

State of Hawaii Voting Equipment Request for Proposal  
RFP-06-047-SW

COST OR PRICE ANALYSIS

by

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I. INTRODUCTION.

This presents the cost or price analysis of Procurement Officer Kevin Cronin, chief election officer, (PO), to the proposal of Hart InterCivic, Inc., (HART), responding to the state of Hawaii Voting Equipment Request for Proposal, RFP-06-047-SW, (RFP), arising from a certain order in the pending appeal by Election Systems & Software, (ESS), to perform such analysis pursuant to the terms of a certain Agreement entered into by the parties and HART. The cost or price analysis of voting equipment system for the state of Hawaii, the underlying subject of the appeal, is necessarily broader than a narrow focus only on costs and prices. Such focus completely ignores serious consideration of such a system's purpose and impact on the state's voters which must be reasonably taken into account.

Not less important than the physical equipment itself is the voting system's ability serve voters in an election. The system must function reasonably to enable and facilitate hundreds of thousands of people to exercise their statutory and constitutional right to vote, perhaps a citizen's most fundamental obligation in a democracy, in secrecy and independence, secure in the knowledge their vote will be accurately counted within the requirements of Hawaii as spelled out in the RFP, state law, and the federal Americans with Disabilities and Help America Vote Acts, among other requirements. Thus cost or

price for voting equipment includes the broader values of enabling the right to vote under complex rules and regulations and expectations.

## II. BACKGROUND.

The state of Hawaii issued a request for proposal for a new voting equipment system during the fall 2007. On September 4, 2007, the Office of Elections (OE) announced RFP-06-047-SW (RFP) for competitive sealed proposals under Haw. Rev. Stat. § 103D-303 to contract for a lease for a voting and vote counting system and a full service program for the elections to be conducted for 2008 through 2016 election years and an option, if exercised, through 2018.<sup>1</sup> The RFP's primary purpose was to obtain a comprehensive voting system that would permit the chief election officer to adopt or abandon for the state an authorized voting system to secure a voter's secrecy, provides for voting for all candidates, and correctly registers or records and accurately counts all votes cast. Haw. Rev. Stat. §16-1 and 2. The new voting system would include components to satisfy requirements to provide a paper ballot component for the mail-in absentee ballots under Haw. Rev. Stat. Chap. 15; to include a direct recording electronic device (DRE) under the ADA; and to provide a central ballot counting system.

Three election equipment vendors responded to the RFP with proposals. On October 11, 2007, Election Systems & Software (ESS), Hart Intercivic (Hart), and Premier Election Systems (Premier) filed their proposals. On November 14, 15, and 16,

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<sup>1</sup> The full service program includes, but is not limited to, training of state election administration personnel, volunteers, and poll workers in the use of voting and counting equipment and software, in the storage of all equipment, in the broadcast of public service announcements, and in the best use of office space.

2007, the three vendors provided to the duly appointed Evaluation Committee<sup>2</sup> in Honolulu live demonstrations of their proposed voting equipment systems. On November 28, 2007, ESS, Hart and Premier delivered to the OE each vendor's best and final offers (BAFO). By December 14, 2007, the vendors had also submitted answers to the OE's follow-up questions.

ESS's proposal offered one option. It included:

1) M100 optical scan (paper ballot component), iVotronic and AutoMark (DRE/ADA components), and M650 (central counter) for approximately \$15.22 million for the contract term of 10 years and an additional \$2.9 million for the option year, if exercised.<sup>3</sup>

Hart's proposal offered three different options. They included:

1) the eScan (paper ballot), the eSlate (ADA component, also known as the DRE), and the central counter for approximately \$43.4 million for the contract term of 10 years and an additional approximately \$9.4 million for the option year, if exercised;

2) an all DRE voting system plus the central counter for approximately \$53.3 million for the contract term of 10 years and an additional approximately \$10.8 million for the option year, if exercised;

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<sup>2</sup> The Evaluation Committee members were Rex Quidilla, interim chief election officer; Denise DeCosta, city and county of Honolulu clerk; Roy Higa, county clerk of Maui County; Casey Jarman, county clerk of Hawaii; and Peter Nakamura, county clerk of Kauai; and Judy Paik and Anthony Akamine, representatives of the disability community.

<sup>3</sup> See ESS, "Proposal for a New Leased Voting Equipment System," October 11, 2007 (cited hereafter as ESS Proposal). Relevant portions relating to system options, unit pricing, pricing, and payment are attached as Appendix 1.

3) an all DRE system, used in conjunction with one or more vendor's paper ballot and central counter components for approximately \$29.7 million for the contract term of 10 years and an additional approximately \$8.4 million for the option year, if exercised.<sup>4</sup>

Hart's options 2) and 3) were not selected and therefore are not considered here.

Premier, the third competing vendor, offered three options. They included:

1) a DRE (ADA component) and a central counting system for approximately \$30.8 million for the contract term of 10 years and an additional approximately \$4.9 million for the option year, if exercised;

2) a paper ballot, a DRE and a central counting system for approximately \$34 million for the contract term of 10 years and an additional approximately \$6.4 million for the option year, if exercised;

3) a paper ballot, an alternative DRE, and a central counting system for approximately \$35.3 million for the contract term of 10 years and an additional approximately \$6.5 million for the option year, if exercised.<sup>5</sup>

On January 30, 2008, Hart was issued the notice of award. ESS and Premier were informed their proposal was not selected. ESS protested the award to Hart, when the protest was denied, ESS appealed. Premier did not protest the award decision.

The Procurement Officer Kevin Cronin (PO), chief election officer, carefully considered each vendor's initial proposal including unit pricing, BAFO, responses to the

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<sup>4</sup> See Hart, "A New Leased Voting Equipment System," October 11, 2007 (cited hereafter as Hart Proposal). Relevant portions related to system options, unit pricing, pricing, and payment are attached as Appendix 2. Note: Hart's Option 3) would require the state to obtain a paper ballot system for mail-in absentee ballots from another vendor.

<sup>5</sup> See Premier, "New Leased Voting Equipment System," October 11, 2007 (cited hereafter as Premier Proposal). Relevant portions related to system options, unit pricing, pricing, and payment are attached as Appendix 3. See also Option Price Matrix, attached as Appendix 4.

follow up questions, and information from RFP Evaluation Committee Member Rex Quidilla, interim chief election officer, about the Evaluation Committee's evaluation of each vendor's proposal and elections office staff.

### III. COST OR PRICE ANALYSIS.

#### A. STANDARDS.

The cost or price analysis here arises from the Order Granting in Part and Denying in Part Petitioner's Motion for Summary Judgment, PCH-2008-3, where the presiding hearing examiner found and concluded that under Haw. Rev. Stat. § 103D-312 and Haw. Admin. Rules, Ch. 122, Title 3, Subch. 15, "Respondent (Kevin Cronin) had a legal duty to perform an analysis of Intervenor's offered price to determine whether the price was reasonable; and the undisputed evidence established that no such analysis was performed by Respondent prior to the awarding of the contract to Intervenor."<sup>6</sup>

A cost analysis includes the appropriate verification of cost or pricing data and its use to evaluate several items. The items evaluated include: a) the specific elements of costs such as direct labor, indirect costs, direct material, other direct costs, subcontract costs, and fixed fee or profit; b) the necessity of certain costs; c) the reasonableness of amounts estimated for the necessary costs; d) the reasonableness of allowances for contingencies; e) the basis used for allocation of indirect costs; f) the appropriateness of particular indirect cost allocations to the proposed contract; and g) the reasonableness of the total cost or price. Haw. Admin. R. §3-122-128.

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<sup>6</sup> See *Elections Systems & Software, Inc., v. Kevin Cronin, Office of Elections, et al., and Hart Intercivic*, Order Granting in Part and Denying in Part Petitioner's Motion for Summary Judgment (Order), PCH-2008-3, March 20, 2008, at 2. The Respondent by performing the cost/analysis here does not concede such analysis is required as a matter of law but if it does, it is not required in this proceeding under Haw. Rev. Stat. §§103D-312 and 701(a) and Haw. Admin. Rules, Ch. 122, Title 3, Subch. 15. Respondent performs the cost or price analysis to comply with the Order.

A price analysis is used to ascertain if a price is reasonable and acceptable. A price analysis may include: a) the price submissions of prospective offerors in the current procurement; b) prior contract prices charged by the offeror; c) prices published in catalogues or price lists; d) prices available on the open market; and e) in house estimates of cost. Haw. Admin. R. § 3-122-129.

Finally, evaluations of cost and price data should include comparisons. They include: a) comparisons of costs and prices of an offeror's cost estimates with those of other offerors and any independent state price and cost estimates and b) a consideration of whether the costs are reasonable and allocable under the pertinent provisions of chapter 3-123. Haw. Admin. R. §3-122-130.

B. ANALYSIS.

1. Cost Analysis.

a) Specific cost elements direct labor, indirect costs, and the like.

This cost data was requested from Hart. It provided the cost analysis below.

b) Necessity of certain costs.

This cost data was requested from Hart. It provided the cost information below.

c) Reasonableness of amounts estimated for the necessary costs.

This cost data was requested from Hart. It provided the cost information below.

d) Reasonableness of allowances for contingencies.

This cost data was requested from Hart. It provided the cost information below.

e) Basis used for allocation of indirect costs.

This cost data was requested from Hart. It provided the cost information below.

f) Particular indirect cost allocations to the proposed contract.

This cost data was requested from Hart. It provided the cost information below.

g) Reasonableness of the total cost or price.

Hart's total cost for election years 2008 through 2016 without the option year is \$43,399,994.00. Hart's actual costs are the cost of:

1. Hart branded / proprietary voting hardware:	\$6,002,544.00;
2. third party hardware (includes PCs, scanners, printers, etc., from Dell, Kodak, HP):	2,480,664.00;
3. labor, freight, insurance:	18,846,063.00;
4. overhead (36.1% of costs):	9,865,867.00;
5. general & administrative (12.6% of costs):	3,443,448.00; and
6. Hawaii excise tax:	1,952,983.00.

Overhead costs include development costs, sales expenses, and other corporate support functions. General & administrative costs include human resources, accounting, occupancy, and other management expenses. Percentages are based on Hart's calendar year 2008 corporate budget.<sup>7</sup>

Hart's overhead and G&A percentages are consistent with manufacturers in the elections industry.

As part of the RFP response, the Office of Elections required respondents to submit financial statements. These statements reasonably verify the reasonableness of Hart's overhead and general and administrative costs.

The reasonableness of the cost of third party hardware derives from a sample of quotes on the specific makes and models of the quoted equipment from other manufactures or authorized dealers.<sup>8</sup>

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<sup>7</sup> See Hart, "Hart InterCivic Hawaii Costing," Hart Confidential Property, May 7, 2008, 2 pages, attached as Appendix 5.

<sup>8</sup> See "Cost or Price Analysis," Kevin B. Cronin, Purchasing Officer, May 8, 2009, 2. Price Analysis, at 8.

For the 2008 election, Hart's total cost is \$12,065,712.00 for which it is charging the state \$6,599,999.00, a net loss of \$5,465,713.00. These losses are gradually recovered over the contract term. Hart's total costs for this project are \$42,591,609 over the contract term without the option year 2018. This amount leaves Hart a net profit for this project of \$808,386.00. As a percentage of the contract price over the contract term, Hart's net profit after losses in 2008 and 2010 generates a net profit for this project for the 10 year fixed term is 1.9%.

Hart's profit margin of 1.9%, by any reasonable measure including common sense, is a reasonable profit margin for a vendor supplying a voting equipment system to the state from its point of view, in the PO's informed judgment.

2. Price Analysis.

a) Prospective offerors' price submission in the current procurement.

Hart's price submissions are:

<b>Election Year</b>	<b>Optical Scan</b>	<b>DRE*</b>	<b>Absentee Mail</b>	<b>Total Amount</b>
2008	\$ 2,743,001.00	\$ 2,493,237.00	\$ 1,363,760.00	\$ 6,599,998.00
2010	\$ 3,823,578.00	\$ 3,475,422.00	\$ 1,900,999.00	\$ 9,199,999.00
2012	\$ 3,823,578.00	\$ 3,475,422.00	\$ 1,900,999.00	\$ 9,199,999.00
2014	\$ 3,823,578.00	\$ 3,475,422.00	\$ 1,900,999.00	\$ 9,199,999.00
2016	\$ 3,823,578.00	\$ 3,475,422.00	\$ 1,900,999.00	\$ 9,199,999.00
2018	\$ 3,938,285.00	\$ 3,579,685.00	\$ 1,958,029.00	\$ 9,475,999.00
<b>Grand Total</b>	<b>\$21,975,598.00</b>	<b>\$19,974,610.00</b>	<b>\$10,925,785.00</b>	<b>\$52,875,993.00</b>

Election years 2008 through 2016 without the option year total cost is \$43,399,994.00.

