

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

January 14, 2025

FROM

SHANNON D. DICUS, Sheriff/Coroner/Public Administrator

SUBJECT

Master Agreement and Addendum with Teleosoft, Inc., for Implementation of a Civil Case Management System

RECOMMENDATION(S)

1. Approve **Master Agreement No. 25-06** and Addendum, including non-standard terms, with Teleosoft, Inc., for a civil case management system in the amount of \$1,961,776 for the first year, and subsequent annual cloud hosting and maintenance support fees of \$367,249, with an annual maintenance fee increase of 3% annually thereafter, for the contract term beginning on January 14, 2025 and continuing until terminated by either party.
2. Authorize the Sheriff/Coroner/Public Administrator or Undersheriff to execute change orders to the agreement referenced in Recommendation No. 1, as needed, subject to review by County Counsel, so long as the total aggregate amount of such change orders does not exceed \$407,100, and the change orders do not amend the contract terms.
3. Direct the Sheriff/Coroner/Public Administrator or Undersheriff to transmit copies of all change orders to the Clerk of the Board of Supervisors within 30 days of execution.
4. Authorized the Auditor-Controller/Treasurer/Tax Collector to post necessary budget adjustments as detailed in the Financial Impact section (Four votes required).

(Presenter: Kelly Welty, Chief Deputy Director, 387-3760)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

This item will not result in the use of additional Discretionary General Funding (Net County Cost). The cost of Teleosoft, Inc. (Teleosoft) civil case management system (CCMS), that includes configuration and deployment of the software, cloud storage hosting fee and maintenance services in the amount of \$1,961,776 for the first year, will be funded by the Sheriff/Coroner/Public Administrator (Department) Court Civil Services Technology Fund (4430002398). The Department requests the Auditor-Controller/Treasurer/Tax Collector to post the net adjustments to the 2024-25 budget, as detailed below; sufficient appropriation will be included in future recommended budgets.

Fund Center	Commitment Item/GL	Description	Action	Amount
4430002398	52002115	Computer Software Expense	Decrease	\$800,000
4430002398	56506500	Advance to Available Reserve	Decrease	\$800,000

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4430002398	54904095	Purchased Software	Increase	\$1,600,000
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BACKGROUND INFORMATION

The Department is charged with enforcement of both criminal and civil law within the county. The Court Services Division's Civil Enforcement Unit (CEU) carries out the Department's civil law enforcement responsibilities. Since 2001, CEU has used a CCMS to manage the civil law duties that include accounting processes for enforcement of writs of execution for personal and real property; execution of sales of personal and real property; serving judicial processes (subpoenas, orders for appearance, summons and complaints, etc.); conducting evictions, enforcing protective orders (restraining orders - domestic violence, civil harassment, elder abuse, family law); collecting and disbursing monies to judgement creditors; and complying with post-levy supplemental procedures such as bankruptcy, exceptions, third-party claims and undertakings.

In April 2023, the Department encountered a disruption in network connectivity resulting in service disruptions to software and infrastructure systems. The Department's current CCMS was affected by the disruption, causing an inability for the system to interface with the County's accounting system and the current contractor has been unable to re-establish the interface. As a result, the CEU has to manually process transactions that would have otherwise been processed automatically by the lost interface.

The Master Agreement and Addendum (collectively, "Agreement") is Teleosoft's standard commercial contract, which includes terms that differ from the standard County contract and omits certain County standard contract terms. While the parties negotiated certain contract terms to County standards, Teleosoft would not agree to all County standard terms. The non-standard and missing terms include the following:

1. Teleosoft limits its indemnification obligations to claims related to, and to the extent caused by Teleosoft's negligence in performance of the Agreement.
 - The County standard contract indemnity provision requires the contractor to indemnify, defend, and hold County harmless from third party claims arising out of the acts, errors or omissions of any person. The standard contract provision for intellectual property indemnity is: Contractor will indemnify, defend, and hold harmless County and its officers, employees, agents and volunteers, from any and all third party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement of any United States patent, copyright, trademark or trade secret (Intellectual Property Rights) by any goods or services.
 - Potential Impact: Teleosoft is not required to defend, indemnify or hold the County harmless from any claims of intellectual property infringement. If the County is sued for intellectual property infringement based on its use of Teleosoft's software or services, the County may be solely liable for the costs of defense and damages, which could exceed the total Agreement amount. Further, the limitation of Teleosoft's indemnification obligation solely to negligent acts means that any claims that are not based on negligence, including intentional acts, are excluded from Teleosoft's indemnification obligations. Intellectual property claims are not based on any theory of negligence.
2. The County is required to indemnify Teleosoft against claims related to, and to the extent cause by the County's unauthorized or improper use of the software.

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- The County standard contract does not include any indemnification or defense by the County of a contractor.
 - Potential Impact: By agreeing to indemnify Teleosoft, the County could be contractually waiving the protection of sovereign immunity. Claims that may otherwise be barred against the County, time limited, or expense limited could be brought against Teleosoft without such limitations and the County could be responsible to defend and reimburse Teleosoft for costs, expenses, and damages, which could exceed the total Agreement amount.
3. The Agreement has modified insurance terms, including no waiver of subrogation and only providing additional insured status under the General and Professional Liability policies.
- The County standard contract requires contractors to carry appropriate insurance at limits and under conditions determined by the County's Risk Management Department.
 - Potential Impact: Having no waiver of subrogation may allow Teleosoft's insurer to bring suit against the County, and the modification to the additional insured provision limits the County's ability to recover losses for certain types of claims, both of which could result in expenses that exceed the total Agreement amount.
4. Teleosoft's maximum liability to the County is limited to the actual amount paid by an insurer as a result of any claim made under Teleosoft's general and professional liability insurance policies, without any exclusion.
- The County standard contract does not include a limitation of liability.
 - Potential Impact: Claims could exceed the liability cap and the Agreement amount leaving the County financially liable for the excess.

The Department recommends approval of the Agreement, including non-standard terms, to ensure it continues to carry out its civil law enforcement duties in an expeditious manner, and procure a new CCMS.

PROCUREMENT

On March 21, 2023, Los Angeles County released a Request for Bid (RFB) No. RFB-IS-23200681 for a new automated civil enforcement system. Only one response was received, and therefore the automated civil enforcement system contract was awarded to the only respondent, Teleosoft.

Due to the urgency to find a suitable CCMS for the CEU, and the possibility of receiving a single response if the Department had released its own Request for Proposals, it opted to obtain Los Angeles County's RFB information and bid results. The RFB included a participation clause, to which Teleosoft agreed to, that allows other municipalities and counties to use the results and bids received to issue their own contracts or purchase orders for the same type of services and products offered to Los Angeles County. The Purchasing Department concurs that the County's competitive criteria has been met through Los Angeles County's RFB process. County Policy 11-04 requires departments to seek Board approval when contracting for competitive and noncompetitive purchases of goods and services in excess of \$200,000 during a single annual period.

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REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on January 10, 2025; Auditor-Controller/Treasure/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on December 19, 2024; Purchasing (Jason Cloninger, Lead Buyer, 387-0321) on December 16, 2024; Risk Management (Gregory Ustaszewski and Loretta Acuna, Staff Analysts, 396-9008) on January 10, 2025; Finance (Erika Rodarte, Administrative Analyst, 387-4919) on December 23, 2024; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on December 23, 2024.

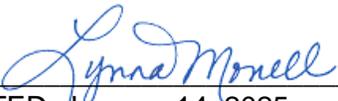
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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: January 14, 2025



cc: Sheriff - Welty w/agree
Contractor - c/o Sheriff w/agree
File - w/agree
CCM 01/15/2025