Los Angeles County Registrar-Recorder/County Clerk

DEAN C. LOGAN
Registrar-Recorder/County Clerk

February 02, 2016

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

9 February 2, 2016

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

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:

RECOMMENDATION TO APPROVE AMENDMENT NUMBER NINE TO CONTRACT NUMBER 73635 WITH ELECTION SYSTEMS & SOFTWARE, LLC FOR INCOMING VOTE BY MAIL ELECTION SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

The Registrar-Recorder/County Clerk (RR/CC) requests approval to amend and extend Contract (Number 73635) with Election Systems and Software, LLC (ESS) from September 1, 2016 to August 31, 2017 at an estimated cost of $251,527, which includes a six percent (6%) vendor discount to complete the 2016 Presidential Election cycle uninterrupted and any Special Elections that may occur during this period.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the RR/CC, or his designee to execute Amendment Number Nine (attached) to Contract Number 73635 with ESS to extend the Contract term from September 1, 2016 through August 31, 2017. This will allow the Department the time necessary to complete the November 2016 Presidential Election without the disruptions associated with engaging a new vendor and Special Elections. Additionally, ESS is offering a 6% cost discount for an estimated Net County Cost (NCC) savings of $16,055 during the extension period.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended Amendment Nine will allow ESS to continue providing signature verification software and services to automate the incoming Vote by Mail signature verification process for all Special Elections and the 2016 Presidential Election during which the Department will mail out a

record breaking 1.6+ million mail ballots to registered voters.

OVERVIEW

ESS works with the RR/CC staff at RR/CC Headquarters 26 days before to up to 14 days after Election Day during the incoming Vote by Mail process. Before a returned mail ballot envelope can be opened and the voted ballot separated, the voter's signature must be verified. In order for the ballot to count, the voter must sign on a special area on an exterior portion of the return ballot envelope.

The Contractor's role is to verify voter handwritten signatures by matching them against an image of the voter's signature stored in the DIMS Election Management System database. Before each and every election, ESS loads specialized automated signature verification software onto County-owned envelope scanning machines and provides other services. The software can verify up to 3,500 signatures per scanner per hour. The County operates four scanners at a time, saving space and speeding up the signature verification processing time. It is only after the signatures are verified, that the RR/CC can then remove the voted ballots from the envelopes, and counted.

NOVEMBER 8, 2016 PRESIDENTIAL ELECTION

ESS will provide the signature verification software/services for an estimated eight (8) Special Elections that may occur during the extension period and the November 2016 Presidential Election. Currently, there are more than 1.5 million registered permanent Vote by Mail voters which continues to rise. To minimize risk during these elections, where VBM ballots will be utilized in historic numbers, the RR/CC is seeking to continue the services instead of commencing a solicitation process which may produce a new vendor and/or a new process. The current process has proven to be efficient, effective, reliable and accurate, and capable of handling the volume that is estimated to be processed during the 2016 presidential election.

VARIED TECHNOLOGY AND OTHER UNKNOWNS

Los Angeles County is one of the largest and most complex election jurisdictions in the nation. The RR/CC has been carefully reviewing and exploring new signature verification solutions. Despite extensive research, the RR/CC is still in search for a suitable fit for the department. Specifically, the RR/CC has issued a Request for Information and researched the incoming signature verification process at sister counties (San Diego, Santa Barbara) as well as the one used by the City of Los Angeles. A comparison of these processes has been challenging since they vary in each jurisdiction and most of the other counties process a minimal fraction of mail ballot compared to Los Angeles County.

The department faces challenges in, among other things, space limitations for larger equipment at RR/CC Headquarters, and finding software that can update the DIMS election management system. The RR/CC even explored the feasibility of upgrading the RR/CC Bell and Howell Sorting machine and possibly purchasing an additional machine from the City of Los Angeles, which may be available in March 2017. Thus, the department needs additional time to determine which solution and process would be best serve the needs of the County.

The extension will allow the Department extra time to procure and/or conduct a solicitation for new equipment after the 2016 presidential election. The RR/CC is confident that an efficient and cost effective solution will be implemented timely, tested during a smaller election, and aligned with the incoming Voting System Assessment Project (VSAP) in the near future. The VSAP project will not be

affecting the incoming VBM process.

Implementation of Strategic Plan Goals

This request supports the County Strategic Plan as follows:

Operational Effectiveness/Fiscal Sustainability: Maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

All federal and State (general, primary), and local elections are funded by Net County Cost (NCC) and will be included in the Department's FY 2016-2017 budget.

The total cost of the extension is estimated to be $251,527 which includes a six percent discount representing a $16,054 in NCC savings.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Your Board is authorized to approve this contract pursuant to Government Code section 23004.

Pursuant to the Elections Code, the Los Angeles County RR/CC is responsible and required to conduct federal, state and local elections and to ensure the availability of Vote by Mail ballots to voters for such elections. (Elections Code section 3000 et seq.)

