

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

856



**FROM:** Assessor-County Clerk-Recorder

**SUBMITTAL DATE:**  
September 11, 2013

**SUBJECT:** Approval of the purchase of the statewide accepted valuation resource and software from Marshall & Swift for use by the Assessor-County Clerk-Recorder.

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Purchase of Marshall & Swift software for \$35,000 annually without seeking competitive bids, which includes an option to renew the agreement for four (4) additional one-year periods; and,
2. Authorize Purchasing Agent, in accordance with Ordinance No. 459, to issue the purchase order, exercise the renewal option, based on the availability of fiscal funding and to sign amendments that do not change the substantive terms of the Contract, including amendments to the compensation provision that do not exceed the annual CPI rates.

**BACKGROUND: Summary**

On November 20, 1997, the California State Board of Equalization approved the Marshall & Swift as the only approved valuation service as the standard basic cost guide for valuing commercial and industrial properties. As the State standard, the Assessor-County Clerk-Recorder (ACR) uses the Marshall & Swift products to remain congruent with the assessors throughout the State, especially neighboring counties.

CONTINUED

*Larry Ward*  
Larry Ward  
Assessor-County Clerk-Recorder

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 35,000	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$	\$	\$	

**SOURCE OF FUNDS:** Departmental Revenue

Budget Adjustment: No  
For Fiscal Year: 2013/2014

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Karen L. Johnson*  
Karen L. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: September 24, 2013

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-15

RCIT *Kevin K Crawford* CIO 12 Sep 13  
 Departmental Concurrence

Purchasing: *M. S. K.*  
 Mark Sellar, Assistant Director

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

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Approval of the purchase of the statewide accepted valuation resource and software from Marshall & Swift for use by the Assessor-County Clerk-Recorder.**

**DATE:** September 11, 2013

**PAGE:** 2 of 2

**BACKGROUND:**

**Summary (continued)**

Marshall & Swift continues to be the statewide accepted valuation resource used by appraisers to determine the fair market value for Residential, Commercial, Agricultural, and Business Personal Property. The Marshall & Swift unique valuation guides and tools provide appraisers with the ability to cost and value new construction in a timely and efficient manner. ACR is unaware of any competitors that provide congruent service at this time.

Marshall Valuation Service and Commercial Estimator 7: The software and customized forms provide data collection and calculation process to assist Commercial appraisers in completing accurate cost approach valuations, developing replacement cost, and depreciated values of Commercial buildings including Retail, Institutional, Industrial, and Agricultural. The Commercial Estimator 7 software helps produce accurate reports in a fraction of the time.

Residential Cost Handbook/Residential Cost Explorer CD Combo: The software and customized forms provide data collection and calculation process to assist Residential appraisers in completing accurate cost approach valuation of residential properties including single family site built homes, manufactured homes, low-rise multi-family apartment buildings, older homes, town houses, duplexes, and urban row homes.

**Contract History and Price Reasonableness**

Marshall & Swift offers discounted single-user license pricing and network licensing enterprise pricing (26 – 30 Users) to both private and public sectors. Government entities qualify for a 3-5% discount. The cost for this service is justifiable by the number of appraisers using the product to enroll appropriate market values to the Assessment Roll. The valuation tools assist appraisers with the cost approach to appraise residential and commercial properties; and to support property valuations as mandated. ACR could lose revenue and be subjected to fines and legal sanctions without a process to value property for tax purposes in a timely manner. This resource allows the ACR to effectively utilize limited resources and increase productivity. The total cost of this resource outweighs potential cost paid in penalties and fines, therefore, the benefit to the County appears to be reasonable.

**REVIEW/APPROVAL:** Purchasing concurs with this request.

In compliance with Board Policy H-11 (Acquisition and Management of Information Systems and Services), Riverside County Information Technology has reviewed and recommended the approval of this proposed information technology acquisition for the following:

- Residential: (Tracking # PR2013 00574) on August 26, 2013
- Commercial: (Tracking #25396) on November 8, 2012.



**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 92502-075  
(951) 486-7000

[www.riversideacr.com](http://www.riversideacr.com)  
[www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)

**Date:** September 11, 2013

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

**To:** Board of Supervisors/Purchasing Agent

**Via:** Purchasing Agent

**Subject:** Sole Source Procurement; Request for valuation service cost guides for valuing commercial, industrial and residential properties

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:** Valuation service cost guides for valuing commercial, industrial, and residential properties. Annual subscriptions include Marshall Valuation Service, Commercial Estimator 7, and Residential Cost Handbook/Residential Cost Explorer CD Combo. Also included, regular monthly and quarterly updates and unlimited use of free technical support services.
- 2. Supplier being requested:** Marshall & Swift
- 3. Alternative suppliers that can or might be able to provide supply/service:** None. As the State standard, ACR uses Marshall & Swift products to remain congruent with the assessors throughout the state, especially neighboring counties.
- 4. Extent of market search conducted:** ACR confirmed with the State Board of Equalization that Marshall Valuation Service is continuing to be the recommended cost guide for commercial and industrial properties. ACR also corresponded with neighboring counties, Orange, San Bernardino, and San Diego.
- 5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** The State Board of Equalization approved Marshall & Swift as the only statewide accepted valuation service as the standard basic cost guide for valuing commercial and industrial properties. Appraisers rely on the Marshall & Swift unique valuation guides and tools to cost and value new construction accurately in a timely and efficient manner. This resource allows the ACR to effectively utilize limited resources and increase productivity.
- 6. Reasons why my department requires these unique features and what benefit will accrue to the county:** Congruent tool and methodology with neighboring counties and State for valuing property for property tax assessment purposes.



**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 92502-075  
(951) 486-7000

[www.riversideacr.com](http://www.riversideacr.com)  
[www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)

7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** Marshall & Swift offers discounted single-user license pricing and network licensing enterprise pricing (26 – 30 Users) to both private and public sectors. Government entities qualify for a 3-5% discount. ACR paid approximately \$27,000 last year for the annual subscriptions. ACR estimate that the annual cost may rise to \$35,000 over the next five years due to CPI increases that do not exceed the annual CPI rates.
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:** September 1, 2013 – August 31, 2014. Renewable in one year increments.

*(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.

*[Signature]* 9-11-2013  
Department Head Signature Date

Purchasing Department Comments:

Approve                      Approve with Condition/s                      Disapprove

Not to exceed: \$ 35,000                       One time                       Annual Amount through 8-31-2018

*[Signature]*                      9-12-13                      14-134  
Purchasing Agent                      Date                      Approval Number  
(Reference on Purchasing Documents)