



BOBBIE DAVIS
COUNTY CLERK
PANOLA COUNTY

February 16, 2016

Honorable LeeAnn Jones
Panola County Judge
Panola County Commissioners
110 S. Sycamore
Carthage, Texas 75633

Dear Judge Jones and Commissioners,

On February 23, 2015, Panola County entered into contract with Kofile Systems, Inc. for the Vanguard Records Management and Imaging System for use in the County Clerk's Office. Included in the contract is a letter signed by John D. Woolf, CFO, Kofile Systems, Inc. which states "Although the RFP requires the completion of all installations and the commencement of services within ninety (90) days of the effective date of the RFP's resulting Contract, Kofile proposes a solution that deviates by guaranteeing that Vanguard Records Management is up and running with a go live date within 90 days of receipt of images and data from the existing vendor." At that time, an agreement was reached between Panola County and Government Records Services, Inc., the existing vendor for these services, to continue serving Panola County on a month-by-month basis until the newly selected vendor was up and running.

Panola County and Kofile Systems proceeded with the conversion process from that time forward. From February to July 2015, Kofile team members visited the County Clerk's Office multiple times, asking questions, gathering information, and looking at our records. In mid-July, 2015, the "data dump" was complete to date and that information was forwarded to Kofile Systems.

In September, 2015 members of the Kofile team visited the Clerk's Office, asking questions and gathering some of the same information. During that visit, the tentative "go live" date was scheduled for the month of October.

In October, 2015, information given to the County by email stated that Kofile was on schedule to have the County's data converted by the end of October, and to "expect implementation after Thanksgiving and before Christmas." Members of the Kofile team visited again at the end of October, asking questions and gathering information.

In November, 2015, a Kofile team member visited our office for training. As a result of the visit, the County Clerk's staff was concerned about information we had received during the training that was contrary to information we had been given previously. Kofile staff assured us that the information we

had been provided with months ago remained constant. During the month of November we were provided with an implementation schedule that indicated a "go live" date of February 14, 2016.

During the week of December 7-11, 2015, hardware for a demo station was set up. The installer that set up the demo station sent an email after his visit stating that he was unable to complete the training system installation due to an incomplete network setup because he had received the information later than he expected (from Larry Robins, Absolute Technology). However, after the installer left the courthouse on Friday, December 11, Mr. Robins contacted me because the internet for the courthouse and adjacent buildings had gone down during the afternoon and he had ascertained that the Kofile installer had done something to cause the problem. In the end, Mr. Robins contacted the installer and ordered him to remotely turn off his equipment in order for the County's internet connection to be restored. One of the departments affected by the outage was the jail, where operations were completely shut down for several hours. The following week, the installer contacted the County Clerk's Office by telephone several times, asking staff to check hardware connections, connect keyboards, and perform functions on the hardware. He stated that he could not remotely access the system.

During the week of January 11-15, 2016, Kofile team members visited the Clerk's Office for training, which was limited to the few categories that were working properly during the week. At the end of the first day of training, Clerk staff was told that the "bugs" would be worked out overnight and Kofile team members would return the next day with properly working programs. During the next two days, it was apparent the "bugs" had not been corrected, and training remained limited. Kofile team members returned the week of January 25-29 for more training. There remained "bugs" to be corrected, and again, training was limited because of software issues. At the end of that week, we were told they would let us know when they would return.

On February 8, an email was sent by the Kofile trainer. She indicated she would be in the Clerk's Office on Tuesday, February 9 to "discuss dates and bring out all the work stations and set dates for parallels and go live." The Kofile trainer arrived Tuesday, February 9 around noon and stated that no training could be done that day because she was correcting some issues. On Wednesday, February 10, she arrived and was later joined by the sales representative. They informed the Clerk's Office that the "go live" date is tentatively set for March 1, 2016 and later stated that the installer would be in the courthouse to begin setting up the workstations February 22, 2016.

On August 11, 2015, Denton County entered into contract with Kofile Systems, Inc., with an expected "go live" date of January 1, 2016. Kofile failed to deliver as promised in the contract. On January 12, 2016 the Denton County Commissioners' Court exercised their legal right to modify the contract by amendment and voted to assess liquated damages against Kofile in the amount of \$5,000.00 per month beginning January 1, 2016, which will increase to \$50,000.00 per month beginning on May 1, 2016, and continuing until the System has been fully implemented.

