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OFFICE OF THE CITY CLERK  
OAKLAND

2012 JUN 28 PM 3:04

## AGENDA REPORT

**TO:** DEANNA J. SANTANA  
CITY ADMINISTRATOR

**FROM:** LaTonda Simmons  
City Clerk

**SUBJECT:** Elections Compliance Report and Tracking **DATE:** June 25, 2012

City Administrator  
Approval

Date

6/28/12

**COUNCIL DISTRICT:** City-Wide

### RECOMMENDATION

Staff recommends that the City Council adopt a Resolution authorizing the City Administrator to enter into a sole source contract with NetFile, Inc. to provide a web-hosted elections report filing and tracking system to ensure compliance with the State of California's Fair Political Practices Commission (FPPC) mandated Filing Officer responsibilities (Title 2, Division 6) for Campaign Disclosure report and Statements of Economic Interest (Form 700). Section 2.04.050.B 2 and 2.04.050.A and E of the Oakland Municipal Code (the "OMC") require formal advertising for the solicitation for bids for products and incidental services related to the products, and if an award is made, the City must award to the lowest responsive bidder. However, Council may waive these advertising and bidding requirements under Section 2.04.050.1 5 when it finds and determines that it is in the best interests of the City to do so. Staff recommends that Council waive the advertising and bidding requirements of the OMC based on the reasons and circumstances described in the report.

### EXECUTIVE SUMMARY

The Office of the City Clerk is the "Filing Officer" for the City of Oakland Lobbyists reports, Campaign Disclosure and Conflict of Interest Statements (Form 700). Filing Officers' duties include filer notification, receipt, review, tracking of filings, audit, public access, and enforcement activities where applicable.

The Office of the City Clerk proposes utilizing NetFile, Inc., an electronic notification, filing, and tracking system for required Oakland filers. Use of NetFile ensures the City of Oakland captures the components of administrative oversight and individual/committee filing requirements for the Filing Officers in accordance with FPPC standards. NetFile provides free viewing to the public with 24/7 access from any computer with internet access. Reviewing statements on-line provides members of the public the option and convenience of viewing political reports without coming to City Hall.

Item: \_\_\_\_\_

Finance & Management Committee  
July 10, 2012

Over the past 4 years, the City of Oakland has averaged 1,119 designated filers of the Statement of Economic Interest (Form 700) and currently has approximately 175 required filers of Campaign Statements. The FPPC requires diligent oversight in the notification, receipt, review and tracking of filings to ensure disclosure of interest and elections financing. Over the past two years, the FPPC has increased its oversight and auditing of municipal organizations to ensure compliance with the mandated intricacies for Filing Officers. As a result of the FPPC's increased scrutiny, municipal organizations are required to demonstrate the full scope of diligence to drive compliance within organizations. Failure to demonstrate appropriate diligence in compliance with FPPC requirements may be subject to a fine of \$5,000 per required filer, levied against the agency.

### **OUTCOME**

Council approval will stabilize the City of Oakland's compliance with oversight requirements in accordance with FPPC standards. NetFile provides for submission and tracking of filings for individuals and committees by maintaining reported information in a structured database. Additionally, utilization of NetFile will provide for greater transparency in the disclosure of information to the public, media outlets, and other interested parties, with all components available via the hosted website 24 hours a day, 7 days a week.

### **BACKGROUND/LEGISLATIVE HISTORY**

Title 2 Division 6, California Code of Regulations sets forth the scope of duties for Filing Officers regarding Campaign Statements and Statements of Economic Interests respectively. All FPPC filings and the oversight of the file management are within the ultimate jurisdiction of the FPPC. The FPPC may audit the filings to determine the effectiveness of Filing Officers and the jurisdiction's compliance with the governing code.

### **ANALYSIS**

The City of Oakland has averaged approximately 1,191 annual filers of the Statement of Economic Interest (Form 700) and approximately 175 annual filers of Campaign Reports over the past 4 years. The FPPC requires Statement of Economic Interests (Form 700) be filed upon assuming office, at the annual deadline, upon need for amendment (when necessary), and upon separation. Filings for campaign statements are due at specific times during the year and may require several filings within a 12 month period. The FPPC requires comprehensive review of 20% of required filers (approximately 233) of the City of Oakland's Statement of Economic Interests (Form 700) filers. For all filings, Filing Officers are required to review statements for completeness and, if the statements bear errors and/or are incomplete, request amendments. This continuous review of filings and request for amendments provide for year round political reporting compliance monitoring for the Office of the City Clerk.

Utilization of NetFile systems will provide for immediate and automated compliance with FPPC notification, file receipt, completeness review, and tracking requirements. In achieving automated compliance with a significant portion of FPPC administration requirements, the City

Item: \_\_\_\_\_  
Finance & Management Committee  
July 10, 2012

will be able to more effectively focus on other compliance objectives such as: elevating filing compliance, revenue collection and completion of the comprehensive reviews, which if found deficient, also are subject to FPPC penalty. NetFile, Inc. currently is the only approved efiler that provides for the filing of the Statement of Economic Interests (Form 700). NetFile, Inc. also meets the FPPC filing oversight requirements and is the only reporting system for Statement of Economic Interests filings accepted by the office of the Secretary of State.

### **PUBLIC OUTREACH/INTEREST**

Increasing transparency of elections compliance documents (Lobbyists, Campaign Disclosure and Conflict of Interest Statements) serve the public's interest by seamlessly disclosing elections activities. Election reports are subject to disclosure under state law and are required to be provided with 48 hours of a request.

### **COORDINATION**

The Office of the City Clerk coordinated with the Public Ethics Commission, Department of Information Technology, Budget Office and City Attorney's Office in preparation of this report. The Office of the City Clerk provided statistics of reporting compliance and proposed efforts to increase effectiveness at the December 6, 2010 Public Ethics Commission specifically in response to complaints by members of the public. The Office of City Attorney was also consulted and assisted in drafting of the resolution.

### **COST SUMMARY/IMPLICATIONS**

In early 2011, NetFile was implemented on a trial basis for 1 year at no cost to the City of Oakland. As part of the 2011-13 budget process, in anticipation of a successful pilot, the Clerk's office requested funding for use of NetFile for political reporting and tracking. These costs were adopted in the Office of the City Clerk Budget FY 2011-13.