The Chief Information Office (CIO) has reviewed this Board Letter and determined that no CIO Analysis is required because the scope of services has not changed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

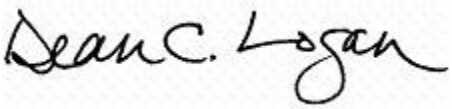
By extending the contract, the RR/CC will be authorized to continue using services and software owned by ESS that process up to 14,000 signatures per hour during the incoming Vote by Mail election mailing process at RR/CC Headquarters for all Special Elections and the 2016 Presidential Election. The extension will help the RR/CC meet mandatory California Election Code election processing deadlines, bring down the costs associated with additional staffing needs, increase signature verification accuracy, enable the department to quickly process and relay much anticipated Election results to news media outlets on Election Night, and give the RR/CC additional time to procure or solicit for new equipment, software, services.

CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return one (1) adopted copy of this letter to:

Department of Registrar-Recorder/County Clerk
Finance and Management Division
12400 Imperial Highway, Suite 7201, Norwalk, CA 90650
Attention: Francisco E. Perez, Assistant Division Manager

Respectfully submitted,



DEAN C. LOGAN

Registrar-Recorder/County Clerk

DL:RF:fp

Enclosures

c: Chief Executive Office
Deputy CEO
Executive Office, Board of Supervisors
RR/CC Board Deputies
Chief Information Office
County Counsel

ATTACHMENT 1

AMENDMENT NUMBER NINE

TO AGREEMENT 73635

WITH

ELECTION SYSTEMS & SOFTWARE, LLC

FOR

ABSENTEE VOTER BALLOT MATERIAL PROCESSING

AMENDMENT NUMBER NINE
TO AGREEMENT 73635
WITH ELECTION SYSTEMS & SOFTWARE, LLC
FOR ABSENTEE VOTER BALLOT MATERIAL PROCESSING

This Amendment Number Nine ("Amendment Number Nine") to Agreement Number 73635 ("Agreement") is entered into this _____ day of _____, 201_ by and between County of Los Angeles, a political subdivision of the State of California ("County") and Election Systems & Software, LLC ("Contractor"). County and Contractor are sometimes hereinafter referred to collectively as the "Parties" and each individually as a "Party."

WHEREAS, the Agreement was originally entered into by and between County and Global Election Systems, Inc. ("Global") and approved by the County's Board of Supervisors on September 4, 2001;

WHEREAS, under that certain Change Notice Number One to the Agreement dated January 22, 2002, the Agreement was amended to reflect, among other things, a change in the identity of Contractor's Project Manager;

WHEREAS, under that certain Change Notice Number Two to the Agreement dated January 29, 2002, the Agreement was further amended to, among other things, approve subcontracting of the inserting process of the Absentee Voter Ballot Material processing;

WHEREAS, under that certain Change Notice Number Three to the Agreement dated August 8, 2003, the Agreement was further amended to reflect, among other things,(i) the acquisition of Global by Diebold Elections Systems, Inc. and (ii) a further change in the identity of Contractor's Project Manager;

WHEREAS, under that certain Change Notice Number Four to the Agreement dated February 18, 2004, the Agreement was further amended to reflect, among other things, a further change in the identity of Contractor's Project Manager;

WHEREAS, under that certain letter from County to Contractor dated August 18, 2004, County exercised its option to extend the term of the Agreement for a six-month period from September 5, 2004 through March 4, 2005;

WHEREAS, under that certain Change Notice Number Six to the Agreement dated January 19, 2005, County exercised its option to further extend the term of the Agreement for an additional 90-day period from March 5, 2005 through June 2, 2005;

WHEREAS, under that certain Amendment Number One to the Agreement dated June 2, 2005, the Agreement was further amended to, among other things, (i) replace Exhibit A (Statement of Work) with a new Exhibit A1 (Statement of Work) (Amended June 2, 2005) and; (ii) further extend the term of the Agreement for one-year period from June 3, 2005 through June 2, 2006;

WHEREAS, under that certain Change Notice Number Seven to the Agreement dated April 7, 2006, the Agreement was further amended to, among other things, (i) replace Exhibit A1

(Statement of Work) (Amended June 2, 2005) with a new Exhibit A1 (Statement of Work) (Amended April 7, 2006) and; (ii) replace Exhibit B (Price Matrix) with a new Exhibit B (Price Matrix) (Revised October 19, 2005);

WHEREAS, under that certain Change Notice Number Eight to the Agreement dated May 1, 2006, County exercised its option to further extend the term of the Agreement for an additional one-year period from June 3, 2006 through June 2, 2007;

WHEREAS, under that certain Change Notice Number Nine to the Agreement dated March 12, 2007, County exercised its option to further extend the term of the Agreement for an additional 90-day period from June 3, 2007 through August 31, 2007;

