

# Los Angeles County

## Project Documentation Plan Staff Report Summary

|   | Amounts          |
|---|------------------|
| County Requested Funding Award Amount       | \$11,567,871.75  |
| Remaining VMB Approved Allocation Amount    | \$ 49,026,236.33 |
| County Match Amount                         | \$3,855,957.25   |
| County's Estimated Total System Cost        | \$15,423,829.00  |
| <b>Remaining Initial Formula Allocation</b> |                  |
| Remaining Allocation Amount                 | \$37,458,364.58  |
| Remaining County 3:1 Match Amount           | \$9,364,591.15   |

### **Research and Engineering Schedule:**

Los Angeles County plans to wrap up their design and engineering phase (III) in March of 2016 and move in to their manufacturing and certification phase (IV) in June of 2016.

### **Research and Engineering Phase Completion Date:**

Los Angeles County plans to complete their design and engineering phase (III) in March of 2016 with the anticipation of producing certified units beginning in the fall of 2017.

### **Staff Report:**

Los Angeles County is in the process of completing the design and engineering phase of what they refer to as the Voting Systems Assessment Project (VSAP).

The VSAP was launched by Los Angeles County in response to growing voting system needs and unique challenges faced by the County due to its size and complexity. According to Los Angeles County, the goal is to acquire a new voting system for the County through a transparent process that engages the public and is founded on sound data. The County asserts this system will be designed using a human-centered process which will produce a system that best suits the needs of voters and will ultimately be owned by the public.

As has been discussed at previous Voting Modernization Board (Board) meetings, in October of 2013, Senate Bill (SB) 360 was signed into law by Governor Brown. SB 360 allows a county to contract and pay for funding to be allocated by the Board for the following:

1. Research and development of a new voting system that has not been certified or conditionally approved by the Secretary of State and uses only nonproprietary software and firmware with disclosed source code, except for unmodified commercial off-the-shelf software and firmware, as defined.
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2. Manufacture of the minimum number of voting system units reasonably necessary for either of the following purposes:
  - a. To test and seek certification or conditional approval for the voting system.
  - b. To test and demonstrate the capabilities of the voting system in a pilot program, as defined.

The counties may use the authorization of a Funding Award Letter to secure a contract with a vendor and/or consultant to begin the research and development process of a proposed voting system. During the research and development process, counties may come to the VMB iteratively to request further authorization/funding as the research and development phases progress.

In October of 2014, Los Angeles County entered into an agreement with IDEO for the development of detailed designs and engineering specifications for a new ballot marking device (BMD) and related voting system components. The completion of this phase will provide Los Angeles County with the necessary engineering package to transition into the manufacturing and implementation of a new voting system. It is Los Angeles' intent to certify and implement the new voting system for use in future elections.

Recently, Los Angeles County provided the Board with invoices or documentation for items in the amount of **\$8,275,829, for work already completed**. Using the 3:1 match formula, Los Angeles County is seeking reimbursement in the amount of \$6,206,871.75 for this purpose. The County also seeks authorization for funding in the amount of **\$7,148,000, for future expenditures**. Using the 3:1 match formula, Los Angeles County in the future will be seeking reimbursement in the amount of \$5,361,000 for this purpose. These two requests for reimbursement (current and future) comprise the County Requested Funding Award Amount of \$11,567,871.75.

**Work Already Completed.** The \$8,275,829 requested for work already completed can be broken down into three categories, invoices for: deliverables, travel costs, and personnel costs.

**Deliverables.** At the request of the staff to the Board, Los Angeles County has provided copies of 16 invoices from IDEO and 1 invoice from Atkins Research Global along with the supporting documentation regarding each deliverable in the amount of \$7,633,020.

**Travel Costs.** Travel expense claims for Los Angeles County staff, the VSAP Advisory Committee (provides expert analysis on initial research findings and continuous input and guidance throughout the project), and the VSAP Technical Advisory Committee (provides ongoing technical expertise in the fields of usability, accessibility, and security; membership rosters for both committees are attached) have been submitted to the Board in the amount of \$25,719.

Before these costs can be considered for reimbursement, a succinct itemization of travel costs including specific trips and associated staff, will need to be provided to the Board.

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**Personnel Costs.** The County has submitted a request for the reimbursement of county personnel costs as they relate to their work on VSAP. Those claims total \$617,090.

Specifically, Los Angeles County is asking the Board to reimburse them for the salaries of those county staff members working full time on VSAP. The County's salary calculations also include employee benefits and overhead. Employee benefits include benefit costs other than salaries or wages earned by county employees. These benefits include health/dental/life insurance, unemployment, disability, workers compensation, deferred compensation plans, etc.

