

Contract Review Committee Meeting Status Report

Task Force Meeting on September 26, 2002

Attendees to Committee Meetings: Chuck Parsons, Bob, Greg Hubinger, Denny Kron, Larry Dalien, Paul Backes, Beth McInerny, Bob Horton, Susan Dioury, Luci Botzek, Bert Black

This committee has met on 4 different occasions to discuss our review process, assess pilot county proposals and agree upon a funding allocation or county needs as identified in their ERER pilot test projects. Meetings were held on September 4th, 16th, 20th and 25th. County proposals were received from Hennepin, Dakota, Renville, Roseau, and Lyon.

County Review Topics: County proposals were strong but common elements needed additional work in all proposals. Elements needing additional work included:

- Additional detail on integration plans between all county offices,
- Additional detail needed on cost breakdowns,
- Detailed information stating that county's back-office could accept filings from any Trusted Submitter application meeting Standards.
- Additional detail still needed from Roseau; in light of its unique needs and approach we are utilizing their current cost breakdown to move forward and not hold all counties up.

County Contract with Task Force: A draft of this contract has been reviewed by the LCC, Bert Black, Chuck Parsons and the Contract Review Committee. An exposure draft is ready for presentation to the Task Force.

Feedback on contract language should be presented to Beth McInerny. The deadline for feedback is Friday, October 4th. Task Force should approve contract language, subject to negotiation and final Executive Committee approval, at meeting of October 10th.

Attachment D of this contract is the Memorandum of Understanding with Trusted Submitters. Completed Memorandums of Understanding are required to be submitted to the Task Force as they are signed by county and Trusted Submitter.

Contract negotiations with pilot counties can begin following this finalization.

Funding of Pilot Counties: The funding needs of pilot county work were assessed through regular reviews of county proposals and detail cost breakdowns.

Recommendation: A 10% contingency reserve is recommended to be set aside as an appropriate fund for unforeseen future expenses for Phase 1 pilot work. Against the remaining fund, the following recommendations were made regarding pilot expenses.

It is recommended that the Roseau County project receive full funding, upon agreement on details regarding software allocations to the other counties. The committee believed that this pilot model will potentially fit a large subsection of counties. It is a replicable model that provides low barriers to entry into this new technological offering. It can be the full solution for a county to receive electronic filings or could be a logical entry point for a county to assess the implications of this process prior to automating their entire office.

For the remaining counties, the committee recommends funding 100% of out-of-pocket, on-time costs for training, installation and conversion. In addition, the committee recommends funding 50% of costs for contract labor.

The committee recommended looking at software and hardware funding as a "lease cost". A "lease cost" is seen as most appropriate for funding software by this committee, due to the limited life of the pilot projects and a need for a global resolution by the Legislature to the question of funding the implementation of these standards after they have been adopted in law.

It is recommended that the lease be based on a 3 year life span for the software. The lease period begins on October, 2002 and extends through June, 2004 (the remaining life of the Task Force). This results in a formula of 21/36 times the price of the software.

It is recommended that the lease of hardware be based on a similar approach except that it is assumed hardware would be leased beginning in January, 2003. This date reflects the expected purchase date of hardware by counties. Thus a "lease" of 18 months was used.

Pilot counties are asked to review this funding breakdown. If pilot counties wish to reallocate the amounts recommended by the committee, according to their pilot testing needs, a revised breakdown of costs must be submitted to the Pilot County Review Committee no later than Friday, October 4, 2002.

A revised recommendation will be made by the Pilot Contract Review Committee to the Task Force at the October 10th Task Force meeting.

Summary of Counties						
Pilot Phase 1 Funding Recommendation						
Cost Item	Hennepin	Dakota	Renville	Lyon	Roseau	Total
One-Time EREER Costs for Training, Installation and Conversion	\$12,500	\$33,000	\$10,000	\$33,000	\$4,000	\$92,500
Contract Labor Reimbursed for EREER at 50%	\$63,000	\$0	\$0	\$0	\$0	\$63,000
21 mos. Of EREER Software Cost Assuming a 3 Year Life	\$65,625	\$23,333	\$67,083	\$13,125	\$71,200	\$240,366
18 mos. Of Hardware Cost Assuming a 3 Year Life	\$12,000	\$7,500	\$7,500	\$10,000	\$7,500	\$44,500
Total	\$153,125	\$63,833	\$84,583	\$56,125	\$82,700	\$440,366