TO:	Jestin D. Johnson City Administrator	**FROM:**	Nicolas Heidorn Executive Director, PEC Tony Batalla Director, ITD
SUBJECT:	Oakland Democracy Dollars Program Implementation	**DATE:**	May 9, 2024

City Administrator Approval	Jestin Johnson (May 15, 2024 09:55 PDT)	Date:	May 15, 2024

RECOMMENDATION

Staff Recommends That the City Council Adopt A Resolution Authorizing The City Administrator To Enter Into An Agreement With MapLight, To Design, Build And Implement The City Of Oakland's Democracy Dollars Software Platform, For A Five–Year Term For A Not-To-Exceed Contract Amount Of $700,000, And Waiving The Competitive Multi-Step Solicitation Process And Local/Small Local Business Enterprise Program Requirements For Information Technology Agreements.

EXECUTIVE SUMMARY

Staff from both the Public Ethics Commission (PEC) and Information Technology Department (ITD) recommend that the City Council adopt the proposed resolution authorizing the City Administrator to enter into a cooperative agreement with MapLight, to design and implement the software platform required to run Oakland's Democracy Dollars program and waive the local/small local business enterprise program requirements for information technology agreements.

BACKGROUND / LEGISLATIVE HISTORY

In November 2022, voters passed Measure W, the Oakland Fair Elections Act (O.M.C. 3.15), to replace Oakland's existing, reimbursement-based public campaign financing system with a voucher-based public financing system, modeled after Seattle's Democracy Vouchers program, called the Democracy Dollars Program. Under the Program, eligible Oakland residents will receive four $25 vouchers, which they may contribute to any eligible candidate running for a City or Oakland School District office, thereby incentivizing candidates to engage with residents across demographics regardless of wealth and history of prior political involvement. Measure W required that the City provide a specified minimum budget and at least four staff positions to the PEC to administer the Program, which was intended to be implemented in the 2024 election cycle.

However, in light of the significant budget deficit the City was facing, the Mayor proposed, and the City Council voted, to eliminate funding for the Democracy Dollars Fund in the 2023-2025 Budget, effectively postponing the Program to 2026. However, the PEC was provided with one staff position to lead implementation tasks, such as determining business requirements for technology and program administrative processes and policies, and $525,000 for non-salary start-up costs to begin technology development.

Program implementation and administration require a software platform to manage the Democracy Dollars vouchers throughout the election year, from creating vouchers from voter file records to distributing vouchers to residents, validating returned vouchers, and disbursing funds to certified candidates. The overall objective of this project is to purchase a new public campaign finance solution to streamline the usability for Program staff, Oakland residents, candidates, campaign treasurers, and the public.

The new Democracy Dollars software platform aims to achieve the following goals:

- Create Democracy Dollars voucher records with unique, machine-readable identifiers from voter roll data;
- Generate files for a vendor to print and mail Democracy Dollars packets to residents by the launch date;
- Simplify the process to validate and assign returned Democracy Dollars vouchers to candidates;
- Provide easy online access that fosters resident participation;
- Simplify the candidate application process;
- Provide consistency in filing forms and stability of system access;
- Provide accountability and transparency to City of Oakland residents regarding how Democracy Dollars funds are allocated and spent and
- Adhere to governing laws and regulations[1].

ANALYSIS AND POLICY ALTERNATIVES

Collaboratively with ITD, PEC examined multiple options to design, build, and maintain an easy-to-access, secure platform for implementing the Democracy Dollars program. In addition to the extensive outreach PEC had conducted over the previous years, ITD joined meetings with technical experts and implementers in Seattle and Denver to understand their programs. While similar, these programs are not identical to Oakland's, so no "off-the-shelf" solution is available for this implementation. ITD asked questions about the platform structure, security, vendors, and system maintenance. ITD also examined the possibility of building the platform in-house but determined that the unique needs of the PEC require specialized expertise in election transparency. Following months of review, PEC and ITD concluded that an established vendor in the election transparency field was required. The team met multiple times with MapLight, checked references, and determined they were the firm uniquely qualified to implement

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[1] In addition to requirements for the Democracy Dollars voucher design and validation process, Measure W mandates that as program administrator, the Public Ethics Commission must: 1) provide a mechanism for eligible residents to request Democracy Dollars online; 2) create a technology system that provides an option for eligible residents to receive and/or redeem Democracy Dollars vouchers electronically; and 3) create and maintain a public-facing website for residents to access program information and data. See OMC 3.15.050 Sections 4, 5(b), and 6.

Oakland's program. MapLight is a non-profit providing campaign finance, lobbying, and ethics disclosure solutions to state and local governments with deep expertise in campaign finance laws and public campaign funding programs. The MapLight team understands the needs of the PEC and the Democracy Dollars program and has the capacity to complete the project in the timeframe required by the City.

The system the PEC is seeking to design, and build will be a modern software platform accessible to the residents of Oakland who are eligible to participate in the Democracy Dollars program. This includes a fully integrated mobile-friendly display for residents who do not have access to traditional desktop or laptop computers. ITD has and will continue participating in the design and implementation process to monitor system security. The Democracy Dollars platform will not integrate into any existing City of Oakland system. ITD understands this project to be a critical priority for both PEC and the City.

Without a secure software platform, the PEC cannot issue over one million Democracy Dollars vouchers to an estimated 250,000 eligible Oakland residents, process returned vouchers, and disburse funds to certified candidates, jeopardizing the implementation of a high-profile, voter-mandated program. In addition, without a well-designed, accessible user interface for candidates and residents, the new program risks opportunity loss for Oakland residents and candidates unable to access and take part in the Program, particularly residents of communities experiencing the greatest barriers to political access and participation.

