

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as (if applicable)  
**Study Session Worksheet**

**Presentation Date:** 12/17/14      **Approx Start Time:** 9:30      **Approx Length:** Thirty minutes

**Presentation Title:** Purchase of new Hart InterCivic's Election system

**Department:** County Clerk/Elections

**Presenters:** Sherry Hall, County Clerk  
Steve Kindred, Elections Manager

## WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Purchase the Hart Itercivic voting system for the price of \$380,000.00

## EXECUTIVE SUMMARY:

The Clerk's office has returned a more than \$1.8 million to the General Fund over the past 3 fiscal years and, based on the first quarter of the current year, we look to return about \$500,000 this year.

These Savings directly related to our purchase of the Hart tally system just over 3 years ago has been a major factor in our being able to return these funds each year.

An opportunity to receive a large discount for purchase of the updated Hart tally system has come to us and we'd like to reallocate part of this year's anticipated return toward the purchase of this system.

This tally system is a stand-alone system has no interface with and needs no support from any other County Department; this purchase gives us a fresh tally system which could last us another 20 years.

- Current system, HART HVS, was purchased in 2011, 9 years after it was introduced in 2002, with it's expected lifetime up to 2022. Microsoft will quit servicing software in March 2015, the scanners are no longer manufactured and parts are in short supply.
- New system, HART VERITY, is built to go into the next 20 yrs. plus.

## FINANCIAL IMPLICATIONS (current year and ongoing):

Cost for the new HART Verity System is \$380,000 which includes an approximate \$197,315 discount over what would be the regular price. The cost is intended to be paid out of unspent funds in the Clerk budget for this 2014/2015 budget year. In the past four years, the Clerk budget has been underspent by between \$375,000 and \$500,000 per year. That money has been returned to the General Fund. I expect our budget to be underspent again this year and would like to use the money to upgrade our Election System. Doing that will allow us to continue to operate at the lowest cost possible in Elections as well as maintain the highest level of integrity, accuracy and trust that the Voting Public expects from Clackamas County.

## LEGAL/POLICY REQUIREMENTS:

**Election Equipment is required first to be certified by Federal Standards and then State Standards.**

## PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

## OPTIONS:

We have been offered quite a discount in purchasing the HART Verity Election System which includes a tight deadline for making the decision. Our option is to meet the deadline with a "yes" we will purchase or a "no" we won't purchase at this time. Purchasing the new system puts us into the future with the best technology available.

- (a) Hart has proven itself to be a superior system, it's already more than paid for itself and we were able to give Happy Valley a definitive answer on the recount
- (b) We have an opportunity to extend our relationship with Hart for another 20 years at a good price
- (c) There aren't any other ballot counting options on the table presently, i.e. other states are moving toward "vote by mail" and internet voting isn't going to happen anytime soon.

Elections are in the spotlight across the country whenever that date rolls around. Current technology is the best way to make sure everything goes smoothly so we aren't in the news in a negative way.

## **RECOMMENDATION:**

I feel this is the right time to purchase HART InterCivic's new Verity Election System and recommend that you approve the purchase.

ATTACHMENTS:

Schedule A Equipment and Pricing Sheet submitted by Hart Intercivic.

SUBMITTED BY:

Division Director/Head Approval *Sperry Hall*  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Steve Kindred @ 503-722-6089

## Fiscal Impact Form

**RESOURCES:**

Is this item in your current work plan and budget?

YES

NO

**START-UP EXPENSES AND STAFFING (if applicable):**

No additional costs anticipated.

**ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):**

No changes in staffing.

**ANTICIPATED RESULTS:**

We will continue to operate at the lowest cost possible in Elections as well as maintain the highest level of integrity, accuracy and trust.

