


County of San Mateo
Interdepartmental Correspondence

Date: July 10, 2001
Hearing Date: July 24, 2001

TO: Honorable Board of Supervisors
FROM: Warren Slocum, Assessor-County Clerk-Recorder
SUBJECT: Agreement with Deloitte & Touche, LLP



RECOMMENDATION

Adopt a Resolution waiving the Request For Proposal process and authorizing the execution of an agreement with Deloitte & Touche, LLP for a pilot *e.recording* project in an amount not to exceed \$690,000 for the period of July 24, 2001 through December 31, 2001.

Background

Many county governments have undertaken *e. government* projects aimed at enhancing the delivery of public services. This *e. government* pilot project seeks to improve service delivery through the development and installation of software that would allow for the electronic recording of reconveyances and tax liens from project participants (four title companies, the Franchise Tax Board and the County Tax Collector). Because of Deloitte & Touche's significant *e.recording* experience we recommend that they serve as project manager for the pilot. Upon completion of the *e.recording* pilot project, the Recorder's office will be able to electronically receive, validate and record reconveyances and tax liens from any of the organizations listed above. At the project's conclusion, the Department in conjunction with the *e.recording* task force will analyze the results and submit a report with recommendations to the Board of Supervisors.

Discussion

Under the electronic recording pilot project a participant will have the capacity to create an electronic reconveyance and/or tax lien. Signors would visit an "online signing room" to execute the document. The document would be forwarded electronically to the Recorder's Office where it would be reviewed and, if complete and properly executed, recorded. Recording confirmation would be electronically sent to the appropriate parties.

We envision that an *e.recording* task force will be created with a member from the Offices of the District Attorney, County Counsel, County Manager, Information Services, Board of Supervisors, an industry representative, the chair of the Recorders' Association Technology

Committee and a member from the Secretary of State's Notary Division. This working group will serve as the project executive steering committee and will build in all necessary measures to provide optimum acceptable system security, compatibility, integration, and integrity.

The Information Services Department will be an integral member of the project. ISD staff will contribute on multiple levels to ensure that knowledge transfer takes place to county staff for future phases and possible applications to other functional areas of county government. Of special interest to all participants is security. Through the internal controls that have been developed we believe that opportunities for fraud are mitigated. These internal controls will range from the beginning user name and password through the audit trail of all electronic documents to the final control of comparing documents submitted and indexed to the original submittals.

The project will require various software systems to be integrated and several *e.recording* processes to be re-engineered. We believe a waiver of the Request for Proposal process would be in the best interest of the County because Deloitte & Touche is well qualified to undertake this project and is quite familiar with the County, having completed a number of projects for the County in the past eleven years. Deloitte & Touche recently assisted the California Recorders' Association to develop standards for electronic recording of real property documents. They are facilitating the initiative to create open standards for County Recorder offices at a national level and they also have alliances with two of the project subcontractors (InGeo Systems, Inc. and iLumin Corporation). In short, Deloitte & Touche understands the security requirements necessary, internal controls necessary and the *e.recording* processes sufficiently that not only will they be less expensive than other potential vendors but they are uniquely positioned with real experience to manage this project.

The County Manager has approved the modification to the non-discrimination provisions, limiting the reporting provisions to the specified entities with California. This agreement has been reviewed and approved by County Counsel.

Fiscal Impact

The total contract amount will not exceed \$690,000. There will be no impact on the County's General Fund. Funding will come from the Recorder's Modernization Trust Fund.

BOARD OF SUPERVISORS, SAN MATEO COUNTY, STATE OF CALIFORNIA

RESOLUTION NO. _____

**RESOLUTION TO WAIVE THE REQUEST FOR PROPOSAL PROCESS AND
TO AUTHORIZE THE EXECUTION OF AN AGREEMENT WITH
DELOITTE & TOUCHE, LLP FOR CONSULTING SERVICE
IN AN AMOUNT NOT TO EXCEED \$690,000**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, there has been presented to the Board of Supervisors for its consideration and approval the form of an agreement whereby Deloitte & Touche, LLP, will provide consulting services and software for the Assessor-County Clerk-Recorder for an amount not to exceed \$690,000; and

WHEREAS, there has been presented to the Board of Supervisors for its consideration and approval a request for waiver of the request for proposal process for said consulting services; and

WHEREAS, the Board has determined that the best interests of the County would be served without the necessity of the request for proposal process, and

WHEREAS, the Board has examined and approved the agreement as to both form and content and desires to approve them;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that (1) the request for proposal process is waived; (2) the President of the Board of Supervisors is hereby authorized and directed to execute the agreement for and on behalf of the County of San Mateo; and (3) the Clerk of this Board shall attest the signature thereto.

