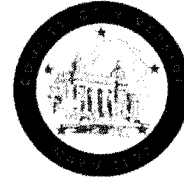


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.54
(ID # 5880)

MEETING DATE:

Tuesday, December 12, 2017

FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Approve and execute the Agreement with Bid 4 Assets, Inc. for Internet-Based Auction of Tax-Defaulted Properties for five (5) years, All Districts. [Annual Cost \$150,000; \$750,000 aggregate - 100% Treasurer-Tax Collector Budget]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the Agreement with Bid 4 Assets, Inc. for Internet-Based Auction of Tax-Defaulted Properties for an aggregate of \$750,000 for five (5) years; and
2. Authorize the Purchasing Agent, in accordance with Ordinance 459, based on the availability of fiscal funding and as approved by County Counsel: to sign amendments that do not change the substantive terms of the Agreement.

ACTION: Policy

A handwritten signature in black ink, appearing to read 'Jon Christensen'.

Jon Christensen, Treasurer-Tax Collector 12/5/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Perez and Ashley
Nays: None
Absent: Washington
Date: December 12, 2017
xc: Treasurer, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 150,000	\$ 150,000	\$ 750,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: Treasurer-Tax Collector Budget			Budget Adjustment:	No
			For Fiscal Years:	17/18-21/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Riverside County Treasurer-Tax Collector will be selling an undetermined amount of tax-defaulted properties each year and desires the ability to advertise and auction tax-defaulted properties through the Internet as the need arises. The purpose of the contract with BID4ASSETS is to provide a website service and advertise for the auction of tax-defaulted properties. The contractor service will include organizing, posting, hosting, due diligence information, reporting of successful bidder, vesting information and servicing advertised tax-defaulted properties. These advertised properties will be auctioned on the contractor's website at the direction of the County Treasurer-Tax Collector according to California Revenue and Taxation Code 3691.

The agreement has been approved as to form by County Counsel.

Impact on Residents and Businesses

The offering of tax defaulted properties is to collect unpaid taxes and to return the property to a revenue-generating status by conveying the property to another owner or motivating the assessee to redeem.

Additional Fiscal Information

The Treasurer-Tax Collector will be using funds from their budget to pay for this service; no general funds will be used or requested.

Contract History and Price Reasonableness

Riverside County Purchasing and Fleet Services Department released a Request for Proposal (RFP), TTARC-014, soliciting proposals for internet-based auctions of tax-defaulted properties. The RFP was sent to twenty-one (21) potential bidders and was advertised on the Purchasing website. Three (3) bid responses were submitted in response to the RFP. The proposals were reviewed by an evaluation team comprised of personnel from the Treasurer-Tax Collector, and Purchasing and Fleet Services departments. Each bid response was evaluated based on the criteria set forth in the RFP: overall response to the RFP requirements; bidder's experience and ability; overall cost to the county; references with demonstrated success with similar work to the


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


Scope of Service; financial status; clarifications, exceptions or deviations; credentials, resumes, licenses or certifications, and; bidder's demonstrations.

The cost proposals submitted ranged from \$85 to \$125 per item sold or withdrawn. County Purchasing entered into Best and Final negotiations and the recommended awarded vendor reduced their price per item sold or withdrawn to \$75.

Based on the overall summation of the proposals submitted, it is the recommendation of the evaluation team to select Bid 4 Assets, Inc., the incumbent vendor, as the lowest and most responsive/responsible bidder.

ATTACHMENT A. Agreement


Stephanie Pasi 12/5/2017


Tina Grande, Assistant Purchasing Director 12/5/2017


Gregory V. Priaplos, Director County Counsel 12/5/2017

PROFESSIONAL SERVICE AGREEMENT

for

INTERNET-BASED AUCTION of TAX-DEFAULTED PROPERTIES

between

COUNTY OF RIVERSIDE

and

BID4ASSETS, INC.



TABLE OF CONTENTS

<u>SECTION HEADING</u>	<u>PAGE NUMBER</u>
1. Description of Services.....	3
2. Period of Performance.....	3
3. Compensation.....	3
4. Alteration or Changes to the Agreement.....	5
5. Termination.....	5
6. Ownership/Use of Contract Materials and Products.....	6
7. Conduct of Contractor.....	6
8. Inspection of Service: Quality Control/Assurance.....	7
9. Independent Contractor/Employment Eligibility.....	7
10. Subcontract for Work or Services.....	9
11. Disputes.....	9
12. Licensing and Permits.....	10
13. Use by Other Political Entities.....	10
14. Non-Discrimination.....	10
15. Records and Documents.....	10
16. Confidentiality.....	11
17. Administration/Contract Liaison.....	11
18. Notices.....	12
19. Force Majeure.....	12
20. EDD Reporting Requirements.....	12
21. Hold Harmless/Indemnification.....	13
22. Insurance.....	13
23. General.....	16
Exhibit A-Scope of Service.....	19
Exhibit B- Payment Provisions.....	39

This Agreement, made and entered into this ____ day of _____, 20__, by and between BID4ASSETS, INC., a Maryland Corporation, (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services as outlined and specified in Exhibit A, Scope of Services, consisting of twenty (20) pages, at the prices stated in Exhibit B, Payment Provisions to the Agreement, consisting of one (1) page.

1.2 CONTRACTOR represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and the COUNTY relies upon this representation. CONTRACTOR shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

1.3 CONTRACTOR affirms this it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it can properly perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Period of Performance

2.1 This Agreement shall be effective upon signature of this Agreement by both parties and continues in effect through December 15, 2022, unless terminated earlier. CONTRACTOR shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement.

3. Compensation

3.1 The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed the aggregate amount of seven hundred fifty thousand dollars (\$750,000) including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of

services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement.

3.2 No price increases will be permitted during the first year of this Agreement. All price decreases (for example, if CONTRACTOR offers lower prices to another governmental entity) will automatically be extended to the COUNTY. The COUNTY requires written proof satisfactory to COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of 30-days advance notice in writing is required to be considered and approved by COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement. The net dollar amount of profit will remain firm during the period of the Agreement. Annual increases shall not exceed the Consumer Price Index- All Consumers, All Items - Greater Los Angeles, Riverside and Orange County areas and be subject to satisfactory performance review by the COUNTY and approved (if needed) for budget funding by the Board of Supervisors.

