



Travis County Commissioners Court Agenda Request

Meeting Date: September 10, 2013

Prepared By/Phone Number:

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Elected/Appointed Official/Dept. Head: Roger Jefferies, County Executive, JPS, (512) 854-4759

A handwritten signature in blue ink, appearing to be "RJ", is written over the text of the "Elected/Appointed Official/Dept. Head" line.

Commissioners Court Sponsor: County Judge Samuel T. Biscoe

AGENDA LANGUAGE:

SUBJECT: CONSIDER AND TAKE APPROPRIATE ACTION ON THE PURCHASE OF SOFTWARE FOR THE TECHSHARE COURT PROJECT IN CONNECTION WITH THE PURCHASE OF AMCAD ENTERPRISE SOFTWARE LICENSE UNDER THE CONFERENCE OF URBAN COUNTIES TECHSHARE PROGRAM

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

Please see attached memo.

STAFF RECOMMENDATIONS:

Staff recommends approval of the purchase of software in connection with AMCAD Statewide Enterprise License. Please see attached memo.

ISSUES AND OPPORTUNITIES:

Please see attached memo.

FISCAL IMPACT AND SOURCE OF FUNDING:

Travis County's share of the cost of the software in connection with the AMCAD Statewide Enterprise License Fee is \$1,095,301.20 in FY 2014.

REQUIRED AUTHORIZATIONS:

PBO

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, agenda@co.travis.tx.us, by **Tuesdays at 5:00 p.m.** for the next week's meeting.

ATTACHEMENTS:

Memo to the Commissioners Court dated September 4, 2013

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, agenda@co.travis.tx.us, **by Tuesdays at 5:00 p.m.** for the next week's meeting.



JUSTICE & PUBLIC SAFETY DIVISION

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To: Sam Biscoe, Travis County Judge
Ron Davis, Commissioner, Precinct 1
Bruce Todd, Commissioner, Precinct 2
Gerald Daugherty, Commissioner, Precinct 3
Margaret Gomez, Commissioner, Precinct 4

From: Roger Jefferies, County Executive, Justice and Public Safety 

Date: September 4, 2013 (Updated from memo dated August 27th)

SUBJECT: CONSIDER AND TAKE APPROPRIATE ACTION ON THE PURCHASE OF SOFTWARE FOR THE TECHSHARE COURT PROJECT IN CONNECTION WITH THE PURCHASE OF AMCAD ENTERPRISE SOFTWARE LICENSE UNDER THE CONFERENCE OF URBAN COUNTIES TECHSHARE PROGRAM

Travis County currently participates in the Texas Conference of Urban Counties' (CUC) TechShare program. TechShare allows member counties to collaborate on information technology projects and leverage resources to realize economies of scale and cost savings. Travis County is currently participating in these active TechShare projects:

- TechShare.Prosecutor Development Project;
- TechShare.Court Development Project;
- TechShare Project for Justices of the Peace;

And prospectively:

- TechShare Juvenile Case Management System

In 2012, Travis County entered into an Interlocal Agreement and participated in a planning project that resulted in a contract for the licensing and development of the TechShare.Court software using the AMCAD Court Case Management System and the ROAM business analysis software as the platform for a new criminal court case management system for the County. As part of the project,

Travis County has already secured a standard license for the AMCAD and ROAM software that allows the system to be implemented in any trial court in the County. In addition, Travis County is actively participating with Tarrant and Dallas Counties in defining, designing and developing the extensions of the software that will make it a state-of-the-art system that can be used in any trial court in Texas. The total budget for the TechShare.Court Development Project is \$16,674,180, of which Travis County's share is \$3,275,356.

As part of the contract with AMCAD, Travis, Tarrant and Dallas Counties have the option to purchase the software source code for the new TechShare.Court project and to permit the use of the software in any trial court in Texas through this enhanced ownership. This enhanced ownership will allow Travis County to recover a significant portion of their investment in the TechShare.Court software. Once the three counties have exercised the option to own the source code by expanding their license for the Texas "enterprise," all future license fees paid by any city or county in Texas will return to the three funding counties.