The Hunt County Clerk's Office currently uses the Kofile System, having gone live during 2015. When asked how well the System meets the needs of her County, the Clerk responded that her staff will be more satisfied when the software is upgraded to "Version 2", as the current version does not have all the options they need.

During this waiting period, the Clerk's Office has continued recording, cashiering, issuance of vitals, search functions, imaging and processing because our current vendor, Government Records Services, has continued to provide these services on a month-by-month basis. However, the vendor has indicated

that they are no longer willing to continue on a month-by-month basis, and the possibility of service being terminated and hardware being removed would essentially shut down the County Clerk's Office. ***This would mean warranty deeds, deeds of trust, right-of-ways – all recording of land records, all issuance of birth and death certificates and marriage licenses - would be halted. We would not have the ability to print or accept payment for copies requested by the public from the Official Public Records.***

I believe it's in the best interest of the County Clerk's Office to put this issue behind us and move forward. Considering the upheaval and turmoil of the first eight months of 2015, and the inability of Kofile to meet the terms of the contract, I propose that Panola County terminate the contract with Kofile immediately, and I ask for the support of the Commissioners' Court in this matter. I hereby request that this matter be added to the agenda for the Commissioners' Court Meeting on February 22, 2016 for consideration.

Sincerely,



Bobbie Davis
Panola County Clerk

cc: Sidney Burns, County Auditor
Danny Buck Davidson, District Attorney

**County of Panola**

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County Judge
Lee Ann Jones

County Commissioners
Ronnie LaGrone, Pct. #1
John Gradberg, Pct. #2
Frank R. Langley, Jr., Pct. #3
Dale LaGrone, Pct. #4

February 22, 2016

Via U.S. Certified Mail and E-mail: john.woolf@kofile.us

John D. Woolf
Chief Financial Officer
Kofile Systems, Inc.
6300 Cedar Springs Road
Dallas, Texas 75235

Re: Notice of Termination of Government Records Management Services Contract
Dated February 23, 2015, and fully executed March 12, 2015

Dear Mr. Woolf:

This is to inform you that at its meeting of February 22, 2016, the Panola County Commissioners Court pursuant to Section VIII(J) of the Request for Proposals dated December 17, 2014 and Section III(G) of Addendum No. 3 to such Request for Proposals, terminated effective February 22, 2016, the above contract with Kofile Systems, Inc. ("Kofile") due to Kofile's failure to complete all software and equipment installations and to commence all services required by the contract no later than ninety (90) days from the date of receipt of images and data from the existing provider. The Commissioners Court also terminated the above contract on the grounds that termination is in the best interest of the County and for the convenience of the County.

Sincerely,

LeeAnn Jones
County Judge
Panola County

LAJ:vh

cc: Reed Roach

SOLE SOURCE STATEMENT

To: Panola County Commissioners Court

From: LeeAnn Jones, County Judge

Re: Procurement of Government Records Management Services Under a Sole Source Exemption

Date: February 22, 2016

Panola County has terminated the contract (fully executed on March 12, 2015) for government records management services with Kofile Systems, Inc. ("Kofile"). Kofile has not fully implemented its records management program and has not provided government records management services under the contract. During 2015 and to the present, the County has received records management services from Government Records Services, Inc. ("GRS") under a month-to-month extension of GRS's contract with the County which had a December 31, 2014, expiration date. The County desires to modify the existing month-to-month arrangement with GRS to ensure that government records management services are available to the county until a new provider is selected and can commence such services. The County has no other provider contracted to provide the services being provided by GRS. Due to the technical nature of the services provided and the software programs and equipment required to be provided, as well as data transfers that would need to be completed, a new government records services provider would require an extended preparation period of several months before such new provider would be able to commence services. Accordingly, GRS is the sole source from which the County can procure government records management services during the time period from this date until approximately December 31, 2016, which is when I estimate that the procurement of such services pursuant to a request for proposals will have been completed and the new provider awarded the contract will be prepared to commence delivery of services.

"EXHIBIT A"