3.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only after services have been rendered or delivery of materials or products, and acceptance has been made by COUNTY. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

RIVERSIDE COUNTY
TREASURER-TAX COLLECTOR
ATTN: ADRIANA GOMEZ
PO BOX 12005
RIVERSIDE, CA 92502-2205

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number (TTARC-96209-003-12/22); quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears.

3.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of COUNTY funding from which payment can be made,

and invoices shall be rendered "monthly" in arrears. In the State of California, Government agencies are not allowed to pay excess interest and late charges, per Government Codes, Section 926.10. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, have no further force, and effect.

4. Alteration or Changes to the Agreement

4.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee is the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly.

4.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within 30 days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

5. Termination

5.1. COUNTY may terminate this Agreement without cause upon 30 days written notice served upon the CONTRACTOR stating the extent and effective date of termination.

5.2 COUNTY may, upon five (5) days written notice terminate this Agreement for CONTRACTOR's default, if CONTRACTOR refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not immediately cure such failure. In the event of such termination, the COUNTY may proceed with the work in any manner deemed proper by COUNTY.

5.3 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Agreement on the date specified in the notice of termination; and

- (b) Transfer to COUNTY and deliver in the manner as directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would have been required to be furnished to COUNTY.

5.4 After termination, COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement.

5.5 CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or a willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the terms of this Agreement. In such event, CONTRACTOR shall not be entitled to any further compensation under this Agreement.

5.6 If the Agreement is federally or State funded, CONTRACTOR cannot be debarred from the System for Award Management (SAM). CONTRACTOR must notify the COUNTY immediately of a debarment. Reference: System for Award Management (SAM) at <https://www.sam.gov> for Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application, and Excluded Parties List System (EPLS)). Excluded Parties Listing System (EPLS) (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17). The System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS.

5.7 The rights and remedies of COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6. Ownership/Use of Contract Materials and Products

The CONTRACTOR agrees that all materials, reports or products in any form, including electronic, created by CONTRACTOR for which CONTRACTOR has been compensated by COUNTY pursuant to this Agreement shall be the sole property of the COUNTY. The material, reports or products may be used by the COUNTY for any purpose that the COUNTY deems to be appropriate, including, but not limit to, duplication and/or distribution within the COUNTY or to third parties. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of the COUNTY.

7. Conduct of Contractor

7.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in

any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

7.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

7.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

8. **Inspection of Service; Quality Control/Assurance**

8.1 All performance (which includes services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the services to be performed or the products to be provided are of such nature that the difference cannot be corrected; the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the services performed or products provided. The COUNTY may also terminate this Agreement for default and charge to CONTRACTOR any costs incurred by the COUNTY because of the CONTRACTOR's failure to perform.

8.2 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time, upon reasonable notice to the CONTRACTOR.

9. **Independent Contractor/Employment Eligibility**

9.1 The CONTRACTOR is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and CONTRACTOR shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that CONTRACTOR in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

9.2 CONTRACTOR warrants that it shall make its best effort to fully comply with all federal and state statutes and regulations regarding the employment of aliens and others and to ensure that employees performing work under this Agreement meet the citizenship or alien status requirement set forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by federal or state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees, for the period prescribed by the law.

9.3 Ineligible Person shall be any individual or entity who: Is currently excluded, suspended, debarred or otherwise ineligible to participate in the federal health care programs; or has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal health care programs after a period of exclusion, suspension, debarment, or ineligibility.

9.4 CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services directly relative to this Agreement. CONTRACTOR shall screen all current Covered Individuals within sixty (60) days of execution of this Agreement to ensure that they have not become Ineligible Persons unless CONTRACTOR has performed such screening on same Covered Individuals under a separate agreement with COUNTY within the past six (6) months. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify COUNTY within five (5) business days after

it becomes aware if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

9.5 CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

9.6 CONTRACTOR shall notify COUNTY within five (5) business days if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be promptly removed from participating in any activity associated with this Agreement.

10. Subcontract for Work or Services

No contract shall be made by the CONTRACTOR with any other party for furnishing any of the work or services under this Agreement; but this provision shall not prohibit contracts of employment between the CONTRACTOR and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.

11. Disputes

11.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be decided by the COUNTY's Purchasing Department's Compliance Contract Officer who shall furnish the decision in writing. The decision of the COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous to imply bad faith. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute.

11.2 Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

12. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

13. Use By Other Political Entities

The CONTRACTOR agrees to extend the same pricing, terms, and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR; and COUNTY shall in no way be responsible to CONTRACTOR for other entities' purchases.

14. Non-Discrimination

CONTRACTOR shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five years following termination of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement as requested by COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement, except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particulars assigned to the individual, such as finger or voice print or a photograph.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

PURCHASING & FLEET SERVICES

ATTN: IRENE MAESE

2980 WASHINGTON ST.

RIVERSIDE, CA 92504

with a copy to:

TREASURER-TAX COLLECTOR

ATTN: ADRIANNA GOMEZ

PO BOX 12005

RIVERSIDE, CA 92502-2205

CONTRACTOR

BID4ASSETS, INC.

ATTN: JESSE LOOMIS

8757 GEORGIA AVE. SUITE 520

SILVER SPRING, MD 20910

19. Force Majeure

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State

Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification

21.1 CONTRACTOR shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever, based or asserted upon any services of CONTRACTOR, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. CONTRACTOR shall defend the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.

21.2 With respect to any action or claim subject to indemnification herein by CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR indemnification to Indemnitees as set forth herein.

