

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

510



**FROM:** Riverside County Information Technology (RCIT)

**SUBMITTAL DATE:**  
August 24, 2016

**SUBJECT:** Ratify and Approve the Chairman to execute the agreement with Simpler Systems, Inc., without seeking competition for Simpler Reporting License [Districts: All]; [Total cost \$385,200; Annual cost: \$64,200; 100% RCIT Budget ].

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

1. Ratify and approve the Chairman to execute the agreement with Simpler System, Inc., without seeking competition for Simpler Reporting License, in an annual amount not to exceed \$64,200 for one year with the option to renew for five additional years; and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of - funding and as approved by County Counsel to: sign amendments that do not change the substantive terms of the Agreement; and sign amendments to the compensation provisions that do not exceed 10% annually.

**BACKGROUND:**

Summary  
See page 2

Steve Reneker  
Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
<b>COST</b>	\$ 64,200	\$ 64,200	\$ 385,200	\$ 64,200	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0	

<b>SOURCE OF FUNDS:</b> RCIT Budget	<b>Budget Adjustment:</b> No
	<b>For Fiscal Year:</b> FY 16/17-20/21

**C.E.O. RECOMMENDATION:** APPROVE  
BY:   
County Executive Office Signature Jennifer L. Sargent

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
Nays: None  
Absent: None  
Date: September 13, 2016  
xc: RCIT, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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FORM APPROVED COUNTY COUNSEL  
BY: GREGORY P. PRIAMOS  
DATE: 8/24/16

Departmental Concurrence

Purchasing & Fleet Services:   
Teresa Summers, 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:** Ratify and approve the Chairman to execute the agreement with Simpler System, Inc., without seeking competition for Simpler Reporting License [Districts: All]; [Total Cost \$385,200; Annual cost: \$64,200; 100% RCIT Budget].

**DATE: August 24, 2016**

**PAGE: 2 of 2**

**BACKGROUND:**

**Summary (continued)**

The Auditor Controller's Office (ACO) requested financial reports for the managerial base that are on-line, on-demand, with drill-down capabilities and reports that are up to date. PeopleSoft cannot provide these capabilities within those parameters. Therefore, the ACO performed a competitive evaluation of products and chose GovReports (now known as Simpler Systems).

Simpler Systems provides financial reports that augment the official county reports provided by the PeopleSoft system. Simpler provides enhanced ease-of-use and on-demand, on-line reporting capabilities; functionality that is not efficiently handled by the PeopleSoft system. In addition, Simpler provides a flexible open architecture that interfaces with PeopleSoft so that reporting data is updated daily.

With the agreement, all current Simpler Systems' capabilities will be maintained.

**Impact on Citizens and Businesses**

There is no negative impact on citizens or businesses in the county.

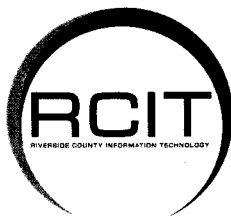
**Contract History and Price Reasonableness**

On March 1, 2005, the Board approved the sole source purchase of GovReports (Simpler Systems) (Item 3.4) and the Board approved Amendment 2 to extend the agreement for 5 years (Item 3.57, 01-11-11). The county would like to continue the agreement with Simpler as pricing has not increased since the inception of the system in 2005.

As previously presented to the Board (see item 3.4 on March 1, 2005), the Auditor-Controller's research indicates Simpler Systems is competitively priced in comparison to the services that the firm has provided to Santa Barbara, Contra Costa, and several other governmental entities in California.

STEVE RENEKER  
Chief Information Officer

DAVE ROGERS  
Chief Technology Officer



LOUIS RAJA ARUL DOSS, ACIO  
Enterprise Applications Bureau  
VEVA HARGUINDEGUY, ACIO  
Converged Communications Bureau  
JIM SMITH, ACIO  
Technology Services Bureau

**To:** Board of Supervisors/Purchasing Agent **Date:** August 16, 2016  
**Via:** RCIT, Procurement Contract Specialist  
**From:** Steve Reneker, Chief Information Officer  
**Subject:** Sole Source Procurement for Licensing and Hosting for GovReport with Simpler Systems, Inc.

The below information is provided in support of my Department requesting approval for a sole source.

