

<p style="text-align:center"><b>ADMINISTRATIVE OFFICE OF THE COURTS</b> <b>REVIEW OF CALIFORNIA COURT CASE MANAGEMENT SYSTEM</b></p>
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Established by the Judicial Council in 2003, the California Court Case Management System (CCMS) is an information technology project that will create one unified computer system linking all of the states courts together. The final product is intended to create a paperless system allowing judges, law enforcement, social workers and other officials instant access to case records from every courthouse in California. CCMS, now projected to cost more than \$1.3 billion to create and deploy, is one of the largest information technology projects in state government history.

In its October 2009 hearing on the Administrative Office of the Courts (AOC), the Assembly Accountability and Administrative Review Committee identified several concerns with the CCMS project. Among them were that the AOC had not created a business plan analyzing the need for a major new information technology system before it began the project, costs for the project had been dramatically underestimated, AOC reports to the Legislature on the project's status lacked useful information, and initial implementation of the system seemed to be experiencing difficulties.

### **CIO concludes project should continue, but with changes**

Due to a legislative request in last year's budget bill and the Accountability Committee's 2009 hearing, the Office of the State Chief Information Officer (CIO) conducted a review of the CCMS project that was published in April 2010. The CIO concluded that CCMS would be valuable to the state and "the project is at a point where there is more reason to move forward than to stop the project."

The CIO's report included 22 specific recommendations to improve the project and the recommendations indicate several concerns about the process the AOC has used to develop CCMS. Below is a summary of some of the CIO's suggestions:

- ***The Judicial Branch should determine a cost cap for the project.*** Cost estimates for this project have been difficult, with initial estimates suggesting CCMS would cost as little as \$260 million. (The AOC now estimates it will cost \$1.3 billion.) The CIO states in its report that the "AOC does not have formal project management practices and tools in place, such as standard methods or tools for estimating, tracking and reporting on project costs." The CIO concluded that the Judicial Branch should determine a maximum amount it will spend "based on the value of the system to the enterprise as well as the value of the system to individual courts."
- ***The AOC should ensure that the county superior courts are committed to using the system, and that the courts' needs and concerns are addressed.*** The CIO notes that stakeholder buy-in is critical to the success of any information technology project, and recommends that the AOC improve its outreach to superior courts and address concerns in a timely fashion. The CIO noted that its review of a partial version of CCMS that is being used in Sacramento County Superior Court found "unacceptable" problems with the system that should be fixed.
- ***The AOC should create a more detailed plan for deploying the final project.*** The CIO recommends that the AOC should determine how much deployment will cost and also make contingency plans in case the system is only partially deployed. For example, the CIO noted the full value of the system will not be realized unless all counties adopt

an electronic imaging system that will create a paperless system, but the AOC does not know how many courts currently already have a paperless system and how many will need to create one.

- ***The AOC should improve its management of the project.*** The CIO states that the project "appears to be driven by the systems integration vendor rather than the state CCMS project team." It also notes that a vendor hired to perform oversight of the project and make sure it is on time and on budget is limited to development, and not deployment, of the project. The CIO recommends expanding that scope to ensure there is oversight of the entire project, not just pieces of it.
- ***The AOC should create a more detailed plan for operating the system once it is deployed.*** The CIO notes that the AOC hired a vendor to build the system and deploy it, but does not have a "formal plan for transitioning the system into maintenance and operation." The CIO recommends that the AOC test CCMS in "live" settings before considering the development phase complete, and recommends that the AOC create a detailed plan for operating the system, including who will manage the system and address system difficulties.

The CIO has proposed quarterly meetings with the AOC to review CCMS progress. The AOC has agreed to these meetings, although to date, the two agencies have not met.

### **Ongoing CCMS issues**

The CIO's April report noted that the AOC reported in February that defects of the full CCMS system had been discovered during initial testing and projections that deployment could begin by the end of 2010 were being pushed back. The AOC's revised timeline suggests the final product will not be developed until April 2011, and plans to deploy the full system in San Diego, Ventura and San Luis Obispo Counties as a pilot project would begin after that.

It should be noted that the annual report to the Legislature by the AOC on information technology reports did not include any mention of the defects reported by the OCIO, even though the problems were known to the AOC in February. The AOC report to the Legislature includes CCMS accomplishments, but it does not include any discussion of concerns.

This differs from how IT projects are reported to the CIO by executive branch agencies. In that system, agencies must provide regular reports that highlight any problems they have encountered in implementing projects. Because the Judicial Branch is not directly under the authority of the CIO, it is not required to provide the same information.

While the AOC continues to work on the project, there is conflict within the Judicial Branch regarding the cost and effectiveness of CCMS, and how the Judicial Council has funded the project.

A group of current and former judges created a new association, called the Alliance of California Judges, last year to address financial problems in the Judicial Branch. The Alliance reports that it has about 200 members out of about 2,000 superior court judicial positions. The Alliance has questioned whether the Judicial Council has properly handled Judicial Branch funds used to pay for CCMS. In a series of letters, the Alliance has contended that the Judicial Council has failed to obtain consent from county superior courts to use more than \$100 million from the Trial Court Trust Fund

for CCMS. A Judicial Council response indicates that the Council believes it has obtained consent from the courts because none of the courts have formally objected to the use of the money.

