



## Monterey County Board of Supervisors

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

#### Agreement No.: A-13259

Upon motion of Supervisor Potter, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Approved and authorized the Assessor to enter into an Annual Maintenance Support Agreement with Megabyte Systems Inc. as of July 1, 2016 through June 30, 2017; not to exceed \$335,131.29;
- b. Accepted non-standard County liability, indemnification, insurance, payment, and other contractual provisions as recommended by the Assessor; and
- c. Authorized the Contracts/Purchasing Officer to sign up to three future annual renewals or other amendments to the Agreement under the same or similar terms where the total amount of the amendments does not exceed 10% of the original contract amount (\$33,513.12) and the amendments do not significantly change the scope of work.

PASSED AND ADOPTED on this 19<sup>th</sup> day of July 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter

NOES: None

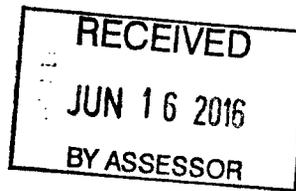
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on July 19, 2016.

Dated: August 2, 2016  
File ID: 16-864

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By Dennis Hancock  
Deputy



**AGREEMENT  
MEGABYTE PROPERTY TAX SYSTEM (MPTS)  
MAINTENANCE**

1 THIS SUPPORT AGREEMENT, is for the term beginning July 1st, 2016 and terminating June 30,  
2 2017 by and between the COUNTY OF MONTEREY, hereinafter referred to as the "County" and  
3 MEGABYTE SYSTEMS INC, whose mailing address is 2630 Sunset Blvd, Suite 100, Rocklin,  
4 California 95677, hereinafter referred to as the "Contractor".

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

7 2. Work. Subject to the terms and conditions set forth in this agreement, Contractor shall  
8 provide the services described in Exhibit A, attached and by this reference incorporated  
9 herein.

10 3. Price. In consideration of Contractor's fulfillment of the promised work, County shall pay  
11 Contractor the amount set forth in Exhibit B, attached and by this reference incorporated  
12 herein. Support to County in excess of the terms of this agreement, as deemed necessary  
13 by County, will be billable to County at Contractor's standard hourly rate subject to  
14 advance written approval signed by an individual with authority to bind the County. If on-  
15 site support is required, travel time and expenses will be charged in accordance with the  
16 Monterey County Travel and Business Expense Reimbursement Policy, in addition to the  
17 hourly rate for work on-site.

18 4. Payments. County shall make payments of compensation hereunder on submittal of an  
19 invoice. Contract payments are due and payable to Megabyte Systems, Inc. 2630 Sunset  
20 Blvd, Suite 100, Rocklin, California 95677, within 30 working days of receipt of the invoice.  
21 Invoices shall be submitted to:

22 Monterey County Auditor-Controller  
23 Attn: Auditor Controller  
24 P.O. Box 390  
25 Salinas, CA 93902-0390

26 5. Changes. Changes and modifications to this Agreement may only be made by prior  
27 written change order of County, accepted in writing by the Contractor, specifying such  
28 change(s) including adjustment(s) to price and delivery schedule (if any), as are agreed to  
29 by the parties hereto. In no case shall County pay for any extra work or material furnished  
30 except as previously agreed upon in such a written change order. The Contractor and the

31 County shall determine whether any change or modification will cause a delay in  
32 Contractor completing all work and if so, the duration of such delay.

33 6. County's Responsibility to Provide. County will provide, at its own expense, access to  
34 Megabyte via Megabyte's network or via the Internet as long as it is at acceptable speeds  
35 (County minimum of T1 or business DSL speed).

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

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

49 9. Patent or Copyright Infringement.

50 A. Contractor represents that the materials and products produced hereunder do not  
51 violate others intellectual property rights (which include patent, copyright, trademark,  
52 trade secret or other proprietary right.) In the event a claim, cause of action,  
53 proceeding or other legal action should arise in which there are claims that the  
54 materials and/or products infringe or violate another's intellectual property rights,  
55 Contractor shall undertake to protect, defend, settle or resolve the proceeding at no  
56 cost, whatsoever, to County, including, but not by way of limitation, legal fees,  
57 disbursements, judgments, or the like. Contractor shall protect, defend and  
58 indemnify and hold County harmless, subject only to County giving Contractor  
59 prompt written notice of any such third party claim, cause of action or proceedings  
60 and rendering to Contractor any reasonable information, assistance or access to  
61 documents and materials required in the defense of any such cause of action.