The optional election year 2018 cost, if exercised, would be \$9,475,999.00. These total costs purchase several voting equipment items. They are:

<b>Item</b>	<b>Quantity</b>
eScan	434
eSlate with Disabled Access Unit (DAU)	434
eSlate / Verifiable Ballot Option	534
Judge's Booth Controller	434

ESS's price submissions are:

<b>Election Year</b>	<b>Optical Scan</b>	<b>AutoMark*</b>	<b>Absentee Mail</b>	<b>Total Amount</b>
2008	\$ 2,567,548.50	included	\$ 477,542.50	\$ 3,045,091.00
2010	\$ 2,567,548.50	included	\$ 477,542.50	\$ 3,045,091.00
2012	\$ 2,567,548.50	included	\$ 477,542.50	\$ 3,045,091.00
2014	\$ 2,567,548.50	included	\$ 477,542.50	\$ 3,045,091.00
2016	\$ 2,567,548.50	included	\$ 477,542.50	\$ 3,045,091.00
2018	\$ 2,504,489.50	included	\$ 396,920.50	\$ 2,901,410.00
<b>Grand Total</b>	<b>\$15,342,232.00</b>	<b>included</b>	<b>\$2,784,633.00</b>	<b>\$18,126,865.00</b>

Election years 2008 through 2016 without the option year total cost is \$15,225,455.00.

The optional election year 2018 cost, if exercised, would be \$2,901,410.00.

[\* Hart's DRE, a direct recording electronic device required by HAVA, enables a disabled voter to vote and simultaneously count the vote without requiring the voter to do anything more. In contrast, ESS's proposed AutoMark system, a voter assist device, enables a disabled voter to cast a ballot, but the person must take the ballot to another location to be counted in the precinct counter.]

b) Offeror's prior contract prices charged.

Hart's prior contract prices charged for its voting equipment and services provided for the 2006 elections are:

<b>Election Year</b>	<b>Optical Scan</b>	<b>DRE</b>	<b>Absentee Mail</b>	<b>Total Amount</b>
2006	N/A	\$ 2,979,999.00	N/A	\$ 2,979,999.00

The Hart equipment and services charged for the 2006 election year, the state's most recent election, consisted of only DRE equipment. This cost was only for Hart's equipment and services for its portion of the election that did not include the optical scan voting equipment. This voting equipment was provided by ESS.<sup>9</sup>

<sup>9</sup> ESS charged the state \$2,573,000.00 for optical scan voting equipment for the 2006 election. In addition, ESS charged an additional \$80,603.72 for modems and \$300,622.40 for the costs of walk in absentee voting before the elections, a total of \$381,226.12. ESS's 2006 election costs totaled \$2,954,226.12.

c) Prices published in catalogues or price lists.

Hart's proposal's equipment prices to the state are:

- eScan voting machine \$5,400.00 each
- eSlate with Disabled Access Unit (DAU) \$3,600.00 each
- eSlate / Verifiable Ballot Option \$1,200.00 each
- Judge's Booth Controller (JBC) \$3,000.00 each

Hart's published public *Voting System and Election Supplies Catalog* lists the following items and prices:

- eScan voting machine \$5,400.00 each
- eSlate with Disabled Access Unit (DAU) \$4,800.00 each
- eSlate / Verifiable Ballot Option \$1,200.00 each
- Judge's Booth Controller \$3,000.00 each

Hart's prices to the state are actually \$1,200.00 less than the total prices per unit for the same equipment. This is a reasonable benefit to the state. The reason is the state is obtaining the same equipment for no more than what Hart is charging in its catalog prices and in one case, the eSlate with Disabled Access Unit, less than the company's published price.

d) Prices available on the open market.

Hart prices for the same voting equipment charged to other jurisdictions include:

1. Sonoma County, California, 2006, paid the following:<sup>10</sup>

- eSlate with Disabled Access Unit (DAU) \$3,000.00 each
- eSlate / Verifiable Ballot Option \$1,000.00 each
- Judge's Booth Controller \$2,500.00 each

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<sup>10</sup> See Hart Intercivic contract with Sonoma County, CA., 2006, attached as Appendix 6.

2. Kane County, Illinois, 2005, paid the following:<sup>11</sup>

- eSlate with Disabled Access Unit (DAU)           \$3,000.00 each
- eSlate / Verifiable Ballot Option Printer       \$1,250.00 each
- Judge's Booth Controller                         \$2,500.00 each

3. Orange County, California, 2003, paid the following:<sup>12</sup>

- eSlate with Disabled Access Unit (DAU)       \$2,688.36 each
- Judge's Booth Controller                         \$2,149.61 each

4. Harris County (Houston), Texas, 2001, paid the following:<sup>13</sup>

- eSlate with Disabled Access Unit (DAU)       \$3,500.00 each
- Judge's Booth Controller                         \$3,500.00 each

Hart's prices to the state are approximately 20% higher per unit for the same equipment that Hart sold most recently to Sonoma County, CA, in 2006. This appears to be a premium for the voting equipment, but the price is not necessarily unreasonable in this case. The reason is the price increase may and/or could reflect Hart's increased costs to manufacture and obtain such equipment that the company is charging in its public catalog.

e. In house estimates of cost.

Office of Elections' in house estimate of the cost for the 2008 election would be \$6 million dollars. The cost of the 2006 election was \$6 million dollars. The cost of the 2004 election was \$5.4 million dollars. The average cost of the last two elections, based on the then existing contract was an average of \$5.65 million dollars. Hart's price for

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<sup>11</sup> See Hart Intercivic contract with Kane County, IL, 2005, attached as Appendix 7.

<sup>12</sup> See Hart Intercivic contract with Orange County, IL, 2003, attached as Appendix 8. Orange County purchased approximately 9,000 eSlate with Disabled Access Units, compared to Hawaii's 434.

<sup>13</sup> See Hart Intercivic contract with Harris County, TX, 2001, attached as Appendix 9.

voting equipment and services to the state at 10% higher than OE's estimate is within a reasonable range of price for the equipment and services provided.

C. COMPARISONS.

1. Cost and Price Comparison between Hart and ESS.

A cost and price comparison between Hart's and ESS's proposed voting equipment systems generate several points.

First, and foremost, the sufficiency of Hart's provided cost and price data and the insufficiency of ESS's proposal because it refused to provide such financial information in its proposal and best and final offer (BAFO) renders a cost and price comparison impossible to perform. ESS did not respond to the PO's question, "What would the cost be to the State (to upgrade its system to satisfy the next generation of federal voting system guidelines)?"<sup>14</sup> ESS did not provide the state with the company's cost and pricing information. Instead as developed further below, ESS declined to reveal the additional costs and contract pricing that were inherently included in its proposal to comply with the federal obligations. The company's failure to provide such cost and price data which then when asked and which now prevents the PO to reasonably perform a reasoned cost and price comparison.<sup>15</sup>

Second, the sufficiency of Hart's proposed eScan and eSlate (DRE) and the insufficiency of ESS's proposed Model 100 and 650 high speed equipment under the

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<sup>14</sup> See ESS letter to Scott Nago, Office of Elections, from Mathew Nelsen, senior vice president-domestic sales, December 13, 2007, at 2, attached as Appendix 10.

<sup>15</sup> It is disingenuous at best for ESS before this tribunal to advocate the PO perform a cost and price comparison between Hart and ESS equipment proposals when it failed when requested and given the opportunity to do so to provide the requested cost and price information that would permit the PO to perform the comparison here.

U.S. Election Assistance Commission (EAC) standards for 2005 render impossible to perform and incapable of providing any reasonable comparison in terms of cost and price. Federal voting equipment standards impact each vendor's proposed voting system in different ways based on federal standards and incorporated into the state's requirements that the RFP recognizes. The RFP clearly provides the state:

. . . will accept voting equipment that has been certified to the 2002 (U.S. Election Assistance Commission) Voluntary Voting System Guidelines (VVSG). However, for all subsequent elections, the State will Require that the voting system will obtain new certifications as they are Adopted by the (U.S.) Election Assistance Commission, *at no further cost to the State.*<sup>16</sup> (Italics supplied.)

Hart responded that it "anticipates upgrading and/or replacing the current Hart Voting System (including all JBC's, eSlates, DAU modules, and eScans) will be required to satisfy the EAC guidelines."<sup>17</sup> Its response committed the company to upgrading to the next generation federal voting standards the company's voting equipment system at no cost to the state. In sharp contrast, responding to the same question, ESS stated:

Enhancing the Model 100 for compliance with the 2005 VVSG requires a significant system re-design to comply with 2005 guidelines. As a result, ES&S does not intend to enable the Model 100 to be 2005 compliant.

The Model 650 also requires significant enhancements to ensure compliance with the 2005 standards. *As a result, ES&S does not intend to enable the Model 650 to be 2005 compliant. In response to this, ES&S is currently developing a 2005 VVSG compliant high-speed central count imaging system that will replace the Model 650, and operate with the DS200 precinct count system. ES&S expects this system to be ready in 2009 with prototypes available in late 2008.*<sup>18</sup> (Italics supplied.)

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<sup>16</sup> See RFP, Addendum A, September 13, 2007, at 2, attached as Appendix 11.

<sup>17</sup> See Hart letter to Scott Nago, Office of Elections, from Gregg Burt, Hart president and chief executive officer, December 13, 2007, at 3, attached as Appendix 12.

<sup>18</sup> See footnote 13, supra, ESS letter to Scott Nago, at 2.

ESS offered the state only a proposed system yet to be developed, tested, and demonstrated to be workable.<sup>19</sup> Hawaii needs a system consistent with the U.S. Election Assistance Commission's Voluntary Voting System Guidelines (VVSG) for its elections and chooses, as the state is free to do, not to be a testing ground for a voting system that does not exist yet, among other things. Based on the state's inherent interest in promoting the integrity of its elections consistent with federal standards and law, the PO's judgment is the state's election interests are significantly enhanced and secured to the extent its voting equipment system can be improved at no additional cost to the state.

Third, Hart's commitment to upgrade its voting system to the next generation at no cost to the state and ESS's offer only of a system not yet developed, implemented, and federally certified for such next generation voting equipment impedes a reasonable cost and price comparison. Hart's system of its eScan, eSlate, and central counter that the company will upgrade for the next generation of election standards at no cost to the state eliminates any risk of additional cost to the state. In sharp contrast to Hart, ESS proposes its DS200 as its next generation voting equipment which exists as equipment in a "voting system testing laboratory" whose results "have been filed with the EAC and are currently under review for federal certification." ESS merely states that "(w)hile we are confident that the DS200 will meet these (federal) standards, they are still under development. It is difficult for ES&S to know with certainty the nature and extent of any changes that will

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<sup>19</sup> Ibid. ESS did not respond to the state's question asking for the cost to the state of ESS upgrading its equipment to next generation 2007 VVSG standards. The company simply didn't answer the question. Moreover, ESS declined to reveal the additional costs and contract pricing that were inherently included in its proposal to comply with the federal obligations and also the requisite monetary data that would permit the PO to conduct a reasoned cost price analysis.

be needed to ultimately comply with such requirements.”<sup>20</sup> ESS thereby provides no commitment to provide to the state an upgrade at no cost and the state’s liability for the inevitable additional cost, much less any reasonable information about possible cost to the state in the future to take into account. This renders Hart’s and ESS’s cost and pricing comparison for the contract term speculative at best and impossible to reasonably perform on its face when viewed from conditions existing at this date.<sup>21</sup>

Next, even if Hart’s and ESS’s voting systems lend themselves to a cost and price comparison, each proposal is subject to the availability of funds. The law provides that “(c)ontracts shall neither be binding nor have any force and effect of law . . . .” unless funds are available.<sup>22</sup> This requirement is incorporated into the RFP.<sup>23</sup> Because funds are available to pay a contract for the 2008 election but not at this time for subsequent elections, Hart’s and ESS’s cost and prices can reasonably be compared for the 2008 election contract but not for future elections when funds may not be available. As such, a cost and price comparison establishes differences in cost and price between Hart’s and ESS’s voting equipment systems for the 2008 election. Hart’s system of its eScan, eSlate, and central counter would cost approximately \$3.55 million more than the ESS

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<sup>20</sup> Ibid.

<sup>21</sup> ESS as to its DS200 equipment submitted unit and annual prices of the machines. See Appendix 2, p. 2. ESS intended this device to perform as a combination paper ballot and ADA voting machine. The ADA portion, however, is not yet fully developed. Consequently the state could not determine and establish to its reasonable satisfaction during ESS’s November 2007 demonstration the system’s security, accuracy, consistency, and timeliness capabilities and capacities with the proposed ADA portion of the machine and/or with any central counting machine.

<sup>22</sup> See Haw. Rev. Stat. §103D-309.

<sup>23</sup> See REQUEST FOR PROPOSAL No. RFP-06-047-SW, etc., (RFP), September 3, 2007, Sec. 6.030, at 22, attached as Appendix 13.

system consisting of the M100 optical scan, iVotronic and AutoMark, and M650 central counter for the 2008 election.

Fifth, assuming Hart's and ESS's voting systems can be reasonably cost and price compared, a reasonable cost and price comparison establishes differences in cost and pricing between the Hart and ESS voting systems. Hart's eScan, eSlate, and central counter voting equipment would cost approximately \$27.9 million more than the ESS system of the M100 optical scan, iVotronic and AutoMark, and M650 central counter for the contract term of 10 years. In addition, Hart's system would cost approximately \$6.1 million more than ESS's system for the option year, if exercised. Assuming funds available after the 2008 election and the contract runs its fixed term and optional term for the additional 2018 election, Hart's system would cost approximately \$34 million more than ESS's system would cost.

Finally, assuming a reasonable cost and price comparison, the value to the state of Hawaii of Hart's and ESS's proposed voting equipment systems differ significantly and dramatically. Hart commits to a voting system that meets federal VVSG, voting system guidelines. In contrast, ESS offers a system whose costs are uncertain and which may not meet federal guidelines. ESS by its own statement informed the PO that the company "does not intend" to render its M100 and M650 equipment federally compliant and offers only lab tested DS200 that is not yet certified, in production, and field tested with no available cost and pricing information provided or available when its proposal was evaluated.<sup>24</sup> Moreover, ESS, recognizing its DS200 has not been federally certified as an acceptable paper ballot and ADA voting device, in its November 28, 2007, BAFO stated:

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<sup>24</sup> See footnote 13, supra, ESS letter to Scott Nago, at 2.

In the unlikely event that the DS200 does not receive certification, the State of Hawaii is free to approve the use of any system based on guidelines developed by the State like the DS200 using a similar approach as the State of Florida or extend the use of the 2002 certified systems such as the Model 100 precinct based voting system.<sup>25</sup>

Based on this ESS statement, if its system is accepted and circumstances lead to the use of the DS200 equipment system, ESS would require the state to ignore its RFP obligations to have a voting equipment system federal VVSG compliant and to adopt ad hoc guidelines in the future to suit the now unknown and unknowable DS200 capacities and capabilities or to continue to deploy further M100 and M650 voting equipment would be outdated and noncompliant under federal VVSG guidelines. ESS does not have the authority both to impose on and oblige the chief election officer's compliance with ESS noncompliant equipment under the RFP and Haw. Rev. Stat. §16-2, and to impose on the state a decision to accept a voting equipment system that does not meet RFP and federal VVSG compliance requirements.

## 2. Consideration of reasonable costs and allocations.

Consideration of the reasonable costs and allocations in the context of the procurement of voting equipment is unclear when such machines enable the fundamental democratic process and function of enabling citizens to elect their county, state, and federal representatives and officials. Such equipment does not reasonably lend itself to market conditions that may afford easy comparisons to determine reasonableness of costs

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<sup>25</sup> See ESS, "Best and Final Offer," November 28, 2007, at 2, attached as Appendix 14.

and allocations.<sup>26</sup> The consideration of reasonable costs and allocations for voting machine equipment ought to reasonably yield to judgment and assessment of those charged with the responsibility of running the elections which voting equipment system can best meet the needs of the residents of a jurisdiction. Here, consideration of such costs and allocations may reasonably yield to the PO's judgment and experience in elections, taking into account the Evaluation Committee's recommendation, which voting system can best meet the needs of the people of Hawaii and authority to decide established and vested in him under Haw. Rev. Stat. §16-2.

With the foregoing in mind, the Hart and Premier voting equipment proposals falling within the same price range suggest their prices more accurately value voting machine systems in 2008 than does ESS's proposal. This point derives support from ESS's conscious decision not to answer the PO's question about the cost and pricing of its equipment when specifically asked for such information. Moreover, ESS position it would did not intend to make its M100 and M650 voting machines federally compliant and offered the DS200 that is only lab tested and neither manufactured and federally certified yet further suggests ESS price to the state for a voting equipment system would far exceed the price it claims here. Given Hart's and Premier's proposals, ESS's decision not to provide to the state ESS's cost and pricing information begs the question. Does ESS's offer amount to unreasonably low pricing to win the contract by providing inadequate and insufficient equipment that would not meet Hawaii voters' needs as

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<sup>26</sup> Unlike an automobile selection from many choices that enables any licensed driver mobility upon momentary planning but to enter the vehicle and drive away generating little impact on few people, or other consumer good for its purpose, a voting machine system is a labor intensive planning enterprise involving hundreds of people possessing administrative, technical, and legal skills and experiences not common to the general public to implement a system that enables hundreds of thousands of eligible voters to vote with security on election day and to select their public officials consistent with democratic principles.

election officials determined and then to raise the prices for the now unknown and unknowable DS200 voting equipment?

#### D. OTHER VOTING EQUIPMENT ISSUES IMPORTANT TO HAWAII.

##### 1. General.

Significantly, the Hart and Premier voting systems, which were available at the November, 2007, demonstrations, are currently undergoing reviews for certification for compliance with the 2005 VVSG. The Hart and Premier systems would enable the state to deploy for at least the 2008 and 2010 elections voting systems which the state had reviewed for use by election administrators and voters at demonstrations and for which the state had established unit costs. Use of the equipment through at least two (2) election cycles would permit the state's voters to familiarize themselves and become comfortable with the paper ballot and ADA voting machines. Precinct officials and poll workers would also learn and become more familiar with the voting devices over the course of the 2008 and 2010 election cycles.

ESS's DS200 and central counting systems, however, were not yet developed, and its systems were unavailable for review by the RFP's Evaluation Committee on behalf of the state at ESS's November 14, 2007, demonstration. The devices were not available for federal VVSG testing at the time of the award, and the unit costs were not revealed. The state could not compare the unit cost of the ESS system for 80% of the contract with the unit costs of the Hart and Premier systems because ESS did not disclose its unit costs to the state.

## 2. Hart's System Better Meets the Needs of Hawaii Voters.

### a. Americans with Disabilities Act requirements.

The Americans with Disabilities and Help America Vote Acts (ADA and HAVA) require the state to reasonably accommodate persons with disabilities so they can vote as independently as those voters without physical concerns. It obliges the state to make reasonable accommodations to ensure that handicapped voters can vote in the same or similar manner as non-handicapped voters.<sup>27</sup> Non-handicapped voters who use paper ballots to vote and cast their vote may do so, to a large degree, without any interference or intrusion from poll workers. It is important to the state that handicapped voters be able, to the greatest extent possible, to vote in the same manner because non-compliance with the ADA obligations would subject the state to federal penalties.<sup>28</sup>

The two ADA components that ESS offers are the iVotronic and the AutoMark. Both of the ESS ADA components, the iVotronic and AutoMark, are inferior when compared to the Hart ADA system, the eSlate.<sup>29</sup> The AutoMark system allows a non-handicapped person to vote a paper ballot without help, but a person with the above concerns cannot cast his or her ballot without the intervention of a poll worker because it requires the handicapped voter to vote on a machine in the voting booth, and then go to an entirely separate machine to guide the paper ballot through the precinct counter to count the paper ballot.<sup>30</sup> In elections conducted in the recent past including the most

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<sup>27</sup> See 42 U.S.C. § 12132.

<sup>28</sup> The PO is not aware of any legal authority that describes a comparative monetary value that can be assigned to handicapped voter being able to vote and cast ballots as independently as non-handicapped voters.

<sup>29</sup> See Vendor ADA device performance matrix, attached as Appendix 15.

<sup>30</sup> Ibid.

recent 2006 primary and general elections, blind voters and voters with severe limitations with their upper limbs have appeared at the polling places throughout the state. The use of ESS's AutoMark impeded both persons without use of their hands or arms and persons with severe sight limitations to use the machine independently without assistance from a poll worker. Persons without use of their hands simply cannot cast their ballot without assistance; persons with very poor vision must be guided to the counting device and must receive aid to feed the ballot through the ballot counter. ESS's AutoMark is incapable of enabling both persons without use of their hands and with severe sight limitations to use the machines without poll worker assistance. Both of the ESS ADA components, the iVotronic and AutoMark, are inferior when compared to the Hart's eSlate, ADA voting system.<sup>31</sup>

b. Voting secrecy requirements.

Hawaii law requires the state's voting system ensure the secrecy of the voter's vote. All voting systems adopted for the state "shall secure to the voter secrecy in the act of voting" under Haw. Rev. Stat. §16-2 (1). Additional procedures must be prescribed to ensure the secrecy of the voter's ballot when he or she is being assisted by the poll worker. The Hart and ESS voting systems provide different solutions to this fundamental requirement.

Hart's eSlate, ADA voting device, works as follows. The visually or otherwise physically impaired voter described above enters the voting booth, selects a ballot electronically, and electronically votes and casts his or her ballot. No paper ballot is involved. Manual transportation and casting of a paper ballot and implementation of

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<sup>31</sup> Ibid.

procedures to maintain the secrecy of the voter's ballot when receiving assistance from a poll worker is not required. There is no compromise of the security and secrecy of the voter's ballot.

In contrast, ESS's AutoMark system only assists a disabled voter to vote. The ESS ADA devices constrict the independence of the handicapped voter and present security and secrecy concerns contrary to the state statute and the RFP. The voter must take the ballot to a precinct counter to be counted. It requires assistance of the poll workers to vote when the poll workers could be performing other election duties and responsibilities. ESS presented no solution of how the undeveloped DS200 would address the security, secrecy, and ADA requirements of the state.

c. Ballot choice issues.

Hart's eSlate, ADA device, promotes voter secrecy and voter accessibility and independence. Hawaii law requires a voter to state his/her party preference on one partisan party ballot under Haw. Rev. Stat. §12-31. Hart's eSlate system permits a voter to vote and cast his/her ballot without assistance of any kind. In a primary election, a voter may change the party ballot on which he or she votes from Democrat to Republican to Libertarian to Green to Independent and then change any one of them as often as he or she desires at will without assistance from anyone and then cast his/her vote. The eSlate allows the voter to electronically change his or her decision as often and as many times as the voter wants after selecting a ballot or after voting a ballot without the need for any assistance from a poll worker. Hart's eSlate allows an indecisive voter without or with disability who invariably appears at the polling places to use the machine with the

independence and secrecy contemplated by the RFP, Haw. Rev. Stat. § 16-2(1), and Americans with Disabilities Act.

In contrast, ESS's iVotronic equipment raises ballot choice issues. The iVotronic permits a voter to scroll through all of the several political party ballots. However, once a voter selects a specific party ballot to vote on, the voter cannot change the chosen party ballot without obtaining assistance from a poll worker. If, after selecting a party ballot, the voter decides to vote on another party ballot, a poll worker must assist the voter. Further, if a voter actually votes a ballot, but decides to vote on another party ballot, a poll worker must again intrude on the voter's franchise. The voter cannot proceed without interference by a third party.<sup>32</sup> This circumstance reasonably arises in elections when voters a) both without and with disability have changed their minds after selecting a specific party ballot: b) voted a specific party ballot, and then changed their minds, and c) change their ballots or party ballots on which they vote several times during the primary election. When the above occurs using an ESS iVotronic, a poll worker must interrupt what he or she is doing and assist the indecisive handicapped or non-handicapped voter.

d. Ballot auditing issues.

For audit purposes, Hart's eSlate Verifiable Voter Paper Audit Trail (VVPAT) records only the final choices of a voter. Haw. Rev. Stat. §16-42 (b)(3), provides:

(b) The chief election officer may rely on electronic tallies created directly by electronic voting systems, in lieu of counting the paper ballots by hand or with a mechanical tabulation system if:

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<sup>32</sup> The PO cannot reasonably place a cash value on the legally assigned voting obligation that the Hart eSlate permits but the ESS AutoMark does not and requires intrusion of a third party poll worker into the voting franchise of a handicapped voter.

