

**FIRST AMENDMENT TO AGREEMENT**

THIS FIRST AMENDMENT to Agreement No. 16-676 ( "Amendment I") is made and entered into this 9th day of October, 2018 ("Effective Date"), by and between the County of Fresno, a political subdivision of the State of California ("COUNTY"), and BMI Imaging Systems, Inc., a California corporation, whose corporate address is 1115 E. Arques Avenue, Sunnyvale, CA 94085, ("CONTRACTOR").

**WITNESSETH:**

WHEREAS, COUNTY and CONTRACTOR entered into Agreement No. 16-676, dated December 6, 2016 ("Agreement") pursuant to which CONTRACTOR agreed to issue software licenses for its online Hosting Service known as DIGITAL REEL™; and

WHEREAS, COUNTY AND CONTRACTOR now desire to amend the Agreement to upgrade the DIGITAL REEL system and to further increase the maximum compensation payable hereunder.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, COUNTY and CONTRACTOR agree to amend the Agreement as follows:

1. Section 6. COMPENSATION/INVOICING is deleted in its entirety and replaced with the following:

**"A. License and Hosting**

For each year of the possible five (5) years of this Agreement, COUNTY agrees to pay CONTRACTOR and CONTRACTOR agrees to receive compensation for annual hosting, licensing for 10 kiosk users and 15 named users, support and maintenance as follows:

December 2016 – November 2017	\$20,100
December 2017 – November 2018	\$20,100
December 2018 – November 2019	\$26,400
December 2019 – November 2020	\$26,400
December 2020 – November 2021	\$26,400

<b>Total</b>	<b>\$119,400</b>
--------------	------------------

COUNTY agrees to pay CONTRACTOR compensation for the professional services for the DIGITAL REEL upgrade in the amounts set forth in the Project Summary attached as Exhibit "A" and incorporated by this reference.

**PROFESSIONAL SERVICE FEES**

1. Digital Reel Conversion from Microfilm (Rescan)	\$14,000
2. Conversion of Vital Records to current system	\$7,500
3. Archive Write 5-year History to 16mm film	\$180,000
4. Upload of images/Indices from Tyler	\$30,000
5. Project Management Fee & Technical Services	\$10,000
6. Transportation of Material	\$1,000
7. External HD for tiff images	\$500
<b>Taxes</b>	<b>\$19,379</b>
<b>Total</b>	<b>\$262,379</b>

**A. Additional License Fees**

COUNTY may purchase additional named user licenses at the following price/volume combination: five (5) users for \$3,000.00. In no event shall costs for additional licenses exceed \$6,000.00.

**B. Extra Professional Service Fees**

Extra Professional Service Fees shall only be paid to CONTRACTOR if any Professional Services are performed by CONTRACTOR upon COUNTY'S written request in an amount exceeding the Professional Services included in this Agreement and described in Exhibit A. In no event shall payment for Extra Professional Service Fees exceed \$50,000 for the entire potential five (5) year term of the Agreement.

**C. Maximum Compensation**

In no event shall compensation for services performed under this Agreement for the entire possible five (5) year term exceed \$437,779.00. It is understood that all expenses incidental to CONTRACTOR'S performance of services under this Agreement shall be borne by CONTRACTOR.

1 CONTRACTOR shall submit annual invoices for hosting fees and monthly invoices for  
2 One-Time Fees as tasks are completed (referencing the provided contract number),  
3 either electronically or via mail to the Fresno County Recorder, 2281 Tulare Street  
4 Room 302, Fresno, CA 93721. COUNTY will pay CONTRACTOR within forty-five (45)  
5 days of receipt of an approved invoice, by mail addressed to CONTRACTOR'S  
6 remittance address at 1115 E. Arques Avenue, Sunnyvale, CA 94085."

- 7 2. Add "Section E. CYBER LIABILITY" at page 16, between lines 3 and 4:

8 "CONTRACTOR shall obtain cyber liability insurance with limits of not less than Two  
9 Million Dollars (\$2,000,000) per occurrence. Coverage shall include, but not be limited  
10 to, claims involving Cyber Risks. The cyber liability policy shall be endorsed to cover the  
11 full replacement value of damage to, alteration of, loss of, or destruction of intangible  
12 property (including but not limited to information or data) that is in the care, custody, or  
13 control of the CONTRACTOR.