21.3 CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

21.4 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

22. Insurance

22.1 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

D. General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, CONTRACTOR'S carriers shall either; 1) reduce or eliminate such self-

insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that the CONTRACTOR'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

6) CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

8) CONTRACTOR agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

23. General

23.1 CONTRACTOR shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by COUNTY for nonconformance with the terms of the Agreement, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to COUNTY pursuant to this Agreement, free from all liens, claims, or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

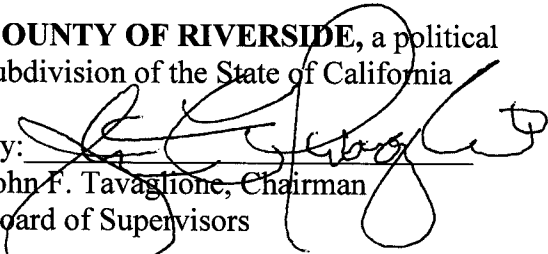
23.10 CONTRACTOR shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

23.11 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.12 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

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

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: 
John F. Tavgliione, Chairman
Board of Supervisors

Dated: DEC 12 2017

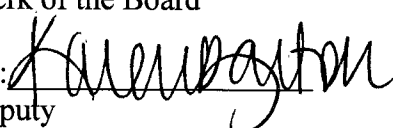
CONTRACTOR

By: Jesse Loomis
Jesse Loomis, Chief Executive Officer
BID4ASSETS, INC.

Dated: 11/28/17

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Karen Bayton
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Supervising Deputy County Counsel

EXHIBIT A
SCOPE OF SERVICE

1.0 Purpose:

CONTRACTOR shall conduct internet-based auctioneering of tax-defaulted properties pursuant to authority granted to the County Tax Collector by the California Revenue and Taxation Code. The Riverside County Treasurer-Tax Collector is responsible for the collection of property taxes on both secured and unsecured property. One of the remedies, per the California Revenue and Taxation Code 3691, for delinquent secured property taxes is through the sale of tax-defaulted property after five years of non-payment. The Riverside County Treasurer-Tax Collector is required to sell these properties at public auction.

The purpose of an unsecured tax sale is to collect unpaid personal property taxes and to convey the owner's rights, title and interest in the property to the purchaser. These unsecured properties are subject to Seizure and Sale pursuant to the State of California Revenue and Taxation Codes 2951-2963 due to a failure to pay unsecured personal property taxes. The property may be purchased at public auction.

The Riverside County Treasurer-Tax Collector will be selling an undetermined amount of tax-defaulted properties each year and desires the ability to advertise and auction tax-defaulted properties through the Internet as the need arises.

2.0 General Requirements:

2.1 CONTRACTOR shall not utilize subcontractors to provide services.

2.2 CONTRACTOR shall provide and maintain adequate personnel capable to perform the services as required in the scope of service.

2.3 CONTRACTOR shall respond to inquiries that come in from bidders and/or COUNTY within the same day in which it was received, provided that the inquiry comes in during normal business hours, Pacific Time. CONTRACTOR shall respond the next morning to inquiries that are received by the CONTRACTOR after normal business hours.

2.4 As the COUNTY deems necessary, and as the need arises, CONTRACTOR shall establish and propose to the COUNTY the most effective manner in which the COUNTY may offer and dispose of tax-defaulted properties through auctions on the internet.

2.5 CONTRACTOR shall provide suggestions to the COUNTY on best practices on certain details of the auctions.

3.0 Advertising/Marketing Services:

3.1 CONTRACTOR shall, at the direction of the COUNTY, establish parameters for auction advertising. These parameters shall include, but shall not be limited to:

- 3.1.1 Bidding timeframe
- 3.1.2 Minimum bid price
- 3.1.3 Bid reserve price
- 3.1.4 Bid settlement terms

3.2 CONTRACTOR shall develop a web-based and traditional marketing effort, disseminate due diligence information online (provided by the COUNTY) to potential bidders, and support the sale of tax-defaulted properties. Marketing efforts shall include, but not be limited to:

- 3.2.1 An email notification to CONTRACTOR's list of over 100,000 registered bidders who have asked to be notified when new tax-defaulted property auctions are listed
- 3.2.2 An email notification to users who participated in a particular county's last auction with CONTRACTOR
- 3.2.3 Promotion on the CONTRACTOR's website, including on the homepage, the real estate category page, and the tax sale calendar
- 3.2.4 Promotion on third-party real estate websites, such as:
 - 3.2.4.1 Zillow
 - 3.2.4.2 Trulia
 - 3.2.4.3 LandWatch
 - 3.2.4.4 Craigslist
 - 3.2.4.5 Other third-party real estate websites as requested by the COUNTY
- 3.2.5 Social Media promotion to CONTRACTOR's followers on the following social media websites:
 - 3.2.5.1 Facebook
 - 3.2.5.2 LinkedIn
 - 3.2.5.3 Twitter
 - 3.2.5.4 Other social media websites as requested by the COUNTY

3.3 CONTRACTOR shall utilize strategic public relations to obtain media placements in targeted publications, major daily newspapers and local, regional, national and international television coverage. Marketing services shall also include media and public relations, e-mail notices, direct

mail, classified advertising, telemarketing and due diligence information. CONTRACTOR shall provide a marketing plan, which could include suggestions from the COUNTY to help promote the sale of property that is acceptable to the County Treasurer-Tax Collector.

3.4 As deemed noteworthy, and as approved by the COUNTY in advance, CONTRACTOR shall provide press releases at the discretion of the COUNTY. The process shall include, but not be limited to:

3.4.1 Communication by the CONTRACTOR with the appropriate contact at the COUNTY to find out what makes this auction special, what core messages the COUNTY would like to communicate, and, if interested, the COUNTY may provide a quote.

3.4.2 CONTRACTOR's marketing team shall compose a draft of the press release and send it to the COUNTY for review. The COUNTY may either redline their edits or approve the release.

3.4.3 Once a final draft is approved by the COUNTY, CONTRACTOR shall put the press release out on the press wire to targeted media outlets and pitch the story to targeted reporters. If interested, the COUNTY may be a part of the interviewing process with reporters.

3.5 CONTRACTOR shall provide sample press releases and media coverage for online tax-defaulted property auctions upon request.

