

# REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:  
 Res/Ord No.: 18916  
 Sponsor(s): Scott Burnett  
 Date: August 31, 2015

<b>SUBJECT</b>	Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance  Project/Title: <u>Awarding a Contract for the Lease/Purchase of Voting Equipment for the Jackson County Board of Election Commissioners with Clayton Holdings, LLC (Commerce Bank) of St. Louis, Missouri under the terms and conditions of Request for Proposal No. 42-15</u>												
<b>BUDGET INFORMATION</b> <i>To be completed By Requesting Department and Finance</i>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td style="text-align: right;">\$</td> </tr> <tr> <td>Source of funding (name of fund) and account code number:</td> <td></td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p><b>OTHER FINANCIAL INFORMATION:</b></p> <input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department:                                      Estimated Use: \$ <p>1<sup>st</sup> Lease/Payment is not due until May, 2016. There will be ten annual payments of \$112,293.13. The availability of funds is subject to annual appropriation.</p> <p>Prior Year Budget (if applicable):          Prior Year Actual Amount Spent (if applicable):</p>	Amount authorized by this legislation this fiscal year:	\$	Amount previously authorized this fiscal year:	\$	Total amount authorized after this legislative action:	\$	Amount budgeted for this item * (including transfers):	\$	Source of funding (name of fund) and account code number:			
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<b>PRIOR LEGISLATION</b>	Prior ordinances and (date): Prior resolutions and (date):												
<b>CONTACT INFORMATION</b>	RLA drafted by (name, title, & phone): Barbara Casamento, Purchasing Supervisor, 881-3253												
<b>REQUEST SUMMARY</b>	<p>The Jackson County Board of Election Commissioners needs to purchase new Voting Equipment to replace outdated and unrepairable equipment. The total cost of the equipment is \$1,386,272.00. The Jackson County Board of Election Commissioners will make a down payment of \$386,272.00 and the County will borrow the remaining \$1,000,000.00 with Jackson County Board of Election Commissioners responsible for the repayment of the loan with monies collected from the jurisdictions Jackson County Board of Election Commissioners conducts elections for. The Purchasing Department issued Request for Proposal No. 42-15 for the financing of the new voting equipment.</p> <p>A total of ten notifications were distributed and two responses were received and evaluated as follows:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Description</th> <th>Clayton Holdings, LLC (Commerce Bank) St. Louis, Missouri</th> <th>US Bancorp (US Bank) Denver, Colorado</th> </tr> </thead> <tbody> <tr> <td>Points Awarded</td> <td style="text-align: center;">93 Points</td> <td style="text-align: center;">88 Points</td> </tr> <tr> <td>Annual Payment</td> <td style="text-align: center;">\$112,293.13</td> <td style="text-align: center;">\$112,221.50</td> </tr> <tr> <td>Interest Rate</td> <td style="text-align: center;">2.32%</td> <td style="text-align: center;">2.35%</td> </tr> </tbody> </table> <p>Evaluation Points were awarded on the following criteria: Responsiveness to general terms and provisions; Qualifications and Experience; References and Pricing.</p> <p>Pursuant to Section 1054.6 of the Jackson County Code, the Director of Finance and Purchasing recommends the award of Lease/Purchase of Voting Equipment for the Jackson County Board of Election Commissioners to Clayton Holdings, LLC (Commerce Bank) of St. Louis, Missouri as the best proposal received in response to Request for Proposal No. 42-15.</p>	Description	Clayton Holdings, LLC (Commerce Bank) St. Louis, Missouri	US Bancorp (US Bank) Denver, Colorado	Points Awarded	93 Points	88 Points	Annual Payment	\$112,293.13	\$112,221.50	Interest Rate	2.32%	2.35%
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Points Awarded	93 Points	88 Points											
Annual Payment	\$112,293.13	\$112,221.50											
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CLEARANCE	<input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) N/A <input type="checkbox"/> Business License Verified (Purchasing & Department) N/A <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
ATTACHMENTS	Abstract of Proposals Received, a Recommendation Memorandum from the Jackson County Board of Election Commissioners and the pertinent pages of Clayton Holdings, LLC proposal documents	
REVIEW	Department Director: <i>Tammy S. Brown</i>	Date: <i>8-21-15</i>
	Finance (Budget Approval): <i>If applicable</i>	Date: <i>8/21/15</i>
	Division Manager: <i>Marylou Brown</i>	Date: <i>8/26/15</i>
	County Counselor Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- This expenditure was included in the annual budget.
- Funds for this were encumbered from the \_\_\_\_\_ Fund in \_\_\_\_\_.
- There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- Funds sufficient for this expenditure will be/were appropriated by Ordinance # \_\_\_\_\_
- Funds sufficient for this appropriation are available from the source indicated below.