AGREEMENT FOR CONSULTING SERVICES

DELOITTE & TOUCHE, LLP (hereinafter "contractor") whose principal place of business is located at 2868 Prospect Park Drive, Suite 400, Rancho Cordova, California 95670, and **COUNTY OF SAN MATEO** (hereinafter "County"), a political subdivision of the State of California, located at 400 County Center, Redwood City, California 94063, do hereby agree as follows:

1. **Services to be Performed by Contractor** In consideration of the payments hereinafter set forth, Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit A and Exhibit B attached hereto for County's Department of the Assessor-County Clerk-Recorder (hereinafter "Client"). Contractor shall ensure compliance with all state, federal, and local laws or rules applicable to performance of the work required under this contract.
2. **Contract Term** This agreement shall commence within a reasonable time, not to exceed thirty days, following County's transmittal to Contractor of the duly executed agreement. This agreement shall terminate upon completion of Contractor's performance hereunder, currently estimated to require approximately six months, unless terminated earlier by County in accordance with Paragraph 15 herein.
3. **Payments** In consideration of the services rendered in accordance with all terms, conditions, and specifications set forth herein and in Exhibit A, County shall make payment to Contractor in the manner specified herein and in Exhibit A. County shall pay Contractor progressively as work is completed and biweekly invoices are received. In the event that County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by County at the time of contract termination. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall total payments for services under this agreement exceed \$690,000.
4. **Relationship of the Parties** Contractor agrees and understands that the work/services performed under this agreement are performed as an independent contractor and not as an employee of County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.
5. **Insurance** Contractor shall not commence work under this agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of the Department of the Assessor-County Clerk-Recorder. Contractor will furnish the Director of the Department of the Assessor-County Clerk-Recorder with certificates of insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this agreement. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the Director of the Department of the Assessor-County Clerk-Recorder of any pending change in the limits of liability or of any cancellation or modification of the policy.

6. **Workers' Compensation and Employer Liability Insurance** Contractor shall have in effect, during the entire life of this agreement, worker's compensation, employer liability insurance providing full statutory coverage. In signing this agreement, Contractor makes the following certification, required by section 1861 of the California Labor Code:

"I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this agreement."

Liability Insurance Contractor shall take out and maintain during the life of this agreement such bodily injury liability and property damage liability insurance as shall protect Contractor while performing work covered by this agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all operations under this agreement, whether such operations be by Contractor or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single-limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- | | |
|-------------------------------------|--------------|
| (a) comprehensive general liability | \$ 1,000,000 |
| (b) motor vehicle liability | \$ 1,000,000 |

After three (3) years from the date this agreement is first executed, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar county agreements, by giving sixty (60) days notice to Contractor. County and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or cancelled, County at its option may, notwithstanding any other provision of this agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.

7. **Indemnification** Contractor shall indemnify, hold harmless and defend the County from all claims, suits or actions of every name, kind and description, including but not limited to reasonable attorney's fees and other costs of defense, to the extent directly and proximately caused by the negligence or willful misconduct of Deloitte & Touche while engaged in the performance of services under this agreement. The foregoing indemnity obligations are conditioned on the County providing Contractor with prompt notice for which indemnification shall be sought and cooperating in all reasonable respects with Contractor in connection with any such claim.

8. **Limitation on Damages** County agrees that Contractor and its personnel shall not be liable to the County for any claims, liabilities or expenses relating to this engagement for an aggregate amount in excess of the fees paid by the County to Contractor pursuant to this agreement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of Contractor. In no event shall Contractor or its personnel be liable for consequential, special, indirect, incidental, punitive or exemplary loss, damage or expense relating to this engagement. In furtherance, and not in limitation of the foregoing, Contractor will not be liable in respect of any decisions made by the County as a result of the performance by Contractor of its services hereunder, nor shall Contractor be liable for any services or products provided by third-party vendors, developers, or consultants, whether or not identified or referred to the County by Contractor. The foregoing provisions shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

The limitations shall not apply to damages as a result of bodily injury, death or damage to real or tangible property to the extent directly and proximately caused by the negligence or willful misconduct of Contractor while engaged in the performance of services under this engagement.

9. **Non-Discrimination** Contractor shall comply with the non-discrimination requirements described below:

A. Section 504 of the Rehabilitation Act of 1973.

- 1) Pursuant to Section 504 (Public Law 93-112), the Contractor agrees that no otherwise qualified disabled individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this contract.
- 2) Compliance of Section 504 of the Rehabilitation Act of 1973, as amended, requires that all benefits, aids and services are made available to disabled persons on an equivalent basis with those received by non-disabled persons.

B. Non-Discrimination – General. No person shall, on the grounds of age (over 40), ancestry, creed, color, disability, marital status, medical conditions, national origin, political or religious affiliation, race, sex, sexual orientation or any non-job-related criteria be excluded from participation in, be denied the benefits, or be subjected to discrimination under this Agreement.