3.6 CONTRACTOR shall administer auction advertising for a minimum of four weeks, and a maximum of eight weeks prior to any auction. CONTRACTOR shall develop and maintain the website so as to accommodate all necessary aspects of auction advertising acceptable to the COUNTY, including advertising of sale results. CONTRACTOR shall allow any changes that need to be made to their website which may include, but shall not be limited to:

3.6.1 Bidder instructions

3.6.2 Disclaimers

3.7 Upon receipt of property data and terms from the COUNTY to CONTRACTOR, CONTRACTOR shall create the auction and corresponding landing pages and send them to the COUNTY for review and approval. COUNTY shall be in complete control of the dates that the auction is promoted and live for bidding.

- 3.8 CONTRACTOR's advertising efforts shall include, but not be limited to: organizing, posting, hosting, and maintaining advertised tax-defaulted properties. CONTRACTOR shall provide pictures of the properties when needed, and due diligence information for the properties.
- 3.9 For the duration of each auction, advertising on the website shall be made available to the public twenty-four hours per day, seven days per week ("24/7"). CONTRACTOR shall provide the COUNTY with a direct uniform resource locator (URL) to the auction landing page (e.g. www.company.com/Riverside). The advertised properties shall be auctioned on the website at the direction of the COUNTY.
- 3.10 CONTRACTOR shall allow buyers to easily find the auctions by visiting the CONTRACTOR's tax sale calendar or any of the COUNTY advertisements on the website, or also by visiting www.bid4assets.com/riverside.
- 3.11 CONTRACTOR shall supply the COUNTY with direct contact information for the account management team, as well as the VP of government sales and the chief executive officer. The night prior to any sale, CONTRACTOR shall be available for changes after normal business hours by email and phone should assistance be needed through 9 p.m. Pacific Time.
- 3.12 If CONTRACTOR deviates from these requirements, the CONTRACTOR shall justify the security features of its chosen system to the COUNTY, and the COUNTY must approve of the chosen security features prior to implementation.

4.0 Website Administration:

- 4.1 CONTRACTOR shall structure the auction advertising website to be conducted to inform potential buyers of certain relevant information concerning California real property tax sales, and to require potential buyers to acknowledge the receipt of this information as a precondition to registration and before bidding on properties. Bidder acknowledgement information via radio buttons and digital signature shall be accessible to the COUNTY as proof of contract for potential non-performing bidder circumstances.
- 4.2 CONTRACTOR shall provide a "County Terms of Sale" document on the COUNTY's landing page; bidders must agree to abide by the information listed in the terms of sale document in order to participate in the bid. The terms of sale document shall include, but not be limited to:
- 4.2.1 This is a "buyer beware" sale
 - 4.2.2 All properties are sold AS-IS, WITHOUT WARRANTY, and are final
 - 4.2.3 Bidder's must be at least 18 years of age to bid

- 4.2.4 The minimum price shall be listed on the website
 - 4.2.5 Auction start date and time
 - 4.2.6 Auction ending date and time
 - 4.2.7 The COUNTY's method of pre-qualifying buyers
 - 4.2.8 The COUNTY's right to reject bids for any reason, whatsoever
 - 4.2.9 The COUNTY's right to withdraw properties for any reason, whatsoever
 - 4.2.10 Off-line bidding procedures
 - 4.2.11 Non-performing bidder information
- 4.3 CONTRACTOR shall make available a feature which allows the Bidders to digitally accept the terms and conditions for a bid, and to acknowledge that their bid is a legally binding contract; the COUNTY shall have the ability to view the Bidder's acceptance of the terms and conditions. This feature shall be made available for the COUNTY to view if terms of bidding were accepted by potential buyer.
- 4.4 CONTRACTOR shall maintain and provide to the COUNTY upon request, an activity log which documents the acceptance and acknowledgements of the terms of sale.
- 4.5 CONTRACTOR shall administer the Bidder registration and administration procedures. These procedures shall include, but shall not be limited to:
- 4.5.1 Bidder registration
 - 4.5.2 Collection of all vesting information at the time of registration with the understanding that no changes will be made after a successful bid
 - 4.5.3 Answer any questions related to deposits or registration
 - 4.5.4 Assign passwords to registered and pre-qualified bidders
 - 4.5.5 Provide email notices to registered users and bidders for the following circumstances:
 - 4.5.5.1 when they bid
 - 4.5.5.2 when they are outbid
 - 4.5.5.3 when their deposit clears
 - 4.5.5.4 for any other reason that is deemed a requirement by the COUNTY
- 4.6 CONTRACTOR shall collect vesting information for all bidders at the time they register for the COUNTY's tax sale and provide it to the COUNTY.
- 4.7 CONTRACTOR shall provide frequently asked questions and video tutorials on their website, as well as live customer services via phone and email, in the event that buyer have questions with

deposits, registration, or other parts of the auction process. The COUNTY shall provide the CONTRACTOR with the FAQs related to the general tax sale process that shall be posted on the website.

- 4.8 CONTRACTOR shall have a customer service phone number available and listed on the website wherein prospective buyers can obtain information quickly. Customer Service shall be made available by the CONTRACTOR during normal COUNTY business hours. Customer Service shall include daily live customer service available via phone and email for bidder questions.
- 4.9 CONTRACTOR shall send e-mails to registered users and bidders upon the occurrence of any of the following events:
- 4.9.1 Auction advertising information posted online
 - 4.9.2 Auction commencement
 - 4.9.3 Bid has been received
 - 4.9.4 Bid has been reduced
 - 4.9.5 Bidder has been outbid
 - 4.9.6 When auction closes
 - 4.9.7 Any other information deemed necessary by the COUNTY
- 4.10 CONTRACTOR shall structure auction advertising so that bidders can bid automatically once their deposit has cleared, and while the auction is open for bidding.
- 4.11 CONTRACTOR shall include a feature that allows the COUNTY to reject a bid.
- 4.12 CONTRACTOR shall provide a secure online environment to protect the confidentiality and integrity of the data exchanged online through their website. The auction advertising website shall be hosted on a secure server, protected by up to 256-bit Secured Socket Layers (SSL). CONTRACTOR shall maintain a complete audit trail of bidding activity for all transactions in electronic format, such as text file or Excel format.
- 4.13 CONTRACTOR's website shall be configured with a private addressing scheme, and administrative access shall only be permitted from the CONTRACTOR's internal network over a secured connection. Firewalls shall be implemented to limit access to the web servers via specified ports. The network shall be partitioned into virtual LANs. All access to the CONTRACTOR's site by authorized and unauthorized users shall be controlled and logs shall be set up to provide timestamps and historical data as the user transverse restricted locations.