(3) The chief election officer conducts a post-election, pre-certification audit of a random sample of not less than ten percent of the precincts employing the electronic voting system, to verify that the electronic tallies generated by the system in those precincts equal hand tallies of the paper ballots generated by the system in those precincts; . . . .

This requires the state to conduct a post-election pre-certification audit of ten percent of the precincts to confirm the electronic tallies of electronic voting systems. Auditors only review the true selections of the voters. The Hart system permits the state to easily comply with its statutory obligation to deploy voting systems that assure the issuance of accurate, secure, timely, and consistent election results.

In contrast, ESS's iVotronic generates mandatory audit of electronic voting system issues. Under the audit requirement law to conduct a post-election pre-certification audit of ten percent of the precincts to confirm the electronic tallies of electronic voting systems, the iVotronic VVPAT is designed to print a record of every key stroke a voter may make before finally voting his or her choice of candidate or question. Thus, every intermediate stroke is recorded, as well as the final selection of the voter. The intermediate strokes include choosing a party ballot, re-choosing a different party ballot, selecting a candidate or answer to a question, and re-selecting a candidate or answer to a question. The iVotronic does not record only the final choices or selections of a voter.

To audit the iVotronic VVPAT, the state must review each key stroke of the voters who use the machines in the randomly chosen ten per cent of the precincts. Final preferences are not immediately discernible. All intermediate decisions of the voter must be unnecessarily reviewed by hand to determine the final preference of the voter. Dozens of intermediate key strokes may occur before a final choice is made. The process to

determine a single voter's selections are subject to human error and very time consuming. If a discrepancy is detected, every ballot in the selected precinct must be re-checked to ensure that a mistake was not made, and the discrepancy fault is with the machine and not the auditors.

e. Vote counting and tabulation issues.

Hart's voting equipment system accurately counts and tabulates the votes cast. Hart's eSlate rotary encoder interface permits a voter by selecting options to identify the ballot, vote for the candidate, and cast the ballot on the same machine. The eSlate includes a SELECT Wheel that employs a rotary encoder interface to highlight and count votes.<sup>33</sup> The eSlate does not require monitoring and calibration to ensure the accuracy and consistency of the votes made and cast. Its design eliminates the need for any calibration and recalibration and poll worker administrative intervention. Hart's eSlate clearly meets the legal requirement to "correctly register or record and accurately count all votes cast for any and all persons, and for or against any and all questions" under Haw. Rev. Stat. §16-2 (3). The Hart machine permits the state to more ably comply with its statutory obligation to correctly register, and accurately record and count the votes cast in the state's elections without administrative intervention.

In contrast, ESS's voting system raises vote counting and tabulation issues. ESS's AutoMark and iVotronic systems are entirely touch-screen. Touch screens require manual calibration and periodic recalibration to accurately record the intent of the voter. If each screen is not calibrated and recalibrated, the touch screens can suffer from false touches, imprecise target-zones, variable pressure requirements, and ballot misalignments. All of these can result in the inaccurate recording and tallying of votes.

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<sup>33</sup> See Hart Proposal, Excerpts at 21-22, attached as Appendix 16.

f. Vote collection and transmission issues.

Hart's central vote counting system is efficient. It has the ability to collect election data from several counting centers and issue intermediate and final results from different precincts and counties without disruption of the state's counting procedures. This feature permits the state to announce the results of the primary and general election with a reduced risk of disruption and in a timely and cost effective manner.

In contrast, ESS's voting system raises vote collection and transmission issues. During each election, the state issues intermediate, as well as final, vote tabulation reports of the election results from all the counties. To issue the intermediate and final reports of the election results, the ESS M650 central counter requires that all ongoing counting and all new data entering the tabulation management program stop statewide in order to produce intermediate statewide election results. To accommodate this restrictive feature, the state must coordinate the statewide discontinuance of all counting in all four counties. Further, the stoppage may be prolonged to an even greater degree if one or more counties are in the middle of a procedure that cannot be immediately halted. During the 2006 primary and general elections, and in the prior elections in which the ESS central counter was deployed, issuance of the intermediate and final reports of election results required the total suspension of all counting activity in the remaining three counties, as well as the state operations. At least three intermediate reports were issued during each election. Each intermediate report took approximately one hour to complete. Thus, the state and the inactive counties were compelled to wait three to four hours during each election night while the county or counties in the middle of data processing completed their tasks before the intermediate count could be issued. This stoppage substantially delayed the

conclusion of each election. It required the discontinuance of the processing of all election data. The delay also precipitated the attendant additional overtime and compensatory time costs for all state and county workers involved with the tabulation and counting process. At the demonstration, as reported to the PO, ESS informed the state that this old, undesirable and administratively expensive protocol of processing the voting results would continue throughout the term of this contract.<sup>34</sup>

g. Voting machine security issue.

Voting machine security is very important. Hart's voting equipment system provides three levels of security: a) physical restriction, b) computer passwords, and c) encrypted computerized keying that further limits access to any specific program to limited number of selected election officials.

In contrast, ESS provides two levels of security: a) physical restriction, and b) computer passwords. ESS's lack of an encryption security level added to making the cost of the Hart system more reasonable than the ESS system to the state.<sup>35</sup>

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<sup>34</sup> The ESS M650 also delays vote tabulation when it responds to an over vote. "Over votes" occur when a voter votes for more choices than allowed by any specific contest. During elections, for mail-in absentee ballots, the OE inspects each incidence of over voting. As shown in its November, 2007, demonstration, when the M650 detects an over vote the machine stops processing ballots, and the ballot that may contain an over vote is rejected. The M650 does not continue to tabulate ballots until it is restarted. This process substantially delays ballot tabulation and the conclusion of the elections. Hart's central counter does not require the discontinuance of the tabulation process when a possible over vote is detected. The tabulation moves forward without delay.

Additionally, the M650 does not perform as efficiently as the Hart central counter in the auditing of voted paper ballots. To conduct an audit of the absentee ballots for any given race, the ESS M650 paper ballot central counter requires every one of the 60,000 plus ballots cast by mail to be carefully reviewed and sorted individually by hand. The audit with the M650 requires the labor intensive hand sorting because it is the only way to find the specific ballot type that contains the identified unique combination of contests for the selected race that is to be audited for the identified contest or race.

<sup>35</sup> The PO is not aware of any legal authority that assigns a cash value to election devices that have greater security measures than other voting machines.

#### D. MISCELLANEOUS OTHER.

The PO has an interest in minimizing to the state the risk of compromising its elections because of the voting equipment system selected and its performance. He cannot ignore a general caution signal arising from the U.S. Election Assistance Commission recent letter to ESS. The EAC on August 14, 2007, issued to ESS a Notice of Non-compliance informing ESS “it is imperative that the company follow all of EAC’s reporting requirements to continue participating in our (EAC) certification program,” and asking the company to provide certain requested equipment manufacturing information at the risk of suspension of its registration as a voting system manufacturer.<sup>36</sup>

#### IV. CONCLUSION

For the reasons above in terms of the cost and price analysis details, the voting machine equipment functions and performance, and the general risk factors to the state, as the PO, I conclude the Hart voting machine system<sup>37</sup> for approximately \$43.4 million for the 10 year term and an additional approximately \$9 million for an option year, if exercised, offers a complete voting equipment system under current law more suited to the needs of the citizens of Hawaii at a more reasonable price and value than the ESS voting machine system for approximately \$15.22 million and \$2.9 million for the option

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<sup>36</sup> See U.S. Election Assistance Commission letter to Election Systems & Software, Inc., August 14, 2007, attached as Appendix 17. At the time of this cost or price analysis, the EAC had not yet responded to the PO’s request for a copy of ESS’s response to the letter and of the EAC’s final action and the outcome of this issue.

<sup>37</sup> Hart’s voting equipment system includes the eScan, eSlate (DRE), and the central counter for approximately \$43.4 million for the contract term of 10 years and an additional approximately \$9 million for the option year, if exercised. ESS’s system includes the M100 optical scan, iVotronic and AutoMark (DRE/ADA components), and M650 central counter for approximately \$15.22 million for the contract term of 10 years and an additional \$2.9 million for the option year, if exercised, with its unknown and unknowable voting machine equipment to be provided in future years and its inherent risks that cannot be evaluated at this time.

year, if exercised, with its unknown and unknowable voting machine equipment in future years and inherent risks. Accordingly, in my official capacity, I conclude the Hart proposal is reasonable under the RFP and Haw. Rev. Stat. §103D-312 and Haw. Admin. R. §3-122-97(b) (2).

Dated: May \_\_\_\_, 2008

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Kevin B. Cronin  
Procurement Officer  
Chief Election Officer



Gregg L. Burt  
President and CEO

May 7, 2008

Mr. Kevin Cronin  
Chief Election Officer  
State of Hawaii  
Office of Elections  
802 Lehua Avenue  
Pearl City, Hawaii 96782

Dear Mr. Cronin,

On behalf of Hart InterCivic, I want to reaffirm Hart's continued interest and dedication to working with the State of Hawaii on your elections for many years to come. The purpose of this letter is to address the near term elections in 2008, and our concerns over the probability of success of this project as we continue to be delayed in the granting of a signed contract. We fully understand your approach to working through this; however, while the protest process continues and the ultimate contract award includes the certainty of more delays, we feel it is imperative that an interim emergency plan be put in place in order to avoid additional risk.

Hart has worked diligently to advance work on this project as far and as quickly as possible under the constraints associated with resolution of the protest. In doing so, we have already invested substantial monetary and personnel resources in project planning and coordination, as well as identifying and qualifying local sources for critical services, personnel and facilities needed to execute the project as proposed. Frankly, without some written assurances from the State, we will very soon be required to "stand-down" on further project planning. More specifically we have now reached a point in the overall project plan that requires Hart to make major additional resource commitments before further material progress can be achieved. These commitments include:

- Renting office space
- Renting warehouse space
- Procuring third-party hardware, including computers, scanners, printers, uninterruptable power supplies, etc.
- Procuring Ballot Transport Containers
- Procuring Ballot Stock
- Completing assembly of voting equipment
- Shipping of voting equipment
- Executing sub-contractor agreements, particularly with ballot printer, equipment moving vendors, etc.

The very real risk of further delays could be substantial, to wit:

- Delays in production of Hart Voting System components and procurement of third-party hardware that decrease configuration, setup and testing time and increase costs for expedited shipping.
- Potential loss of essential sub-contractors, particularly the ballot printer vendor, who have already made substantial investments in this project but cannot afford to pass up other firm contract work. Additionally, sub contractors may not agree to certain terms and conditions of the contract in such a compressed timeframe. This could lead to ballots being produced on the mainland.
- More intense effort being required of Hart personnel that detracts from their ability to oversee delivery of other services such as Voter Education and Outreach, online poll worker training, and other optional items.

### **Interim Solution and Emergency Procurement**

Given the above, Hart remains ready to cooperate with the State. We have prepared an interim "one-year proposal to support an emergency procurement, or provision". The details of this proposal are attached. In this proposal Hart provides all of the products and services requested in the original RFP, but is applicable to only the 2008 year. This will provide the State the opportunity to mitigate risk in moving forward in the conduct of the 2008 elections. In this packet you will find:

- An executive summary of our proposal for emergency procurement, applying to the 2008
- Hart voting system configuration
- Project schedule
- Pricing
- Project cost analysis

We are hopeful that you will give serious consideration to this proposal, in order that we together might proceed toward a successful election in 2008. In order to continue our efforts past May 15<sup>th</sup>, Hart will need this proposal approved and signed, or some other mutually agreeable form of assurance from the State.

We are available to work with your office in any way that we can to cement a long-term partnership. So please do not hesitate to call on us for any additional information or assistance you deem will be beneficial in moving forward.

Sincerely,



Gregg L. Burt  
President & CEO  
Hart InterCivic, Inc.



## EXECUTIVE SUMMARY

*A brief synopsis of the highlights of the proposal and the overall benefits of the proposal to the State. This synopsis should not exceed three (3) pages in length and should be easily understandable.*

The State of Hawaii is seeking to lease a new voting equipment system. The new system will provide direct recording electronic (DRE) voting units for accessibility by voters with disabilities and paper ballots for use in the polling place and for absentee-by-mail. The system must meet federal and State certification requirements, and the vendor must provide a superior level of service and support to the State/County elections staff and voters. In response, Hart InterCivic brings a unique combination of voting equipment, expertise in managing electronic voting projects, and full-service elections experience in the State of Hawaii. We will work to anticipate challenges and preserve the integrity of the State of Hawaii's electoral process.

