

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Assessor

*Doug Han*

BOARD AGENDA # \*B-1

Urgent

Routine

AGENDA DATE May 20, 2008

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of the 2008-2009 Megabyte Automated Property Tax System Maintenance Agreement with Megabyte Systems, Inc.

STAFF RECOMMENDATIONS:

1. Approve the 2008-2009 Megabyte Automated Property Tax System Maintenance Agreement with Megabyte Systems, Inc.
2. Authorize the Chief Executive Officer upon recommendation by the Assessor, Auditor/Controller and Treasurer/Tax Collector to sign the 2008-2009 annual maintenance agreement with Megabyte Systems, Inc.

FISCAL IMPACT:

This is an ongoing maintenance agreement that was initially approved at the Board of Supervisor's April 16, 2002 meeting. The cost for the 2008-2009 contract year is \$161,951.04. This is a 4.1% increase from the 2007-2008 contract. This cost has been included in the Assessor's Proposed Budget submittal for Fiscal Year 2008-2009.

BOARD ACTION AS FOLLOWS:

No. 2008-348

On motion of Supervisor Grover, Seconded by Supervisor DeMartini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

*Christine Ferraro*

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

## Approval of the 2008-2009 Megabyte Automated Property Tax System Maintenance Agreement with Megabyte Systems, Inc.

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### DISCUSSION

The Megabyte automated property tax computer system processes changes and maintains all property characteristics, ownership, and assessed values. It computes and creates all tax bills and tracks tax payments. The system generates tax collection reports and develops tax allocation factors. It also apportions collected taxes to taxing agencies and generates reports needed to recover lost property tax revenue due to the Homeowner's Exemption program, the Williamson Act and other programs.

The main users of the property tax system are the Assessor, Auditor/Controller and the Treasurer/Tax Collector. Most other county and city departments and many private organizations including title companies also use the data in the system.

The annual maintenance agreement with Megabyte System's Inc. assures that the system's applications are maintained and updated with any changes mandated by legislation or changes in the revenue and taxation codes.

This is an ongoing maintenance agreement that was initially approved at the Board of Supervisor's April 16, 2002 meeting. The actual cost for the 2008-2009 contract year is \$161,951.04.

### POLICY ISSUES

Entering into this maintenance agreement will assist the property tax departments in the efficient delivery of services.

### STAFFING IMPACT

There is no staffing impact associated with this item.

AGREEMENT  
PROPERTY TAX SYSTEM  
MAINTENANCE

THIS SUPPORT AGREEMENT, is for the term beginning July 1, 2008 and terminating June 30, 2009 by and between the COUNTY OF STANISLAUS, hereinafter referred to as the "County" and MEGABYTE SYSTEMS INC, whose mailing address is 2630 Sunset Blvd, Suite 100, Rocklin, California 95677 hereinafter referred to as the "Contractor".

1. The County hereby engages the services of the Contractor, and the Contractor agrees to serve County in accordance with the terms and conditions set forth herein.

2. Work. Contractor shall furnish all programming efforts required to support the maintenance of the STANISLAUS County Property System as follows:

- Hot line phone support for the Assessor, Tax Collector and Auditor user staff, as required, concerning the operation of the property system. Internet Help Desk may be utilized.
- Diagnosis of application problems and suggested solutions.
- Application software corrections as needed by system failure to meet system requirements. This does NOT include any fixes for problems arising through alteration of the database by means other than Megabyte personnel.
- New State mandated changes to the application.
- Enhancements/Upgrades to the application software at the sole discretion of Megabyte Systems.
- Installation/setup of application stored procedures/triggers/ database scheduled tasks when necessary.

3. Price. In consideration of Contractor's fulfillment of the promised work, County shall pay Contractor a fixed price of \$13,495.92 per month. Support to County in excess of the terms of this agreement, as deemed necessary by County, will be billable to County at Contractor's standard hourly rate subject to advance written approval of County. If on-site support is required, travel time and expenses will be charged in addition to the hourly rate for work on-site.

4. Payments. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to COUNTY of an itemized billing invoice in a form acceptable to the Stanislaus County Auditor which indicates at a

minimum, CONTRACTOR'S name, address, Taxpayer Identification Number. CONTRACTOR shall submit invoices not more often than monthly to the Stanislaus County Assessor who, after review and approval as to form and content, shall submit the invoice to the Stanislaus County Auditor on the next available claims filing date following receipt.

5. Changes. Changes and modifications to this Agreement may only be made by prior written change order of County, accepted in writing by the Contractor, specifying such change(s) including adjustment(s) to price and delivery schedule (if any), as are agreed to by the parties hereto. In no case shall County pay for any extra work or material furnished except as previously agreed upon in such a written change order. The Contractor and the County shall determine whether any change or modification will cause a delay in Contractor completing all work and if so, the duration of such delay.

6. County's Responsibility to Provide. County will provide, at its own expense, access to Megabyte via Megabyte's network or via the Internet as long as it is at acceptable speeds (County minimum of 128K.)

7. No Waiver by County. Inspection of the work by the County, or the statement by any officer, agent, or employee of the County, prior to written acceptance of the work or any part thereof, indicating that the work or any part thereof complies with the requirements of this Agreement, or the County's payment for the whole or any part of the work, or any combination of these acts, shall not relieve the Contractor of obligation to fulfill this Contract as prescribed. Waiver of any provision of this Agreement by the County in any single instance shall not prejudice County's right to enforcement of all provisions of this Agreement in any other instance.

8. Hold Harmless. Contractor agrees to defend, indemnify, save and hold harmless the County, its officers, agents, and employees, from and against any and all claims and losses whatsoever accruing or resulting to any and all persons, firms or corporations for damage, injury or death as a result of negligence by Contractor in Contractor's performance of this Agreement.