WHEREAS, under that certain Amendment Number Two dated July 31, 2007 the Agreement was further amended to, among other things, (i) extend the term of the Agreement for an additional three-year period commencing September 1, 2007 through August 31, 2010, (ii) provide County with options to further extend the term of the Agreement for two (2) one-year periods and six (6) month-to-month periods; (iii) increase the Contract Sum by $3,864,000; (iv) replace the current Exhibit A1 (Statement of Work) (Amended April 7, 2006) with a new Exhibit A1 (Statement of Work) (Amended September 1, 2007); and (v) replace the current Exhibit B (Price Matrix) (Revised June 1, 2006) with a new Exhibit B (Price Matrix) (Revised September 1, 2007);

WHEREAS, under that certain Change Notice Number Ten to the Agreement dated September 6, 2007, County amended the Agreement to recognize the corporate name change for Premier Election Solutions;

WHEREAS, under that certain Change Notice Number Eleven to the Agreement dated April 17, 2008, County amended the Agreement to, among other things, (i) incorporate the requirements and cost of modified return envelopes and provide for any urgent additional orders, (ii) replace the current Exhibit B (Price Matrix) (Revised September 1, 2007) with a new Exhibit B (Price Matrix) (Revised March 6, 2008);

WHEREAS, under that certain Amendment Number Three dated October 23, 2009, pursuant to the Board of Supervisors approval of the Contract Extension/Cost Reductions initiative, the Agreement was further amended to, among other things, (i) extend the Initial Term of the Agreement for an additional two-year period thereby extending the base contract coverage period to August 31, 2012, (ii) increase the Contract Sum by $5,000,000 to account for the term extension; (iii) replace the current Exhibit B (Price Matrix) (Revised March 6, 2008) with a new Exhibit B (Price Matrix) (Revised September 15, 2009);

WHEREAS, under that certain Change Notice Number Twelve to the Agreement dated February 3, 2010, the Agreement was further amended to; recognize the purchase of Premier Election Solutions from Diebold to Election Systems & Software;

WHEREAS, under that certain Amendment Number Four dated August 2, 2011, the Agreement was further amended to, among other things, (i) exercise the first option year extension with a continuation of the 6% price reduction which originated under the Board's Contract Extension/Price Reduction Program; (ii) exercise the authority granted to the Registrar-

Recorder/County Clerk to increase the Contract Sum by 20% or $1,772,800; (iii) change the identity of County's Project Director; (iv) change the identity of County's Project Manager; (v) change the identity of County's Project Monitor; (vi) replace the current Exhibit A1 (Statement of Work) (Amended September 1, 2007) with a new Exhibit A1 (Statement of Work) (Amended July 1, 2011); and (vii) replace the current Exhibit B (Price Matrix) (Revised September 15, 2009) with a new Exhibit B (Price Matrix) (Revised July 1, 2011);

WHEREAS, under that certain Amendment Number Five dated January 25, 2012 the Agreement was further amended to, among other things, (i) recognize the merger of Premier Election Solutions, Inc. with and into Election Systems & Software, Inc; and (ii) recognize the restructuring of Election Systems & Software, Inc. to a limited liability company, Election Systems & Software, LLC;

WHEREAS, under that certain Amendment Number Six dated August 28, 2013 the Agreement was further amended to, among other things, (i) exercise the last option one year extension and six month-to-month option periods effective September 1, 2013 through February 28, 2015; (ii) continue the six (6) percent price reduction which originated under the Board's Contract Extension/Price Reduction Initiative; (iii) replace Paragraph 12.1 (Indemnification) with a new Paragraph 12.1 (Indemnification); (iv) replace Paragraph 6.0 (Term), subparagraph 6.4, with a new Paragraph 6.0 (Term), subparagraph 6.4; (v) replace the current Exhibit B (Price Matrix) (Revised July 1, 2011) with a new Exhibit B (Price Matrix) (Revised September 1, 2013) to reflect the transition from a per-service-fee to a flat fee; and (vi) add Paragraph 52.0 (Guidelines for Media Sanitation);

WHEREAS, under that certain Amendment Number Seven dated February 25, 2015 the Agreement was further amended to, among other things, (i) extend the term of for incoming Vote by Mail automated signature verification services for an additional one year and six month-to-month option periods commencing March 1, 2015 through August 31, 2016 if all options are exercised (ii) delete Paragraph 6.0 of the Agreement and replace with a new Paragraph 6.0 (iii) continue the six (6) percent price reduction which originated pursuant to the Board of Supervisor's Contract Extension/Price Reduction Initiative pursuant to Amendment Number Three dated October 23, 2009 (iv) replace the current Exhibit A (Statement of Work) (Revised July 1, 2011) with a new Exhibit A (Statement of Work) (Revised March 1, 2015); (v) replace the current Exhibit B (Price Matrix) (Revised September 1, 2013) with a new Exhibit B (Price Matrix) (Revised March 1, 2015);

