



County of San Mateo

Inter-Departmental Correspondence

Department: CONTROLLER

File #: 24-492

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Juan Raigoza, Controller
Subject: Agreement with PKN Consulting Services Inc.

RECOMMENDATION:

Adopt a resolution authorizing an agreement with PKN Consulting Services Inc. to provide software development, maintenance, and support services for the term of July 1, 2024 through June 30, 2027, for a total amount not to exceed \$1,335,600 with two one-year options to extend through June 30, 2029.

BACKGROUND:

The Controller's Office Property Tax Division relies on its property tax system software to help carry out its duties to ensure that property taxes payable by each taxpayer are accurately calculated, that property taxes collected are accurately distributed to taxing agencies, and that any refunds are paid timely. The software requires ongoing development, maintenance, and support services to ensure continued system functioning and compliance with statutory mandates.

Padmakumar Nagarajan of PKN Consulting Services Inc. (PKN) is a senior software developer with 25 years of experience in developing and supporting the County property tax system software. He has extensive knowledge of the property tax system applications, databases, and institutional knowledge of property tax business processes critical to making the necessary system adjustments required to respond to changes in property tax law and to ensure continued functionality of the system.

In connection with the May 7, 2024 Board meeting, the Controller's Office submitted a memorandum and proposed resolution requesting a waiver of the competitive bidding process and to approve an agreement with PKN for continued software maintenance and support services. That item was not considered for approval, and the Controller's Office subsequently proceeded to conduct a competitive procurement for the services.

DISCUSSION:

The County conducted a competitive procurement to identify and retain a qualified vendor to perform the property tax system maintenance and support services for the County Controller's

property tax system software. A Request for Proposals (RFP) for property tax system maintenance and support services was issued on May 9, 2024. The RFP was posted to Public Purchase, an online database of government bid opportunities. In response, the County received one proposal, from PKN Consulting Services Inc. (PKN), a contractor that has been providing these services to the County for many years.

The Review Committee evaluated the proposal based on the criteria identified in the RFP and has recommended awarding a contract to PKN. As noted, PKN has extensive experience in developing and supporting the County property tax system software. Pursuant to Administrative Memo B-4, a copy of the RFP matrix is included with this memorandum.

The proposed agreement ("Agreement") would require PKN to provide software development, maintenance, and support services for the term of July 1, 2024 through June 30, 2027, in accordance with a set hourly rate schedule, with the County having two one-year options to extend the term through June 30, 2029. The County's maximum fiscal obligation under the proposed Agreement is \$782,820 for the initial three-year term. In the event the County exercises its two, one-year extension options, the County's total fiscal obligation under the proposed Agreement through June 30, 2029 would not exceed \$1,335,600.

The Controller's Office further requests that this Board authorize the County Controller or designee to execute subsequent amendments to the proposed Agreement, so long as such amendment do not increase the total agreement amount by an aggregate of \$25,000.

The County Attorney's Office has reviewed and approved the Resolution and proposed Agreement as to form.

Risk Management has approved a waiver of contractor's compliance with County insurance requirements in view of the circumstances, including that the contractor has performed these services for 25 years in the County, and general liability risks of injury or property damage are low.

ISD has reviewed and approved the proposed Agreement with respect to its compliance with established County IT Standards.

FISCAL IMPACT:

The County's maximum fiscal obligation under the proposed Agreement authorized by this action is \$1,335,600 including the two one-year extensions. The proposed Agreement will be funded through intrafund transfers from non-departmental services, included in the FY 2024-25 Recommended Budget and in subsequent years' budgets.