



COUNTY OF LOS ANGELES
REGISTRAR-RECORDER/COUNTY CLERK
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNIE B. McCORMACK
Registrar-Recorder/County Clerk

October 3, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT NUMBER FIVE TO AGREEMENT NUMBER 73662
WITH DATA TRACE INFORMATION SERVICES, LLC
FOR REAL ESTATE FRAUD NOTIFICATION SERVICES
(ALL DISTRICTS – 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor to sign Amendment Number Five (“Amendment”) to Agreement Number 73662 with Data Trace Information Services, LLC (DTIS) (“Agreement”) to provide Real Estate Fraud Notification Services for the Department of the Registrar-Recorder/County Clerk (RR/CC). The Amendment will (i) exercise the final renewal option to extend the term of the Agreement for one year effective October 25, 2006 through October 24, 2007; and (ii) incorporate Board mandated provisions into the Agreement. The Real Estate Fraud Notification Services are fully financed through the statutory surcharge on all recorded deeds, deeds of trust and quit claim deeds. There is no net County cost.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to extend the Agreement for the final one-year period and update the Agreement by incorporating new and revised Board mandated provisions. The Amendment will continue to provide Real Estate Fraud Notifications services on all recorded deeds, deeds of trust and quitclaim deeds.

Implementation of Strategic Plan Goals:

This request supports the County Strategic Plan as follows:

Goal No. 1: Service Excellence: Provide the public with easy access to quality information and services that are both beneficial and responsive. The Amendment will provide uninterrupted Real Estate Fraud Notification Services to Los Angeles County Real Property owners.

Goal No. 3: Organizational Effectiveness: Ensure that service delivery systems are efficient, effective, and goal-oriented. The Amendment will ensure Real Property owners receive early notification of attempted transfers of their Real Property, thereby assisting Real Estate owners from losing their property due to fraudulent acts.

FISCAL IMPACT/FINANCING

The Agreement, including this Amendment, is fully financed through the statutory surcharge. There is no impact on the County General Fund. Legislation enacted in 1996 and effective January 1, 1997 authorized the RR/CC to charge up to \$7.00 for each deed, quitclaim deed, or deed of trust recorded. The RR/CC will continue to charge \$4.00 per deed, quitclaim deed, or deed of trust recorded which includes DTIS unit price of \$3.94 and \$0.06 program monitoring cost for the Department of Consumer Affairs. The maximum contract's amount is unchanged at \$30,750,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 10, 1991 on Motion by Supervisor Antonovich, your Board instructed the RR/CC to develop legislation to provide Real Property owners with early notification of attempted Real Property transfers. Subsequently, in 1992 Senate Bill 1842 (Watson) was enacted to allow the RR/CC to charge an additional fee on certain documents to fund the notification to parties who have purportedly signed loans and/or transfers affecting their property. The law became effective January 1, 1993 with a sunset clause in 1995. In 1996 Senate Bill 1631 (Watson) to re-implement the Fraud Notification Program was introduced to the legislature and passed with an indefinite term. The Fraud Notification Program was reinstated and has continued since November 1997.

As part of the Fraud Notification Program, the RR/CC has partnered with the Department of Consumer Affairs to investigate any complaints received by Real Property owners. The Department of Consumer Affairs has reported that 98 percent of the Real Property owners who responded to the survey cards included in the notices expressed support of the program. In addition, the Department of Consumer Affairs forwards complaints received to the District Attorney and other law enforcement agencies for follow up investigations.

The Honorable Board of Supervisors
October 3, 2006
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On October 2, 2001, your Board approved an agreement with DTIS to provide Real Estate Fraud Notification Services. The Agreement term is for three (3) years, effective October 25, 2001 through October 24, 2004 with three one-year renewal options. The Agreement is currently in the second renewal option year which will end October 24, 2006. The Contract sum was \$15,000,000 with RR/CC delegated authority to increase up to 25% if needed.

Amendment Number One, dated October 20, 2004, exercised the first renewal option and updated County provisions. Under Amendment Number Two, dated December 29, 2004, RR/CC exercised its Board delegated authority to increase the contract sum to \$18,750,000.

In Amendment Number Three, your Board authorized an additional \$12,000,000 to the maximum spending authority, not to exceed \$30,750,000. The increase was needed due to the sharp increase in volume of Real Property recordings. Amendment Number Three also revised the Statement of Work to reflect changes in technology. RR/CC now provides DTIS with a copy of recorded deeds, quitclaim deeds and/or deeds of trust on DVD instead of microfilm. Amendment Number Four, dated October 4, 2005, exercised the second renewal option year which will end October 24, 2006.

