RESOLUTION - ACTION REQUESTED 2019-586

MEETING: October 8, 2019

TO: The Board of Supervisors

FROM: Vince Kehoe, Assessor-Recorder

RE: Agreements with Megabyte, Inc.

RECOMMENDATION AND JUSTIFICATION:
Approve Megabyte System (MPTS) Software License Agreement with Megabyte, Inc.;
Approve Agreement for MPTS Property Tax System Maintenance with Megabyte, Inc.; and
Authorize the Board of Supervisors Chair to Sign the Agreements.

In August 2018, the Board authorized then Assessor-Recorder Brent Joseph to apply for grant funding through the State Supplementation for County Assessors Program (SSCAP) administered by the State Department of Finance (DOF). SSCP is a pilot program designed to assist County Assessors in performing assessments. Grant funds must be matched at the rate of one local dollar for every two dollars provided by the DOF.

Assessor Joseph’s grant application stated that the SSCP funds would be used for technological improvements to assist assessment activities. Assessor Joseph was successful in receiving grant funds totaling $675,000 with installments sent to the County over three years (2018, 2019 and 2020) at the rate of $225,000 per year. The County received the first installment in October 2018. The County’s responsibility in accepting this grant is to allocate $337,500 over the same three-year period at the rate of $112,500 per year. Per Assessor Joseph’s “Recommendation and Justification” in Resolution #2018-420, “County matching funds of $112,500 are available in the Adopted Budget as technology reserves.”

The purpose of this action item is to request the approval of agreements that will result in the expenditure of grant funds and County funds as intended. Specifically, the funds will be used to acquire, implement and maintain a property tax administration software program referred to as the Megabyte Property Tax System (MPTS) provided by Megabyte Systems, Inc. of Rocklin, CA.

MPTS is in use in more than 30 counties across the State. Many of the assessors in those counties advised us as we negotiated with MPTS. As part of the purchase, MPTS provides installation, implementation and on-site and off-site training (in Rocklin, CA) for our staff. Additionally, we plan to participate in a “Megabyte User’s Group” developed by the California Assessor’s Association.
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Installing MPTS would be the first upgrade to the County’s assessment procedures in more than 25 years. The new system will allow the assessor’s staff to process and complete the annual assessment roll in a more efficient manner, and expedite turning the roll as statutorily required so that the County Auditor and Tax Collector may prepare and mail property tax statements on time. The tentative “go-live” date is 07/01/2020.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
In August 2018, the Board authorized Assessor-Recorder Brent Joseph to apply for grant funds through the State Supplementation for County Assessor’s Program administered by the State DOF. The County’s stated purpose in requesting the grant was to assist in the purchase of property tax management software.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Negative action will result in no upgrade to outdated assessment processes, require the Assessor to return to the DOF $225,000 in grant money received in October 2018 and terminate two future grant installments of $225,000 each.

FINANCIAL IMPACT:
The County is required to match SSCAP funding with one local dollar for every two dollars received from the State DOF. Impact to the County will be $112,500 per year for three years for a total of $337,500 in local funds. Payment of $162,625 from the County is due to MPTS upon signing these agreements.

ATTACHMENTS:
Megabyte Software License Agreement 8.30.19 (PDF)
Megabyte Maintenance Agreement 8.30.19 (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Marshall Long, District III Supervisor
SECONDER: Kevin Cann, District IV Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
SOFTWARE LICENSE AGREEMENT
MEGABYTE PROPERTY TAX SYSTEM
(MPTS)

This SOFTWARE LICENSE AGREEMENT ("Agreement") is made and entered into as of October 8, 2019, by and between MARIPOSA COUNTY ("Customer") and MEGABYTE SYSTEMS, INC., a California corporation ("Contractor").

RECITALS

WHEREAS, Contractor has developed and owns all rights in and to the computer software and documentation referred to herein as the "Software."

WHEREAS, Customer wishes to acquire from Contractor, and Contractor is willing to grant to Customer, certain rights with respect to the Software, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements contained herein, the parties agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 Software. As used herein, the term "Software" shall mean the computer application software known to Contractor as "MPTS," described in Exhibit A attached hereto and, by this reference, made a part hereof, including all coding (object code and source code), tapes, discs, modules, and similar materials comprising such software. The Software is described more specifically in the documentation (defined below).

1.2 Documentation. As used herein, the term "Documentation" shall mean the user documentation relating to the Software, which documentation is described in Exhibit A, attached hereto.

1.3 System. As used herein, the term "System" shall mean the Software and the Documentation, collectively. Reference to the System shall include any component thereof. All modifications and enhancements to the System shall be deemed to be part of the System as defined herein and shall be subject to all of the terms and conditions set forth herein.

