

Board of Equalization Approves \$85M Contract for CROS Project

BY [MATT WILLIAMS](#) | AUGUST 30, 2016

Techwire.net

The Board of Equalization voted Tuesday to approve an \$85.1 million contract with FAST Enterprises as primary vendor of the Centralized Revenue Opportunity System (CROS).

During an afternoon meeting, BOE officials called it a "milestone" day for the new system, which will modernize legacy systems built in the 1990s to collect and monitor sales-and-use taxes, property taxes, special taxes and other revenue streams.

The competitive procurement for CROS began three years ago. In recent months, BOE engaged in negotiations under Public Contract Code 6611 with FAST Enterprises and one other bidder. Eleven bidders initially were interested, BOE said.

CROS is projected to enable California to collect anywhere from \$40 million to \$190 million in additional revenue each year, board staff said Tuesday.

Although the approved contract is fixed-price, Board of Equalization CIO Brenda Fleming said the contractor also will be compensated under a benefits-based structure if and when revenue targets are reached. The vendor owns the cost of hardware, software and staff, Fleming said, and California will recover the costs it incurs before the vendor is paid.

A bid evaluation team of more than 20 people evaluated the CROS proposals, officials said. FAST Enterprises was deemed to have submitted the best value proposal, with a total score of 796.35 out of a possible 1,000 points.

FAST Enterprises, based in Centennial, Colo., is a provider of tax processing solutions to several U.S. states and localities. The vendor also maintains systems for California's Employment Development Department.

BOE Executive Director David Gau called the contract award an "important step forward for taxpayers and our staff." State Controller Betty Yee credited the project for being "stakeholder-focused," and she said it's very exciting to be moving into the next phase.

Fleming said the contract's performance period for implementation will continue through September 2021, and contract renewals could extend through 2025.