The attached Amendment Number Five will extend the Agreement for the final one-year period and includes new and revised mandatory County provisions. All other terms and conditions of the Agreement remain the same.

DTIS is in compliance with all Board, Chief Administrative Office and County Counsel requirements. The Chief Administrative Office has reviewed and approved this Board letter. County Counsel has reviewed this Board letter and approved the attached Amendment Number Five as to form.

CONTRACT PROCESS

There was no contracting process associated with this Amendment.

IMPACT ON CURRENT SERVICES/PROJECTS

Approval of the recommended action will allow the RR/CC to continue services without interruption.

CONCLUSION

Upon approval and execution of this request, it is requested that the Executive Officer/Clerk of the Board, return one original stamped copy of the approved Board letter and its attachments to:

County of Los Angeles
Registrar-Recorder/County Clerk
12400 Imperial Highway, Room 7201
Norwalk, CA 90650
Attention: Ngozi Ume
Head, Management Services

Respectfully submitted,

CONNY B. McCORMACK
Registrar-Recorder/County Clerk

CBM:NU:co

Attachment (1)

c: Chief Administrative Officer
County Counsel
Consumer Affairs

**AMENDMENT NUMBER FIVE
TO AGREEMENT NUMBER 73662
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
DATA TRACE INFORMATION SERVICES, LLC**

This Amendment Number Five ("Amendment Number Five") to Agreement Number 73662 (the "Agreement") is entered into as of this _____ day of _____, 2006 by and between the County of Los Angeles ("County") and Data Trace Information Services, LLC ("Contractor"). County and Contractor are sometimes hereinafter referred to collectively as the "Parties" and each individually as a "Party."

WHEREAS, the Agreement was originally entered into and approved by County's Board of Supervisors on October 2, 2001;

WHEREAS, under that certain Change Notice Number One to the Agreement dated July 29, 2002, Paragraph 10.1.1 of the Agreement was amended to specifically refer to Marlene Smith, Division Manager as County's Department Project Director;

WHEREAS, under that certain Change Notice Number Two to the Agreement dated February 25, 2004, Paragraph 10.1.4 of the Agreement was amended to specifically refer to Monique Blakely, Assistant Division Manager as County's Department Project Manager;

WHEREAS, under that certain Amendment Number One to the Agreement dated October 20, 2004, the Agreement was amended to, among other things, (i) exercise the first of County's three (3) one-year renewal options under Paragraph 6.0 (Term) of the Agreement to extend the term of the Agreement through October 24, 2005; (ii) revise the provisions of Paragraph 7.0 (Contract Payment) of the Agreement; and (iii) revise certain existing contract provisions to conform to updated County standard contract provisions;

WHEREAS, under that certain Amendment Number Two to the Agreement dated December 29, 2004, Paragraph 7.0 (Contract Payment) of the Agreement was amended to provide for an increase in the maximum contract sum to Eighteen Million Seven Hundred Fifty Thousand Dollars (\$18,750,000);

WHEREAS, under that certain Amendment Number Three to the Agreement dated August 30, 2005, the Agreement was amended to, among other things, (i) provide for an increase in the maximum contract sum to an amount not to exceed Thirty Million Seven Hundred Fifty Thousand Dollars (\$30,750,000); (ii) replace Exhibit A (Statement of Work) to the Agreement with a new Exhibit A1 (Statement of Work - Amended September 1, 2005); (iii) add a new Attachment I (Performance Requirement Summary)

to the Agreement; and (iv) add a new Attachment II (Contract Discrepancy Report) to the Agreement;

WHEREAS, under that certain Amendment Number Four to the Agreement dated October 4, 2005, the Agreement was amended to exercise the second of County's three (3) one-year renewal options under Section 6.0 (Term) of the Agreement to extend the term of the Agreement through October 24, 2006;

WHEREAS, under that certain Change Notice Number Three to the Agreement dated December 12, 2005, Paragraph 28.0 (Notices) of the Agreement was amended to provide a new address for Contractor;

WHEREAS, County's Board of Supervisors mandates that certain new and revised County contracting provisions be incorporated in all Board approved agreements, including the Agreement;

WHEREAS, the parties wish to further amend the Agreement to (i) extend its term through County's exercise of its final renewal option, and (ii) include new and revised County contracting provisions, as hereinafter set forth; and

WHEREAS, this Amendment Number Five is made pursuant to Paragraph 4.0 (Change Notices and Amendments) of the Agreement.

