



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Clerk-Recorder-
Assessor
Department No.: 062
For Agenda Of: 12/11/2012
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Department Joseph E. Holland
Director(s) Clerk, Recorder, and Assessor
805 568-2258
Contact Info: Richard Holly
Chief Deputy Assessor
805 568-2573

SUBJECT: **Approve and authorize Chair to execute the second amendment to the contract for the development and implementation of a new integrated property assessment administration and valuation system.**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a. Approve and authorize the Chair to execute the Second Amendment to the contract with Colorado CustomWare, Inc. (not a local vendor) extending the project implementation timeline and increasing the total contract cost in an amount not to exceed \$118,554 in additional project management costs and \$252,000 in on-going system support costs through the extended contract period for a total not to exceed contract amount of \$1,701,240.
- b. Approve Budget Revision No. 0002622 to reflect changes in the payments due in the current fiscal year as per the amended payment plan and designate current year salary savings to line item account 9767 to fund the contract cost increase payable in subsequent years.
- c. Determine that the above actions are not a project under California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA Guidelines, because they will not result in a direct or reasonably foreseeable indirect physical change in the environment.

Summary Text:

On May 25, 2010, the Board approved a contract with Colorado CustomWare, Inc. (not a local vendor) for \$1,156,650 for the development and implementation of an integrated property assessment administration and valuation system, including \$108,000 in system support costs through the contract period. Subsequently, in March 2011 the contract was amended adding a visualization and valuation module known as Matix for \$174,036.

While significant development milestones have been reached for which the County has made progress payments, the original project implementation date of December 2011 requires extension so that the system implementation coincides with the County's tax roll cycles and can be properly tested and the audit processes can be verified for the first tax roll processed with the system (projected to be the 2015 roll year). The proposed revised target date for implementation and system go-live is no later than July 2014 as mutually agreed to by the vendor and the County (Exhibit C). To maintain supporting the project for the extended duration, the contractor and County agree to increasing the contract amount for additional monthly project management fees through no later than July 2014 at a cost not to exceed \$118,554. In exchange for the additional \$118,554 in project management fees, the County receives an implementation timeframe that least impacts the County's statutory tax duties and allows time for adequate testing and auditing processes. The additional \$252,000 in system support cost through 06/30/2015 (Exhibit A) is an on-going cost which would have been incurred regardless of the implementation date extension, and is currently in the department's budget as an existing on-going operating cost.

Background:

The current assessment system used in Santa Barbara County was developed in-house and originally deployed in 1999. The current system is in need of an upgrade to a more contemporary and up-to-date software platform. Additionally the current system does not incorporate any computer assisted mass appraisal (CAMA) tools necessary to assist with the 20,000 properties that currently must be reassessed each year under Prop 8.

The Assessor determined that it was no longer optimal to continue to internally maintain the current assessment system. Additionally the Assessor does not have the resources necessary to continually upgrade the already outdated software that the system was originally developed with. The design and development of a computer aided mass appraisal (CAMA) component for the existing system would be a costly and time consuming effort and ultimately would not be an efficient use of resources.

The current property tax assessment and appraisal system maintains and tracks approximately 152,000 secured and unsecured properties valued at \$63 billion that is used to bill \$675 million in property taxes annually for the County, school districts and special districts. The life-cycle of the current system, functional inadequacies, technological advancement and the ever increasing workload has driven the need for a replacement system. Purchasing a vendor developed integrated administration and valuation property assessment system versus in-house development was determined to be the best solution and the Board approved the contract for the development and implementation of an integrated property assessment administration and valuation system known Realware in 2010.

Performance Measure:

Fiscal and Facilities Impacts:

Budgeted: Partial (Budget Revision Attached)

Fiscal Analysis:

Narrative:

The increased contract amount of \$370,554 will be funded with on-going budgeted appropriations of \$108,000 a year for support costs over the next two years, \$75,000 of one-time sources of funding available in the Assessor's restricted fund balance account 9767 available for funding property tax administration program costs, and \$79,554 from current year salary savings.

The budget revision includes a reduction of \$24,191 in current year appropriations and funding sources to reflect the change in payments due this year as per the amended payment plan, and designates \$79,554 of realized salary savings for contract payments due in subsequent years.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Send fully executed copy of the minute order to Rose Rodarte – Assessor's Office (2nd flr Admin Bld)

Attachments:

Budget Revision
Second Amendment to Board Contract (BC 10-147)
Amendment Exhibits A & C
Contract Summary Sheet
Original Board Contract (BC 10-147)
First Amendment to Board Contract (BC 10-147)

Authored by:

Rick Holly/Rose Rodarte

cc: