MEETING DATE:
Tuesday, June 20, 2017

FROM: ASSESSOR-COUNTY-CLERK-RECORDER AND TREASURER-TAX COLLECTOR
AND AUDITOR-CONTROLLER:

SUBJECT: ASSESSOR-COUNTY CLERK-RECORDER: Approve Amendment No. 5 to the Agreement for Computer Maintenance Services and Support for the Property Tax System with Computer Ideas Inc. without pursuing competitive bids for one (1) year, with an option to renew the agreement for one additional one-year period, Districts: All. [Total Cost: $1,919,400 - Department Budgets (38%) and CREST Capital Project Fund (62%)]

RECOMMENDED MOTION: That the Board of Supervisors:
1. Approve and execute the Amendment No. 5 for Computer Maintenance Services and Support for the Property Tax System with Computer Ideas Inc. without seeking competitive bids for a total annual amount not to exceed $959,700, for the period of July 1, 2017 to June 30, 2018, with an option to renew the agreement for one additional one-year period; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates, as approved by County Counsel.

ACTION: Policy

____________________________________________________________________________

MINUTES OF THE BOARD OF SUPERVISORS
BACKGROUND:

Summary

On June 21, 2016 the Board of Supervisors (Board) approved an amendment to the agreement between the County and Computer Ideas in the amount of $1,874,600 to support the County’s current mission-critical Property Tax System, ensuring continuity of services and system up-time necessary for the County’s main revenue source, as well as provide necessary technical support required for transition to the new property tax system under development. Amendment No. 5 for Computer Ideas will reduce the agreement by $914,900 to a revised amount of $959,700. This decrease is due to a reduction in requested service hours.

The County of Riverside continues to advance in its commitment to reengineer and replace its mission critical property tax administration mainframe system. The County of Riverside Enterprise Solution for Property Taxation (CREST) Project unites the County’s three property tax departments. The goal is to capitalize on the latest information technology advancement and designs, and implement a new Integrated Property Tax Management System (IPTMS) to meet the business and operational needs of the Assessor-County Clerk-Recorder, Auditor-Controller, and Treasurer-Tax Collector departments.

The County’s 43-year old Property Tax System built on mainframe architecture is considered outdated. Moreover, the system architecture consists of complex and custom programming utilizing COBOL programming language that is becoming a scarce skill to hire within the industry. Modifications and enhancements are needed constantly to stay current with changing business needs and to maintain the current system. As a result, knowledgeable technicians of mainframe technology are rare, let alone those with familiarity of Riverside County’s version of the property tax system. Computer Ideas, Inc. has been intimately involved in its development and maintenance since its inception.

The CREST team will also need these knowledgeable resources to extract mainframe Property Tax data and make it available for importing into the new Property Tax System currently under development and testing.

Impact on Residents and Businesses

The new Property Tax System will replace the County’s current 43-year old legacy mainframe system and will optimize the County’s revenue generation operations and help protect the
County’s fiscal stability. The new system will remove manual processes, minimize costly errors and eliminate inefficiencies by automating operations. It will enable the County to more effectively implement and enforce its legal mandates for property tax administration. More importantly, the new system will allow the departments to service the public more efficiently and effectively.

SUPPLEMENTAL:
Additional Fiscal Information
The total contract amount through June 30, 2018 is not to exceed $959,700.

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>Total</th>
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<tbody>
<tr>
<td>Computer Services &amp; Support</td>
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<tr>
<td>Ongoing Cost: Assessor-County Clerk-Recorder</td>
<td>$176,800</td>
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<td>Treasurer-Tax Collector</td>
<td>$187,200</td>
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<tr>
<td>CREST</td>
<td>$595,700</td>
<td>$595,700</td>
<td>$1,191,400</td>
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<tr>
<td>Total Costs</td>
<td>$959,700</td>
<td>$959,700</td>
<td>$1,919,400</td>
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</table>

- Assessor-County Clerk-Recorder not to exceed $176,800 per year
- Treasurer-Tax Collector not to exceed $187,200 per year
- CREST not to exceed $595,700 per year

Contract History and Price Reasonableness
Computer Ideas, Inc. possesses vast knowledge and experience with the Riverside County Property Tax mainframe, dating back to its inception. Pricing charged by Computer Ideas ranges from $55 to $99 per hour for services. This compares favorably against rates quoted by other vendors under County contract award, which range in price from $52 to $109 per hour for similarly classed services. Computer Ideas has maintained their contracted pricing from last year. Based on this comparison, the pricing is deemed to be fair and reasonable. An additional key factor is that this vital system needs to stay up and running. Moreover, as the CREST team works to complete the new property tax system, it is critical for them to have knowledgeable and reliable technical support for the transition to the new system. In compliance with Board Policy H-11 (Acquisition and Management of Information Systems and Services), the Riverside County Technology Standards & Oversight Committee reviewed and recommended the approval of this proposed information technology acquisition on June 7, 2017.

Professional Service Agreement – BOS approved contract from 7/1/2006 to 6/30/2009
Amendment No. 1 – BOS approved contract extension from 7/1/09 to 6/30/12
Amendment No. 2 – BOS approved contract extension from 7/1/12 to 6/30/15
Amendment No. 3 – BOS approved contract extension from 7/1/15 to 6/30/16
Amendment No. 4 – BOS approved contract extension from 7/1/16 to 6/30/17
ATTACHMENTS:

Amendment No 5. To the Agreement with Computer Ideas, Inc.
RCIT H-11
Sole Source Justification

Teressa Summers, Assistant Director of Purchasing 6/9/2017
Gregory V. Prianios, Director County Counsel 6/9/2017

Dave Rogers, Chief Information Officer 6/9/2017