NOW THEREFORE, in consideration for the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agreement, as previously amended, is hereby further amended as follows:

1. County hereby exercises the option granted under Paragraph 6.0 (Term) of the Agreement to extend the term of the Agreement for a final one-year period effective from October 25, 2006 through October 24, 2007.
2. A new Subparagraph D shall be inserted immediately following Subparagraph C of Paragraph 6.0 (Term) of the Agreement to read as follows:

“D. Contractor shall notify RR/CC when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to RR/CC at the address herein provided in Paragraph 28.0 (Notices).”
3. A new Subparagraph R shall be inserted immediately following Subparagraph Q of Paragraph 9.0 (Definitions) of the Agreement to read as follows:

“R. Registrar-Recorder/County Clerk; RR/CC

“Registrar-Recorder/County Clerk” or “RR/CC” means the Registrar-Recorder/County Clerk of the County of Los Angeles, California.”

4. Paragraph 21.0 (Prohibition Against Assignment and Delegation) of the Agreement is hereby deleted in its entirety and shall be replaced by a new Paragraph 21.0 (Prohibition Against Assignment and Delegation) to read as follows:

"21.0 PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

- 21.1 Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.
- 21.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.
- 21.3 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

5. Paragraph 22.0 (Nondiscrimination and Affirmative Action) of the Agreement is hereby deleted in its entirety and shall be replaced by a new Paragraph 22.0 (Nondiscrimination and Affirmative Action) to read as follows:

"22.0 NONDISCRIMINATION AND AFFIRMATIVE ACTION

- 22.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 22.2 The Contractor shall certify to, and comply with, the provisions of Contractor's EEO Certification (Exhibit E).
- 22.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 22.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 22.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

- 22.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 22.0 when so requested by the County.
- 22.7 If the County finds that any provisions of this Paragraph 22.0 have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.
- 22.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement."
6. Paragraph 33.2 (Consideration of GAIN Program Participants for Employment) of the Agreement is hereby deleted in its entirety and shall be replaced by a new Paragraph 33.2 (Consideration of Hiring GAIN/GROW Program Participants) to read as follows:

"33.2 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

- A. Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.
- B. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

7. Paragraph 35.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) of the Agreement is hereby deleted in its entirety and shall be replaced by a new Paragraph 35.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) to read as follows:

"35.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

- 35.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.
- 35.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b)."
8. Paragraph 36.0 (Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program) of the Agreement is hereby deleted in its entirety and shall be replaced by a new Paragraph 36.0 (Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program) to read as follows:

"36.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 35.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) of this Agreement shall constitute default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90)

calendar days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 16.0 (Termination for Default) and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

9. Paragraph 50.0 (Contractor Responsibility and Debarment) of the Agreement is hereby deleted in its entirety, and shall be replaced by a new Paragraph 50.0 (Contractor Responsibility and Debarment) to read as follows:

"50.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

50.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible contractors.

50.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

50.3 Non-responsible Contractor

The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the contractor has done any of the following: (1) violated any term of a contract with the County or a nonprofit corporation created by the County (2) committed any act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or a nonprofit corporation created by the County or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or

submitted a false claim against the County or any other public entity.

50.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, RR/CC will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and RR/CC shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

If a contractor has been debarred for a period longer than five years, that contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

50.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County contractors."

10. Except as otherwise provided under this Amendment Number Five, the Agreement, as previously amended, and including all preambles and recitals set forth herein and therein, shall remain unchanged and in full force and effect.

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**AMENDMENT NUMBER FIVE
TO AGREEMENT NUMBER 73662
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
DATA TRACE INFORMATION SERVICES, LLC**

IN WITNESS WHEREOF, Contractor has executed this Agreement, or caused it to be duly executed and County of Los Angeles, by order of its Board of Supervisors has caused this Agreement to be executed on its behalf by the Mayor said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day, month and year first above written.

DATA TRACE INFORMATION, INC.

By _____
AUTHORIZED SIGNATURE

PRINT OR TYPE NAME

ATTEST:

TITLE

Tax Identification Number

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

COUNTY OF LOS ANGELES

By _____

By: _____
Michael D. Antonovich
Mayor, Los Angeles County

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
José Silva
Principal Deputy County Counsel