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**Memorandum**

To: Senator James Roby and Delegate Guy Guzzone

From: Ross Goldstein, Deputy Administrator

Date: April 17, 2013

Subject: Washington Examiner Local Editorial

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On April 16<sup>th</sup> the Washington Examiner printed an editorial entitled *\$350,000 for nine months of work?* As you can see from the attached copy of the editorial, the paper is highly critical of the estimated costs necessary to begin implementing the new voting system project.

The procurement and implementation of a new voting system is deemed a major information technology project due to its cost, critical function, and high profile importance to the State of Maryland. As a major technology project, it is subject to the oversight and requirements of the Department of Information Technology (DoIT). The proposed project needs and related proposed budget have been fully reviewed by DoIT and the Department of Budget and Management (DBM) as part of their normal oversight role. Further, DBM Secretary Eloise Foster, in a letter to a constituent on this same issue, reviewed the proposed budget found it both reasonable for State consulting contracts and necessary to complete State mandated project management requirements necessary for a major information technology project (see attached letter). The cost to procure a new voting system will be over \$30 million for just the equipment. When the State is making such a significant investment in an information technology system, spending a fraction of that amount on analysis and planning to ensure the success of the project is certainly reasonable and prudent.

The editorial contains a number of inaccurate statements that I would like clarify.

1. *\$350,000 for nine months of work.* The amount stated is an estimate for 12 months of work, not 9 months.
2. *Proposed salaries* – The estimates are for services – not salaries. The services are provided by a company, which pays the salary of the employee providing the service. The employee will not be making the amount the company charges for the service.
3. *Linda Lamone ... has recommended paying the yet-to-be hired senior project manager \$350,000...* Ms. Lamone has made no such recommendation. The amount stated is an estimate – not a recommendation. The estimate is based on the State's master contract for consulting and technical services.<sup>1</sup> Under the master contract vendors are required to state how much they will charge for various services. For example, the vendors will provide a rate for senior project managers. SBE used an average from different vendors

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<sup>1</sup> The Consulting and Technical Services (CATS) master contract is established by DoIT to "enable State Government to procure IT consulting and technical services in a timely and economical manner." See <http://doit.maryland.gov/contracts/Pages/CATSIIhome.aspx>

under the master contract to come up with our estimates for each of the needed labor categories. Accordingly, SBE's estimate for consulting services is fully consistent with what other agencies pay for similar needed services.

4. *[Drafting the RFP is] a major component of the contract* – While the development and drafting of the RFP for the new voting system is a component of the implementation phase of the project, it is inaccurate to say that it is a major component of the contract. First, the contract for the implementation services has not been completed or issued for bids, so the author is simply making an unsupported assumption. Second, the vast majority of the implementation phase involves other project management requirements (see attachment).
5. *[Linda Lamone] overestimated the cost of moving from touchscreen to optical scan machines in a 2009 presentation before the Board of Public Works* – SBE did not present a contract to BPW for a new voting system in 2009. Instead, SBE presented a new contract for voting system support services (transportation of the equipment and staffing). While RFPs had been issued for the new voting system, they never reached BPW because of changes in State law which necessitated re-issuing the RFP or due to lack of funding.
6. *Department of Legislative Services concluded that Maryland would actually save \$9.5 million over eight years [by switching to optical scan]* – First, the referenced report that was commissioned by the Department of Legislative Services generally verified and supported SBE's cost estimates for voting equipment, peripheral supplies, and services. The \$9.5 million savings was a result of comparing the cost of procuring an optical scan system with the cost of replacing the touchscreen system with new touchscreen units. SBE has not and never intended to purchase all new touchscreen units. Instead, through careful maintenance, SBE has continued to utilize the current system without requiring an investment in new technology.
7. *20 of Maryland's 24 jurisdictions failed to provide at least one touchscreen machine for every 200 registered voters* – This incorrect statement is based on the Department of Legislative Services' analysis of SBE's budget, which noted that, "in regards to deployment of equipment ... for the general election, only 4 counties met the requirement, which may be attributed to an increase of 516,760 registered voters."<sup>2</sup>

The DLS analysis is incorrect. The analyst was informed accordingly and agreed that the statement was based on an incorrect assumption. The error is a result of the analyst taking the total number of voting units used in each county and dividing that by the registered voters in that county. However, in order to determine whether the allocation was done correctly, it is necessary to analyze each precinct. When that is done, it shows that all but seven precincts had the correct allocation of voting units (99.7% of precincts statewide had the correct allocation).

I hope this information is helpful. Please let me know if I can provide additional information on the voting system implementation and associated costs.

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<sup>2</sup> See page 3 of <http://mgaleg.maryland.gov/pubs/budgetfiscal/2014fy-budget-docs-operating-D38I01-State-Board-of-Elections.pdf>. It should be noted that on page 6 of the analysis, the after discussions with SBE, the analyst included the following: "According to SBE, for the general election, almost all precincts met this requirement."