C. Non-Discrimination – Employment. Contractor shall ensure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this Agreement. Contractor's affirmative action policies shall be made available to County upon request.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

10. **Violation of the Non-Discrimination Provisions**

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to

- A. Termination of this Agreement
- B. Disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
- C. Liquidation damages of \$2,500 per violation;
- D. Imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager

To effectuate the provisions of this paragraph, the County Manager shall have the authority to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

If the contractor is found to be in violation, the Contractor shall report to the County Manager the filing within California by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complaint, a copy of such complaint and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

11. **Confidential Information** All financial, statistical, personal, technical, and other data and information relating to the County's operations which is made available to Contractor in order to engage in the performance of services under this engagement shall be presumed to be confidential. Contractor shall protect said data and information from unauthorized use and disclosure. Contractor shall not, however, be required by this paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in Contractor's possession, is independently developed by Contractor outside the scope of this engagement, or is rightfully obtained from third parties or is required to be disclosed by judicial or administrative order, by subpoena or other legal requirement.

12. **Ownership**

- a) **Deloitte & Touche LLP Technology**. Contractor has created, acquired or otherwise has rights in, and may in connection with the performance of services hereunder, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques, but not Confidential Information as described in paragraph 11, (including, without limitation, models; templates; the generalized features of the structure, sequence, organization of software; user interfaces and screen designs; general purpose consulting and software tools, utilities and routines; and logic, coherence and methods of operation of systems) (Collectively, the "Deloitte & Touche LLP Technology").

- b) **Ownership of Deliverables.** Except as provided below, upon full and final payment to Contractor hereunder, the tangible items specified as deliverables or work product in the proposal, engagement letter or contract to which these terms are attached (the "Deliverables") will become the property of the County. To the extent that any Deloitte & Touche LLP Technology is contained in any of the Deliverables, Contractor hereby grants to the County, upon full and final payment to Contractor hereunder, a royalty-free, fully paid-up, worldwide, non-exclusive license to use Deloitte & Touche LLP Technology.
- c) **Ownership of Deloitte & Touche LLP Property.** To the extent that Contractor utilizes any of its property (including, without limitation, the Deloitte & Touche LLP Technology or any hardware or software of Contractor) in connection with the performance of services hereunder, such property shall remain the property of Contractor and, the County shall acquire no right or interest in such property. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (a) Contractor will own all right, title and interest, including, without limitation, all rights under all copyright, patent and other intellectual property laws, in and to the Deloitte & Touche LLP Technology and (b) Contractor may employ, modify, disclose, and otherwise exploit the Deloitte & Touche LLP Technology (including, without limitation, providing services or creating programming or materials for other clients). Contractor does not agree to any terms that may be construed as precluding or limiting in any way its right to (a) provide consulting or other services of any kind or nature whatsoever to any person or entity as Contractor in its sole discretion deems appropriate or (b) develop for itself, or for others, materials that are competitive with those produced as a result of the services provided hereunder, irrespective of their similarity to the Deliverables, subject to the limitations regarding Confidential Information set forth in paragraph 9.
13. **Governing Law and Severability** These terms, including the terms in Exhibits A and B, shall be governed by, and construed in accordance with, the laws of the State of California (without giving effect to the choice of law principles thereof) with venue in the County of San Mateo Superior Court. If any provision of these terms is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.
14. **Non-Assignability** Contractor shall not assign this agreement or any portion thereof to a third party without the prior written consent of County, and any attempted assignment without such prior written consent in violation of this section shall automatically terminate this agreement.
15. **Termination of Agreement** County may, at any time from execution of agreement, terminate this agreement, in whole or in part, for the convenience of County, by giving written notice specifying the effective date and scope of such termination. Termination shall be effective on a date not less than thirty days from notice. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereinafter "materials") prepared by Contractor under this agreement shall become the property of County and shall be promptly delivered to County. In the event of termination,

Contractor shall be paid for all work satisfactorily performed until termination, except where the contracting department determines the quality or quantity of work performed in unacceptable. Such payment shall be that portion of the full payment that is determined by comparing the work/services completed to the work/services required by the agreement.

16. **Retention of Records** Contractor shall maintain all records related to this agreement for no less than three years after County makes final payment or after termination of this agreement and all other pending matters are closed. All records shall be subject to the examination and/or audit by agents of County, the state of California, and/or federal grantor agencies.
17. **Merger Clause** This agreement, including Exhibit A attached hereto and incorporated herein by this reference, constitutes the sole agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by County. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in Exhibit A attached hereto, the terms, conditions, or specifications set forth herein shall prevail. This agreement, or facsimile proposal of the agreement constitutes the entire agreement between County and Contractor. Further, liability referenced to in Paragraph 6 is limited to Contractor's negligence during Contractor's performance under this agreement.