Account Number:	Account Title:	Amount Not to Exceed:

- This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- This legislative action does not impact the County financially and does not require Finance/Budget approval.

ABSTRACT OF BIDS

BID NO: 42-15 DATE: 8/11/2015 COMMODITY: Lease/Purchase Financing for the purchase of Voting Equipment									
NO	DESCRIPTION	UNIT	QTY	Rosie So US Bank	AMOUNT	<del>US Bank</del>	AMOUNT	Commerce Bank	AMOUNT

See Proposal				Seebid				Seebid	
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CERTIFICATION OF BID OPENING  
 BIDS WERE PUBLICLY  
 OPENED AND RECORDED  
 ON: August 11, 2015 BY  
  
 CLERK OF THE LEGISLATURE  
Patricia Casarino  
 PURCHASING

JACKSON COUNTY ELECTION BOARD OF COMMISSIONERS  
RFP EVALUATION 42-15  
AUGUST 20, 2015

On August 11, 2015 the two Directors of the Jackson County Election Board of Commissioners (JCEB) Tammy Brown and Robert Nichols were present for the opening of the RFP responses along with Barbara Casamento, Purchasing Supervisor.

Two responses were received for RFP #42-15 from Commerce Bank/Clayton Holdings, LLC and U. S. Bancorp. The RFP's were reviewed by the Directors and presented to the JCEB Board.

The JCEB had the following financial criteria which needed to be met:

- Loan Amount \$1,000,000.00
- 10 Year Term
- No Penalty for Early Pay Off
- Acceptable Interest Rate
- Annual or Semi-Annual Payment

Both met the criteria in responding to the RFP. Listed below is JCEB scoring for the two respondents:

	Commerce Bank	US Bancorp
Responsiveness to Request for Proposal	5%	5%
Respondent Qualifications & Experience	8%	8%
References	5%	5%
Pricing	75%	70%

Inquiries were made to both banks for an explanation of the difference on the interest rate. Please find the explanation from U.S. Bancorp as well as Commerce Bank attached to this report.

Escrow Accounts – Both RFPs made mention of establishing an escrow account. Questions were presented to both respondents and their email responses are attached regarding these accounts.

References – All references were contacted and gave glowing recommendations for both banking institutions.

It is for the above stated reasons that the Jackson County Board of Election Commissioners recommends Commerce Bank/Clayton Holdings, LLC for approval for the Lease/Purchase Agreement for the voting equipment.

**VOTING EQUIPMENT  
BACKGROUND  
INFORMATION  
REQUIRING THE  
NECESSITY FOR  
THE LEASE/PURCHASE AGREEMENT**

## ELECTION BOARD HISTORY



### FORMATION OF THE JACKSON COUNTY BOARD OF ELECTION COMMISSIONERS

- On March 19, 1917 the 49th General Assembly passed Senate Bill 528 establishing the Jackson County Board of Election Commissioners. Senate Bill 528 was the next to the last bill approved before the 49th General Assembly adjourned.
- Election Boards had previously been established in the Cities of Kansas City and St. Louis in 1895.
- The first meeting of the newly formed Commission was held June 18, 1917. The four new Commissioners appointed by Governor Frederick Dozier Gardner were R. W. McCurdy (D), Clinton A. Winfrey (D), Henry W. Rubinnell (R) and James F. Shepherd (R).
- In the past 98 years there have been many revisions to Missouri State Statutes but the statutes regarding election boards have remained surprisingly unchanged.