1. **AMOUNT OF RECOMMENDATION/COST OF PROJECT:**

Project Delivery \$ 0.00  
Construction (if applicable) \$ 0.00  
Contingency (if applicable) \$ 0.00  
Total Project Costs \$ 0.00

2. **COST ELEMENTS OF AGREEMENT/CONTRACT:**

Sub Project/Phases \$ 0.00  
Management \$ 0.00  
Equipment \$ 0.00  
Software \$ 0.00  
Maintenance \$ 0.00  
Service \$ 34,000.00

Item: \_\_\_\_\_  
Finance & Management Committee  
July 10, 2012

Labor Rates \$ 0.00  
Taxes and Fees\* \$ 0.00

**TOTAL AGREEMENT/CONTRACT AMOUNT**

\$ 34,000 x 3 Year Term = \$102,000

Plus 2 One-year options to renew the contract at the City's sole discretion at the annual contract compensation rate of \$34,000.00 per year with an annual increase of up to 5% of the annual compensation amount of \$34,000 per year (or \$71,400 total for the two option years if exercised by the City) for a grand total not-to-exceed contract amount of one Hundred Seventy-Three Thousand, Four Hundred Dollars (\$173,400);

3. **SOURCE OF FUNDING:** Funding will be sourced from the Department's approved budget in the General Purpose Fund (1010), Office of the City Clerk Organization (03121), Miscellaneous Services Account (53719), Elections Project (A343410), and the Elections Program (IP15).
4. **FISCAL IMPACT:** Approval of this resolution will allow the Department to enter into a Professional Services Agreement with NetFile, Inc. to provide a web-hosted election reports filing and tracking system for a three year term with two one-year options to extend, at a total cost not to exceed \$173,400.

**PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

The majority of the City's filing activities are related to filings of the Statement of Economic Interests (Form 700). Designated filers of the Form 700, reflect nearly 7 times the number of required filers of the Campaign Statements. The statistics below compare Statement of Economic Interests filing compliance with NetFile (2011) to the prior year (2010) when NetFile was not used to demonstrate the City's struggle with reporting compliance for Conflict of Interests Statements. The data further alludes to the difficulties of manual processes providing notification and tracking as insufficient support to meet the continuous filing, tracking and review activities.

<b>Statement of Economic Interests Staff/Elected Filings</b>					
<i>Filing Year</i>	<i>Required to File</i>	<i>Filed</i>	<i>Filed On Time</i>	<i>Non-Filers</i>	<i>Overall Reporting Compliance</i>
2011	834	805	619*	29	96.52% **
2010	670	658	185	37	99.07%

Item: \_\_\_\_\_  
Finance & Management Committee  
July 10, 2012

<i>Filing Year</i>	<i>Required to File</i>	<i>Filed</i>	<i>Filed On Time</i>	<i>Non-Filers</i>	<i>Overall Reporting Compliance</i>
2011	394	335	186*	59	85.03%**
2010	573	467	212	53	90.08%

Utilization of NetFile provided for significant improvements and immediate on time\* FPPC compliance as follows:

- 1) On time filings in 2011 to date\*\* for staff were 74%; in 2010 on time filing was 28%
- 2) On time filings in 2011 to date\*\* for Boards were 47%; in 2010 on time filing was 37%
- 3) The 2011 NetFile year provided the City an immediate accurate log of filings.
- 4) The 2011 NetFile year provided automated immediate pre-filing notification without costs associated with preparation, postage and copying of notices; in 2010 notification costs were approximately \$2,500.00 excluding staff time.

NetFile, Inc. is the sole source provider for filings of the Statements of Economic Interests (Form 700). NetFile was established in 1998, and is the leader in e-filing administration systems; the only provider encompassing electronic filings for Lobbyists, Campaign Disclosure and Conflict of Interest Statements used by many cities and counties throughout California. Additionally, NetFile offers communication tools, electronic reporting for the filers, audit trail and audit reporting tools. NetFile operates on a 24/7 hosted platform which results in significant savings in costs associated with technical infrastructure, hardware and system updates, execution of licensing agreements, maintenance costs, or staff to perform the systems administration.

Staff recommends that Council waive the advertising and municipal code requirements for competitive bidding and award a contract to NetFile, Inc., the sole-source provider of a FPPC compliant notification, e-filing, and report tracking transparent system for Statements of Economic Interest.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Approval of the NetFile contract will further the City's compliance with collection of State required reporting, mitigating FPPC penalties to the City of Oakland and provide for more effective collection of mandated penalties from late and non filers.

**Environmental:** Utilization of the NetFile system will eliminate the submission of excessive paper reports. Online viewing provides for public access by computers with internet access and smart technology devices with an option to print reports. There is no need to travel to City Hall to obtain access to reports.

Item: \_\_\_\_\_  
Finance & Management Committee  
July 10, 2012

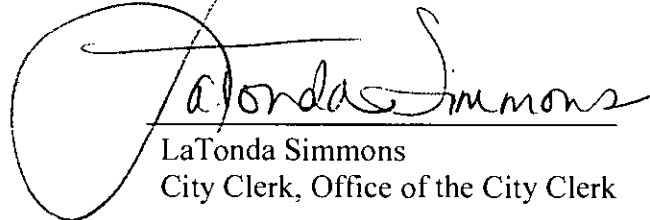
***Social Equity:*** Approval of the NetFile contract will allow all members of the public with access to computers and smart technology devices to view statements regardless of location, disability, or any other condition or circumstance what would challenge access.

**CEQA**

This report is not a project under CEQA.

For questions regarding this report, please contact Tamika Thomas, Assistant City Clerk, at 510-238-7369.

Respectfully submitted,



LaTonda Simmons  
City Clerk, Office of the City Clerk

Reviewed by:

Tamika Thomas, Assistant City Clerk

Prepared by:

Deidre Scott, Records Manager  
Records Division

Attachments:

***(A) NetFile Scope of Work***

***(B) Public Ethics Commission Memo***

***(C) SF Ethics Commission Survey***

***(D) Assembly Bills 2452, Section 84615 and 2062, Section 87500***

Item: \_\_\_\_\_  
Finance & Management Committee  
July 10, 2012

AGREEMENT FOR THE PERFORMANCE OF SERVICES  
BY AND BETWEEN  
CITY OF OAKLAND, CALIFORNIA  
AND  
NETFILE

EXHIBIT A

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal which is added to this Exhibit A and incorporated by this reference.

EXHIBIT A - CONTRACT SPECIFICS

**A. Expected Outcome**

NetFile will develop and maintain a system that permits the City of Oakland ("City") and users authorized by the City to (1) Electronically file FPPC Statement of Economic Interest, Form 700 ("SEI") (up to 1,650 filers per calendar year) and to be available, at the option of the City (in redacted form) for public viewing of documents over the Internet through a link on the City's website; (2) maintain a database of the FPPC SEI forms to track filings and generate filing deadline and amendment letters and (3) allow the City to scan SEI reports/forms not submitted electronically.

NetFile will develop and maintain a system that permits the City and all filers who have a political disclosure reporting responsibility to the City and authorized by the City to (1) file any or all of the FPPC Forms 450, 460, 461, 465, 470, 496, and 497 in electronic format to be available in redacted form for public viewing of documents over the Internet through a link on the City's website; (2) maintain a database of the FPPC Forms to track filings and generate filing deadline and amendment letters; and, (3) allow the City to scan reports not submitted electronically.

**B. Deliverables**

NetFile will continue to have ready for use a system that permits (1) electronic filing of FPPC Statement of Economic Interest, Form 700 and Campaign Disclosure Forms 450, 460, 461, 465, 470, 496, and 497 (hereinafter collectively referred to as "FPPC Forms"); (2) at the option of the City, availability of FPPC Forms in an electronic format to be available (in redacted form) for public viewing of documents over the Internet through a link on the City's website; (3) maintaining a database of the FPPC Forms to track filings and generate filing deadline and amendment letters and (4) allow the City to scan reports FPPC Forms not submitted electronically.

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### C. Scope of Service

1. For one year from the date of execution of the service agreement, NetFile will develop and maintain a system that:

#### (a) For Filers Using the Internet:

- i. Allows the City to provide to Filers who have their own access to the Internet, a user ID and password (for an adjustable period) which is used to log on to a secure site hosted on NetFile's web server but accessible via the City's web site.
- ii. Allows Filers who have their own access to the Internet, to log on to, enter data in, and upload to NetFile's secure site electronic formats of FPPC Forms.
- iii. Once the forms have been uploaded, NetFile's secure site validates the submitted filing and notifies the Filer that the filing was accepted or, if declined, explains why the filing was declined.
- iv. Allows Filers to print a copy, using Adobe Acrobat Reader, of the forms that they upload to NetFile's secure site.
- v. Allows Filers to access earlier validated electronically filed forms.

#### (b) For the City:

- i. Allows tracking of Filers and all electronically filed forms in a database.
- ii. Allows City to scan hard copy filings and post to the online searchable database provided a liability waiver is signed by the City absolving NetFile of any liability associated with manually redacted documents not under the control of NetFile during the redaction process.

#### (c) For All FPPC Campaign Disclosure Forms Uploaded to NetFile's Secure Site:

- i. Produces two versions in .pdf format of the FPPC Campaign Disclosure Forms: one version, not accessible by the public, will include all information as filed (non-redacted); the other version, at the option of the City, accessible by the public, will have all street addresses and bank account information, if applicable, blocked from view.

#### (d) For the Public:

- i. At the option of the City, allows the public to search and view electronically filed documents (with street addresses and bank account information, if applicable, blocked from view) over the Internet.
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- ii. If a document was not available electronically, NetFile's secure site will notify the searcher that the document is available for viewing in the office of the City Clerk.

2. NetFile's system will, among other things:

- Issue an ID number and password for Filers.
- Grant different user access and security levels for City staff
- Store and edit general information about Filers.
- Store and edit all filings by individual statement periods where applicable.
- Generate notification letters telling the filer of the upcoming filing deadline.
- Indicate how filings were received.
- Track deadlines for filings and amendments and generate letters notifying Filers of delinquencies.
- Track delinquencies and generate letters notifying Filers of fines.
- At the option of the City, allow the public to search and view the database and complete list of electronic filings (with addresses and bank account information, if applicable, redacted) via the Internet.
- At the option of the City, allow the public to search and view the database and complete electronic filings (without addresses and bank account information redacted) on kiosk provided by the City located in their office.
- Have sufficient back-up hardware and/or software and/or policies and procedures to ensure that data under the control of NetFile, relative to this Agreement, is not irretrievably lost or destroyed.

3. NetFile will also:

- Provide unlimited support to the City staff by email or phone during NetFile's normal working business hours.

4. All intellectual property, including existing source code or additional source code written for the purpose of developing this system for the City, will be the sole property of NetFile. If NetFile were to cease operations during the contractual period, NetFile would provide to the City all source code relative to the City's system.

#### **D. Performance Standards**

Performance standards are based upon providing deliverables according to the timeline for performance as determined by Project Manager (City Clerk), and whether the system meets the expected outcome in terms of timeliness and functionality.

NetFile servers have a guaranteed uptime of 99%.

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## **F. Payment Schedule**

After signing this service agreement, the payment for services shall be as follows: After the initial gratis period of January 27, 2011 through January 27, 2012, NetFile will submit an invoice for continuing ongoing services of SEI Forms, based on the amount of \$3,750, per quarter (total annual amount not to exceed \$15,000) for up to 1,250 filers on an annual basis. If the annual amount of filers in the system exceeds 1,250 there will be an additional quarterly fee of \$250 per quarter per 100 additional filers. For example, if the annual amount of filers is 1,600, the total quarterly fee would be \$4,750 (with the total annual amount not to exceed \$19,000). After the initial gratis period of January 27, 2011 through January 27, 2012, NetFile will submit an invoice for continuing ongoing services of Campaign Disclosure Forms, in the amount of \$5,000, per quarter (total annual amount not to exceed \$20,000 in a 12 month period).

## **G. Additional Terms Submitted by NetFile**

### **LIMITATION OF LIABILITY**

The maximum liability to the City by NetFile and its licensors, if any, under this agreement, or arising out of any claim by the City related to NetFile's services, products, equipment or software for direct damages, whether in contract, tort or otherwise, shall be limited to the total amount of fees received during the last 12 months by NetFile from the City hereunder up to the time the cause of action giving rise to such liability occurred. In no event shall NetFile or its licensors be liable to the City for any indirect, incidental, consequential, or special damages related to the use of NetFile's services, products, equipment or software or NetFile's failure to perform its obligations under this agreement, even if advised of the possibility of such damages, regardless of whether NetFile or its licensors are negligent. Provided, however, that for any peril or exposure insured against under the insurance required pursuant to Exhibit C, the limits of liability to City by NetFile shall not be less than the amount of applicable, valid, and collectible insurance set forth in Exhibit C.

