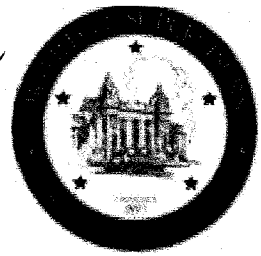


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

844



FROM: Assessor-County Clerk-Recorder

SUBMITTAL DATE: February 15, 2012

SUBJECT: Addendum to License Agreement with CoStar for subscription services of commercial sales information.

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve CoStar Realty Information, Inc. as a sole source provider without pursuing competitive bids.
- 2) Authorize the County Purchasing Agent to purchase additional licenses for subscription services as specified in the Addendum and to sign the Addendum.
- 3) Authorize the County Purchasing Agent to execute administrative amendments and exercise the option to renew up to four additional years, provided the annual increase does not exceed the CPI.

BACKGROUND:

The Assessor-County Clerk-Recorder (ACR) has retained a License Agreement with CoStar Realty Information, Inc. since 2002. The subscription service allows appraisers access to a commercial sales database utilized at the ACR main office in Riverside and three satellite offices located in Palm Springs, Temecula, and Hemet.

X

[Handwritten signature]

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 34,800	In Current Year Budget:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Annual Net County Cost:	\$ 0	For Fiscal year:	11/12	

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Handwritten signature]*
Karen L. Johnson

County Executive Office Signature

(FOR THE BOARD MINUTES ONLY)

Policy Policy

Consent Consent

Dep't Recomm.: Per Exec. Ofc.:

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone and Benoit
Nays: None
Absent: Ashley
Date: February 28, 2012
xc: ACR, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: *[Handwritten signature]*
Deputy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.15

FORM APPROVED BY COUNTY COUNSEL
BY: *[Handwritten signature]* DATE: 2/28/12
Purchasing: *[Handwritten signature]* Mark Seiler, Assistant Director
Departmental Concurrence

BOARD OF SUPERVISORS

FORM 11: Addendum to the License Agreement with CoStar for subscription services of commercial sales information.

February 15, 2012

Page 2 of 3

BACKGROUND Continued:

CoStar is the number one provider of commercial real estate information services for commercial real estate professionals in the United States and United Kingdom. CoStar has the largest database of commercial transactions in the nation and is the acceptable choice throughout the state when it comes to providing researched and verifiable commercial real estate sales information and comps. Customizable reporting tools generate reports for commercial sales; including verified comparable sales transactions, property condition, historical data, tenant information, and photographs of every property. CoStar additionally offers marketing and analytic services. Data is verified by staff of nearly 1,000 research associates. Clients include government agencies, real estate brokerages, real estate investment trusts (REITs), and property owners and managers. Most of CoStar's sales come from subscription fees.

CoStar's integrated suite of services offers appraisal staff online access to the most comprehensive database of commercial real estate information available. Riverside County ACR's Office is currently using the CoStar Property Professional to assist appraisers with re-appraisals of commercial properties and to support property valuations. Appraisers access the database via the web to show continuously updated sales information for Riverside and San Bernardino Counties. The database greatly speeds up the appraisal process, allowing the ACR's Office to comply with their mandate to value property in a timely manner. With the recent hiring of commercial appraisers, the ACR needs to purchase additional licenses for the Comps Professional subscription already licensed. In addition, the department is requesting to purchase the PropertyWeb Professional subscription to aid in the re-appraisal process.

The current license fee for Comps Professional for 22 authorized subscribers is \$1,707.12 per month. The annual cost is \$20,485.44. The current License Agreement is valid from 7/1/11 – 6/30/12. The Addendum to the License Agreement will add five (5) additional licenses to the Comps Professional subscription and the purchase of twenty-seven (27) licenses for the PropertyWeb Professional subscription. The ACR agrees to pay an additional license fee of \$1,193.00 per month. The total monthly subscription fee for both Comps Professional and PropertyWeb Professional will be \$2,900.00 per month for 27 authorized subscribers. The annual cost for the first year will be \$34,800.00, renewable in one year increments. Pricing is guaranteed to remain the same in year two. Annual increases in years 3 – 5 will not exceed the Consumer Price Index for LA and Orange counties. The ACR estimates that the annual cost may rise to \$45,000 over the next five years based upon the Consumer Price Index for LA and Orange counties.

BOARD OF SUPERVISORS

FORM 11: Addendum to the License Agreement with CoStar for subscription services of commercial sales information.

February 15, 2012

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PRICE REASONABLENESS:

CoStar offers discount pricing to government-run institutions. It is used by many local, state and federal agencies including such large customers as LA County, the IRS, SEC, FDIC and Caltrans.

Discount pricing to government-run institutions is based on the products and markets subscribed, along with the number of users. The ACR quote is 40% to 45% below the rack rate quoted to non-government clients.

The addition of the CoStar PropertyWeb Professional subscription will be a vital resource to the department that will accelerate the valuation process, thus saving appraisers' valuable time in researching and verifying commercial real estate information and comps. There are no alternative vendors for comparison. Considering the complex nature of commercial appraisals and the detailed information provided by the CoStar products, the discounted pricing appears to be reasonable for the benefit to the County.



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: 02/08/2012

From: Larry Ward Department/Agency: Assessor-County Clerk-Recorder
Peter Aldana (James Moore)

To: Board of Supervisors

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for the provision of Licensor's commercial real estate information service known as CoStar Group (Addendum to License Agreement).