4.14 All transactional data, the COUNTY's tax defaulted property auctions won by bidders, shall be available to the COUNTY via "My Account" or through a specific request to the account manager.

5.0 Auction Procedures/Features:

5.1 CONTRACTOR shall automatically keep an auction open for bidding until there are no further bids for 5 consecutive minutes. Any higher bid placed within the last 5 minutes (or an agreed upon timeframe) of an auction shall reset the auction's countdown timer to 5 additional minutes (or an agreed upon timeframe). CONTRACTOR shall notify the highest bidder when they are outbid so they have a chance to increase their bid.

5.2 CONTRACTOR shall have collect bidder deposits prior to the sale beginning, and remaining balances from successful bidders after the closing of a sale. CONTRACTOR shall have a deposit services team available who can process wire transfers and certified checks for initial deposits and settlement services.

5.3 CONTRACTOR shall require that potential bidders submit a qualifying deposit along with final deed vesting information directly to the CONTRACTOR, demonstrating the bidder's ability to comply with the terms of sale as a precondition to bidding on any tax sale property. CONTRACTOR shall notify the bidder via email that the required deposit has been received. At the sole discretion of the COUNTY, a qualifying deposit may be waived, and other bidder qualifications may be imposed.

5.4 CONTRACTOR shall limit the capability of a bidder to place bids via their account until their deposit has been cleared.

5.5 CONTRACTOR shall provide a deposit refund to all unsuccessful bidders within ten (10) business days after the close of an auction. Successful bidders' deposits shall be transferred to the COUNTY at the end of an auction and applied as a partial payment to the total purchase price. Winning bidders who do not perform on all auctions will forfeit their deposit(s) to the COUNTY. CONTRACTOR shall collect, process, and audit payments from successful bidders and shall transmit the funds to the COUNTY via one wire transfer.

5.6 CONTRACTOR shall structure the auction advertising website in a manner that permits the COUNTY to withdraw single or multiple properties from the on-going auction advertising for any reason whatsoever. CONTRACTOR shall have the ability to reduce minimum bid parcels at

a time designated by the COUNTY at the same auction and shall provide an email to registered bidders which notifies the bidders of the reduced bid.

- 5.7 CONTRACTOR shall notify the successful bidder, once they are deemed the winner by email after the auction. CONTRACTOR shall advertise the results of each tax-defaulted property auction until the COUNTY deems necessary to remove or until the COUNTY updates their website with the results of the sale.
- 5.8 CONTRACTOR shall include a feature on the auction advertising website that allows bidders to tender payment directly to CONTRACTOR within seventy-two (72) hours (or an agreed upon amount of time between the CONTRACTOR and the COUNTY, should a longer or short period of time be deemed necessary), of notification that he or she is the successful bidder. This tender shall go towards the property; shall offset cost of bid; or shall be returned. The means of payment shall be established such as cashier's check, Federal wire transfer, or any other means as directed by the COUNTY. Automated Clearing House (ACH) payments will not be an authorized form of payment.
- 5.9 COUNTY reserves the right to shorten or extend the notification timeframe, and shall inform the CONTRACTOR if this change needs to be made for an auction.
- 5.10 At the close of an auction, CONTRACTOR shall provide to the winning bidders an itemized breakdown of all of the auctions they have won, along with fees, and the total balance due after the deposit is applied.
- 5.11 CONTRACTOR shall collect all successful bidders' deposits and/or final payments on behalf of the COUNTY via cashier's checks and wire transfers.
- 5.12 CONTRACTOR shall provide the ability to view statistics immediately after the sale, including, but not limited to:
- 5.12.1 Page view counts
 - 5.12.2 Parcels offered
 - 5.12.3 Parcels sold
 - 5.12.4 Total dollar amount sold
 - 5.12.5 Number of unique bidders
 - 5.12.6 Bidder's location
 - 5.12.7 Additional information, as requested by the COUNTY

6.0 Off-line Bidding Option:

6.1 CONTRACTOR shall structure the auction advertising website in a manner that enables those without internet access to bid on tax-defaulted properties via fax and/or letter, and to mail in their deposits.

7.0 Reporting Requirements:

7.1 CONTRACTOR shall provide a full report sent electronically using an Excel or csv format, to the COUNTY within 5 business days after the close of the auction. The reports shall be organized by all items purchased by a single bidder. This report shall include relevant information needed to process the payments and complete the tax deeds, which includes, but shall not be limited to:

- 7.1.1 The winning bidder's name
- 7.1.2 Winning bidder's email
- 7.1.3 The county's parcel/assessment number
- 7.1.4 The county's item number
- 7.1.5 The vesting information to include name and form of vesting
- 7.1.6 Bidder's address
- 7.1.7 Bidder's phone number
- 7.1.8 Final bid amount
- 7.1.9 Documentary stamp tax (Recorder charge for recording tax deed)
- 7.1.10 City tax
- 7.1.11 Recording fee
- 7.1.12 The total due and any fees charged by website provider to the purchaser
- 7.1.13 The bidder's deposit amount.