14 Definition of Cyber Risks. "Cyber Risks" include but are not limited to (i) Security  
15 Breaches, which may include Disclosure of Personal Information to an Unauthorized  
16 Third Party; (ii) breach of any of the CONTRACTOR's obligations under Section 2 of  
17 this Agreement; (iii) infringement of intellectual property including, but not limited to  
18 infringement of copyright, trademark, and trade dress; (iv) invasion of privacy, including  
19 release of private information; (v) information theft; (vi) damage to or destruction or  
20 alteration of electronic information; (vii) extortion related to the CONTRACTOR's  
21 obligations under this agreement regarding electronic information, including Personal  
22 Information; (viii) network security; (ix) data breach response costs, including Security  
23 Breach response costs; (x) regulatory fines and penalties related to the  
24 CONTRACTOR's obligations under this agreement regarding electronic information,  
25 including Personal Information; and (xi) credit monitoring expenses."

- 26 3. Section 11, "Hold Harmless" is deleted in its entirety and replaced with the following:

27 "CONTRACTOR agrees to indemnify, save, hold harmless, and at COUNTY'S request,  
28 defend the COUNTY, its officers, agents, and employees from any and all costs and  
expenses (including attorney's fees and costs), damages, liabilities, claims, and losses,



1 and any and all claims, damages, costs, fees, regulatory fines and penalties, and forms  
2 of legal action involving Cyber Risks, occurring or resulting to COUNTY in connection  
3 with the performance, or failure to perform, by CONTRACTOR, its officers, agents, or  
4 employees under this Agreement, and from any and all costs and expenses (including  
5 attorney's fees and costs), damages, liabilities, claims, and losses, and any and all  
6 claims, damages, costs, fees, regulatory fines and penalties, and forms of legal action  
7 involving Cyber Risks, occurring or resulting to any person, firm, or corporation who  
8 may be injured or damaged by the performance, or failure to perform, of  
9 CONTRACTOR, its officers, agents, or employees under this Agreement.

10 COUNTY agrees to indemnify, save, hold harmless, and at CONTRACTOR'S  
11 request, defend the CONTRACTOR, its officers, agents, and employees from any and  
12 all costs and expenses (including attorney's fees and costs), damages, liabilities,  
13 claims, and losses occurring or resulting to CONTRACTOR in connection with the  
14 performance, or failure to perform, by COUNTY, its officers, agents, or employees  
15 under this Agreement, and from any and all costs and expenses (including attorney's  
16 fees and costs), damages, liabilities, claims, and losses occurring or resulting to any  
17 person, firm, or corporation who may be injured or damaged by the performance, or  
18 failure to perform, of COUNTY, its officers, agents, or employees under this Agreement.

19 In the event of a claim of alleged infringement of patent rights, copyright, trade  
20 secret rights, or intellectual property rights, to the fullest extent permitted by law,  
21 CONTRACTOR agrees to and shall indemnify, save, hold harmless, and at COUNTY's  
22 request, defend COUNTY, including its officers, officials, agents, and employees from  
23 any and all demands, costs and expenses, penalties, attorney's fees and court costs,  
24 damages of any nature whatsoever (including, without limitation, injury or damage to or  
25 loss or destruction of property), judgments (including, without limitation, amounts paid in  
26 settlement and amounts paid to discharge judgments), liabilities, claims and losses,  
27 suits, actions or proceedings of every name, kind and description occurring or resulting  
28 to COUNTY, out of or in connection with any claim that is based on the infringement (or  
assertions of infringement) of any of patent rights, copyright, trade secret rights, or

