



Board Agenda Item 37

DATE: August 5, 2025

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector
Paul Dictos, CPA, Assessor-Recorder
Mike Kerr, Director of Information Technology/Chief Information Officer

SUBJECT: Agreement with Computer Technologies U.S.A., LLC DBA Blue Hill Data Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with Computer Technologies U.S.A., LLC DBA Blue Hill Data Services for Mainframe Hosting Services supporting the County's Property Tax System, effective August 5, 2025, through December 31, 2026, and includes two optional one-year extensions, with a total contract amount not to exceed \$3,500,000.

There is no additional Net County Cost associated with the recommended action, which would allow the County to continue contracting 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):

There is no viable alternative action. Should your Board choose to not approve the recommended action, the County will be unable to transition to a different mainframe hosting provider prior to the expiration of its existing agreement No. A-20-074 with Peraton State & Local, Inc. Transitioning to a different mainframe hosting provider before the end of the current contract is in the best interest of the County and ensures continuity with no impact to the daily computing environments and business operation of ACTTC and Assessor, both of which rely on the PMIS for critical property tax functions. Additionally, this provides the needed support as the departments work on procurement, planning and migration to a vendor-supported PMIS which is currently in the Request for Proposal phase. Failure to approve this Agreement could result in the County being unable to assess property or generate property tax statements on time, both of which are statutory requirements

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. For FY 2025-26, the annual compensation is projected at \$867,900, with an additional \$34,023 allocated for variable hosting costs. These costs are expected to increase in subsequent years, by approximately five percent annually. The County will continue compensating Peraton State & Local, Inc through February 2026 in accordance with Agreement No. A-25-072. Sufficient appropriations and estimated revenues are included in ACTTC's Org 0410 and Assessor's Org 0420 FY 2025-26 Recommended Budgets and will be included in future Recommended Budget requests for the duration of the Agreement term.

DISCUSSION:

The PMIS is a mission-critical application used by the ACTTC and Assessor for essential property tax collection and assessment functions. The system processes property tax transactions, maintains tax records, and facilitates tax distribution, making its continued availability imperative for County operations. Due to the complexity and regulatory nature of property tax management, the mainframe platform remains the most stable and secure environment for hosting PMIS until a full transition can be completed.

On February 25, 2020, the Board approved Agreement No. A-20-074 with Perspecta State & Local, Inc. for mainframe hosting services for the PMIS.

On November 24, 2020, the Board approved a First Amendment to the Agreement (Agreement No: A-20-074-1) to allow for modernization updates to the mainframe system.

On August 9, 2022, the Board approved a Second Amendment to the Agreement (Agreement No: A-22-348) to address the vendor's name change to Peraton State & Local, Inc. (Peraton), 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, and extend the agreement to a potential maximum term of five years.

On February 20, 2024, the Board approved a Third Amendment to Agreement (Agreement No: A-24-084) to increase the maximum compensation by \$1,000,000 to a total of \$3,550,000 to address increased costs associated with the previous unit rate increases and higher than anticipated needs.

On February 25, 2025, the Board approved a Fourth Amendment to Agreement (Agreement No: A-25-072) to increase the maximum compensation by \$1,000,000 to a total of \$4,550,000 to address increased costs associated with the previous unit rate increases and higher than anticipated needs. The Agreement with Peraton is set to expire on February 26, 2026.

Pursuant to Chapter 4 of the County's Purchasing Manual, the County may join other public entities in the collective preparation of specifications and requests for quotations or proposals, and in making an award to a bidder in compliance with the requirements of the Purchasing Manual. The recommended Agreement will piggyback off an existing agreement between Computer Technologies U.S.A., LLC DBA Blue Hill Data Services (Blue Hill) and the County of Alameda, dated December 11, 2023. The County of Alameda released their Request for Proposal (RFP) No. 902251 on February 15, 2023. Four bidders submitted proposals and Blue Hill, the highest-scoring responsive vendor, was awarded an agreement with the County of Alameda.

Approval of the recommended Agreement will allow the County to transition to Blue Hill's mainframe hosting platform prior to the expiration of the County's Agreement No. 25-072 with Peraton, ensuring that continuity of services is not disrupted. The recommended Agreement's initial term expires on December 31, 2026, to align with the County of Alameda's term, and includes an option to extend the term for two, consecutive, one-year periods through December 31, 2028.

REFERENCE MATERIAL:

BAI #32, February 25, 2025
BAI #31, February 20, 2024
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 - Agreement with Computer Technologies U.S.A., LLC DBA Blue Hill Data Services

CAO ANALYST:

Paige Benavides