WHEREAS, under that certain Amendment Number Eight dated February 28, 2015 the Agreement, with respect to Incoming Vote by Mail election services, was further amended to, among other things, (i) extend the term of the Agreement for an additional one year to run through February 28, 2016, and authorized six month-to-month option periods commencing March 1, 2016 through August 31, 2016 if all options are exercised; (ii) delete Paragraph 6.0 of the Agreement and replace with a new Paragraph 6.0 (ii) replace the current Exhibit A (Statement of Work) (Revised July 1, 2011) with a new Exhibit A (Statement of Work) (Revised March 1, 2015); and (iii) replace the current Exhibit B (Price Matrix) (Revised September 1, 2013) with a new Exhibit B (Price Matrix) (Revised March 1, 2015);

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WHEREAS, the County and Contractor wish to further amend the Agreement to, among other things, (i) extend the term of the Agreement for an additional one year commencing September 1, 2016 through August 31, 2017; (ii) delete Paragraph 6.0 of the Agreement and replace with a new Paragraph 6.0; (ii) continue the six (6) percent price reduction which originated pursuant to the Board of Supervisor's Contract Extension/Price Reduction Initiative pursuant to Amendment Number Three dated October 23, 2009; (iii) replace the current Exhibit A (Statement of Work Incoming Vote by Mail) (Revised March 1, 2015) with a new Exhibit A (Statement of Work Incoming Vote by Mail) (Revised February 2, 2016); and (iv) replace the current Exhibit B (Price Matrix) (Revised March 1, 2015) with a new Exhibit B (Price Matrix) (Revised February 2, 2016); and

WHEREAS, this Amendment Number Nine is made pursuant to Paragraph 4.0 (Change Notices and Amendments) of the Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Agreement, as previously amended, is hereby further amended as follows:

1. Paragraph 6.0 (Term), of the Agreement is hereby deleted in its entirety and replaced with a new Paragraph 6.0 (Term) as follows:

   "**6.0 TERM**

   6.1 The "Term" of this Agreement shall commence upon approval by County's Board of Supervisors on September 4, 2001. The term for incoming Vote by Mail election mailing services will run through August 31, 2017, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.

   6.2 As used herein and except where expressly stated to the contrary, the "Term" shall mean the initial Term, and if extended, each Extension year, as the case may be.

   6. 3 County shall notify Contractor of any determination to extend this Agreement no less than thirty (30) Days before any extension period is to begin.

   6.4 Contractor shall notify the Registrar-Recorder/County Clerk when this Agreement is within six (6) months from the expiration of the Term as provided for hereinabove. Upon occurrence of the event, the Contractor shall send written notification to Registrar-Recorder/County Clerk at the address herein provided in Paragraph 28 (Notices) of this Agreement."

2. Continues the six (6) percent price reduction which originated pursuant to the Board of Supervisor's Contract Extension/Price Reduction Initiative pursuant to Amendment Number Three dated October 23, 2009 to August 31, 2017.

3 Exhibit A (Statement of Work Incoming Vote by Mail) (Revised March 1, 2015) of the Agreement is hereby deleted in its entirety and shall be replaced with a new Exhibit A (Statement of Work Incoming Vote by Mail) (Revised February 2, 2016), a true and correct copy of which is attached hereto and incorporated herein by this reference.

4. Exhibit B (Price Matrix) (Revised March 1, 2015) of the Agreement is hereby deleted in its entirety and shall be replaced with a new Exhibit B (Price Matrix) (Revised February 2, 2016), a true and correct copy of which is attached hereto and incorporated herein by this reference.

5. Except as otherwise provided under this Amendment Number Nine, the Agreement, as previously amended, and including all preambles and recitals set forth herein and therein, shall remain unchanged and in full force and effect.

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AMENDMENT NUMBER NINE
TO AGREEMENT 73635
WITH ELECTIONS SYSTEMS & SOFTWARE, LLC
FOR ABSENTEE VOTER BALLOT MATERIAL PROCESSING

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Nine to be subscribed on its behalf by the Registrar-Recorder/County Clerk or his/her designee and the Contractor has subscribed the same through its duly authorized officer as of the day, month and year first above written. The persons signing on behalf of Contractor warrant under penalty of perjury that he or she is authorized to bind the Contractor.

COUNTY OF LOS ANGELES

_____
DEAN C. LOGAN
Registrar-Recorder/County Clerk

ELECTION SYSTEMS & SOFTWARE, LLC

_____
AUTHORIZED SIGNATURE

_____
PRINT OR TYPE NAME

_____
TITLE

_____
Tax Identification Number

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By_____
VICKI KOZIKOUJEKIAN
Principal Deputy County Counsel

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EXHIBIT A

ABSENTEE VOTER BALLOT MATERIAL PROCESSING STATEMENT OF WORK (INCOMING VOTE BY MAIL)

(Revised February 2, 2016)

I. PURPOSE

The County of Los Angeles has up to 1,500,000 voters using the incoming Vote By Mail ballot process in a major Election. The purpose of the Incoming Vote By Mail Voter Ballot Material Processing services is to assist the Registrar-Recorder/County Clerk (RR/CC) with the processing of return Vote By Mail Voter (VBM) ballots. The incoming VBM process includes handling the returned VBM ballots and capturing the Vote By Mail Voter identification (VBM ID) so that the image of the voter's signature can be compared to the signature on the return VBM ballot envelope. VBM incoming processing interfaces with the County's election management system so that the signature images can be automatically retrieved in the same order as the incoming VBM envelopes are scanned. This allows comparison of signatures quickly, without entering the VBM ID for each voter.

