JUDICIAL INFORMATION SYSTEM COMMITTEE

March 22, 2013 – Special Meeting
10:00 a.m. to 11:30 p.m.
AOC Office, SeaTac, WA

DRAFT - Minutes

Members Present:
Mr. Larry Barker
Chief Robert Berg
Judge Jeanette Dalton (phone)
Ms. Callie Dietz
Justice Mary Fairhurst, Chair
Judge James Heller (phone
Mr. William Holmes
Mr. Rich Johnson
Ms. Joan Kleinberg (phone)
Judge J. Robert Leach
Ms. Marti Maxwell
Mr. Steward Menefee
Ms. Barb Miner
Ms. Aimee Vance
Ms. Yolande Williams
Judge Thomas J. Wynne (phone)

Members Absent:
Judge Steven Rosen

AOC Staff Present:
Mr. Bill Cogswell (phone)
Mr. Keith Curry
Ms. Vonnie Diseth
Ms. Vicky Marin
Mr. Dirk Marler
Ms. Pam Payne
Mr. Ramsey Radwan
Ms. Maribeth Sapinoso
Ms. Heather Williams
Mr. Kumar Yajamanam

Guests Present:
Ms. Betty Gould
Mr. Frank Maiocco
Judge Craig Matheson
Mr. Allen Mills
Ms. Kim Morrison
Ms. Yvonne Pettus
Ms. Brooke Powell
Mr. Chris Shambro
Mr. Paul Sherfey
Judge Chuck Snyder

Call to Order

Justice Mary Fairhurst called the meeting to order at 10:00 a.m. and introductions were made.

Justice Fairhurst recognized and thanked each member of the RFP Steering Committee for their dedication and involvement.

ITG #2 - SC-CMS Update

Ms. Vonnie Diseth presented the decision request to the committee. The motion before the committee today:

> *I move that the JISC approve the SC-CMS RFP Steering Committee's recommendation that the Administrative Office of the Courts (AOC) should proceed with contract negotiations with Tyler Technologies, Inc., the Apparent Successful Vendor (Tyler) to secure a statewide case management system for Superior Courts and County Clerks subject to the parameters set forth in the attached "Addendum - SC-CMS Contract Negotiation Desired Outcomes."*

Included in the material is the background description of the Superior Court Case Management System (SC-CMS) project purpose, along with the milestones and motions that have brought us to this decision.

Ms. Diseth reminded the committee of two previous motions; 1) to include funding for Local Courts as part of the SC-CMS costs as a concept, 2) the committee accepted a motion recommending that a specific dollar amount (to be determined) for funding and implementation costs be included in the budget allocations for the SC-CMS project.

Mr. Frank Maiocco presented the recommendation parameters for AOC to proceed with contract negotiations with Tyler Technologies, Inc.

Mr. Maiocco shared the Project Steering Committees outline of five key points (listed in the material) that are very important for the desired outcome of the product.

Q: Yolande: Did the RFP steering committee include the estimated cost in their recommendation?

A: Judge Dalton: Yes

Mr. Paul Sherfey added - the committee had an in-depth discussion as to the responsibilities of the steering committee and the JISC regarding budget and reasonable value.

Q: Justice Mary Fairhurst: is it anticipated that the local implementation costs would be covered some by Tyler Technologies, some by the state, or by local entities? Can you talk us through what the steering committee was thinking about that and how that fit in?

A: Paul Sherfey: a workgroup was formed (Barb, Frank, Betty)started down that path and came up with a preliminary number, recognizing that we needed to go through much more detail to find out what the exact number is. One of the concerns of the steering committee had has as we bump up to the edge of the $30 million – do we still have enough funding in the budget to include the local costs. It is the intention of the committee to continue the workgroup to work through and get more definitive numbers.

Barb added the local expense involves a lot of different factors: staff time to convert data, technology staff to prepare for the new system, by re-writing programs against SCOMIS for conversion; along with the cost to change case numbering format for all the entities that are affected.

Q: Justice Mary Fairhurst: Another question I have is related to #5 the functionality of the "out of scope list". I would like some understanding of what the SC is thinking about that, because the things that were out of scope, we didn't do all the requirements and detail that we did for the "in scope" case management system. I acknowledge we asked them about the ability to do these things, thinking out to the future, my question is: we have developed a governance process that has a process of elevating the areas that need work and the approvals – I understand you are trying to see what else you can get for the bid, in essence what is the maximum value. I am trying to understand the expectation so that if it happens or doesn't the SC will be viewing that – or what is considered a success? Is it to have the ability to acknowledge we can flip that switch once have done all the work or is it more immediate than that?

A: Frank: In some ways the question is related to Yolande's earlier – early on the draft of this actually included a $30 million dollar price tag, what we believe the bid to be – and the thinking additionally was shame on us if we get down the road a few years and the judicial receipting system fails on us and now we have to come back to the JISC for additional funds to bring in a new receipting system. Our thinking in not staying with that 30 million price tag is that maybe there is some opportunity that we can incorporate as a module that will increase the price a little more than the 30 million, some give and take with the negotiations - maybe we can get it all!

In terms of trying to figure out our expectations in managing finances and bringing in that module, certainly we recognize we have not set forth a set of business requirements for financial and we know they will be very complex. At the least what we are hopeful for is that we can drive to holding the vendor in the contract to an hourly rate, or a pool of hours or professional services, for implementing a financial model. If we can reserve that - we can hold them to today professionals service dollars – rather than waiting years out and having to go back deal with them at a different rate.

Barb added – if you look at the bubble chart – showing the decision that was made for what was in and what was out – to a great degree those of us that were recommending this decision left out some of the pink things even though they had in an earlier version of the project. There was a cost concern potentially, when you factor in the fact that we had JIS consultants tell us the JRS in particular is vulnerable and what we found out in the bidding process that the vendors product includes the financial management system and many of these other components of the five listed. They are not extra components that need be purchased they are integrated in. They are part parcel of the product. The risk is greatly reduced we are not asking them to build something for us as in the other project for instance – that was a nightmare.

Judge Dalton: Another consideration was for the CLJ project – judicial receipting is a big part of CLJ, this could ease that transition also.

Paul Sherfey: just a point of clarification – this list is in priority order.

Rich Johnson: back to Justice Fairhurst's question about exceptions as we consider this motion; it says the total price of the contract should include the following functionality – does that mean that the SC is expecting they will have document management for all superior courts as an end result of this contract?

Judge Dalton: Yes

Barb : to clarify – not that all counties will use it – but that it would be available.

Rich: So it kind of goes to the "local cost" question – how does this fit in with the cost of the bid – what they bid, does it include document management in any form? My understanding is that the product does – it is how do we configure it to meet our needs? "Yes" - Is that something that is expected to be paid for by the JIS as part of this project or when we buy the product it is inherited but if you want to use that functionality that is a local cost?

Barb: as part of the hours of configuration relative to document management we would configure to the state of Washington and if any county wanted to use it they would be using what configured for the state. We are not sure what the local cost would be.

Q: Rich: is this motion designed that we would have the contract negotiators trying to identify a cost for a fixed price as part the contract that would go to this functionality so we know how much each part of it – or would it be one big amount?

A: Paul Sherfey: the intent in the negotiations will be to discuss how many hours each respective side thinks it will take to include or not include certain things. Ultimately they will all be part of one package for one fixed price.

Q: Justice Fairhurst: Am I correct that the COTS system they have offered has the ability to do these 5 things?
A: Yes

Q: Justice Fairhurst: so the question - how it does those 5 things vis a vis – Washington.
A: Yes

Q: Justice Fairhurst – so then question is at this point; Washington doesn't have a system that does these, so with some we could day yes we will do it your way as we don't have another way. But with Finances we do have a way to do that, is it the SC view that if we were to say yes, we are going to do Tyler's finances that however Tyler does it we would – or would things have to be done to do it the way Washington has done it or be sure we get the same; our whole goal with the CMS was to have it be as good or better, not worse that we are.

A: Vonnie: of the five things they are not all equal in their implementation. Some will be easier than others. The biggest concern of the SC is the financials. As you stated we have a system, and it is not as simple as use what is out of the box, that introduces higher risk. We have business requirements that may or may not be good, and we will have to spend time in that area as opposed to some of the other areas.

Justice Fairhurst: I don't mind trying to get all that we can for the bid they made. I have this little nagging concern only because we have been so careful with the CMS to be sure we did it all right, and I don't want us in this excitement that we might be able to have this – and I agree we need receipting, and that it is a very important component – my only concern is that we don't somehow just fall back to how we were in the old days and just say ok – let go with it and not have requirements and then have it implode. I am willing to spend some money or if it is included and we can work going forward – so I just want to understand the ideas or the expectations so I can be comfortable or feel that we are sitting back here in a couple months that everyone can be on the same page. I am going to Barb or Paul to answer my question.

A: Paul Sherfey: the SC is mindful of the concerns and is one of the reasons that we added number one – the subject matter experts. As the SC started digging into their finance package and determined that it isn't going to work at all – we would be relying on the subject matter experts from the clerks, administrators and judge groups to say; we think this isn't worth going for or we think if it could do 10% more it would be perfect. This is why it was so critical for us to include the subject matter experts as part of the negotiating team.

Barb: Back to the risk factor, as you know our current JRS system is pretty risky as is – and it cause the clerks a lot of duplicate data entry; including the financial from that component allows the clerks to see not only will get us where we are with SCOMIS it may actually show us some of the saving that are hoped for. A fully integrated financials would be great and in terms of the risk – I know we don't all agree with this but from my perspective I would say there is a high level risk with implementing the Tyler system and trying to integrate it to the old JRS system as opposed to bringing in a fully inclusive new system and phasing out the JRS system. I think we reduce the risk frankly – it is not, from my perspective adding a lot risk, and I say that more comfortably because we have started to review requirements for the financial system in looking at the ones from the last time we went through this – my staff experts think we are about 90% there. They are pretty closely done.

Q: Vonnie: I wanted to give Allen Mills an opportunity to provide feedback.

A: Allen Mills, there are risks to increasing the scope, the fact that you have done some review of prior requirements is good. There are other considerations, increasing the scope to do more than you have planned so far will mean increases to resources internal to AOC, a change in the staffing plan. All of these changes can be addressed but as of today there will need to be more analysis and more thought about how to move forward with that. What the SC is recommending makes sense. My word of caution: You have done things right - in the past year, you have done a lot of process, a lot of thinking and a lot of planning to get to this point. I would encourage you to use the processes the project team have put in place. Use those processes to really go through the analysis as you consider taking on more scope and move through the negotiations.

Betty Gould: the SC has been very thoughtful and when we attended the demonstrations for 3 days and looked at what they had to offer with the financial system we saw that there were things that would be a huge improvement for us, and also the functionality was going to save a great deal of time. My staff also looked at the prior summary on the financial system and came up with at least 90%; the work that was done was so complete that we feel that it will not be a huge transition.

Q: Stew Menefee: it is my understanding the proposal is 30 million. It looks like we are looking at continued negotiations if we accept that proposal and go to contract. The steering committee felt that this is a real value. I am wondering how you came to that conclusion.

A: Paul Sherfey: we were surprised and not pleased when we heard that both bids were both approximately 30 million dollars. Several SC members went back to the feasibility study and recognized the estimate was 15 million and it was used as a comparison point whether we go with an off the shelf solution versus some other alternative included in the feasibility study. However we relied on the expertise of the staff in terms mirroring what other jurisdictions' have paid recently for, as best what we can tell, for somewhat similar projects. While the group decided while this is quite high a price it is not inconsistent with what other states are doing. We asked about that in the review and we walked away thinking the feasibility study was inaccurate – but now we have gotten two bids both saying the same amount, the other national comparisons were about the same, so now our question is – as keepers of the state of Washington tax payer money what can we do to get the optimum value out of that $30 million dollars. We were very interested when Tyler came and demonstrated what they could do in the 5 additional areas. Based upon the research that was done we determined that while we still had some discomfort about the value we could make ourselves more confident by adding these 5 items.

Barb added: the steering committee focused on whether the feasibility study was that far off or were the bids that far off? We had to go from here and explore to see what other projects that are ongoing were landing to see what was right the feasibility study or was the feasibility wrong, or didn't include everything in the RFP. It was a combination of both of those things. Unfortunately there were deficits to the feasibility study and then it didn't exactly match in what we put out in the bid. We haven't as a JIS level put a box around expenses for this project – we don't have a good feel for what the expense are how much this project costs – we haven't given specific directions to CMS team that says you have to find a bid that is xx $$. Different than what we did with the court of appeals project when they formally came back and asked for more money because their bids came in different. We are working from a bit of a deficit.

Justice Fairhurst: to clarify – we did not put a dollar limit on the appellate court, they put it on themselves and when they had nonresponsive bids they needed to come back because they had approval to put out an RFP and now they wanted to put out a second RFP. So the money limit was something the put on themselves.

Q: Stew Menefee: How confident are we in what the results are going to be in asking for these additional five items and what is the confidence level on what additional costs might be on top of the $30 million?

A: Paul Sherfey: the SC is has assumed there should not be anything over the $30 million and we are operating within the envelope of the 30 as a cap and that was the max. We have some confidence that some of these things would be added back – because in the meeting a month ago with Tyler we fired about 500 questions at them and they were able to demonstrate for questions responding to the clerks, administrators and judges what they have in the plan.

Vonnie Diseth added: we cannot go beyond the bid due to contract obligations.

Marti Maxwell: I actually worked on the initial scoping project and some of these were not hard fought and some were very hard fought. This is a journey and we are learning as we go and bringing finances into it is clearly a logical thing to do as well as document management. From a personal perspective I would not want to think out of scope at the point to red light the CMS project we have embarked upon. It is very important that we get to these core services and I like the idea of progressing into the other areas and not letting them red light the project.