THIS CONTRACT SHALL NOT BE EFFECTIVE UNTIL EXECUTED

BY AUTHORIZED REPRESENTATIVES OF BOTH PARTIES

DELOITTE & TOUCHE LLP

COUNTY OF SAN MATEO

Kevin W. Anderson

Authorized Signature

Authorized Signature

Kevin W. Anderson, Director

Name and Title

Name and Title

Date

July 10, 01

Date

Attachments:

Exhibit A – Scope of Work

Exhibit B – Roles and Responsibilities



June 27, 2001

Mr. Warren Slocum
Chief Elections Officer
Assessor-County Clerk-Recorder
555 Government Center
Redwood City, CA 94063

Re: Electronic Document Recording PILOT Project

Dear Mr. Slocum:

We are pleased to have this opportunity to assist you with proving the concept of electronic document recording in San Mateo County. Upon the completion of a successful PILOT project, San Mateo County will have the opportunity to be in the forefront of electronic recording in both California and the United States.

UNDERSTANDING

The San Mateo County Assessor, Clerk, Recorder and Elections Department (the "Department") is currently reviewing its document strategy and preparing for the advent of electronic document receipt, handling, recording and return. As part of that project, we will help the Department define the level of "e"-ness that can be expected long-term. Many of the documents that are received in the Recorder's Office are candidates for Level 3 – a fully intelligent electronic document submitted with XHTML and a PKI digital signature.

The California Association of Recorders authorized the technology committee to develop standards for electronic recording. Version 1.0 of these standards were completed in February, 2001 and presented at the National Association of Recorders, Assessors and Clerks meeting in March. At that meeting, there was an agreement that a Version 2.0 standard would be developed that could be applied nationally. This project is being undertaken as a proof of the standards and the results will be shared with the California Recorders as a demonstration of the concept.

This project will bring together five entities to assist the Recorder:

- Deloitte & Touche, the prime contractor, as integrator and project manager
- InGeo, for its electronic recording software
- ILumin, for its Digital Handshake software
- ECS/Tyler Technologies, the County's current recording software vendor
- San Mateo County Information Systems Department, for integration with other County applications

Deloitte & Touche – With more than 400 e-Business engagements, 2,400 e-Business consultants and their recognized industry experience, Deloitte & Touche helps clients create and reinvent their business, economic models, and processes by guiding them through the complexity of the digital / e-business economy. From dot.com start-ups to established global firms, from small community foundations to the largest governmental agencies, Deloitte &

Touche helps design, assemble, implement, and manage solutions that allow government and business leaders to transform their workforce, infrastructure and economic imperatives into a productive reality. Deloitte & Touche's deep industry experience and collaborative style gives us an unmatched ability to facilitate the delivery of best-of-breed e-Business solutions in the shortest amount of time. This has been accomplished by melding the Firm's business and technology knowledge with the creative talent of leading government entities and Internet firms.

Deloitte & Touche has been the facilitator for the Electronic Recording Standards, version 1.0. We are also facilitating the initiative to create open standards for the real estate industry to streamline the on-line home buying and selling process as part of the Alliance for Advanced Real Estate Transaction Technology. We also have alliance agreements with both InGeo and Illumin and understand these companies and their software and are therefore in a unique position to help manage this integration project.

In addition to our work in the "e" arena, we are quite familiar with San Mateo County and have undertaken a number of projects for the County over the last eleven years. As noted above, we are currently working with the Department to develop a document strategy for all operations within the Department.

InGeo Systems, Inc., a subcontractor to Deloitte & Touche during this engagement, is a Logan, Utah based firm that is nationally recognized as an innovative leader in providing e-Commerce solutions for Business-to-Government partnerships. InGeo Systems has redefined the way County governments conduct their day-to-day business by providing them with automated, technological solutions using web-enabled products and integrated software. In the world of e-Recording, InGeo Systems is a leader in setting standards and integrating with current industry practices. Their e-Recording solution incorporates Internet-based applications, digital signatures, Extensible Markup Language (XML), and Electronic Recording Markup Language (ERML).

iLumin Corporation is a subcontractor to Deloitte & Touche during this engagement. Founded in 1996, iLumin is an Orem, Utah based company that provides the industry's leading e-Business infrastructure for scalable, automated and enforceable online transactions in day-to-day business affairs. iLumin is the first company to offer secure, end-to-end, enforceable, non-repudiable, online transactions using digital signatures, XML and Web-enabled capabilities. iLumin software makes it possible for businesses and government agencies to perform enforceable transactions over the Internet: loan applications, business contracts, non-disclosure agreements, court filings and more. iLumin's Digital Handshake technology provides federal, state and local governments with the ability to take their transaction processes completely online.

ECS/Tyler Technologies is a subcontractor to Deloitte & Touche during this engagement. ECS is an Eagle, Colorado based company that is one of the major vendors of recording software in the California market, including the County of San Mateo. ECS/Tyler was a participant in the development of the Electronic Recording Standards, version 1.0 and has worked with InGeo to offer e-recording.