Incoming Vote By Mail envelopes containing voted ballots are grouped by tray. Application Software provided by Contractor shall be used to manage and track the scanning of returned VBM envelopes and extraction of data needed by County election management system to verify signature and validate voted VBM ballots. Data associated with the tray, such as Tray Number and VBM ID, and result of signature verification is in sequential order and provided in an electronic media for upload into the County's voter registration system.

1. Significant Events

Elections affecting the required services are as follows:

- Local & Municipal Consolidated Elections, also known as Uniform District Election Law (UDEL) Elections are scheduled in November of odd numbered years.
- Primary Elections are scheduled in June of even numbered years.
- General Elections are scheduled in November of even numbered years.
- Special Elections are scheduled when called.
- Presidential Primary Elections are scheduled when called.

2. RR/CC Technical Systems and Interface Requirements

The RR/CC currently operates a Microsoft Windows 2012 domain server environment using TCP/IP and Ethernet as the primary network protocol. The RR/CC utilizes software from Microsoft, including Microsoft Office, Microsoft Project, Microsoft Visio, Microsoft Windows XP, Vista, & Windows 7 for desktops, Microsoft Windows Server 2003 and 2012 for servers, and Microsoft SQL Server 2008 and 2012 for database applications. The RR/CC reserves the right to upgrade to the most current version of Microsoft software listed above and shall notify Contractor of planned upgrades six months from commencement of such upgrades.

Any custom software and associated hardware software drivers identified by Contractor as not compatible with any planned upgrades shall be modified at Contractor's expense in order to become compatible. Contractor shall provide all Deliverables and other work hereunder so as to remain compatible with RR/CC's existing IT infrastructure. Since the incoming VBM process interfaces with the RR/CC's election management system, the Contractor will be required to work with the RR/CC to create the necessary interface, if required.

II. SCOPE OF WORK

Contractor shall:

1. Place return VBM envelope containing voted ballot in tray in the same sequence as scanned.

2. Provide to RR/CC, in electronic media form, clipped signature from the image of the VBM voter's return envelope in a compressed TIFF format.

3. Interface with County election management system.

4. Automatically capture the VBM signature as part of the scan process.

5. Contractor shall keep current with, and bring to the attention of County, technology that would improve and enhance the incoming VBM Voter Ballot Material Incoming Process.

III. TASKS AND DELIVERABLES

TASK 1 - PROJECT MANAGEMENT

Project planning and event management process are critical to track time-sensitive events that if not properly executed may compromise delivery and processing of VBM material. A comprehensive and detailed plan for each Election shall be developed by Contractor and delivered to County. This plan shall be known as the **Election Plan.**

County will meet with or submit a written request to Contractor no later than 88 days before the date of the Election (E-88) to formally request the use of Contractor's automated VBM Processing System. The written request shall include:

- The date of the Election
- Expected overall volume
- Expected average daily volume
- Expected highest peak in a 24-hour processing day
- County's administrative, operational, and technical contacts (including name, phone number, and email address); and
- County's overall Project Director.

At the time of County's request, County will instruct Contractor on the sorting of VBM material by ballot type or precinct as mandated by state or federal legislation/law.

Contractor upon receiving County's written request shall prepare and deliver the Election Plan, with attachments as defined in this Statement of Work (SOW), no later than E-76. County shall review and approve the Election Plan no later than E-66. County will monitor/oversee Contractor's progress based on the approved Election Plan, the Agreement, SOW, and Amendments to the Agreement.

The Election Plan shall incorporate all Contractor tasks and subtasks listed in the Agreement, SOW, and any amendments to the Agreement.

The Election Plan shall include the following:

1. Name of Contractor staff who will be assigned as the onsite Project Manager for the Election. Project Manager shall possess at least three years experience performing similar VBM services in a jurisdiction with greater than 750,000 registered voters.

2. A list of Contractor Staff who will be assigned to provide onsite and/or offsite support for the following areas: a) Operations b) Administrative and c) Technical. Include a short description of duties and responsibilities for each staff member.

3. A list of Contractor tasks and subtasks required to successfully support the Election. Start and end dates and responsibility assignments shall be included. At a minimum, all of the tasks and subtasks in the Agreement, SOW, and Amendments to the Agreement shall be included in the list.

4. A list of tasks and subtasks that are to be executed by the County as determined by Contractor and after review and approval by County's Project Director.

5. A list of County approved subcontractor agencies that will be used by Contractor (including address, phone number, and main contact person) and a short description of services that shall be provided. County approval shall be obtained prior to any subcontractor performance pursuant to Paragraph 14 (Subcontracting) of the Agreement.

