



Board Agenda Item 31

DATE: February 20, 2024

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Third Amendment to Agreement with Peraton State & Local, Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute the Third Amendment to Agreement No. 22-348 with Peraton State & Local, Inc., for mainframe hosting services for the Property Management Information System, effective upon execution, increasing the maximum compensation by \$1,000,000 to a total of \$3,550,000, with no change to the potential five-year term of February 27, 2020, through February 26, 2025, which includes a four-year term with one optional one-year extension.

There is no additional Net County Cost associated with the recommended action, which would allow the Internal Services Department, Information Technology division (ISD-IT) to continue working with Peraton State & Local, Inc. (Peraton) for mainframe hosting services for the Property Management Information System (PMIS) used by the Auditor-Controller/Treasurer-Tax Collector (ACTTC) and Assessor-Recorder (Assessor) for property tax collection purposes. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board choose to not approve the recommended action, ISD-IT will not have sufficient funds to continue necessary mainframe hosting services, as currently provided by Peraton. Additionally, non-approval would affect the daily computer environments and business operations of ACTTC, Assessor, and ISD-IT. Transitioning the mainframe hosting service to another service provider would not be in the best interest of the County, as it would incur significant unjustifiable costs to transition, especially considering the transition to a County-hosted mainframe computer environment is already underway and nearing completion.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended amendment will increase the maximum compensation by \$1,000,000 to a total of \$3,550,000. Actual costs will continue to be funded through ISD-IT Org 8905 and charged back to ACTTC's Org 0410 and Assessors Org 0420. Sufficient appropriations and estimated revenues are included in the departments' FY 2023-24 Adopted Budgets and will be include in future budget requests.

DISCUSSION:

On February 25, 2020, your Board approved agreement No. 20-074 (Agreement) for mainframe hosting services for PMIS with Perspecta State & Local, Inc. The Agreement was for a three-year term and a maximum compensation of \$2,550,000.

On November 24, 2020, your Board approved a First Amendment to the Agreement (County contract No. 20-074-1) with Perspecta State & Local, Inc. to allow for modernization updates to the specific types of connections allowed to the mainframe that hosts the PMIS system. The Agreement specifically specified T1 lines, however, those connections use outdated and difficult to replace technologies.

On July 30, 2021, Perspecta State & Local, Inc. changed its name to Peraton State & Local, Inc.

On August 9, 2022, your Board approved a Second Amendment to the Agreement with Peraton, to address the company name change, implement a requested price increase on unit rates, add fixed staff rates for professional services that were previously omitted, replace the annual compensation limits in favor of a term lump sum amount with no change to the total maximum of \$2,550,000 in order to allow ISD more flexibility in departmental spending, and to extend the agreement to a potential maximum term of five years.

ISD-IT is now recommending approval of a Third Amendment to the Agreement to increase the maximum compensation by \$1,000,000 to a total of \$3,550,000, which will mitigate the higher-than-expected costs associated with the previous unit rate increases, and address higher than anticipated needs. Not only will the recommended amendment accommodate the County's need to continue utilizing Peraton for mainframe hosting due to unanticipated project delays, but will also enable ISD-IT to utilize programming contractor services. These programming contractor services were previously provided under agreement No. P-22-052 with Agloro Programming Services, Inc., however by switching these services over to Peraton, ISD-IT will be able to realize savings from reduced costs.

Approval of the recommended Amendment will allow for continued hosting services with Peraton, increasing the maximum compensation by \$1,000,000 to a total of \$3,550,000, with no change to the potential five-year term.

REFERENCE MATERIAL:

BAI #43, August 9, 2022
BAI #45, November 24, 2020
BAI #44, February 25, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Third Amendment to Agreement with Peraton

CAO ANALYST:

Ahla Yang