

Request for Committee Action

To: Public Safety, Civil Rights & Emergency Management
Date: 7/27/2016
Referral: Ways & Means
From: Police Department / IT
Prepared by: Bob Arko
Presented by: Lt. G Reinhardt
File type: Action
Subcategory: Contracts & Agreements

Subject:

Contract with Versaterm

Description:

Authorizing a contract and customize the terms and liabilities with Versaterm, Inc., \$9,800,000 for the design, implementation and support of a commercial-off-the-shelf (“COTS”) Law Enforcement Records Management System (“RMS”), along with ancillary software and services, for an approximate duration of 12.5 years, with the option to extend up to five additional one-year terms.

Previous Actions:

August 29, 2014 - Your Committee recommends that the proper City officers be authorized to issue a request for proposal for the Minneapolis Police Department Records Management System (RMS) to replace their current outdated records management system which lacks the ability to share and provide information in a timely manner. The new RMS will streamline data entry, storage and retrieval that will replace disconnected systems.

Ward/Neighborhood/Address:

Not Applicable

Background/Analysis:

The City issued a Request for Proposal (RFP) in September 2014 for the design, implementation and support of a commercial-off-the-shelf (“COTS”) Law Enforcement Records Management System (“RMS”), along with ancillary software and services. A total of four proposals were received and after thorough vetting, three firms were selected for the demo process. The evaluation team selected Versaterm to move forward in the contract process.

Currently, the Minneapolis Police Department (MPD) uses a custom-built case reporting and management application called the Computer Assisted Police Reporting System, or CAPRS. Built and maintained in-house, CAPRS has been a stable application providing basic report writing and case management functionality for over twenty years. Since developing CAPRS, the information management needs of the Minneapolis Police Department have grown beyond the capabilities afforded by CAPRS. Functional limitations of CAPRS have spurred the desire to replace the application.

The core application MPD uses to manage law enforcement information is CAPRS, which resides on the City network and hardware supported by an outsourced vendor. CAPRS is a report-writing application with limited case management functionality, and is not capable of managing the breadth and depth of information gathered by a police department the size of the MPD. It is a dated application that does not provide functionality commensurate with either advances in

public safety information technology or the data management expectations placed on police departments today. As the MPD has adopted progressive policing and management approaches, reliance on CAPRS for data management has led to the development of inefficient, complex and repetitive work processes.

Because CAPRS is primarily a report writing system designed to store incident reports, the MPD relies on additional applications, databases, paper forms and external systems to gather, store, and analyze information. The City of Minneapolis Information Technology (IT) Department and resources within the MPD jointly provide the Department with ongoing system support for CAPRS, as well as for the other applications and systems comprising the records management environment.

After evaluating all proposals, IT and the MPD recommend to:

- a) Execute a contract with Versaterm for the PIMS dedicated resources to provide dedicated program management oversight of the implementation of the new system for approximately 12.5 years for a not-to-exceed total of \$9,800,000, with the option to extend five additional one-year terms, if mutually agreed upon by both parties, and
- b) Customize the termination language, the City may cancel the contract for convenience at any time with 30 days' notice and Versaterm may cancel the contract after the seventh year upon 365 days' notice to the City. Each party has the right to terminate the contract for cause if the other party breaches the contract and such breach is not cured within an appropriate period, and
- c) Customize the liability and insurance terms and conditions of the contract. The City's IT Department has reviewed the request with the City Attorney's Office, as follows:

Versaterm has proposed that both Versaterm and the City's liability, be capped at \$2,000,000 annually during the initial three years of the contract and \$1,000,000 annually thereafter.

Versaterm's dollar cap on its liability has become a typical request by software suppliers. As Versaterm is providing a perpetual, non-revocable license to its software, Versaterm's rationale is that it licenses its product to numerous users or licensees such as the City and if Versaterm had to include a minimum tort liability dollar amount that the City normally requires (\$1,500,000 per occurrence or claim) into its cost structure, Versaterm would have to charge fees far in excess of our negotiated amount.

It should be noted that Versaterm's liability cap does not apply to any claims or lawsuits filed against the City arguing that the City's use of the software licensed from Versaterm infringes upon any copyright, patent or trademark held by a third party such as another software supplier. The liability cap does not apply to any willful misconduct, negligence or omission by Versaterm.

Similarly, the City's liability is unlimited should any of its data be found to infringe upon the intellectual property rights or privacy rights of a third party.

Versaterm has satisfied the City's insurance lines and coverage limits. Versaterm's Technology Errors & Omissions coverage is capped at \$4,000,000 annually.

- d) Customize the contract terms to allow for the modification of existing integrations or the addition of new integrations to other systems throughout the term of the contract.

Financial Review:

No additional appropriation required, amount included in current budget.