6. A list of procedures for transfer of electronic files between the County and the Contractor and a preliminary schedule with cutoff dates. At a minimum, the list shall include transfer of initial batch of VBM records, daily transmittal of VBM records, software upgrades, patches or fixes, and any other files that Contractor deems necessary for successful completion of critical tasks. The preliminary schedule shall be reviewed and approved by the County before it is considered final. County is aware that changes to the approved schedule may be necessary and will be handled on a case-by-case basis.

7. A list of resources required by Contractor, to be provided by County, to successfully support the Election. Resources may include but not limited to office supplies, office space, administrative computers, printers, and other office or administrative related items.

8. A list of dates and location of periodic meetings that are to be held to review the Election Plan and report on status of critical tasks. Include a short description or agenda for each meeting.

County will be responsible for overall oversight and control of tasks identified in the Agreement, SOW and amendments to the Agreement. Contractor shall manage and coordinate all tasks and subtasks listed in the Election Plan. Contractor shall provide sufficient staff to complete its assigned tasks and subtasks as described in the Election Plan and report progress to County's Project Director in writing. Any delay in execution of any task that may materially or substantially delay legally mandated processing deadlines shall be reported to the Project Director within 24 hours of discovery. Any changes to the Election Plan must be reviewed and approved by the County's Project Director, such approval not to be unreasonably withheld or denied.

DELIVERABLE 1

Contractor prepares an Election Plan in compliance with Project Management specifications set forth above and delivers it to County by E-76. County shall review the Election Plan and submit final changes no later than 10 days after receiving plan from Contractor. Contractor shall review the changes requested by County and be prepared to discuss in detail within 48 hours.

TASK 2 - APPLICATION SOFTWARE

Contractor shall provide its existing VBM processing Application Software that automates, to the fullest extent possible and commercially reasonable, the functions required to handle the high volume of VBM in Los Angeles County. Contractor shall provide comprehensive and highly customized software that manages and controls the VBM incoming process. Application Software functionality shall include but not be limited to: sound data integrity checks, exception reporting, integration with County election management system, and automated tools for transfer of data to/from County election management system. At a minimum, Application Software shall include:

1. Basic Data Capture: A software application that supports the Voter Signature Verification return data containing the County election management system VBM ID number in specified order or group in a tray. This database shall be delivered to RR/CC on electronic media.

2. Signature Capture: A software application that will support Item 1 above plus provide additional data elements consisting of signature clips associated with the tray envelopes. The form of the data will be compressed TIFF files named with the VBM ID.

3. Automated Signature Recognition (ASR): An Application Software interface that allow operators to easily select trays (from a list of available trays). One, several, or all trays may be selected for processing. A tray is considered a batch and a unique batch number is assigned to each tray for tracking purposes. The Application Software must provide capability to allow specification of envelope, count per batch, and is usually set at or above 300 in Los Angeles County.

4. Contractor shall provide a report that list individual VBM ID numbers and envelope sequence numbers (by tray) and shall be available for on-demand printing. The report is to be organized into separate groupings by tray and by the following categories: a)

challenged signatures and b) signatures that meet or exceed pre-determined verification thresholds. Both “A” and “B” will be provided in separate reports. A report that sorts by VBM ID number is available at the County election management system level after scanner data is uploaded.

5. The ASR Application Software shall enhance the Incoming Vote By Mail Ballot Material Process by reducing the current workflow; specifically by minimizing any manual side-by-side signature verifications which are processed utilizing County election management system. All signatures that meet or exceed pre-determined signature verification threshold will not be presented for side-by-side manual verification and will be electronically sent to County election management system for automatic updating of VBM envelope return envelope status.

6. RR/CC agrees to provide access to a network folder that contains signatures exported from County election management system. An existing utility in County election management system shall be used to export signatures. After the first initial load of all available signatures on file, daily updates will be appended to the main file.

7. In order to allow operator to correct misscans, misfeeds, or any other physical or logical condition that causes the Application Software to challenge envelopes in a tray, the Application Software shall alert operator by sending the challenged envelopes into the error tray located on the backside of the output bin. The ASR Application Software provides a process for rescanning just the challenged VBM envelopes, rather than the entire tray.

8. ASR Application Software and associated physical components shall be scalable and able to meet RR/CC's requirement of being able to process 75,000 incoming envelopes within an 8 hour workday. Processing in this context is defined as going through the following series of discrete steps: a) scanning/endorsement; b) image recognition and storage; c) signature verification; d) file export; e) error and exception handling of challenged envelopes until they are deemed corrected or manually reconciled

9. ASR Acceptance Testing by RR/CC shall consist of conducting a test using files from a specified Election and Contractor agrees to provide a working version of the System (both hardware and software) and provide on-site/telephone technical and operational support. Scope of Acceptance Testing shall include end-to-end processing of envelopes from scanning to file export.

DELIVERABLE 2

Contractor provides its existing ASR Application Software which manages and controls, to the highest extent possible and commercially reasonable the VBM incoming process, including sound data integrity checks, exception reporting, and integration with County election management system for the transfer of data.