1 intellectual property rights with respect to services, software, or any Equipment  
2 provided by CONTRACTOR as part of this Agreement, including, but not limited to,  
3 their materials, designs, techniques, processes and information supplied or used by  
4 CONTRACTOR or any of CONTRACTOR's subcontractor of any tier in performing or  
5 providing any portion of CONTRACTOR's obligations as outlined in this Agreement. If,  
6 in any suit, action, proceeding or claim relating to the foregoing, a temporary restraining  
7 order or preliminary injunction is granted, CONTRACTOR shall make every reasonable  
8 effort to secure the suspension of the injunction or restraining order. If, in any such suit,  
9 action, proceeding or claim, the services, software or any Equipment provided by  
10 CONTRACTOR or any part, combination or process thereof, is held to constitute an  
11 infringement and its use is enjoined, CONTRACTOR shall immediately (a) pay the  
12 reasonable direct out-of-pocket costs and expenses to secure a license to use such  
13 infringing work, replace the infringing work or modify the same so that it becomes non-  
14 infringing, and (b) make every reasonable effort to secure for the COUNTY a license, at  
15 no cost to COUNTY, authorizing COUNTY's continued use of the infringing work. If  
16 CONTRACTOR is unable to secure such license within a reasonable time,  
17 CONTRACTOR, at its own expense and without impairing performance requirements  
18 of the services, software, or any Equipment provided by CONTRACTOR as part of this  
19 Agreement, shall either replace the affected services, software, or any Equipment  
20 provided by CONTRACTOR as part of this Agreement, combination or process thereof,  
21 with non-infringing services, software, or other equipment, or modify the same so that  
22 they become non-infringing."

23 COUNTY and CONTRACTOR agree that this Amendment I is sufficient to  
24 amend the Agreement and that upon execution of this Amendment I, Amendment I  
25 and the Agreement shall together constitute the complete Agreement between the  
26 parties.

27 The Agreement, as hereby amended, is ratified and continued. All provisions,  
28 terms, covenants, conditions and promises contained in the Agreement and not  
amended herein shall remain in full force and effect.



EXECUTED AND EFFECTIVE as of the date first above set forth.

**CONTRACTOR**

William Whitney, President and CEO

Date: Sept 14 2018

Janice Harrison

Janice Harrison, Controller/Treasurer

Date: 9/14/18

1115 East Arques Ave  
Sunnyvale, CA 94085

**FOR ACCOUNTING USE ONLY:**

Fund No.: 0035  
Subclass No.: 17058  
Org No.: 10480000  
Account No.: 7295

**COUNTY OF FRESNO**

Sal Quintero, Chairperson of the Board of  
Supervisors of the County of Fresno

**ATTEST:**

Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

By: Susan Bishop  
Deputy

## EXHIBIT "A"



BMI Imaging Systems, Inc.  
749 W. Stadium Lane  
Sacramento, CA 95834

Michael D. Aufranc  
[maufranc@bmiimaging.com](mailto:maufranc@bmiimaging.com)  
800.488.3456 x405



## Digital Reel System Upgrade

September 13, 2018

**Prepared for:**

Assessor-Recorder  
County of Fresno





September 13, 2018

Ms. Gina Luna  
Ms. Joann Ebisuda  
Assessor-Recorder  
County of Fresno  
2281 Tulare Street, Room 201  
Fresno, CA 93721

Dear Gina and Joann,

Thank you for taking the time to meet with me. BMI appreciates the opportunity to provide the Fresno County Assessor-Recorder with information regarding the system upgrade to Digital Reel. Included with this proposal are the following items:

- About BMI
- Project Goals
- Work Plan
- Schedule of Fees

BMI looks forward to working with the Fresno County Assessor-Recorder in making this another successful project. If you have any questions or need any additional information, please contact me at (916) 924-6666 x405.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. D. Aufranc", with a stylized flourish at the end.

Michael D. Aufranc



## About BMI

BMI Imaging Systems was incorporated in 1958 with the primary business plan to film County records and is an acknowledged leader in the image conversion services marketplace. Since 1958 BMI has implemented hundreds of solutions throughout the United States and provides a full range of image and data management services and product solutions. We also design and implement custom high-performance image and data solutions and support installed systems through web, phone and on-site support. Building upon a track record of quality and dependability, we were able to expand our services to include preservation-related microfilming of some of California's leading newspapers, as well as some of the world's rarest books and manuscripts. This success spawned a reputation for service, precision, reliability and innovation.

We have been scanning microfilm based records for nearly 20 years and have performed many successful projects in CA including the Fresno County Recorder along with the Fresno County Board of Supervisors. Our Digital Reel technology is currently in use by over 35 Counties in California.