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**CITY OF OAKLAND**  
**Public Ethics Commission**

Jonathan Stanley, *Chair*  
Barbara Green-Ajufo, *Vice-Chair*  
Aiaric Degrafinried  
Alex Paul  
Aj Mori  
Richard Unger  
Vacancy (Mayoral)



Daniel D. Purnell, Executive Director

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One Frank Ogawa Plaza, 4<sup>th</sup> Floor, Oakland, CA 94612 (510) 238-3593 Fax: (510) 238-3315

TO: Public Ethics Commission  
FROM: Daniel Purnell  
DATE: November 18, 2010

RE: **A Report From The Office Of The City Clerk Regarding Form 700  
Administration And Compliance**

At its meeting of July 7, 2010, the Commission considered a supplemental staff report in connection with a complaint filed by Marleen Sacks (No. 09-16). Ms. Sacks alleged that some members of the Measure Y Oversight Committee had financial conflicts of interest with respect to some of the Committee's decisions. Commission staff reported initially that only four members of the Committee had filed their required Statement Of Economic Interests (Form 700) since they were required to do so in early 2010. The Commission directed staff, among other things, to request a report from the Office of the City Clerk regarding Form 700 administration and compliance within the City of Oakland.

Attached hereto is the requested report. **Attachment 1**. It demonstrates significant improvement over the past three years in terms of reporting compliance. The report also discusses efforts currently underway to improve the current system and recommendations for further action.

Commission staff recommends that the Commission receive the report and presentation from the City Clerk. At the Commission's direction, staff will work with the City Clerk's Office to develop and prepare for future Commission consideration specific items consistent with the report's recommendations.

Respectfully submitted,

Daniel D. Purnell  
Executive Director

## MEMORANDUM

TO: Members of the Public Ethics Commission  
 FROM: LaTonda Simmons, City Clerk  
 SUBJECT: Form 700 Filing Compliance  
 DATE: December 6, 2010

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**Statistical Review and Analysis**

At the request of the Ethics Commission, the Office of the City Clerk has compiled three years of statistics regarding the compliance status of Form 700 filings at the City of Oakland. The information below covers electeds, staff and commissioners.

<b><u>Electeds/Staff</u></b>				
Filing Year	Required to File	Filed	Non-Filers	Compliance
2010	670	658	51	98.21%
2009	735	486	249	66.12%
2008	731	471	260	64.43%

<b><u>Boards &amp; Commissions</u></b>				
Filing Year	Required to File	Filed	Non-Filers	Compliance
2010	573	467	106	81.50%
2009	416	247	169	59.38%
2008	371	174	197	46.90%

The statistics reveal that staff/elected compliance in 2010 reached 98.21% and commission compliance reached 81.50%. This is approximately a 30% improvement in staff compliance and a 20% improvement in commission compliance during calendar year 2010 when compared to the 2009 filing year.

Although there was marginal improvement in the number of multiple filings between calendar years 2008 and 2009, in both years only two-thirds of all mandated staff members filed. Within the same time period, substantially less than two-thirds of all commission members filed.

**Changes in Filing Trends**

The improved 2010 filing statistics are primarily due to the concerted efforts, diligence and persistence of City Clerk staff in following up with multiple written reminders and outreach to staff, commission secretaries, and the individual staff and commission members who were subject to the directive to file.

Every year the conflicts update process requires Clerk staff to work with staff in all departments and each commission/commission secretary to ensure that every individual identified as a Form 700 filer is compliant. The process for doing this is detailed and labor-intensive.

For this reason, the compliance levels achieved in 2010 are even more impressive in light of the major exodus of City staff over calendar years 2008-2010 due to staffing cuts, a citywide hiring freeze, retirements and subsequent council action to restore staff. The high volume of staff turnover and terminations resulted in an inordinate number of changes in positions and job titles.

This led to an unusually high volume of mismatched data and errors in citywide automated and manual support systems that made the conflicts update process more unwieldy than usual. Additionally, the numerous transitions that occurred within the last two calendar years in the commission appointment and monitoring processes exacerbated the 2010 commission Form 700 update process.

Despite these issues and numerous vacancies within the City Clerk Department itself, the 2010 improvements to the Form 700 monitoring processes and procedures are working as is demonstrated by the statistics. Statistics in future years should show additional improvement as Clerk and citywide staffing levels, commission appointment processes, and citywide systems and processes, which are the foundation of an effective Form 700 update process, stabilize.

#### Improvements Related To Annual Form 700 Update Process

Continuous improvements are key to the success of the annual COI update process. Accordingly, the City Clerk Department has focused on taking a number of steps to improve both procedures and processes. In 2010 the department began implementing a number of changes relating to the annual Form 700 update process. Among these are:

##### *Reorganization and reclassification of records*

In April 2010 Deidre Scott was hired as the City's new Records Manager. Ms. Scott is a seasoned and experienced records management professional. This year the Conflict of Interest update project benefited greatly from her oversight and dedication in the absence of Elections staff who would normally oversee the process. This project included an audit of all COI files and a review of job title classifications versus titles and a full comparison with the COI resolution. The Form 700 files are now consolidated, reorganized and readily accessible for public review upon request.

##### *Facial review of Form 700's upon receipt*

Additionally, efforts were made in the 2010 filing year to do a facial review and identify forms upon delivery that were not complete and/or did not contain all attachments indicated on the cover page or were not signed or dated, etc. In future filing years, all staff receiving these documents will be trained to identify these and similar elements and issues that can be observed from a facial review and bring them to the attention of the filer before accepting delivery.

##### *Date Stamping Each Page of the Form 700*

In order to avoid claims of lost attachments subsequent to the filing date, late in the 2010 filing season staff initiated the procedure of date stamping each page of the Form 700 including all schedules indicated on the cover page.

##### *Researching and compiling statistics to analyze filing patterns and trends*

In order to reach the individuals who were subject to filing this year, staff developed an Excel spreadsheet to track filing progress throughout the project. This allowed her to develop the statistics that are the subject of this report. Until now, there has not been an automated system or database to track filing progress.

##### *Proposed implementation of NetFile electronic disclosure filing system*

In October Clerk staff arranged a meeting with NetFile representatives to discuss the features of the Netfile electronic disclosure filing database.