TASK 3 - INCOMING PROCESS

Contractor shall be required to process incoming VBM ballot envelopes returned by voters. The return process for the VBM ballot envelopes starts approximately E-26 in varying amounts depending upon return mail quantities and continues through the 14th day after an Election (E+14). The quantity of the incoming VBM envelopes via mail typically increases with each day.

VBM ballot envelopes (returned by voters) are grouped into batches and dropped in trays. Application Software provided by Contractor shall be used to manage and track scanning of returned VBM envelopes and extraction of data needed by County election management system to verify signature and validate voted VBM ballots. Contractor shall provide upgraded scanner equipment when and if the same is developed to County to process the returned mail ballots. Contractor shall arrange for maintenance/service technicians as needed.

1. Application Software together with System Hardware shall be capable of processing up to 75,000 envelopes in an 8-hour processing period. Processing shall begin at the point envelopes are scanned and include time expended for handling error conditions such as duplicates, misprinting of endorser number, misfeeds or jams, and any other condition that triggers manual counting and viewing of individual envelopes in a batch to verify counts and integrity of data.

2. Application Software shall automatically read and interpret data from barcodes printed on the envelopes. A single electronic file containing VBM IDs within each batch, in the order they were scanned, shall be generated and automatically sent to County election management system for further processing. If applicable, upon County completion of necessary modifications to the County election management system, an automated interface shall be developed and implemented to allow automatic transmittal and processing of electronic file directly to the County election management system.

3. Application Software shall automatically read and save clipped signature images from scanned envelopes. A single electronic file containing signatures within each batch, in the order they were scanned, shall be generated and automatically sent to County election management system for further processing. If applicable, upon County completion of necessary modifications to County election management system, an automated interface shall be developed and implemented to allow automatic transmittal and processing of electronic file directly to the County election management system. Signature files created from this subtask shall be automatically linked to the VBM ID file described in item #2 above.

4. Application Software shall have a verification mechanism for ensuring that the number of envelopes scanned in each batch or tray matches the count of records saved to files described in items #2 and #3 above. The same verification mechanism shall also verify that the records in these files are stored in the same order as when the envelopes were physically scanned.

5. After the VBM returned envelopes are scanned and tracking reports are printed for each tray, County shall put them back in tray in the same order they were scanned.

6. In the event the automated interface described in items #2 and #3 above challenges any of the files, a method shall be available for manually uploading the files to County election management system. Contractor shall include procedures for such manual method in the Election Plan.

7. Scanner Equipment and monitor(s) shall have scanning capability of at least 2,400 envelopes per hour.

DELIVERABLE 3

Contractor processes all incoming VBM envelopes in conformance with the requirements of Incoming Process set forth above.

TASK 4 - REPORTS AND RECORDS

Contractor must produce a daily report, whose totals must balance to the number of records on the transaction file supplied by the RR/CC.

Contractor shall provide reports to County. These reports are needed to provide an audit trail of critical events and allow for quick identification of problems so that they can be resolved quickly. The reports shall also give the County, additional tools for reconciling/balancing workload and manually reconciling challenged records.

1. Report that shows count of signatures accepted, count of signatures challenged, reason why signatures were challenged, and VBM identification numbers (VBM ID) of challenged signatures . This report shall be known as the "Upload Summary Report."

2. Contractor shall maintain a file delivery log that contains at a minimum, filenames, delivery dates/times, count of records accepted (by file), count of records challenged (by file), and total record count (running totals and grand total). A copy of such log shall be delivered to County by 12:00 p.m. each day and shall show all accumulated file deliveries as specified by the County.

3. Contractor shall retain records of the use of ASR to confirm that payments due have been made in accordance with the Agreement terms. Contractor shall provide County with said records of ASR use, upon County's request.

DELIVERABLE 4

Contractor provides required reports with specified detail as described above to County on a daily basis.

TASK 5- OPERATIONS/TECHNICAL SUPPORT

Contractor shall assist the County with the processing of incoming VBM ballot where County shall provide access to County facilities for Contractor staff for the purpose of training, on-site support, maintenance, and general management/supervision of the entire operation.

County designated staff reserves the right to stop the operation if at any time it appears that specifications are not being met, and to hold up the operations until satisfied that the conditions are as specified. Any such stoppage will be resolved without undue delay so as to minimize the interruption of operations.

Contractor shall provide sufficient staff at locations approved by County's to ensure timely completion of tasks and subtasks listed in this Statement of Work.

1. Contractor shall provide personnel to operate scanning software/equipment, and ASR software.

2. Contractor shall provide personnel to operate software that controls scanning equipment and ASR software, file imports/exports, and associated peripheral equipment or operations that directly or indirectly support the automated VBM processing system. Contractor shall submit list of staff who will be working on-site, along with a short description of duties and responsibilities no later than E-66.

3. Contractor staff must be physically present and available at all times during County working hours, including evenings, weekends and holidays when Contractor specific processes are ongoing and . On or before E--35 until E+14, Contractor staff shall report to RR/CC headquarters facility in Norwalk, unless otherwise specified, and shall be ready to support County staff, if applicable, in performing tasks and subtasks identified in this SOW.