It was originally contemplated that the counties would exercise the option to obtain the source code and enterprise license in FY 2015. AMCAD, the vendor supplying the software, is offering a discount if the counties will consider exercising the option earlier in the project and contract timeline.

The purpose of this briefing is to request Commissioners Court to include in the Fiscal Year 2014 Budget the funds necessary to enhance ownership to include ownership of software source code and the enterprise license which will allow unlimited use of the software in any trial courts in Texas, with future license fees returning to the three participating counties.

Operational Impact

Acquisition of Source Code

With a standard license for a commercially available software product, Travis County does not have access to the source code that is used to develop, enhance and maintain the software product. Travis County can be locked into a maintenance and support contract that limits the ability of the County to "control its future destiny" while the vendor makes decisions about maintenance fees, priorities for enhancements and even costs for future upgrades on the software.

Under the provisions of the optional enterprise license that can be extended to Travis County through the Urban Counties agreement with AMCAD, the County will:

- Obtain ownership of the software source code;
- Obtain ownership of all future updates to the source code made by AMCAD as long as the County participates in the annual maintenance program;
- Have the option to certify Travis County technical staff in the technical programming of the software through a training program offered at no additional cost through the Urban Counties;
- Participate in a carefully constructed collaborative software development process that will ensure that Travis County priorities can be addressed despite AMCAD's software enhancement and maintenance priorities; and
- Secure the option to independently enhance, operate and maintain the software at any future time either through a collaborative venture with the other participating counties or independently as Travis County priorities and needs require.

License for any Trial Court in Texas

Once the optional enterprise license agreement is approved by the participating counties, the TechShare.Court software will be available for use in any trial court in any jurisdiction within the State of Texas. AMCAD will continue to market the software, respond to county procurement requests and sell the software on behalf of the funding counties; Travis, Tarrant and Dallas. License fees will continue to be paid by new cities or counties as they license the TechShare.Court software. All new license fees will return to Travis, Tarrant and Dallas Counties through the Urban Counties as specified in the optional enterprise license agreement.

The optional enterprise license agreement provides Travis, Tarrant and Dallas Counties with the opportunity to recover a major portion of their expenses in the licensing, definition, design and development of the TechShare.Court system.

Schedule for Exercising the Optional Enterprise License Agreement

According to the current contract between the Urban Counties and AMCAD, the option to exercise the enterprise license is available for up to twelve (12) months from the time TechShare.Court software development is complete. TechShare.Court software development is scheduled to be completed in October 2014. The option to obtain the enterprise license extends through County Fiscal Year 2015.

Cost for Exercising the Optional Enterprise License Agreement

According to the current contract between the Urban Counties and AMCAD, the cost for the option to exercise the enterprise license that includes both the court system and the business analysis software is \$6,576,890. The cost is to be shared among the three participating counties based on population. Travis County's share of the enterprise license is expected to cost \$1,291,701.20.

Financial Incentive Offered by AMCAD

AMCAD is a financially healthy, rapidly growing company that is privately owned. Through the agreement with the Urban Counties, AMCAD has willingly shared its audited financial statements with the Urban Counties. Travis, Tarrant and Dallas Counties have access to this information through the project governance committees, the TechShare Oversight Committee and the TechShare.Court Stakeholder Committee.

As a rapidly growing, privately held company, AMCAD is seeking ways to raise capital that do not impact the ownership structure of the firm. In an effort to expand the capital available to support the company's growth, AMCAD is offering the participating counties with an incentive to exercise the option to obtain the enterprise license earlier than described in the Urban Counties Agreement. If the counties will agree to fund the optional Enterprise license in October of 2013, AMCAD will discount the license fee by \$1 million to \$5,576,890, reducing Travis County's share of the fee to \$1,095,301.20 as savings of \$196,900. Tarrant and Dallas Counties will benefit proportionally.

