



Board Agenda Item 32

DATE: February 25, 2025

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/Interim Director of Internal Services/Chief Information Officer
Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector
Paul Dictos, CPA, Assessor-Recorder

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

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute the Fourth Amendment to Agreement No. A-24-084 with Peraton State & Local, Inc. for mainframe hosting services for the Property Management Information System, extending the term by one year from February 27, 2025 to February 26, 2026 and increasing the maximum by \$1,000,000, total not to exceed \$4,550,000.

There is no additional Net County Cost associated with the recommended action, which would allow the County to continue contracting 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, the Internal Services Department, Information Technology division (ISD-IT) will lack the necessary funds to continue essential mainframe hosting services currently provided by Peraton. This would directly impact the daily computing environments and business operations of the ACTTC and Assessor, both of which rely on the PMIS for critical property tax functions. Transitioning to a different mainframe hosting provider or migrating the system to a County-hosted environment before the end of the current contract is not feasible, as the transition process requires a minimum of one year to complete successfully. This timeline accounts for the planning, procurement, testing, and deployment necessary to ensure uninterrupted service and data integrity. Additionally, an accelerated transition would introduce significant risks, including potential service disruptions and increased costs. The County is in the process of transitioning to a new mainframe environment, which is projected for completion by February 2026. The recommended extension ensures service continuity during this transition period.

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 \$4,550,000. Costs will continue to be funded through ISD-IT Org 8905 and charged back to ACTTC's Org 0410 and Assessor's Org 0420. Sufficient appropriations and estimated revenues are included in the departments' FY 2024-25 Adopted Budgets and will be included in FY 2025-26 Recommended Budget requests.

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 (Agreement) with Perspecta State & Local, Inc. for mainframe hosting services for the PMIS. The Agreement included a three-year term and a maximum compensation of \$2,550,000.

On November 24, 2020, the Board approved a First Amendment to the Agreement to allow for modernization updates to the mainframe system, including upgraded T1 connections to provide high-speed bandwidths to the mainframe system.

On July 30, 2021, Perspecta State & Local, Inc. changed its name to Peraton State & Local, Inc. On August 9, 2022, the 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 to allow more flexibility in departmental spending, and extend the agreement to a potential maximum term of five years.

On February 20, 2024, the Board approved a Third Amendment to the Agreement 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.

The departments are now recommending approval of a Fourth Amendment to the Agreement to extend the term by one additional year, from February 27, 2025 through February 26, 2026, and to increase the maximum compensation by \$1,000,000 to a total of \$4,550,000. As of February 7, 2025, \$3,200,038.06 of the current contract maximum of \$3,550,000 has been spent. The remaining amount of \$349,961.94, in addition to the \$1,000,000 included in this Fourth Amendment, will be available to be expended through February 26, 2026. Approval of the recommended Amendment will allow for continued hosting services with Peraton while the County transitions to another mainframe hosting platform and due to rate increases that Peraton will implement after February 2026.

REFERENCE MATERIAL:

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 - Fourth Amendment to Agreement with Peraton

CAO ANALYST:

Amy Ryals