



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

WILLIAM T FUJIOKA
Chief Executive Officer

REVISED

DATE: May 31, 2012
TIME: 1:00 p.m.
LOCATION: Kenneth Hahn Hall of Administration, Room 830

AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
 - A) **Board Letter - APPROVE AGREEMENT TO PROVIDE MAINTENANCE AND SUPPORT SERVICES FOR SECURE eRECORDING SYSTEM CO-OWNED UNDER THE MULTI-COUNTY AGREEMENT**
RR/CC – Dean Logan or designee
 - B) **Board Letter - RECOMMENDATION TO REQUEST AUTHORITY TO AWARD AND EXECUTE A MASTER AGREEMENT FOR DISPUTE RESOLUTION MEDIATION SERVICES**
DHR – Lisa Garrett or designee
2. Public Comment
3. Adjournment



DEAN C. LOGAN
Registrar-Recorder/County Clerk

June 19, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AGREEMENT TO PROVIDE MAINTENANCE AND SUPPORT
SERVICES FOR SECURE eRECORDING SYSTEM CO-OWNED UNDER
THE MULTI-COUNTY AGREEMENT
(All Supervisorial Districts) (3 Votes)**

CIO RECOMMENDATION:

() APPROVE () APPROVE WITH MODIFICATION () DISAPPROVE

SUBJECT

Authority to enter into an Agreement with the County of Orange Clerk-Recorder for Los Angeles County Registrar-Recorder/County Clerk to provide ongoing maintenance and support services for the Statewide Electronic Courier Universal Recording Environment ("SECURE") eRecording system to ensure its optimal performance for the electronic recording of real estate documents in Los Angeles County as well as other Owner and Participant counties. All costs will be funded through the Multi-County Agreement whose revenue is derived from the statutory one dollar (\$1.00) surcharge assessed on electronically recorded real property documents.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve authorization to enter into an Agreement with the County of Orange Clerk-Recorder and delegate authority to Registrar-Recorder/County Clerk to execute the Agreement (Attachment II) with the Orange County Clerk-Recorder (OC C-R) for the Department of the Registrar-Recorder/County Clerk (RR/CC) to provide maintenance and support services for the SECURE eRecording system

(System), to be effective upon Board approval or date fully executed by the parties, whichever is later and continue in effect through June 30, 2015 with the option to renew for two (2) one-year period, not to exceed June 30, 2017, unless sooner terminated as provided in the Agreement. RR/CC services will be funded through the Multi-County Agreement (Attachment III) as administered by OC C-R.

2. Delegate authority to RR/CC, or designee, to negotiate and execute amendments to increase price of no more than ten percent (10%) of the total original agreement amount as indicated in Exhibit B (Price Matrix) when the increase is necessitated by annual review of salaries, employee benefits, overhead, and/or staff changes provided that County Counsel approval is obtained prior to initiating any such action.
3. Delegate authority to RR/CC or designee, to prepare and execute amendments to exercise the two optional one-year extensions under the term of the Agreement.
4. Delegate authority to the RR/CC, or designee, to negotiate and execute amendments, or terminate the Agreement as necessary, provided that County Counsel approval is obtained prior to initiating any such action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended action is to enter into an agreement with OC C-R for RR/CC to provide ongoing maintenance and support services to the SECURE Recording System which LA County participated in the purchase of as a co-owner with Orange, Riverside, and San Diego counties under the Multi-County Agreement. The Agreement has two (2) distinct Components, titled as Component 1 (General/Routine Maintenance Services and Component 2 Development of SECURE Version Three.

The County of Los Angeles is a participant of the State of California Electronic Recording Delivery Act of 2004 as approved by your Board on August 30, 2001. The SECURE eRecording System purchased by the four (4) Owner counties under the Multi-County Agreement, approved by your Board on November 12, 2008, was developed by SouthTech Systems, Inc. who is currently providing maintenance and support services.

The Owner counties have met to evaluate the current System support services and future System needs and have determined it is in the best interest of the counties to have RR/CC perform the System's routine maintenance, problem analysis, resolution, modifications, and enhancements as RR/CC has the technical skills and experience in supporting internally developed enterprise systems. Due to RR/CC's knowledge, skills, and expertise, RR/CC was provided access to the SECURE System source code

effective December 2009. Furthermore, RR/CC already has an in-depth knowledge of the SECURE System and its functionality and has successfully provided support, guidance, analysis and problem solutions related to the performance of the SECURE System on an as needed basis. However, this agreement will allow the RR/CC to assume specific responsibilities related to the SECURE system, which are aimed towards befitting the user interface for all owner counties.

Under the recommended Agreement, OC C-R will continue to act as the primary level of support, which includes all primary software questions, hardware and network support. RR/CC will provide the secondary level of support maintenance services under Component 1, which includes analyzing software/system problems, bug fixes, and enhancements to the SECURE System. Under Component 2, RR/CC would provide the development of a new State Attorney General-approved version of the SECURE, to be known as Version Three.

The Owner counties did consider other alternatives such as maintaining the current vendor or going out to bid for a new contract, which resulted in substantial increase in costs and loss of time.

Implementation of Strategic Plan Goals

This request supports the County Strategic Plan Goal No. 1: Operational Effectiveness: "Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services." The SECURE eRecording System is a vital component of Recorder functions for the four Owner counties and Participant counties currently eRecording under the Multi-County Agreement. The recommended action will allow RR/CC to use its experience and skills to provide ongoing maintenance and support services to ensure SECURE System effectiveness, timely processing of real estate recordings, and ensure efficient public services.

