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



**FROM:** Treasurer-Tax Collector

**SUBMITTAL DATE:**  
September 4, 2014

**SUBJECT:** Approval of Amendment No. 1 of annual hardware maintenance agreement on OPEX equipment. District All [\$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**

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

Ayes: Jeffries, Tavaglione, Stone and Ashley  
Nays: None  
Absent: Benoit  
Date: September 23, 2014  
xc: Treasurer, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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

Departmental Concurrence

Purchasing:   
Mark Seller, Assistant Director

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

**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.

**CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1016  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

**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:   
Name: INES MARK  
Title: PROCUREMENT CONTRACT SPECIALIST  
Date: 11/13/14

By:   
Name: Jimmie Chao  
Title: Asst. Dir., CIP/ Capital Projects  
Date: 11/25/2014

FORM APPROVED COUNTY COUNSEL

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

BY:   
NEAL R. KIPNIS DATE

SEP 23 2014

SEP 23 2014

2014-12-125131

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**Exhibit B**  
**Annual Service Pricing for OPEX**

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

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

*[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  
*[Signature]* 9-8-14 15-189  
Purchasing Agent Date Approval Number  
(Reference on Purchasing Documents)

Tracking Number for  
Internal Use Only814



**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:

(or authorized designee)

Date:

*[Signature]*

8-14-14

**RCIT RECOMMENDATION**

Recommended: ☐ Yes

☐ No (Purchases that are not recommended will be reviewed by TSOC upon request)

By:

**RCIT - APPROVED**

Date: 8/21/14

Signature:

Date:

Comments:

**TSOC RECOMMENDATION:**

Recommended: ☐ Yes

☐ No

TSOC Chair Signature:

Date:

Comments: