

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

448



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
September 4, 2014

SUBJECT: Approval of Amendment No.1 of annual hardware maintenance agreement on OPEX equipment. District A11 [\$68,170] Treasurer Tax Collector Budget Funded

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the purchasing agent to execute amendment No. 1 of the annual hardware maintenance agreement with OPEX Corporation for two (2) Ovation Quiet Jog, two (2) Model 72, three (3) Model AS7200, and license expenses as a sole source without securing competitive bids for the Treasurer and Tax Collector in the amount of \$33,415.00 for FY 2014-2015.
2. Authorize the purchasing agent to renew the agreement for one additional year not to exceed \$34,755.00 for FY 2015-2016.

BACKGROUND:

Summary

(Continued on page 2)

Don Kent
Treasurer-Tax Collector

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 33,415.00	\$ 34,755.00	\$ 68,170.00	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Treasurer-Tax Collector Budget Budget Adjustment: No
For Fiscal Year: FY14/15, 15/16

C.E.O. RECOMMENDATION:

APPROVE

BY:
Karen L. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
DATE 9/9/14
BY: GREGORY P. PRAMOS

Departmental Concurrence

Purchasing:
Mark Seitel, Assistant Director

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 5/24/11 3.53

District: ALL

Agenda Number:

3-69

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Approval of Amendment No.1 of annual hardware maintenance agreement on OPEX
equipment.**

DATE: September 4, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

The Opex equipment is used to extract, image and interface to our existing remittance processing software for processing of property tax payments. There are no third-parties authorized to act on behalf of OPEX regarding the maintenance of OPEX equipment.

OPEX Corporation is the sole authorized source for parts and service on its equipment. The equipment utilizes proprietary service diagnostic software covered by various patents and copyrights. OPEX has not released or licensed this software to third parties. To effectively support OPEX equipment, these third parties would have to develop their own diagnostic software. When it comes to supporting and or maintaining the machines, OPEX found that third parties generally do not perform the rigorous testing and maintenance programs that OPEX performs. OPEX does not distribute parts through third parties, these third parties service organizations often install used parts in the machines or parts of sub-standard quality that do not meet the specifications defined by OPEX.

Impact on Residents and Businesses

The OPEX equipment is vital to our office to process tax payments and requires routine maintenance. If the equipment is not maintained, it may fail, leading to the inability to process property tax payments timely.

SUPPLEMENTAL:

Additional Fiscal Information

None

Contract History and Price Reasonableness

OPEX has provided discounted pricing under a CMAS negotiated rate. Prices quoted for renewal of years 11/2014-11/2015, 11/2015-11/2016 are based upon a pricing cap. Should OPEX's prices currently then in effect be less than the costs quoted on the amendment, then OPEX will invoice the County of Riverside for the lesser amount.

**COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE AGREEMENT
WITH
OPEX Corporation**

CONTRACTOR: OPEX Corporation
Contract ID: TTARC-93952-001-05/12
Contract Term: November 30, 2014 through November 29, 2016
Effective Date of Amendment: November 30, 2014
Annual Maximum Contract Amount: \$ 68,170.00

The Agreement between Riverside County, herein referred to as COUNTY and OPEX Corporation, herein referred to as CONTRACTOR, is amended as follows:

1. The Period of Performance: To amend all reference to the Period of Performance from expiration of November 29, 2014 to a Period of Performance of November 30, 2014 through November 29, 2015 renewable in one year increments for one additional year.

2. "Compensation": The COUNTY agrees to pay CONTRACTOR for services performed shall not exceed the annual amount of thirty three thousand four hundred fifteen dollars for FY 2014-2015 and thirty four thousand seven hundred fifty five dollars for FY 2015-2016 including all expenses, based on the availability of fiscal funding.

3. On Exhibit "B" Service Pricing of the Agreement, amend and replace the "Service Pricing" with the following "Exhibit "B" Annual Service Pricing for Opex which is attached and made part of the agreement. All other terms of the Service Pricing in the Agreement shall apply.

4. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

County
County of Riverside
Purchasing and Fleet Services
Riverside, CA 92501

Contractor
OPEX Corporation
305 Commerce Drive
Moorestown, NJ 08057

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: _____
Date: _____ Date: _____

Sole Source Approval #
H-11 Approval # PR2014-01803
BOS agenda # & Date
Form #116-311 Revision Date: 04/21/09

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS DATE: 8/21/14

Exhibit B
Annual Service Pricing for OPEX

Machine Description	11/30/2014 to 11/29/2015	11/30/2015 to 11/29/2016
Omotion Quiet Jog		
Serial # Z0876	\$420.00	\$437.00
Serial # Z0875	\$420.00	\$437.00
Omotion Total	\$840.00	\$874.00
Model 72		
Serial # A017283	\$2,435.00	\$2,533.00
Serial # A017284	\$2,435.00	\$2,533.00
Model 72 Total	\$4,870.00	\$5,066.00
Model AS7200		
Serial # A02293	\$8,595.00	\$8,939.00
Serial # A02294	\$8,595.00	\$8,939.00
Serial # A02295	\$8,595.00	\$8,939.00
AS7200 Total	\$25,785.00	\$26,817.00
VRS Technology Annual License Fee per AS7200	\$640.00	\$666.00
	\$640.00	\$666.00
	\$640.00	\$666.00
VRS License Total	\$1,920.00	\$1,998.00
GRAND TOTAL	\$33,415.00	\$34,755.00

Sole Source Approval #
H-11 Approval # PR2014-01803
BOS agenda # & Date
Form #116-311 Revision Date: 04/21/09

