

# INFORMATION SERVICES

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**Information Services Committee**  
***Implementation of New Computer System***  
***For The El Dorado County Superior Court***

**Reason for the Report**

During the investigation of an unrelated complaint by a resident of El Dorado County ("County"), information was developed that indicated the County was losing large amounts of revenue and incurring significantly increased costs due to problems with a new computer system installed for the El Dorado County Consolidated Superior and Municipal Courts ("Court") by ISD Corporation ("ISD"). While the Grand Jury recognizes that it has no authority to investigate the Court per se, because the Court is not a County agency, the problems associated with the installation and function of the ISD computer system were inextricably intertwined with the financial and personnel interests of the County. Accordingly, this investigation was conducted for the purpose and with the intention of assisting in the protection of the County's interests and to publish any "lessons learned" that might be applied to future computer system installations undertaken by the County.

The courts of the State of California, including the Court, have been undergoing reorganization during the time period covered by this investigation. Several changes occurring during the course of that reorganization have had a direct effect on the relationship between the Court and the County, including the fiscal impact of the Court's operations on the County's budget. The Court has changed from a County entity to a State entity. Personnel working for the Court were employees of the County until January 1, 2001. Budget shortfalls and/or expenses incurred by the Court in excess of its revenues were the responsibility of the County and were paid from County general funds.

The Grand Jury recognizes its charge as delineated in California Penal Code Section 925: "The Grand Jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county...." The Grand Jury is also aware of an Opinion of the Attorney General of the State of California, No. 92-1204, which states that a County Grand Jury does not have the authority to investigate and report on the fiscal and administrative operations of the Executive Officer of a superior court.

**Scope of the Investigation**

The Information Services Committee of the 2000/2001 Grand Jury:

- Reviewed County procedures relative to the purchase of computer hardware and software;
- Reviewed the Contract between the Court and ISD;

- Reviewed the Request for Proposal ("RFP"), ISD's Response thereto, and other relevant documents associated with the installation, development and troubleshooting of ISD computer systems; and

Interviewed witnesses, including:

- The Director of the County's Information Services Department;
- County employees whose employment required them to use the ISD system;
- Other customers of various ISD systems;
- The Court's Executive Officer;
- Representatives of the California Department of Motor Vehicles ("DMV"); and
- The President of ISD.

### **Findings**

- F1. As a result of impending Y2K problems associated with a previous case management computer system, which the Court was using in 1998, the Court decided to replace that existing system rather than to bring it into Y2K compliance.
- F2. The selection process used to identify and select a vendor for a new system appears to have been reasonable, and the selection of ISD was not illogical given the choices available.
- F3. Of all the systems available for lease/purchase from ISD, the particular system sold to the Court was an undeveloped system for an NT platform that had not been proven fully functional anywhere.
- F4. The Court made no provision for the use of a backup system while the new system was being implemented, in spite of the fact that the new system was unproven and had not been implemented by any other court.
- F5. The proposed ISD Contract was not submitted by the Court to any County or other expert in the appropriate technical fields for review and recommendations, either during the negotiation of, or prior to the actual signing of, the contract. This situation proved to be advantageous for ISD.
- F6. The ISD Contract was signed in September 1998, with a projected rollout date of June 1999, indicating that the system would be installed and fully functional before the advent of Y2K, January 1, 2000.
- F7. The ISD Contract was prepared by ISD. Many of the commitments set forth by ISD in its response to the RFP are not reflected in the Contract. For example:
- There is no definition of the Integrated Case Management System (ICMS) modules referred to in the contract;

- There is no indication in the contract that the Graphical User Interface (GUI) version of the ICMS is not ready for release, nor is there any provision to substitute a working version of ICMS in the event that the GUI version is not ready in a timeframe that meets the Court's requirements;
  - There is no mention of ISD's responsibility to provide a fully described data base definition to enable the Court to use third party report generation software;
  - There is no time limit defined for the resolution of problem calls.
- F8. The ISD Contract lacked adequate product specifications to protect the Court's and the County's interests. This proved advantageous for ISD.
- F9. There were no product delivery deadline dates in the ISD Contract to protect the Court's and the County's interests. This also proved advantageous for ISD.
- F10. ISD agreed, in the contract, to establish a real time DMV link as part of the new case management system. ISD has failed to provide that, or any other, operational link.
- F11. Effective November 2000, ISD effectively ceased work on the establishment of the DMV link. Although the establishment of such a link had been an integral part of the obligations of ISD to the Court under the original Contract, for which ISD had already been paid, ISD advised the Court that ISD would only work on a new pay-per-hour fee basis. This action by ISD was inconsistent with the terms of its Contract reviewed by the Grand Jury.
- F12. At the start of the implementation process under the ISD Contract, the Court's program management personnel, who were County employees at the time, lacked adequate technical experience or expertise to adequately monitor such implementation. Knowledge of both technical and functional requirements of computer systems on the part of a purchaser/lessee is required in order to assure adequate monitoring of vendor/lessor performance, of both product and services, with regard to such systems.
- F13. The training provided by ISD was not sufficient to provide County employees with the necessary skills required to properly operate the system.
- F14. As of June 20, 2001, the ISD Case Management System is still not fully functional.
- F15. Problems with the ISD system resulted in backups of as much as five months of accounting during 2000. These backlogs resulted in late payments of funds to the State of California. The consequence of these late payments was the assessment of fines and/or penalties against the County by the State.
- F16. In addition to these fines and/or penalties, the problems and failures of the ISD system resulted in:
- A permanent loss of some revenues to the County;

- Delays in obtaining other revenues;
- Added personnel costs;
- Ultimately the loss of some employees out of frustration with the system; and
- Other unquantifiable losses.

### **Recommendations**

- R1. Future contracts should undergo complete legal, technical, and functional review by qualified consultants or County representatives prior to the completion of negotiations and the signing of such contracts.
- R2. Any program management team for future computer or other technical installations should include persons having the necessary technical skills and expertise to insure that the acquisition and installation of new computer or other technical systems actually meets the County's needs and requirements.
- R3. The implementation of new computer or other technical systems intended to perform vital functions should include provision for a backup system or systems until the new implementation proves to be fully functional.
- R4. The County should insure, by contract, that there shall be adequate training of employees to enable them to use the full potential of newly acquired and installed systems. The County should also monitor contract compliance to insure that these training requirements are met.
- R5. Program Managers for systems implementation should be fully aware of contract penalty clauses and should make aggressive use of them to insure that the interests of the County are protected in the event of vendor/lessor nonperformance.

### **Responses Required for Findings**

The Grand Jury recognizes that neither the Court nor the principals of ISD Corporation are under any obligation to respond to this Report. The Grand Jury also recognizes that the County was not a party to the Contract, and that therefore the County should not be required to respond to the Findings contained in this Report.

### **Responses Required for Recommendations**

The Grand Jury does believe, however, that the Recommendations contained in this Report are important to the future operations of the County, and that the County's Board of Supervisors should insure that procedures are in place, and are followed, to implement the Recommendations of this Report in connection with any future purchases and/or installations of new computer or software systems made by the County.

R1 through R5:

El Dorado County Board of Supervisors