The NetFile system allows all data on COI and campaign disclosure forms to be entered, tabulated and filed electronically. The NetFile system, which has been endorsed by the FPPC, greatly simplifies the task of individual filers and automatically creates and maintains a log of filings for the filer and the Filing Officer. This system is hosted

on NetFile servers and is available 24/7 on the internet for the filer and Filing Officer as well as the public and the press to view. Documents are accessible from the moment they are filed in the system.

From the perspective of the filer, the system greatly simplifies the filing process and alerts the filer when s/he has not provided the proper information. The help prompts also provide filing assistance and explanations.

NetFile has its servers based locally in Oakland, and the Netfile system has been successfully implemented in San Francisco, Berkeley, Sacramento and San Diego among other cities. Phone inquiries to user/owners in these cities revealed extremely positive reviews about Netfile service both from city staff and from end users, for whom this made the filing process far easier.

Staff in all the cities contacted indicated that compliance increased markedly after the system was implemented. The fact that the redacting of personal information can be performed in the system and the documents can be made immediately available on the internet saves a tremendous amount of staff time formerly spent scanning or photocopying the documents for multiple Public Records Act requests.

All the communities contacted reported that the NetFile system resulted in an extremely transparent disclosure system for their residents and other interested parties, particularly the press, who no longer had to visit City Hall to obtain the detailed information they regularly seek. Additionally, the NetFile system also can be used to track campaign disclosure filings.

The NetFile system can be implemented on a day forward basis. Should the City choose, older data can be mapped and migrated into the system at the same or a later time. If implemented in early 2011, a day forward NetFile implementation will result in the system being immediately able to support a full monitoring and tracking system for the 2011 annual Form 700 update process.

***Implementation of FPPC "best practices" monitoring and enforcement processes and procedures***

In addition to working on a plan to implement the NetFile electronic filing system, the Clerk's Office is simultaneously working on a plan to enhance and improve the annual COI update and monitoring process. Clerk staff is working directly with both the FPPC Technical and Enforcement Divisions on a project to implement a new "best practices" plan for the City of Oakland. This will include detailed instructions for staff that cover all aspects of the annual COI update process, including the need for periodic written reminders and correspondence, tracking procedures, fines, penalties and waivers, and, ultimately, standardized procedures for referring late and non-filers to the FPPC.

The implementation of the NetFile system would greatly enhance the new procedures and processes as the system can be programmed to both monitor these procedures and calculate fines and penalties at the local level. It will also allow reports to be electronically generated regarding late or non-filers.

***Revisions to Master Fee Schedule***

The Clerk Department is in the process of making modifications to its Master Fee Schedule to memorialize locally the FPPC mandated penalty and fee schedules for Form 700 and campaign disclosure statement late and non-filers. This is in addition to any penalties or fees that might be levied by the FPPC as part of any audit or enforcement process they undertake.

***Regular follow up reporting to departments regarding staff compliance***

A number of issues contributed to filing delays in 2010. These included:

1) discrepancies between an employee's "classification" in the personnel database as opposed to the position "title" on the COI resolution; 2) delays in receipts of the current boards and commissions rosters; 3) misconceptions about disclosure categories; 4) misunderstandings regarding the event that initiates the requirement to file (i.e., assuming office, position change, etc.); 5) delays in forms being forwarded by board secretaries after receipt from individual filers, and 6) changes in the staffing assignments to the Boards and Commissions.

Therefore, as an adjunct to the "best practices" processes and procedures that are being implemented per FPPC recommendations, Clerk Department staff is also developing and implementing a citywide system of department

liaison coordinators and commission secretaries through whom regular communications to citywide staff and commissioners will be routed and received, particularly regarding disclosure requirements and filing deadlines.

This effort will provide broader and more effective dissemination of employee classification and designation updates and information as well as disclosure requirements and filing deadlines. Training and working with the liaison in each department will allow Clerk Department staff to focus on, understand and resolve issues, with the aid of the department liaison, that are unique to each department.

**Next Steps:**

Staff is pursuing the following actions in order to facilitate the filing process for individual filers and maximize compliance. These separate but inter-dependent projects include:

***Implement the NetFile electronic filing system for Form 700 and campaign statement filing***

As stated previously in this report, the NetFile system will provide many of the tracking and monitoring elements required for a successful COI system. It makes the filing process easier for filers and the Filing Officer. It also makes all filings accessible to the press, and the public. A more complete follow-up report to the Public Ethics Commission on this topic will be forthcoming as the project moves forward. However, it should be noted that having the support of the Public Ethics Commission for this very useful and valuable project will help ensure its implementation and success.

***Draft an ordinance containing disciplinary provisions for non-filers***

In order to provide an effective enforcement mechanism, an ordinance needs to be drafted that covers the consequences of a failure to file. For example, employees would be subject to discipline by the City Administrator and Commissioners would accept appointments conditioned on filing or be subject to removal for a failure to file.

The routine and timely filing of the Form 700 might be made a condition of the contract for any contractors employed by the City. An ordinance containing these and/or other types of requirements would provide a needed local enforcement mechanism. Guidance and input from the Public Ethics Commission will play a vital role in this effort.

***Draft an Administrative Instruction establishing the failure to file as a disciplinary action***

An Administrative Instruction (AI) would provide an enforcement mechanism for staff similar to the ordinance previously suggested. The AI lays out for all employees requirements for the filing of Form 700 and the consequences of a failure to file. This would provide a framework for subsequent disciplinary action by the City Administrator if an employee fails to meet the required standard for continued employment.

***Implement and publicize a system of local penalties for late and non-filers***

To support the effort to fine late and non-filers, the Office of the City Clerk will develop and enforce, beginning April 1, 2011, a schedule of penalties/fines as well as a processing system that includes the appropriate use of waiver letters, depending on the circumstances of each case. The fee and processing structures will be based on FPPC mandates and recommendations that are currently in place and enforceable.

However, taking the local steps defined above will provide a foundation for and publicize the fact that the City Administration is taking a unilateral affirmative stand on this issue. It will form the basis of the filing ordinance and Administrative Instruction. Both implementing and enforcing this system as a citywide effort will require the support of the Public Ethics Commission and the Administration.

An effective implementation will be primarily based on the ability of the Office of the City Clerk to maintain adequate staffing levels, which it has not been able to achieve over the last three years. As previously mentioned, dynamic staffing issues, including five levels of council-mandated staff cuts, hiring freezes and layoffs from 2008 through 2010, left City departments and the Clerk's Office grossly understaffed and without an Election Division to perform the most routine daily functions.