Overhead costs include those costs that cannot be readily identified to a specific service, but are incurred while employees perform their duties, for example: utilities, custodial, security, and administrative functions such as payroll, personnel, and accounting.

Before these personnel costs can be considered for reimbursement, a succinct itemization that clearly differentiates between the cost of employee salaries/wages, benefits, and overhead will need to be provided to the Board.

This is the first time the Board has been asked to cover the cost of overhead. The Board will need to decide if Proposition 41 bond funds can be used to reimburse counties for overhead while conducting research and development as it relates to a new voting system. It should be noted that while administering the Help America Vote Act (HAVA), Secretary of State staff has decided that HAVA funds will not be made available for reimbursement to counties for the cost of overhead while staff performs work specific to HAVA.

**Future Expenditures.** Los Angeles County is also requesting that the Board authorize funding in the amount of \$7,148,000.00 for future expenditures. The county expects to be invoiced by IDEO during the remainder of 2015 and early 2016 as their design and engineering phase (III) wraps up.

**Staff Recommendation:**

It is our recommendation that Los Angeles County's Project Documentation Plan be approved and the Board authorize the issuance of a Funding Award Letter in the amount of \$11,567,871.75.

At this time we recommend the reimbursement of the County's deliverables in the amount of \$7,633,020. Los Angeles County must submit a fully executed Research and Development Payment Request Form (Appendix E-2 in the Funding Application and Procedural Guide) and include a copy of each invoice along with documentation regarding the matching fund requirement before reimbursements in the amount of \$5,724,765 (\$7,633,020 reduced by the 3:1 match formula) will be made.

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At this time, we cannot recommend reimbursement for either the travel costs (\$25,719) or the personnel costs (\$617,090) as they have been submitted to the Board as part of the Project Documentation Plan, until such time Los Angeles County provides concise itemization of all associated costs.

Additionally, when Los Angeles County is ready to submit invoices for payment(s) related to the authorized funding in the amount of \$7,148,000.00, it is the recommendation that the County must come back before the Board in order to provide an update regarding the progress of the project, before reimbursement can be made.



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## Voting Systems Assessment Project Expenses

