California County Assessors' Information Technology Authority

ITEM #4:

RFP#01-25 Prop 19 and Exemptions System

a. Consider Protest of Just Appraised, Inc. and Direct Staff to Agendize Final Agreement for Award
b. Cancel RFP #01-25 and Direct Staff to Prepare New RFP for Software Solution

RECOMMENDATION:

The Board of Directors consider either of the following options:

- Alternative 1 – Receive and consider the protest of Just Appraised, Inc. to the Statewide Proposition 19 & Exemptions System (RFP #01-25, the RFP). If the Board wishes to do so, staff recommends (1) denying the protest for the reasons set forth in this staff report and the administrative record and (2) directing staff to agendize approval of a final agreement with Oracle America, Inc.

- Alternative 2 - Cancel RFP #01-25, discontinue the present procurement and negotiations, reject all proposals without award, and direct staff to prepare and issue a new request for proposals for the Statewide Proposition 19 & Exemptions System consistent with Board direction.

BACKGROUND:

In April 2025, the California County Assessors' Information Technology Authority (CCAITA) issued RFP #01-25 to procure a statewide, cloud-based Proposition 19 and property-tax exemptions solution for participating California counties. The requested solution includes software, cloud infrastructure, implementation services, county onboarding, system integrations, training, and continuing maintenance and operations support. The RFP established an initial pass/fail screening followed by two evaluation stages. In Stage 1, the selection committee would score written proposal materials using six published factors: Proposer Company and Staff Experience (10 percent), Business Functionality (25 percent), Technical Functionality (15 percent), Implementation (15 percent), Maintenance and Operations (15 percent), and Cost (20 percent). In Stage 2, the committee would evaluate demonstrations, presentations, and interviews. Proposers would be considered by the following non-exclusive factors: (1) business environment, (2) project plan, (3) business process improvement, (4) data interoperability, (5) risk mitigation, (6) training plan, and (7) technology. Scores would be updated, and the highest-scoring proposer in Stage 2 will be invited to contract negotiations. Upon successful completion of negotiations, CCAITA would issue an Intent to Award. This triggers a seven-day protest period.

CCAITA has followed these procedures. After completion of Stage 1, CCAITA initially invited four proposers to proceed to Stage 2. This ultimately resulted in three proposers: Just Appraised, Oracle, and Tyler Technologies participating in Stage 2. After completing its review, the committee began final negotiations with Oracle. These negotiations were successfully completed, with some non-material pending items. At its July 30th Board of Directors meeting, CCAITA issued an Intent to Award to Oracle America, Inc. the contract for the RFP. On August 6th, CCAITA received a protest to the RFP on behalf of Just Appraised. Staff has reviewed the protest and recommends denying the protest if the Board wishes to move forward with the RFP.

DISCUSSION:

The Board has two options for moving forward: (1) continue with the RFP or (2) cancel the RFP and reissue a request for proposals for the Statewide Proposition 19 & Exemptions System.

If the Board wishes to move forward with the first option, staff recommends rejecting Just Appraised's protest

and directing staff to agendize approval of a final agreement with Oracle America, Inc. Below is a point-by-point response to the protest:

Protest position #1: Just Appraised asserts that its ten-year cost was approximately $7 million below Oracle's negotiated ten-year amount, that CCAITA described Oracle as the lowest-priced proposal, and that the public record does not show that cost received the required 20-percent weighting.

CCAITA Response: The RFP was not a lowest-cost solicitation. It required selection of the highest-scoring proposal under the identified criteria. Cost represented 20 percent of Stage 1; the remaining criteria represented 80 percent. Accordingly, a higher-priced proposal could be selected if its overall evaluation score was higher after applying the remaining criteria. Moreover, the strict numerical scoring was only applicable to Stage 1.

The protest's price comparison does not demonstrate that CCAITA disregarded cost or changed its weight. Rather, the Notice to Award plainly included Oracle's negotiated ten-year total. That document does not state that price alone controlled the result. Moreover, the protest fails to acknowledge that Just Appraised failed to provide or timely provide requested information during Stage 2 to satisfactorily substantiate its asserted cost. As such, its cost number is unsupported.