7.2 CONTRACTOR shall make available to the COUNTY statistical reports in an excel format that demonstrate the progress and success of the auction process. Examples of such reports may include: deposit reports, bidder statistics, page hits by assets, and summary/settlement reports that will be used in evaluating the progress and outcomes of the auction process as requested by the COUNTY and may be daily or weekly. In addition, a report shall be provided to be included on the COUNTY's website that includes certain data elements specified by the COUNTY for each parcel sold. This report shall be provided upon request from the COUNTY, and shall be provided in an Excel format. Upon request by the COUNTY, CONTRACTOR shall make available the following reports:

- 7.2.1 Deposit Report: this provides the COUNTY a list of the names of all bidders who have submitted a deposit, along with how they funded, on what date their payment cleared, and what state they are located in.
- 7.2.2 Post Tax Sale Report with Bidder Statistics: this breaks down the number of properties approved, withdrawn, offered and sold. It includes the total winning amounts and number of unique winners. It breaks down the number of bidders winners by state, as well as for Canadian provinces and other countries, if applicable. It also breaks down how many deposits were funded by cashier's check and how many by wire. Finally, it provides a bar chart showing the volume of deposits by date from the time that auction was launched until it closes.
- 7.2.3 Page Views Report: provides a breakdown of all properties that sold in the auction, as well as the sale price, buyer, and buyer's contact info.
- 7.2.4 Settlement Report: comprehensive post-auction report that provides a complete breakdown of everything that sold, the applicable fees (COUNTY and CONTRACTOR), the total amount collected from the buyer, and balances of funds due to the COUNTY and CONTRACTOR.
- 7.3 Upon request by the COUNTY, CONTRACTOR shall make available to the COUNTY other ad-hoc or customized reporting capabilities in the system.
- 7.4 Upon request by the COUNTY, CONTRACTOR shall make available other output file formats for reporting. These formats shall include, but are not limited to:
- 7.4.1 .pdf (Adobe)
 - 7.4.2 .xls (Microsoft Excel)
 - 7.4.3 Comma delineated text formats
- 7.5 Upon request by the COUNTY, CONTRACTOR shall make available flat files in ASCII format.
- 7.6 Upon request by the COUNTY, CONTRACTOR shall store standard and custom reports in the system's archive. CONTRACTOR shall have the capability to recall these reports at a later date, upon request by the COUNTY. Files shall be stored for a minimum of seven (7) years after an auction closes.

8.0 Set Up

8.1 CONTRACTOR shall provide the COUNTY with an electronic bulk asset upload template, which will be used for all tax sale property information. CONTRACTOR shall set up auction with information provided by the COUNTY that shall include, but shall not be not limited to:

- 8.1.1 A link to the Assessor's parcel quest
- 8.1.2 COUNTY's assessment/parcel number
- 8.1.3 The short legal description
- 8.1.4 Property address, city, and zip code
- 8.1.5 The website link to Geographic Information System (GIS)
- 8.1.6 The website link to a map of delinquent parcels
- 8.1.7 The assessed values to the current tax year
- 8.1.8 Structure value
- 8.1.9 Land value
- 8.1.10 Total assessed value
- 8.1.11 Ad valorem
- 8.1.12 Special assessments
- 8.1.13 Tax bill year
- 8.1.14 Total tax bill
- 8.1.15 Tax rate area
- 8.1.16 Tax rate
- 8.1.17 Minimum bid
- 8.1.18 Bid increments
- 8.1.19 Bid deposit
- 8.1.20 Auction close time
- 8.1.21 Reduced bid amount
- 8.1.22 Reduced bid date
- 8.1.23 Reduced bid time
- 8.1.24 Item number
- 8.1.25 Additional information as requested by the COUNTY

9.0 General System Capabilities

9.1 CONTRACTOR shall provide the Auditing and Administrative Functionality with their system.

- 9.2 CONTRACTOR's auditing capability shall be handled internally by CONTRACTOR's IT staff, and shall be kept private for security reasons. CONTRACTOR shall be SAS70 compliant.
- 9.3 CONTRACTOR shall proactively audit network penetration, application penetration, and follow the best practices for internal auditing. Tests and vulnerability assessments that are conducted by CONTRACTOR or by third party partners shall remain confidential.
- 9.4 CONTRACTOR shall log all actions via clicks as users navigate the website. CONTRACTOR shall conduct specific logging in critically important actions such as initiating deposits, registering on the website, placing bids, and listing auctions. CONTRACTOR's transactions shall follow industry standard PCI compliances and security encryption shall always be a priority to maintain clients' privacy.
- 9.5 CONTRACTOR shall make available to capability for the COUNTY to administer the user account via the "My Account" page. This page shall give the COUNTY access to data on the auction, DeedWizard (collection of vesting information), and multiple reports. COUNTY shall have the ability to track bidding on auctions in real time as bidders place bids.
- 9.6 CONTRACTOR's employees shall have access to a separate administrative website that require individual secure log-in credentials to access. CONTRACTOR's employees shall have different permission levels to access reports based on the employee's position and responsibilities. CONTRACTOR's account manager who supports the COUNTY shall have access that allows them to work on the COUNTY tax sales who which they are assigned. This access shall include functionality to create the landing page, user accounts, deposit pages, and bulk upload the auctions. It shall also allow them to track deposits for individual users and provide reports and data to the COUNTY as needed.
- 9.7 CONTRACTOR's reports and tasks shall be simple to follow and initiate. Upon request by the COUNTY, CONTRACTOR shall make available any reports that are not covered in the offerings in "My Account".
- 9.8 Upon request by the COUNTY, CONTRACTOR shall provide programmer intervention for new functionality requests that are not currently within the scope of features provided by CONTRACTOR.
- 9.9 CONTRACTOR shall review and update business rules on a consistent basis. CONTRACTOR shall hold meetings for business rules review between stakeholders and content owners, where input and ideas for improvements or required exchanges can be discussed.

9.10 Upon request by the COUNTY, CONTRACTOR shall allow minor software customization, particularly on the COUNTY's landing page and auctions. CONTRACTOR shall allow the COUNTY to choose what information to include, the look and feel, and a variety of HTML functions.