To ensure a successful outcome and business continuity following the launch of this platform, PEC and ITD will continue to coordinate and collaborate closely. Continued coordination and commitment to a successful outcome for the residents of Oakland will help to advance the Citywide priorities of **vibrant, sustainable infrastructure and responsive, trustworthy government**. Following the initial implementation, it will be critical for the City to maintain the system to avoid downtime, including lapses in services for both staff and residents who will rely on this system to participate fully in Oakland elections. By ensuring an adequate system is developed and built initially, this policy seeks to provide secure, timely, and consistent access to the Democracy Dollars platform for staff and City residents.

Waiver Justification

Oakland Municipal Code Section 2.04.042 B requires the City Administrator to conduct a multi-step proposal solicitation process before selecting a vendor. However, Oakland Municipal Code Section 2.04.042 D allows the Council to waive the proposal solicitation requirements upon a finding by the Council that it is in the best interest of the City to do so.

Staff recommends that the Council waive this requirement for the implementation of new and unique information technology services. This proposed resolution covers a one-of-a-kind software system required to meet the needs of Oakland residents, who are the target participants of the Democracy Dollars program. As Oakland is one of the few cities implementing a program designed to help ensure true public financing in elections, a custom solution must be designed and implemented to meet the specific needs outlined in the program legislation. There are limited technical professional service teams qualified to design and implement this program, and the PEC and ITD, in coordination, examined each entity separately and recommended this vendor. The proposed agreement is based on the pricing and products

outlined in California NASPO ValuePoint Cloud Master Contract AR2485 CA PA# 7-17-70-40-01, a NASPO ValuePoint Cooperative Contract. NASPO ValuePoint is a cooperative purchasing program that facilitates public procurement solicitations and agreements and leverages the purchasing power of public entities to deliver high value, reliable, and competitively sourced contracts that are competitively priced.

In addition to technical expertise, this platform must be designed by a vendor with extensive election law, public campaign funding, and election transparency experience. Therefore, to design, implement, and maintaining the Democracy Dollars program to ensure optimum usability, accessibility, and business continuity once implemented, it is in the City's best interests to waive the Local and Small Local Business Enterprise (L/SLBE) requirements.

FISCAL IMPACT

This proposed resolution will be funded via City Council authorized Democracy Dollars implementation start-up funds in the PEC biennial budget for Fiscal Year (FY) 2023 through 2025 and the mandated minimum budget set-aside for non-staff costs for administering the Democracy Dollars Program in the subsequent two-year budget cycle per OMC 3.15.060(D). City Council already appropriated and allocated $175,000 in the General Purpose Fund (1010) for this agreement and $350,000 in the Proposed Fiscal Year 2024-2025 budget, with $175,000 in remaining start-up cost funding pending adoption in the biennial budget for Fiscal Year (FY) 2025-2027. Funding for this agreement is contingent upon the adoption of the proposed FY 2024-2025 budget and biennial FY 2025-2027 budget. These funds have been identified specifically for the design, implementation, and ongoing maintenance/licensing of the Democracy Dollars infrastructure and are located here: General Purpose Fund (1010), Public Ethics Commission (65111), Democracy Dollars Project (54011.1007451.IP11).

The total cost of the software implementation and ongoing expenditures will be covered by the PEC's baseline budget allocation for Democracy Dollars, as outlined legislatively. The PEC is requesting a total project value not-to-exceed $700,000 over 5 years.

COORDINATION

This report and proposed legislation have been reviewed by the Office of the City Attorney, the Controller's Bureau, and the City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Ensuring a cost-effective Democracy Dollars software platform is available to PEC staff for Democracy Dollars processing and residents for voucher redemption will result in efficiencies in program administration. Ensuring a robust software platform for residents will allow candidates to redeem public funds for campaign expenses by engaging with Oakland voters.

Environmental: Providing a software platform that enables paperless transactions will reduce the need for traditional printing and copying. Providing safe and effective data storage and

cybersecurity solutions that secure City data in electronic repositories enables digital access to government transparency data and reduces the need for printing, copying, and storing paper documents.
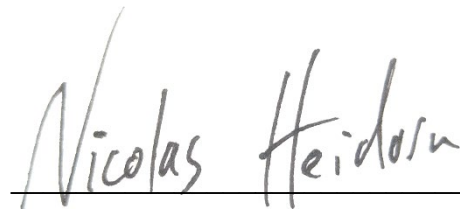
Race & Equity: Ensuring access to a Democracy Dollars software platform that is user-friendly and compatible with mobile devices will encourage broad participation by providing residents and candidates with multiple ways to participate in the program. A user-centered platform supports program goals to address disparities across income and race produced by the traditional campaign finance system. Increasing civic participation among residents historically ignored in the campaign process because they lack the social and economic resources to contribute to candidate campaigns aligns with reducing inequities in voter participation outcomes, an Oakland Neighborhood and Civic Life equity indicator.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That the City Council Adopt A Resolution Authorizing The City Administrator To Enter Into An Agreement With MapLight, To Design, Build And Implement The City Of Oakland's Democracy Dollars Software Platform, For A Five–Year Term For A Not-To-Exceed Contract Amount Of $700,000, And Waiving The Competitive Multi-Step Solicitation Process And Local/Small Local Business Enterprise Program Requirements For Information Technology Agreements.

For questions regarding this report, please contact Nicolas Heidorn, Executive Director of the Public Ethics Commission at 510-238-6620, or Tony Batalla, Information Technology Director at 510-238-3319.

Respectfully submitted,

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