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 request is to purchase additional licenses for subscription services of commercial sales information. The Assessor-County Clerk Recorder (ACR) access the database via the web to show continuously updated sales information for Riverside and San Bernardino Counties. This service is used to aid appraisers in the re-appraisal process of commercial properties at the ACR main office in Riverside and three of our satellites offices located in Palm Springs, Temecula, and Hemet.
- 2. Supplier being requested:** CoStar Realty Information, Inc.
- 3. Alternative suppliers that can or might be able to provide supply/service:** CoStar is the number one provider of commercial real estate information services for commercial real estate professionals in the Unites States and United Kingdom. CoStar has the largest database of commercial transactions in the nation and is the acceptable choice throughout the state when it comes to providing researched and verifiable commercial real estate sales information and comps.
- 4. Extent of market search conducted:** Internet search and discussions with other counties at conferences. The ACR has retained a License Agreement with CoStar since 2002 to assist appraisers with re-appraisals of commercial properties and to support property valuations.
- 5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** CoStar is the only company that provides the completed sales information needed for our appraisers. Customizable reporting tools generate reports for commercial sales; including verified comparable sales transactions, property condition, historical data, tenant information, and photographs of every property. CoStar additionally offers marketing and analytic services.



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ASSESSOR-COUNTY CLERK-RECORDER

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County Clerk-Recorder
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Riverside, CA 92502-0751
(951) 486-7000

www.riversideacr.com
www.riversidetaxinfo.com

6. Reasons why my department requires these unique features and what benefit will accrue to the county: The subscription services greatly speeds up the appraisal process, allowing the ACR's Office to comply with their mandate to value all property in a timely manner.

7. Price Reasonableness: CoStar offers discount pricing to government-run institutions. Discount pricing to government-run institutions is based on the products and markets subscribed, along with the number of users.

The current license fee for Comps Professional for 22 authorized subscribers is \$1,707.12 per month. The annual cost is \$20,485.44. The current License Agreement is valid from 7/1/11 – 6/30/12. The Addendum to the License Agreement will add five (5) additional licenses to the Comps Professional subscription and the purchase of twenty-seven (27) licenses for the PropertyWeb Professional subscription. The ACR agrees to pay an additional license fee of \$1,193.00 per month. The total monthly subscription fee for both Comps Professional and PropertyWeb Professional will be \$2,900.00 per month for 27 authorized subscribers. The annual cost for the first year will be \$34,800.00, renewable in one year increments. Pricing is guaranteed to remain the same in year two. Annual increases in years 3 – 5 will not exceed the Consumer Price Index for LA and Orange Counties. The ACR estimates that the annual cost may rise to \$45,000 over the next five years based upon the Consumer Price Index for LA and Orange Counties. The ACR quote is 40% to 45% below the rack rate quoted to non-government clients.

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, this contract is renewed annually.

9. Period of Performance: One year contract from 3/1/2012 – 2/28/2013. Renewable in one year increments. *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 (5% maximum).*

(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.)

Peter Robles 2/8/12
Department Head Signature or Designee Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove
[Signature] 2/9/12 12-381
Purchasing Agent Date

[Additional Services/Markets] (Ref ID: 150337)	
Shereka Willis	
Riverside County Assessor	
PO Box 12004 Riverside, CA 92502	
259927	Melanie North



Addendum to License Agreement

This Addendum is made as of the date hereof by and between CoStar Realty Information, Inc. ("Licensor") and Riverside County Assessor ("Licensee") and is executed pursuant to and made a part of the License Agreement signed by Licensee on Jun 28 2007, for the provision of Licensor's commercial real estate information service(s) (the "License Agreement"). Any capitalized term used in this Addendum and not otherwise defined shall have the meaning set forth in the License Agreement.

NOW THEREFORE, Licensor and Licensee agree that the License Agreement shall be amended as follows:

1. In addition to the service already licensed to Licensee, Licensor agrees to license its PropertyWeb - All Data product(s) to Licensee by delivering PropertyWeb for Inland Empire Market to the site(s) located at Riverside County Assessor, Palm Springs, CA 92262(589976) , Riverside County Assessor, Riverside, CA 92507-0714(3456462) , Riverside County Assessor, Riverside, CA 92507-0714(589978) , Riverside County Assessor, Temecula, CA 92591-6027(560858) , for which Licensee agrees to pay an additional license fee of \$1193.00 per month before tax. Such product shall constitute a Licensed Product under the terms of the License Agreement.
2. Licensor and Licensee agree that the terms and conditions of the License Agreement shall apply to the above-referenced Licensed Product and that, except as expressly provided above, all of the terms of the License Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the day and year set forth below and do each hereby warrant and represent that their respective signatories, whose signatories appear below, have been and are on the date hereof duly authorized by all necessary and appropriate action to execute this Addendum.

First year shall renew flat with no CPI increases. Each additional year up to five years will renew with a CPI increase not to exceed 5%.

CoStar Realty Information, Inc.

By: [Signature]
 Name: JOHN SPARKLE
 Title: SW SALES
 Date: 2/13/12
 Address: 1331 L St NW
 Address: Washington, DC 20005-4101

Licensee
 Signature: [Signature]
 Print Name: JOHN TAVAGLIONE
 Title: CHAIRMAN, BOARD OF SUPERVISORS
 Address: PO Box 12004
 Address: Riverside, CA 92502
 Fax #:

ATTEST:
 KECIA HARPER IHEM, Clerk
 By: [Signature]
 DEPUTY

Last Revised: 4/18/2005

FORM APPROVED COUNTY COUNSEL
 BY: [Signature]
 NEAL R. KIPNIS DATE