62 B. Should the materials and/or products in Contractor's opinion, be likely or become the  
63 subject of a claim of infringement of a patent, copyright or trademark, Contractor  
64 may do any of the following: (1) obtain a legally binding right for County to use, at

65 no cost to County, the material and/or product; (2) replace or modify the material  
66 and/or product so that it is non-infringing yet still complies with the RFP and the  
67 Contract specifications; (3) repurchase the material and/or product by refunding all  
68 moneys paid by County to Contractor for the material and/or product less  
69 depreciation and reasonable costs for use and such other amounts as are mutually  
70 agreeable to County and Contractor.

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

77 11. Source Code. Contractor shall place source code for the licensed software and any  
78 changes thereto, into a software escrow account. County shall have access to the source  
79 code in the event Contractor fails to fulfill its maintenance and support obligations, or in  
80 the event of bankruptcy, dissolution, or appointment of a receiver for Contractor. County  
81 shall be able to use the source code according to the terms of this agreement, and must  
82 also be permitted to modify the code for its own use consistent with this agreement.

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

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

88 B. Comprehensive Public Liability Insurance or Comprehensive Liability Insurance  
89 (Bodily Injury and Property Damage) of not less than One Million Dollars  
90 (\$1,000,000) combined single limit per occurrence (claim made).

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

95 13. Proof of Insurance. Simultaneous with the execution of this Agreement, proof of the  
96 aforementioned insurance shall be furnished by the Contractor to the County by

97 certificates of insurance. Such certificates shall specify that County must be given written  
98 notice 30 days prior to the cancellation or modification of any such insurance.

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

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

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

123 17. Termination. The County or Contractor may terminate this agreement with 60 days  
124 written notices.

125 17.01 During the term of this Agreement, the County may terminate the Agreement for  
126 any reason by giving written notice of termination to the CONTRACTOR at least  
127 thirty (30) days prior to the effective date of termination. Such notice shall set  
128 forth the effective date of termination. In the event of such termination, the  
129 amount payable under this Agreement shall be reduced in proportion to the  
130 services provided prior to the date of termination.  
131

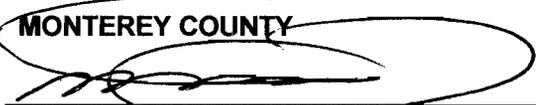
132 17.02 The County may cancel and terminate this Agreement for good cause effective  
133 immediately upon written notice to CONTRACTOR. "Good cause" includes the  
134 failure of CONTRACTOR to perform the required services at the time and in the  
135 manner provided under this Agreement. If County terminates this Agreement for  
136 good cause, the County may be relieved of the payment of any consideration to  
137 CONTRACTOR, and the County may proceed with the work in any manner, which  
138 County deems proper. The cost to the County shall be deducted from any sum  
139 due the CONTRACTOR under this Agreement.  
140

141 17.03 The County's payments to CONTRACTOR under this Agreement are funded by  
142 local, state and federal governments. If funds from local, state and federal  
143 sources are not obtained and continued at a level sufficient to allow for the  
144 County's purchase of the indicated quantity of services, then the County may give  
145 written notice of this fact to CONTRACTOR, and the obligations of the parties  
146 under this Agreement shall terminate immediately, or on such date thereafter, as  
147 the County may specify in its notice, unless in the meanwhile the parties enter into  
148 a written amendment modifying this Agreement.  
149

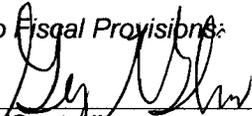
150 18. Notices. All notices provided for by this Agreement shall be in writing and may be  
151 delivered by deposit in the First Class United States mail, by certified, or by registered mail,  
152 postage prepaid. All notices appertaining to the provisions of this Agreement, shall be  
153 addressed to Contractor's office, located at 2630 Sunset Blvd, Suite 100, Rocklin, California  
154 95677. Notices to the County shall be addressed to Monterey County Treasurer-Tax  
155 Collector, 168 West Alisal, 1<sup>st</sup> Floor, Salinas, CA 93901. Effective date of all notices shall  
156 permit a minimum of five (5) days for transit in the mails.  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168

169  
170  
171  
172  
173

IN WITNESS WHEREOF, the parties have executed this AGREEMENT on the day and year written below.