BMI maintains two comprehensive production facilities located in Sunnyvale, CA and Sacramento, CA. Both production facilities are free-standing, alarmed, and equipped with automatic sprinkler systems throughout. The Sunnyvale Facility is equipped with an internal storage vault used for the safe-keeping and protection of client material and data. This area is constructed with concrete floor, walls and roof and is secured with a vault door to control access. This storage area is fully climate controlled and has internal fire-suppression equipment. This project will be performed at our Sunnyvale, CA facility. We currently employ approximately 60 team members.

The Sunnyvale corporate headquarters facility is in the center of Silicon Valley @

1115 E. Arques Avenue  
Sunnyvale, CA 94086  
Phone: 408-736-7444

Our state-of-the-art Sacramento office is located close to downtown @

749 West Stadium Lane  
Sacramento, CA 95834  
Phone: 916-924-6666

### **Security/Insurance:**

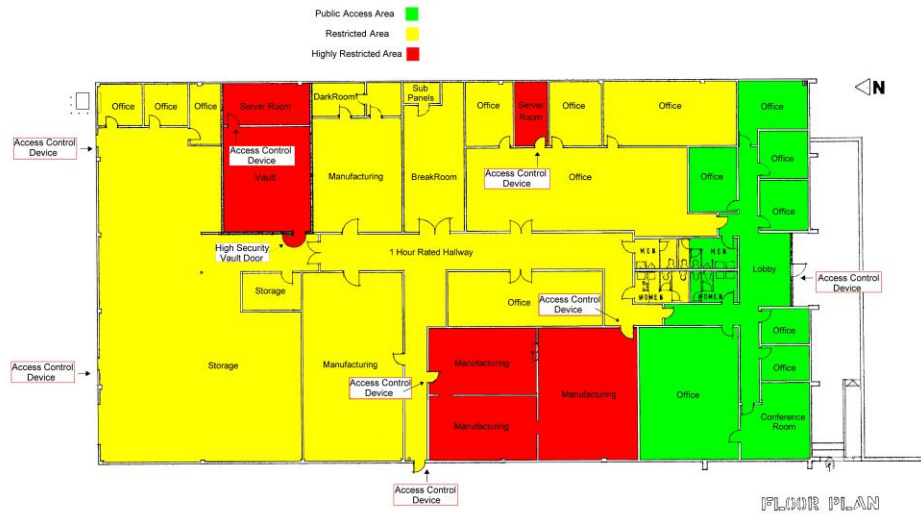
BMI's production facilities are protected by an electronic security system. Electronic identification fobs are required for all entrances. This system is monitored 24 hours a day, seven days a week. Both of our production centers are protected by a heat activated sprinkler systems that notify the fire department when activated.

Customer microfilm records that are not actively being processed are stored within a locked 7000 cubic foot walk-in vault with a two-hour fire rating. All customer film stored in our facility is covered by an Inland Marine valuable papers insurance policy with a limit of \$2,000,000. Client film shipped from our facility is also covered by an Inland Marine policy to a limit of \$200,000 per shipment. At the time of their hiring, all of our employees are given an employee handbook that is

based on a framework from the California Chamber of Commerce. This handbook details BMI's employment policies and workplace regulations. As a requirement of employment, each employee is required to sign a non-disclosure agreement that prohibits discussion or distribution of information that originates with or belongs to a client of BMI. All production employees are HIPAA trained and many are DOJ certified to work on Law Enforcement and Confidential documents. BMI currently employs 60 staff members between our two facilities. Our client base includes approximately 3,000 governmental agencies and private industry interests.

### **Confidentiality:**

BMI has security policy documents in place as we process a high volume of confidential material on a daily basis including HIPAA documentation. These security documents can be provided to the County management upon request prior to contract award. All scanning will take place at our Sunnyvale, CA facility which has recently been certified to be in compliance with the National Institute of Standards and Technology Special Publication (NIST SP) 800-53 guidelines. Below is additional information regarding our security and facility:



## Project Goals

BMI currently hosts historical land records for the Assessor-Recorder for the time period of 1979 – 1853. Listed below are the goals of this Digital Reel system upgrade:

