

# REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 18463

Sponsor(s): Theresa Garza Ruiz

Date: April 1, 2014

<p><b>SUBJECT</b></p>	<p>Action Requested  <input checked="" type="checkbox"/> Resolution  <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Twelve Month Term Contract, with one Twelve Month Option to Extend, for Consulting Services and Software Maintenance for the Assessment Department to Tyler Technology of Moraine, Ohio as a Sole Source.</u></p>												
<p><b>BUDGET INFORMATION</b>  <i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td>\$70,600.00</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td></td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td>\$70,600.00</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td>\$70,660.00</td> </tr> <tr> <td>Source of funding (name of fund) and account code number: 045-4500-56080</td> <td>\$70,660.00*</td> </tr> <tr> <td>Assessment Fund, Non-Departmental, Other Professional Services</td> <td></td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p><b>OTHER FINANCIAL INFORMATION:</b></p> <p><input type="checkbox"/> No budget impact (no fiscal note required)  <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract:  Department: Estimated Use:</p> <p>Prior Year Budget (if applicable): \$55,000.00  Prior Year Actual Amount Spent (if applicable): \$55,000.00</p> <p>*During 2014 the County will require additional assistance and consulting services from Tyler Technology; it is anticipated the consulting fees for 2015 will be reduced by \$10,000.00.</p>	Amount authorized by this legislation this fiscal year:	\$70,600.00	Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:	\$70,600.00	Amount budgeted for this item * (including transfers):	\$70,660.00	Source of funding (name of fund) and account code number: 045-4500-56080	\$70,660.00*	Assessment Fund, Non-Departmental, Other Professional Services	
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<p><b>PRIOR LEGISLATION</b></p>	<p>Prior ordinances and (date):</p> <p>Prior resolutions and (date): 17858, March 19, 2012</p>												
<p><b>CONTACT INFORMATION</b></p>	<p>RLA drafted by (name, title, &amp; phone): Barbara Casamento, Purchasing Supervisor, 881-3253</p>												
<p><b>REQUEST SUMMARY</b></p>	<p>The Jackson County, Missouri Assessment Department has an on-going need to obtain Computer Assisted Mass Appraisal (CAMA) Software, Training and Consulting Services. The CAMA method is designed to improve and equalize property values in Jackson County as well as establish enhanced statistical analysis and consistency in its approach to future valuation cycles. Research by the Assessment Department indicates that Tyler Technology is the only company with the software that will fit the County's requirements.</p> <p>Pursuant to Section 1030.1 of the Jackson County Code, the Director of Finance and Purchasing recommends the award of a Twelve Month Contract, with one twelve month option to extend for Consulting Services and Software Maintenance for the Assessment Department to Tyler Technologies of Moraine, Ohio as a Sole Source.</p>												
<p><b>CLEARANCE</b></p>	<p><input type="checkbox"/> Tax Clearance Completed (Purchasing &amp; Department) N/A  <input type="checkbox"/> Business License Verified (Purchasing &amp; Department) N/A  <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)</p>												

ATTACHMENTS	Sole Source Memorandum from Ferdinand Niemann, Director of the Assessment Department and a Quote from Tyler Technology.	
REVIEW	Department Director: <i>Ferd Niemann</i>	Date: <i>3/25/14</i>
	Finance (Budget Approval): <i>If applicable</i> <i>Alicia S. Ball</i>	Date: <i>3-25-14</i>
	Division Manager: <i>SON</i>	Date: <i>3/26/14</i>
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the \_\_\_\_\_ Fund in \_\_\_\_\_.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # \_\_\_\_\_
- Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.





**ASSESSMENT DEPARTMENT**(816) 881-3239  
Fax: (816) 881-1388**JACKSON COUNTY**JACKSON COUNTY COURTHOUSE  
415 EAST 12<sup>TH</sup> STREET, FIRST FLOOR MEZZANINE  
KANSAS CITY, MISSOURI 64106  
WWW.JACKSONGOV.ORG*Fen***FROM:** Ferdinand E. Niemann IV, Acting Director of Assessment**TO:** Q. Troy Thomas, Director of Finance and Purchasing**CC:** Barbara Casamento; Jeph BurroughsScanlon**DATE:** March 7, 2014**RE:** Consulting agreement between Jackson County Assessment and Tyler Technologies, Inc.

The Assessment Department has an ongoing need to obtain Computer-Assisted Mass Appraisal (CAMA) software, training and consultation services related to market valuation of real estate parcels throughout Jackson County.

Having these products and services provided by an outside vendor enables us to receive advice and input from a nationally recognized consultant and enables us to stay on the forefront of the most current mass appraisal techniques and methods. These products and services will ensure that we provide the greatest accuracy possible in developing fair and equitable real estate property assessments county-wide.

We are familiar with Tyler Technologies, Inc., they have been previously determined to be a sole source vendor and we are unaware of any other similar company who can offer the same products and services. For these reasons we believe Tyler Technologies to be a sole source vendor for the specific products and services we need.