1. **Supplier being requested:** Simpler Systems, Inc.
2. **Vendor ID:** 0000054615
3. **Supply/Service being requested:**  
Licensing and Hosting services for GovReports.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market research conducted:**  
There is no other vendor that can provide licensing and hosting services for GovReport as it is proprietary to Simpler Systems, Inc.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**  
GovReports provides enhanced ease-of-use and on-demand, on-line reporting capabilities that interfaces with Peoplesoft.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:**  
The County requires the enhanced ease-of-use and on-demand on-line reporting capabilities to meet its financial report needs.
7. **Period of Performance: From July 1, 2016 to June 30, 2022 (one fiscal year)**  
Is this an annually renewable contract?  No  Yes  
Is this a fixed-term agreement:  No  Yes
8. **Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)**

Description:	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Total
One-time Costs:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
On-going Costs:							
License & Hosting Services for GovReports	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200	\$64,200	\$385,200
Total Costs							\$385,200


**9. Price Reasonableness:**

Price charged to County by Simpler System is in comparison to same service and charges to other counties in California.


**10. 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)?**

Yes, with the unique nature of this product the County will want to continue to provide the current level of reporting capability to assist management with its reporting needs.

**11. Projected Board of Supervisor Date (if applicable):** September 13, 2016

  
 Steve Reneker, Chief Information Officer 8/23/16  
 Date

*Purchasing Department Comments:*

Approve  Approve with Condition/s  Disapprove  
 Not to exceed: \$ 64,200  One time  Annual Amount through 6/30/22  
 8/24/16 17-073  
 Purchasing Agent Date Approval Number  
(Reference of Purchasing Documents)

List Attachments:

**SIMPLER SYSTEMS, INC. AND THE COUNTY OF RIVERSIDE  
FOR SOFTWARE LICENSE**

This Software License and Web Hosting Agreement, is between the County of Riverside, California (**County**), located at 3450 14<sup>th</sup> Street, Riverside, CA 92501 and Simpler Systems, Inc., a California corporation (**Simpler**), with a principal place of business at 1233-B State Street, Santa Barbara, California 93101. (Any reference to either party or to the parties is intended to include the heirs, successors, assigns, agents, officers, directors, shareholders, and employees of the party or parties.)

**RECITALS**

**Simpler** owns and markets license to use financial reporting software called **simpler/financials** and has expertise in integrating Simpler/financials with existing financial applications in use in government agencies. **County** has used Simpler/financials services since 2005 and desires to continue for the next fiscal year.

**County** and **Simpler**, intending to be legally bound, agree as follows:

**1. SERVICES**

- 1.1. Simpler/financials License to be Provided.** **Simpler** agrees to provide to **County** Simpler/financials license (License) more specifically described below.
- 1.2. Best Efforts.** **Simpler** agrees to perform all services in a professional manner and in accordance with ordinary business standards and customs.
- 1.3. Property Rights and License.** **Simpler** retains all rights to any information, work, invention, or development in any form or medium, including all materials, documents, information, software, or technology, created by **Simpler** as a result of performing the services of this Agreement.

**2. COMPENSATION**

- 2.1. County** will compensate **Simpler** for the Simpler/financials License and Hosting Services at the following monthly rate: :

Software Base License Fee (1000 users)	\$5,350.00
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**3. GRANT OF RIGHTS**

- 3.1. License.** For the duration of this Agreement, **Simpler** hereby grants to **County** a non-exclusive, nontransferable License to use the Simpler/financials software to provide reporting services to users of **County's** financial system, utilizing data processed by and stored in **County's** PeopleSoft system.
- 3.2. Source Code.** **Simpler** will provide **County** the source code to the Simpler/financials software. **County** agrees that the source code and documentation provided by **Simpler** is confidential, and agrees to take all reasonable precautions to protect the source code and documentation, and preserve its confidential, proprietary and trade secret status in perpetuity. Continuous access to the source code by **County** is available via the Internet through an independent version-control

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apparatus. Separate licensing is required for this access capability. Currently, the version control mechanism is CodeCo-op which is available through the web site [www.relisoft.com](http://www.relisoft.com). In lieu of continuous access, periodic copies of the source code can be transferred electronically to **County** by **Simpler** whenever requested, but not more frequently than semi-annually.

