

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

August 10, 2021

FROM

BOB DUTTON, Assessor-Recorder-County Clerk

SUBJECT

Amendment to Contract with CoStar Realty Information, Inc. for Online Appraisal Data Licenses

RECOMMENDATION(S)

Approve **Amendment No. 1 to Agreement No. 21-184** with CoStar Realty Information, Inc. increasing the original contract amount of \$178,720 by \$17,400 for a total contract amount of \$196,120, and increasing the original number of user licenses from 32 by four, for a total of 36 licenses to access online appraisal data, with no change to the term of April 1, 2021 through March 31, 2023.

(Presenter: Bob Dutton, Assessor-Recorder-County Clerk, 382-3254)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The cost to add four user licenses for the remainder of the contract term (August 2021 through March 2023) is \$17,400 or \$800 per month before tax for 20 months. The cost of the licenses is billed annually with a single invoice per year. The 2021-22 invoice will include the remainder of the agreement term through March 31, 2023. Adequate appropriation and revenue have been included in the Assessor-Recorder-County Clerk's (ARC) 2021-22 budget (3111001000).

BACKGROUND INFORMATION

On March 9, 2021 (Item No. 8), the Board of Supervisors (Board) approved Agreement No. 21-184 with CoStar Realty Information, Inc. (CoStar) for 32 user licenses to access online appraisal data in an amount not to exceed \$178,720 from April 1, 2021 through March 31, 2023.

Approval of this item will provide the Assessor Division of ARC with four additional licenses for a total of 36 licenses to access online appraisal data. The additional licenses are necessary for new appraisal staff to access vital online appraisal lease data and market data for commercial, industrial, and multi-family properties. All other terms of the agreement would remain unchanged. Approval of this amendment will allow ARC to function in a fiscally-responsible and business-like manner.

The Assessor Division of ARC is responsible for establishing a value for all locally taxable property including residential, commercial, business, and personal property; and assessment appeals. The information provided by CoStar is used by ARC appraisers to make appraisals and defend ARC valuations against appeals initiated by property owners.

PROCUREMENT

**Amendment to Contract with CoStar Realty Information, Inc. for Online
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On September 15, 2015 (Item No. 18), the Board approved Contract No. 15-664 with CoStar in the amount of \$140,679 for the period of September 30, 2015 through September 30, 2018. On June 14, 2016 (Item No. 17), the Board approved Amendment No. 1 to Contract No. 15-664 with CoStar increasing the amount of the contract by \$22,815, bringing the total contract amount to \$163,494, with no change to the contract term. The previous actions were taken because at the time County Policy 11-05 required departments to obtain Board approval for the procurement of services over \$100,000. Prior to these Board actions, ARC had been paying CoStar by means of a non-competitive annual purchase order, but in 2015, an increase in the number of licenses and the type of data CoStar provided increased the annual amount to the point that Board approval was necessary.

After Contract No. 15-664 expired in 2018, ARC did not pursue another multi-year contract with CoStar and instead renewed services for one year in the amount of \$59,599 with a non-competitive purchase order for the period of October 1, 2018 through September 30, 2019. A multi-year contract was not in ARC's best interest at the time because the Property Information Management System (PIMS) Modernization Project began moving forward and there was uncertainty as to whether CoStar services would still be needed once enhanced PIMS functionality was available. Again in 2019, ARC renewed services with CoStar for one year in the amount of \$77,940 with a non-competitive purchase order for the period of October 1, 2019 through September 30, 2020. Board approval was not sought during 2018 and 2019 because the annual dollar amount did not exceed \$100,000 annually, which at the time did not require Board approval per County Policy 11-04.

In October 2020, ARC recognized the benefit of entering into a multi-year contract with CoStar and the need for continued use of their product for the current period. Due to extended negotiations with CoStar over non-standard County terms, Purchasing approved a non-competitive purchase order with CoStar in the amount of \$44,138.75 to continue providing access to online appraisal data for a period of October 1, 2020 through March 31, 2021, while ARC continued to work with CoStar on establishing a new contract. On March 9, 2021 (Item No. 8), the Board approved Agreement No. 21-184 with CoStar for 32 user licenses to access online appraisal data in an amount not to exceed \$178,720 from April 1, 2021 through March 31, 2023.

CoStar is a nationally recognized source of data and analytics pertaining to the multi-family and commercial real estate markets. Its online system provides information about sales, listings, rents, lease terms, operating expenses, marketing times, and other data routinely used by appraisers and real estate professionals. CoStar also provides data pertaining to unique property types such as golf courses, hospitals, sports and entertainment venues, and huge regional shopping facilities in real estate markets beyond the Inland Empire region. CoStar is the only vendor that offers this scope of data and analytics.

Purchasing concurs with non-competitive justification of specialized credentials/expertise/training for ARC's recommended contract amendment with CoStar.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina M. Robb, Principal Assistant County Counsel, 387-5455) on July 14, 2021; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on July 14, 2021; Finance (Carl Lofton, Finance Analyst, 387-5404) on July 26, 2021; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-4342) on July 26, 2021.


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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Dawn Rowe
Ayes: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: August 10, 2021



cc: ARC - Tickemyer w/agree
Contractor - C/O ARC w/agree
File - w/agree
CCM 08/12/2021