- Achieve best standards compliance for microfilm creation of Official Records. Create archival quality standard rolls from previously recorded documents. The documents written to 16mm microfilm x 215' @ 40x and will include un-redacted Official Records.
- Provide a portal for County to upload newly recorded documents to keep current with archive and back up needs. The County will upload both redacted and un-redacted Official Records.
- Acquire a copy of recorded images and indices from 1980 to current which will be added to the existing hosted site (redacted and un-redacted) estimated at 22,000,000 images.
- Provide a complete disaster recovery system by replicating the entire history of the County in two geographically different data centers.
- Provide back-up images for the current recording system.
- Convert older on premise Vital Records system to hosted Digital Reel version.
- Replacing poor quality images in the current Digital Reel systems from better quality microfilm rolls (rescanning of rolls).

## Work Plan

BMI will be shipping an external HD (encrypted) that can be utilized to copy the Official Records from Tyler as described above along with the Digital Reel Vital Records images and indices. This data will be processed and converted to the current version of Digital Reel.

BMI will provide a secure FTP for the submission of the backlog documents that need to be written to microfilm. This will be a one time project. For more current recorded documents, BMI will provide a portal for daily submission of recorded images and data (MDA or Microfilm Digital Archive).

The final result of these projects is the County will have access to the complete history of Fresno County land records in Digital Reel format located in two geographically different data centers for disaster recovery purposes. Additionally, we will achieve best standards compliance by creating archival microfilm rolls for recorded images.

Lastly, BMI will provide pick up and delivery services for the 400 rolls that need to be re-scanned.

### **Project Management:**

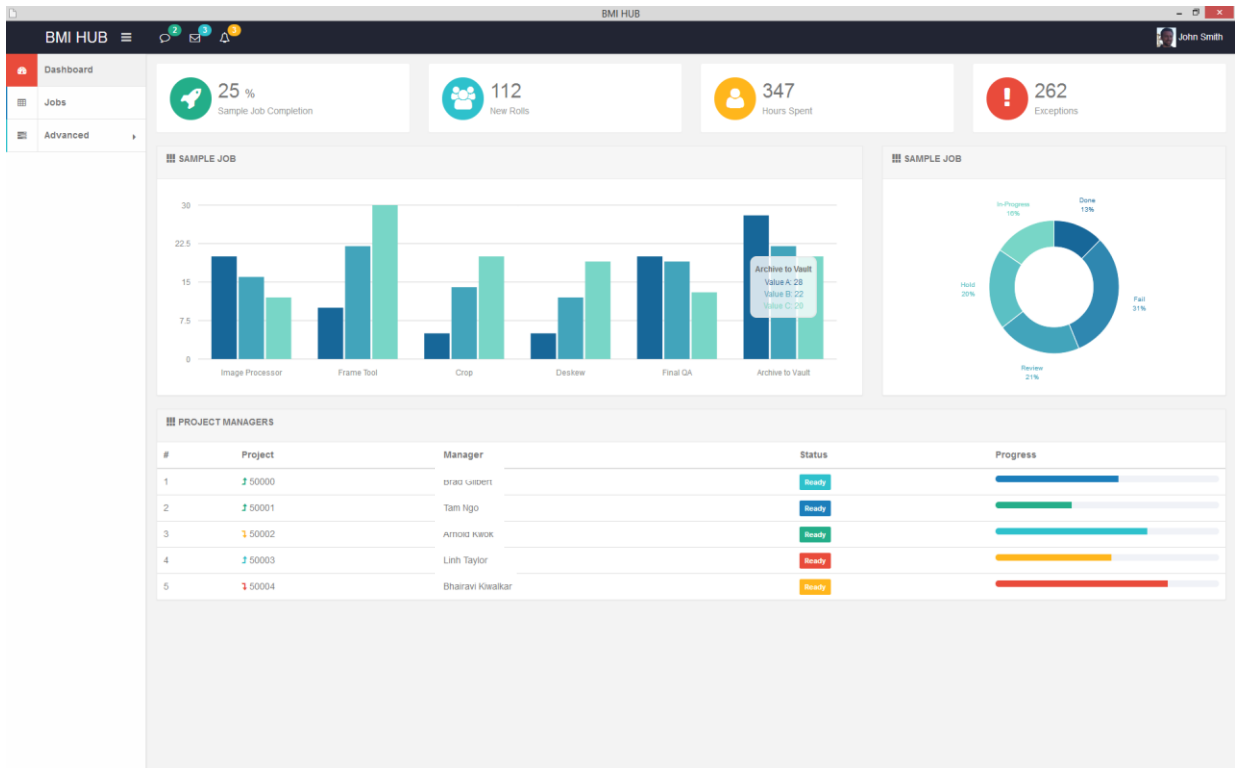
BMI believes that a process driven, repeatable and predictable program is one that yields expected results. The following describes our normal process for project startup and monitoring as the project progresses.