- 3.3. Limitations.** Apart from the License Rights set forth in this Agreement, the License does not include a grant to **County** to engage in any other licensable activity, nor any ownership right, title or interest, nor any security interest or other interest, in any intellectual property rights relating to **Simpler/financials** nor in any copy of **Simpler/financials**. **Simpler** shall retain all rights, title, and interest, including all copyrights, in and to **Simpler/financials**. All rights not specifically transferred by this Agreement are reserved to **Simpler**.
- 3.4. License Term.** Notwithstanding any provision to the contrary, this License is effective July 1, 2016 through June 30, 2017 with the option to renew for five (5) additional annual renewals, unless terminated earlier by written notice in accordance with section 4 "TERMINATION" of this Agreement.

#### **4. TERMINATION**

- 4.1. Termination.** This Agreement may be terminated as follows:
- 4.1.1. County** may terminate Hosting Services at the end of the current billing cycle by providing written notice at least five (5) days prior to the end of the billing cycle. Termination notice must be sent via email to [support@simplersystems.com](mailto:support@simplersystems.com).
- 4.1.2. Material Breach by Simpler.** In the event that **Simpler** is in default of this Agreement, **County** may terminate this Agreement by giving **Simpler** ten (10) calendar days prior written notice thereof; provided, however, that this Agreement shall not terminate at the end of said ten (10) days notice period if **Simpler** has cured the breach of which it has been notified prior to the expiration of said ten (10) days.
- 4.1.3. Material Breach by County.** In the event **County** is in default of this Agreement **Simpler** may terminate this Agreement by giving **County** ten (10) calendar days prior written notice thereof; provided however, that this Agreement shall not terminate at the end of said ten (10) days notice period if **County** has cured the breach of which it has been notified prior to the expiration of said ten (10) days.
- 4.2. Obligations on Termination.** In the event of a termination by either party, **County** shall be obligated for any fees and charges incurred prior to the date written notification of termination is tendered to the non-terminating party.
- 4.3. No Liability for Termination.** Neither party will be liable to the other for any termination or expiration of this Agreement in accordance with its terms.
- 4.4. Effect of Termination.** Upon the expiration date or termination of this Agreement: (a) **Simpler** will immediately cease providing to the **County** **Simpler/financials** Hosting Service; (b) any and

all payment obligations of **County** made under this Agreement will become due immediately; (c) after such expiration or termination, if requested by the **County**, **Simpler** will back up the **County's** database and ship it to the **County's** address of record via common parcel service; and (d) **Simpler** will keep all **County** data for three months (90 days) after expiration or termination of this Agreement after that time all **County** data will be permanently and completely deleted.

## 5. APPLICATION MAINTENANCE AND VERSION UPGRADES

**5.1. Upgrades.** **County** acknowledges that **Simpler/financials** upgrades, enhancements and bug fixes may be required periodically and that the need for such enhancements or fixes is not indicative of defects in the software or services provided. Any version upgrades, or enhancements or bug fixes incorporated into **Simpler/financials** will be provided at no additional charge to the **County**. **Simpler** reserves the right to modify or replace the hosted **Simpler/financials** at any time with a newer version of **Simpler/financials** in order to incorporate any or all upgrades, enhancements and bug fixes. **Simpler** is not obligated to provide or incorporate into **Simpler/financials**, upgrades, enhancements or bug fixes unless failure to do so infringe upon the execution of **Simpler's** other material obligations within this Agreement.

## 6. INTELLECTUAL PROPERTY

**6.1. License and Services Contract only.** This is an Agreement to provide Licensing and Hosting Services, for a limited time only, and in no way establishes an obligation upon the **Simpler** to sell **Simpler/financials** or any modifications to the application to the **County** or to make **Simpler/financials** available to the **County** beyond the term of the Agreement.

**6.2. Intellectual Property.** The application is the property of **Simpler** and **Simpler** retains all intellectual property rights to **Simpler/financials**, or any modifications thereof, or enhancements created as part of customization services performed on behalf of the **County**.

## 7. REPRESENTATIONS

**7.1. County Representations.** **County** represents and warrants that:

**7.1.1. County** has the legal capacity and authority to enter into Agreement, and that by entering into or performing under this Agreement it will not breach any agreement to which it is currently a party.

