



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: 08/20/2019
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Joseph E. Holland, Clerk-Recorder-Assessor
Director(s)
Contact Info: Melinda Greene, Chief Deputy Clerk-Recorder-Assessor

SUBJECT: License and Services Agreement for a Recording and Cashiering System

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute a License and Services Agreement with Tyler Technologies, Inc. for the Eagle Recorder System for an estimated amount of \$620,000 (Attachment A);
- b) Authorize the County Clerk, Recorder, and Assessor to expend additional funds as needed to complete the implementation of the Eagle Recorder System, up to \$750,000; and
- c) Determine pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5) that the above actions are not a project subject to CEQA review because the actions consist of organizational and administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Clerk-Recorder recommends that the Board authorize the attached License and Services Agreement to implement the Tyler Eagle System to replace the current Recording and Cashiering System.

The Clerk-Recorder has used the current system since 1989 and desires a system with more automated workflows, broader customer service hours, and lower maintenance costs. Implementation of Tyler Technologies Inc.'s Eagle Recording System is expected to save \$70,000 in annual maintenance and \$80,000 in reduced staff time, due to automation. The new system has integration with credit card processing and online self-service tools. Features also include a customized report builder with form letter capabilities to improve ease of communication with the public.

Joe Holland and Melinda Greene presented the Eagle System to the Executive Information Technology Committee (EITC) on June 5, 2019. The report was accepted and support was granted to proceed to the Board of Supervisors for adoption. The EITC included review by various department directors, including the County Executive Officer, the Budget Director, the Auditor-Controller, the Treasurer Tax-Collector, the Chief Information Security Officer, the Director of General Services and the Chief of Information and Communications Technology. The Auditor's Contract Risk Assessment Worksheet identifies this project as a Medium Risk.

Background:

Clerk-Recorder Operations Background

The Clerk-Recorder key duties are to record, archive and provide copies of official records (real estate) and vital records (birth, death, and marriage certificates), file fictitious business name statements and notary public oaths, file maps related to real property, issue marriage licenses and file domestic partnerships.

The County Recorder maintains a permanent archive of recorded documents, such as grant deeds, liens and subdivision maps. The Recorder is responsible for examination and recording of documents presented by the public and various government agencies that deal with establishing ownership of land in the County or as required by law.

Clerk-Recorder Procurement Process

In 2017, the Clerk-Recorder began a thorough process to consider replacement of the current Recording and Cashiering System. Clerk-Recorder invited vendors to provide demonstrations of Recording and Cashiering Systems and reviewed four vendor proposals. Tyler was the highest ranked by a team that included operations staff, management, and information technology personnel. Santa Barbara County also conducted interviews with other counties throughout the State on recommendations for Recording Systems and visited various vendor booths at several conferences. The Santa Barbara Clerk-Recorder received demonstrations of various systems by Clerk-Recorder staff in counties throughout the State. The County of Santa Barbara preferred the recommendations of peers and open discussions of the merits or challenges with implemented systems rather than focusing on sales representative demonstrations. Santa Barbara attended tours led by San Luis Obispo, Sonoma, and Riverside staff of the Tyler implemented systems. The final proposal by Tyler included a security discussion of infrastructure with the County Security Officer and the Clerk-Recorder Security Officer, including review of the System & Organization Control (SOC) 2 compliance. Line staff were provided with demonstrations of the workflows and features of the systems and voted to recommend the Tyler system to the Board.

Request For Proposal Background

A National Joint Powers Alliance (NJPA) request was published in September 25, 2015 for a Recording, Clerk, Vital Records and Cashiering System. The RFP solicited vendor responses for solutions to further

overall department objectives of system and process integration for the Clerk-Recorder, streamlining processes to generate more efficiency, and provide cashiering support for the department. Ten proposals were received that met the criteria set out in the NJPA RFP. The NJPA review group ranked Tyler Technologies, Inc. in 1st place with a score of 794 out of a possible 1000. The NJPA Bid, now known as Sourcewell Contract #: 110515-TTI, was reviewed by County Purchasing and determined to be a recommended option to avoid duplicative work.

Based on the due diligence review, Tyler was selected as the system by a team that included line staff and management. The system demonstration by Tyler included interviews by staff, management, the County Security Officer and Information Technology Management.

Background on Tyler Technologies, Inc.