- Project Kickoff Meetings and Workshops
  - The BMI Account Executive and BMI assigned Project Manager meet with the Counties Project Management Team (via phone, web conference, or in



person) to clarify the expectations of the project deliverable, reporting requirements and completion dates.

- Project Status Measurement, Monitoring, Meetings, and Reporting
  - All material is entered into BMI's production tracking system, JobTraQ. There is a project level status report that shows all the processes for that project and how all material is distributed across those processes. Each project is broken in milestones that will require communication between both parties (via phone, web conference, or in person) to approve milestone deliverables and resolve issues. Reports can be generated as agreed to by both parties during the Kickoff Meeting.
- Project Productivity and Budget Measurement and Monitoring
  - A project schedule is determined during the Kickoff Meeting. Milestones are created and completed throughout the project in accordance with the project schedule. Project budgets are tracked with the completion of each milestone to provide a clear picture of funds available/used at a given time during the project.
- Source and Deliverable Data Transmittals
  - Deliveries or shipments from BMI for original material and/or physical product deliverable will contain a Customer Copy and BMI Copy transmittal sheet that requires a client signature upon receipt. Electronic product deliverables will be followed up with an email requesting client approval and receipt.
- Confirmation of Requirements and Specifications
  - The purpose of the Kickoff meeting is to confirm the project specifications and deliverable requirements. If during the course of the project the project specifications and deliverable requirements need to be changed, the project will be put on hold and written documentation will be generated and agreed to by both parties. BMI development and project management staff then put in place procedures through which all project work is directed. While some of these procedures are manual (prep and scanning) most image management and data merging processes are automated. (See example of BMI HUB screenshot indicating management process tracking. All processes are tracked and monitored.



BMI HUB

Dashboard

Jobs

Advanced

Users

Processes

Stations

JOB : DR SAMPLE

ROLLS

search

Showing 9/9 entries

Roll Name	Group	Process	Status	Error	Last Updated	Actions
320293	CLERK DOCUMENTS	Image Processor	DONE		2014-05-29T15:43:08	Modify Delete
320297	CLERK DOCUMENTS	Image Processor	REVIEW	Error loading project file. The system cannot find the path specified. Line: 0	2014-05-29T15:43:25	Modify Delete
607445	CLERK DOCUMENTS	Print Roll Label Barcode	DONE		2014-05-29T15:43:15	Modify Delete
607446	CLERK DOCUMENTS	Print Roll Label Barcode	DONE		2014-05-29T15:43:15	Modify Delete
352255	CLERK DOCUMENTS	Print Roll Label Barcode	DONE		2014-05-29T15:43:15	Modify Delete
352258	CLERK DOCUMENTS	Print Roll Label Barcode	FAIL	User states the label did not print	2012-02-01T01:09:10	Modify Delete
352257	CLERK DOCUMENTS	Print Roll Label Barcode	FAIL	User states the label did not print	2012-02-01T01:09:01	Modify Delete
352256	CLERK DOCUMENTS	Print Roll Label Barcode	FAIL	User states the label did not print	2012-02-01T01:08:50	Modify Delete
607447	CLERK DOCUMENTS	Print Roll Label Barcode	MISSING		2014-05-29T15:43:30	Modify Delete

Show 1000 entries per page

First Previous 1 Next Last

- Data Problem Resolution and Issues Management
  - Any problems or issues with a project are to be discussed with the BMI Project Manager and BMI Account Executive (as needed) to resolve the problems or issues. Written documentation will be sent from the party identifying the problem/issue to the other party. An action plan to resolve the problem/issue will be determined and agreed to in writing by both parties.
- Change Control
  - During the Project Kickoff meeting, the scope of the project will be defined to reduce scope creep. If during the project a change is determined and agreed to by both parties, the project will be put on hold, any previous deliverables may be reworked to meet the new requirements, client approval will be requested, and upon client approval receipt the project will continue.
- Customer Satisfaction Measurement and Monitoring
  - Milestone approval requests will be sent throughout the project requiring the client to verify they are satisfied with the milestone deliverable. At the completion of the project, a follow up is conducted to inquire on the satisfaction of the deliverable and experience.