**7.1.2. County** has no prior commitments or agreements with third parties that might interfere with or preclude the carrying out of these obligations under this Agreement.

**7.1.3.** To the extent that **County** provides **Simpler** with software or other tangible property to perform the services contemplated by this Agreement, **County** is the owner or authorized user of that property and has full power, free of any rights of any nature whatsoever in anyone that might interfere therewith, to grant the rights conveyed to **Simpler** to perform **Simpler's** obligations under this Agreement and that any use by **Simpler** of that material does not and will not, infringe upon any proprietary right at common law, or any statutory copyright, or trademark right, or any other right whatsoever. By use of any software

provided by **County**, there is no intent to transfer any ownership rights in that software to **Simpler**. **Simpler** shall not reverse engineer or otherwise interfere with any intellectual property rights held by any third party owner of any software or other tangible property provided by **County** to **Simpler** in connection with this Agreement.

**7.2. Simpler Representations.** **Simpler** represents and warrants that:

**7.2.1. Simpler** has the legal capacity and authority to enter into this Agreement, and that by entering into or performing under this Agreement **Simpler** will not breach any agreement to which **Simpler** is currently a party.

**7.2.2. Simpler** has no prior commitments or agreements with third parties that might interfere with or preclude the carrying out of **Simpler's** obligations under this Agreement.

**7.2.3. Simpler** has the skills, expertise, knowledge, and experience necessary to perform the all of the services contemplated by this Agreement. **Simpler** will exercise professional judgment and use the same degree of care and skill ordinary exercised by reputable consultants in similar circumstances performing comparable services.

**7.2.4.** Any materials, services, or deliverables, including the Simpler/financials software, provided under this Agreement are either original, not encumbered and do not infringe upon the copyright, trademark, patent or other intellectual property rights of any third party, or are in the public domain. If materials, services, or deliverables provided hereunder become the subject of a claim, suit or allegation of copyright, trademark or patent infringement, **County** shall have the right, in its sole discretion, to require **Simpler** to produce, at **Simpler's** own expense, new non-infringing materials, services, or deliverables as a means of remedying any claim of infringement in addition to any other remedy available to the **County** under law or equity. **Simpler** further agrees to indemnify and hold harmless the **County**, its officers, employees and agents from and against any and all claims, actions, costs, judgments or damages of any type alleging or threatening that any materials, deliverables, supplies, equipment, or services provided under this Agreement infringe the copyright, trademark, patent or other intellectual property or proprietary rights of any third party (Third Party Claims of Infringement). If a Third Party Claim of Infringement is threatened or made before **Simpler** receives payment under this Agreement, **County** shall be entitled, upon written notice to **Simpler**, to withhold some or all of such payment.

**8. PRODUCT WARRANTY**

**8.1. Product Acceptance.** **County's** written acceptance of Simpler/financials pursuant to this Agreement constitutes an unqualified acceptance of Simpler/financials as is.

**8.2. County's Responsibilities.** Without limiting the generalities of any exclusion set forth in this Agreement, **County** will be exclusively responsible as between the parties for and **Simpler** expressly makes no warranty or representation with respect to:



- A. determining that Simpler/financials will achieve the results (such as organizational efficiencies) desired by **County**;
- B. selecting, procuring, installing, operating and maintaining computer hardware to run Simpler/financials;
- C. ensuring the accuracy of any input data used with Simpler/financials;
- D. establishing adequate backup provisions for backing up **County**'s data used in connection with Simpler/financials.

**8.3. Maximum Liability. SIMPLER'S MAXIMUM LIABILITY TO COUNTY, WHETHER BY CONTRACT, TORT, OR OTHERWISE, SHALL BE LIMITED TO THE TOTAL AMOUNT PAID TO SIMPLER UNDER THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL SIMPLER BE LIABLE TO COUNTY FOR SPECIFIC, INDIVIDUAL, OR CONSEQUENTIAL DAMAGES.**