Judge Thomas Wynne: I have been through two Tyler presentations; the last round seems to have been something we should have done earlier. It is pretty clear from looking at the functionality of the system that Tyler has included in their bid some work we need to do. Document management and finances are part of their system we would be buying so the only thing we pay for additionally is configuration. The electronic filing portion would cost extra – that was not included in their bid, so if we don't need to build a separate arbitration module and the system will do that, we might save enough there to pay for the electronic filing module as part of the contract negations. It makes sense to me to include that functionality within the area of which we are negotiating with in terms of the contract, to give us the best bang for the buck.

We already have a Court User Workgroup (CUWG) in place and they are supposed to be the subject matter experts are we using them as for contract negotiations?

A: No, the contract negotiation experts are to be determined.

Justice Fairhurst: The CUWG may be a body to look to because they have already been identified as the experts but they may not be the right people to be in the next room, I will leave it to the SC who has the representation to be sorting out in conjunction with AOC to determine who that group should look like.

Barb added: you might recall the RFP that went out included a request to let us know if you have these components (out of scope in the bubble chart) so every bidder had the opportunity to tell us if we had those components.

Justice Fairhurst: the response was more to the dollar amount if all of a sudden you were going to add more functions to more dollars then another bidder could say – we could have been at

that price too and you might have talked to us, because we could have added those functions for less money so our whole bid would be lower and so I think it is trying to work within the RFP bid proposal so we don't get a challenge versus if you can get these extra things for that price then good for us. The other can't object because their price was higher and did not include them.

Callie Dietz: a comment to Judge Wynne's concern – we have not finalized this – but the SC is leaning towards the subject matter experts be a sub-group composed of member of the steering committee and a couple from the CUWG. We want a smaller group, it will be people who have or currently serve on the CUWG or on the SC.

Justice Fairhurst: this is a committee that will come together just for the purpose of contract negotiations and that will be it. It will be for a specific finite job.

Q: Larry Barker: at one point there was an issue with the Clerks, I am assuming that issue was resolved, and the second part of the question is – is this recommendation from the SC unanimous?

A: Betty responded that once they met with Tyler for the 3 day visit and they put together the 464 questions and covered all case types and worked thought it all by the time we got through that process we realized that some of the information we got during our site visits was not accurate and we also the fact that a lot of information was missing from the site visits. The questions that the tier 1 and tier 2 people worked on were fantastic. The group we used from the clerks are very knowledgeable, and we all came out feeling like they had provided the information we needed to feel comfortable to move forward.

Justice Fairhurst – I appreciate everyone working so hard to satisfy themselves and each other so that if this is a product should negotiations be approved and be successful that it will be a product that will take us into the future and serve well the citizens, the courts and all the users in the state of Washington.

Yolande Williams: I addressed my question initially about the budget to the SC, which was probably inappropriate, so I would like to address it again to Vonnie or Callie: from the stand point of a separate motion for today's action or part of the today's action, that we acknowledge that the Tyler proposal came in at $29.5 million and that we are operating from that as a base for contract negotiations. So as we sign off approval we as JISC have a point to look back to as the budget is not documented in any of the materials for today.

A: Paul Sherfey: according to the charter – the JISC can only support or reject a recommendation by the SC. It cannot adopt a substitute.

Vonnie Diseth: added – according to the motion the SC will be coming back after contract negotiations to the JISC for final approval. If in contract negotiations we could get all five items and the price would be 31 million the concern of the steering committee is if we put a "not to exceed" it would close an opportunity.

Yolande Williams: I want to offer as a separate motion after we take action - I am suggesting is that we acknowledge in some way as part or apart from this decision that Tyler submitted a proposal for $30 million dollars and through contract negotiations we will continue to refine that number and bring something back to vote on.

Motion: Larry Barker: *I move that the JISC approve the SC-CMS RFP Steering Committee's recommendation that the Administrative Office of the Courts (AOC) should proceed with contract negotiations with Tyler Technologies, Inc., the Apparent Successful Vendor (Tyler) to secure a statewide case management system for Superior Courts and County Clerks subject to the parameters set forth in the attached "Addendum - SC-CMS Contract Negotiation Desired Outcomes."*

Also incorporated and understood to be part of that is SC-CMS Steering Committee Recommendation on page 2, and also incorporated by the language in the original paragraph is the addendum.

Second: Marti Maxwell
Voting in Favor: All present
Opposed: None
Absent: Judge Steven Rosen

- A second motion was brought forward:

Motion: Yolande Williams: The JISC in approving the negotiations understands that the bid for received by the apparent successful vendor was 29.5 million dollars. And it is with this dollar amount in mind that we are passing this stop light and going forward.

Second: Chief Berg

Voting in Favor: All present
Opposed: None
Absent: Judge Steven Rosen

Adjournment

The meeting was adjourned by Justice Fairhurst at 11:20 p.m.

Next Meeting

The next meeting will be April 26, 2013, at the AOC SeaTac Facility; from 9:00 a.m. to 12:00 p.m.