

Web Portal Board Meeting

Friday, March 11, 2016

Primary Purpose: Discuss pending contract renewal and review a proposed amendment to the contract

Agenda

- Introduction of New Members
- Overview of the Board for New Members
- Update on Portal Activities
- Update on Legislative Action
- Auditor Office Review
- Contract Extension
- Contract Extension – vote
- Contract Amendment
- Contract Amendment – vote

In Attendance

Michael Clasen, Tracey Harrington, Darwin Thompson, Scott Carbee, Martha Reid, Harry Bell, Jamie Gage, Frederik Van Geloven, Dawn Corillo.

Absent

CIO Richard Boes, Rep. Sam Young, Deputy SOS Chris Winters, DMV Director of Ops Michael Smith, Sean Thompson. Sen. Christopher Bray

Overview of the board (Harry)

Created by statute in 2006 with the purpose of providing overview of the Web Portal Project and Vermont Information Consortium (VIC). The specific primary role of the Board is to review/recommend/approve fees that are passed to Vermont constituents as part of a 3-part approval process that also involves the Governor's office and the Joint Fiscal Committee.

Update on portal activities (Jamie)

- See attached presentation.
- Darwin had a question with regards to the operating budget: ^[1]_[SEP]
"Since there was very little competition when the last RFP was issued, and since the VIC has operated at a loss most years, is there any concern that NIC (VIC's parent company) might pull out of Vermont?" ^[1]_[SEP]
VIC responded that there are other reasons (beside financial) for NIC to maintain their

presence in Vermont. The number of states that NIC operates in is of major importance and there is great value in the economies of scale. There's also a lot of cross-pollination between the various NIC state portals. A lot of knowledge and expertise is shared and smaller states (while less profitable) benefit from greater flexibility which enables them to be more innovative.

Update on Legislative Action (Harry)

DII and VIC proposed to standardize on a 3% credit card fee going forward. There's been several precedents of services for which this fee was approved through the currently described process. The proposal was brought in front of the Ways and Means Committee where there was a "bump in the road". The numbers that were presented to support this change (and to report on what the financial result would be) turned out to have an error. This derailed the approval process and the proposal was tabled. As of this portal board meeting, the language is still in the fee bill, but the expectation is that it will be taken out.

Darwin asked what the different process would look like and what the advantage would be.

Harry replied that if an agency, DII and VIC decide that a 3% fee would be appropriate for a proposed service, they could move forward with that fee without going through the traditional approval process. This would greatly enhance efficiencies by streamlining the fees, reducing the time to roll out services, and lightening the workload involved in getting fee approvals.

Auditor Office Review (Harry)

The above described error in the numbers triggered a review by the Auditor's Office. Harry doesn't know who requested this, but both Harry and Jamie have already been in touch with the auditor and will continue to explain and refine the numbers if needed. Harry doesn't know exactly what the future holds in this regard or what the extent of the audit will be.

Contract extension and amendment (Harry)

Michael pointed out that the agenda erroneously makes a distinction between the contract extension and the contract amendment to allow for limited upfront funding. Both are amendments to the original contract and should be described as such.

1st Amendment - contract extension: The current contract expires June 8th 2016 and allows for a 3-year extension. The board needs to vote on this. There was no further discussion at this point and no questions were asked.

2nd Amendment - use of one-time funds to prepay up to 50% of fees:

The proposed amendment would add a provision to the contract allowing state entities to use one-time funds to prepay up to 50% of the fees based on the value of a project. The remaining percentage would then be paid over time, via transaction fees, in the normal manner. ^[1]_[SEP] The text of the amendment was shared with the board prior to the meeting. Harry explained that some of the language still needs to be worked out but the fundamental concept of the amendment won't change.

Scott asked: Will the amendment be restricted to grant funding only or would it be opened up to other available budget funds if an agency has additional money they want to spend on a web service with the portal? Is the goal to provide for funding in case transactional fees aren't sufficient? Would that erode the "self-funded" model?

Harry replied that as long as the funds are 'one-time' funds and have a time restraint associated

with them they would be eligible. The main aim would be to avoid waste and/or for these funds to become unavailable, not to fund otherwise unsustainable fees. This would not erode the self-funded model because there would still be a transactional fee. Originally the contract allowed for traditional T&M but that provision was removed in 2013. The goal here is to find a middle ground between the old (T&M allowed) and the new (100% transactionally funded).

Michael points out that the way he reads the amendment, state appropriated funds (aka not grant funds) are excluded. Harry disagrees with this interpretation so further legal review is needed.

Michael also asked what happens if the project doesn't work out? What will happen to the already paid 50%? Should the amendment provide language to handle this, or will it be handled through each respective Statement of Work?

Harry responded that this will be worked out with the legal team before the final amendment is posted to Basecamp for review by the board.

Because the language is not final, and because the questions above need to be answered formally, the board decided not to vote on either amendment at this time. The final language of the amendments will be posted to Basecamp and, if no further discussion is needed, the board will vote electronically, hopefully within a week.