10.0 Technical Requirements

10.1 Technical Plan

10.1.1 Auctions:

10.1.1.1 CONTRACTOR shall post individual parcels for auction in a uniform and sequential manner, and shall make accessibility available for anyone with internet access to view whether or not they have an account with the CONTRACTOR. Every auction page shall include the following:

10.1.1.1.1 CONTRACTOR's auction number

10.1.1.1.2 Auction Title which includes the COUNTY name and parcel number

10.1.1.1.3 Parcel image or COUNTY seal if no actual image is provided by the COUNTY

10.1.1.1.4 Auction countdown (if the auction start date has not passed)

10.1.1.1.5 Bidder status

10.1.1.1.6 Auction status

10.1.1.1.7 Auction date

10.1.1.1.8 Bid increments (amount set as instructed by the COUNTY)

10.1.1.1.9 Minimum bid

10.1.1.1.10 Deposit requirements (dual)

10.1.1.1.11 Bid entry box

10.1.1.1.12 Tabs to the parcel information, storefront documents, and users bid history

10.1.1.1.13 COUNTY's introduction

10.1.1.1.14 Deposit requirements and instructions

10.1.1.1.15 Disclaimers

10.1.1.1.16 Parcel information

10.1.1.2 COUNTY shall provide the following information to the CONTRACTOR:

10.1.1.2.1 COUNTY parcel number

10.1.1.2.2 Legal description

10.1.1.2.3 Minimum bid

10.1.1.3 The following additional information, if provided by the COUNTY, may be included on the auction:

10.1.1.3.1 Parcel images and maps

10.1.1.3.2 Street address

10.1.1.3.2.1 If a complete address is provided, CONTRACTOR may integrate map and area information via 3rd-party sources such as Google Maps, Google Street View, Bing Bird's Eye View, Walk Score, Zillow and Education.com

10.1.1.3.3 Taxing or Zoning information

10.1.1.3.4 GIS or other external links

10.1.1.3.5 Notifications/information unique to the parcel

10.1.1.3.5.1 For example: if more than one parcel is being sold together, the auction will clearly communicate this, and the COUNTY must provide specific information related to the lot of parcels being sold together as one

10.1.1.4 End of auction procedures

10.1.1.5 Maps and Area Information (optional for the COUNTY to have included)

10.1.1.6 Bidding Requirements

10.1.1.7 Settlement Requirements

10.1.2 Editing of Auctions:

10.1.2.1 COUNTY shall communicate any and all changes to parcel information to the CONTRACTOR representative via email. Changes to individual parcels after they have been made public shall be noted on the impacted auction as follows to alert any potential bidders:

Item Specifics

Parcel Information

Update Message	The Legal Description was updated on 6/26 @ 12:45 PM ET
APN	66927630600
Legal Description	21-16-1W 1/5 INT PTN NE & NW MINIERAL RIGHTS ONLY 69.17 ACR
GIS	Click Here

Assessed Values

Total Assessed Values	\$700.00
-----------------------	----------

10.1.3 Deposits:

10.1.3.1 CONTRACTOR shall employ deposits for users to participate in a COUNTY tax sale to qualify potential bidders in a tax sale, and protect the COUNTY. If a winning bidder defaults the deposit is forfeited to the COUNTY. A single deposit will allow the registered user to bid on all of the parcels for auction in a specific county during a specific time period. The cost of this service is collected with the deposit (e.g., \$5,000 deposit plus \$35 fee = \$5,035 deposit submitted by a user). Non-winners will receive a full refund minus CONTRACTOR's \$35 fee. Refunds shall be mailed by check to the name and address on the registered CONTRACTOR account. They shall be placed in the mail within 10 business days after the close of the auction. The total of all winner deposits shall be forwarded to the COUNTY and CONTRACTOR shall retain the fee portion. Winner deposits shall be wired to the COUNTY within three (3) business days after the close of the last auction if the COUNTY elects not to use CONTRACTOR for settlement. The full balance of funds shall be wired to the COUNTY within three (3) business days after the payment deadline if CONTRACTOR is collecting settlement for the COUNTY.

10.1.3.2 COUNTY shall have the option to choose which deposit methods will be available to users for submitting deposits:

10.1.3.2.1 Online Check (ACH)

10.1.3.2.2 Certified Check or Money Order

10.1.3.2.3 Bank Wire Transfer

- 10.1.3.3 Deposits shall be placed in an escrow account for the benefit of CONTRACTOR's clients at a FDIC-insured escrow account.
- 10.1.3.4 Once logged in a user can retrieve deposit instructions by clicking any of the labeled links/buttons located on the tax sale Storefront or the individual parcels for auction. A video tutorial and text instructions are available to assist new users.
- 10.1.3.5 When a user follows all of the steps to submit a deposit a system generated email is sent to them
 - 10.1.3.5.1 Confirming their request for the deposit instructions
 - 10.1.3.5.2 Notifying them when their deposit has been received
 - 10.1.3.5.3 Notifying them when their deposit has cleared and they are eligible to participate in the tax sale for which they submitted a deposit for
- 10.1.3.6 All system generated emails are sent to the email address the user has on their CONTRACTOR account and duplicated in their CONTRACTOR Message Center.
- 10.1.4 CONTRACTOR shall make available the following data transfer protocols for use:
 - 10.1.4.1 COUNTY shall be able to create auctions via CONTRACTOR's secure website or through an account manager. Information uploaded to CONTRACTOR's secure website is stored on secure servers behind multiple firewalls in world class data centers. Data provided (Uploaded or Downloaded) to an account manager can be sent via a secure SFTP connection with PGP upon request. Most information provided by COUNTY is publicly accessible and does not require a high level of data encryption; however CONTRACTOR shall provide encryption as needed to ensure financial and private customer information remains private.
- 10.1.5 CONTRACTOR shall follow the following pertinent security practices and data encryption methods:
 - 10.1.5.1 Gateway Anti-Virus, Anti-Spyware and Intrusion Prevention, Application Intelligence Service
 - 10.1.5.2 Real-time gateway anti-virus engine that scans for viruses, worms, Trojans and other Internet threats in real-time