This document summarizes Hart InterCivic's response to the State of Hawaii's Request for Proposal *Offers for a New Leased Voting Equipment System for the 2008 Primary, General, and Special Elections*. Hart InterCivic proposes to deliver to the State of Hawaii full-service elections with our Hart Voting System.

The State of Hawaii can realize significant benefits from implementation of the Hart Voting System. The key benefits are listed below.

- The Hart Voting System is proven in the State of Hawaii, having provided successful Primary and General Elections in 2004 and 2006.
- The State of Hawaii can meet or exceed HAVA requirements through the fully compliant and integrated Hart Voting System, including precinct-based ballot counters, DRE ballot recorders, and a voter verifiable paper audit trail (VVPAT).
- The State of Hawaii can have confidence that all votes are secure, private, and counted with the system architecture and software included in the Hart Voting System.
- State of Hawaii voters with disabilities can vote privately and independently by using the eSlate equipped with a Disabled Access Unit (DAU).
- Hawaii's Candidate Filing System will be integrated with the Hart Voting System to produce electronic and paper ballots for use with the system.

The Hart Voting System is a fully integrated voting system backed by project management, training, and onsite service and support. Hart provides a secure, accurate, and durable voting system that is easy to use for voters and precinct officials.

Hart's visionary approach for providing the tools and resources necessary for the State of Hawaii to better support their election process includes additional training and reporting, as well as integrated map-based election management. The description of these optional resources is provided for informational purposes only. These services are not included in the proposal pricing. Hart



welcomes the opportunity to discuss any of these additional services with the State of Hawaii.

### Solution Options for the State of Hawaii

Hart offers the State of Hawaii the following configuration of the Hart Voting System:

- The configuration provides eScan digital ballot-imaging units (ballot counters) for use with paper ballots in the polling place, eSlate DRE units (vote recorders) for accessible voting by persons with disabilities, and paper ballots for absentee-by-mail voting (central count).

The configuration includes comprehensive election management software using an industry-standard operating system and tools, providing database-driven power with maximum flexibility for application enhancement, integration with other systems, interoperability among components, and upgrade capability. In addition, our solutions offer a complete package of services that includes a well documented, professional training program for local elections staff and poll workers and onsite support for acceptance testing and installation, pre-election, Election Day, and post-election support.

### Hart Voting System is the Right Choice for the State of Hawaii

Since introducing the unique eSlate electronic voting solution in 2000, Hart InterCivic has provided elections solutions to jurisdictions in multiple states (including California, Colorado, Hawaii, Indiana, Illinois, Kentucky, Ohio, Pennsylvania, Tennessee, Texas, Virginia, and Washington) representing over 5 million registered voters.

**Hart InterCivic provides full-service elections.** The foundation of our solution is Hart InterCivic's 95 years of experience in all aspects of elections. Hart entered the industry printing ballots for Texas counties and has grown to provide a complete range of elections products and services to a large network of counties and local governments in many states.

Supporting Hart InterCivic will be local service providers, who will work closely with Hart to achieve highly successful election events for the State of Hawaii.

**The State of Hawaii will be assured of a secure voting system at every stage of the election process.** The Hart Voting System was designed with integrated security features, including automatic processes verifying and authenticating the output of each component through multiple, independent data paths through the system. The Hart Voting System is the only electronic voting system to combine a modern interface, highly secure components in the polling place, and the convenience and integration of Windows-based election management software in the elections office.

Hart InterCivic has also attained the highly regarded BS7799 security certification. We are the first election system provider to gain this recognition. Hart recently attained certification to the newer ISO 27001:2005 standards.



**Quality is a concern in every aspect of the Hart Voting System.** To avoid quality control issues such as smart card failure, the Hart Voting System was developed and is manufactured under ISO 9001:2000 certified processes. Stringent testing has demonstrated the eSlate's durability even in the harshest environments. As a result, eSlate's scalable manufacturing process has consistently performed with product quality yields in excess of 99.7 percent.

**Hart InterCivic is experienced in integrating systems.** We have worked with counties to facilitate the import and export of data to legacy systems. We will use this experience to integrate the Hart Voting System with the State's Candidate Filing System (CFS).

Hart InterCivic has integrated systems from multiple vendors for tabulation reporting. For example, our technical team successfully merged election results from ES&S Systems during the 2004 and 2006 Primary and General Elections in the State of Hawaii. Other achievements in this area include merging election results from two election vendors (Diebold/Premier's AccuVote touch screen system and ES&S' optical scan system) into Tally to provide consolidated totals in Travis County, Texas.

#### Conclusion

Hart InterCivic brings an impressive record of successful service to local government. We have provided election products and services to hundreds of counties and thousands of local governments nationwide and have supported every major election system on the market today. Hart's solid reputation for customer satisfaction and business integrity has been built through nearly a century of quality service to county government.

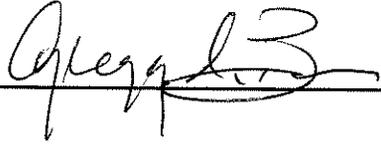
We understand that selecting the right voting system is critical to the Office of Elections as well as taxpayers in the State of Hawaii. You are investing in more than voting machines. You want the assurance that you are procuring a complete solution to the voting process, one that best serves the State, election officials and precinct officials, and voters. You have that assurance with Hart InterCivic and the Hart Voting System.

The following offer is hereby submitted for the Services of a Voting System to collect, tabulate and report votes for all Primary, General, and Special Elections for the State of Hawaii, Department of Accounting and General Services, Office of Elections:

	<u>Optical Scan</u>	<u>DRE</u>	<u>Absentee Mail</u>	<u>Total Amount</u>
2008	\$3,686,232.51	\$3,326,600.07	\$1,977,978.48	\$8,990,811.06 **
Grand Total	\$3,686,232.51	\$3,326,600.07	\$1,977,978.48	\$8,990,811.06

\*\* As part of Hart InterCivic's commitment to Hawaii to support the 2008 elections, Hart will proceed with supporting just the 2008 portion of the overall contract and Hawaii agrees to the following. The price to Hawaii for only 2008 will be \$8,990,811.06. Hawaii agrees to pay \$4,000,000 by June 15, 2008, \$3,000,000 by November 30, 2008 and the final \$1,990,811.06 by February 15, 2009. In the event that a contract is executed with Hart for the period 2008 through 2016 at the amounts currently agreed to between Hawaii and Hart, Hart will apply the February 15, 2009 payment of \$1,990,811.06 against amounts due from Hawaii to Hart for 2010.

Offeror: HART INTERCIVIC

Authorized Signature 

**SCHEDULE A**  
 State of HI (eScan+DRE+Absentee by Mail)  
 2008 Election year  
**EQUIPMENT AND PRICING**

Schedule A

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
<b>Voting Hardware</b>				
434	eSlate	Electronic voting unit	\$ 3,000.00	\$ 1,302,000.00
20	eSlate demo unit	Standalone electronic voting demonstration unit for demonstration purposes	\$ 3,000.00	\$ 60,000.00
434	Disabled Access Unit (DAU) Module	Additional module for accessibility	\$ 600.00	\$ 260,400.00
425	Judge's Booth Controller (JBC)	Controller for eSlate polling place equipment	\$ 3,000.00	\$ 1,275,000.00
434	eScan	Precinct-based ballot scanning unit	\$ 5,400.00	\$ 2,343,600.00
534	Verifiable Ballot Option (VBO)	Voter verifiable paper audit trail	\$ 1,200.00	\$ 640,800.00
434	eSlate accessible voting booth	Wheelchair-accessible voting booth for the DAU-equipped eSlate voting unit	Included	No Charge
434	eScan Booth	Voting booth for marking paper ballots	\$ 250.00	\$ 108,500.00
1,313	Mobile Ballot Box / audio card	Flash memory card or audio cards	Included	No Charge
1,320	Additional Mobile Ballot Box / audio card	Spare flash memory card or audio card	\$ 60.00	\$ 79,200.00
55	eSlate voting booth caddy	Storage unit for 8 voting booths	Included	No Charge
55	Caddy wheels	Set of 4 wheels for storage caddy	\$ 100.00	\$ 5,500.00
425	Jelly switches	Low-impact input switches for DAU module	\$ 167.00	\$ 70,975.00
45	ATA card reader/writer	Flash memory card reader/writer	Included	No Charge
45	eSlate Cryptographic Module (eCM)	Electronic security token	Included	No Charge
<b>Total Hart Voting Hardware-Initial</b>				<b>\$ 6,145,975.00</b>
<b>Voting Software</b>				
1	Election management software	BOSS, Tally, 1 Ballot Now license, and SERVO electronic voting system software	\$ 125,000.00	\$ 125,000.00
4	SERVO license	Additional SERVO license	\$ 5,000.00	\$ 20,000.00
5	SERVO license	Additional SERVO license	\$ 2,500.00	\$ 12,500.00
9	Ballot Now license	Additional Ballot Now license	\$ 60,000.00	\$ 540,000.00
1	inFUSION	Election management system import software utility	\$ 10,000.00	\$ 10,000.00
1	FUSION	Tabulation integration software utility	\$ 15,000.00	\$ 15,000.00
1	TAG	Election asset tracking software utility	\$ 4,000.00	\$ 4,000.00
1	SCORE	Election results reporting software utility	\$ 4,000.00	\$ 4,000.00
<b>Hart Voting Software Subtotal</b>				<b>\$ 730,500.00</b>
<b>Total Hart Hardware and Software</b>				<b>\$ 6,876,475.00</b>
<b>Other Hardware</b>				
5	Personal computer	PC workstations for Tally software and reporting	\$ 3,000.00	\$ 15,000.00
30	Personal computer	Ballot Now and BNIP workstations	\$ 3,000.00	\$ 90,000.00
2	Personal computer	For use with FUSION software	\$ 4,000.00	\$ 8,000.00
20	Laptop computer	For use with BOSS, inFUSION, SERVO and Rally software	\$ 3,500.00	\$ 70,000.00
<b>System Setups Subtotal</b>				<b>\$ 183,000.00</b>
5	Laser printer	Low-volume laser printer	\$ 1,050.00	\$ 5,250.00
4	Laser printer	High-volume laser printer	\$ 4,300.00	\$ 17,200.00
10	Scanner	Kodak i660 high-volume scanner	\$ 49,900.00	\$ 499,000.00
1	Label printer	For use with TAG software	\$ 510.00	\$ 510.00
1	Bar code reader	For use with TAG software	\$ 450.00	\$ 450.00
369	Universal power supply (UPS)	Backup power supply for electronic voting equipment in the polling place	\$ 250.00	\$ 92,250.00
10	Scan aid kit	Scanner aid/maintenance kit	\$ 620.00	\$ 6,200.00
10	Extended warranty care kit	3-year extended warranty for Kodak i660 scanners	\$ 17,800.00	\$ 178,000.00
<b>Other Hardware Subtotal</b>				<b>\$ 798,860.00</b>
<b>Total Third-Party Hardware-Initial</b>				<b>\$ 981,860.00</b>
<b>Professional Services (2008-2016 Elections)</b>				
1	Project management	Hart project management services	\$ 800,000.00	\$ 800,000.00
1	Engineering services	Hart engineering services	\$ 179,500.00	\$ 179,500.00
1	Third-party services	Local project management services	\$ 1,330,909.00	\$ 1,330,909.00
1	Third-party services	Local training services	\$ 480,000.00	\$ 480,000.00
1	Third-party services	Local AB walk support services	\$ 85,773.00	\$ 85,773.00
1	Third-party services	Local equipment preparation services	\$ 228,727.00	\$ 228,727.00
1	Third-party services	Local election day support services	\$ 464,181.00	\$ 464,181.00
1	Third-party services	Local Ballot Now scanning support services	\$ 130,181.00	\$ 130,181.00
1	Third-party services	Freight, insurance, audio recording & translation, print & mail services, secure ballot stock, storage, consumables	\$ 4,630,181.00	\$ 4,630,181.00
1	Voter education and outreach (VEO)	VEO materials and support for two election cycles	\$ 3,500.00	\$ 3,500.00
<b>Total Professional Services</b>				<b>\$ 8,332,952.00</b>
<b>Software License and Support</b>				
1	2008 license and support	License and support fee for 2008	\$ 294,940.00	\$ 294,940.00
<b>Total Software License and Support</b>				<b>\$ 294,940.00</b>
<b>Total Acquisition Cost</b>				
<b>Total Price for Hardware</b>				<b>\$ 7,127,835.00</b>
<b>Total Price for Software</b>				<b>\$ 730,500.00</b>
<b>Total Price for Services</b>				<b>\$ 8,332,952.00</b>
<b>Total License and Support</b>				<b>\$ 294,940.00</b>
<b>Total System Price</b>				<b>\$ 16,486,227.00</b>
<b>Less Special State Discount</b>				<b>\$ (7,899,999.00)</b>
<b>General Excise Tax</b>			4.712%	<b>\$ 404,583.06</b>
<b>Purchase Price</b>				<b>\$ 8,990,811.06</b>