We expect that there will be a cost increase for this 2-year reassessment cycle (2014-15) due to more face-to-face contact with the consultant. The consultation effort is front loaded more heavily in 2014 for planning purposes due to the 2-year reassessment cycle and the normal processes that need to occur. The annual maintenance cost for PC market is expected to increase a small percentage.

**EXHIBIT A - QUOTE FOR TYLER TECHNOLOGY SERVICES*****CAMA Modeling and Valuation Consulting Services***

*The County has requested the Company to provide ongoing CAMA Modeling and Valuation Consultation services to support residential data analysis, modeling and valuation for the County's 2015 revaluation effort. The following rates apply to services billable on a monthly basis for consultation rendered during the prior month.*

Billing rates for the 2014-2015 consultation are estimated as follows:

*On-site consultation, billable per trip as described below:*

*Two day visits (travel in pm before first day; depart late pm of second day on site; limited prep; follow-up report ... three days consultant time plus expenses):*

*Sr. Research Analyst (Rich Borst): \$5,000*

*Sr. Company Officer (John Thompson): \$6,050*

*Three day visits (travel in pm before first day; depart late pm of third day on site; limited prep; follow-up report ... four days consultant time plus expenses):*

*Sr. Research Analyst (Rich Borst): \$6,400*

*Sr. Company Officer (John Thompson): \$7,800*

*Off-site analysis and support:*

*Sr. Research Analyst (Rich Borst): \$1,140 per day*

*Sr. Company Officer (John Thompson): \$1,470 per day*

Based upon the above estimates of consultation effort, the estimated 2014 and 2015 costs are in the \$55,000 and \$45,000 range respectively. Assuming that the County continues to use PC market for modeling and valuation the annual maintenance cost for PC market for 2014 and 2015 is \$15,600 per year.

**Forecast effort:**

The following chart is indicative of the services which will be provided under this agreement.

	Projected Activities for 2015 Revaluation Consultation	Est. Hrs.	Visit days
Feb-14	General planning and coordination with revaluation effort - Review setups for value review - Implement cost computations - Review condominium plan - Develop strategies for different residential zones - Possible review of the Data Cloud solution	32	3
Mar-14	Early pass at 2012-13 sales to establish models for review areas - continue work from February (probably won't be able to address all items in one visit)	32	3
May-14	Incorporate neighborhood and land value updates into models	24	
Jul-14	Pass 1 (early outlier identification for sales cleanup and validation of assumptions re data changes)	32	3
Sep-14	Pass 2 (additional outlier identification and review of market trends)	32	3
Oct-14	Pass 3 (final outlier identification and preliminary value estimates ... based on mid 2014 sales)	24	
Dec-14	Pass 4 ( finalize models, pretest valuation, finalize comp selection criteria)	32	3
Through Dec-14	Ongoing monitoring of revaluation and other follow-up activities not included above.	32	
		240	
Jan-15	Value generation for review; adjustments based upon feedback from pre-test	32	3
Jan-15	Develop confidence estimates and guidance re review	24	
Feb-15	Analysis of review results; additional adjustments where needed	32	3
Mar-15	Updates for review corrections, new construction, etc.	32	3
May-15	Generation of updates for appeals	24	2
Jul-15	Debriefing on the 2015 reval cycle; planning for the 2017 cycle	24	2
Through Dec-15	Ongoing monitoring of revaluation and other follow-up activities no included above.	24	
		192	
		432	

As noted above, this outline of tasks, estimated hours and visits is suggestive of likely activities and needs to be adjusted in conjunction with the detailed plan for the County's 2015 Revaluation. Further consideration is also needed with regard to the best utilization of Tyler resources and the associated hours. The above estimate reflects time estimates based upon John Thompson being available to



provide the consultation services and a start date in February 2014. The activities, associated cost allocations and schedule will be adjusted in conjunction with the first planning visit, engaging Rich Borst for much of the consultation effort.

***Ongoing Software Maintenance***

*This agreement assumes that the County is maintaining support for the OASIS PC Market package which the Company has licensed to the County under separate agreement. The provisions under this license which are supported under the separate maintenance agreement are described in Exhibit B.*

## EXHIBIT B

### 1. SOFTWARE LICENSE

#### OASIS PC MARKET SOFTWARE

a. Subject to the terms and conditions hereinafter set forth, the Company grants to the County a perpetual right-to-use, non-exclusive, non-transferable license to use the Company's Licensed Software, hereinafter referred to as the OASIS PC Market (OASIS) software, solely in the conduct of the business of the County, OASIS Software, related documentation, and any improvements, additions or modifications of the version or versions of the software which the Company has licensed to the County, together with the right to make such copies of the software as may be required for the County's own internal business purposes.

b. The County understands that the software provided under this Agreement contains trade secrets and proprietary information belonging to the Company. The County agrees to hold the software in trust and confidence and will safeguard the software to the same extent that the County safeguards other trade secret information related to its uses. The County agrees not to disclose, provide or otherwise make available the software to any person other than the County's employees or agents or the Company's employees without prior written consent of the Company. The County further agrees not to sell, assign, lease, license or in any manner encumber, pledge, convey or transfer the Company's software or any interest therein. Software ownership will pass to the County in the case where the Company is financially unable to perform.