# Missouri Revised Statutes

## Chapter 115

### Election Authorities and Conduct of Elections

Election commissioners, when appointed, term of office.

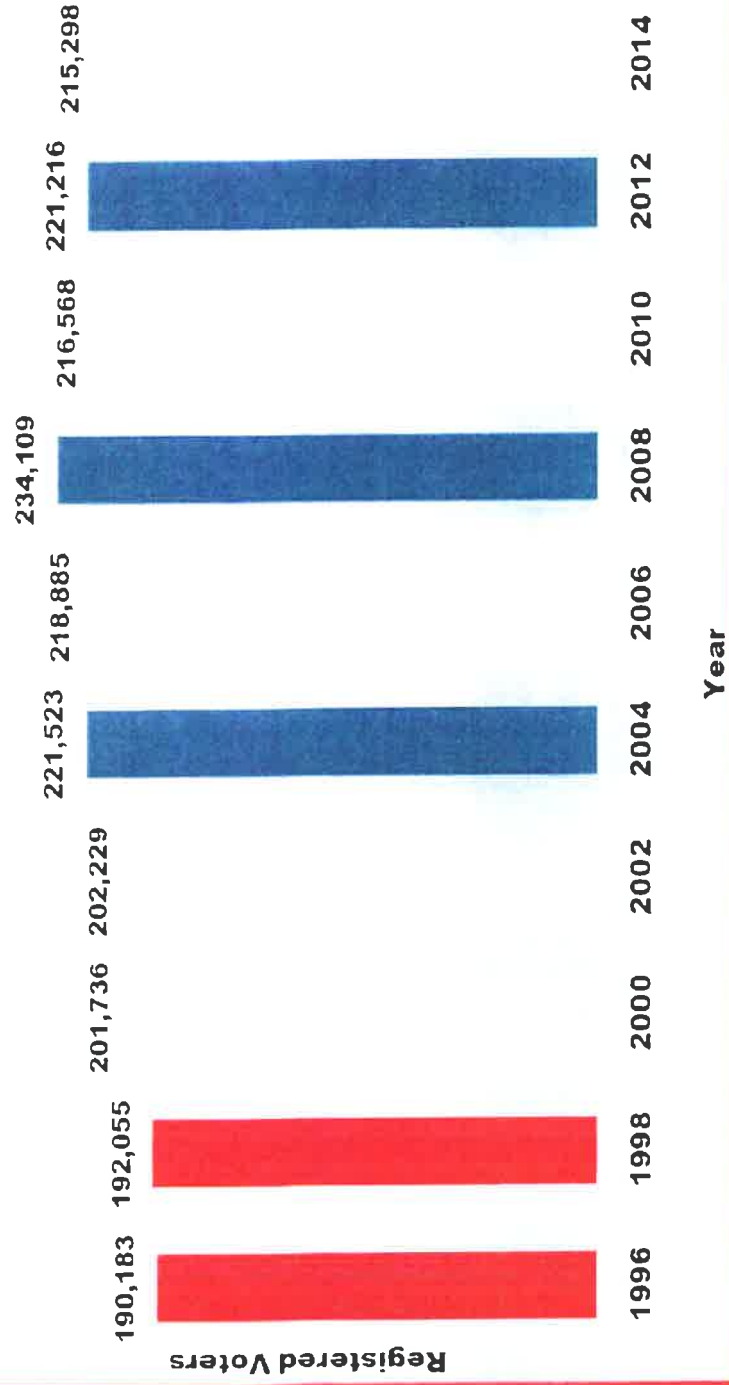
115.029.

1. In each county of the first class containing the major portion of a city which has more than three hundred thousand inhabitants, each election commissioner shall be appointed on April 21, 1982, for a term of four years and until his successor is appointed, confirmed and sworn. Successors shall be appointed in like manner for a term of four years and until their successors are appointed, confirmed and sworn.
2. In each county containing a portion but not the major portion of a city which has more than three hundred thousand inhabitants, each election commissioner shall be appointed on June 15, 1981, for a term of four years and until his successor is appointed, confirmed and sworn. Successors shall be appointed in like manner for a term of four years and until their successors are appointed, confirmed and sworn. The first two election commissioners appointed after May 10, 1984, shall be appointed for terms of two years and until their successors are appointed, confirmed and sworn. One of those appointed to a two-year term shall be a member of one major political party and one shall be a member of the other major political party. The next two election commissioners appointed, and all successors, shall be appointed for terms of four years and until their successors are appointed, confirmed and sworn.
3. In all other cities and counties which have or hereafter have a board of election commissioners, each commissioner's term of office shall coincide with the term of the governor who appoints him and until the commissioner's successor is appointed, confirmed and sworn.

## *Election Equipment History*

- IN 1976 THE JACKSON COUNTY BOARD OF ELECTION COMMISSIONERS PURCHASED WHAT WAS KNOWN AS THE PUNCH CARD SYSTEM. THIS SYSTEM WAS SUCCESSFULLY UTILIZED BY THE BOARD THRU 2005.
- BECAUSE OF THE 2000 PRESIDENTIAL ELECTION DEBACLE IN FLORIDA, NEW FEDERAL LAWS WERE IMPLEMENTED REGARDING ELECTION EQUIPMENT AND STANDARDS. THE ADOPTION AND IMPLEMENTATION OF THIS NEW FEDERAL LAW, THE HELP AMERICA VOTE ACT (HAVA), ALLOCATED FEDERAL DOLLARS TO EACH SECRETARY OF STATE TO BE DISPURSED TO LOCAL ELECTION AUTHORITIES TO PURCHASE VOTING EQUIPMENT.
- BECAUSE OF HAVA REQUIREMENTS OUR EXISTING PUNCH CARD SYSTEM WAS NO LONGER SUPPORTED BY ELECTION EQUIPMENT MANUFACTURERS.
- IN 2006, THE JCEB PURCHASED THE INK-A-VOTE SYSTEM. THE BOARD DECIDED TO PURCHASE THE INK-A-VOTE SYSTEM FOR EASE IN TRANSITIONING SYSTEMS FOR OUR VOTERS. THE INK-A-VOTE SYSTEM WAS VERY SIMILAR TO THE PUNCH CARD SYSTEM IN OPERATION, EASE AND EFFICIENCY AND ELIMINATED THE "CHAD" ISSUE THAT PLAGUED FLORIDA.
- WHILE THE INK-A-VOTE SYSTEM HAS BEEN EXTREMELY FUNCTIONAL AND HAS SERVED THE JCEB WELL, IT WAS CERTIFIED WITH THE FEDERAL GOVERNMENT AS HAVING A 7 YEAR LIFESPAN. THE 2016 PRESIDENTIAL YEAR WILL BE OUR 10TH YEAR UTILIZING THE EQUIPMENT.