1.4 License. As used herein, the term "License" shall have the meaning assigned to such term in Section 2.1.
2. GRANT OF LICENSE

2.1 Grant of License. Contractor hereby grants to Customer a license with respect to the Software, subject to the terms and conditions set forth herein (the "License").

2.2 Scope of License.

(a) The License granted herein shall consist solely of the non-exclusive, non-transferable right of Customer to (1) operate the Software for the purpose of providing services solely in connection with Customer's existing business or functions; (2) copy the Software solely for backup purposes; and (3) to receive and use the Documentation.

(b) The License granted herein shall not entitle Customer to: (1) operate the Software on any equipment other than Customer owned hardware; (2) operate the Software other than in connection with Customer's existing business or function; (3) permit any person or entity other than Customer, its employees and its patrons to operate the Software; (4) copy the Software in any manner or in any form other than solely for backup purposes; (5) modify or enhance the Software in any respect; or (g) transfer any right in the Software to any other person or entity.

2.3 Ownership. Customer acknowledges and agrees that, as between Contractor and Customer, title and full ownership of all rights in and to the System and all other materials provided to Customer hereunder shall remain with Contractor. Customer further acknowledges and agrees that the System, and all ideas and expressions contained therein, are proprietary information and trade secrets of Contractor. However, Customer shall receive, at no additional cost, a perpetual license to use the Software for its own use.

2.4 Source Code Access. 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.

3. TERM

3.1 Duration. The License granted herein shall be effective as of the Installation Date (defined in Section 4.1) and shall remain in effect perpetually unless terminated as provided in Section 3.2.

3.2 Termination. Customer may at any time terminate the License granted herein if Contractor has breached a material provision of this Agreement and has failed to cure such breach within sixty (60) days after receiving written notice thereof.
Customer upon ninety (90) days notice may terminate the license granted herein in the event of a change in the nature, scope, or requirements of customer's program or operations. Contractor may at any time terminate the License granted herein if Customer has breached a material provision of this Agreement (which shall include without limitation Sections 5, 7, and 8) and has failed to cure such breach within thirty (30) days after receiving written notice thereof.

3.3 Fiscal Appropriations. Contractor acknowledges that Customer is a governmental agency, and as such has fiscal legal limitations, including, but not limited to, the availability of funding from fiscal year to fiscal year for ongoing contracts. Contractor agrees that in the event Customer is required to terminate his contract as a result of necessary fiscal appropriation for the contract, such shall not be considered a default by Customer of any terms thereof and no liability will be placed on Customer.

3.4 Events Upon Termination. Upon any termination of the License granted herein, the parties shall comply with the provisions of Section 9.

4. INSTALLATION, TRAINING AND SUPPORT

4.1 Installation. Contractor shall deliver and install the System for Customer in the manner and on the schedule set forth in Exhibit B attached hereto and, by this reference, made a part hereof. The date on which Contractor has delivered and installed the System in accordance with Exhibit B shall be referred to herein as the "Installation Date."

4.2 Training. Contractor shall provide to Customer the training services relating to the System described in Exhibit B attached hereto.

4.3 Support Services. Contractor shall provide to Customer the other support services relating to the System as set forth and described in "MPTS Property Tax System Maintenance Agreement," which agreement is separate from this Agreement.

5. COMPENSATION

5.1 License Fee. As compensation for the License granted herein, Customer shall pay to Contractor a fee in accordance with the schedule set forth in Exhibit C attached hereto.

5.2 Other Compensation

5.2.1 Fee for Additional Services. If contractor provides services requested in writing by Customer which are in addition to the services specified in Section 4, Customer shall as compensation for such additional services pay to Contractor a fee based on Contractor's then prevailing rate for such services.
5.2.2 Expenses relating to Services. Customer shall reimburse Contractor for all necessary travel, lodging, and per diem expenses incurred by Contractor and its employees in performing Contractor's obligations hereunder. Any reimbursement for travel costs shall be subject to and not exceed those amounts paid to the County's employees under the current County Travel Policy.

5.3 General

5.3.1 Invoices. Contractor shall invoice Customer for all sums which Customer owes Contractor hereunder, and Customer shall pay each invoice within twenty (20) business days after receipt thereof.

5.3.2 Late Charges. Contractor may charge Customer one-half percent (0.5%) per month on any amount which Customer is delinquent in paying to Contractor hereunder, except that such charge may not exceed the maximum amount permitted under law.

5.3.3 Taxes. Customer shall be responsible for payment of any and all taxes or other governmental charges or fees attributable to the License granted herein.

