



MEMORANDUM
OFFICE OF THE
PLACER COUNTY CLERK – RECORDER –
REGISTRAR OF VOTERS

TO: Honorable Board of Supervisors
FROM: Jim McCauley, Placer County Clerk–Recorder–Registrar of Voters
DATE: November 17, 2009

Jim McCauley

SUBJECT: Authorize County Clerk-Recorder to Negotiate and Execute Sole Source Computer Software Contract with RecordFusion for Licensing and Implementation of an Integrated Clerk-Recorder System including Electronic Recording and Image Redaction Capabilities, Subject to County Counsel and Risk Management Review and Approval; Approve Purchase of Related Equipment, and Approve All System and Equipment Costs to be Reimbursed from Departmental Trust Funds

Actions Requested

1. Authorize the County Clerk-Recorder to negotiate and execute a sole source computer software contract with RecordFusion for licensing and implementation of an integrated Clerk-Recorder system, including electronic recording and image redaction capabilities, in a contract amount expected not to exceed \$489,480, subject to County Counsel and Risk Management review and approval;
2. Approve purchase of related equipment, and
3. Approve all new system implementation and equipment costs to be reimbursed from departmental trust funds.

Background

The Placer County Clerk-Recorder is required to manage and maintain the Clerk-Recorder functions to provide for the orderly, accessible and permanent recordkeeping of land-related, vital and other records for the benefit of businesses and the public. Currently, this entails receiving, reviewing, cashiering, indexing, scanning and storing of images for over 100,000 primarily land-related legal documents annually, plus County Clerk vital and business records, such as marriage licenses and birth certificates for persons born in Placer County, plus certain other specified records, such as Veterans' Discharge records (DD214's). These important records have been automated for some time in Placer, but with the advent of newer technologies and requirements, such as for electronic recording and redaction of Social Security numbers, it is appropriate to update the present systems.

Several years ago, the Placer County Clerk–Recorder–Registrar of Voters began efforts to bring the advantages of electronic recording to Placer County, which culminated in the passage of the Electronic Recording Delivery Act (ERDA) of 2004, allowing counties to implement electronic recording under the oversight of the State Attorney General's Office. Following passage of ERDA, Placer continued to work with the Attorney General's Office to assist with development of regulations. Among the requirements are that County Recorders must verify, prior to entering into a contract with a vendor of an Electronic Recording Delivery

System (ERDS) software, that the vendor has a valid ERDS certification issued by the Attorney General.

To date, there are five ERDS vendors certified for California and two certified ERDS systems (one system developed and shared by Orange and Los Angeles Counties and one system developed by Fresno, Kern and San Bernardino Counties). However, the two certified multi-county systems are for electronic recording only, and were both developed for considerably larger counties with much higher recording transaction volumes (and costs). After considerable review of the certified, *integrated* vendor systems available, our department has concluded that RecordFusion, the vendor recommended in a memo to your Board last year for implementation of a new, integrated Clerk-Recorder system with electronic recording and redaction functions, remains the best choice for our County when considering vendor technology capabilities, vendor experience and expertise, references and overall system structure and workflow.

As noted last year, RecordFusion is a Pennsylvania company with experience in implementing integrated and highly automated Recorder systems in nineteen counties, which are located in the states of Colorado, New Mexico, Michigan, Pennsylvania, and South Carolina. While if approved, Placer would be RecordFusion's first California-based county system installation, the company nevertheless is well acquainted with California Clerk and Recorder requirements, and was, in fact, the first ERDS vendor certified for California. Furthermore, *none* of the other ERDS certified vendors have installations in more than one California county for a fully integrated Clerk-Recorder/Electronic Recording system.¹

Issue Statement

Based on review of the RecordFusion system, including reference checking with counties using the product, along with having reviewed other certified vendor systems, the department believes that use of the integrated RecordFusion software and systems will significantly improve the functionality of recording for both electronic and non-electronic transactions, indexing and imaging processes to the benefit of staff, businesses, agencies and, of course, the public. Additionally, RecordFusion's integrated Clerk-Recorder system will allow for redaction of sensitive information when required, and the RecordFusion system will support both present business practices and will also have the flexibility to adapt to changing workflow needs. These significant benefits will be achieved at an ongoing cost that will be significantly *less* than that incurred today by the County.

Essentially, through acquisition of new system from RecordFusion, Placer will acquire electronic recording, redaction and overall enhanced Clerk-Recorder system functionality at a lesser ongoing maintenance cost than for its current system, which is *not* ERDS certified. RecordFusion also offers Placer the opportunity to provide smaller counties in California with the benefits of electronic recording at nominal costs to those counties through planned use of Placer's electronic recording portal. All costs – for system software acquisition and implementation, any equipment required for implementation, and for ongoing maintenance and operation – will be reimbursed from department trust funds provided for these purposes.

¹ One of the certified vendors, ACS, developed the Fresno-San Bernardino-Kern consortium system (CERTNA), but as noted, it is an electronic recording system only, not an integrated Clerk-Recording system.

Additionally, Record Fusion has proposed no cost increases to the County from its 2008 proposal, with the new system planned for implementation before the end of FY 2009-10.

In accordance with Sect. 1.3(i) of the County's Purchasing Policy Manual, data processing services, software, equipment, installation, maintenance and training may be exempted from competitive procurement requirements with your Board's approval. Additionally, the new Clerk-Recorder system, including integrated electronic recording and redaction capabilities, has been discussed with the County's Administrative Services Information Technology staff and that department is supportive of the recommended approach proposed. The Administrative Services department will also continue to assist the County Clerk-Recorder-Elections Department in achieving its technology objectives and responsibilities related to the Clerk-Recorder and Elections functions. A copy of this memorandum, draft contract language with RecordFusion, and the vendor's proposals have been provided to Administrative Information Technology management, Procurement Services, and County Counsel.

Fiscal Impact - No General Fund Impact.

Approving this request will result in one-time contract costs expected not to exceed \$489,480 for an integrated Recording/Cashiering/Indexing/Imaging and Electronic Recording and Redaction system software licensing, implementation and training costs as proposed by RecordFusion, including taxes and project contingencies, and subject to final contract negotiations and approvals by Risk Management and County Counsel. A sufficient appropriation has been included within the department's current FY 2009-10 Budget for the recommended contract costs, with all costs to be fully reimbursed from departmental trust funds. Additionally, ongoing RecordFusion's maintenance costs for the new systems after the first year's warranty coverage, of approximately \$94,422 annually, will be about 37 percent less than the system maintenance costs presently charged to the County.

Equipment needs and costs for the recommended system implementation are still being finalized, but are expected to be within the project amounts already budgeted. However, should there be any additional *fixed asset* equipment items required for the recommended systems beyond that already included in the FY 2009-10 Budget, such items would be brought back to your Board for separate consideration. Finally, as noted for the software acquisition and implementation costs, all system equipment and equipment maintenance costs would also be fully reimbursed from departmental trust funds.