### 2. ASSURANCES, REPRESENTATIONS AND WARRANTIES OF COMPANY

a. The Company warrants to the County that the System will operate according the published performance standards.

b. The Company warrants that the System shall operate in accordance with the requirements of this Agreement from the date of acceptance through the maintenance periods provided for herein, and any extension or renewal thereof.

c. The Company warrants and represents to the County that the Company has the right to grant to the County the right to use all software without restriction or limitation except as provided herein.

d. The Company warrants the software will perform as specified herein and shall perform as represented by the Company with respect to updates, enhancements or additional software which may be acquired by the County so long as the County continues with a Maintenance Agreement with the Company or the Company's successors or assigns.

During the maintenance period, the Company will design, code, test, document and deliver any amendments or alterations (the "Amendments") to the Company's software that is necessary to correct or avoid any defect in the Company's software which is present at the time of delivery, or is discovered during County usage, and affects performance of the Company's software. The Company shall only

be responsible to correct defects that are documented or submitted in writing during the maintenance agreement period. Oral notification or other unwritten complaints will not constitute notice under this Agreement.

At any time during the Period of Agreement the Company shall not be required to correct any defects in any of the Company software caused by the County's negligence, improper installation or operation of the Company's software or other improper action by the County operating the Company's software.

The warranties specified in herein do not cover damage, defect, malfunctions or failure caused by: (i) failure by the County to follow the Company's and the manufacturer's installation, operation, or maintenance instructions or its failure to fulfill its obligations under this Agreement, (ii) the County's modification or relocation of the System, (iii) the County's abuse, misuse or negligent acts, (iv) power failure or surges, lightning, fire, flood, accident, actions of third parties and other events, including force majeure, outside Company's reasonable control, and (v) failure of County to provide an operating environment for the System.

### 3. LIMITATION OF ACTIONS AND LIABILITY

a. Neither party shall be liable to the other for any loss, damage, failure, delay or breach in rendering any services or performing any obligations hereunder to the extent that such failure, delay or breach results from any cause or event beyond the control of the party being released hereby ("Force Majeure"), including, but not limited, to acts of God, acts or omissions of civil or military authorities.

If either party is prevented or delayed in the performance of its obligations hereunder by Force Majeure, that party shall immediately notify the other party in writing of the reason for the delay or failure to perform, describing in as much detail as possible the event of Force Majeure causing the delay or failure and discussing the likely duration of the Force Majeure and any known prospects for overcoming or ameliorating it. Both parties agree to take any commercially reasonable measures to overcome or ameliorate the Force Majeure and its adverse effects on this Agreement, and to resume performance as completely as is reasonably possible once the Force Majeure is overcome or ameliorated.

b. Neither party shall be liable to the other for consequential, indirect or incidental damages, including, but not limited to, loss of tax revenue or claims related to valuation of property, whether based in contract, negligence, strict liability or otherwise even if Company has been advised of the possibility of same except for the amount of direct damages to real or personal property and personal injury caused by the negligent acts, errors or omissions of Company or its officers, agents and employees.

c. In any event, the Company's liability for damages (except for damage to real or personal property or personal injury as provided above) under any theory of liability or form of action including negligence shall not exceed the total amount paid by the County to the Company under this Agreement.

d. This section shall survive the failure of any exclusive remedy.

#### 4. PATENT AND COPYRIGHT INDEMNIFICATION

a. Company shall defend or settle any PATENT AND COPYRIGHT INFRINGEMENT suit or proceeding brought against County by a third party arising out of, or relating to, County's own internal use of the Software provided that Company is given written notice within ten (10) days of receipt of notice of such claim and is given information, reasonable assistance and sole authority to defend or settle the claim. Provided, however, in any suit or proceeding in which it is alleged that the infringement is based upon actions of the County excluded under (c) below and the matter is finally settled (with the consent of Company) or held by a court of competent jurisdiction, including appellate proceedings, that such infringement did not arise as a result of any action of County covered under (c) below, then Company shall pay all costs incurred by County in defending such claim, including reasonable attorneys' fees.

b. Company, at its option, may obtain for County the right to continue using or to replace or modify the equipment or Licensed Software involved so it becomes non-infringing; or if such remedies are not reasonably available, grant County a refund, based on the County's net book value, for the equipment or Licensed Software provided pursuant to this Agreement and accept the return of the infringing product.

c. The Company shall have no obligation under this section if the alleged infringement or violation is based upon the use of software in combination with other hardware or software not provided by the Company or from modifications, or enhancements or changes not provided by the Company.

d. THIS SECTION STATES THE ENTIRE LIABILITY OF COMPANY FOR PATENT OR COPYRIGHT PROTECTION INFRINGEMENT BY THE LICENSED SOFTWARE OR THE EQUIPMENT OR ANY PORTIONS THEREOF.