***Training for department managers/unit supervisors***

Training for department managers and unit supervisors regarding what constitutes a conflict of interest will result in a more standardized approach and understanding of the conflict of interest process. As a result, future updates of the COI resolution will begin to demonstrate an improved inter-agency understanding of the substance and purpose of the COI process and demonstrate and reflect a more standardized approach in citywide reporting schedules.

***Cohesive structure for job titles/classifications***

Many of the problems that were encountered with the COI update process this year resulted from a lack of cohesiveness between job titles and classifications. When Oakland originally developed its personnel system in Oracle, it was ahead of its time in including the COI status for each position. The fact that the personnel database was designed to track the COI mandate at the individual employee level gives the City of Oakland a distinct advantage over other municipalities that do not have this capability built into their personnel systems.

However, over time job titles and classifications have become disassociated. This now makes it very difficult to determine which titles/classifications are currently subject to the conflict of interest code. Clerk staff will need to work on a project with staff in citywide departments and Personnel to remedy the disparities. Although this is a time and labor-intensive process, it will result in better and simpler future updates of the conflict of interest code and a more standardized citywide COI process.

The Office of the City Clerk looks forward to working with the Public Ethics Commission on these and additional elements that are required to build and maintain a successful conflict of interest disclosure program for the City of Oakland.

APPROVED BY:

PREPARED BY:

\_\_\_\_\_

\_\_\_\_\_



LaTonda Simmons, City Clerk

Sara Cox, Assistant City Clerk

Deidre Scott, Citywide Records Manager



## ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

**Date:** March 6, 2007

**To:** Members, Ethics Commission

**From:** John St. Croix, Executive Director

**By:** Steven Massey, Information Technology Officer

**Re:** Survey of Vendors Approved for Electronic Filing in California  
with the Secretary of State

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SUSAN J. HARRIMAN  
CHAIRPERSON

EMI GUSUKUMA  
VICE-CHAIRPERSON

EILEEN HANSEN  
COMMISSIONER

JAMIENNE S. STUDLEY  
COMMISSIONER

CHARLES L. WARD  
COMMISSIONER

JOHN ST. CROIX  
EXECUTIVE DIRECTOR

At its last meeting, the Department of Telecommunications and Information Services (DTIS) informed the Commission it will no longer provide support for the On-Line Filing System in FY 07-08. DTIS now estimates that developing a replacement system would cost the Commission at least two to three times the amount it estimated prior to its reorganization, putting the total cost of development at roughly \$200,000 to \$300,000. A software system of this size would take DTIS time to develop and could leave the Commission without a supported system in the interim. It is vital that the Commission have the necessary staff support from programmers and I.T. to maintain a reliable system for filers. Ethics Commission software development projects have not been a priority for DTIS in the past and I see little reason why their recent reorganization will be any reason for change. DTIS staff has been very candid that this is largely because the Commission has never had the financial means to fund ongoing software development. This puts considerable pressure on the Commission to find a suitable replacement system that can be deployed to the filers by next fiscal year and is within budget constraints. The on-line filing system is the most critical tool the Commission has for auditing and enforcing campaign finance laws and keeping the public informed about money in politics.

The Commission is in need of on-line filing system software that contains three software components: an electronic filing system, agency back-office management system/database, and a web-based search engine. The Secretary of State maintains a list of 21 vendors it has approved for electronic filing system software in California. It is comprised of California-based and national vendors. The list is intended to inform committees and PACs of vendors that are certified to produce the electronic filing system component of the on-line filing system software. It is not a list of vendors offering an agency on-line filing system that contains the back-office management system/database and web-based search engine software components.

Staff has already been in contact with two vendors of tested agency on-line filing systems that are currently in use by other jurisdictions: Netfile and the City of Los

Angeles. Staff has had multiple conversations with Los Angeles Ethics I.T. staff who have stated that the Los Angeles system would only be sold as-is. The Los Angeles system can only file a Form 460 Recipient Committee Campaign Statement and contains an inadequate back-office system for managing and auditing reports. It lacks an equivalent to the Campaign Finance Log, currently in use by Commission staff, and many critical automated software components for producing letters and publishing data on the Internet for public viewing. Upgrading and redeveloping the Los Angeles system would require a significant investment to meet the Commission's needs. Since the Commission does not have programmers on staff, this work would need to be completed by DTIS. **I do not believe purchasing the Los Angeles system would provide DTIS with enough of a head start on developing a new system to justify the cost.**

Staff has recently expanded its search to ensure there are no other vendors with a tested system that can be deployed in a short period of time. Steven has personally called all of the vendors based in California on the Secretary of State's vendor list. Eleven of the twelve California vendors responded to the inquiry. All of the vendors have been extremely cooperative and helpful and have confirmed what staff already suspected about the market for agency on-line filing systems. **No private vendor other than Netfile currently maintains an agency on-line filing system for any California jurisdiction at this time or has a comparable system currently under development.**

Staff has also been in contact with the City of Santa Cruz, City of Burlingame, City of San Jose, City of Sacramento, County of Santa Clara, and the County of San Bernardino to determine how these jurisdictions handle electronic filing. **The County of San Bernardino issued the most recent RFP to build a campaign finance system in 2006 and Netfile was the only vendor to respond to the request.** Staff has discussed Netfile with the City of San Jose, County of Santa Clara and the County of San Bernardino and all have indicated that they are satisfied with Netfile's service. Netfile's agency on-line filing system is currently deployed in the County of Santa Clara, City of Santa Clara, City of Anaheim, County of San Bernardino, City of San Jose, City of San Diego, and the County of Alameda. Many of these jurisdictions are expanding electronic filing beyond campaign finance reports. Netfile is capable of expanding electronic reporting into areas such as Statements of Economic Interests, Sunshine Certifications, lobbyist reports, and campaign consultant reports. This presents a significant opportunity for the public to gain access on the Internet to the wealth of information stored in the Commission's office in paper format.

**Staff has arranged for an Interested Persons Meeting on March 29, 2007 to discuss what features filers and consumers of campaign finance data are looking for in a new system.** Staff will also listen to concerns about private vendors providing the Commission with on-line filing system software and maintaining City electronic data.

**ASSEMBLY BILL**

**No. 2452**

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Introduced by Assembly Member Ammiano

February 24, 2012

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An act to add Section 84615 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2452, as introduced, Ammiano. Political Reform Act of 1974: online disclosure.

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified.