5.3.4 Audit by California State Auditor. Contractor acknowledges that if total compensation under this agreement is greater than $10,000.00, this agreement is subject to the examination and audit by the California State Auditor for a period of three (3) years, or for any longer period required by law, after final payment under this Agreement, pursuant to California Government Code 8546.7. In order to facilitate these potential examinations and audits, Contractor shall maintain, for a period of at least three (3) years, or any longer period required by law, after final payment under the contract, all books, records and documentation necessary to demonstrate performance under this Agreement.

6. WARRANTY

6.1 General Warranty. Contractor warrants to Customer that Contractor has full right and authority to grant to Customer the License herein and that Customer's possession and use of the System in accordance with the License herein shall not infringe any United States copyright or patent.

6.2 Performance. Contractor warrants to Customer that application software contracted for by Customer will perform in substantial compliance with the Documentation and the representations and features listed in Exhibit A. There are no express or implied warranties, including the implied warranty of merchantability and fitness for a particular purpose not specifically set forth in this Agreement, with respect to this Agreement, or the software or other products, documentation or other products.
7. **CONFIDENTIALITY**

7.1 **Customer Obligations.** Customer acknowledges that, by virtue of the License granted herein, it will have access to certain proprietary information and trade secrets of Contractor, including without limitation proprietary information and trade secrets relating to the System (collectively, the “Confidential Matters”). Customer agrees that the Confidential Matters, and all information comprising or relating to the Confidential Matters, shall be deemed confidential and proprietary to Contractor, shall be held in trust by Customer, and shall be safeguarded by Customer to the same extent that Customer safeguards confidential matters relating to its own operation which in no event shall be less than the safeguards that a reasonably prudent person or business would exercise under similar circumstances.

7.2 **Exceptions.** Customer’s obligations pursuant to Section 7.1 shall not apply to information which is in the public domain, other than as a result of any breach of this Agreement, or to information which Customer is obligated to disclose pursuant to the lawful order of any court or government instrumentality in the United States, but only to the extent required by such order.

7.3 **Contractor’s Obligations.** Contractor acknowledges that, by virtue of the customer/developer relationship established herein, it will have access to certain confidential information relating to the Customer’s clients and activities. Contractor agrees that all information relating to the activities and the clients of Customer shall be deemed confidential and proprietary to Customer, shall be held in trust by Contractor, and shall be safeguarded by Contractor to the same extent that Contractor safeguards confidential matters relating to its own clients and activities which in no event shall be less than the safeguards that a reasonably prudent person or business would exercise under similar circumstances.

7.4 **Exceptions.** Contractor’s obligations pursuant to Section 7.3 shall not apply to information which is in the public domain, other than as a result of any breach of this Agreement, or to information which Contractor is obligated to disclose pursuant to the lawful order of any court or government instrumentality in the United States, but only to the extent required by such order.

8. **LIABILITY**

8.1 **Indemnification by Contractor.** Contractor shall indemnify and hold harmless Customer, and its directors, officers, and employees from and against any and all liability, losses, damages, and expenses (including without limitation reasonable attorney’s fees and costs) incurred by Customer, or its directors, officers, or employees which arise out of or relate to Contractor’s breach of any provisions thereof.

8.2 **Indemnification by Customer.** Customer shall indemnify and hold harmless Contractor, and its directors, officers, and employees from and against any and all liability, losses, damages, and expenses (including without limitation reasonable
attorney’s fees and costs) incurred by Contractor, or its directors, officers, or employees which arise out of or relate to Customer’s breach of any provision hereof.

8.3 Limitations on Liability. Notwithstanding the provisions of Sections 8.1 and 8.2, the liability of the parties and the remedies of the parties shall be limited as follows:

8.3.1 Uncontrollable Events. Neither party shall bear any liability arising out of events beyond the control of such party, including without limitation acts of God, acts of a public enemy, fires, floods, storms, earthquakes, riots, strikes, lock outs, wars, restraints of government, court orders, power shortages or outages, equipment or communications malfunctions, nonperformance by any third parties, or other events which cannot be controlled or prevented with reasonable diligence by such party.

8.3.2 Consequential Damages. Neither party shall bear any liability for special, consequential, incidental, or indirect damages (including without limitation loss of anticipated income or profits, loss of goodwill, or other loss or damages), even if such party has been informed of the possibility of such damages.

8.3.3 Value of Contract. In no event shall the aggregate liability of Contractor to Customer or Customer to Contractor (regardless of the form, whether in contract or tort) exceed the amount of the fee paid by Customer to Contractor pursuant to Section 5.1.

8.3.4 Passage of Time. In no event shall a cause of action be asserted by Customer against Contractor or Contractor against Customer which arises out of or relates to any event, condition, breach, or claim occurring more than one (1) year prior to the filing of such cause of action.

