



ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR

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March 03, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**DEPARTMENTS OF TREASURER AND TAX COLLECTOR AND
AUDITOR-CONTROLLER'S RECOMMENDATION TO AWARD A CONTRACT FOR INTEGRATED
PROPERTY TAX SYSTEM TO GRANT STREET GROUP AND APPROVE THE FY 2025-26
APPROPRIATION ADJUSTMENT
(ALL DISTRICTS) (4-VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Departments of Treasurer and Tax Collector (TTC) and Auditor-Controller (A-C) request approval to award a contract to Grant Street Group for an Integrated Property Tax (eTAX) System, delivered as a Software-as-a-Service (SaaS) solution, to replace the County of Los Angeles's (County) aging legacy platforms supporting countywide property tax administration functions, and to approve an appropriation adjustment from the use of obligated fund balance Committed for A-C/TTC eTAX System.

IT IS RECOMMENDED THAT THE BOARD:

1. Award and instruct the Chair of the Board of Supervisors (Board) to sign the attached Contract with Grant Street Group to provide the eTAX System to the TTC and A-C, commencing upon Board approval and continuing for a five-year term after final acceptance of the eTAX System, with an option to extend the Contract for two one-year extensions and six month-to-month extensions, for a maximum Contract Sum not to exceed \$408,250,593, which is comprised of (i) \$371,136,903 for service costs, and (ii) \$37,113,690 for Pool Dollars for additional work, with Pool Dollars

expenditures to be authorized through the issuance of Change Notices and/or Amendments, as applicable.

2. Delegate authority to the Treasurer and Tax Collector and Auditor-Controller, or their designee, to execute amendments to the Contract to: (i) exercise the optional two one-year renewals and six month-to-month extensions, (ii) add, delete, and/or change certain terms and conditions as mandated by federal, State, or local law or regulation, or as required by the Board and/or Chief Executive Office (CEO), (iii) reallocate funds between budget pools within the Contract, (iv) approve assignment and delegation of the Contract resulting from acquisitions, mergers, or other changes in ownership, and (v) make changes to the Statement of Work (SOW) as operationally necessary, with all actions subject to prior approval as to form by County Counsel, and as applicable, review by the Chief Information Officer (CIO), or their designee.

3. Delegate authority to the Treasurer and Tax Collector and Auditor-Controller, or their designee, to execute Change Notices or Amendments to the Contract to utilize Pool Dollars for additional work.

4. Approve the appropriation adjustment (Attachment B) to use \$24,119,000 from the use of obligated fund balance Committed for A-C/TTC eTAX System to fund Fiscal Year (FY) 2025-26 year-one contract costs for project implementation, software licensing, hosting, and Pool Dollars.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

TTC is responsible for billing and collecting property taxes for 2.4 million parcels and approximately 300,000 unsecured property assessments each year. A-C calculates taxes, maintains the tax rolls, and distributes approximately \$28.7 billion annually to over 600 taxing agencies, including the County, cities, schools, and special districts. Both departments rely on aging and outdated systems over 45 years old that pose critical risks of system failure, which could jeopardize property tax collection, disrupt funding for County services and other taxing agencies, and impair the County's fiduciary duty and financial effectiveness in managing, investing, and disbursing funds. The outdated systems also hinder timely resolution of taxpayer issues, including refunds, corrections, and billing discrepancies. Additionally, the current systems expose the County to heightened cyber security vulnerabilities, potential data loss, operational disruptions and constraints on business processes. The reliance on obsolete technology limits staff expertise and impairs the ability to respond efficiently to legislative mandates, voter-approved measures, and court rulings.

The current systems support all core property tax functions, including billing, collection, calculation, roll extension, and apportionment of property tax revenue. The systems' continued deterioration threatens accuracy, continuity, and reliability of essential countywide services.

To address the risks, TTC and A-C recommend the development and implementation of the new integrated eTAX system to replace the aging and fragmented legacy infrastructure. The new eTAX system will replace the legacy mainframe and consolidate over 28 standalone applications. Key benefits include:

- Improved service delivery with modern, user-friendly access for taxpayers, offering real-time information and flexible, mobile-friendly options that reduce confusion and delays.
- Faster, more efficient issue resolution through automated workflows and intuitive interfaces that support refunds, corrections, and account updates.

- Improved employee productivity, with automated and intuitive interfaces that streamline routine tasks and enhance revenue collection and cashflow.
- Enhanced cybersecurity, compliance, and integration with other County systems.
- Scalable architecture capable of accommodating future legislative, operational, and technical requirements.

Despite the County's current budget pressures, advancing this modernization effort now is essential to safeguard the long-term stability, efficiency, and reliability of the County's property tax administration.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area Goal A – Communication and Public Access, Strategy i-Customer Service, and Focus Area Goal F – Flexible and Efficient Infrastructure, Strategy iii-Technological Advancement/Digital Divide.