MONTEREY COUNTY  
  
Contracts/Purchasing Officer

Dated: 7-20-16

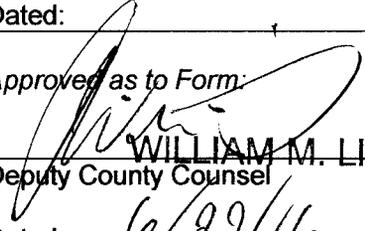
Approved as to Fiscal Provisions:  
  
Deputy Auditor/Controller

Dated: 7-1-16

Approved as to Liability Provisions:

Risk Management

Dated: \_\_\_\_\_

Approved as to Form:  
  
WILLIAM M. LITT  
Deputy County Counsel

Dated: 6/29/16

174  
175  
176  
177  
178  
179  
180  
181

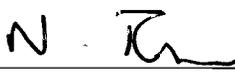
\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

MEGABYTE SYSTEMS, INC.  
CONTRACTOR

By:   
President

SHARON A. ZACCARO  
Printed Name and Title

Dated: 06-14-16

By:   
Secretary

NICHOLAS BETTS, SECRETARY  
Printed Name and Title

Dated: 06-14-16

## EXHIBIT A

### SCOPE OF SERVICE

#### MPTS maintenance support services

Contractor will provide the following maintenance support services:

- Hot line phone support for County's Assessor, Tax Collector and Auditor user staff, as required, concerning the operation of the property tax system – MPTS.
- Diagnosis of application problems and suggested solutions.
- Application software corrections as needed by system failure to meet system requirements. This does NOT include any fixes for problems arising through alteration of the database by means other than Contractor personnel.
- New State mandated change to the application of property and tax assessment statutes.
- Enhancements/Upgrades to the application software at the discretion of Contractor.
- Installation/Setup of application stored procedures/triggers/database-scheduled tasks when necessary.
- MPTS application training classes:
  - Web training classes
  - Training materials will be posted on the Contractor website
  - Some sessions may be offered in house for detailed hands-on training at no cost for the session (County will be responsible for travel expenses)
- Roll turnover & roll over support to accommodate County off-hour support if desired:
  - Contractor will optionally offer (based on County needs) roll turnover/rollover of scheduled jobs leaving reports out at the County (balancing/review is the responsibility of County)
  - Contractor will review for consistency and set up – completion of jobs i.e. ascertain correctness of control records, job setup, scheduling, conflicts.
  - Backup: 2<sup>nd</sup> copy of 601 rolls and tax rolls for 12-year history retention to be held by Contractor if requested by the County. Primary backup of the 601 roll and related system backups are County responsibilities.
  - Assistance with balancing property and tax assessment programs.
  - Assistance with producing fixes (i.e. mass roll changes) to correct erroneous assessment or tax roll results, whether due to County or Contractor actions. However, County is responsible for meeting statutory requirements and proper updating of the Megabyte Systems with all current data, such as tax rates. Assistance to fix problems caused by County failure to update base assessment data will be a billable item to the County.

County will provide, at it's own expense, access to Contractor via Contractor network or via the Internet as long as it is at acceptable speeds (County minimum of T1 or business DSL speed).

County must grant Contractor full administrator rights (SA).

## **SQL server database support services**

Contractor will provide the following SQL sever database services:

- Necessary tuning/routine maintenance/notification of service pack upgrades needed. (These must be ran by County personnel on the physical machine).
- General SQL maintenance.
- Monitoring of SQL logs for errors and corrective action.
- Daily batch job monitoring and fixes/notification of failures.
- Scheduling of overnight jobs.
- Installation upgrades to SQL versions when Contractor upgrades the application software to a new version (Note: this does not include any cost associated with the purchase of SQL Server System Software – this cost is the responsibility of the County. Contractor will install it and do any necessary property system upgrades). Contractor determines the need to upgrade to a newer version of SQL.
- Rebuild database(s) if necessary due solely to SQL Server generated problems. (Exclusion: If the cause is failure by the user to detect operating system errors & take corrective action or notify Contractor, then this activity will be billable to the County).
- SQL Support services are for the primary and inquiry (aka backup server) servers only.

County shall perform the following tasks:

- Ensuring the SQL Executive and SQL Server are running and restart if necessary.
- NT Server printer setup and documentation.
- Monitor disk space on NT Server.
- MPTS system backups.
- Network problems.
- Software/Hardware conflict issues.
- Install SQL Server service packs when notified to do so by Contractor.
- Install MPTS service packs when notified to do so by Contractor.