8.4 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:

8.4.1 Full Workers’ Compensation and Employers’ Liability Insurance covering all employees of Contractor as required by the law in the State of California.

8.4.2 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).

8.4.3 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 One Million Dollars ($1,000,000) combined single limit per occurrence (claim made).
8.5 **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 the County must be given written notice 30 days prior to the cancellation of modification of any such insurance.

8.6 **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 the County, and shall be kept in force and effect until the completion to the satisfaction and acceptance by the County of all work to be performed by the Contractor under this Agreement.

9. **TERMINATION**

Upon any termination of the License granted herein, Customer shall immediately cease using the System, and Customer shall, within ten (10) days after the date of termination, return to Contractor the System and all other materials provided to Customer hereunder, and all copies thereof in Customer's possession or under its control. Notwithstanding the preceding sentence, if Customer has terminated this Agreement in accordance with Section 3.2 and Customer has paid to Contractor the full amount of the fee provided in Section 5.1 and all other amounts then owing to Contractor under Section 5, then Customer may retain the System and continue to use the System, subject to the provisions of Sections 2, 7, 8, and 10.

10. **GENERAL PROVISIONS**

10.1 **Covenant Not to Hire.** During the term of the License granted herein and for a period of one (1) year thereafter, neither party shall hire as an employee or contractor any employee of the other party.

10.2 **Compliance with Laws.** Each party shall, in performing its obligations hereunder, comply with all laws, rules, regulations and governmental orders applicable to such party.

10.3 **Amendments.** This agreement may be amended or supplemented from time to time, but only by a written instrument executed by Customer and Contractor. As used herein, the term “Agreement” shall include any future amendments or supplements made hereto.

10.4 **Construction.** Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.
10.5 **Recitals and Exhibits.** The Recitals to this Agreement and the exhibits attached to this Agreement shall be considered part of the Agreement and are incorporated herein by this reference.

10.6 **Survival.** The provisions of Sections 5, 7, 8, 9, and 10 shall survive any termination or expiration of this Agreement and the License granted herein.

10.7 **Relation Between the Parties.** This Agreement shall not be construed to constitute either party as the agent or legal representative of the other for any purpose whatsoever. Neither party is granted any express or implied right or authority by the other party to assume or create any obligation or responsibility on behalf of or in the name of the other party, or to bind the other party in any manner or thing whatsoever.

10.8 **Assignment.** Neither this Agreement, the License granted herein nor any other right or obligation hereunder shall be assigned, delegated or otherwise transferred by either party, without the prior written consent of the other party. Notwithstanding the preceding sentence, Contractor may assign, delegate, or otherwise transfer this Agreement, the License granted herein, and Contractor's rights and obligations hereunder to any affiliate or contractor or to any successor of Contractor's business or any part thereof, without the prior written consent of Customer.

10.9 **Successors.** Subject to the restrictions in Section 10.8, this Agreement shall bind and inure to benefit of the respective assigns, successors, representatives and affiliates of the parties.

10.10 **Waiver.** Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

10.11 **Certain Remedies.** The parties acknowledge and agree that any breach by Customer of Section 7 of this Agreement would cause irreparable damage to Contractor, the exact amount of which would be impossible to ascertain, and for that reason, Contractor shall be entitled to injunctive relief in the event of any actual or threatened breach of Section 7. Such relief shall be in addition to any remedies to which Contractor may be entitled under law or otherwise.

10.13 **Severability.** If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.
10.14 **Nondiscrimination.** During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County’s nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

10.15 **Notice.** Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or Customer shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

**To Customer:** County of Mariposa  
Attn: Assessor - Recorder  
PO Box 35  
4982 10th Street  
Mariposa, CA 95338

**To Contractor:** Sharon A Zachte, President  
Megabyte Systems, Inc.  
2630 Sunset Blvd Suite 100  
Rocklin, Ca 95677

10.16 **Conflicts.** Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

10.17 **Advice of Attorney.** Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

10.18 **Enforcement.** If either party shall bring an action of any nature against the other party by reason of the breach of any provision of this Agreement, or otherwise arising out of this Agreement, whether for declaratory or other relief, the prevailing party in such action shall be entitled to such party’s reasonable expenses relating to such action, including its costs of suit and attorneys’ fees.
10.19 **Dispute Resolution.** In the event of any dispute, claim, question, or disagreement arising from or relating to this agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of 60 days, then, upon notice by either party to the other, all disputes, claims, questions, or differences shall be finally settled by arbitration. The arbitration shall be conducted by a neutral arbitrator and in accordance with California law, with the parties sharing equally the costs of arbitration. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

10.20 **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

10.21 **Governing Law and Venue.** This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Placer, State of California.

