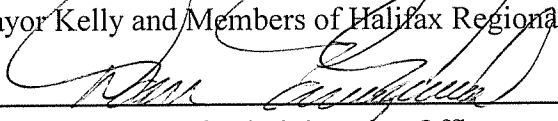
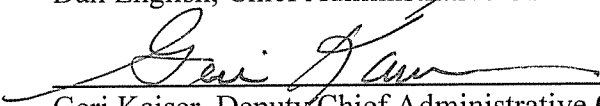


TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dan English, Chief Administrative Officer


Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services and Strategy

DATE: January 4, 2008

SUBJECT: **Award - RFP No. 07-138 - Integrated Telephone & Internet Advanced Voting**

ORIGIN

After a presentation and discussion at Committee of the Whole January 9, 2007 the following motion was approved by Council:

MOVED by Councillor Fougere, seconded by Councillor Karsten that Regional Council approve the internet/phone voting option in addition to the present voting system for advanced voting and maintain the status quo for election day for the 2008 Municipal and School Board election. MOTION PUT AND PASSED.

RECOMMENDATIONS

It is recommended that:

1. Halifax Regional Council award **RFP No. 07-138, Integrated Telephone & Internet Advanced Voting** to Intelivote Systems Incorporated, the highest scoring proponent, for a Total Price of \$487,151.00 (net HST included) with funding from the 2008 Election Reserve Account No. Q313 as outlined in the Budget Implications section of this report. The cost is inclusive of the Proof of Concept valued at \$21,721.00 (net HST included).
2. Halifax Regional Municipality enter into a 36 month agreement with Intelivote Systems Incorporated for additional e-voting opportunities at a cost of \$2.00 (plus net HST) per eligible voter, contingent upon the successful delivery of the 2008 e-voting advanced poll. The utilization of any additional e-voting opportunities would be at HRM's sole discretion and funding availability.

RECOMMENDATIONS CONTINUED ON PAGE 2

3. This award be conditional on all of the necessary protocol, By-laws, and legislation be in place by May 15, 2008, to the satisfaction of staff, to enable successful implementation and provide value for money.
4. Subject to the above recommendations, authorize the Mayor and Municipal Clerk to execute a contract with Intelivote to that effect.

BACKGROUND

During 2006/ 2007 Council and staff undertook a significant review of the complementary voting options available to HRM for the 2008 municipal election.

By way of a motion approved January 9, 2007 Council directed staff to move forward with a Request for Proposals for the provision of advanced internet and phone voting, as well as the increase to the elections reserve required to support the implementation of additional e-voting options.

As a result of award of the RFP it is the intention of HRM that voters in all areas of HRM would be able to choose to vote from their home, place of work, or any location with internet and/or phone access at a time convenient to the voter during the entire designated advanced voting period. The results of the advanced electronic voting will be opened and reported at the close of polls on election day October 18, 2008, as is the case with all advanced poll results. Consistent with the usual election process, the voters list, including the crossed out names of voters who have voted at all advanced polls (including electronically), will be available to candidates.

There is currently an outstanding legal opinion regarding what has been enabled by the Province in regard to electronic voting in municipal elections. It is the intention of HRM to work closely with the Province to seek amendments to the Municipal Elections Act, if required, that ensure that electronic, mail or other forms of voting can be made available up to 24 hours per day, at a minimum, for the entire period of advanced polls for such time as set out by Council in a municipal bylaw.

As per Council's direction, the intention for the 2008 municipal and school board elections is to continue with the status quo, including the number of in-person polling locations, for election day 2008.

RFP No. 07-138 was advanced to determine a final price and preferred vendor to deliver the advanced internet/phone voting option as approved by Council. RFP No. 07-138 closed in August 2007. An integrated staff committee representing data, technical solutions, elections/municipal clerks, procurement, audit, and legal services evaluated the proposals based on the criteria listed in Appendix "A".

DISCUSSION

During the discussions regarding the implementation of advanced internet/phone voting for the 2008 Municipal and School Board elections, members of Council raised a number of items they wished staff to evaluate and address during vendor selection. These items included:

- that the overall integrity of the system and election is critical
- to investigate the best methods to ensure voters are on the election list
- ensuring the issuance of PIN numbers for the electronic voting followed best practice
- ensuring the integrity of one vote per person and no abuse of electronic voting
- ensuring the voters who choose phone/interactive voice recording (IVR) voting get through to the system

In order to satisfy these and any other concerns about the ability of the vendor to successfully deliver an advanced internet/phone voting option, and to ensure that the system would pass the most rigorous of tests regarding the integrity of the voting process, staff have undertaken a rigorous procurement and evaluation process of the proposed internet/phone voting systems.

