



County of Fresno

Hall of Records, Rm. 301
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Fresno, California
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Legislation Details (With Text)

File #: 20-0080 **Name:** Agreement with Perspecta State & Local, Inc.

In control: Internal Services

On agenda: 2/25/2020 **Final action:** 2/25/2020

Enactment date: **Enactment #:** Agreement No. 20-074

Title: Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances for mainframe hosting services for the County's Property Tax System; and approve and authorize the Chairman to execute an agreement with Perspecta State & Local, Inc. for hosting services for the County's Property Tax System, effective February 27, 2020, not to exceed three consecutive years, total not to exceed \$2,550,000

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agenda Item, 2. Suspension of Competition Acquisition Request, 3. Agreement A-20-074 with Perspecta State & Local, Inc.

Date	Ver.	Action By	Action	Result
2/25/2020	1	Board of Supervisors	Approved as Recommended	Pass

DATE: February 25, 2020

TO: Board of Supervisors

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

SUBJECT: Agreement with Perspecta State & Local, Inc.

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to waive the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances for mainframe hosting services for the County's Property Tax System; and**
- 2. Approve and authorize the Chairman to execute an agreement with Perspecta State & Local, Inc. for hosting services for the County's Property Tax System, effective February 27, 2020, not to exceed three consecutive years, total not to exceed \$2,550,000.**

There is no additional Net County Cost associated with the recommended actions. Approval will allow for the continuation of hosting services on the Perspecta State & Local, Inc. (Perspecta) mainframes for the County's Property Tax System. This will continue to support the existing property tax system until a new replacement can be acquired and brought online. This agreement is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Without this agreement, the County will be unable to host the Property Tax System on Perspecta's mainframes.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department's request to waive the competitive bidding process is consistent with Administrative Policy No. 34 as Perspecta has hosted the Property Tax System for more than twelve years, and the cost of migrating to a new hosting solution for the existing system in the middle of finding a replacement would be needlessly time-intensive and cost-prohibitive. The Internal Services Department - Purchasing concurs with the Department's request to waive the competitive bidding process.

FISCAL IMPACT:

There is no additional Net County Cost associated with the recommended actions. Costs associated with the recommended agreement will be recovered through charges to user departments. Sufficient appropriations and estimated revenues to cover FY 2019-20 costs associated with the recommended agreement are included in the Department's Information Technology Services Org 8905 FY 2019-20 Adopted Budget and will be included in future budget requests.

DISCUSSION:

On February 27, 2007, the Board approved Agreement No. 07-071 with Electronic Data Systems Corporation (EDS) to provide mainframe hosting services for the Property Tax System, used by both the Assessor-Recorder and the Auditor-Controller/Treasurer-Tax Collector. The term of the agreement was from February 27, 2007 through February 29, 2012 and EDS was purchased by HP Enterprise Services, LLC (HP) during this period.

On February 21, 2012, the Board approved a First Amendment to Agreement No. 07-071 with HP to extend the agreement for a term of two years, reduce the price per month of the software licenses and maintenance, establish a quarterly review process of software licenses and maintenance expenses, allow for increases or decreases on a quarterly basis of the price per month as mutually agreed by both parties of the agreement, and allow for a 10% price reduction for a two-year period. On February 4, 2014, the Board approved a Second Amendment to this agreement to extend the term for an additional two years, allow for a 3% price reduction for a two-year period, and change the review process for software licenses and maintenance expenses from a quarterly review to an annual review. On March 15, 2016, the Board approved a Third Amendment to this agreement to extend the term for an additional two years with two optional one-year extensions, and allow for a 2.5% price reduction for a four-year period.

On April 2017, HP Enterprise Services, LLC, merged with Computer Sciences Corporation to form DXC Technology. On June 1, 2018, Enterprise Services LLC (ES), formerly HP Enterprise Services, LLC, was spun off from DXC Technology, and merged with two other public sector-focused companies to form Perspecta, Inc. ES is a wholly-owned subsidiary of Perspecta, Inc. As a result of this merger, the Board approved a Third Amendment to assign the existing agreement to Perspecta State & Local, Inc.

Approval of the recommended action will allow the County's Property Tax System to continue its hosting on the Perspecta mainframes. The recommended actions will result in a new agreement that is largely identical to the previous agreement in terms of services and responsibilities performed by Perspecta. The recommended agreement includes a price increase of 20%, and updated insurance provisions as is currently County-standard. It also includes a limitation on liability, which limits Perspecta's liability to County for damages arising out of the Agreement to one and one-half times the fees paid by County to Perspecta under the recommended agreement. However, the Department believes that the benefits of entering into this recommended agreement outweigh any associated risks.

REFERENCE MATERIAL:

BAI #30, March 12, 2019 - Third Amendment/Assignment to Perspecta State & Local, Inc.
BAI #15, February 4, 2014 - Second Amendment

BAI #23, February 21, 2012 - First Amendment

BAI #12, February 27, 2007 - Agreement with Electronic Data Systems Corporation

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request Form

On file with Clerk - Agreement with Perspecta State & Local, Inc.

CAO ANALYST:

Yussel Zalapa