**8.4. Disclaimer by Simpler. THE EXPRESS WARRANTIES AND REPRESENTATIONS SET FORTH IN THIS AGREEMENT ARE IN LIEU OF AND SIMPLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS, REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL OR WRITTEN), WITH RESPECT TO THE SERVICES, ANY PRODUCTS DEVELOPED AS A RESULT OF THE SERVICES, OR ANY ACTIVITIES UNDERTAKEN BY ANYONE AS A RESULT OF THE SERVICES, INCLUDING ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PURPOSE (WHETHER SIMPLER KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OR CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. IN ADDITION, SIMPLER EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION TO ANY PERSON OTHER THAN COUNTY WITH RESPECT TO THE SERVICES, ANY PRODUCTS DEVELOPED AS A RESULT OF THE SERVICES, OR ANY ACTIVITIES UNDERTAKEN BY ANYONE AS A RESULT OF THE SERVICES.**

**9. GENERAL PROVISIONS**

**9.1 Notices.** Notice required by this Agreement must be in writing and shall be sufficient if:

- A. personally delivered to the other party,
- B. sent by facsimile or email to the other party followed by a hard copy of that notice sent by any other method allowed by this section,
- C. delivered by a major commercial delivery service to the other party at the address set forth in the signature block below, or
- D. mailed by certified or registered mail (return receipt requested) to the other party:

**Simpler System, Inc.**  
Barry Taugher  
barry@simplersystems.com  
1233-B State Street  
Santa Barbara, CA 93101

**County of Riverside**  
Jenifer Rutherford / Julie Jones  
3450 14<sup>th</sup> Street  
Riverside, CA 92501

- 9.2 Entire Agreement.** This Agreement contains the entire understanding between the parties, and supersedes any prior agreements and communications between the parties, with respect to its subject matter.
- 9.3 Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the parties, and their respective legal representatives, successors, and assigns.
- 9.4 Amendment and Waiver.** The parties may amend any provision of this Agreement or waive the observance of any provision only by their written consent. Either party's failure to enforce any provisions of this Agreement shall not be construed as a waiver of that party's right to enforce such provisions.
- 9.5 Assignment.** Neither party may assign or otherwise dispose of its rights or obligations under this Agreement without the prior written consent of the other party.
- 9.6 Governing Law.** This Agreement shall be governed by the laws of the State of California. Any legal action related to the interpretation or performance of this Agreement shall be filed only in the Superior Court for the State of California or the US District Court located in Riverside, California. Prior to filing any legal action, the parties shall first be obligated to attend a mediation session before a neutral mediator in an attempt to resolve the issue.
- 9.7 Force Majeure.** Either party shall be temporarily excused from performing under this Agreement if any force majeure or other occurrence beyond the reasonable control of either party makes such performance impossible. Under such circumstances, performance under this Agreement related to the delay shall be suspended for the duration of the delay. Once the delaying event subsides, the delayed party shall resume performance of its obligations with due diligence. The parties shall use their best efforts to overcome the cause and effect of any such suspension.
- 9.8 Agreement Controls.** This Agreement shall control whenever typed, stamped or written provisions of any subordinated documents hereunder conflict with this Agreement.
- 9.9 Severability.** If any provision of this Agreement is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, that provision will be limited or eliminated to the minimum extent necessary so this Agreement shall otherwise remain enforceable in full force and effect.
- 9.10 Performance of Necessary Acts.** Each party, without further consideration, agrees to execute and deliver any documents or take such other actions as may be necessary to give full effect to the terms and intent of this Agreement and to effectively consummate the purposes and subject matter of this Agreement.
- 9.11 Construction.** Headings and captions are only for convenience and are not to be used in the interpretation of this Agreement. Whenever the context requires, words used in the singular shall

be construed to include the plural and vice versa, and pronouns of any gender shall be deemed to include the masculine, feminine, or neuter gender. No provision of this Agreement shall be construed against and interpreted to the disadvantage of any party because that party having or been deemed to have structure or drafted the Agreement. The term "include" or any variation of that word shall be deemed to be inclusive and mean "including—but not limited to ."

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

Simpler System, Inc.

BY: 

Name: Barry Taugher

Title: Vice President

Date: 8/29/2016

County of Riverside, a political subdivision of the State of California

BY: 

Name: John J. Benoit

Title: Chairman, Board of Supervisors

Date: SEP 13 2016

ATTEST:

Kecia Harper-Ihem

Clerk of the Board

By: 

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

Gregory P. Priamos

County Counsel

By: 

Name: Neal Kipnis

Title: Deputy County Counsel