Once the three counties agree to exercise the optional enterprise license, all future license fees collected from cities and counties in Texas will flow through the Urban Counties to Travis, Tarrant and Dallas Counties, in proportion to their payment amounts for the combined enterprise license fee.

Benefits to Travis County

The optional enterprise license agreement offers these benefits to the County:

- Immediate access to and ownership of the software Source Code for the TechShare.Court system for use in Texas;
- Guarantees that Travis County can control its future destiny for the TechShare.Court software by holding and retaining the source code and all updates under a collaborative maintenance program;
- Payback for Travis County's costs in participating in the TechShare.Court Development Project in way of License Fees paid by other cities and counties who want to use either the AMCAD or the TechShare.Court software in trial courts;
- Opportunity to certify Travis County Information Technology staff in the technical programming of the TechShare.Court software; and
- Savings of \$196,400 to the cost of exercising this option.

Next Steps

Including Travis County's share of the optional enterprise license fee in the Fiscal Year 2014 budget is the first step in obtaining the benefits available under the expanded license agreement. Once the counties agree to include the fee in their respective budgets, the Urban Counties can finalize the terms and conditions of the Enterprise license agreement with review and input from the participating counties. Assuming that the Urban Counties and AMCAD are able to offer terms that meet Travis, Tarrant and Dallas Counties' requirements, the Commissioners Courts will be asked to approve the exercise of the optional enterprise license in October 2013.

Fiscal Impact

The proposed amount for the optional Enterprise Software License for the TechShare.Court software based on the AMCAD Court Case Management System and ROAM Business Analysis Software is \$1,095,301.20. All three counties are expected to participate in funding the optional enterprise license, that is, Travis, Tarrant, and Dallas Counties. The cost allocation for early exercise of the option for the enterprise license is shown in the table below.

Cost Allocation – Travis, Tarrant and Dallas Counties Participating

| | | | Contract Amount - Planned for FY 2015 | Discounted Amount: Full Payment October 2013 | Savings |
|--------------------|---------|--|--|---|-----------------|
| Enterprise License | | | \$ 6,576,890.00 | \$ 5,576,890.00 | \$ 1,000,000.00 |
| Dallas | 47.37% | | \$ 3,115,472.79 | \$ 2,641,772.79 | \$ 473,700.00 |
| Tarrant | 32.99% | | \$ 2,169,716.01 | \$ 1,839,816.01 | \$ 329,900.00 |
| Travis | 19.64% | | \$ 1,291,701.20 | \$ 1,095,301.20 | \$ 196,400.00 |
| | 100.00% | | \$ 6,576,890.00 | \$ 5,576,890.00 | \$ 1,000,000.00 |

Potential License Fee Payment to Travis, Tarrant and Dallas Counties in Fiscal Year 2014

AMCAD estimates and the Urban Counties verifies that up to \$2,740,000 in license fee payments could be collected from other cities and counties in Texas who elect to license the TechShare.Court software through AMCAD in Fiscal Year 2014. Counties and cities that are considering AMCAD's software include, but are not limited to:

- Harris County JP Courts
- El Paso Municipal Court
- Corpus Christi Municipal Court
- Webb County, TX
- Jim Wells County, TX
- Kleburg County, TX
- Maverick County, TX

Legal Impact

No legal impact related to this agenda item.

Recommendation

It is recommended that Commissioners Court approve the addition of \$1,095,301.20 to the Fiscal Year 2014 budget in anticipation that the County may elect to approve participation in the optional enterprise license agreement for the TechShare.Court software provided by the Urban Counties and AMCAD in October 2013. Please note that PBO is exploring the possibility of using Certificates of Obligation to fund the purchase of the enhanced ownership described above and other TechShare expenditures.