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Updated: 10/22/02(jhr)

ERERTF Pilot County Proposal– Contract Review Committee Meeting September 4, 2002

Meeting was started at 9:30 AM.

Attendees: Chuck Parsons, Bob Horton, Greg Hubinger, Denny Kron, Larry Dalien, Paul Backes, Beth McInerny

The following schedule of events was discussed and agreed to by the attendees.

Schedule of Events

Date	Activity
August 26, 2002	Proposals are due and must be received by 3:00 P.M. CST.
August 26 – September 6th	The proposals will be reviewed for general completeness by BenNevis team.
September 4, 2002	Initial meeting of Contract Review Committee. Meeting time and locations: 9:30 MCIT Building.
September 4 – September 12	Completed proposals will be delivered by BenNevis to the Review Committee. Proposals will be delivered to committee members as they are received.
September 16 from 1:30 to 4:00	Meet to discuss the proposals. BenNevis will do follow up research to answer questions and email the answers to the committee.
Week of September 16	Follow-up meetings with counties to address committee questions
September 20 from 9:30 to 11:30	Meet to make final determination of recommendations. Recommendations will be emailed to the ERER Task Force.
September 26	ERER Task Force meeting to discuss recommendations.

❑ **Discuss the scope and objectives of the Review Committee**

The scope of activity and objectives of this committee were discussed and agreed to as follows:

- Review County proposals using the evaluation grid

- Use evaluation findings to assist counties to be on a level playing field for pilot activity. This will allow counties equal opportunity for success in pilot testing.

- Identify and understand financial needs at county offices.

- Recommend to the Task Force the allocation of funds to pilot counties.

❑ **Review the schedule of events.**

The schedule was discussed and it was agreed that the time frame is considerably tight. In light of that fact, October may be the meeting where a final recommendation is made to the Task Force. But every effort will be made to stay on course for September.

❑ **Discuss the approach for reviewing/judging proposals. Consider:**

    o **Which costs should be considered for State funding.**

        It was discussed that counties are including all costs in their proposal and the committee will need to review proposals for details on costs.

    o **Should the State negotiate with vendors, and if so, who will do this.**

        It was discussed that the vendors and counties will participate in negotiations. The Task Force is not involved in this area but the committee could provide recommendations, if necessary, to counties.

    o **How will the committee assess the "readiness" of the counties?**

        Using the response matrix and by allowing the committee to ask counties additional questions. An additional step was added to the time line to accommodate the need to communicate questions from the committee to pilot counties.

❑ **Finalize the schedule of events.**

Discussed and agreed to as documented earlier.

❑ **Discuss Trusted Submitter Memorandum of Agreement**

A standard form should be given to counties for use with Trusted Submitters. Submitters will sign a Memorandum of Agreement with each county to whom they will submit electronic documents. This form establishes that the submitter's electronic filings are legal in the state of Minnesota pursuant to the statutes.

There won't be a volume of filings identified in the document but, to the extent practical, documents filed with pilot counties should be done electronically.

Beth will assist Greg Hubinger with this document as needed.

❑ **Additional Discussions.**

It was agreed that at the end of Phase 1 there should be feedback collected from the Trusted Submitters. This would include information such as, what worked, what didn't, what were the benefits, etc…

Meeting was adjourned at 11:20 AM.

<u>**Draft of Contract Evaluation Criteria**</u>

Project Approach and Inclusiveness	**Evaluation Criteria Description**	**Satisfactory**	**Un-Satisfactory**
Section 1 – Overview	What is your perceived view of whether the county's project plan accurately captures the requirements for their deliverable?		
Section 2 – Approach	What is your perceived view of whether the approach revealed in the project plan conforms to the ERER Standards? What is your perception of the inclusiveness of this approach? Is the county capturing the full spectrum of needs for this initiative? What is your perceived view of the county's understanding and ability to achieve the requirements and meet the time line in the proposal? What is your perceived view of the participation of the other officers in the county? Is this inclusive of the Auditor's and Treasurer's needs and requirements?		

County Readiness	Evaluation Criteria Description	Satisfactory	Un-Satisfactory
	Other potential readiness criteria: ▪ Comprehension of ERER standards ▪ Technology readiness to conduct e-commerce (pilot technology list was sent out already and is on the ERERTF web site for review) ▪ Number of trusted submitters ▪ Memorandum of Agreement with trusted submitters complete ▪ Technology fit between county and submitter – level of e-recording ▪ Demonstrated relationship between trusted submitter and county office ▪ Integration ability of e-receipt and e-recording of document ▪ Integration between county offices (auditor – treasurer – recorder) ▪ A Certificate Authority for use with digital signatures has been identified or at least been specified as an early step in the work plan ▪ Documented workflow for phase 1 and phase 2 documents identified – workflow that included Auditor and Treasurers		