If on-site support is required travel time and expenses will be billable to County at the standard rate for Contractor.

## **Online Business Property Filing Maintenance/Support**

Contractor shall provide the following MPTS Online Business Property Filing Maintenance & Support to this application as follows:

- Ability for business taxpayers to file their 571L, 571A and 571F personal property forms via the Internet.

Features Include:

- Previous year costs and net change
- View/Print of completed form(s)
- Extraction of data for web access
- Audit reports
- Import/merge of filed data to the personal property system
- Images/PDF retained of the filed statements with access via the personal property subsystem

## **MPTS Web Enhancements/Services Maintenance**

Contractor shall provide the following MPTS Web Services & support as follows:

Public Version for Assessor and Tax Collector Departments:

- Search capabilities limited to Parcel or Assessment numbers.
- Assessor Inquiry – Current Assessment Roll information only.
- Tax Collector – Current Tax Roll information only.
- Cosmetic Customizations only i.e. color schemes, County logos, etc.
- Note: this version does not have any Security features. Name or Address only may be selected to appear (as determined by County), not both.
- Tax Collector Function – Prior year (previous year only) View/Print Taxbill online (additional charge).

Agency Version for Assessor and Tax Collector Departments:

- Assessor Historical search capabilities (dependant on the amount of online history stored the County).
- Tax Collector Historical search capabilities (dependant on the amount of online history stored the County).
- Customization of displayed data.

**Grant of License.** Contractor hereby grants to County a personal, non-transferable and non-exclusive license to use the Tax Collector Public Version and the Assessor Public and Agency Version of the MPTS Web Services.

The License granted to the County is expressly limited to the executable form of the Software only. The program code and programming language in which Contractor writes the Software (the "Source Code"), as well as any relevant documentation, including the Source Code, and instructions to maintain, duplicate, and compile to Source Code (the "Source Materials"), remain the exclusive property of Contractor.

**Term.** The license granted shall commence upon the date of installation of the software and shall remain in force for as long as the annual maintenance fee is paid to Contractor by County.

## **MPTS Transient Occupancy Tax Module (TOT)**

The TOT module is designed to provide the County with the ability to manage the different processes involved in collecting TOT as mandated by legislation. The key processes are:

- Registration
- Reporting / Collection
- Audit
- Allocation
- Reporting

**Grant of License and Ownership.** Contractor hereby grants to County a personal, non-transferable and non-exclusive license to use the MPTS Transient Occupancy Tax Module, hereinafter referred to as TOT.

The License granted to the County is expressly limited to the executable form of the Software only. The program code and programming language in which Contractor writes the Software (the "Source Code"), as well as any relevant documentation, including the Source Code, and instructions to maintain, duplicate, and compile to Source Code (the "Source Materials"), remain the exclusive property of Contractor.

Upon termination of this agreement for any reason title to, ownership of, and all applicable patents, copyrights and trade secrets in the TOT software, shall remain with the contractor as owner/holder of such patents, copyrights, and trade secrets, who shall retain complete rights to market such product, and no such rights shall pass to County.

**Term.** The license granted shall commence upon the date of installation of the software and shall remain in force for as long as the annual licensing and maintenance fee is paid to Contractor by County.

## EXHIBIT B

### PAYMENT FOR SERVICES RENDERED

The support cost for services described in Exhibit A – Scope of Service shall be as follows:

FY-2016/2017 Rates	
MPTS Property Tax System Maintenance	\$310,977.75 annual charge
Online Business Property Filing Maintenance/Support	\$3,000.00 annual charge
Public Web – Assessor / Tax Collector Modules	\$ 5,039.53 annual charge
Agency Web – Assessor / Tax Collector Modules	\$12,598.87 annual charge
Tax Collector – Prior Year (previous year only) View/Print Taxbill Online	\$ 515.14 annual charge
Transient Occupancy Tax Module (TOT)	\$3,000.00 annual charge

### COMPENSATION FOR EXTRA SERVICES

COUNTY shall compensate CONTRACTOR for requested Extra Services and reimburse CONTRACTOR for expenses incurred in connection with the provision of such Extra Services as follows:

1. Emergency off-site support outside of the hours 8 AM to 5 PM or on weekends or holidays, with a four-hour minimum:  
**\$150.00 per hour**
2. On-site support, with a four-hour minimum, including time in transit.  
**\$150.00 per hour**
3. Travel expenses: At actual cost in accordance with County's current travel expense policy.