

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Clerk-Recorder	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Tommy Gong 781-5080	
(4) SUBJECT Request to: 1) approve a FY 2014-15 contract with Tyler Technologies (Clerk's Filed) in the amount of \$448,123 to replace the Clerk's Office recording, cashiering and imaging system; 2) approve the use of the General Fund Designation-Internal Financing to fund a loan in the amount of \$175,000 to the Clerk-Recorder for the purchase of the system; 3) Authorize a budget adjustment, by 4/5th vote, in the amount of \$448,123 from restricted revenues (\$273,123) and the General Fund Internal Financing Designation (\$175,000) as the funding sources for the system purchase and increase Capital Outlay (\$366,940), Professional and Special Services (\$20,300) and Maintenance Software (\$60,883) in Fund Center 110 – Clerk Recorder; and increase Operating Transfer Out Internal Loan Issued appropriation in Fund Center 102 - Nondepartmental Other Financing Uses; and 4) amend the Clerk-Recorder's fixed asset list for the replacement recording/cashiering system. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board: 1) Approve the contract with Tyler Technologies in the amount of \$448,123 to replace the Clerk's Office recording, cashiering and imaging system; 2) Approve the use of the General Fund Designation-Internal Financing to fund a loan in the amount of \$175,000 to the Clerk-Recorder for the purchase of the system; 3) Authorize a budget adjustment, by 4/5th vote, in the amount of \$448,123 from restricted revenues (\$273,123) and the General Fund Internal Financing Designation (\$175,000) as the funding sources for the system purchase and increase Capital Outlay (\$366,940), Professional and Special Services (\$20,300) and Maintenance Software (\$60,883) in Fund Center 110 – Clerk Recorder; and increase Operating Transfer Out Internal Loan Issued appropriation in Fund Center 102 - Nondepartmental Other Financing Uses; and 3) Amend the Clerk-Recorder's fixed asset list for the replacement recording/cashiering system.			
(6) FUNDING SOURCE(S) Restricted Revenue Accounts; General Fund Internal Loan	(7) CURRENT YEAR FINANCIAL IMPACT \$448,123.00	(8) ANNUAL FINANCIAL IMPACT \$60,883.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001533		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1415145 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Clerk-Recorder / Tommy Gong
781-5080

DATE: 5/19/2015

SUBJECT: Request to: 1) approve a FY 2014-15 contract with Tyler Technologies (Clerk's Filed) in the amount of \$448,123 to replace the Clerk's Office recording, cashiering and imaging system; 2) approve the use of the General Fund Designation-Internal Financing to fund a loan in the amount of \$175,000 to the Clerk-Recorder for the purchase of the system; 3) Authorize a budget adjustment, by 4/5th vote, in the amount of \$448,123 from restricted revenues (\$273,123) and the General Fund Internal Financing Designation (\$175,000) as the funding sources for the system purchase and increase Capital Outlay (\$366,940), Professional and Special Services (\$20,300) and Maintenance Software (\$60,883) in Fund Center 110 – Clerk Recorder; and increase Operating Transfer Out Internal Loan Issued appropriation in Fund Center 102 - Nondepartmental Other Financing Uses; and 4) amend the Clerk-Recorder's fixed asset list for the replacement recording/cashiering system. All Districts.

RECOMMENDATION

It is recommended that your Board:

- 1) Approve the contract with Tyler Technologies in the amount of \$448,123 to replace the Clerk's Office recording, cashiering and imaging system;
- 2) Approve the use of the General Fund Designation-Internal Financing to fund a loan in the amount of \$175,000 to the Clerk-Recorder for the purchase of the system;
- 3) Authorize a budget adjustment, by 4/5th vote, in the amount of \$448,123 from restricted revenues (\$273,123) and the General Fund Internal Financing Designation (\$175,000) as the funding sources for the system purchase and increase Capital Outlay (\$366,940), Professional and Special Services (\$20,300) and Maintenance Software (\$60,883) in Fund Center 110 – Clerk Recorder; and increase Operating Transfer Out Internal Loan Issued appropriation in Fund Center 102 - Nondepartmental Other Financing Uses; and
- 4) Amend the Clerk-Recorder's fixed asset list for the replacement recording/cashiering system.

DISCUSSION

In 2001, the Clerk-Recorder purchased and implemented its current recording, cashiering, and imaging system. At the time, there were significant improvements in the way official records were recorded, especially with the ability to image documents and retrieve them at the click of a mouse. Throughout its 15 years of use, the system has served the department well with added enhancements in issuing marriage licenses, filing fictitious business names and notary bonds.