Project Planning / Milestones	- Pilot project owner / project manager is county officer - Project team includes the appropriate county members and offices (recorder, auditor, treasurer, IT, etc.) - Project team includes the appropriate set of skills and expertise - E-recording vendors participation is identified - Back office processing vendors participation for all county office technologies are involved in Phase 1 and 2 planning - Identification of e-recording level and document type for submitter and county - The communications approach with trusted submitters is designed and documented early in the the design process		

Pilot Testing Standards – How to ensure this is a "good" test	Evaluation Criteria Description	Satisfactory	Un-Satisfactory
	▪ Pilot duration – bare minimum 90 days ▪ County technology is platform independent, county can accept filings from any sender's technology as long as it follows MN standards ▪ County Recorder's technology has demonstrated ability to integrate with technology in auditor and treasurers office for Phase 2 filings ▪ County solution provides a solid foundation for future growth in services (does not need to be completely robust solution at start of pilot)		
Costs of Effort	• Costs reflect fundamental changes to accommodate e-recording • Costs are independent of natural upgrade needs for county hardware and / or software		

Pilot Contract Review Committee Meeting

September 20ᵗʰ, 2002 - 10:00 – 12:00pm – Historical Society

County Proposal Review: County proposals were reviewed along with an updated cost breakdown. Most counties responded completely or in large part to questions identified at the last meeting of this committee.

The AMC model was discussed and questions centered on the ownership of this application once developed. AMC will be asked also of the costs associated with this development and what costs would be charged back to county users. The committee had questions regarding the county proposals using the Ingeo product. The proposals reference the Ingeo product as the submitting product. The standards require an open system for acceptance of electronic filings. These proposals need to also indicate how non-Ingeo product submitters will communicate with the county.

Additional, less substantive questions were collected and will be sent to counties by BenNevis.

Funding Considerations: It was decided that the following items would be considered for payment at counties:

- Hardware costs resulting from e-recording processes

- Reduced leasing cost for e-recording software used during

> Costs will be calculated on a 3-5 year life of software. Pay counties for 6 month pilot use of software, covering Phase 1.
>
> Hennepin - $125, 000 for Ingeo software.
> 36 – 60 month life span for software.
> $3,472 – $2,083 per month,
> $20,832 - $12,500 payment for 6 month pilot
>
> Renville - $125,000 for Ingeo software
> 36 – 60 month life span for software.
> $3,472 – $2,083 per month,
> $20,832 - $12,500 payment for 6 month pilot
>
> Dakota - $73,000 for Fidlar software
> 36 – 60 month life span for software
> $2,027 – $1,216 per month
> $12,162 - $7,300 payment for 6 month pilot

Lyon - $22,500 for Fidlar software
36 – 60 month life span for software
$625 - $375 per month
$3,750 - $2,250 payment for 6 month
Roseau - $70,000 for AMC software
36 – 60 month life span for software
$1,944 - $1,166 per month
$11,664 - $7,000 payment for 6 month

- Installation of e-recording software

- Digital Certificates

- Miscellaneous – Example: data conversion to new e-recording system

Costs currently not being considered are:

- County IT labor
- County non-IT labor
- Training
- Contract Labor
- Maintenance contracts (these should not apply to a pilot)
- Transaction Fees

Digital Signature Requirements by Pilot Counties: There was discussion regarding the requirement of a digital signature used by Trusted Submitters. Counties have documented processes where each document must be wrapped with an encrypted digital signature. The question was asked, can Minnesota mandate this process among submitters. Bert Black was identified as the person to contact on this issue.

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 ERER Costs for Training, Installation and Conversion	$12,500	$33,000	$10,000	$33,000	$4,000	$92,500
Contract Labor Reimbursed for ERER at 50%	$63,000	$0	$0	$0	$0	$63,000
21 mos. Of ERER 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

Pilot Contract Review Committee Meeting

October 7, 2002 - 10:30 – 12:30pm – MCIT Building

Attendees: Bob Horton, Denny Kron, Bert Black, Beth McInerny, Greg Hubinger, Larry Dalien, Chuck Parsons

County Proposal Review: All pilot counties submitted responses to past questions and updated funding distributions if necessary for their county. County proposals were reviewed along with an updated cost breakdown.

The Review Committee assessed a summary of county deliverables and identifying information. This will be provided to the Task Force on October 10th, reflecting changes noted at this meeting.

Renville County additionally inquired if their county could be appropriated additional funding of $8,050, to be added to their current request of $84,583. The request was discussed. It was determined that no additional funding be approved at this time

- The Review Committee recommends that the Task Force accept the Pilot County proposals, subject to contract negotiations.

- The Review Committee recommends that the Task Force allow the Executive Committee to approve additional allocations from the contingency fund to counties as they work on pilots for unforeseen circumstances, to help maintain a pilot county's work.

- The Review Committee recommends that the Task Force move to state that funding of pilot county initiatives be based on project milestones to be identified and included in pilot county contracts with the Task Force.

- The Review Committee recommends that the Task Force accept the draft Joint Powers contract between counties and the Task Force, with the understanding that modifications may be necessary for each agreement to satisfy the individual nature of each pilot project.