This bill would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes

upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION I. Section 84615 is added to the Government Code,  
2 to read:

3 84615. A local government agency may require an elected  
4 officer, candidate, committee, or other person required to file  
5 statements, reports, or other documents required by Chapter 4  
6 (commencing with Section 84100) to file those statements, reports,  
7 or other documents online or electronically with a local filing  
8 officer. A local government agency that requires online or  
9 electronic filing pursuant to this section shall comply with all of  
10 the following:

11 (a) The legislative body for the local government agency shall  
12 adopt an ordinance approving the use of online or electronic filing,  
13 which shall include a legislative finding that the online or electronic  
14 filing system will operate securely and effectively and would not  
15 unduly burden filers. The ordinance adopted by the legislative  
16 body for the local government agency may, at the discretion of  
17 that legislative body, specify that the electronic or online filing  
18 requirements apply only to specifically identified types of filings  
19 or are triggered only by identified monetary thresholds.

20 (b) The online or electronic filing system shall only accept a  
21 filing in the standardized record format that is developed by the  
22 Secretary of State pursuant to paragraph (2) of subdivision (a) of  
23 Section 84602 and that is compatible with the Secretary of State's  
24 system for receiving an online or electronic filing.

25 (c) The online or electronic filing system shall ensure the  
26 integrity of the data transmitted and shall include safeguards against  
27 efforts to tamper with, manipulate, alter, or subvert the data.

28 (d) The date of filing for a statement, report, or other document  
29 that is filed online or electronically shall be the day that it is  
30 received by the local filing officer.

31 (e) The local filing officer shall make all the data filed available  
32 on the Internet in an easily understood format that provides the

1 greatest public access. The data shall be made available free of  
2 charge and as soon as possible after receipt. The data made  
3 available on the Internet shall not contain the street name and  
4 building number of the persons or entity representatives listed on  
5 the electronically filed forms or any bank account number required  
6 to be disclosed by the filer.

7 (f) The online or electronic filing system shall include a  
8 procedure for filers to comply with the requirement that they sign  
9 statements and reports under penalty of perjury pursuant to Section  
10 81004.

11 (g) The local government agency shall enable filers to submit  
12 filings free of charge.

13 (h) The local filing officer shall maintain, for a period of 10  
14 years commencing from the date filed, a secured, official version  
15 of each online or electronic statement, report, or other document  
16 filed pursuant to this section, which shall serve as the official  
17 version of that record for purpose of audits and any other legal  
18 purpose.

19 (i) Notwithstanding any other provision of law, any statement,  
20 report, or other document filed online or electronically pursuant  
21 to this section shall not be required to be filed with the local filing  
22 officer in paper format.

23 SEC. 2. The Legislature finds and declares that this bill furthers  
24 the purposes of the Political Reform Act of 1974 within the  
25 meaning of subdivision (a) of Section 81012 of the Government  
26 Code.

BILL NUMBER: AB 2062 AMENDED

BILL TEXT

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY APRIL 24, 2012

INTRODUCED BY Assembly Member Davis

FEBRUARY 23, 2012

An act to add Section 87500.2 to the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2062, as amended, Davis. Political Reform Act of 1974: statements of economic interests: electronic filing.

Existing law establishes, until December 31, 2012, a pilot program authorizing specified local government agencies to develop and implement a system for the electronic filing of statements of economic interests by certain public officials, as specified.

This bill would authorize all agencies to permit the electronic filing of a statement of economic interests, in accordance with regulations adopted by the Fair Political Practices Commission. The bill would require the Commission to approve and certify an electronic filing system proposed by an agency, upon payment by the agency of a fee of \$1,000 to the Commission, if the system meets prescribed requirements. The bill would also authorize the Commission to conduct discretionary audits of an agency's electronic filing system to evaluate its performance and compliance with the requirements of this bill. The bill would require the Commission to accept electronic copies of statements of economic interests forwarded to it by an agency that has received an electronically filed statement from filers.

The bill would authorize a city or county that developed an electronic filing system pursuant to the pilot program to continue to use that system during the time it takes the Commission to adopt the regulations to govern the electronic filing system program, but would require the city or county to submit a description of its electronic filing system to the Commission for approval and certification after the Commission's regulations take effect, as specified.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

By creating additional crimes, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a 2/3 vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 87500.2 is added to the Government Code, to read:

87500.2. (a) An agency may permit the electronic filing of a statement of economic interests required by Article 2 (commencing



with Section 87200) or Article 3 (commencing with Section 87300), including amendments, in accordance with regulations adopted by the Commission.

(b) In consultation with interested agencies, the Commission shall use common database integration features in developing database design requirements for all electronic filings that may be used.

(c) (1) An agency that intends to permit electronic filing of a statement of economic interests shall submit a proposal, which shall include a description of the electronic filing system that the agency proposes to use, along with a fee of one thousand dollars (\$1,000), to the Commission for approval and certification.

(2) An agency shall not charge a person to electronically file a statement of economic interests.

(3) The Commission shall review an agency's proposal for compliance with the system requirement regulations adopted pursuant to subdivisions (a) and (b) and the requirements of subdivision (d). If the proposed system complies with these requirements, the Commission shall approve and certify the agency's electronic filing system as soon as practicable after receiving the agency's submitted proposal.

(d) An agency's proposed electronic filing system shall meet the following requirements:

(1) A statement of economic interests filed electronically shall include an electronic transmission that is submitted under penalty of perjury and that conforms to subdivision (b) of Section 1633.11 of the Civil Code.

(2) (A) The agency's filing officer shall issue to a person who electronically files his or her statement of economic interests or amendment an electronic confirmation that notifies the filer that his or her statement of economic interests or amendment was received. The confirmation shall include the date and the time that the statement of economic interests or amendment was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(B) A copy retained by the filer of a statement of economic

interests or amendment that was electronically filed and the confirmation issued pursuant to subparagraph (A) that shows that the filer timely filed his or her statement of economic interests or amendment shall create a rebuttable presumption that the filer timely filed his or her statement of economic interests or amendment.

(3) The agency shall utilize an electronic filing system that includes layered security to ensure data integrity. The system shall have the capability to uniquely identify a filer electronically when he or she accesses the electronic filing system. The operational process for the system shall include industry best practices to ensure that the security and integrity of the data and information contained in the statement of economic interests are not jeopardized or compromised.

(4) The agency shall provide the public with a copy of an official's statement of economic interests upon request, in accordance with Section 81008. The copy of the electronically filed statement of economic interests shall be identical to the statement of economic interests published by the Commission and shall include the date that the statement was filed.