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
1	<b>Contract</b>	60 days?	Fri 2/1/08	Thu 4/24/08	
2	Contract Award	0 days	Fri 2/1/08	Fri 2/1/08	
3	Contract negotiations	30 days?	Fri 2/1/08	Thu 3/13/08	2
4	Protest Period	51 days?	Fri 2/1/08	Fri 4/11/08	2
5	Contract signed	0 days	Fri 4/11/08	Fri 4/11/08	4
6	Internal Project Kickoff Meeting	2 hrs	Thu 3/6/08	Thu 3/6/08	2FS+5 days
7	<b>Kickoff Meeting with the State and counties</b>	1 day	Thu 4/24/08	Thu 4/24/08	5FS+8 days
8	<b>Provide OOE and County Staff Training HVS Equipment</b>	0 days	Thu 4/24/08	Thu 4/24/08	7
9	<b>Provide OOE and County Staff Training - BOSS and Ballot Now</b>	0 days	Thu 4/24/08	Thu 4/24/08	8FF
10	<b>Hire Project Staff</b>	98 days	Tue 2/26/08	Thu 7/10/08	
11	Post management jobs available / Meet with Altires	1 wk	Mon 3/3/08	Fri 3/7/08	5FS-30 days
12	Recruit	30 days	Mon 3/3/08	Fri 4/11/08	11SS
13	Interview	30 days	Mon 3/3/08	Fri 4/11/08	12SS
14	<b>Hire/Appoint Management Team</b>	60 days	Mon 3/3/08	Fri 5/23/08	
15	Hire Assistant Project Manager Leads	30 days	Mon 3/3/08	Fri 4/11/08	13FF
16	Hire Assistant PM for Personnel	30 days	Mon 4/14/08	Fri 5/23/08	13
17	Appoint Assistant PM for Equipment and Logistics	1 day	Mon 4/14/08	Mon 4/14/08	5
18	Appoint Ballot Production Specialist	1 day	Mon 4/14/08	Mon 4/14/08	2,5
19	<b>Hire Project Leads</b>	98 days	Tue 2/26/08	Thu 7/10/08	
20	Hire Project Lead - County of Hawaii	70 days	Tue 2/26/08	Mon 6/2/08	13
21	Hire Project Lead - Maui	70 days	Tue 2/26/08	Mon 6/2/08	13
22	Hire Project Lead - Kauai	70 days	Tue 2/26/08	Mon 6/2/08	13
23	Train Project Leads	30 days	Tue 6/3/08	Thu 7/10/08	20,21,22
24	Hire Equipment Specialists	20 days	Mon 5/26/08	Fri 6/20/08	17,16
25	Hire Trainers	15 days	Mon 6/2/08	Fri 6/20/08	16FS+5 days
26	<b>Procure Facilities</b>	80 days	Fri 2/1/08	Thu 5/22/08	
27	Hart Project Office	70 days	Fri 2/1/08	Thu 5/8/08	2
28	Warehouse on Oahu	70 days	Fri 2/1/08	Thu 5/8/08	2
29	Warehouse/Storage Facility on Big Island	80 days	Fri 2/1/08	Thu 5/22/08	2
30	Warehouse/Storage Facility on Maui	80 days	Fri 2/1/08	Thu 5/22/08	2
31	Warehouse/Storage Facility on Kauai	80 days	Fri 2/1/08	Thu 5/22/08	2
32	Lodging for Hart employees	40 days	Mon 2/18/08	Fri 4/11/08	2,4FF
33	<b>Secure Sub-Contractors</b>	81 days	Fri 2/1/08	Fri 5/23/08	
34	Temp Agency Oahu	30 days	Mon 4/14/08	Fri 5/23/08	5

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
35	Temp Agency Big Island	30 days	Mon 4/14/08	Fri 5/23/08	5
36	Temp Agency Maui	30 days	Mon 4/14/08	Fri 5/23/08	5
37	Temp Agency Kauai	30 days	Mon 4/14/08	Fri 5/23/08	5
38	Moving Company Oahu	30 days	Mon 4/14/08	Fri 5/23/08	5
39	Moving Company Big Island	30 days	Mon 4/14/08	Fri 5/23/08	5
40	Moving Company Maui	30 days	Mon 4/14/08	Fri 5/23/08	5
41	Moving Company Kauai	30 days	Mon 4/14/08	Fri 5/23/08	5
42	Translation Services Company	10 days	Mon 4/14/08	Fri 4/25/08	5
43	Printing Contractor (Paper Ballot Sub Plan, Task #11)	31 days	Fri 2/1/08	Fri 3/14/08	2
44	<b>Training for Individual Training and Support Staff</b>	<b>55 days</b>	<b>Mon 4/14/08</b>	<b>Fri 6/27/08</b>	
45	Develop Training Program	30 days	Mon 4/14/08	Fri 5/23/08	5
46	Train	20 days	Mon 6/2/08	Fri 6/27/08	25SS
47	Post Training Report and Evaluation	20 days	Mon 6/2/08	Fri 6/27/08	46SS
48	<b>Weekly Project Status Meeting with State</b>	<b>115.25 days</b>	<b>Wed 6/4/08</b>	<b>Wed 11/12/08</b>	
73	<b>Weekly Hart Team Project Status Meetings</b>	<b>115.25 days</b>	<b>Tue 6/3/08</b>	<b>Tue 11/11/08</b>	
97	<b>Equipment Management (Main Warehouse Oahu)</b>	<b>145 days</b>	<b>Fri 2/8/08</b>	<b>Thu 8/28/08</b>	
98	Order HVS component hardware	4 hrs	Fri 2/8/08	Fri 2/8/08	2FS+5 days
99	Order Application hardware and software	4 hrs	Fri 2/8/08	Fri 2/8/08	98SS
100	Receive application hardware in Austin and configure	1 wk	Fri 2/22/08	Fri 2/29/08	99FS+2 wks
101	Order Kodak scanners	1 day	Fri 2/8/08	Mon 2/11/08	99
102	Ship Kodak scanners to Oahu	1 day	Mon 7/14/08	Tue 7/15/08	101FS+22 wks
103	Procure forklift and pallet jack	1 day	Fri 5/9/08	Fri 5/9/08	28
104	Receive forklift and pallet jack at warehouse	1 day	Mon 6/9/08	Mon 6/9/08	103
105	Ship application hardware to Oahu	1 day	Fri 6/6/08	Fri 6/6/08	27,28FS+20 days
106	Receive scanners at warehouse on Oahu	1 day	Tue 7/29/08	Wed 7/30/08	102FS+2 wks
107	Ship HVS hardware to Oahu	1 day	Fri 5/30/08	Fri 5/30/08	28FS+15 days, 98
108	Receive application hardware at warehouse on Oahu	1 day	Mon 6/23/08	Mon 6/23/08	105FS+2 wks
109	Ensure PC clock time on all computers set to HST	1 day	Tue 6/24/08	Tue 6/24/08	108
110	Ensure all computers set to NOT adjust to Daylight Savings Time	1 day	Tue 6/24/08	Tue 6/24/08	109SS
111	Receive HVS hardware at warehouse on Oahu	1 day	Sat 7/12/08	Sat 7/12/08	107FS+6 wks
112	Conduct Acceptance Testing on HVS hardware	2 wks	Tue 7/15/08	Thu 7/24/08	111FS+1 day
113	Prepare HVS hardware for Primary election	4 days	Fri 7/25/08	Mon 7/28/08	112
114	Ship outer county's HVS hardware to County warehouses	2 days	Fri 8/1/08	Sat 8/2/08	113FS+2 days, 21
115	Ship outer county's application hardware to County warehouses	2 days	Wed 8/6/08	Thu 8/7/08	109FS+30 days, 2

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
116	Prepare Oahu HVS hardware for deployment	2 days	Tue 7/29/08	Wed 7/30/08	113
117	Ship JBCs, eScans, and DAUs needed for OT to State Capitol	1 day	Thu 8/28/08	Thu 8/28/08	116FS+20 days
118	<b>Infrastructure Set Up</b>	43 days?	Tue 6/17/08	Thu 8/14/08	
119	Obtain Access to State Capitol building	1 day?	Mon 8/4/08	Mon 8/4/08	
120	Set up computer equipment in capitol building	2 days	Tue 8/5/08	Wed 8/6/08	119
121	Set up phone lines in Capitol building and outlying counties	2 wks	Tue 8/5/08	Thu 8/14/08	119
122	Coordinate establishment of credentials/name badges (process) with State and counties	4 wks	Tue 6/17/08	Thu 7/10/08	7, 10FF
123	<b>PaperBallot_SubPlan_030308</b>	175 days?	Tue 2/19/08	#####	
1	2008 Ballot Production Sub-Project	175 days?	Tue 2/19/08	Mon 10/20/08	
2	Color or Black & White decision made	0 days	Thu 2/21/08	Thu 2/21/08	
3	Print Local or Ausfin decision made	0.5 days?	Thu 2/21/08	Thu 2/21/08	2
4	<b>Contractor Selection</b>	39 days?	Tue 2/19/08	Fri 4/11/08	
5	On-site evaluation meetings with printers	2 days	Tue 2/19/08	Wed 2/20/08	2FS-2 days
6	Select top 3 contract choices	0.5 days?	Thu 2/21/08	Thu 2/21/08	5
7	Provide Printing Specs to contractors	2 hrs	Thu 2/28/08	Thu 2/28/08	6FS+5 days
8	Issue RFQ to potential contractors	2 hrs	Thu 2/28/08	Thu 2/28/08	7SS
9	RFQ questions teleconferences	3 hrs	Fri 2/29/08	Mon 3/3/08	8FS+1 day
10	Receive Quote from contractors	0 days	Thu 3/13/08	Thu 3/13/08	8FS+10 days
11	Select printing contractor	0 days	Fri 3/14/08	Fri 3/14/08	
12	Contract negotiation	11 days	Mon 3/17/08	Mon 3/31/08	11FS+1 day
13	Contract signed	0 days	Fri 4/11/08	Fri 4/11/08	12
14	<b>Contractor Preparation</b>	39 days	Mon 4/14/08	Thu 6/5/08	
15	Order needed new equipment	1 day	Mon 4/14/08	Mon 4/14/08	13
16	Equipment in place and ready	1 day	Fri 5/30/08	Fri 5/30/08	15
17	Print Production Manager on-site audit of contractor readiness	3 days	Tue 6/3/08	Thu 6/5/08	16FS+1 day
18	<b>Test Bed eScans</b>	41 days	Mon 4/14/08	Mon 6/9/08	
19	Build 2 test bed eScans	8 wks	Mon 4/14/08	Fri 6/6/08	13
20	Deliver test beds to Hawaii printer	1 day	Mon 6/9/08	Mon 6/9/08	16, 19
21	<b>Certification of Selected Contractor</b>	6 days	Tue 6/3/08	Tue 6/10/08	
22	Prepare ballot files and send to printer	1 day	Tue 6/3/08	Tue 6/3/08	17SS
23	Print samples and return to Hart for eval	2 days	Wed 6/4/08	Thu 6/5/08	22
24	Issue contractor Hart Printing Certification	1 day	Tue 6/10/08	Tue 6/10/08	23FS+2 days
25	<b>2008 Primary Ballot Production</b>	130 days	Mon 3/3/08	Fri 8/29/08	
26	Place paper order	1 day	Mon 3/3/08	Mon 3/3/08	