Project Description, Scope and Approach

Project Description

The project is to provide the County Recorder's office with a new electronic signature and recordation system to receive, validate, digitally sign, record, and archive electronic documents from any external participating source, e.g., title companies. This involves the integration of iLumin's Digital Handshake Server (DHS) and InGeo's e-Recorder technologies (Integrated Solution) with the existing Eagle CRIS+ system to provide online document preparation, execution and recordations at the County of San Mateo. At the end of this pilot project, the County will have the software and knowledge to continue this program.

Scope

The scope of this work will be limited to recording two types of electronic documents: Reconveyance and Tax Liens.

Approach

Following is a brief overview of the integrated technical approach being discussed with the County of San Mateo:

- A participating user, such as Old Republic Title Company for this project, "logs" into the co-branded InGeo/iLumin user interface (UI) website.
- After authentication, a confirmed user prepares the electronic documents in the website, either singly or in groups, using a preformed document (XML templates).
- A secure connection is established to the DHS Online Signing Room (OSR), where the document is signed and submitted.
- By using a JDBC compliant connection to e-Recorder, DHS writes a record to the eRecorder inbox thereby sending notification that a document is ready to be signed by the County Recorder.
- e-Recorder examines the document before signing and validates the digital signatures using DHS.
- e-Recorder checks the document to make sure that the county recorder's standards are met and identifies the type and version of document submitted.
- e-Recorder calculates and facilitates the collection of the County recordation fee using EFT, ACH, debit/credit cards, or a drawdown account – whichever is preferred by the County.
- e-Recorder assigns a unique entry number generated by the County's existing recording system, ECS's CHRIS+, to identify the document, and passes information (i.e., entry number, date signed, filing fee, etc.) back to DHS's Online Signing Room pertaining to the document.

- The County Recorder's digital signature and password are submitted to DHS so the document can be signed in the OSR.
- e-Recorder informs DHS of the transaction results and sends an email to the user along with a recordation receipt.
- To complete the process, data is extracted from the signed XML document for indexing and an image is generated. Finally, the imaged document is archived to the County's database.
- e-Recorder interfaces with CRIS+ throughout the process to enable the County to include electronic documents within the same system as currently used.

The scope of this engagement does not include the installation or implementation of future systems or development of new operating procedures or policies.

PARTICIPANTS

The initial pilot will be a limited production pilot to prove the concept. The pilot will deal with two types of transactions, reconveyances and tax liens. A number of private sector participants have agreed to be included in the reconveyance pilot including Old Republic Title, Alliance Title, and Bridgespan Title. For the tax liens, the County Tax Collector and the State Franchise Tax Board have agreed to participate.

APPROACH AND WORKPLAN

Your goal in this project is to prove that recording of electronic documents is feasible. We will help you do this by focusing on the two types of documents noted above, reconveyances and tax liens, and helping you integrate the software to receive and process these documents. The pilot will be a limited production of an expected 500 to 1,000 documents. Upon successful completion of this limited production pilot, it is expected that the pilot will then become the production system and that additional documents will be added to the production system over time.

Task 1. Pilot Introduction

During this task we will work with you to establish the communication strategy, steering committee meetings, timeline, etc. for the project. We will work with you to prepare a detailed work plan to guide the project efforts and will designate certain deliverables as representing performance and completion criteria. These items to be reviewed with the steering committee before beginning the project.

Deliverables:

- Detailed Work Plan and Timeline
- Steering Committee Presentations throughout the project

Task 2. Needs Assessment

Based upon the discussions in Task 1, we will help you define the requirements for the integration of the three software systems to enable e-recording. We will also help you define the documents that will be included within the pilot and transform these into electronic

formats. We will work with you and the private sector participants to understand their requirements and their measures of success.

We will also work with you and the County Tax Collector and the Franchise Tax Board to understand any specific needs and/or limitations of existing systems.

We will also help you define any County network requirements and third party software requirements for both the pilot limited production and for long-term full production. We will work closely with the County to define network security requirements such as Secure Socket Layer (SSL) that will be part of the internal controls surrounding the e-recording system.

We will assist the County in planning and documenting a system of internal controls that will consist of both automated and manual elements to help mitigate risk of fraud and errors in the e-recording process. This plan will be developed under the guidance of a County-led local task force. The task force will include members from the Offices of the District Attorney, County Counsel, ISD, and others.

We will also help you gather appropriate metrics to define the benefits of electronic recording to the County and the other participants.

Deliverables:

- High level functional requirements
- Internal Controls and Security Plan
- County network and third party software requirements
- Benefit analysis

Task 3. Solution Configuration & Development

Once the functional requirements have been documented, we will help you begin to configure the system and develop the interfaces between the systems. At a minimum there will be connections between InGeo - iLumin and InGeo - ECS/Tyler. There may also be requirements to develop some translation programs for the files submitted by the County Tax Collector and the Franchise Tax Board to conform with the Electronic Recording Standards.