In Witness Whereof, the parties have executed this Agreement on the day and year first hereinabove written.

COUNTY OF MARIPOSA

By: [Signature]
Miles Hernandez, Chair

Date: 08-21-19

MEGABYTE SYSTEMS, INC

By: [Signature]
Sharon A. Zachte
President
Taxpayer Identification No. 77-0547969

Date: 08-29-19

APPROVED AS TO FORM:

[Signature]
STEVEN W. DAHLEM
COUNTY COUNSEL
EXHIBIT A
SPECIFICATIONS

MPTS Provides

- A fully integrated California property tax system to meet the Client’s ongoing needs.
- A robust system developed and maintained in compliance with California Revenue and Taxation Code.
- User-Friendly interfaces
- Reports linked to dynamic data sources
- Administrative interfaces to ensure maximum adaptability within the system.
- Integration adapter to facilitate a seamless interaction between all components of the system.
- Training and user documentation provided by Megabyte.
- Use of the knowledge and experience of Megabyte and their staff.

Assessor Functions

MPTS provides a fully integrated Assessor’s system that meets requirements set forth by California Revenue and Taxation Code, including but not limited to:

- Online updating until the day before roll turnovers – eliminates many tax roll corrections
- Parameter driven – resource files define common parameters
- Online roll corrections and escapes (including refunds) for current and delinquent rolls
- History available with online access for documents, ownership, assessments, values and tax bills
- Annual secured and unsecured inflation process
- Automatic value notices daily for supplemental assessments
- Automatic proration of supplemental assessments
- Appraisal worksheets
- Tracking of “Prop 8” and construction in progress
- Automatic supplemental billing after 30 days of value notice
- Physical characteristics frozen at time of sale with sale comp data
- Comparable sales program has ability to capture comments and comparables electronically
- Management audit reports
- Secured, unsecured and supplemental tax roll inquiry functions including current and redemption rolls
- County-specified years of tax bill history online for inquiry
- Williamson Act and Timber Preserve sub-systems
- Personal property sub-system
- Automatic secured notification of assessment valuation
- Prop 111 reporting
- User documentation
- Value updating available year round (new lien date)
- Image inquiry and viewing (e.g. maps, deeds, office documents, etc.)
- Import / export capabilities
- Base year tracking
- Electronic queues which improve workflow and time
- Electronic transfer of change of ownership to appraisal queues
- Valued parcels electronically transfer to review queue (Chief Appraiser)
- Review queue transfer to automated value update
- Permits enter appraisal queue automatically (permit data captured, supplemental created and electronic review of the permit)
- Deeds, assessor maps, business property statements, miscellaneous documents, Excel spreadsheets, .PDF & tiff images can be assigned to each parcel/document for storage & review
- Aircraft valuation which allows transfer of calculated values from Blue Book into the system for enrollment
- Manufactured home valuation allows automated enrollment of values based on AH531 cost data and annual comparison of home values for decline in value review
- Roll Corrections electronically submitted to Auditor
- Roll Correction and escape notice automation
- Exemption tracking and reporting
- Multi-level security
- Ad-hoc query and reporting function directly from user interface
- Electronic Building Permit import and process
Auditor Functions

The MPTS solution provides a fully integrated Auditor’s system that meets requirements set forth by California Revenue and Taxation Code, including but not limited to:

- Apportionment – including negative apportionment (all rolls plus unitary AB454), separate reporting and controls
- Tax Rate Area controls
- Tax roll controls and audits with daily reporting of audit control of all roll changes
- Refund issuance (not including checks)
- Multi-year rates
- User controlled reporting
- Resource parameter setup, i.e. tax roll control, low bill limit, etc
- Online to date collection information of all roll types (collected, uncollected, percent collected to date)
- Prior year tax bill inquiry
- Auditor’s report to the state for homeowners
- AB8 process: online establishment and RDA
- Direct assessments: PC to server, direct auditor input, file import interface
- Roll change function: daily
- Value changes to the tax roll with refund information for: new, corrected bills, roll changes, refunds, supplemental bills (increase in value)
- Inactivation of assessments
- Auditor control reports
- Redemption roll adjustment
- Change taxes (auditor only)
- Authorized refunds (auditor only)
- Cancel penalties
- Delinquent maintenance
- Change due dates
- Secured prorates based on number of days owned
- All roll types (secured, unsecured, delinquent roll, SB813, priors) may be adjusted by a roll change
- Inquiry access to tax roll and Assessor’s roll
- Import / Export capabilities
- Multi-level security
- Ad-hoc query and reporting function directly from user interface
- Government Acquisition tax roll corrections
- Automated fiscal year end rollover process
- No dark time for roll correction processing
Tax collector functions