**COSTS & BENEFITS:**

<b>Costs:</b>							
	<b>Item</b>	<b>Hours</b>	<b>Start-up Capital</b>	<b>Other Start-up</b>	<b>Annual Operations</b>	<b>Annual Capital</b>	<b>TOTAL</b>
	Hart Intercivic Verity Voting System		380,000	0	N/A	0	380,000
	<b>Total Start-up Costs</b>		<b>380,000</b>	<b>0</b>	<b>N/A</b>	<b>0</b>	<b>380,000</b>
	<b>Ongoing Annual Costs</b>						
<b>Benefits/Savings:</b>							
	<b>Item</b>	<b>Hours</b>	<b>Start-up Capital</b>	<b>Other Start-up</b>	<b>Annual Operations</b>	<b>Annual Capital</b>	<b>TOTAL</b>
	N/A						
	<b>Total Start-up Benefit/Savings</b>						
	<b>Ongoing Annual Benefit/Savings</b>						

## Clerk's Budget - Current Year

**Total Appropriation** \$2,647,883.00

**Expenditures YTD** \$967,491.87

**Est Total Expenditures** \$2,198,845.16

**Est Leftover** \$449,037.84

**Overages expected in following catagories:**

Election Printing 80,000

Building Improvement 50,000

Microfilm 40,000

Personal Services 230,000

Election Services 50,000.00

\$450,000.00

**SCHEDULE A**  
**Clackamas County, OR**  
**EQUIPMENT AND PRICING**

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
<b>Software</b>				
1	Election management software	Layout, Build, Count and Central electronic voting system software	\$125,000.00	\$125,000.00
2	Central software - 2nd & 3rd Seats	Central software license	\$51,000.00	\$102,000.00
9	Central software (Client)	Central software license	\$15,000.00	\$135,000.00
<b>Total Hart Voting Software</b>				<b>\$362,000.00</b>
<b>Other Hardware</b>				
1	Personal computer, Win7	PC workstation for Build & Count	\$5,800.00	\$5,800.00
2	Personal computer, Win7	PC workstation for Central - Server	\$5,800.00	\$11,600.00
9	Personal computer, Win7	PC workstation for Central - Client	\$5,800.00	\$52,200.00
1	Personal computer, Win7	PC workstation for Layout	\$5,800.00	\$5,800.00
4	Verity vDrive	Flash memory card or audio cards included with Verity Voting equipment	Included	No Charge
4	Verity Key	Electronic security token included with computer equipment	Included	No Charge
<b>System Setups Subtotal</b>				<b>\$75,400.00</b>
4	Laser printer - For Reports	Cydara B431D printer	\$415.00	\$1,660.00
1	Laser printer - For Ballot Printing	Ckdara 720 printer	\$880.00	\$880.00
4	Scanner	Cannon DRG 1130 Central Scanner	\$10,000.00	\$40,000.00
<b>Other Hardware Subtotal</b>				<b>\$42,540.00</b>
<b>Total Third-Party Hardware</b>				<b>\$117,940.00</b>
<b>Professional Services [a]</b>				
1	Professional Services	Project management and/or training	\$20,000.00	\$20,000.00
<b>Total Professional Services</b>				<b>\$20,000.00</b>
<b>License and Support [b]</b>				
1	First year license and support	License and support fee for the first year	\$76,000.00	\$76,000.00
<b>Total Software License and Support</b>				<b>\$76,000.00</b>
<b>Total Acquisition Cost</b>				
Total Price for Hardware				\$117,940.00
Total Price for Software				\$362,000.00
Total Price for Professional Services				\$20,000.00
Total License & Support				\$76,000.00
Shipping and Handling (Estimated)				\$1,375.00
Solution Price				\$577,315.00
PC Replacement Discount				(\$75,400.00)
Special County Discount				(\$41,451.00)
End of Year Discount				(\$80,464.00)
State and Local Taxes [c]				\$0.00
<b>Purchase Price</b>				<b>\$380,000.00</b>

**Total Purchase Price**

**\$380,000.00**

[a] Professional Services includes up to 10 days of training. Additional days must be purchased separately.

[b] Subsequent license and support fees will be billed annually with an increase each year (currently 4%). If this Schedule A is signed and executed by the date below, Hart will bill subsequent license and support fees from the discounted base rate of \$50,025.00 plus the annual increase, as outlined in section 2.2 of the Master Agreement.

[c] Pricing and discount subject to inventory availability at time of Schedule A execution and acceptance. Schedule A must be executed NLT 12/18/14

[d] Taxes will be calculated in conjunction with the Client based on the final approved Schedule A price list.

Customer Approval \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_