We will also assist the County in implementing the system of manual and automated internal controls developed during the previous task to help mitigate risk of fraud and error. The results of the implementation will be reviewed by the local task force.

Deliverables:

- Integrated software systems
- Translation programs for tax lien processing
- System of internal controls and security

Task 4. Hardware and Software Deployment

This task will deploy any necessary hardware and software on either the County site or on the website. It is assumed that the County's network infrastructure will be used without modification, however this assumption will be confirmed during the initial requirements definition task (Task 2).

Deliverables:

- Hardware Deployment

- Software Deployment

Task 5. Final Testing

This task will test the system developed above. The testing will be done initially by the consulting team with assistance by the County. The testing will include all interfaces and the overall system.

Deliverables:

- Test Plan
- Test Results

Task 6. Training

During this task, we will help you train all participants in the pilot. This training will take two forms – for participants (title companies, tax agencies) and for the Department's recording staff to understand the alternative process under electronic document recording. We will work to provide appropriate knowledge transfer to the County.

Deliverables:

- Training Plan
- User Training Materials
- User Training

Task 7. Live Recordings

During this task recording requests will be accepted from all pilot participants. You should expect that the limited production pilot will process between 500 and 1,000 documents, split between the two types. We will jointly determine the number and timeframe for the limited production period.

Deliverables:

- Electronic Documents to Record
- Recorded Documents

Task 8. Next Steps

This task will define the steps needed for full-scale implementation. This will include a plan to add additional documents that will be handled electronically. The actual documents to be added, will be determined jointly during this task.

Part of this task will also include developing the high-level marketing strategy to the private sector to encourage acceptance and usage.

During this task we will help you finalize the value proposition for the participants and determine the on-going transaction costs to the private sector entities during full production.

Finally, we will assist the County and the local task force in preparing a report to the Board of Supervisors summarizing the results of the pilot.

Deliverables:

- Next Steps

- Marketing Strategy
- Transaction Costs
- Value Proposition
- Report to Board

STAFFING AND FEES

Mr. Kevin Anderson, our national director of e-government, and Mr. Bruce Smith, a senior manager working with the California Recordors' Association on e-recording standards, will be our lead representatives on this project. Mr. Paul Meinardus, a senior manager who has worked with both InGeo and iLumin, will manage the technical aspects of the project. We will also utilize additional staff members as required throughout the project.

We expect this project to take approximately six months (July through December) for the initial limited production pilot. All providers (Deloitte & Touche, InGeo, Ilumin and ECS/Tyler) have committed and reserved staff to this project based on a July 24, 2001 start date. We estimate our fees (including expenses) for the limited production pilot (Tasks 1-8) will be \$690,000 as follows:

Cost Component	Participants	Fee
Prime Contractor Integration Services and Project Management, Training	Deloitte & Touche	\$350,000
Software Development & Training	InGeo iLumin ECS/Tyler	\$250,000 \$ 50,000 \$ 40,000
Total		\$690,000

In our subcontracts with iLumin and InGeo, we will include provisions that their respective software products used in this project will be placed in escrow and will be made available to the County in the event that either software vendor goes out of business. In any event, Deloitte and Touche will not be responsible for the ongoing support and maintenance of the software.

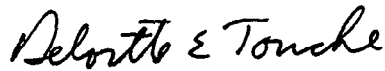
Once full production is achieved, the ongoing costs will be approximately \$90,000 per year for software upgrades, support and maintenance. (InGeo will be \$30,000 to \$40,000 annually and iLumin will be \$30,000 to \$50,000 annually.) This includes any associated license fees with InGeo and iLumin, but does not include the existing ECS license. These amounts will be negotiated separately between the County and the respective vendors at the conclusion of the pilot project.

Attached as Exhibit B is a draft of the Roles and Responsibilities of all participants throughout the project. This includes the County Recorder's Office who will be responsible for final decision-making around business processes and will provide input throughout the project. We do not envision a significant overall time commitment on County staff and assume that Theresa Rabe will continue as project manager and the existing Steering

Committee will continue to provide guidance and make decisions. We also envision some concentrated time with your technical staff to ensure that they understand the new system environment.

We look forward to beginning this project with you. If you have any questions, please call either Kevin Anderson at (916) 288-3121 or Bruce Smith at (916) 288-3180.

Sincerely,

A handwritten signature in cursive script that reads "Deloitte & Touche".

Deloitte and Touche

By:

A handwritten signature in cursive script that reads "Kevin Anderson".