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
27	Paper arrives at Hart	0 days	Thu 5/1/08	Thu 5/1/08	26FS+43 days
28	Round corner and micro-perf	43 days	Fri 5/2/08	Tue 7/1/08	27
29	Ship stock to Contractor	1 day	Wed 7/2/08	Wed 7/2/08	28
30	Paper arrives to Hawaii Contractor	1 day	Wed 7/9/08	Wed 7/9/08	29FS+4 days
31	Print Production Manager and Specialist on-site for oversight	25 days	Mon 7/28/08	Fri 8/29/08	
32	Ballot Files Ready	0 days	Fri 8/1/08	Fri 8/1/08	
33	<b>Begin Ballot Production</b>	<b>21 days</b>	<b>Fri 8/1/08</b>	<b>Fri 8/29/08</b>	<b>32</b>
34	Printing	21 days	Fri 8/1/08	Fri 8/29/08	
35	QC	21 days	Fri 8/1/08	Fri 8/29/08	
36	Stitching	21 days	Fri 8/1/08	Fri 8/29/08	
37	Packaging	21 days	Fri 8/1/08	Fri 8/29/08	
38	Deliver ABMail, Test, and Facsimiles	1 day	Fri 8/8/08	Fri 8/8/08	
39	Deliver AB walk	1 day	Fri 8/22/08	Fri 8/22/08	
40	Complete delivery	1 day	Fri 8/29/08	Fri 8/29/08	
41	<b>2008 General Ballot Production</b>	<b>26 days</b>	<b>Mon 9/15/08</b>	<b>Mon 10/20/08</b>	
42	Ballot data certified	0 days	Mon 9/22/08	Mon 9/22/08	
43	Ballot Files Ready	1 day	Thu 9/25/08	Thu 9/25/08	42FS+3 days
44	Print Production Manager and Specialist on-site for oversight	25 days	Mon 9/15/08	Fri 10/17/08	
45	<b>Begin ballot production</b>	<b>17 days</b>	<b>Fri 9/26/08</b>	<b>Mon 10/20/08</b>	<b>43</b>
46	Printing	17 days	Fri 9/26/08	Mon 10/20/08	
47	QC	17 days	Fri 9/26/08	Mon 10/20/08	
48	Stitching	17 days	Fri 9/26/08	Mon 10/20/08	
49	Packaging	17 days	Fri 9/26/08	Mon 10/20/08	
50	Deliver ABMail and Facsimiles	1 day	Fri 9/26/08	Mon 10/20/08	
51	Deliver Test	1 day	Sat 9/27/08	Mon 9/29/08	
52	Deliver ABWalk	1 day	Tue 9/30/08	Tue 9/30/08	
53	Complete delivery	1 day	Mon 10/6/08	Mon 10/6/08	
124	<b>Election Day Official Trainers Training</b>	<b>9 days</b>	<b>Fri 4/25/08</b>	<b>Wed 5/7/08</b>	
125	Establish Training Schedule with State and counties	1 day	Fri 4/25/08	Fri 4/25/08	7
126	Training Class C&C Honolulu	1 day	Thu 5/1/08	Thu 5/1/08	
127	Training Class #1 Hawaii County	1 day	Fri 5/2/08	Fri 5/2/08	126
128	Training Class #2 Hawaii County	1 day	Mon 5/5/08	Mon 5/5/08	127
129	Training Class Maui County	1 day	Tue 5/6/08	Tue 5/6/08	128
130	Training Class Kauai County	1 day	Wed 5/7/08	Wed 5/7/08	129

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
131	2008 Primary Election	121 days?	Mon 4/14/08	Mon 9/29/08	
132	Ballot	92.13 days?	Mon 4/14/08	Wed 8/20/08	
133	CFS Conversion	60 days	Mon 4/14/08	Sun 7/6/08	
134	Development of CFS Conversion Tool for BOSS data importing	60 days	Mon 4/14/08	Fri 7/4/08	5
135	Test CFS Conversion Tool	2 days	Sat 7/5/08	Sun 7/6/08	134
136	Establish ballot build schedule and proofing plan with State	1 day	Fri 4/25/08	Fri 4/25/08	7
137	Establish and document MBB requirements	1 day	Mon 4/28/08	Mon 4/28/08	136
138	Establish MBB distribution plan	1 day	Tue 4/29/08	Tue 4/29/08	137
139	Ballot Construction	57.13 days?	Mon 6/2/08	Wed 8/20/08	
140	Build databases in BOSS	10 days	Mon 6/2/08	Fri 6/13/08	
141	Initial translation files to PCAS	10 days	Mon 6/16/08	Fri 6/27/08	140
142	Obtain export files from State CFS	1 day	Wed 7/23/08	Wed 7/23/08	
143	Obtain contest, precinct, district, and polling place data	1 day	Mon 6/2/08	Mon 6/2/08	
144	Final proof of text and district assignment to State	1 day	Mon 6/23/08	Mon 6/23/08	143FS+14 days
145	Text proof approval from State	0 days	Mon 6/30/08	Mon 6/30/08	144FS+5 days
146	Make final text edits	1 day	Thu 7/24/08	Thu 7/24/08	142
147	Receive final text proof approval from State	1 day	Sat 7/26/08	Sat 7/26/08	146FS+1 day
148	Lock Down DB#1	0 days	Sat 7/26/08	Sat 7/26/08	147
149	Begin burning eScan and BN cards	1 day?	Sun 7/27/08	Sun 7/27/08	148
150	Begin producing print files	1 day?	Sun 7/27/08	Sun 7/27/08	149SS
151	Begin English audio recording	3 days	Mon 7/28/08	Wed 7/30/08	148
152	Obtain audio tapes of candidate name pronunciation from State	1 day	Wed 7/23/08	Wed 7/23/08	
153	Final Audio Manifest to PCAS	1 day	Tue 7/29/08	Tue 7/29/08	148FS+1 day
154	PCAS provide audio files	2 hrs	Tue 8/5/08	Tue 8/5/08	153FS+4 days
155	Import audio files into database	1 day	Tue 8/5/08	Wed 8/6/08	154
156	Audio proof to State	2 days	Wed 8/6/08	Fri 8/8/08	155
157	Final ballot accepted by State	0 days	Fri 8/8/08	Fri 8/8/08	156
158	Lock down DB #2	0 days	Fri 8/8/08	Fri 8/8/08	157
159	Deliver test MBBs to State	2 hrs	Fri 8/8/08	Fri 8/8/08	158
160	Burn MBBs for C&C Honolulu	1 day	Fri 8/8/08	Sat 8/9/08	159
161	Burn MBBs for Big Island	1 day	Sat 8/9/08	Sun 8/10/08	160
162	Burn MBBs for Maui	4 hrs	Sun 8/10/08	Sun 8/10/08	161
163	Burn MBBs for Kauai	1 hr	Mon 8/11/08	Mon 8/11/08	162
164	Return candidate pronunciation tapes to State	2 hrs	Fri 8/8/08	Fri 8/8/08	157FF

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
165	Deliver CD with PDFs of each Ballot Type, each language, to Lori	1 day	Tue 8/19/08	Wed 8/20/08	163FS+6 days
166	<b>Equipment Preparation for Election</b>	36 days	Fri 8/1/08	Fri 9/19/08	
167	Take possession of temporary county warehouses (Bl, M, K)	0 days	Fri 8/1/08	Fri 8/1/08	
168	Receive equipment at temporary county warehouse (Bl, M, K)	1 day	Fri 8/8/08	Fri 8/8/08	114FS+4 days
169	Prepare equipment for election deployment	2 days	Sat 8/9/08	Sun 8/10/08	168
170	Insert DAU Cards	1 day	Thu 8/28/08	Thu 8/28/08	188, 189, 190, 191
171	Deploy equipment to ABWalk Polling Places	2 days	Thu 9/4/08	Fri 9/5/08	170FS+6 days
172	Deploy equipment to ED polling places	14 days	Sat 9/6/08	Fri 9/19/08	171
173	Deliver copies of movers receipts to County or State, as appropriate	1 day	Fri 9/19/08	Fri 9/19/08	172FF
174	<b>Poll Worker Training</b>	80 days?	Mon 5/26/08	Sun 9/14/08	
175	Establish Poll Worker Training Plan	20 days	Mon 5/26/08	Fri 6/20/08	15, 16
176	Recruit Hart poll worker trainers	20 days	Mon 5/26/08	Fri 6/20/08	25FF
177	Train Hart trainers	20 days	Mon 5/26/08	Fri 6/20/08	176FF
178	Conduct Poll Worker/Official Training (Training Sub-Plan)	96 days?	Tue 6/3/08	Sun 9/14/08	177FS-14 days
179	<b>Absentee by Mail</b>	25 days	Mon 8/18/08	Sat 9/20/08	
180	Receive ballots in County offices	32 days	Mon 8/18/08	Thu 9/18/08	
181	Open envelopes and prepare ballots for scanning	1 day	Sat 9/20/08	Sat 9/20/08	180
182	Scan ballots	1 day	Sat 9/20/08	Sat 9/20/08	181SS
183	Resolve ballots	1 day	Sat 9/20/08	Sat 9/20/08	182SS
184	Write results to MBB	0 days	Sat 9/20/08	Sat 9/20/08	183
185	<b>Observer's Tests</b>	28.88 days	Mon 8/11/08	Thu 9/18/08	
186	Deliver and ensure all necessary equipment for OT is on each island	2 days	Mon 8/11/08	Wed 8/13/08	163
187	OT training/orientation for Hart support personnel	1 day	Fri 8/22/08	Fri 8/22/08	
188	Conduct OT Phase 1 Honolulu	1 day	Sat 8/23/08	Sat 8/23/08	
189	Conduct OT Phase 1 Big Island	1 day	Mon 8/25/08	Mon 8/25/08	
190	Conduct OT Phase 1 Maui	1 day	Tue 8/26/08	Tue 8/26/08	
191	Conduct OT Phase 1 Kauai	1 day	Wed 8/27/08	Wed 8/27/08	
192	Setup and conduct full statewide Rally Test	2 days	Tue 9/16/08	Wed 9/17/08	
193	Conduct OT Phase 2 Statewide	1 day	Thu 9/18/08	Thu 9/18/08	
194	<b>AB Walk Support</b>	79 days	Tue 6/3/08	Fri 9/19/08	
195	Establish AB Walk Support Plan and Schedule in all 4 counties	1 day	Tue 6/3/08	Tue 6/3/08	16, 23SS
196	Train AB Walk Support Staff	3 days	Mon 6/30/08	Wed 7/2/08	46
197	Establish AB Walk Reporting Plan	1 day	Wed 6/4/08	Wed 6/4/08	195
198	Provide AB Walk Support	11 days	Mon 9/8/08	Thu 9/18/08	

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
199	Distribute Daily AB Walk Report to State and counties	11 days	Mon 9/8/08	Thu 9/18/08	198SS
200	Close-out AB Walk polls	4 hrs	Thu 9/18/08	Thu 9/18/08	198FF
201	Prepare AB Walk VBOs for spare usage on Election Day	3 hrs	Thu 9/18/08	Thu 9/18/08	200FF
202	Return equipment to warehouses	4 hrs	Thu 9/18/08	Thu 9/18/08	200FF
203	Prepare AB Walk eSlates/DAUs/eScans for spare usage on Election Day	1 day	Fri 9/19/08	Fri 9/19/08	202
204	<b>Election Day Support</b>	<b>82 days</b>	<b>Wed 6/4/08</b>	<b>Thu 9/25/08</b>	
205	Establish Election Day/Night Support Plan	1 wk	Wed 6/4/08	Tue 6/10/08	195
206	Establish Zone support schedule and plan	1 wk	Wed 6/11/08	Tue 6/17/08	205
207	Recruit needed Election Day/Night support in each County	60 days	Mon 6/23/08	Sat 8/23/08	25
208	Train support staff	1 wk	Tue 8/19/08	Sat 8/23/08	196FF,207FF
209	Build support packets and materials for each support staff member	1 wk	Mon 9/8/08	Fri 9/12/08	198SS
210	Election day support staff briefing / supply pickup	1 day	Fri 9/19/08	Fri 9/19/08	212FS-1 day
211	Deploy backup equipment	1 day	Sat 9/20/08	Sat 9/20/08	210
212	Provide Election Day support	1 day	Sat 9/20/08	Sat 9/20/08	
213	Provide election night/Rally support	1 day	Sat 9/20/08	Sat 9/20/08	212FF
214	Provide post election reporting support (provisionals)	1 wk	Sun 9/21/08	Thu 9/25/08	212
215	<b>Post election warehousing</b>	<b>6 days</b>	<b>Sun 9/21/08</b>	<b>Mon 9/29/08</b>	
216	Receive equipment at warehouses	1 wk	Sun 9/21/08	Thu 9/25/08	212
217	Backup all equipment	1 wk	Sun 9/21/08	Thu 9/25/08	216SS
218	Make CD/DVD backups of all Ballot Now, Servo, Rally, Tally, and BOSS databases	1 day	Fri 9/26/08	Fri 9/26/08	217
219	Reset all equipment	1 day	Sat 9/27/08	Sat 9/27/08	218
220	Prepare equipment for use in the November General Election	2 days	Sun 9/28/08	Mon 9/29/08	219
221	<b>Post Election Debrief with State and counties</b>	<b>1 day</b>	<b>Wed 9/24/08</b>	<b>Wed 9/24/08</b>	<b>212FS+2 days</b>
222	<b>2008 General Election</b>	<b>160 days?</b>	<b>Fri 4/25/08</b>	<b>Thu 12/4/08</b>	
223	<b>Ballot</b>	<b>121 days?</b>	<b>Fri 4/25/08</b>	<b>Sat 10/11/08</b>	
224	Establish ballot build schedule and proofing plan with State	1 day	Fri 4/25/08	Fri 4/25/08	136FF
225	Establish MBB distribution plan	1 day	Mon 4/28/08	Mon 4/28/08	137FF
226	<b>Ballot Construction</b>	<b>25 days?</b>	<b>Mon 9/8/08</b>	<b>Sat 10/11/08</b>	
227	Receive State and county prop language	1 day	Mon 9/8/08	Mon 9/8/08	
228	Initial translation files to PCAS	4 days	Tue 9/9/08	Fri 9/12/08	227
229	Obtain export files from State CFS / Use Primary DB	2 hrs	Sun 9/21/08	Sun 9/21/08	212FS+1 day
230	Obtain audio tapes of candidate name pronunciation from State	1 hr	Sun 9/21/08	Sun 9/21/08	229FF
231	Cooperate Ballot	1 day	Sun 9/21/08	Mon 9/22/08	229
232	Final proof of text and district assignment to State	0 days	Mon 9/22/08	Mon 9/22/08	231