MPTS provides a fully integrated tax collector’s system that meets requirements set forth by California revenue and taxation code, including but not limited to:

- Universal form for all tax bills: online bill production, SB813: secured and unsecured, roll changes corrected, additional bills, corrected bills, prior unsecured and prior unsecured SB813
- Tax statement forms for original secured and unsecured
- CORTAC processing of tax bill requests and mass payment processing
- CORTAC processing of annual, supplemental, escape, and corrected tax payments
- Multiple bills to same address – identification and combining of non-lender bills
- Single bills are produced in zip code sequence
- Exports of current tax roll, alphabetic index, fee assessment number index, prior unsecured abstracts
- Inquiry and tax information research capabilities online
- Redemption process and related delinquency notices
- Online collection including: register control, deposit lists, verification of stub information, automated error processing and reporting, automatic creation of refunds resulting from overpayment amounts, vendor information (name and address) and online audit records
- Remittance processing interface with real-time payment posting in conjunction with RT Lawrence
- Add and collect various fees, including non-parcel fees
- Cashiering system
- Automated 5-year pay plans on delinquency and related notices
- Fully integrated delinquency roll with automated roll change functions
- Online collection information for all roll types (collected / uncollected / percentage collected to date)
- DMV reporting and export of delinquent vessels
- Unsecured partial payment processing
- No interest and interest escape payment plans
- Lien process and related notices
- Delinquency notices – all rolls
- Produces publish delinquency list – criteria set by the county for 1 or 3 year publish listing
- Bankruptcy module, collection, and reporting
- Automatic transfer of unpaid mobile homes to unsecured delinquent roll
- Discharge of accountability, roll changes for NSF, misapplied payments, penalty cancellations, due date changes
- Redemption Roll Maintenance
- Document generation for daily over / short letters
- Retain valid ownership data despite assessment splits and segregations
- Online inquiry of payoff details
Online inquiry of payment plan status
- Import / Export capabilities
- Electronic Tax Lien interface with Recorder – Standardized function available – 
dependant upon Recorder’s system’s ability to work with the MPTS standard 
process
- Multi-level security
- Ad-hoc query and reporting function directly from user interface
- Record Retention

**ADDITIONAL MPTS MODULES**

The following MPTS modules are being made available for an additional 
licensing/support and maintenance fee at the discretion of the County.

**Assessor and Tax Collector - MPTS Web Modules**

*(Subject to annual licensing/support costs, applicable 12 months after go-live)*

- Assessor and Tax Collector Public Access
- Assessor and Tax Collector Agency Access
- Online bill view/print for current year and the two prior years
- Aircraft/Boat inquiry by CF or N number for the Assessor *(One-time fee of $500 
  included in Exhibit C – Payment Schedule)*
EXHIBIT B
MEGABYTE PROPERTY TAX SYSTEM
MARIPOSA COUNTY SCOPE OF WORK

Megabyte Systems approach to the implementation of MPTS property tax system for Mariposa County will consist of the 5 milestones listed below. These 5 phases will be conducted jointly between Megabyte and County designated personnel.

- General Design Analysis / Environment Setup / Special Requirements
- Data Conversion
- System Testing Phase
- Training / Implementation
- Go Live Phase

Phase I: General Design Analysis, Environment Setup, Special Requirements

Overview
This phase of the project will focus on the hardware / 3rd party software required, identify and define interfaces required, data conversion processes needed, and hardware/security configurations.

County Responsibilities
- Hardware / software will be obtained by the County during this phase.
- Internet access at T1 or business DSL speed between County and Megabyte Systems is required for conversion and testing phases as well as for on-going support and maintenance.
- MS-OS2012 Setup / network connections are the responsibility of the County. However, Megabyte will provide any support / assistance requested by the County remotely. On-site support is available to the County at a charge.
- The County will ensure adequate participation in the work session of end user representatives which are (a) knowledgeable in the requirements and (b) have the authority to make determinations as necessary relating to requirements. The County will ensure that County decisions are made in a timely manner.
- Review user manuals provided by Megabyte Systems to begin planning for the modification of user business processes to adapt to the new system.

Megabyte Systems Responsibilities
- The database utilized will be MS-SQL2012. Megabyte will provide setup, tailoring and tuning for the SQL2012 database.
- Megabyte Systems will work with the County to determine hardware, 3rd party
software, disk space requirements. All hardware & 3 party software are County responsibility.

- Megabyte Systems will provide County with user manuals to assist County in the transition to MPTS. Interactive user guidance is also provided online, embedded in the MPTS user interface.