9. Patent or Copyright Infringement.

A. Contractor represents that the materials and products produced hereunder do not violate others intellectual property rights (which include patent, copyright, trademark, trade secret or other proprietary right.) In the event a claim, cause of action, proceeding or other legal action should arise in which there are claims that the materials and/or products infringe or violate another's intellectual property rights, Contractor shall undertake to protect, defend, settle or resolve the proceeding at no cost, whatsoever, to County, including, but not by way of limitation, legal fees,

disbursements, judgments, or the like. Contractor shall protect, defend and indemnify and hold County harmless, subject only to County giving Contractor prompt written notice of any such third party claim, cause of action or proceedings and rendering to Contractor any reasonable information, assistance or access to documents and materials required in the defense of any such cause of action.

B. Should the materials and/or products in Contractor's opinion, be likely or become the subject of a claim of infringement of a patent, copyright or trademark, Contractor may do any of the following: (1) obtain a legally binding right for County to use, at no cost to County, the material and/or product; (2) replace or modify the material and/or product so that it is non-infringing yet still complies with the RFP and the Contract specifications; (3) repurchase the material and/or product by refunding all moneys paid by County to Contractor for the material and/or product less depreciation and reasonable costs for use and such other amounts as are mutually agreeable to County and Contractor.

10. Title to Work. Upon termination of this agreement for any reason title to, ownership of, and all applicable patents, copyrights and trade secrets in the MPTS2000+ software, shall remain with the contractor as owner/holder of such patents, copyrights, and trade secrets, who shall retain complete rights to market such product, and no such rights shall pass to County. However, County shall receive, at no additional cost, a perpetual license to use such products for its own use.

11. Source Code. Contractor shall place source code for the licensed software and any changes thereto, into a software escrow account. County shall have access to the source code in the event Contractor fails to fulfill its maintenance and support obligations, or in the event of bankruptcy, dissolution, or appointment of a receiver for Contractor. County shall be able to use the source code according to the terms of this agreement, and must also be permitted to modify the code for its own use consistent with this agreement. If the CONTRACTOR is sold to another company or private party, the COUNTY reserves the right to exercise the option to take immediate delivery of the latest version source code and documentation at no additional cost to the COUNTY.

12. Insurance. Contractor shall maintain, at Contractor's own expense during the term hereof, insurance with respect to Contractor's performance of this Agreement of the types and in the minimum amounts described generally as follows:

A. Full Worker's Compensation and Employer's Liability Insurance covering all employees of Contractor as required by law in the State of California.

B. Comprehensive Public Liability Insurance or Comprehensive Liability Insurance (Bodily Injury and Property Damage) of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence (claim made).

C. Comprehensive Automobile Liability Insurance (Bodily Injury and Property Damage) on owned, hired, leased and non owned vehicles used in conjunction with Contractor's business of not less than Three Hundred Thousand (\$300,000) combined single limit per occurrence (claim made).

13. Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the aforementioned insurance shall be furnished by the Contractor to the County by certificates of insurance. Such certificates shall specify that County must be given written notice 30 days prior to the cancellation or modification of any such insurance.

14. Insurance in Force and Effect During Contract Period. The insurance specified above shall be in a form and placed with an insurance company or companies satisfactory to County, and shall be kept in force and effect until completion to the satisfaction and acceptance by County of all work to be performed by the Contractor under this Agreement.

15. Confidentiality. Confidential information is defined as all information disclosed to Contractor which relates to the County's past, present, and future activities, as well as activities under this Contract. Contractor will hold all such information in trust and confidence. Upon cancellation or expiration of this Agreement, Contractor will return to County all written and descriptive matter which contains any such confidential information.

16. Independent Contractor. Contractor shall perform this contract as an independent contractor for all purposes. Contractor is not, and shall not be deemed, a County employee for any purpose, including worker's compensation. Contractor shall, at Contractor's own risk and expense, determine the method and manner by which the duties imposed on Contractor by this contract shall be performed; provided that County may monitor the work performed by Contractor; and provided further that Contractor shall observe and comply with all laws and rules applicable to County in performing the work. Contractor, not County, shall be responsible for Contractor's negligence and that of Contractor's agents and employees in performing the work. Contractor shall be entitled to none of the benefits accorded to a County employee. County shall not deduct or withhold any amounts whatsoever from the compensation paid to Contractor, including but not limited to amounts required to be withheld for state and federal taxes. Contractor alone shall be responsible for all such payments.

18. Termination. The County or Contractor may terminate this agreement with 60 days written notices.

19. Notices. All notices provided for by this Agreement shall be in writing and may be delivered by deposit in the First Class United States mail, by certified, or by registered mail, postage prepaid. All notices appertaining to the provisions of this Agreement shall be addressed to Contractor's office located 2630 Sunset Blvd., Suite 100, Rocklin, California 95677. Notices to the County shall be addressed to STANISLAUS County Assessor. Effective date of all notices shall permit a minimum of five (5) days for transit in the mails.

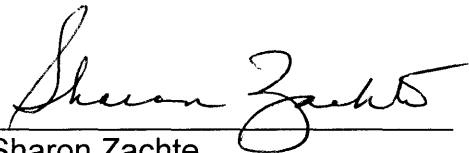
County of Stanislaus

Contractor: Megabyte Systems, Inc



Richard W. Robinson  
Chief Executive Officer

Dated: 5/20/2008



Sharon Zachte  
President

Dated: 5/27/08

APPROVED AS TO FORM:  
STANISLAUS COUNTY COUNSEL

BY

