



County of San Mateo

Inter-Departmental Correspondence

Department: ASSESSOR-COUNTY CLERK-
RECORDER-ELECTIONS
File #: 22-711

Board Meeting Date: 9/27/2022

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Mark Church, Assessor-County Clerk-Recorder & Chief Elections Officer
Subject: Amendment 7 to Agreement with Sapient Corporation for the Assessor-County Clerk-Recorder & Elections (ACRE) Assessor Property Assessment System (APAS) Project

RECOMMENDATION:

Adopt a resolution authorizing Amendment 7 to the agreement with Sapient Corporation to:

- A) Extend the APAS Development Agreement timeline by an additional 9 ½ months by moving the end date from September 16, 2022 to June 30, 2023; and
- B) Revise the term and start date of the APAS Maintenance Agreement from September 15, 2022 through September 15, 2032 to July 1, 2023 through June 30, 2033; and
- C) Increase the APAS Development Agreement amount by \$1,150,000, for a new not to exceed amount of \$22,338,348; and
- D) Reallocate \$1,150,000 in APAS project budget funds by moving \$900,000 from the Best Practice Vendor Cost and \$250,000 from Information Services Department Support Cost to the APAS Development Agreement Contingency Fund.

BACKGROUND:

At the core of the business operations of ACRE's Appraisal Services Division is a digital data management system which stores and processes data relating to the ownership, characteristics, and assessment values of all taxable properties in the County. At its December 11, 2018, meeting, this Board approved the APAS Agreement ("APAS Agreement") to replace the Assessor's legacy data management system. The term of the APAS Agreement includes a 3-year term to cover the project development and implementation of the system ("Development Agreement") and a post-project 10-year term for maintenance and operations of the system ("Maintenance Agreement").

The APAS Agreement has been amended six times both by this Board and the Assessor-County Clerk-Recorder & Elections Officer. The Board amendments occurred on April 07, 2020 (Amendment

2) and September 14, 2021 (Amendment 5). Amendment 2 incorporated the Data Cleansing and Conversion project and increased the Development Agreement amount by \$3,886,400 to a new not to exceed amount of \$20,188,348. Amendment 5 extended the Development Agreement by 6 months and moved the start date of the Maintenance Agreement commensurately. The most recent Amendment 6 was approved by the Assessor-County Clerk-Recorder & Elections Officer to further extend the Development Agreement and start date of the Maintenance Agreement at no additional cost.

DISCUSSION:

Since September 2021, the APAS project had encountered a number of significant issues and challenges which have had an impact on the project's development, testing and release timeline. Starting in Q3, 2021 through Q1 2022, Sapient experienced a very high attrition rate of the Salesforce development team due to the "Great Resignation" and Covid Omicron variant.

The Sapient staff turnover combined with the APAS project team's identification of additional complexity in the core business requirements have resulted in project delay of approximately 6 months for the unsecured system (Business Personal Property) and 12 months for the secured system (Real Property) target implementation dates. These issues and challenges have been tracked and reported in the monthly APAS Executive Steering Committee.

Sapient senior management implemented a number of programs to address the attrition rates, which greatly reduced the attrition rates to a single digit in the past 3 months. In its continued commitment to the success of the APAS project and to mitigate the impact of the Great Resignation, Sapient Executive staff authorized increased staffing levels to successfully complete the project.

To date, Sapient has incurred project cost of \$9.7M over the original fixed price agreement which are not chargeable to ACRE. Through Amendment 5, ACRE has agreed to pay for Change Requests (CR) totaling \$2,050,497. With the approval of Amendment 7, ACRE will pay an additional \$1,461,619 bringing ACRE CRs cost to a total of \$3,512,116 above the original fixed price. The ACRE project team anticipated that a project as complex as APAS would require change orders and included funding in the APAS project budget already approved by this Board.

To meet the Amendment 7 cost ACRE requests the Board of Supervisors approve ACRE's recommendation to increase the amount of the agreement by \$1,150,000 by reallocating the Board approved APAS project budget funds from the Best Practice Vendor Cost (\$900K) and the Information Services Department Support Cost (\$250K) to the APAS Development Contingency Fund and to extend the time within which to complete the development and the overall contract by twelve months. Pursuant to the terms of Amendment 7 this Amendment shall be retroactive to September 16, 2022.

The County Attorney has reviewed and approved the resolution and amendment as to form.

FISCAL IMPACT:

Appropriations to cover the costs of this agreement are included in the Assessor-County Clerk-Recorder's FY 2021-23 Recommended Budget and will be included in future budgets. These costs will be fully funded by a transfer from Non-Departmental Services.