The process included:

- Preparation of detailed business and technical requirements required to be met by the proponent in order to satisfy HRM's requirements
- Requests for Proposals only from pre-approved vendors who had delivered electronic voting options in a Canadian election environment
- Evaluation by a multi-disciplinary evaluation team (technical, election, finance, audit, and legal)
- Reference checking of the delivery of the voting option in an election environment
- Presentation by and negotiation with the preferred vendor.

HRM entered into negotiations with Intelivote as the preferred vendor. In light of those negotiations Intelivote provided HRM with a partnership discount of \$171,000 to implement the initial pilot electronic voting for the 2008 municipal & school board elections. The three year partnership agreement, as outlined in recommendation 3 would, at the sole discretion of HRM, enable the use of Intelivote's voting solution for other activities such as determining community support for Local Improvement Charges (LICs).

The three year price agreement at \$2.00 per eligible voter reflects best pricing from the results of RFP No 07-138 and is consistent with pricing provided by vendors in the original Expression of Interest for Complementary Voting Options (EOI No. 05-418).

and,

- Finally, a detailed "proof of concept" delivered by the preferred vendor using real HRM election data tested in a live environment that meets all election criteria. The specific requirements of the Proof of Concept are provided as Appendix B.

Four(4) proponents were short listed from the original Expression of Interest (EOI No. 05-418) to provide proposals for an internet/phone advanced voting solution for the 2008 Municipal and School Board Elections: Dominion Voting, Election Systems & Software (ES&S), Diebold Elections Systems and Intelivote Systems Incorporated.

Proposals were received from the following two firms:

Intelivote Systems Incorporated
Election Systems & Software (ES&S)

The final scoring for all proponents is as follows:

Company	Scoring (max. 100)
Intelivote Systems Incorporated	90*
Election Systems & Software (ES&S)	76

*Intelivote Systems Incorporated is the recommended vendor and have demonstrated that:

- a) they have successfully used their system to conduct elections in both Canada and Great Britain;
- b) they have a thorough understanding and compliance with the requirements for conducting a successful municipal election in Nova Scotia in 2008;
- c) they have demonstrated full compliance with all technical and business requirements outlined in RFP No. 07-138; and
- d) they have conducted a successful Proof of Concept using real HRM elections data in a live test environment.

BUDGET IMPLICATIONS

Budget Summary:	<u>Q313 Election Reserve</u>	
	Balance at December 31, 2007	\$1,161,345
	Less: RFP No. 07-138	<u>\$ 487,151</u>
	Balance	\$ 674,194

The budget availability has been confirmed by Financial Services.

This project was estimated at \$ 415,000 (net HST included).

The remaining funds from this account are required to complete the 2008 Municipal Election.

HRM intends to approach the province in order to determine if the electronic voting initiative for the 2008 election is eligible for funding through *Democracy 250*.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Not to proceed with advanced Internet/Phone voting for the 2008 Municipal and School Board elections and retain only the traditional polling location and methods for both advanced and election day voting. Not proceeding would require Intelivote be reimbursed for the cost of the Proof of Concept phase of this project.

ATTACHMENTS


Appendix A - Proposal Evaluation Criteria

Appendix B - Detailed outline of the Proof of Concept

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Cathy J. Mellett, Division Manager, BPIM Client Services 490-6456

Report Approved by:



For Brad Anguish, Director, Business Planning & Information Mgt., 490-4769

Financial Approval by:



Catherine Sanderson, Senior Manager, Financial Services, 490-1562

APPENDIX "A"
Request for Proposals RFP # 07-138
INTEGRATED TELEPHONE & INTERNET ADVANCED VOTING
Proposal Evaluation Criteria