Tyler Technologies of Dallas, TX was selected as the most responsive/responsible vendor with their Eagle Recorder software solution. They are a publicly traded company with 2000+ employees serving the public sector with integrated software and technology services. The Eagle solution is a modular system that currently provides applications to support Recording, Vital Records and Cashiering functions with many automated features that will allow for streamlined workflow and data capture of data entry by the customer through the use of web forms. Tyler has Eagle Recording System, installations in Santa Clara, Monterey, San Joaquin, Sonoma, San Luis Obispo, Humboldt, Glenn, Lassen, Riverside, Yuba, Mendocino, Shasta and San Benito counties. Most importantly, San Benito and Shasta counties both transitioned to Tyler from the same vendor currently used by Santa Barbara Clerk-Recorder and the data conversion has already been successfully mapped from our existing systems to the Tyler data model. Santa Barbara County interviewed both counties about the transition process and will have ideal background to prepare for the data conversion process. The Santa Barbara Courts system also uses Tyler Technologies and the Clerk-Recorder anticipates opportunities to automate recording with the Courts. The County Information and Communications Technology (ICT) team uses Gartner as consulting for technology. Clerk-Recorder has appreciated past recommendations and analysis from the Gartner relationship. ICT supplied a report from Gartner regarding Tyler entitled "Further your Digital Government Technology Platform Goals". It is our judgment based on customer references and industry research that Tyler is a known commodity and a stable and respected vendor. In addition, the Clerk-Recorder reviewed the financial statements for due diligence which are available for reference at: <https://tylertech.irpass.com/profiles/investor/SecFilings.asp?BzID=499&c=0000860731&t=10-K&Search=Search>

Recommendation:

The Clerk-Recorder has experienced a significant decline in recording volume (lowest volume since the early 1980's) due to recent economic conditions and significant fee increases due to the implementation of the Building Homes and Job Act. Winter/Spring of 2020 will be the ideal time to go live with a new system due to the anticipated lower volume.

Staff recommends approval of the License and Services Agreement including installation and ongoing maintenance of the Eagle Recorder/Clerk System with Tyler Technologies, Incorporated. Implementation of the new system will streamline workflows resulting in faster transaction processing for customers, reduced staff time, and savings in maintenance fees.

Performance Measure:

Percentage and number of official documents recorded and indexed the same day. The Clerk-Recorder is required to index records within 48 hours but has the goal to complete indexing within the same day.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
\$ 620,000.00	\$ 90,000.00	\$ 530,000.00
\$ 620,000.00	\$ 90,000.00	\$ 530,000.00

Narrative:

The cost of the system was presented to the County Executive Office budget team and adopted through the Fiscal Year 2019-2020 Budget. Total cost of the capital acquisition of the system is budgeted for \$620,000, which includes one-time costs for system licensing acquisition fees and travel reimbursement for Tyler. Ongoing maintenance of the system will be approximately \$90,000. If additional funds need to be spent beyond what was budgeted and up to \$750,000, the department will return with a Budget Revision Request.

Funding to support this project will not impact the General Fund. All funding will come from accumulated fund balances, from legislatively established and collected fees:

Recorder Modernization Fund – [Government Code Section 27361(c)] available solely to support, maintain, improve and provide for the operation and modernization of the County’s system of recorded documents.

Vital Statistics Modernization Fund - [Health and Safety Code Section 103625(h)(1)] available Modernization of vital record operations, including improvement, automation, and technical support of vital record systems.

Electronic Recording Delivery System Fund – [Government Code Section 27397]

Social Security Number Truncation Fund – [Government Code Section 27361(d)(1)] In addition to all other fees authorized by this section, a county recorder may charge a fee of one dollar (\$1) for recording the first page of every instrument, paper, or notice required or permitted by law to be recorded, as authorized by each county's board of supervisors. The funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program pursuant to Article 3.5 (commencing with Section 27300).

Key Contract Risks:

Tyler Board Contract

This contract has been determined to be a medium risk by the Clerk-Recorder's Office. The factors reflecting high risk include: 1) a contract exceeding \$500k and 2) a contract that is mission critical. The factors reflecting medium risk include: 1) a majority fixed price contract with ancillary cost reimbursable components for travel and on-site staff training, 2) a contract of moderate complexity, 3) a new contractor for the County, and 4) a requirement for limited access to secure information. All other factors were determined to be low risk. The contract does not include a not-to-exceed amount because the professional services fees are good-faith estimates and due to the ancillary cost reimbursable estimates that are subject to change based on actual travel and on-site staff training costs. The contract's dispute resolution section requires nonbinding mediation in the event of a dispute that is not resolved by senior representatives of the parties.

Staffing Impacts:

Legal Positions:

FTEs:

No positions have been added for this projected. Staff will track project management and training as part of capitalization of the new system.

Special Instructions:

Please forward a copy of the minute order and two originals of the fully executed contract to Dylan Tekautz in the Clerk-Recorder-Assessor's office.

Attachments:

Attachment A - Tyler Technologies License and Services Agreement
Attachment B - Tyler Service Descriptions

Authored by: Melinda Greene

cc: