



County of San Mateo

Inter-Departmental Correspondence

Department: CONTROLLER

File #: 19-017

Board Meeting Date: 1/8/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Juan Raigoza, Controller
Subject: Amendment to the Agreement with PCMG, Inc. for Managed System Hosting Services.

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with PCMG, Inc. for managed system hosting services, increasing server specifications and increasing the amount of the agreement by \$183,717.72 for a total amount not to exceed of \$1,286,202.04.

BACKGROUND:

On February 24, 2015, this Board adopted Resolution No. 073664 authorizing the Controller's Office to enter into an agreement with PCMG, Inc. (PCMG) (Agreement No. 14610-15-R073664) for the provision of managed hosting services for the Controller's property tax system for the initial term of April 1, 2015 through June 30, 2018. The Board subsequently authorized three amendments to the Agreement dated November 5, 2015 (Amendment I), September 1, 2017 (Amendment II), and June 19, 2018 (Amendment III) respectively, modifying the services to be provided by PCMG and ultimately extending the contract term to June 30, 2020.

DISCUSSION:

The current amendment is proposed because the hosted servers require more processing power, memory, and storage than originally anticipated due to: 1) increased computational load in connection with migration to the Tax Collector's new property tax system; and 2) significantly high utilization of the current servers.

1) The Tax Collector's Property Tax System Upgrade Requires a Second Instance of the Current System

The Tax Collector's migration to a new property tax system has required the development, testing, and implementation of multiple interfaces to pass data back and forth between the Controller's and Tax Collector's systems. This process requires a complete separate instance of the current system that will run in parallel until the Tax Collector's new system is fully implemented.

After upgrading the system specifications referenced below, the current processes are effectively doubled in order to run efficiently and perform as needed.

Although the Tax Collector anticipates its new system to be operative by July 2019, it will be necessary to maintain the Controller's current system for at least 6 months after the Tax Collector's go-live date in order to ensure the presence of all necessary functionality for the benefit of all taxing agencies in the County.

2) Servers are currently at High Utilization

Two of the hosted servers are consistently running at high utilization, causing both queuing delays and the increased risk of latency issues both of which have substantial negative impact on user experience.

Currently, both servers are utilizing approximately 80% of their disk space. In order to ensure there is adequate space for future needs, the system requires an additional 609GB of storage on each server, which will bring utilization down to approximately 50%.

County Counsel has reviewed and approved the Resolution as to form.

ISD has reviewed and approved PCMG's compliance with County IT standards.

This agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that the County is able to efficiently and accurately calculate and distribute property taxes, which are a main source of discretionary revenues for many local agencies (County, cities, schools, and special districts).

PERFORMANCE MEASURE:

Measure	FY 2017-18 Estimate	FY 2018-19 Projected
Complete major tax apportionments by installment due date	100%	100%
Percent of customer survey respondents rating property tax services good or excellent	100%	100%

FISCAL IMPACT:

The term of the amended agreement remains April 1, 2015 through June 30, 2020. The additional costs for the upgraded servers is \$183,717.72 over the duration of the contract, which brings the new not-to-exceed amount to \$1,286,202.04. Funding for this amendment is included in the Controller's FY 2018-19 Adopted Budget and will be included in the FY 2019-21 Recommended Budget.