Kevin Anderson, Director

San Mateo County Recording Pilot Participant Roles & Responsibilities Version 3 - Revised 6/26							
Task	Description / Deliverables	Deloitte Team	County	Tax Collector	FTB	Title Cos.	County ISD
1.0	Pilot Introduction						
1.1	Workplan and Timetable	Develop	Comment, Review & Approve	Comment, Review & Approve	Comment, Review & Approve	Comment, Review & Approve	Comment, Review & Approve
1.2	Steering Committee Presentations	Develop & Deliver	Participate	Attend	Attend	Attend	Attend
1.3	Finalize Participant Commitments						
1.3.1	Title Companies	Lead	Assist				
1.3.2	FTB	Lead	Assist				
1.3.3	Tax Collectr	Lead	Assist				
1.4	Implementation Planning Letter	Develop	Comment, Review & Approve	Comment, Review & Approve	Comment, Review & Approve	Comment, Review & Approve	
2.0	Needs Assessment						
2.1	High Level Functional Requirements						
2.1.1	Template Development	Develop					
2.1.2	InGeo - iLumin	Review					
2.1.3	InGeo - ECS	Review					
2.1.4	FTB	Develop			Provide Input, Review & Approve		
2.1.5	Tax Collector	Develop		Provide Input, Review & Approve			
2.1.6	Title Companies	Develop				Provide Input, Review & Approve	
2.2	County Network Requirements	Develop	Participate & Approve				Participate & Approve
2.3	Value Proposition Metrics	Develop	Assist & Approve	Participate & Review	Participate & Review	Participate & Review	
2.4	Develop Hardware Specifications						
2.4.1	ASP	Lead	Review				Participate
2.4.2	Production (at SMC)	Lead	Review & Approve				Participate & Approve
2.5	Third Party Software Specs	Lead	Review				Participate & Approve
2.6	Payment Processing	Lead	Assist & Approve	Participate	Participate	Participate	
2.7	Internal Controls Plan	Lead	Assist & Approve	Participate	Participate	Participate	Participate & Approve
3.0	Solution Configuration & Development						
3.1	Software Integration						
3.1.1	InGeo - iLumin Integrated Working System	Develop, Monitor & Test					
3.1.2	InGeo - ECS Integrated Working System	Develop, Monitor & Test					
3.2	Translation-Programs Development - Flat File to XML						
3.2.1	FTB	Manage, Develop & Test			Develop & Test		

San Mateo County Recording Pilot Participant Roles & Responsibilities Version 3 - Revised 6/26							
Task	Description / Deliverables	Deloitte Team	County	Tax Collector	FTB	Title Cos.	County ISD
3.2.2	Tax Collector	Manage, Develop & Test		Develop & Test			
3.3	Return Acceptance						
3.3.1	FTB - input into system	Monitor & Participate in Testing			Develop		
3.3.2	Tax Collector - input into system	Monitor & Participate in Testing		Develop			
3.4	Title Company Preparation						
3.4.1	Submission to County	Monitor & Participate in Testing				Develop & Test	
3.4.2	Return Acceptance	Monitor & Participate in Testing				Develop & Test	
3.5	Setup XHTML Documents						
3.5.1	Reconveyance	Develop	Review & Approve			Review	
3.5.2	Tax Lien	Develop	Review & Approve	Review & Approve	Review & Approve		
3.6	System of Internal Controls	Implement	Assist & Approve	Assist	Assist	Assist	Assist
3.7	Network Security	Assist	Assist				Lead
4.0	Hardware & Software Deployment						
4.1	ASP (InGeo)						
4.1.1	Order Hardware	Develop	Approve				Review
4.1.2	Install Hardware	Manage					Assist
4.1.3	Install Software						
4.1.3.1	InGeo	Manage, Lead & Test					Assist
4.1.3.2	iLumin	Manage, Lead & Test					Assist
4.1.3.3	ECS (in SMC)	Manage, Lead & Test					Assist
4.1.3.4	Tax Collector Translation (at Tax Collector)	Manage		Lead & Test			Assist
4.1.3.5	FTB (at FTB)	Manage			Lead & Test		
4.1.3.6	Title Companies (at Company)	Manage				Lead & Test	
4.1.4	Security / Communication to ASP	Manage, Lead & Test	Review				Assist
4.2.4	Security / Communication	Manage	Review & Approve				Lead
5.0	Final Testing						
5.1	Develop Test Plan	Develop	Assist & Approve	Provide Definitions	Provide Definitions	Provide Definitions	Assist
5.2	Conduct Testing	Lead	Participate	Participate	Participate	Participate	
5.3	Review Results	Determine Action Steps	Review & Approve	Modify as Required	Modify as Required	Modify as Required	
5.4	Sign - Off to Go Live	Recommend	Approve	Recommend	Recommend	Recommend	Recommend
6.0	Training						

