



County Executive Office

Memorandum

2010 04 16 10:42

April 16, 2010

To: Janet Nguyen, Chair Board of Supervisors

From: Thomas G. Mauk, County Executive Officer

Rob Richardson

Subject: Exception to the Rule 21

#565A

The County Executive Office requests the approval of a supplemental agenda item for the April 20, 2010 Board Hearing Meeting.

Agency: Treasurer-Tax Collector

Subject: Approve and Ratify Lexis Nexis Agreement

District: All

Reason for supplemental: Avoid delaying collections

Concur:

Janet Nguyen for Matthew Harper for
Janet Nguyen, Chair Board of Supervisors

cc: Rob Richardson, Assistant County Executive Officer



**SUPPLEMENTAL AGENDA
STAFF REPORT**

2010-04-20 13:12
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MEETING DATE: 04/20/2010
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: Treasurer-Tax Collector (Approved)
DEPARTMENT CONTACT PERSON(S): Colleen Avila (714) 834-3968
Jennifer Burkhart (714) 834-6143

SUBJECT: Approve and Ratify Lexis Nexis Agreement

CEO CONCUR

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Consent Calendar
3 Votes Board Majority

Budgeted: Yes **Current Year Cost:** \$30,000 **Annual Cost:** \$30,000

Staffing Impact: No **# of Positions:** **Sole Source:** Yes

Current Fiscal Year Revenue: N/A

Funding Source: 12% Revenue 88% General Fund

Prior Board Action: N/A

RECOMMENDED ACTION(S)

Authorize the Treasurer Tax Collector's Deputy Purchasing Agent to approve and ratify Amendent to increase PA No. N1000010029 by \$10,000. to provide nationwide public record information, document retrieval and related services using Lexis Nexis (Accurint) proprietary and licensed databases and information, making a new total of \$30,000 effective July 01, 2009 to June 30, 2010.

SUMMARY:

This is a sole source contract, for which we are requesting ratification of services provided by the vendor to the Treasurer-Tax Collector since July 1, 2007. The term of the contract is effective, July 1, 2007 through June 30, 2010. Accurint provides nationwide access to public record information, document retrieval, and related services using Lexis Nexis proprietary and licensed software and databases. Accurint is the only such service providing access to a complete social security number.

BACKGROUND INFORMATION:

Over the years, TTC Tax Collection Officers have used various products similar to Accurint such as LexisNexis Trans Union and Experian. These products provide only the last four digits of a taxpayer's social security number. Accurint is the sole source for obtaining complete social security numbers. The

entire social security number is required to participate in the California State tax intercept program; this program intercepts a tax refund owed to a taxpayer and removes what is owed to the County before any refund is returned to the taxpayer.

Before Accurint, Tax Collection Officers had to find the social security number using a separate program, and thus were only able to “work” an average of 20 accounts per day. After Accurint, the average number of accounts worked per day rose to 35. This 75% increase is largely attributed to the increased efficiency of having one program provide both the social security number along with the rest of the contact information.

This ratification request is retroactive due to several factors. When this contract originally came up for renewal, TTC anticipated renewing it via the County’s Master Agreement. However, following many delays, when the details of the Master Agreement were finally available, TTC found that the Master Agreement allowed for only one usage/payment option: unlimited access for a flat per user charge. This assumes that Accurint will be *heavily* used by relatively few “power users”. This pay option was not cost effective for TTC because of the large number of Accurint users. In TTC many individual users access Accurint on a frequent, but not on a constant basis. Thus, it is much more cost-effective for TTC staff to access Accurint as transactional users, and to pay on the basis of a set fee per transaction.

The second factor resulting in the retroactive contract was the fact that the contract negotiations also extended over an unexpectedly protracted period of time because LexisNexis now requires either a background check to be performed by LN on each Contract Administrator or alternatively, that the County provide a certain certification for each Contract Administrator (see Attachment B of the Agreement). The certification, as provided in Attachment B of the Agreement, is required to be given to LN for any staff member who is given authority to give access to other staff to the LexisNexis system (the “Contract Administrators”). TTC worked with County Counsel and OCEA to resolve the contract certification issues. It was ultimately decided that TTC would ask LexisNexis to accept the County’s existing background checking process instead of instituting the new background check process they requested. In turn, LexisNexis asked the County to indemnify and hold harmless from any and all damages that LN may suffer as a result of County’s erroneous certification or from any negligent or fraudulent activities by a Contract Administrator designated by county in accessing Services under the Agreement.

