



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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EXECUTIVE DIRECTOR

Date: April 12, 2013  
To: Members, Ethics Commission  
From: John St. Croix, Executive Director  
By: Steven Massey, Information Technology Officer  
Re: Contracting for the Electronic Filing System

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The Commission is nearing the end of a three-year contract with Netfile to provide an electronic filing system for campaign finance, lobbyist, campaign consultant and conflict of interest regulation. This is the second three-year contract the Commission has signed with Netfile. To contract out for professional services, the Commission, as it has done with prior contracts, must seek approval from the Civil Service Commission (CSC). When reviewing a request to contract out for professional services, the CSC takes into consideration whether the Commission has formally determined that contracting out is the most effective way to provide the electronic filing system. Staff is presenting this matter to the Commission for its consideration at this time in order to account for the time it takes for a contract to be approved by all parties in the City. **Staff recommends that the Commission endorse the proposal that contracting out is the most effective way to provide the electronic filing system.**

### Background

From 1999 through 2007, the Department of Technology (DT) provided an electronic filing system, called the On-line Filing System (OLFS), for campaign committees to file the Fair Political Practices Commission (FPPC) Form 460 with the Commission. The system was costly to maintain because it was only used by San Francisco filers. At the February 12, 2007 meeting, a representative from the DT informed the Commission that the DT would terminate support for the OLFS because the DT could no longer provide support for its software architecture and that building a new system to replace the OLFS would be a prohibitive financial investment.

At the April 9, 2007 meeting, the Commission endorsed staff's recommendation to contract out for an electronic filing service. On August 20, 2007, the Commission received approval from the CSC to contract out for electronic filing services. On October 31, 2007, the Commission entered into a contractual agreement with Netfile to provide the Commission with an electronic filing system and develop additional services and capabilities.

Netfile delivered on an ambitious deployment schedule to replace the Commission's previous On-Line Filing System (OLFS). Netfile also invested a significant number of hours and resources at no additional cost to the Commission to meet requests and needs as they arose from staff, filers, and members of the public. The Commission has also invested significant time into building an electronic filing infrastructure with Netfile's system. By sharing an electronic filing system with other cities and counties in California, the Commission reduced the cost of developing new functionality and maintaining the system software and servers.

At the December 14, 2009 meeting, the Commission endorsed staff's recommendation to renew the Netfile contract for an additional three-year term. On September 30, 2010, the Commission entered into a new contractual agreement with Netfile to provide existing electronic filing services in addition to new features to be built out over the three-year term.

Netfile continued to deliver on projects for the Commission and accommodated requests from staff to develop new features as needs changed during the course of the contract term. This included building an application programming interface (API) for the public to programmatically access the Commission's databases, a new campaign finance filing application to accommodate new functionality such as electronic signatures developed in response to Assembly Bill 2452 and other requests from filers. Netfile retains a team of experienced programmers with in-depth knowledge of campaign finance filing requirements and the Secretary of State's electronic filing format that has been critical to developing these new features.

Netfile is still the only vendor in California that offers a complete electronic filing system solution for agencies that is capable of meeting and that does meet the Commission's needs. For these reason, staff recommends that the Commission find that contracting out is the most effective way of providing an electronic filing system. The remainder of this memo provides an update on the Netfile contract and its implementation to date. Staff will be pleased to respond to any questions that Commissioners may have at the April 22, 2013 meeting.

### **Contract Update**

During the first two years of current contract, the Commission staff worked with Netfile to make substantial improvements in electronic filing system services. Significant accomplishments include:

- Implemented electronic filing of monthly lobbyist reports and built a web site to access the data;
- Built a new system for lobbyists to register on-line;
- Constructed an application programming interface (API) for the public to directly access the lobbyist data from software application and websites outside the City;
- Added new campaign finance forms in electronic format including FPPC Form 450 and 470;
- Integrated the campaign finance database and lobbyist database with the City's [data.sfgov.org](http://data.sfgov.org) web site, which provides the public with tools to view, sort, and filter data,

download data in a variety of formats, build charts and graphs, and access the data from an API;

- Began development of a public financing component for the campaign finance filing application to be implemented in January 2014 for the November 4, 2014 election. The component will provide a method for campaigns to enter contributions once only, and report them on both public financing forms and FPPC disclosure forms;
- Developed an electronic signature process to implement Assembly Bill 2452;
- Created a new campaign finance filing application that added the following features often requested by users of the system:
  - Single sign-on for treasurers with multiple committees;
  - Streamlined data entry and faster data access, particularly for Form 460 Schedules D and G;
  - Ability to edit previously entered bills, payments, and loans;
  - Advanced transaction filtering;
  - Ability to change cover-page information;
  - Ability to add document notes to be attached to a statement;
  - Page help for every form;
  - Ability to add committee officers and assign signatory permissions; and
  - Easier statement amendment process.
- Added a new fines tracking and revenues reporting component to the Commission's administrative system; and
- Added single sign-on for SEI electronic filers with multiple positions.

**Decision Point**

Shall the Commission find that contracting out is the most effective way of providing an electronic filing system that meets the needs of the Ethics Commission, its filers and members of the public?