Hawaii Project Schedule

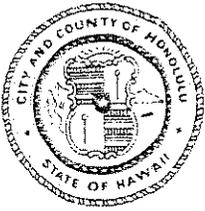
ID	Task Name	Duration	Start	Finish	Predecessors
233	Final text proof approval from State	0 days	Mon 9/22/08	Mon 9/22/08	232SS
234	Lock down DB#1	0 days	Tue 9/23/08	Tue 9/23/08	233FS+1 day
235	Begin producing BN and eScan MBBs	1 day?	Tue 9/23/08	Wed 9/24/08	234
236	Begin producing BN print files	1 day?	Tue 9/23/08	Wed 9/24/08	235SS
237	Final Audio Manifest to PCAS	0 days	Wed 9/24/08	Wed 9/24/08	236
238	PCAS provide audio files	0 days	Mon 9/29/08	Mon 9/29/08	237FS+5 days
239	Import audio files	1 hr	Mon 9/29/08	Mon 9/29/08	238
240	Final audio proof to State	0 days	Wed 10/1/08	Wed 10/1/08	239FS+2 days
241	Final ballot accepted by State	0 days	Fri 10/3/08	Fri 10/3/08	240FS+2 days
242	Lock down DB#2	1 day?	Fri 10/3/08	Sat 10/4/08	241
243	Deliver test MBBs to State	2 hrs	Sat 10/4/08	Sat 10/4/08	242
244	Burn MBBs for C&C Honolulu	1 day	Fri 10/3/08	Sat 10/4/08	241
245	Burn MBBs for Big Island	1 day	Sat 10/4/08	Sun 10/5/08	244
246	Burn MBBs for Maui	4 hrs	Sun 10/5/08	Sun 10/5/08	245
247	Burn MBBs for Kauai	4 hrs	Sun 10/5/08	Mon 10/6/08	246
248	Return candidate pronunciation tapes to State	1 day	Mon 10/6/08	Tue 10/7/08	247
249	Deliver CD with PDFs of each ballot type, each language, to Lori	1 day	Fri 10/10/08	Sat 10/11/08	241FS+1 wk
250	<b>Equipment Preparation for Election</b>	13 days	Thu 10/16/08	Mon 11/3/08	
251	Insert DAU Cards	1 day	Thu 10/16/08	Thu 10/16/08	268,269,270,271
252	Deploy equipment to ABWaik Polling Places	2 days	Fri 10/17/08	Sat 10/18/08	251
253	Deploy equipment to ED Polling Places	15 days	Sun 10/19/08	Sun 11/2/08	252
254	Deliver copies of movers receipts to County or State, as appropriate	0 days	Mon 11/3/08	Mon 11/3/08	253FS+1 day
255	<b>Poll Worker Training</b>	27 days	Sun 9/21/08	Tue 10/28/08	
256	Refine Poll Worker Training Plan as necessary	1 day	Tue 9/23/08	Tue 9/23/08	212FS+1 day
257	Recruit Hart poll worker trainers as necessary	1 wk	Wed 9/24/08	Sun 9/28/08	256
258	Train Hart trainers as necessary	1 wk	Wed 9/24/08	Sun 9/28/08	257SS
259	Conduct Poll Worker Training, as necessary (Training Sub-Plan)	37 days	Sun 9/21/08	Tue 10/28/08	213
260	<b>Absentee by Mail</b>	21 days	Tue 10/7/08	Tue 11/4/08	
261	Receive ballots in County offices	28 days	Tue 10/7/08	Tue 11/4/08	
262	Open envelopes and prepare ballots for scanning	1 day	Tue 11/4/08	Tue 11/4/08	
263	Scan ballots	1 day	Tue 11/4/08	Tue 11/4/08	
264	Resolve ballots	1 day	Tue 11/4/08	Tue 11/4/08	262FF
265	Write results to MBB	1 day	Tue 11/4/08	Tue 11/4/08	263FF
266	<b>Observer's Tests</b>	19.63 days	Mon 10/6/08	Sat 11/1/08	

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
267	Deliver and ensure all necessary equipment for OT is on each island	1 day	Mon 10/6/08	Tue 10/7/08	244,245,246,247
268	Conduct OT Phase 1 Honolulu	1 day	Sat 10/11/08	Sat 10/11/08	
269	Conduct OT Phase 1 Big Island	1 day	Mon 10/13/08	Mon 10/13/08	
270	Conduct OT Phase 1 Maui	1 day	Tue 10/14/08	Tue 10/14/08	
271	Conduct OT Phase 1 Kauai	1 day	Wed 10/15/08	Wed 10/15/08	
272	Setup and conduct full statewide Rally Test	2 days	Fri 10/31/08	Sat 11/1/08	
273	Conduct OT Phase 2 Statewide	1 day	Sat 11/1/08	Sat 11/1/08	
274	<b>AB Walk Support</b>	<b>109 days</b>	<b>Tue 6/3/08</b>	<b>Sun 11/2/08</b>	
275	Establish AB Walk Support Plan and Schedule in all 4 counties	1 day	Tue 6/3/08	Tue 6/3/08	195FF
276	Train AB Walk Support Staff, as necessary	1 wk	Wed 9/24/08	Sun 9/28/08	212FS+2 days
277	Provide AB Walk Support	12 days	Tue 10/21/08	Sat 11/1/08	
278	Distribute Daily AB Walk Report to State and counties	12 days	Tue 10/21/08	Sat 11/1/08	277FF
279	Close-out AB Walk polls	4 hrs	Sat 11/1/08	Sat 11/1/08	277FF
280	Prepare AB Walk VBOs for spare usage on Election Day	3 hrs	Sat 11/1/08	Sat 11/1/08	279FF
281	Return equipment to warehouses	0 days	Sat 11/1/08	Sat 11/1/08	279FF
282	Prepare AB Walk eSlates/DAUs/eScans for spare usage on Election Day	1 day	Sun 11/2/08	Sun 11/2/08	281
283	<b>Election Day Support</b>	<b>37 days</b>	<b>Mon 9/22/08</b>	<b>Tue 11/11/08</b>	
284	Review and update Election Day/Night Support Plan, if necessary	1 day	Mon 9/22/08	Mon 9/22/08	212
285	Review and update Zone support schedule and plan, if necessary	1 day	Mon 9/22/08	Mon 9/22/08	284FF
286	Fill vacancies in Election Day/Night support in each County	4 wks	Wed 9/24/08	Tue 10/14/08	212FS+2 days
287	Train support staff, as needed	4 wks	Fri 9/26/08	Thu 10/16/08	286SS+2 days
288	Build support packets and materials for each support staff member	1 wk	Tue 10/21/08	Sat 10/25/08	277SS
289	Election day support staff briefing / supply pickup	1 day	Tue 11/4/08	Tue 11/4/08	291FS-1 day
290	Deploy backup equipment	1 day	Tue 11/4/08	Tue 11/4/08	291FS-1 day
291	Provide Election Day support	1 day	Tue 11/4/08	Tue 11/4/08	
292	Provide election night/Rally support	1 day	Tue 11/4/08	Tue 11/4/08	291FF
293	Provide post election reporting support (provisionals)	1 wk	Wed 11/5/08	Tue 11/11/08	291
294	<b>Post election warehousing</b>	<b>21 days</b>	<b>Thu 11/6/08</b>	<b>Thu 12/4/08</b>	
295	Receive equipment at warehouses	1 wk	Thu 11/6/08	Wed 11/12/08	291FS+1 day
296	Backup all equipment	1 wk	Thu 11/6/08	Wed 11/12/08	295SS
297	Make CD/DVD backup of all Ballot Now, Servo, Rally, Tally, and BOSS databases	2 days	Thu 11/13/08	Fri 11/14/08	296
298	Prepare (BI, M, K) equipment for shipment to Main Warehouse on Oahu	2 days	Mon 11/17/08	Tue 11/18/08	297
299	Ship (BI, M, K) equipment to Oahu	1 day	Wed 11/19/08	Wed 11/19/08	298
300	Release outlying warehouses (BI, M, K)	4 days	Mon 11/24/08	Thu 11/27/08	299FS+2 days

Hawaii Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors
301	Receive equipment in Oahu warehouse	1 day	Thu 11/27/08	Thu 11/27/08	299FS+1 wk
302	Prepare equipment for storage	1 wk	Fri 11/28/08	Thu 12/4/08	301
303	Post Election Debrief with State and counties	1 day	Wed 11/19/08	Wed 11/19/08	291FS+10 days



DENISE C. DE COSTA  
CITY CLERK

OFFICE OF THE CITY CLERK  
OFFICE OF ELECTIONS  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813 / TELEPHONE 768-3810

'08 MAY -8 A 8:52

May 7, 2008

CC: File  
Kevin  
Rex  
Steve  
Scott

Mr. Kevin Cronin  
802 Lehua Avenue  
Pearl City, HI 96782

Subject: Selection of New Elections System Vendor

Dear Mr. Cronin:

As City Clerk for the City and County of Honolulu, I am writing to ask your swift resolution of challenges to the award of our new elections system contract to Hart InterCivic. It is imperative that we are able to work productively without a cloud of uncertainty hanging over us.

For some time now, my staff has been preparing for the 2008 primary and general elections. We anticipate that activity is likely to be even greater during this Presidential election year; added to that is the likelihood of at least one major ballot issue that will also need to be processed by my staff during this election cycle.

That is why I am increasingly troubled about possible delays that have been and are likely to occur if this matter is not settled expeditiously. We ask that we be allowed to continue election preparations with Hart InterCivic.

I understand Hart's contract award is under protest and currently pending appeal before a State of Hawaii hearings officer. We were pleased to learn that the initial stay has been lifted and continues lifted as I write to you, which enabled us to make progress to conduct the 2008 elections properly.

However, we are concerned at the possibility of a stay being reimposed, for any reason. If this happens, it would prevent us from continuing our coordinative work with the vendor because we may not be able to resolve in time various important election preparation issues that are necessary for smooth operations of the election in our county.

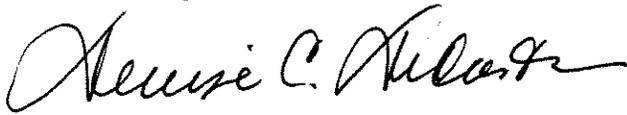
Mr. Kevin Cronin  
May 7, 2008  
Page 2

We ask that you take every possible step necessary to bring the appeal to an expeditious resolution. If a hearing is held in June, as I understand from your office is now anticipated, then I strongly urge you to do whatever is needed to obtain either an exemption or other authority from the state procurement law to obtain at least a one-year contract with Hart as you determine best. My office needs to continue working with Hart to prepare for the September 20 primary election, now less than five months away.

We appreciate any consideration you can give to our appeal for swift resolution and conclusion of the uncertainty with which we, as the elections agency for the City & County of Honolulu, have had to work these past two months.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "Denise C. De Costa".

DENISE C. DE COSTA  
City Clerk