**Outcomes / Expectations**

- County Project Management Team will be identified and objects and targets will be established.
- Hardware/Software Configuration developed (including user naming schemes).
- Security will be planned.
- Completed data assessment / conversion processes & mapping requirements (coding scheme translations, etc.).
- County business process transition plan will be drafted by County staff following preliminary review of Megabyte System user manuals. This will serve as a guideline for the process, and can be modified as needed throughout the transition.
- Project timeline and deliverables developed.

**Phase 2: Data Conversion**

**Overview**

This phase of the project will focus on the mapping and conversion requirements of the County data to Megabyte data structure.

This conversion excludes historical data, with the exception of four (4) years of value history, ownership history (if available for conversion in current system), sales history for four (4) years, and tax roll history of one (1) year. Historical data may be converted under an hourly rate if desired by the County, as specified in Exhibit C - Compensation for Data Conversion. Factors that impact the cost of conversion are:

- Quality of the data to be converted
- Source of the data
- History required
- Knowledge of people to assist in identifying data issues

**County Responsibilities**

- The County will provide existing data and corresponding data format(s).
- The County will be responsible for extracting and providing legacy data to Megabyte.
- The County will provide only clean, complete data.
- Each conversion step will be executed in a manner that is auditable (i.e. all data will be accounted for).
- The County will provide representative samples of data to be converted for use
during the development of the database. Clean, converted County data will be available for the system testing phase.

- County will provide personnel familiar with the end-user functionality to work with Megabyte Systems during the conversion and testing phases to ensure complete accuracy of the converted data.
- It is vital that County personnel be available for data review & questions. This can be a difficult area for the County to deal with while staff are having to get their normal work done. We are, and will be cognizant of the critical event dates for various departments and work with them on the scope of information needed.

**Megabyte Systems Responsibilities**

- Megabyte will map and convert the data into MPTS data structure and provide validation reports and information to the County.
- Work with the users on getting the various codes/uses setup.
- Multiple data conversions will take place with the data being given to the County for user review.

**Outcomes / Expectations**

- Clean converted County data, provided by the County, will be loaded to the MPTS database for the system testing phase.

**Phase 3: System Testing**

**Overview**

System testing will be conducted jointly between County and Megabyte prior to the prescribed Go-Live date. This includes:

- Inquiry validation of the County’s pre-conversion data within MPTS
- Detailed balancing reports and worksheets to validate value, counts, paid/unpaid taxes and total charge.
- Formal User Acceptance of converted data.

**County Responsibilities**

- Provide responses to MPTS inquiries within 24 hours. Designate replacements for staff on leave during this critical period.
- Scrutinize data against current system of record to identify issues.
- Test standard processes in the sandbox environment.

**Megabyte Systems Responsibilities**

- Final conversion of County data
- Roll turnover
• Balancing and editing and fixes to data
• Preliminary roll rollover/turnover testing
• Complete final rollover if County desires or provide support if the County opts to run the rollover / turnover in-house

Outcomes / Expectations
Final conversion of County data will take place and be available for the 2020 601 roll. Roll turnover will also be done in preparation of the Assessor creating/turning over the new-year 601 roll to the Auditor, then to the Tax Collector. Balancing and editing and fixes will be dealt with at this time. We will perform preliminary roll rollover/turnover testing during this time frame. Once acceptable, Megabyte will offer to actually do the final rollover (Tax/Auditor) / turnover (Assessor) for the County. Dependent on your wishes, the County may perform this function. Megabyte will be available to provide support if the County opts to run the rollover/turnover in-house.

Phase 4: Training / Implementation

Overview
This is what we refer to as ‘just in time’ training. Issues need to be resolved, and the system and users made ready to deal with their roles in the new system. If attempted too early, users typically get glazed eyes and are overwhelmed if they do not have a system to look at, and use right away. These sessions can be held via GTM (go to meeting) if desired by the county, or at the Megabyte training facility in Rocklin, using a hands on approach.

County Responsibilities
• All staff in need of MPTS training will be identified and a training schedule will be developed in conjunction with MPTS.
• Ensure that required staff participate in the necessary trainings and are able to demonstrate familiarity and ability to correctly utilize and manage data in MPTS.

Megabyte Systems Responsibilities
• Provide initial classroom user training of up to three days per department for any personnel designated by the County at Megabyte's facility in Rocklin.
• Utilize web training for (GoToMeeting) training for the Tax Collector, Auditor, Assessor Personnel as well as ‘GoToAssist’ also for train the trainer classes. This enables the users to actually use the screens with an instructor monitoring the effort. On-site visits are available from Megabyte at County request. Contact Megabyte for cost if needed.
• Multiple GoToMeeting sessions will be held for County staff at various times
during the conversion process, so data can be reviewed and converted to meet your needs. MPTS will be determining, during these sessions, the features of the system that the County wishes to use.