(e) The Commission may adopt regulations to require that an agency redact information on a statement of economic interests prior to posting the statement of economic interests on the Internet.

(f) The Commission may conduct discretionary audits of an agency's approved and certified electronic filing system to evaluate its performance and compliance with the requirements of this section.

(g) The Commission shall accept an electronic copy of a statement of economic interests that is forwarded to it by an agency that has received an electronically filed statement from a filer pursuant to this section.

(h) A city or county that developed an electronic filing system pursuant to the pilot program established by Section 87500.1 may continue to use that system for purposes of this section, including, but not limited to, the time during which the Commission is adopting the regulations required by this section. However, after the Commission's regulations take effect, the city or county shall submit

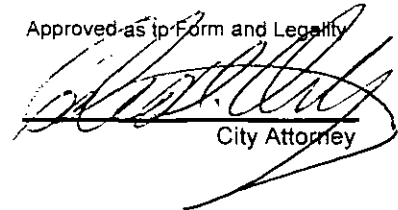
a description of its electronic filing system to the Commission for approval and certification, within a reasonable time to be determined by the Commission. A city or county shall not continue to use an electronic filing system originally developed for purposes of Section 87500.1 if the Commission does not approve and certify that electronic filing system as complying with the requirements of the Commission's regulations and the other requirements of this section.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the Fair Political Practices Commission time to develop regulations and procedures critical to the implementation of a system for the electronic filing of statements of economic interests prior to the 2013 filing period, which will allow state and local agencies to achieve significant savings, and to allow the city and county agencies that participated in the pilot program to continue using electronic filing while the Commission develops the necessary regulations in order to preserve the substantial investment those agencies have already made in developing electronic filing systems, it is necessary that this act take immediate effect.



City Attorney

FILE  
OFFICE OF THE CITY CLERK  
OAKLAND

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.  
2012 JUN 28 PM 3:09

Introduced by Office of City Clerk

**RESOLUTION WAIVING ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS OF THE OAKLAND MUNICIPAL CODE AND AUTHORIZING THE CITY ADMINISTRATOR TO CONTRACT WITH NETFILE FOR HOST-SITE SOFTWARE FILING SYSTEM SERVICE FOR A THREE-YEAR TERM IN A COMPENSATION AMOUNT OF \$102,000.00 (ONE HUNDRED TWO THOUSAND DOLLARS) PLUS TWO (2) ONE-YEAR OPTIONS TO RENEW THE CONTRACT AT THE CITY'S SOLE DISCRETION AT AN ANNUAL CONTRACT COMPENSATION RATE OF \$34,000.00 WITH AN ANNUAL INCREASE OF UP TO FIVE PERCENT (5%) OF THE ANNUAL COMPENSATION AMOUNT (OR \$71, 4000.00 TOTAL FOR THE TWO OPTION YEARS IF EXCERCISED BY THE CITY) FOR A GRAND TOTAL NOT-TO-EXCEED CONTRACT AMOUNT OF ONE HUNDRED SEVENTY-THREE THOUSAND, FOUR HUNDRED DOLLARS (\$173,400.00)**

**WHEREAS,** the State of California has mandatory filing requirements for Lobbyist Disclosures, Campaign Disclosure Statements and Conflict of hiterest Statements ("election related documents"); and

**WHEREAS,** Title 2, Division 6, of the California Code of Regulation stipulates the duties of Filing Officers; and

**WHEREAS,** the Office of the City Clerk, is the Filing Officer for all election related documents regulated by the State of California's Fair Political Practices Commission (FPPC); and

**WHEREAS,** the FPPC requires filing officers to track and accept for filing any election related documents required by the Political Reform Act (The Act) and to determine whether those documents have been filed in conformance with The Act; and

**WHEREAS,** the Office of the City Clerk must provide public access to all election related documents and maintain a log of all statements filed; and

**WHEREAS,** diminished City Clerk staff has made it increasingly difficult to manage election related documents manually; and

**WHEREAS**, increased oversight by the FPPC requires the Office of the City Clerk to utilize more sophisticated tracking and filing systems to enforce mandatory regulations set forth by the FPPC; and

**WHEREAS**, NetFile, provides host-site software filing system services for all election related documents for over 20 local California Governments; and

**WHEREAS**, Section 2.04.040.B 2 and 2.04.050.A and E of the Oakland Municipal Code (the "OMC") require formal advertising for the solicitation for bids for products and incidental services related to the products, and if an award is made, the City must award to the lowest responsive bidder; and

**WHEREAS**, Council may waive these advertising and bidding requirements under Section 2.04.050.1 5 when it finds and determines that it is in the best interests of the City to do so; and

**WHEREAS**, waiving of the advertising and competitive bid requirement is in the best interests of the City, because NetFile is the sole-source provider of a public viewing portal, efiled documents automatically create state forms, does not require licensing agreements or software updates and upon viewing efiled documents redacts specific personal information as required by the state; and

**WHEREAS**, the Office of the City Clerk has realized significant increases in compliance and tracking since utilizing NetFile; and therefore be it

**RESOLVED**, that pursuant to Section 2.04.050.1 5 the Council determines and finds that it is in the best interests of the City to waive the advertising and bidding requirements of the OMC for the purchase of the NetFile host-site software filing systems service because of reason set forth in this Resolution and in the Report that accompanies this Resolution, and so waives these requirements; and be it

**FURTHER RESOLVED**, that the City Administrator is authorized to enter into an agreement with NetFile for an initial term of three years at a total compensation rate of \$102,000.00 (\$34,000.00 a year x 3 years), plus two (1) one-year options to renew the contract at the City's sole discretion at the annual contract compensation rate of \$34,000.00 per year with an annual increase of up to 5% of the annual compensation amount of \$34,000.00 per year (or \$71,400.00 total for the two option years if exercised by the City) for a grand total not-to-exceed contract amount of one One Hundred Seventy-Three Thousand, Four Hundred Dollars (\$173,400.00); and be it

**FURTHER RESOLVED**, that the contract shall be reviewed and approved by the City Attorney for form and legality and placed on file in the Office of the City Clerk, and be it

**FURTHER RESOLVED**, that funding for NetFile host-site services were previously allocated and approved in the FY 2012/13 City Clerk budget.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES – Brooks, Brunner, De La Fuente, Kaplan, Kemighan, Nadel, Schaaf, and President Reid -

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California