ITEM	MAX SCORE	Proponent	
		Intelivote	DS&S
1. Vendor Capability: a. Experience & Resources b. Customer Support c. Financial Stability d. References	25	18	16
2. Functional/Business Requirements: a. Requirement met as per Appendix C b. Added Functionality and Benefits	30	28	25
3. Technical requirements: a. Requirements met as per Appendix D	20	20	15
4. Implementation Approach: a. Project Plan b. Implementation Plan	10	9	8
5. Cost: a. Delivery of Services b. Proof of Concept	15	15 \$487,151.00(net HST inc.)	12 \$624,294.00(net HST inc.)
TOTAL	100	90	76
	RANKING	1	2

Appendix "B"



BPIM, Client Services
Cathy J. Mellett, *Division Manager*

Dean Smith
President & Founder
Intelivote Systems Inc
201 Brownlow Ave Suite 25
Dartmouth NS B3B 1W2

December 3, 2007

Re: Finalized Proof of Concept

Dear Mr. Smith;

Thanks to you and your team for meeting with us to review our joint understanding of the scope and requirements for the proof of concept.

Intent of Proof of Concept

The intent of the proof of concept is for Intelivote to walk the evaluation team, and HRM extended team through an actual test demonstration of the elections process to verify that Intelivote electronic voting offering meets all the business and technical requirements outlined in the RFP.

The POC will be conducted using data provided by HRM and in a live test environment provided by Intelivote Systems Inc.

Included in the Proof of Concept:

Voters list transfer & pin generation & distribution Week of December 3rd.

- Transfer of sample voters list in the data format used by HRM to Intelivote. That list must be held in confidence at all times.
- Intelivote will manipulate the data to ensure no actual voter is identifiable.
- The sample voters list will be loaded into the Intelivote system, PINs generated, sample

voter letter that meets elections criteria.

Election Configuration /Event Set up Week of December 10th through December 16th.

- The voter data will be broken into voters for a contest in two (2) districts with three (3) candidates per district, as well as a race for Mayor (at large) and one (1) combined school board representative as well as the appropriate opportunity to opt into electing African Nova Scotian or CSAP school board representative.
- Ballots (web & IVR) will be prepared

Test Election Day held Week of December 17th (targeted for Wednesday Dec 19th)

- Conduct an actual test voting session:
Actual voting sessions will be carried out by HRM staff from the sample list using test scenarios provided by Intelivote (both web and IVR) including:
Walking through the voting process PIN and DB authentication, presentation of races, confirmation of votes cast, spoiled ballot sample.
Voting will include Councillors (based on district identified for voter), Mayor (at large) and applicable school board selection
Interrupted voting where a voter starts on one channel and finishes with the other.
- Review and Demonstration of Administrative Module will be set up on HRM site at a PC behind the HRM fire wall to review with the evaluation committee the pre-processing functions such as lost pins protocol, cancellation and issuing of new pins, adding voters to the list and other business requirements specified in the RFP including the security related to the administration module.
- Walk through of the various administrative modules and the training approach
- Closing Election, audit reports, security and audit- the election will be closed, applicable reports run and HRM representative walked through the audit trail and record provided by the Intelivote system.

Voters List Strike out Transfer to HRM and Printing Same Day as Event

- At the closing of the election a revised voters list indicating those voters that have voted (from the sample list) will be transferred back to HRM electronically and a voters list generated with those electors who voted in the test struck through.

Visit to Aliant Data Centre Date TBD between Intelivote & HRM but prior to December 19,

2007

- To review data centre security

Your team indicated you would take the information from our meeting and prepare the more detailed task list and schedule for the Proof of Concept.

HRM understands that there is a very detailed process that will be followed if the contract is awarded in regard to ballot set up, screens, scripts, instructions , the actual voter letter, format of the ballot and many other details related to producing a final electronic (web & IVR) ballot and voters information kit . Those details will not be finalized for the POC. The intent is to ensure the evaluation committee that the system has the capability of addressing those requirements not to finalize the requirements at this time.

Dates are target dates and can be revised in agreement between HRM and Intelivote.

The definition of a successful Proof of Concept will be that, at the sole discretion of HRM, the proof of concept verifies that Intelivote electronic voting offering fully meets the business and technical requirements outlined in Request for Proposal # 07-138 - Integrated Telephone & Internet Advanced Voting.

I trust this provides the detail necessary to move forward.

Sincerely

Cathy J. Mellett
Division Manager, BPIM Client Services

cc. Dale Carman, Sr. Procurement Consultant
Linda Grant, Municipal Clerk Office
Evaluation Team

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