4. Contractor shall arrange for availability of stand-by scanning and ASR equipment and operators. Contractor shall also arrange service technicians that are capable of maintaining machine operations. Contractor shall be responsible for contacting Contractor to dispatch operator and/or technician as needed at a cost not to exceed price listed in Exhibit B (Price Matrix) of the Agreement.

5. County staff shall monitor all processing and preparation of VBM material so it is essential that Contractor staff are actually assigned onsite and physically present, where applicable, during County working hours.

DELIVERABLE 5

Contractor provides personnel and support services as required under Task 5 (Operations/Technical Support) above to County's satisfaction.

TASK 6 - SECURITY

The processing of the VBM returned ballots will be performed by Contractor who will be assisted by County personnel. County will provide access to Contractor personnel at all times during the entire process for the purpose of training, on-site support, maintenance and general supervision.

1) The County must maintain controlled access to storage spaces where the VBM returned ballots are stored with a record of all employees having access to the area and a sign-in/sign-out log for all persons entering the space, including Contractor personnel.

2) Contractor will provide County with a list of all employees authorized to have access to the VBM returned ballots and secure areas.

3) Contractor personnel responsible for training and providing on-site support shall display on their person a valid photo identification card.

RR/CC reserves the right to stop any or all operations if at any time it appears that specifications are not being met, and to hold up the operations until satisfied that the conditions are as specified. Any such stoppage will be resolved without undue delay so as to minimize the interruption of operations.

DELIVERABLE 6

Contractor provides County with list of all employees with access to the VBM returned ballot secure area. Contractor staff displays photo ID badges and abides by all County security requirements at all times while on site.

ABSENTEE VOTER BALLOT MATERIAL PROCESSING
(INCOMING VOTE BY MAIL)
PRICE MATRIX

(Revised February 2, 2016)

The billing components of the Agreement shall consist of Automated Signature Recognition (ASR), and Reduction/Discount. The unit price for each component shall be based on actual materials and/or services performed. Price shall include any and all charges including all applicable taxes. Contractor shall invoice County for materials provided and services performed in accordance with this Price Matrix.

I. INCOMING MAIL PROCESS: SCHEDULED ELECTIONS AND SPECIAL ELECTIONS: The flat fee unit price shall include, but is not limited, to the following processes:

A. Basic Data Capture to support the Voter Signature Verification return database containing the Voter Information Management System (VIMS) Absentee Voter Identification Number specified order or group in a tray. This database is delivered to RR/CC on electronic media.

B. VoteRemote Signature Capture which supports item A. above additionally provides data elements consisting of signature clips associated with the tray envelopes. The form of the data will be compressed TIFF files named with the Absentee Voter identification.

C. Automated Signature Recognition (ASR) is a specialized computer software program that compares signatures on absentee ballot with registered voter signature on file.

D. RR/CC will provide the Contractor with a written report of its use of ASR within 30 days of each Election. The Contractor will invoice County based on the attached pricing structure.

E. On-Site Project Management.

II. AUTOMATED SIGNATURE RECOGNITION SET-UP:

Contractor shall install ASR capability on one or more computers at the RR/CC Headquarters facility in Norwalk for use by or at the direction of Contractor to provide services to County. ASR will run on a dedicated PC with enough licenses to account for the county's volume over each 12-month period. Pricing per license based on attached pricing structure.

III. REDUCTION/DISCOUNT

A. Extend the current six percent (6%) pre-tax cost reduction currently in place, for the contract extension effective February 2, 2016 through August 31, 2017.

IV. INCOMING MAIL PROCESS; SCHEDULES ELECTIONS AND SPECIAL ELECTIONS PRICING: The incoming mail processing pricing and payment terms are set forth below. All invoices shall reference each component and specific description category as referenced herein:

	SERVICES	DESCRIPTION	UNIT PRICE
1	**Incoming Mail Process- Scheduled Elections**	VoteRemote Signature Capture and Signature Verification scanning process: Signature Capture w/clipped image to VIMS voter registration system: <u>Flat Fee Elections Included in Flat Fee</u> • November Countywide UDEL • State Primary • State General *Amounts set forth above shall be invoiced after each applicable election.	 $24,400 $68,518 $125,582
2	**Incoming Mail Process- Special Elections**	a. VoteRemote Signature Capture and Signature Verification scanning process: Signature Capture w/ clipped image to VIMS voter registration system. Flat Fee for County Wide Special Elections Flat Fee for non-County Wide Special Elections (Special Elections are any election outside of an UDEL Election, Primary Election, and General Election b. One time setup charge per CPU (Each CPU is capable of handling 1.5 million ASR attempts in a 12 month period. During peak years it may be necessary to install a secondary ASR machine.) *Amounts set forth above shall be invoiced after each applicable election.	 $65,000 $1,000 $6,000
3	**Reduction/ Discount**	a. Cost reduction/discount (Expires 8/31/17)	6%