels. There is no set-up fee for the re-offer sale. All fees are due within 30-days of receipt of Consultants invoice.

| FEES | Amount per Parcel (APN/ATN number) |
|--|---|
| <input checked="" type="checkbox"/> Option A (minimum 1,000 parcels per tax sale) | <ul style="list-style-type: none"> • \$100/parcel sold, redeemed/withdrawn or postponed in the initial sale • \$65/parcel sold, redeemed/withdrawn or postponed in the re-offer sale |
| <input checked="" type="checkbox"/> Option B (less than 1,000 parcels per tax sale) | <ul style="list-style-type: none"> • \$150/parcel sold, redeemed/withdrawn or postponed in the initial sale • \$100/parcel sold, redeemed/withdrawn or postponed in the re-offer sale |

Exhibit C: Optional Online Financial Services and Fees

BidDeposit and Payment Processing Services:

Bid 4Assets will offer County efficient and effective online deposit and payment processing services that pre-qualify interested bidders and streamline the post-sale collection process.

Storefront BidDeposit™:

In order to help ensure that only qualified and authorized bidders are participating in online auctions, Bid4Assets provides counties with a Storefront BidDeposit method that requires each bidder to place a **single** deposit prior to being allowed to bid on any auction in a Storefront. The single deposit provides each bidder with bidding access to **all** items listed within a Storefront for a flat “entrance” fee. These deposits demonstrate a bidder’s ability to comply with the County’s terms of sale as a precondition to bidding on any tax-defaulted property.

The intent of a Storefront BidDeposit is to protect a County from multiple property defaults by a single bidder. Therefore, Storefront BidDeposits should be in dollar amounts of five hundred dollars (\$500.00) or more, depending on the average minimum bid of delinquent parcels being offered at auction.

At the end of an auction, each winning bidder’s Storefront BidDeposit becomes a non-refundable security deposit until complete payment has been tendered to a County.

Bidders will be notified of the BidDeposit requirement via the following icon:



The icon will be displayed on each auction listing.

Counties may offer bidders any combination of the following deposit methods to make a deposit:

| Method: | Deposit Limit | Availability |
|--------------------------------|---------------|-----------------|
| Online Check (ACH)* | \$5,000 | Immediate |
| Personal or Company Check | No limit | 7 business days |
| Certified Check or Money Order | No limit | 3 business days |
| Wire | No limit | 2 business days |
| | | |

* Please note if County elects to accept deposits via ACH, County is required to agree to the terms contained in the Funds Acceptance Authorization Form enclosed as Exhibit “D” which is attached hereto and incorporated herein by this reference.

Following an auction, all unsuccessful bidders will receive a refund of their deposit within seven (7) to ten (10) business days after the close of an auction:

- Online check deposits are refunded via online check (ACH) to the originating bank account.
- Check or wire deposits are refunded by check, made payable to the account owner and mailed to the address on the Bid4Assets profile.

Successful bidders' deposits are transferred to a County at the end of an auction and applied as a partial payment to the total purchase price. Counties receive the deposits in the form of a check via FedEx, or a bank wire, accompanied by a detailed sales summary report for each winning bidder that includes their name and contact information, the parcel identifiers of the assets won, the deposit amount submitted, and the total amount due to the County. Winning bidders who do not perform on an auction forfeit their deposit(s) to the County. Transmittal of any funds from Bid4Assets to the county will incur a \$35 fee for the wire or check.

Payment Processing:

At the County's election, Bid4Assets can provide services to collect full payment from winning bidders at the end of an auction. Bid4Assets will collect the balance due from the winning bidders, combine these funds with BidDeposits, and forward the collected funds three (3) business days after the settlement deadline (as determined by a County) via check. A detailed report of all payments collected will accompany the settlement funds and will include the following for each winning bidder: name and contact information, parcel identifiers of these assets won, total amount due (including any documentary transfer tax or recording fees), and total amount paid.

Fee for Bid4Assets' Online BidDeposit Service:

County may elect to have Bid4Assets provide Storefront BidDeposit services. The fee for Storefront BidDeposit services will be paid by all winning bidders. There is no direct cost to the County for these services.

The County elects to use:

(Please mark the box to the left of the optional service detailed below to indicate election of the deposit service.)

| OPTIONAL STOREFRONT BIDDEPOSIT SERVICE FEE | |
|---|--|
| Type | Amount |
| <input checked="" type="checkbox"/> BidDeposit Per Storefront | \$35.00 per deposit paid by the winning bidder |
| <input checked="" type="checkbox"/> Payment Processing | \$35.00 per parcel paid by the winning bidder |

Exhibit D: Funds Acceptance Authorization **Riverside County**

Bid4Assets offers a number of methods by which bidders may submit deposit funds. Some methods of acceptance of funds are more secure than others. Bid4Assets generally recommends that wire transfers should be used as the most secure method of receiving deposit funds up until the close of business the day prior to the start of an auction.

Many Counties currently accept ACH funds for payment of property and other taxes. Therefore, Bid4Assets will also accept ACH funds for the collection of deposits for the County's tax-sale auction upon authorization by the County Treasurer-Tax Collector (hereinafter referred to as "County"), up to a limit of \$5,000 per bidder account.

In the auction environment, ACH funds are susceptible to errors or reversals by the depositor through his/her bank. The routing or account number may be submitted incorrectly, funds may not be available in the bank account submitted, or the bank account submitted may not allow an electronic draw. These types of errors are usually inadvertent, but rejection of an ACH request may take up to four (4) business days after the bidder authorizes the transfer. In addition, by signing an affidavit with his/her bank, the depositor may request that the deposit be rescinded up to sixty (60) days after the original transfer date -- well after the date Bid4Assets may be requested to return funds to the bidder. Although rare and contestable, the risk of loss exists under these circumstances.

Although Bid4Assets will make reasonable attempts to complete or correct erroneous or unsuccessful ACH transfers, there may be instances where funds cannot be collected from the depositor. Therefore to authorize Bid4Assets to accept ACH funds on behalf of the County for deposit purposes, Bid4Assets requires that the County agree that Bid4Assets is not responsible for any ACH funds found to be uncollectible from the depositor. Further, if a deposit is forwarded to the County and then subsequently rescinded by the depositor, the County agrees to reimburse to Bid4Assets any uncollectible funds, less the transaction fee charged to the bidder by Bid4Assets.

If elected, County may choose to accept ACH deposits up until the actual end of all auctions, however, Bid4Assets recommends removing the ACH deposit option at least five (5) business days prior to the auction close date. If ACH deposits are accepted past this five (5) business day mark, the transfer of winners' deposits from Bid4Assets to the County will not take place until ten (10) business days after the date of last acceptance of an ACH.

Based on the County's agreement to the above ACH responsibilities, please authorize the funding methods to be used for the County's auction(s):

| Method: | Deposit | Funds Limit |
|---|---|---------------------|
| <input type="checkbox"/> ACH Transfer | County defined. Recommended due by 5:00 PM ET five (5) business days prior to the start of the auction | \$5,000 per account |
| <input checked="" type="checkbox"/> Wire Transfer | Due by 5:00 PM ET two (2) business day prior to the start of the auction | Unlimited |
| <input checked="" type="checkbox"/> Certified Check/Money Order | Due by 5:00 PM ET three (3) business days prior to the start of the auction | Unlimited |
| <input type="checkbox"/> Business/Personal Check | Due by 5:00 PM ET seven (7) business days prior to the start of the auction | Unlimited |

Please indicate your acceptance of the above funding methods.

Signature

Name

Title

Date