



County of Fresno

Hall of Records, Rm. 301
2281 Tulare Street
Fresno, California
93721-2198

Legislation Text

File #: 19-0014, **Version:** 1

DATE: March 12, 2019

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer
Paul Dictos, CPA, Assessor-Recorder
Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Retroactive Assignment of Agreement No. 07-071-3 for the Provision of Mainframe Hosting Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive assignment of Agreement No. 07-071-3 from HP Enterprise Services, LLC to Perspecta State and Local Inc. for the provision of mainframe hosting services, effective June 1, 2018.

There is no increase in Net County Cost associated with the recommended action. HP Enterprise Services, LLC provided mainframe hosting services for the Property Tax System, used by both the Assessor/Recorder and the Auditor-Controller/Treasurer-Tax Collector, pursuant to Agreement No. 07-071-3. 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 parties are requesting the County's consent to ES's assignment of all of its rights and obligations under the County's existing agreement to Perspecta State & Local, Inc., another wholly owned subsidiary of Perspecta, Inc. Approval of the recommended action will ensure that the Auditor-Controller/Treasurer-Tax Collector and Assessor-Recorder departments continue to receive mainframe hosting services for the Property Tax system. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the protections under this Agreement may not be binding or easily enforceable, as the obligations of the contractor would remain with HP Enterprise Services, LLC, a company that spun off to form Perspecta, Inc.

RETROACTIVE AGREEMENT:

The recommended assignment of agreement is retroactive to June 1, 2018, the date when HP Enterprise Services LLC was spun off from DXC Technology and merged with two other public sector focused companies to form Perspecta, Inc.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The costs associated with Agreement No. 07-071-3 are included in the Auditor-Controller/Treasurer-Tax Collector and Assessor-Recorder's FY 2018-19 Adopted Budgets. The change in assignment related to Agreement No. 07-071-3, which assigns all rights, interests, obligations, responsibilities, and liabilities of ES to Perspecta State & Local Inc., will not increase or decrease appropriations already budgeted for FY 2018-19.

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 parties are requesting the County's consent to ES's assignment of all of its rights and obligations under the County's existing agreement to Perspecta State & Local, Inc., another wholly owned subsidiary of Perspecta, Inc.

Approval of the recommended action will assign all rights, interests, obligations, responsibilities, and liabilities of ES under the existing Agreement No. 07-071-3 to Perspecta State & Local Inc. If your Board approves the recommended assignment, the assignment will be retroactive to June 1, 2018, the date ES merged to form Perspecta, Inc. All other terms and conditions of the Agreement remain the same.

REFERENCE MATERIAL:

BAI #31, March 15, 2016
BAI #15, February 4, 2014
BAI #23, February 21, 2012
BAI #12, February 27, 2007

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Assignment of Agreement

CAO ANALYST:

Yussel Zalapa