## JACKSON COUNTY REGISTERED VOTER HISTORY



ELECTION DATE	YEAR	ELECTION TYPE	BALLOTS CAST
02/07/2017	2017	GENERAL MUNICIPAL GOVERNMENT	21,754
05/02/2017	2017	GENERAL MUNICIPAL GOVERNMENT	21,754
08/07/2017	2017	GENERAL MUNICIPAL GOVERNMENT	21,754
11/07/2017	2017	GENERAL MUNICIPAL GOVERNMENT	21,754
02/07/2018	2018	GENERAL MUNICIPAL GOVERNMENT	21,754
05/02/2018	2018	GENERAL MUNICIPAL GOVERNMENT	21,754
08/07/2018	2018	GENERAL MUNICIPAL GOVERNMENT	21,754
11/07/2018	2018	GENERAL MUNICIPAL GOVERNMENT	21,754
02/07/2019	2019	GENERAL MUNICIPAL GOVERNMENT	21,754
05/02/2019	2019	GENERAL MUNICIPAL GOVERNMENT	21,754
08/07/2019	2019	GENERAL MUNICIPAL GOVERNMENT	21,754
11/07/2019	2019	GENERAL MUNICIPAL GOVERNMENT	21,754
02/07/2020	2020	GENERAL MUNICIPAL GOVERNMENT	21,754
05/02/2020	2020	GENERAL MUNICIPAL GOVERNMENT	21,754
08/07/2020	2020	GENERAL MUNICIPAL GOVERNMENT	21,754
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02/07/2021	2021	GENERAL MUNICIPAL GOVERNMENT	21,754
05/02/2021	2021	GENERAL MUNICIPAL GOVERNMENT	21,754
08/07/2021	2021	GENERAL MUNICIPAL GOVERNMENT	21,754
11/07/2021	2021	GENERAL MUNICIPAL GOVERNMENT	21,754
TOTAL NUMBER OF BALLOTS			1,455,275

**THIS NUMBER DOES NOT TAKE INTO ACCOUNT THE MANY THOUSANDS OF BALLOTS RUN THROUGH THE PRECINCT BALLOT COUNTERS (PBC) FOR TESTING & RECOUNTS**

# Issues

- EQUIPMENT EXCEEDS FEDERAL GOVERNMENT LIFESPAN
- NO FEDERAL OR STATE APPROPRIATIONS FOR FUTURE FUNDING SOLUTIONS FOR THE PURCHASE OF ELECTION EQUIPMENT HAS BEEN IDENTIFIED AND ELECTION OFFICIALS HAVE HAD TO MAKE THEIR OWN WAY IN DEVELOPING A PLAN TO PURCHASE NEW EQUIPMENT.

# Solutions

- ELECTION OFFICIALS HAVE DEVELOPED A PLAN TO PURCHASE NEW EQUIPMENT.
- BEGINNING IN 2010, THE JCEB BEGAN CHARGING "RENT" TO ALL ENTITIES WHO UTILIZED THE ELECTION EQUIPMENT IN LOCAL ELECTIONS. WE HAVE BEEN ABLE TO DEVELOP A FUND TO HELP PURCHASE NEW EQUIPMENT, BUT UNFORTUNATELY THE BOARD WILL NEED A BANK LOAN TO COVER THE TOTAL COSTS.

## STEPS TAKEN TO CONTAIN NEW EQUIPMENT COSTS

- IN THE **2008** PRESIDENTIAL ELECTION THE JACKSON COUNTY ELECTION BOARD (JCEB) HAD **250** POLLING LOCATIONS WHICH WERE REDUCED FOR THE **2012** PRESIDENTIAL ELECTION TO **207** POLLING LOCATIONS.
- JCEB HAS AGAIN TAKEN STEPS TO REDUCE THE MOUNTING COST OF ELECTIONS BY REVIEWING OUR POLLING LOCATIONS AND HAVE REDUCED THE NUMBER FOR A THIRD TIME FOR THE **2016** PRESIDENTIAL ELECTION TO A TOTAL OF **189** POLLING LOCATIONS THUS LOWERING THE NUMBER OF NEW MACHINES TO BE PURCHASED AND LOWERING THE TOTAL LOAN AMOUNT NEEDED.