| <b>Permanent Salaries (includes EB and OH)</b>   | <b>\$617,090</b>        |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
|--|-------------------------|---------------|---------------|--------|-----------|-----------------|---------------------------------------|-----------|-----------|-------------------------|-----------|---------|----------|-------------------|-----------|-----------|----------|---------------|-----------|----------|----------|-------------------------|-----------|---------|----------|-----------|------------|---------|-----------|---------|------------|------------|----------|-------|------------|---------|----------------------|----------|------------|------------------|-----------|---------|--|
| <b>IDEO Contract Related Travel</b>  | <b>11,548</b>           |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Advisory Committee and Technical Advisory Committee Travel</b>  | <b>14,171</b>           |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Atkins Research Global - Focus Group Research</b>   |                         |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Invoice</th> <th style="text-align: left;">Deliverable</th> <th style="text-align: left;">Date Received</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>3001</td> <td>10 Focus Groups</td> <td>9/19/2014</td> <td style="text-align: right;">61,900</td> </tr> </tbody> </table>  | Invoice                 | Deliverable   | Date Received | Amount | 3001      | 10 Focus Groups | 9/19/2014                             | 61,900    |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
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| 3001   | 10 Focus Groups         | 9/19/2014     | 61,900        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| Total Atkins Research Global   | <b>61,900</b>           |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>First IDEO Contract (includes amendment 1, 2 &amp;3)</b>  |                         |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
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| Invoice  | Deliverable             | Date Received | Amount        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GF131961   | 1.1, 1.2                | 5/8/2013      | 75,506        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GF132131   | 2.1, 2.2, 2.3, 2.4, 2.5 | 5/28/2013     | 151,012       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GF132438   | 3.1                     | 6/26/2013     | 113,259       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GF132789   | 4.1, 4.2, 4.3           | 8/5/2013      | 37,753        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GP133359   | 5.1, 5.2, 6.1, 6.2, 6.3 | 10/4/2013     | 162,607       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GP133471   | 7.0, 8.1                | 10/22/2013    | 162,607       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GP133572   | 9.0                     | 10/30/2013    | 36,838        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GP133666   | 10.1                    | 11/11/2013    | 73,675        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| GP133994   | 10.2                    | 12/13/2013    | 257,863       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| Total First IDEO Contract  | <b>1,071,120</b>        |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Current IDEO Contract (Project Vox) Invoices Received</b>   |                         |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
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| Invoice  | Deliverable             | Date Received | Amount        |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP143996   | 1.1, 1.2, 1.2           | 12/16/2014    | 950,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151129   | 1.4, 1.5                | 1/16/2014     | 950,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151323   | 2.1, 3.1.1, 5.1.1       | 2/17/2014     | 1,750,000     |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151759   | 3.1.2                   | 4/10/2014     | 450,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151760   | 5.1.2                   | 4/10/2015     | 850,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151982   | 3.1.3                   | 5/14/2015     | 850,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| DP151982   | 5.1.3                   | 5/14/2015     | 700,000       |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| Total IDEO Current Contract (Project Vox) Invoices Received  | <b>6,500,000</b>        |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Total Expenditures (As of 5/15/15)</b>  | <b>\$8,275,829</b>      |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Current IDEO Contract (Project Vox) Invoices Expected</b>   |                         |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Deliverable</th> <th style="text-align: left;">Date Expected</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>2.2</td> <td>5/25/2015</td> <td style="text-align: right;">450,000</td> </tr> <tr> <td>2.3, 3.1.4, 4.1, 4.2, 4.3, 4.4, 5.1.4</td> <td>5/25/2015</td> <td style="text-align: right;">1,550,000</td> </tr> <tr> <td>3.3, 3.5, 5.2</td> <td>6/22/2015</td> <td style="text-align: right;">500,000</td> </tr> <tr> <td>3.4, 3.6</td> <td>6/22/2015</td> <td style="text-align: right;">420,000</td> </tr> <tr> <td>6.3.1</td> <td>8/1/2015</td> <td style="text-align: right;">560,000</td> </tr> <tr> <td>6.3.2</td> <td>9/1/2015</td> <td style="text-align: right;">410,000</td> </tr> <tr> <td>6.3.3</td> <td>10/1/2015</td> <td style="text-align: right;">430,000</td> </tr> <tr> <td>7.1, 7.2</td> <td>11/1/2015</td> <td style="text-align: right;">540,000</td> </tr> <tr> <td>6.3.4</td> <td>11/1/2015</td> <td style="text-align: right;">390,000</td> </tr> <tr> <td>8.1</td> <td>12/10/2015</td> <td style="text-align: right;">420,000</td> </tr> <tr> <td>6.3.5</td> <td>1/1/2016</td> <td style="text-align: right;">350,000</td> </tr> <tr> <td>6.1, 6.2, 6.3.6, 9.1</td> <td>1/2/2016</td> <td style="text-align: right;">380,000</td> </tr> <tr> <td>10.1, 10.2, 10.3</td> <td>3/21/2016</td> <td style="text-align: right;">748,000</td> </tr> </tbody> </table> | Deliverable             | Date Expected | Amount        | 2.2    | 5/25/2015 | 450,000         | 2.3, 3.1.4, 4.1, 4.2, 4.3, 4.4, 5.1.4 | 5/25/2015 | 1,550,000 | 3.3, 3.5, 5.2           | 6/22/2015 | 500,000 | 3.4, 3.6 | 6/22/2015         | 420,000   | 6.3.1     | 8/1/2015 | 560,000       | 6.3.2     | 9/1/2015 | 410,000  | 6.3.3                   | 10/1/2015 | 430,000 | 7.1, 7.2 | 11/1/2015 | 540,000    | 6.3.4   | 11/1/2015 | 390,000 | 8.1        | 12/10/2015 | 420,000  | 6.3.5 | 1/1/2016   | 350,000 | 6.1, 6.2, 6.3.6, 9.1 | 1/2/2016 | 380,000    | 10.1, 10.2, 10.3 | 3/21/2016 | 748,000 |  |
| Deliverable  | Date Expected           | Amount        |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 2.2  | 5/25/2015               | 450,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 2.3, 3.1.4, 4.1, 4.2, 4.3, 4.4, 5.1.4  | 5/25/2015               | 1,550,000     |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 3.3, 3.5, 5.2  | 6/22/2015               | 500,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 3.4, 3.6   | 6/22/2015               | 420,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.3.1  | 8/1/2015                | 560,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.3.2  | 9/1/2015                | 410,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.3.3  | 10/1/2015               | 430,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 7.1, 7.2   | 11/1/2015               | 540,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.3.4  | 11/1/2015               | 390,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 8.1  | 12/10/2015              | 420,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.3.5  | 1/1/2016                | 350,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 6.1, 6.2, 6.3.6, 9.1   | 1/2/2016                | 380,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| 10.1, 10.2, 10.3   | 3/21/2016               | 748,000       |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| Total Current IDEO Contract (Project Vox) Invoices Expected  | <b>7,148,000</b>        |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Total Future Expenditures</b>   | <b>\$7,148,000</b>      |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |
| <b>Total Project Expenses</b>  | <b>\$ 15,423,829</b>    |               |               |        |           |                 |                                       |           |           |                         |           |         |          |                   |           |           |          |               |           |          |          |                         |           |         |          |           |            |         |           |         |            |            |          |       |            |         |                      |          |            |                  |           |         |  |