



Board Agenda Item 43

DATE: August 9, 2022

TO: Board of Supervisors

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

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

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Second Amendment to Agreement No. 20-074 with Peraton State & Local, Inc. (formerly Perspecta State & Local Inc.) for Auditor-Controller / Treasurer-Tax Collector Property Tax Collection for mainframe hosting services, effective upon execution, to increase unit rate costs, effective March 1, 2023, adding fixed staff rates previously omitted, extending the term by one year with an optional one-year extension (February 27, 2023, to February 26, 2025), with no change to the compensation maximum of \$2,550,000.

There is no additional Net County Cost associated with the recommended action, which would allow the Internal Services Department - Information Technology Services Division (ISD-IT) to continue working with Peraton State & Local, Inc. (Peraton), for mainframe hosting services for the Auditor-Controller/Treasurer-Tax Collector (ACTTC), Property Tax Collection Division for an added two years due to unexpected delays, by both the vendor and ACTTC, in transitioning the mainframe from vendor-hosted to county-hosted. Approval will extend the agreement to a total of five years. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, ISD-IT will not have an agreement in place to provide the necessary services, as Peraton is the mainframe hosting provider and the County's mainframe is not County-hosted. In addition, non-approval would affect the daily computer environments and business operations of ACTTC and ISD-IT. Transitioning the mainframe hosting service to another service provider would not be in the best interest of both departments, as it would incur significant costs to transition, especially since the transition to a County-hosted mainframe computer environment is underway.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended amendment will replacement the annual maximums with a lump sum maximum compensation (\$2,550,000) for the term, to allow for increased spending flexibility. Actual costs will continue to be funded through ISD-IT Org 8905 and charged back to ACTTC's Org 0410. Sufficient appropriations and estimated revenues are included in both departments FY 2022-23 Recommended Budget and will be included in future budget requests.

DISCUSSION:

On February 25, 2020, your Board approved Agreement No. 20-074 for mainframe hosting services for the

ACTTC 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 with Perspecta State & Local, Inc. to allow for an upgrade to the T1 Connections to the mainframe system. T1 connections provide high speed bandwidths over fiber optic and copper phone lines. The agreement specified T1 lines, however, those connections utilize outdated and difficult to replace technology. The First Amendment allowed for the replacement of the connections with the equivalent modern alternative.

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

Approval of the recommend action would implement Peraton's requested price increase on unit rates, which would be effective March 1, 2023, at the end of the current term. The amendment will also add fixed staff rates previously omitted, replace the annual compensation limits of \$850,000 annually with a term lump sum of \$2,550,000 for more flexibility in departmental spend, and extend the agreement to a potential maximum of five years.

REFERENCE MATERIAL:

BAI #45, November 24, 2020

BAI #44, February 25, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 2 to Agreement with Peraton

CAO ANALYST:

Sonia M. De La Rosa