TTC recognizes the critical need to ensure accurate adherence to all requirements of the procurement process. TTC has engaged in a process analysis to identify and resolve the factors contributing to the contract renewal failures, and has implemented a strong new system of internal controls to prevent future contract problems.

A copy of the Agreement is on file with the Clerk of the Board.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

EXHIBIT(S):

Sole Source form

ATTACHMENT(S):

Lexis Nexis Agreement No PA N1000010029



SOLE SOURCE/PROPRIETARY REQUEST

COUNTY POLICY ON SOLE SOURCE CONTRACTS:

It is the policy of the County of Orange to solicit competitive bids and proposals for its procurement requirements. Sole source procurement shall not be used unless there is clear and convincing evidence that only one source exists to fulfill the County's requirements. All sole source purchases requiring Board of Supervisors approval shall be justified as meeting the sole source standard in the Agenda Staff Report. The Agenda Staff Report shall clearly state that it is a sole source procurement. The Sole Source Justification, as described below, shall be attached to or included within the Agenda Staff Report (CPM, Section 4.4)

SECTION I - INSTRUCTIONS FOR COMPLETING THIS FORM:

1. Formal justification is required for sole source procurements when competitive bid guidelines require pricing from competing firms.
2. A written justification will be prepared by the department and approved by the department head or designee.
3. Prior to execution of a contract, the County Purchasing Agent or designee shall approve ALL sole source requests for commodities that exceed \$500,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
4. Board approval is required for all sole source contracts for commodities that exceed \$500,000 and services exceeding \$50,000 or a two (2) year consecutive term, regardless of the contract amount.
5. The Deputy Purchasing Agent (DPA) shall retain a copy of the justification as part of the contract file.
6. Valid sole source requests contain strong technological and/or programmatic justifications.
7. Sole source procurements may be approved based upon emergency situations in which there is not adequate time for competitive bidding.
8. Sole source requests for Human Service contracts will be guided by the regulations of the funding source.
9. Each question in Section III of this form must be answered in detail and signed by the department head with concurrence of the Deputy Purchasing Agent.

SECTION II - DEPARTMENT INFORMATION:

Department: Treasurer-Tax Collector Date: 4-15-09
Name of Requestor: Robert Fulton Title: _____
Phone No.: (714) 834-3537 Email: rfulton@ttc.ocgov.com
PA#: N1000010029 Recommended Vendor: Lexis-Nexis (AccurInt)

SECTION III - SOLE SOURCE JUSTIFICATION:

1. Provide a description of the type of contract to be established (i.e., commodity, service, human service, public works, or other-please explain).

Electronic Information Library Services

2. Provide a detailed description of services/supplies to be provided by the vendor.



SOLE SOURCE/PROPRIETARY REQUEST

Lexis Nexis (Accurint) provides nationwide public record information, document retrieval and related services using Lexis Nexis proprietary and licensed databases and information.

3. Please state why the recommended vendor is the only one capable of providing the required supplies and/or services. Include any back-up information or documentation which supports your recommendation. Please list any other sources that have been contacted and explain in detail why they cannot fulfill the County's requirements.

Over the years, TTC Tax Collection Officers have tested various products similar to Accurint such as LexisNexis (before the merger with Accurint), Trans Union and Experian. Although Accurint is primarily used to locate delinquent taxpayers, experience has shown that Accurint also provides more accurate addresses for the mailing of refunds and returned mail. However, the major benefit to Accurint is that Accurint is one of the only programs (sole source) that provides complete social security numbers. The other similar products provide only the last four digits of a taxpayer's social security number or not at all. The entire social security number is necessary to participate in the California State tax intercept program; this program intercepts a tax refund owed to a taxpayer and removes what is owed to the County before any refund is returned to the taxpayer. Accurint also provides a history of addresses and phone numbers.

The County has a Master Agreement with Lexis Nexis for the same product (Accurint), however that contract specifically defines how the product is to be used – and that process is incompatible with the TTC business model and does not meet the needs of the department.

The Master Contract is written with the assumption that a few staff will use the program constantly, and thus each individual would need an unlimited level of access (aka "power users"). However, the Treasurer-Tax Collector uses a different collection model. In TTC, many individual Tax Collectors access the system. Each person uses the system on a less frequent basis than a single power user. The most cost effective model for TTC is to "pay as we go", e.g. to pay on a per transaction basis.