**Proposed Timeline:**

Weeks	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Tasks																								
Acquire Images/Materials																								
Inventory Prepare Materials																								
Provide Milestone 1																								
Complete Project																								

**Transportation of Materials:**

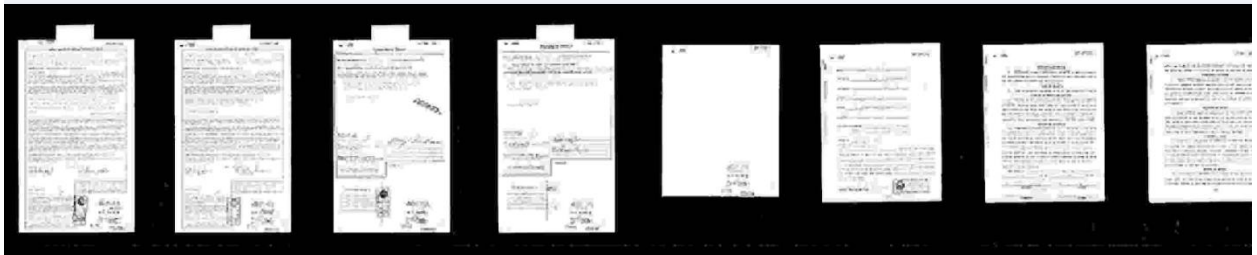
- The County will designate a point of contact that will be responsible for communicating with BMI during the project.
- The Counties point of contact will work with BMI to allow access of BMI personnel to the material for transport to the BMI document conversion facility.
- BMI employs its own drivers and trucks to provide transport of documents to our facilities.
- Upon arrival at BMI, each shipment is logged into the BMI job control and tracking system. This includes assignment of a Job Number and box labeling, affixing bar coded document control numbers to boxes for tracking and accountability. The Job Number and box numbers are used throughout the conversion process.
- During production the microfilm will be stored in our secure vault following scanning.



- BMI intends to utilize our off-shore partners for the following services described herein:

Framing of images (these images are out of focus and cannot be read). This allows for efficient printing/saving of images as this eliminates the black border around the frame or copyboard. See samples below:

Roll film view:



## Schedule of Fees

Hosting:

Item	Estimated Volume	Unit Price	Total Price
Dec 2016 – Nov 2017	1	\$20,100	\$20,100
Dec 2017 – Nov 2018	1	\$20,100	\$20,100
Dec 2018 – Dec 2019	1	\$26,400	\$26,400
Dec 2019 – Dec 2020	1	\$26,400	\$26,400
Dec 2020 – Nov 2021	1	\$26,400	\$26,400
<b>Project Total</b>			<b>\$119,400</b>

Service Fees:

Item	Estimated Volume	Unit Price	Total Price
Digital Reel Conversion from Microfilm Rolls (Rescan)	400 Microfilm Rolls	\$35/roll	\$14,000
Conversion of Vital Records to current system	1	\$7,500/each	\$7,500
Archive Write 5 Year History to 16mm film x 215' @ 40x	4,000,000 images	\$.045/image*	\$180,000
Upload of Images/Indices from Tyler	18,000,000 images	\$30,000	\$30,000
Project Management Fee & Technical Services	1	\$10,000	\$10,000
Transportation of Material	2	\$500	\$1,000
External HD for tiff images	1	\$500	\$500
<b>Sub Total</b>			<b>\$243,000</b>
<b>Taxable Items (7.975%)</b>			<b>\$19,379</b>
<b>Project Total</b>			<b>\$262,379</b>

\*Includes upload of images to Digital Reel format. This same fee will be applicable for the daily upload of images/data for archive writing through the MDA portal.