# LOAN RE-PAYMENT PLAN

TOTAL EQUIPMENT COST	\$1,386,272
• 172 OVO	TWO YEAR WARRANTY
• 142 OVI-VC	TWO YEAR WARRANTY
• OVO FIRMWARE	
• OVI-VC FIRMWARE	
• 172 TM DRIVES	
DOWN PAYMENT FROM JCEB HAVA ACCOUNT	\$ 389,000
REMAINING AMOUNT TO BE PAID FROM RENTAL PAYMENTS COLLECTED FROM JURISDICTIONS CONDUCTING ELECTIONS.	\$ 997,272
PAYMENT TERMS – INTEREST RATE NOT TO EXCEED 2.5% - LOAN TERM 10 YEARS	
PAYMENT AMOUNT PER YEAR	\$ 115,000



## MONIES SAVED BY PURCHASING NEW UNISYN VOTING SOLUTIONS EQUIPMENT

*This list contains the items that will no longer be needed once the new equipment has been purchased saving our entities money.*

*The savings listed are from the number of polling places and jurisdictions that were on the ballot for the 2012 August Primary and November General Elections.*

### AUGUST - 2012

Number of Polling Locations 204

#### ITEMS THAT WILL NO LONGER BE NEEDED WITH NEW EQUIPMENT

Ballot Pages	\$9,305.00
Masks	\$ 522.00
Crimps	\$2,028.00
Ink-A-Vote Dobbers	\$2,738.00

### NOVEMBER - 2012

Number of Polling Locations 204

Ballot Pages	\$9,760.00
Masks	\$ 848.00
Crimps	\$1,525.00
Ink A-Vote Dobbers	\$2,611.85

### SAVINGS FOR TWO

COUNTYWIDE ELECTIONS - \$29,337.85

**PRO-RATION  
POLL NUMBERS  
FOR COUNTY,  
CITIES AND  
SCHOOLS**

ENTITY	NUMBER OF POLL	RENTAL INCREASE PER ELECTION
JACKSON COUNTY	189	\$37,800
CITY OF BLUE SPRINGS	29	\$5,800
CITY OF BUCKNER	1	\$200
CITY OF GRAIN VALLEY	6	\$1,200
CITY OF GRANDVIEW	10	\$2,000
CITY OF GREENWOOD	2	\$400
CITY OF INDEPENDENCE	54	\$10,800
CITY OF LAKE LOTAWANA	7	\$1,400
CITY OF LAKE TAPAWINGO	1	\$200
CITY OF LEE'S SUMMIT	42	\$8,400
CITY OF LEVASY	1	\$200
CITY OF LONE JACK	2	\$400
CITY OF OAK GROVE	6	\$1,200
CITY OF RAYTOWN	17	\$3,400
TOWN OF RIVER BEND	1	\$200
TOWN OF SIBLEY	1	\$200
CITY OF SUGAR CREEK	4	\$800
TOWN OF URITY VILLAGE	1	\$200
INDEPENDENCE SCHOOL DISTRICT	42	\$8,400
CONSOLIDATED SCHOOL DISTRICT #1 - HICKMAN MILLS	5	\$1,000
CONSOLIDATED SCHOOL DISTRICT #2 - RAYTOWN	18	\$3,600
CONSOLIDATED SCHOOL DISTRICT #4 - GRANDVIEW	10	\$2,000
CONDOLIDATED SCHOOL DISTRICT #5 - LONE JACK	2	\$400
REORGANIZED SCHOOL DISTRICT #1 - FORT OSAGE	17	\$3,400
REORGANIZED SCHOOL DISTRICT #4 - BLUE SPRINGS	45	\$9,000
REORGANIZED SCHOOL DISTRICT #5 - GRAIN VALLEY	12	\$2,400
REORGANIZED SCHOOL DISTRICT #6 - OAK GROVE	9	\$1,800
REORGANIZED SCHOOL DISTRICT #7 - LEE'S SUMMIT	51	\$10,200