



STAFF REPORT

DATE: August 20, 2019

TO: Ronald L. Olson, City Manager

FROM: Kathryn Davis, City Attorney

SUBJECT: Procurement of Election Equipment

BACKGROUND AND FINDINGS:

In 2011, the Legislature passed SB 100, which provided that the County is only required to provide election support to cities, including equipment, in odd-numbered years. Because of this change, the City must make other arrangements for equipment when elections occur in even-numbered years.

Every even-numbered year, the city has been leasing election equipment from Election Systems and Software (ES&S). This is the same company that Bell County purchased its election equipment from and is the only one that uses paper ballot options. City staff believes that it is best to use the same equipment that Bell County uses as to not confuse the voters with different machines or technology. In 2018, city staff was notified that due to aging election equipment, ES&S could not guarantee that equipment would be available to lease and that the cost to lease equipment would increase significantly in future years.

City staff obtained a quote from ES&S to lease election equipment for the 2020 general election. The total amount of the quote to rent the equipment in 2020 came in at \$56,685.85 as compared to the total cost to rent election equipment in 2018 which totaled \$37,695.

Upon receiving the 2020 rental quote from ES&S and seeing the increase in rental costs, staff requested a quote to purchase election equipment, which is the direction that other cities the size of Killeen are moving towards. ES&S provided a quote in the amount of \$173,584.85 to purchase election equipment. Other options include lease to purchase with annual payments of \$58,432.56 over a 3-year term with 0.99% interest for a total purchase of \$175,297.68; a 4-year term with annual payments of \$45,332.41 with 2.99% interest for a total purchase of \$181,329.64; or, a 5-year term with annual payments of \$37,485.25 with 3.99% interest for a total purchase of \$187,426.25. The lease to purchase payment option that is closest to the amount that the city paid for rental costs in 2018 is the 5-year option, in which \$37,485.25 would be paid annually for five years with an annual post warranty license and maintenance/support fee totaling \$6,435.00 starting in the second year of the five year term.

THE ALTERNATIVES CONSIDERED:

Alternatives considered included: paying the higher rental cost and not having the guarantee that ES&S would have enough election equipment to fulfill the supply of election equipment needed for all of the polling locations for the 2020 general election; eliminate the use of election equipment in even-numbered years which would result in having to manually count all of the ballots, including KISD's and CTC's ballots (historically, even-number years have resulted in a higher number of ballots cast); or, procure election equipment from ES&S through the Texas Buyboard.

Which alternative is recommended? Why?

Procuring the election equipment using the lease to purchase payment over a five-year term from ES&S through the Texas Buyboard (Contract 542-17) is the recommended alternative because it guarantees that the city will have election equipment for the upcoming 2020 and future elections.

CONFORMITY TO CITY POLICY:

ES&S is a member of the Texas Buyboard purchasing cooperative. Purchases made through a cooperative satisfy the competitive bid requirements at both the state and local level.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The amount of the expenditure in FY2019 is \$37,485.25 plus beginning in the second year an amount of \$6,435.00 for annual post-warranty license and maintenance and support fees will be invoiced.

Is this a one-time or recurring expenditure?

This is a recurring expenditure for five years with the annual post-warranty license and maintenance and support fees continuing for the life of the equipment.

Is this expenditure budgeted?

Yes, funds are available in the City Secretary Election Expense account, 010-1010-416.50-45, for election equipment.

If not, where will the money come from?

n/a

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, funds are available in the City Secretary Election Expense account, 010-1010-416.50-45.

RECOMMENDATION:

City staff recommends that city council authorize the city manager, or designee, to execute a contract to procure election equipment with ES&S through the Texas Buyboard and that the

City Manager, or designee, be authorized to execute any change orders as permitted by state and local law.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Quote
Certificate of Interested Parties