



**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:** Auditor-Controller  
**Department No.:** 061  
**For Agenda Of:** May 5, 2015  
**Placement:** Administrative  
**Estimated Tme:** 0  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5

**TO:** Board of Supervisors

**FROM:** Department Robert W. Geis, Auditor-Controller (568-2101)  
Director(s)  
Contact Info: Theo Fallati, Assistant Auditor-Controller (568-2102)

**SUBJECT:** Amendment No. 2 to Agreement for Services of Independent Contractor with Simpler Systems, Inc.

**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 attached Amendment No. 2 to the Agreement for Services of Independent Contractor with Simpler Systems, Inc., extending the term of the Agreement by one year to June 30, 2016, increasing the previously approved not-to-exceed contract amount by an additional \$250,000 to \$600,000, and updating other provisions.
- b) Approve Budget Revision Request No 0003900 to establish appropriations of \$125,000 in the General Fund Auditor-Controller Department for Services and Supplies and \$125,000 to increase Auditor-Controller Committed Fund Balance in the General Fund funded by unanticipated revenues from escheated property taxes (4/5ths vote).
- c) Approve and ratify the following Purchase Orders with Simpler Systems since total Contracts and Purchase Orders with this vendor exceed \$100,000 for FY 14-15:

<b>Department</b>	<b>Service</b>	<b>Amount</b>	<b>P.O. #</b>
Treasurer-Tax Collector	IT Consulting Services	\$99,000.00	CN17096
Human Resources	Services - HRIS	\$25,000.00	CN17448

- d) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines, because they are government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical effect on the environment.

**Background:**

This Amendment No. 2 extends the term of the Agreement for Services of Independent Contractor with Simpler Systems, Inc. to **June 30, 2016**. The County of Santa Barbara is on a critical path to implement a vendor purchased Property Tax system application. In 2010, the Board approved the Treasurer-Tax Collector's project to develop and implement a new property tax billing and collection system, then known as GRM and now known as Aumentum, to replace the 35 year old mainframe system.

When the original contractual services agreement was previously approved, the implementation was expected to be complete by June 30, 2014; however, there was a delay due to corrections that needed to be made in the vendor system that were found during user acceptance testing last summer, and the September 2013 go live date was rescheduled with Thomson Reuters to the fall of 2014 for the billing and collection function. Additional time is needed for further development of the roll correction, supplemental billing, distribution, reporting and documentation functions during FY 2015-16.

**Summary Text:**

As a result of the delayed and continued implementation work necessary to bring these other functions to implementation, the Auditor and Treasurer devoted a significant amount of their technical and operational staff and resources to the development of the new system. Consequently, a large backlog of operational property tax transactions has accumulated in the Auditor's Office.

Extending the Simpler Systems contract with the Auditor's Office will greatly assist the County with the implementation of the Aumentum system by providing essential expertise, programming, technical support and reporting products. This additional technical work is needed for implementation work in order to free up operational staff to process the backlog of transactions.

The estimated cost is approximately an additional \$250,000; \$125,000 for this fiscal year and \$125,000 for FY 15-16 for a total contract amount of \$600,000.

**Fiscal and Facilities Impacts:**

The original \$250,000 contract with Simpler Systems was funded within the existing operating budget of the Auditor for FY 12-13 and FY 13-14. An additional amendment for \$100,000 was funded by a combination of the department's salary savings and the release of a portion of the Auditor's Committed Fund Balance in FY 14-15. This second amendment for \$250,000 will be funded by unanticipated escheated property tax revenue collected in FY 14-15. The costs will be incurred equally in FY 14-15 and FY 15-16. Some portion of these costs will be recovered in future years through the property tax administration fee.

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other: Property Taxes	\$ 125,000.00		\$ 250,000.00
Total	\$ 125,000.00	\$ -	\$ 250,000.00

**Key Contract Risks:**

The risk assessment has been completed. The County has not had any performance issues with Simpler System contracts since it began contracting with the company back in the 1990's.

**Staffing Impacts:**

**Legal Positions:**      **FTEs:**

N/A

**Special Instructions:**

Please send a signed copy of the Amendment No. 2 to Andrea Johnson, Auditor Department

**Attachments:**

- Amendment No. 2
- Contract Summary Form
- Agreement for Services of Independent Contractor
- Amendment No.1
- Budget Revision

**Authored by:**

Theo Fallati, Assistant Auditor-Controller