



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
Assessor – County Clerk – Recorder



**DATE:** October 22, 2009

**BOARD MEETING DATE:** November 10, 2009

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** Warren Slocum, Chief Elections Officer &  
Assessor-County Clerk-Recorder

**SUBJECT:** Agreement with DFM Associates, Inc., for a Voter Registration System

**RECOMMENDATION:**

Adopt a resolution:

- A. Waiving the Request for Proposal (RFP) process; and
- B. Authorizing the President of the Board to execute a lease agreement with DFM Associates, Inc., to provide a Voter Registration System, for a lease term from November 10, 2009 through December 31, 2014, and in an amount not to exceed \$1,200,000; and
- C. Authorizing the Assessor-County Clerk-Recorder or his designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modification(s) is/are within current or revised fiscal provisions.

**BACKGROUND:**

The current voter registration system is twelve (12) years old, the hardware has reached end of life, and the voter registration application in use today will require an upgrade or systems replacement to support integration with the new statewide voter registration database. Many of the processes used in maintaining voter files and managing an election have changed since the implementation of the current system. Newer systems are now more efficient and support automated data entry work using technologies such as intelligent character recognition (ICR) to replace manual data entry processes in use today. This system will automate four (4) existing processes (Data entry, indexing, roster scanning, candidate filing) and will integrate with current and new statewide voter registration systems.

**DISCUSSION:**

There are three voter registration systems fully compatible for use in the state of

California. Two of the systems are now owned by the same company, Elections Systems and Software (ES&S), the county's current vendor. Both systems from ES&S lack the specified functionality required to fully integrate with San Mateo county elections backend systems and processes. Our market search found only one system that is capable of integrating to all of the county's backend systems in place today and meet the functional requirements to support all of the county's specific processes and workflows. The DFM Voter Registration system is built on the latest technology platforms (thin client & SQL server), incorporates state of the art imaging technology (intelligent character recognition) and comes with highly developed workflows that are specifically designed for the conduct of elections in the state of California.

Additionally, DFM has fully developed "application programming interfaces" (API's) for the Hart Voting System and Pitney Bowes ReliaVote Vote-by-Mail system, which are used by the county today. DFM has integrated the EIMS Voter Registration product in over 41 locations and has "one of a kind" solutions in place that were designed to integrate with the systems and solutions we use today for; voter registration, election definition, ballot layout, Vote-by-Mail, vote tabulation and the canvassing process here in San Mateo County. This system will also reduce data entry errors which will reduce the probability of disenfranchising a voter.

DFM has also been selected as the technology sub-contractor to design and build the statewide VoteCal voter registration database and system. The DFM voter registration system will seamlessly integrate with the new proposed statewide system.

The vendor is experienced in California elections operations and the price is competitive. We believe a waiver of the RFP process will serve the County's best interests.

The system will increase efficiency, which will reduce our staffing requirements for processing voter registration affidavits. By implementing ICR, labor savings will total an estimated \$400,000 in the first five years (based on similar results elsewhere) and will continue with each subsequent year.

The County Manager has approved the five-year term; and the contractor has assured compliance with all other contract provisions required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination, and equal benefits. The Jury Service Pay Requirement was deleted because this is a Software Lease Agreement and there will be no San Mateo County residents performing services on this contract.

County Counsel, Information Services, and Risk Management have reviewed and approved this agreement and related insurance coverages.

This agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by improving voter registration file maintenance, increasing efficiency, and reducing staffing requirements for processing voter registration affidavits.

**Performance Measure(s):**

<b>Measure</b>	<b>FY 2008-09 Actual</b>	<b>FY 2010-11 Target</b>
<b>Voter Registration Affidavits Processed</b>	<b>59,924</b>	<b>33,500</b>
<b>Average hours required to process Voter Registration Affidavits – (Comparison is Manual data entry versus using Intelligent Character Recognition [ICR] for data entry)</b>	<b>9,488</b> (manually - 9.5 minutes per card)	<b>1,577</b> (using ICR - 2.8 minutes per card)

**FISCAL IMPACT:**

Registering voters, ensuring proper voting in eligible voting districts and keeping accurate voting history are statutory requirements. Entities in the county who hold elections are charged back for system use and labor. County revenue from these reimbursed costs would contribute to the cost of maintaining and paying for the voter registration system replacement. However, it will not completely cover elections Net County operating cost. As such, this does not fall into the category of a payback plan model.

Current annual cost for the Voter Registration system is \$90,000 annually. By 2011 San Mateo County will be required to have a system in place that can integrate with the new statewide voter registration database, VoteCal. Our current system does not meet this requirement. To assist in the cost of replacing our current VR system, HAVA funds will be available from the California Secretary of State (SOS) to cover first time implementation cost. It is expected that \$85,000 of the first year cost of \$262,000 will be reimbursed by the SOS. Further savings will be realized in reduced staffing requirements to process voter registration affidavits. Santa Clara County, a comparable sized county that has switched to the DFM voter registration solution, reduced the number of staff required to process voter registration affidavits from 38 to 5, a reduction of 660%. San Mateo County Elections have conservatively estimated a 336% reduction in effort for affidavit processing. Average cost per year varies based on the size of the election. However, we expect to experience an average cost savings of \$80K per election, depending on the type and size of the election.

The total not-to-exceed cost of this agreement is \$1,200,000 which provides for expected increases in state or federal taxes; this is a five (5) Year fixed-rate software lease which includes future upgrades, training and maintenance support. Year 1 includes one time cost for, data conversion, integration and training. Total estimated five-year cost is \$940,543.80 (excluding any federal or state tax increases); \$262,923.16 in FY 2009-10 and \$677,620.64 FY 2010-11 through FY2013-14. Estimated costs savings in the amount of \$400,000 are expected to offset the Net County Cost. Additionally, Federal Funds available to further offset the cost of this project.

Annual Cost - 5 Year Rate - Tax Included		HAVA Funds	Labor Savings (est.)	Estimated NCC
Year 1 (With Integration)	\$262,923.16	\$85,000.00	\$80,000.00	\$97,923.16
Year 2	\$169,405.16		\$80,000.00	\$89,405.16
Year 3	\$169,405.16		\$80,000.00	\$89,405.16
Year 4	\$169,405.16		\$80,000.00	\$89,405.16
Year 5	\$169,405.16		\$80,000.00	\$89,405.16
Total Life of Contract	\$940,543.80	\$85,000.00	\$400,000.00	\$455,543.80