However, the existing IBM AS400 computer platform that the system operates is at its end-of-life cycle. The hardware platform has limited storage capacity, is not scalable, and new computer peripherals are no longer compatible with it. In 2009, the department purchased a used AS400 replacement to extend the use of the current software, but that hardware has also reached its end of life. The outdated technology has become increasingly costly to maintain.

In search for a replacement system, the Clerk-Recorder issued a request for proposal on January 16, 2015. Three responses were received, which were reviewed by Clerk-Recorder staff, including in-house demonstrations. It was determined that the solution offered by Tyler Technologies best meets the needs of the County Clerk-Recorder.

The selected system includes the functionality of the current system operating in the industry-standard Window environment. In addition, the product is a proven system that has been used by multiple counties in California, and it has improved with systematic enhancements driven by customer input, such as ordering copies of official records online, emailing electronic receipts instead of printing them, tracking checks with insufficient funds, handling large volumes of recordings more efficiently, providing balances to prepaid accounts of local title companies, posting online applications for fictitious business name statements and marriage licenses. Further, the department will be well prepared to implement electronic recording of Official Records to meet the demand of the title and real estate industry in the coming years. As a result, the Clerk-Recorder department will benefit from a mature system that will assist staff in performing their duties as well as enhancing the customer experience.

If the Clerk-Recorder does not implement the selected system, the risks of a catastrophic system failure could result in data loss and significant recovery costs as well as the Clerk-Recorder being unable to effectively and efficiently perform its daily operations. The department would be required to bolster up its old aging technology with yet another replacement server platform that does not integrate with new technologies, requiring additional support from its current vendor for updated functionality and customization.

Timing is critical as the Clerk-Recorder desires to complete this implementation by the end of calendar year 2015, ahead of the Presidential election cycle in 2016.

OTHER AGENCY INVOLVEMENT/IMPACT

The following agencies have been or will be involved in the following capacities:

Auditor-Controller-Treasurer-Tax Collector-Public Administrator – authorized an internal loan from General Fund. Per motion passed by the Debt Advisory Committee (DAC) on February, 2006 the ACTTCPA be given the authority to approve loans less than \$1 million without holding a DAC meeting.

Assessor – participated in reviewing the demonstrations of the three proposed systems; the system will interface with Assessor's work flow system critical to processing official records for assessment purposes

General Services Purchasing Department – facilitated the Request for Proposal and negotiated contract terms with vendor

Information Technology Department – preparation of virtual servers on which software will reside during implementation

Information Technology-Executive Steering Committee – reviewed and approved this recording system replacement project in December 2014.

County Counsel - approved the agreement as to form and legal effect.

Other County Departments who access Maps and Official/Vital Records – departments who research the recorder's records will have a new way of accessing these records.

FINANCIAL CONSIDERATIONS

The purchase price for the system is \$448,123, including software licenses (\$366,940), installation services (\$20,300), and the first year's maintenance of \$60,883.

Funding will be provided by a combination of the Recorder Restricted Revenue accounts in the amount of \$273,123 and a loan in the amount of \$175,000 from General Fund monies designated for internal loans. The loan will cover the costs of the system related to Clerk functions (marriage licenses, fictitious business name statements, notary public filings and other miscellaneous Clerk filings) which are not eligible for funding with Recorder Restricted Revenue. With a combined balance of \$2.5 million, the Recorder Restricted Revenue funds have sufficient balances to purchase the recording portion of the system and maintain the system, as well as continue to fund the ongoing operations within the department which are supported by these funds. The loan will be repaid at 2% interest annually beginning in FY 2015-16 within a maximum of five fiscal years. Annual payments will be a minimum of \$35,700 and will be budgeted yearly. Once the system is implemented and efficiencies are known, fee structures may also be reevaluated with faster repayment in mind. The ongoing annual maintenance of the new system and the vendor's travel expenses during implementation will be paid from Restricted Revenues.

It is anticipated that the Clerk-Recorder will come back to the board at a later date with another amendment to its fixed asset list for new equipment to accommodate for technology changes.

RESULTS

- Replace existing Recording, Cashiering, and Imaging System
- Avoid the risks involved with catastrophic failure of outdated computer technology
- Host new system on new computer server platform supporting increased storage capacity (from 1 terabyte to unlimited storage due to virtualization of server) and compatibility with new computer peripherals
- Increase ability to manage office workflow with more efficient processes
- Create a more customer-friendly experience for the public with easier search tools and ordering specified services through the internet
- Facilitate electronic recordings in the future
- Support the County Goals of A Well-Governed Community by modernizing technology and providing excellent customer service to the public

ATTACHMENTS

1. Clerk's File - Contract with Tyler Technologies, Inc.