FISCAL IMPACT/FINANCING

The maximum contract sum is \$408,250,593 which is comprised of \$227,837,830 for implementation costs, \$90,781,240 for maintenance and operation, \$52,517,833 for two optional one-year and six month-to-month extensions, and \$37,113,690 in pool dollars, for the maximum term of the Contract. The total one-time funding required to implement the project is \$252,835,613 which is comprised of \$227,837,830 for implementation service costs, \$22,783,783 in pool dollars for the implementation period, and \$2,214,000 designated for consultant services related to system deployment, which is separate from the maximum contract sum. Of the \$252,835,613, \$50,769,000 is currently set aside in the Obligated Fund Balance (Committed for the A-C/TTC eTAX System), resulting in a remaining project funding need of \$202,066,613. On December 8, 2025, TTC and A-C presented the project and the \$202,066,613 funding request to the Information Technology Investment Board (ITIB). The presentation focused on the current legacy system's limitations, cyber security risk, and benefit of modernizing the County's property tax system. The ITIB approved the project in-concept and authorized the \$202,066,613 in one-time funding for future implementation costs, which will be requested and allocated via the annual budget process after the obligated fund balance Committed for the A-C/TTC eTAX System has been exhausted. This approach is consistent with the funding strategy previously used for other large County system investments, including the County election system – Voting Solutions for All People (VSAP) – where one-time funding supported system implementation and ongoing costs were addressed through the annual budget process, when appropriate.

Approval of the appropriation adjustment transfers \$24,119,000 from the use of obligated fund balance - Committed for the A-C/TTC eTAX System to TTC's operating budget to support year-one implementation costs. Of this amount, \$13,690,000 is for implementation fees, \$6,177,000 for software costs, \$2,059,000 for hosting, and \$2,193,000 for pool dollars for the first year of implementation. All subsequent contract costs will be requested through the annual budget process.

TTC and A-C plan to notify the Board, if required, based on Los Angeles County's Enterprise

Services Master Agreement guidelines of the request for consultant services. A separate appropriation adjustment of \$2,214,000 will be submitted through the mid-year adjustment process to support system deployment. This will fund critical roles, including a Project Director and an Organizational Change Manager. This funding will be drawn from the obligated fund balance Committed for the A-C/TTC eTAX System.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Government Code 31000, the Board is authorized to contract for special services. The recommended Contract contains your Board's required provisions that are applicable to the Contract.

In compliance with Board Policy 6.020 "Chief Information Office Board Letter Approval", the Office of the Chief Information Officer (OCIO) reviewed the information technology (IT) components of this request and recommends approval. The OCIO formal CIO Analysis is included herein Attachment D.

CONTRACTING PROCESS

On October 31, 2023, TTC released a Request for Proposals (RFP) for the provision of an eTAX System and posted the RFP on the County's "Doing Business with Us" website (Attachment A) under the following seven Commodity Codes:

- 20810 Software-Microcomputer-Accounting/Financial-Bookkeeping-Billing & Invoicing Budgeting, Payroll, Taxes, etc.
- 20837 Software-Microcomputer-Database
- 20911 Software-Mini & Mainframe Computer-Accounting/Financial: Bookkeeping, Billing and Invoicing, Budgeting, Payroll, Taxes, etc.
- 20938 Software: Mini & Mainframe Computer – Database
- 91829 Consulting Services – Computer Software
- 92004 Service – Applications Software (For Main Frame Systems)
- 92014 Service – Applications Software (For Minicomputer Systems)

These Commodity Codes consisted of approximately 2,266 registered vendors. TTC Contracts Section also posted the RFP on TTC's website and e-mailed 31 vendors on TTC's mailing list.

On November 15, 2023, a Mandatory Proposers' Conference was held with 16 firms attending. Subsequently, TTC issued one RFP addendum. Addendum One provided responses to questions relating to the RFP, Sample Contract, SOW with Attachments and Exhibits, and updated information related to the RFP.

The proposal submission due date was January 31, 2024, at 5:00 p.m., Pacific Time. TTC received three proposals by the due date from the following proposers: DLT Solutions, Grant Street Group, and Tyler Technologies, Inc.

All proposals met the minimum requirement set forth in the RFP, and, as such, there were no proposals disqualified. The three proposals were evaluated by an evaluation committee consisting of subject matter experts, along with proposer demonstrations.

At the completion of the evaluation process, Grant Street Group was identified as the highest-ranked

proposer and therefore is recommended for the contract award.

Debriefings were conducted for the non-selected proposers who requested such, and no protests were received.

On January 15, 2025, negotiations began with Grant Street Group. During the negotiation process, TTC and A-C worked closely with County Counsel regarding Grant Street Group's requested exceptions and changes to specific Contract provisions.

County Counsel approved the Contract as to form. CIO reviewed this Board Letter and Contract and concurred with TTC's recommendation. The County's Information Security Officer reviewed and accepted the County's approved information security requirements language.

TTC determined that the recommended Contract is exempt from Proposition A (County Code, Chapter 2.121), and the Living Wage Program (County Code, Chapter 2.201) does not apply.

A summary of the Community Business Enterprise Program Statistical Information for the Recommended Contractor (Attachment C) is included. On final analysis and consideration of award, TTC selected the Contractor without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation, or disability.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended Contract will enable support on all current and future aspects of the County's property tax administration functions for TTC and A-C.

CONCLUSION

Board approval of the recommended action will enable the County to improve overall effectiveness and operational efficiency. The eTAX System offers a strategic investment in the County's future and will enhance service delivery to taxpayers and employees while improving security.

Respectfully submitted,



ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector



OSCAR VALDEZ
Auditor-Controller

EBG:LP:VN:DL:DS:dw

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel



Peter Loo
Chief Information Officer

Attachments