- 10.1.5.3 Dynamic spyware protection blocks the installation of malicious spyware and disrupts existing spyware communications
- 10.1.5.4 Powerful intrusion prevention protects against an array of network-based threats such as worms, Trojans and other malicious code
- 10.1.5.5 Application Intelligence provides application classification and policy enforcement
- 10.1.5.6 Dynamically updated signature database for continuous threat protection
- 10.1.5.7 24/7 vendor support
- 10.1.5.8 CONTRACTOR blocks traffic and ports except from known, allowed applications. Trojans, worms, or malware attempting to communicate on their networks are quickly identified and automatically blocked. Any such activity shall be logged and analyzed
- 10.1.5.9 CONTRACTOR shall utilize an automated system and network monitoring tools providing real-time alerts to their technicians to identify and react to issues before they become problems
- 10.1.5.10 CONTRACTOR shall utilize extensive logging and reporting tools and routinely have technical experts review logs and system activity for potential suspicious or problematic behavior
- 10.1.5.11 CONTRACTOR's systems shall be configured with a private addressing scheme, and administrative access shall only be permitted from the CONTRACTOR's internal network over a secured connection from known sources
- 10.1.5.12 All network connections shall be partitioned into virtual LANs. All access to systems by authorized users shall be controlled and logs shall be set up to provide timestamps and historical data as any user transverse any network
- 10.1.5.13 CONTRACTOR's application shall include SSL pages when needed to protect user information. CONTRACTOR shall practice password encryption with obfuscation. CONTRACTOR's security certificate is viewable on any secure, <https://>, page on their website.

10.1.6 CONTRACTOR's simultaneous transaction volume capacity shall be a minimum of 20,000 properties in a single tax sale auction.

10.1.7 CONTRACTOR's virtualized infrastructure shall allow live migration of virtual machines or working applications between servers with no disruption to users or loss of service, reducing or even eliminating the need to schedule application downtime for server maintenance.

10.1.8 CONTRACTOR shall rigorously test functionality when new code is developed, including testing with multiple employees in multiple departments. CONTRACTOR shall have a test site that allows internal parties to test the functionality and work out any bugs before the code is deployed to the public CONTRACTOR website.

10.2 Security:

10.2.1 CONTRACTOR shall support the following security features:

10.2.1.1 View only access without user registration

10.2.1.1.1 People visiting the website can view auctions up for bid or in preview without having to register

10.2.1.2 Access to specific functions and operations reserved for registered/logged on users

10.2.1.2.1 Users must be registered in order to bid on an auction. For COUNTY auctions, users must additionally fund a bid deposit. Other functions, such as changing personal information on a user's account and accessing a user's personal message center requires the user to be logged in

10.2.1.3 User password encryption

10.2.1.3.1 CONTRACTOR shall utilize standard encryption methods on their website. This shall include encrypting passwords.

10.2.1.4 Automated password reset upon user request

10.2.1.4.1 Automated password reset shall be available on the website or may be requested from CONTRACTOR's customer service department.

10.2.2 CONTRACTOR's Auction Administrator capabilities shall include, but not be limited to:

10.2.2.1 Access that allows them to work on the COUNTY auctions that they are assigned. This access shall include functionality to create the storefront, user accounts, deposit pages, and bulk upload the auctions. It shall also allow them to track deposits for individual users and provide reports as needed to the COUNTY.

10.2.3 CONTRACTOR's system shall maintain the following audit information:

10.2.3.1 Full audit log file of who made changes, with date time stamps included

10.2.3.1.1 Regarding employees, CONTRACTOR shall log only a few sensitive aspects of the process by employee ID. Employees shall utilize an internal memo system to keep notes and track activities.

10.2.3.2 Transaction logging by User ID codes

10.2.3.2.1 CONTRACTOR shall log a range of activity for bidders based on user ID, including initializing a deposit, questions asked, and bids placed.

10.2.3.3 Logging and reporting of unauthorized access attempts

10.2.3.3.1 CONTRACTOR shall collect information on unauthorized access attempts and in extreme cases shall take action when the activity appears to be hacker-related.

10.3 Disaster Recovery:

10.3.1 CONTRACTOR's disaster recovery procedures shall include, but not be limited to:

10.3.1.1 CONTRACTOR shall follow a Business Continuity plan to deal with disasters.

10.3.1.2 All major systems employed by CONTRACTOR shall be designed for high-availability and feature redundancy. All Internet access, power, hardware, and systems shall be redundant with fail-over ability.

10.3.1.3 CONTRACTOR's virtualized infrastructure shall allow live migration of virtual machines or working applications between servers with no disruption to users or loss of service, reducing or even eliminating the need to schedule application downtime for server maintenance.

10.3.1.4 CONTRACTOR's data protection strategies and processes shall provide simple, cost effective backup and recovery for virtual machines and physical servers.

10.3.1.5 Outside of CONTRACTOR's critical production infrastructure, each key employee shall have a laptop allowing for mobility. There shall also be contingencies for other office equipment including scanners and printers.

10.3.2 CONTRACTOR shall provide the following additional options for setting up a disaster recovery service, including reciprocal arrangement with other clients:

10.3.2.1 Disaster recovery shall be included with CONTRACTOR's service and shall not be a separate plan. In the event some sort of act of god or major equipment failure caused a substantial outage, CONTRACTOR would work to quickly restore functionality. CONTRACTOR's terms of service shall protect the COUNTY from such a situation, by allowing the COUNTY to cancel and rerun the auction, if the COUNTY chose to at their discretion.

EXHIBIT B
PAYMENT PROVISIONS

- 1.0** COUNTY shall not compensate CONTRACTOR for any parcel that is removed from the auction by the COUNTY's request prior to the auction going live.
- 2.0** COUNTY shall not compensate CONTRACTOR for any parcel that goes unsold at the auction.
- 3.0** Group Sales/Timeshares shall be identified as one item and shall be charged at the same rate listed in the table below.
- 4.0** COUNTY shall not pay a set-up fee for any auction sales.

Processing Fee paid to CONTRACTOR by bidders:	\$35 per deposit
Processing Fee paid to CONTRACTOR by winning bidders:	\$35 per parcel (if CONTRACTOR conducts settlement)
Fee paid by COUNTY to CONTRACTOR per item sold or withdrawn:	\$75 per item