4. How does recommended vendor's prices or fees compare to the general market? Attach quotes for comparable services or supplies, if available.

Accurint fees are less than the general market (see attached quotes). Please note however that the fees are not directly comparable. There are additional costs associated with the additional research needed to obtain the full social security number if the other programs are used. Only Accurint searches provide the full social security numbers. Social Security numbers are required for the State Intercept Program. This is a State program used to intercept any State monies due to delinquent tax payers.

5. If recommended vendor could not provide the product or service, how would the County accomplish this particular task? Use additional sheets if necessary.



SOLE SOURCE/PROPRIETARY REQUEST

Before Accurint the Tax Collection Officers had to find the social security number using a separate program. The time required to access and obtain that information was significantly more time consuming. Tax Collection Officers were able to "work" an average of 20 accounts per day. As a result of using Accurint, the average number of accounts worked per day rose to 35. This 75% increase is largely attributed to the increased efficiency of having the social security number provided with the rest of the contact information.

If the TTC was not able to continue to use Accurint, it would return to the previous method of obtaining the social security number, which is expected to result in "working" approximately 20 accounts per day, which would result in a 75% decrease in the amount of accounts worked, and, thus a drop in delinquent taxes collected.

SECTION IV - DEPARTMENT HEAD CONCURRENCE

Paul C. Adams
DEPARTMENT HEAD OR DESIGNEE

4-25-09
Date

SECTION V - DEPUTY PURCHASING AGENT COMMENTS

DPA Comments:

***** COUNTY PROCUREMENT OFFICE USE ONLY *****

Approved Not Approved

Explanation: [Signature]

**Amendment No. 1 to Agreement No. N1000010029
with Lexis Nexis (Accurint) for nationwide access to public record
information, document retrieval and related services**

This Amendment No. 1 to Price Agreement No. N1000010029 is entered into by the County of Orange, a political subdivision of the State of California, with a place of business as 10 Civic Center Plaza, Santa Ana, CA 92701 (referred to as "County") and Lexis Nexis (Accurint) with a principal place of business at 555 W 5th Street, Ste 4500, Los Angeles, CA 90013 (hereinafter referred as Contractor).

WHEREAS, the Parties entered into Price Agreement No. N1000010029 for nationwide access to public record information, document retrieval and related services ("Services") for an initial three-year term beginning July 1, 2007 through June 30, 2010 ("First Term"), renewable for two additional one-year terms (collectively as "Original Agreement"); and

WHEREAS, the Board of Supervisors approved the Original Agreement for a not-to-exceed amount of \$20,000 per year; and

WHEREAS, the Parties desire to execute this First Amendment to the Original Agreement to increase the previously Board approved not-to-exceed contract amount due to the increase in usage.

NOW THEREFORE, the Parties mutually agree:

1. Compensation. Due to the increase in usage, the parties agree to increase the previously approved not-to-exceed contract amount as follows:
 - a. Compensation under the First Term shall be increased from \$20,000 to \$30,000.
 - b. Services rendered under the First Term shall be compensated pursuant to the agreed upon fees detailed in Attachment A of the Original Agreement.

Lexis Nexis (Accurint) agrees to accept the above increased amounts as full remuneration for providing Services as required under the Original Agreement.

2. Except as amended herein, the remaining provisions of the Original Agreement shall remain the same and in full effect and force.

Signature Page

In WITNESS WHEREOF, the parties hereto have executed this Amendment on the dates shown opposite their respective signatures below:

LexisNexis Risk & Information Analytics
Group Inc., a Minnesota corporation

DATE: _____

BY: _____

TITLE: _____

James M. Peck, Chief Executive Officer

DATE: _____

BY: _____

TITLE: _____

Lexis Nexis – Secretary, Assistant Secretary, CFO or
Assistant Treasurer

DATE: _____

County of Orange, a political subdivision of the State
of California

Ronald Vienna, Purchasing Agent

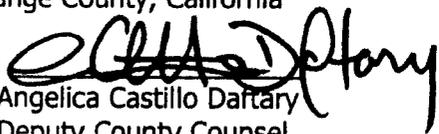
BY: _____

Colleen Avila, Deputy Purchasing Agent

APPROVED AS TO FORM:

Office of the County Counsel
Orange County, California

By: _____


Angelica Castillo Dalfary
Deputy County Counsel

Date: 04.16.10

*If the Contracting party is a corporation, **(2) two signatures are required:** one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer of any Assistant Treasurer.