San Mateo County Recording Pilot Participant Roles & Responsibilities Version 3 - Revised 6/26							
Task	Description / Deliverables	Deloitte Team	County	Tax Collector	FTB	Title Cos.	County ISD
6.1	Training Plan	Develop	Provide Input & Approve	Provide Input	Provide Input	Provide Input	
6.2	User Training Materials	Manage & Develop	Review & Approve				
6.3	Conduct Training						
6.3.1	Recorder's Office	Manage & Conduct	Participate				Participate
6.3.2	Tax Collector	Manage & Conduct		Participate			Participate
6.3.3	FTB	Manage & Conduct			Participate		
6.3.4	Title Cos	Manage & Conduct				Participate	
7.0	Live Recordings - ASP hosted Limited						
7.1	Initiate Recordings	Review		Initiate	Initiate	Initiate	
7.2	Process	Review	Lead				
7.3	Monitor & Review	Manage & Evaluate	Evaluate & Approve	Evaluate	Evaluate	Evaluate	
8.0	Next Steps						
8.1	Marketing Plan	Develop	Assist, Review & Approve				
8.2	Determine On-Going Transaction Costs	Develop	Assist, Review & Approve				
8.3	Develop Value Proposition	Develop	Assist, Review & Approve				
8.4	Report to Board on Pilot	Assist	Develop	Review	Review	Review	Assist
8.5	Finalize License Agreements, Support & Maintenance	Manage & Develop	Review & Approve				

SAN MATEO COUNTY
MEMORANDUM

DATE: 7-10-01
TO: Priscilla Harris Morse
FROM: Kate Bach (Name) FAX 1903 PONY _____
SUBJECT: Contract Insurance Approval

The following is to be completed by the department before submission to Risk Management:

CONTRACTOR NAME: Deloitte & Touche, LLP

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES?:

yes

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY:

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive	Modify
Comprehensive General Liability	<u>\$1m</u>	<u>✓</u>	_____	_____
Motor Vehicle Liability	<u>\$1m</u>	<u>✓</u>	_____	_____
Professional Liability	_____	_____	<u>✓</u>	_____
Workers' Compensation	<u>Statutory</u>	<u>✓</u>	_____	_____

REMARKS/COMMENTS:

Priscilla Morse 7-11-01
Risk Management Signature Date

PONY EPS-163

SUBMIT TO RISK MANAGEMENT
-OR-

FAX 363-4864

MARSH USA INC

CERTIFICATE OF INSURANCE

CERTIFICATE

PRODUCER
Marsh USA Inc.
4 Stamford Plaza
107 Elm Street
Stamford, CT 06902
Attn: (203) 964-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

530003-CAS

COMPANIES AFFORDING COVERAGE

INSURED
Deloitte & Touche USA LLP
10 Westport Road
P.O. Box 820
Wilton, CT 06897-0820

- COMPANY
A TRANSPORTATION INSURANCE CO
- COMPANY
B CONTINENTAL CASUALTY CO
- COMPANY
C TRANSCONTINENTAL INS CO
- COMPANY
D

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	GL 189158152	06/01/01	06/01/02	GENERAL AGGREGATE \$ 3
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input type="checkbox"/> Liquor Liability				PRODUCTS - COMP/OP AGG \$ 7 PERSONAL & ADV INJURY \$ 1 EACH OCCURRENCE \$ 1 FIRE DAMAGE (Any one fire) \$ 1 MED EXP (Any one person) \$ 1
B	AUTOMOBILE LIABILITY	BUA 189158183 (AVS)	06/01/01	06/01/02	COMBINED SINGLE LIMIT \$ 1
	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> AUTO PHYSICAL DAMAGE \$500 Deductible Comp/Coll	BUA 189158202 (TX)	06/01/01	06/01/02	BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	GARAGE LIABILITY				EACH OCCURRENCE \$ AGGREGATE \$
	EXCESS LIABILITY				UMBRELLA FORM OTHER THAN UMBRELLA FORM
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC2047870700	06/01/01	06/01/02	<input checked="" type="checkbox"/> WC STATUTORY LIMITS EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ 1 EL DISEASE-EACH EMPLOYEE \$ 1
	THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input checked="" type="checkbox"/> EXCL OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)

CERTIFICATE HOLDER
County of San Mateo
Attn: Theresa Rabe
555 County Center, 4th Floor
Redwood City, CA 94063

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL NOT RELIEVE THE LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES.

MARSH USA INC.
BY: 

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: Deloitte & Touche
 Contact Person: Kevin Anderson
 Address: Suite 400
2868 Prospect Park Drive, Rancho Cordova, CA
 Phone Number: 916 288 3121 Fax Number: 916 288 3117 ⁹⁵⁶

11 Employees

Does the Contractor have any employees? Yes ___ No

Does the Contractor provide benefits to spouses of employees? Yes ___ No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on ___ (date) and expires on ___ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 11 day of July, 2001 at Sacramento, CA
(City) (State)

Kevin Anderson
Signature
Director
Title

Kevin Anderson
Name (Please Print)
06-1454515
Contractor Tax Identification Number