Date: September 4, 2014
From: Don Kent Department/Agency: Treasurer-Tax Collector
To: Board of Supervisors/Purchasing Agent
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Hardware Maintenance for OPEX Equipment

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:** Approval of Amendment No.1 of annual OPEX hardware maintenance agreement on OPEX equipment.
2. **Supplier being requested:** OPEX
3. **Alternative suppliers that can or might be able to provide supply/service:** OPEX Corporation is the sole authorized source for parts and service on its equipment. There are no third parties authorized to act on behalf of OPEX regarding the maintenance of OPEX equipment. All warranty items, as well as all aspects of equipment support, are handled directly through the OPEX World Headquarters in Moorestown, New Jersey.
4. **Extent of market search conducted:** A letter was received from the OPEX Corporation indicating that OPEX does not distribute parts through third parties. OPEX only uses parts which have been pre-tested to meet their quality standards. Obtaining services other than the direct manufacturer could poetically void warranty of the equipment and other services.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** The equipment utilizes proprietary service diagnostic software covered by various patents and copyrights. Opex has not released or licensed this software to third parties.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** The OPEX equipment is vital to our office to process tax payments and requires routine maintenance. If the equipment is not maintained, it may fail, leading to the inability to process property tax payments timely.
7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** OPEX has provided discounted pricing under a CMAS negotiated rate. Prices quoted for renewal of years 11/2014-11/2015, 11/2015-11/2016 are based upon a pricing cap. Should OPEX's prices currently then in effect be less than the costs quoted on the amendment, then OPEX will invoice the County of Riverside for the lesser amount.
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
9. **Period of Performance:** A period of performance of up to two years, renewable in one year increments and not to exceed:
 - 11/30/2014—11/29/2015 = \$33,415.00
 - 11/30/2015—11/29/2016=\$34,755.00

[Handwritten Signature]

9-5-14

Department Head Signature

Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 34,755

One time

Annual Amount through 11/29/16

[Handwritten Signature]

9-8-14

15-189

Purchasing Agent

Date

Approval Number

(Reference on Purchasing Documents)



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
To be completed for all departmental purchases of IT systems, services or renewals

PR2014-01803

Tracking Number for
Internal Use Only

8114

REQUESTED PURCHASE: ANNUAL MAINTENANCE FOR OPEX EQUIPMENT	
DEPARTMENT/AGENCY: TREASURER-TAX COLLECTOR	
CONTACT NAME/PHONE: DEBBIE BASHE 951-955-3993	
DESCRIBE REQUESTED PURCHASE	Annual OPEX hardware maintenance on two (2) Omaton Quiet Jog, two (2) Model 72, three (3) Model AS7200 and software license maintenance for two (2) years, renewable in one year increments.
VENDOR	Opex Corporation
TERMS	Is this a multi-year contract? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the following: Length of Contract: <u> 2 </u> Years Start Date: <u> 11/30/2014 </u> End Date: <u> 11/29/2016 </u> Special Terms and Conditions:
BUSINESS NEEDS ADDRESSED	The OPEX equipment is used to extract, image and interface to our existing remittance processing software for processing of property tax payments. The equipment is vital to our office and requires routine maintenance. If the equipment is not maintained, it may fail, leading to the inability to process property tax payments timely.
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN
BUSINESS CRITICALITY	BUSINESS IMPACT (SELECT ALL THAT APPLY)
<input checked="" type="checkbox"/> Run the business	<input checked="" type="checkbox"/> Support current operations
<input type="checkbox"/> Grow the business	<input type="checkbox"/> Reduce Expenses
<input type="checkbox"/> Transform the business	<input type="checkbox"/> Improve Customer Service
	<input type="checkbox"/> Improve Operational Efficiencies

Current Cost Itemization (Include all year 1 costs)						
Item Description	Purchase Type (dropdown)	Qty.	Unit Cost	Sub-total	Tax	Item Total (autocalc)
Omaton Quiet Jog	Maintenance	2	420.00	840.00	0.00	840.00
Model 72	Maintenance	2	2,435.00	2,435.00	0.00	4,870.00
Model AS7200	Maintenance	3	8,595.00	25,785.00	0.00	25,785.00
VRS SW License Per 7200	Maintenance	3	640.00	1,920.00	0.00	1,920.00
Sub-total Current Costs: (autocalc)						33,415.00



RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
 To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for
Internal Use Only

Annual Costs (after year 1)				
Item Description	Payment Type (dropdown)	Term (in years)	Payment Amount	Total Annual Payments
Annual Maintenance Renewal Year 2	Maintenance	1	34,755.00	34,755.00
Sub-total Annual Costs: (autocalc)				34,755.00
Total Procurement Requested: (autocalc)				68,170.00

ACCOUNTING STRING							
To be completed for pass-thru purchases that will be processed by RCIT Only							
% Billed	Account (6 digits)	Account (4 digits)	Dept. ID (6 - 10 digits)	Program (5 digits)	Class (5 digits)	Grant (9 digits)	Customer Project Code (10 digits)

Department Head Signature: _____ Date: 8-14-14
 (or authorized designee) *Debra Boree Desynee*

RCIT RECOMMENDATION

Recommended: Yes No (Purchases that are not recommended will be reviewed by TSOC upon request)

By: _____ Date: 8/21/14
RCIT - APPROVED

Signature: _____ Date: _____

Comments:

TSOC RECOMMENDATION:

Recommended: Yes No

TSOC Chair Signature: _____ Date: _____

Comments: