



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** CONTROLLER

**File #:** 22-058

Board Meeting Date: 1/25/2022

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Juan Raigoza, Controller

**Subject:** Amendment to Agreement with PKN Consulting Services Inc.

**RECOMMENDATION:**

Adopt a resolution authorizing a first amendment to the agreement with PKN Consulting Services Inc. to increase the County's total fiscal obligation under the Agreement by \$308,420 for a revised amount not to exceed \$1,491,316.

**BACKGROUND:**

On June 4, 2019, the Board approved an Agreement (#14000-20-R076647) ("Agreement") with PKN Consulting Services Inc. (PKN Consulting) for the purpose of providing software development and support services for the County Controller's property tax system for a total not-to-exceed amount including the exercise of the County's two one-year renewal options of \$1,182,896. The initial term of the Agreement was from July 1, 2019 through June 30, 2022, with options exercisable at the County's sole discretion to extend the term for an additional two years through June 30, 2024. The Controller's Office intends to exercise its options to extend the contract terms through June 30, 2024 and requests approval to increase the County's total not to exceed amount to \$1,491,316.

The increase of \$308,420 is necessary to pay for additional services required to support the development of new system interfaces between Assessor's new property tax assessment system, that is currently under development, and the Controller's Office and Tax Collector's Office systems. Additional services are also required to modify the Controller's Office system due to changes to business processes.

The Controller's Office Property Tax Division relies on the current property tax system, which requires ongoing support and development. Padmakumar Nagarajan of PKN Consulting Services Inc. is a senior software developer with many years of experience in developing and supporting property tax systems. His extensive knowledge of property tax system applications, databases, and property tax business processes enable him to make the necessary system changes, in an effective and efficient manner, that are required due to changes in property tax laws, business processes, and work related to assisting with implementation of Assessor's Office and Tax Collector's Office systems.

**DISCUSSION:**

The Controller's Office is requesting the Board's approval to authorize a first amendment to the Agreement to increase the County's total fiscal obligation by \$308,420, such that the total amount due under the Agreement will not exceed \$1,491,316.

This amendment is necessary to cover the cost of substantial additional software development, integration and support to a degree not contemplated at the time the initial agreement was entered. The Assessor is in the process of developing a new assessment system which will change how data is passed to the Controller's Office. Additional development to the Controller's property tax system is required to accept and store Assessor data in the new format. Additionally, since the Tax Collector's property tax system went live in September 2019, substantial additional work has been required to address issues with the data that the Tax Collector's system sends to the Controller's Office property tax system. This has necessitated data fixes and modifications to the applications in the Controller's property tax system so that the Controller's Office can fulfill its mandated property tax functions timely and accurately.

In sum, the increased costs are a direct result of additional software development, integration and support work required to accept data from the Assessor's new assessment system and to ensure receipt of complete and correct data from the Tax Collector's new property tax system.

This Board is also being asked to authorize the County Controller or his/her 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 contractor has already assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. These terms will remain in effect following the amendment.

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

Approval of this agreement contributes to the Shared Vision 2025 for a Collaborative Community by providing services that benefit other County departments such as the Offices of the Treasurer-Tax Collector and Assessor, as well as all other taxing entities in the County such as cities, special districts, and school districts.

**PERFORMANCE MEASURE:**

Measure	FY 2020-21 Projected	FY 2021-22Target
Percent of major tax apportionments completed by installment due dates	100%	100%

**FISCAL IMPACT:**

The County's total contractual obligation under the amended agreement is \$1,491,316, which includes payments in the event the County exercises its two one-year extension options. The contract will be funded through intrafund transfers from non-departmental reserves.