- Make an ongoing schedule of training classes available on the website. Ongoing user training classes are available for users to attend. There is no charge for this.

**Outcomes / Expectations**

- All County staff are introduced to the system, able to explore functionality on their own, able to ask questions when needed, and participate in follow up training to reinforce skill development and ensure that MPTS is used correctly and effectively when fully implemented.
- MPTS is responsive to questions and facilitates all necessary training sessions.

**Phase 5: Go Live Phase**

**Outcomes / Expectations**

All 3 departments will be live. However, Auditor turnover is typically when the County is ready to close out the 2019 roll and start the 2020 year. Assessor data will be turned over to the Auditor along with balancing reports/controls from the Assessor to the Auditor. All rolls (current secured/unsecured supplementals, delinquencies) will be available for the Auditor / Tax Collector to begin processing. The Assessor can begin 2020 work as soon as the 601 roll is turned over to the Auditor.

The final results: production implemented system.

Maintenance and Support charges will begin 30 days after Go Live.

**Timeline**

County and Megabyte Systems representatives agree that July 1st, 2020 is an optimal system go-live date for the Mariposa County’s transition to MPTS. Phases tend to overlap one another, running concurrently throughout the MPTS system adoption process.

A working timeline will be mutually agreed upon early in the adoption process, which can be modified as circumstances require.

Megabyte Systems and Mariposa County staff agree to work together to ensure that the optimal go-live date of July 1st, 2020 is met unless circumstances require an alternative go-live date. Any go-live date adjustments require mutual agreement in writing between MPTS and Mariposa County representatives.
EXHIBIT C
MEGABYTE PROPERTY TAX SYSTEM
MARIPOSA COUNTY SCHEDULE OF PAYMENTS

A. Software License Schedule of Payments

Megabyte Systems shall be compensated for services performed in an amount not to exceed $700,500. County will pay 25% down at contract signing with the remainder becoming due on monthly payments beginning at Go-Live. Data conversion payment due at completion of data conversion phase (following go-live date). Unless otherwise stated, the County agrees to confirm acceptance of deliverables within twenty (20) business days. If a deliverable is not accepted, the County must state in writing the changes needed to the deliverable to gain acceptance. The County shall pay MPTS within thirty (30) days of approval of milestone deliverable.

<table>
<thead>
<tr>
<th>Phase / Milestone</th>
<th>Payment Amount</th>
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<tbody>
<tr>
<td>License Agreement Signing</td>
<td>$162,625</td>
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<tr>
<td>Phase 1 - General Design Analysis / Environment Setup / Special Requirements</td>
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<tr>
<td>Phase 2 - Data Conversion Completion</td>
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<tr>
<td>Phase 3 - System Testing</td>
<td></td>
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<tr>
<td>Phase 4 - Training / Implementation</td>
<td>$50,000 for Data Conversation plus $487,875 paid in monthly installments of $13,552.08 per month for three years</td>
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<tr>
<td>Phase 5 - Go Live /Post Implementation (paid in monthly installments over three years following Go Live)</td>
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As determined by the State of California, sales tax is not applicable at this time. However, if in the future, sales tax becomes required, it will be County responsibility to pay said taxes.
B. Compensation for Data Conversion

Conversion of County data, (excluding historical data, with the exception of 4 years of value history and ownership history, if available from current system, 4 years sales history, 1 year taxroll history) will be performed for a fixed cost of $50,000.00. Payment in full will be due 30 days after MPTS system go-live. Any historical data desired by the County will be converted at an hourly rate of $100.00; however, due to the unknown status of historical data, we cannot put a cap on it. We will utilize the same programs for the conversion of history as we do for the current roll data; however, if they fail, then it will have to be looked at and modifications determined.

C. Additional Items

All training classes offered by Megabyte at its Rocklin facility for unlimited County personnel at no charge to the County (does not include travel or lodging).

The first year of Web processes will be made available at no charge to the County (excludes OBPF –Web business filings). These web programs consist of Assessor Inquiry and TaxRoll Inquiry with web payments utilizing one of the Megabyte approved payment partners. If the County elects to retain these web processes beyond the one year trial period, then an annual license fee will be applied at the current published rates. The option for the first year at no charge must be exercised during the first 12 months of the County being live on MPTS.

Megabyte has a variety of web and special applications available at a standard monthly fee for all Counties. These are all optional ‘add-ons’ that may be cost beneficial to the County.

Enhancements or modifications desired by the County for those items not currently included in the base system (for example, Direct Charges from outside agencies) will be made available at a fixed price after requirements definition.