Proposed Finding: CCAITA applied cost at the weight stated in the RFP during Stage 1, and the difference in nominal price does not invalidate the selection of the highest-scoring overall proposal during Stage 2. Moreover, Just Appraised failed to provide requested supporting information during Stage 2 to satisfactorily substantiate its asserted cost. As such, its cost number is unsupported. By contrast, Oracle's price is well-supported.

Protest Position #2: Just Appraised argues that Oracle's existing Los Angeles County implementation and reusable intellectual property became an unstated, predominant criterion.

CCAITA Response: The RFP expressly made production experience and property-assessment or tax-system experience relevant. Section 3.2 required a production reference and a California government reference. Section 3.3 stated a preference for significant support or implementation experience with a property-assessment or tax system. The RFP also expressly identified implementation approach, project planning, data interoperability, risk mitigation, business functionality, and technology as evaluation considerations for Stage 2.

Oracle's Los Angeles County experience was relevant not only as corporate experience, but also to the extent they substantiated Oracle's proposed implementation approach, demonstrated functionality, reduced identified implementation risk, or supported its proposed schedule. Describing those evaluated strengths in the public recommendation did not create a new evaluation criterion or alter the published weights.

The protest relies on *Konica Business Machines U.S.A., Inc. v. Regents of University of California* (1988) 206 Cal.App.3d 449. *Konica* involved acceptance of a bid that deviated from mandatory equipment specifications and therefore obtained a competitive price advantage, where the solicitation did not advise bidders that nonconforming equipment could be accepted. Here, the protest does not identify a mandatory requirement Oracle failed to meet; it disputes how CCATIA described strengths that fall within the RFP's stated experience, implementation, functionality, and risk factors. *Konica* is distinguishable.

Proposed Finding: CCAITA considered Oracle's experience within the RFP's disclosed evaluation framework and did not use an undisclosed mandatory requirement or separate evaluation factor.

Protest Position #3: Just Appraised contends that CCAITA did not prepare or disclose a separate tradeoff memorandum explaining why Oracle's perceived advantages justified the additional cost.

CCAITA Response: The RFP prescribed a weighted scoring process during Stage 1 and an evaluative

process in Stage 2. The RFP further stated that the highest-scoring Stage 2 proposer would be invited to negotiations. It did not require a separate source-selection or price/technical tradeoff memorandum.

The public recommendation summarized Oracle's principal evaluated strengths, including relevant production experience, proposed platform and architecture, implementation methodology, integrations, and cost model.

Proposed Finding: The committee used method stated in the RFP, and Oracle was the highest-ranked proposer after Stage 2. Moreover, Just Appraised failed to provide requested supporting information during Stage 2 to satisfactorily substantiate its asserted cost as noted above.

Protest Position #4: Just Appraised argues that CCAITA could not determine best value because Oracle's final contract terms remained under negotiation.

CCAITA Response: This argument conflates selection of the proposer for negotiations with approval of a final contract. The RFP expressly states that CCAITA would negotiate the specific scope, budget, deliverables, and timeline with the selected proposer. Negotiations with Oracle have reached a point where award by the Board is appropriate to finalize a final form contract for approval. Continued refinement of the non-material terms is not inconsistent with the RFP.

As an alternative, Just Appraised's protest is premature until final negotiations have been completed.

Proposed Finding: The remaining non-material terms of the Oracle under negotiation do not invalidate the award. Alternatively, Just Appraised's protest is premature prior to final negotiations.

BOARD OPTIONS:

Alternative 1 - Deny Protest and Direct Staff to Agendize Award of Agreement

Under this alternative, the Board would adopt the findings summarized above, deny the protest, and direct staff to agendize award of a contract with Oracle. No final contract would be approved by this action.

Alternative 2 - Cancel RFP and Issue a New RFP

As an alternative, the Board may wish to cancel the RFP and direct staff to develop a new request for proposals for the Statewide Proposition 19 & Exemptions System consistent with any Board direction. This decision does not require any action on the protest and does not indicate any agreement with the grounds identified in the protest. The protest is moot, and no action is necessary.

ATTACHMENTS: Protest of Just Appraised