FISCAL IMPACT/FINANCING:

All costs will be funded through the Multi-County Agreement whose revenue is derived from the statutory one dollar (\$1.00) surcharge assessed on electronically recorded real property documents and all funds are placed into a dedicated Modernization Fund, which all related costs are paid from. On November 12, 2008, your Board approved an additional fee of one dollar (\$1.00) to support the electronic recording of real property documents and to support all costs.

Under the Multi-County Agreement, OC C-R has been given delegated authority to serve as the Lead Agency administering all applicable rights and responsibilities. As the Lead Agency, OC C-R performs, but is not limited to; (i) Acquiring all ownership rights to SECURE, which will be AB 578 compliant, and utilize guidance from nationally recognized standard setting bodies, which adheres to applicable Federal and State

laws; (ii) Ensures SECURE will support vendor specific connections to county back end-users; (iii) Supplies Electronic Recording Application Program Interface (API) document to potential partners; (iv) Implements, trains, hosts, supports and manages ongoing system operations and support capabilities for SECURE; (v) Authorizes submitters; (vi) Manages the SECURE accounts (approval/denial/suspension) for all county administrators; (vii) Selects and manages server hosting facilities based on security, disaster survivability, and business continuity requirements; (viii) Manages installation testing, and final acceptance of SECURE system modification/enhancements. Each of the four Owners paid one-fourth the cost of the System, each pays an equal share of the System's ongoing maintenance cost annually, and each pays an allotted share of the cost of any required modifications or repairs not covered under general maintenance. Each Owner county has an equal vote in any decision affecting the System. OC C-R is responsible for collecting payments from user counties and will pay RR/CC the System annual maintenance services fees. Fees will be periodically re-assessed and will be comprised of the equivalent of three full-time dedicated staff. Costs will fluctuate based on annual review of salaries, employee benefits and overhead. Upon Board approval or date fully executed by the parties, whichever is later, RR/CC will begin providing services.

The start-up cost to provide maintenance services from July 1, 2012 through December 31, 2013 is \$520,500.00 and from January 1, 2014 through June 30, 2015 is \$1,155,000.00, a total of \$1,675,500.00; thereafter, \$770,000 for the extension periods each fiscal year. Enhancements and some modifications will be paid on a time and materials cost estimate basis and payments will be scheduled based on agreed upon milestone payments. During this period, staff assigned will be tasked, not limited to, ensuring any critical fixes are applied as well as satisfying any State Auditor requirements to ensure the SECURE software is reliable and functional. In addition to providing general maintenance of the SECURE system, RR/CC will provide the development of a new State Attorney General-approved version of the SECURE, to be known as Version Three. The cost to provide the SECURE Version Three service from July 1, 2012 through December 31, 2013 is \$1,170,000.00. Services comprised of staff time, hardware and other peripherals.

The total cost of the agreement is \$2,845,500.00 for the entire term, which includes the extension periods. The costs shall be paid from the dedicated Modernization Fund derived from the statutory one dollar (\$1.00) surcharge assessed on electronically recorded real property documents through the Multi-County Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Electronic Recording Delivery Act of 2004 (AB 578) was signed into law on September 21, 2004. The legislative action authorized county recorders to establish electronic recording systems for the electronic recording of digitized and certain digital real property documents and requires the Attorney General (AG) to develop regulations

for review, approval, and oversight of the program. The MOU with the DOJ was executed on November 3, 2005 for one year with automatic renewals in one-year increments, unless terminated by either party.

On November 12, 2008, your Board authorized the additional \$1.00 fee on electronically recorded documents and approved the Multi-County Agreement between the counties of Los Angeles, Orange, Riverside and San Diego for the shared ownership of an electronic recording delivery system. OC C-R is the Lead Agency and is authorized to enter into agreements to support the System needs.

The System enables counties to improve and modernize its systems of recording and handling real property documents by permitting the delivery, recording, and return of real property documents electronically. The System allows the electronic recording of documents and reduces processing time, staff workload, and material costs associated with managing paper copies and manually maintaining databases.

Under the Agreement, RR/CC will support a single-base of code to be used by all Owner and Participant counties, provide information technology staffing to carry out: System development, routine maintenance, software/system problem analysis, resolution, bug fixes, modifications, approved enhancements, and provide secondary level of support on problems calls. RR/CC has identified three technical staff to be assigned for said services, which is fully funded by this Agreement.

The Agreement has the full support of the Owner counties. The recommended Agreement was developed in collaboration between the two respective county counsels.

The Chief Information Officer has reviewed and approved the Agreement between parties (CIO Analysis – Attachment I). The Chief Executive Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and approved the Agreement as to form.

The Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreement.

CONTRACTING PROCESS:

There was no contracting process associated with the requested Agreement. This is a government to government agreement with RR/CC in the provider capacity.

IMPACT ON CURRENT SERVICES:

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Board approval of the Agreement will ensure the optimal performance of the electronic recording System for the benefit of the Owner and Participant counties under the Multi-County agreement as well as the public at large.

CONCLUSION:

Approval of delegated authority to the Registrar-Recorder/County clerk to enter into an Agreement with County of Orange Clerk-Recorder providing the maintenance, support and version three of the SECURE system to ensure its optimal performance for the electronic recording of real estate documents and ensure continued services will benefit Los Angeles County and other Owners and Participant counties.

Respectfully submitted,

Reviewed by:

Dean C. Logan
Registrar-Recorder/County Clerk

Richard Sanchez
Chief Information Officer

DCL:APL:AG:fep;co

Attachment (2)

c: Chief Executive Office
County Counsel
CIO