Additionally, Sacramento County Superior Court, which deployed an early version of CCMS in 2007, has asked the Judicial Council to allow it to back out of the project so that it could better control its own case management system. Sacramento County has reported numerous problems with CCMS, including slow performance and cumbersome data-entry processes. The Judicial Council has denied Sacramento County's request for the data it needs to control its own system on local computer servers.

*Attachment: Executive Summary, "Review of the California Court Case Management System," by the Office of the State Chief Information Officer. April 2010.*

## ADMINISTRATIVE OFFICE OF THE COURTS FACILITIES MAINTENANCE

The Trial Court Funding Act of 2002 enacted a process for transferring most trial court facilities from the counties to the Judicial Council. The Act was intended as a final step in realigning the Judicial Branch into one unified system. As of December 31, 2009, 532 trial court facilities have been transferred and are now administered by the Office of Court Construction and Management at the Administrative Office of the Courts (AOC).

The AOC is now in charge of maintaining more than 20 million square feet of space. Court funds used to pay for routine maintenance and larger-scale repairs come from four sources: the Court Facilities Trust Fund, the Trial Court Trust Fund, the State Court Facilities Construction Fund and the Immediate and Critical Needs Account.

The AOC has two categories of maintenance costs: routine operations and maintenance, which includes such things as custodial work, utility costs, and minor repairs; and facilities modification, which are major repairs. The courts spent \$104 million on operations and maintenance in 2009-10, including \$5.7 million from the state general fund. The AOC spent another \$40 million on facilities modification projects.

There are indications that operations and maintenance and facilities modification costs are growing and threatening allotted court budgets. The AOC notes that it has identified 3,850 needed facility modification projects in courthouses throughout the state. For fiscal year 2010-11, the AOC submitted a Budget Change Proposal asking to augment their facilities modification budget by \$70 million over a two-year period, but that proposal was rejected by budget subcommittees in both the Assembly and Senate. In addition, revenues for operations and maintenance, which come from county fees, some court fees and some general fund dollars, were \$4 million less than expenditures in 2009-10.

As part of the courthouse transfer process, the counties agreed to pay an annual fee to the AOC based on average annual maintenance costs, including utility costs, between 2000 and 2005. That fee remains static; it does not rise due to inflation or other factors. In 2009-10, the counties paid the AOC \$86 million in so-called County Facility Payments. One superior court official noted in his county that the county is now paying \$1.50 per square foot less than the AOC's actual costs for maintaining facilities in that county.

To provide routine maintenance and some major repairs, the AOC has entered into contracts with two companies: Jacobs Facilities Inc. manages courthouse maintenance for most court facilities in Southern and Central California, and Aleut Global Solutions (AGS) manages most court facilities in Northern California. The companies won the contracts to manage the courthouses through a competitive bidding process.

The AOC pays the companies in three ways:

- **Labor costs.** The companies invoice the AOC for hourly wages of its employees, plus costs for travel, materials, health benefits and other indirect labor costs. All maintenance work is subject to state prevailing wage laws.
- **Management Fee.** The companies are paid a fee to manage maintenance at courthouses that is determined by multiplying a set percentage by the total labor cost incurred. The percentages vary by the size of the total courthouses managed.

- **Performance-Based Compensation.** The companies are also paid based on a semi-annual evaluation by the AOC. The AOC allots a pool of money that is available to the companies if they perform their jobs well. For example, during the period between September 2009 and February 2010, a total of \$425,897 was available to the two companies, based on their performance. The companies are eligible for 70 percent of the available performance-based compensation for scoring a "satisfactory" score on the evaluation. Scores are broken into eight categories, ranging from unsatisfactory to excellent, with satisfactory being the middle score. The companies are judged on criteria such as project management and customer satisfaction.

To handle most issues at court facilities, ranging from burnt-out light bulbs to water leaks, court officials must call the AOC, which then forwards the concern to one of the contracted companies. To save time, the AOC typically allows the companies to address the problem based on the understanding that it will not cost more than \$500. A spreadsheet of work orders sent to the Committee indicates that even minor issues, such as removing snow or weeds from courthouse grounds, is approved by the AOC at a maximum cost of \$500. The companies then respond to the concern, and send monthly invoices to the AOC totaling their charges.

Below is a chart summarizing the payments to the two companies in Fiscal Years 2008-09 and 2009-10, based on information provided to the Committee by the AOC:

Company	Labor Costs	Management Fee	Performance-Based Compensation	Total
Jacobs	\$19,808,221	\$2,910,992	\$835,101 (out of \$1,117,777 available)	\$23,554,314
AGS	\$15,076,984	\$1,731,633	\$401,453 (out of \$519,073 available)	\$17,210,070

The AOC sued both Jacobs and AGS in December 2009 for working without appropriate contractor's licenses. Both companies have since acquired the proper licensing, but the lawsuits are pending for the period of time in which neither company was licensed to do what they were contracted to for the AOC.

AOC and county superior court officials who spoke to the Committee on the condition that their identities are kept confidential believe that the system set up by the AOC can lead to high maintenance costs. Paying a management fee that is based on the cost of labor for each job performed at a courthouse could incentivize high costs.

Documents obtained by the Committee indicate that the AOC routinely pays more than \$150 to replace light bulbs, for example. In a spreadsheet showing work orders commissioned by the AOC to AGS in 2009, there were 58 calls for replacing lights that totaled more than \$14,000.

Other costs include:

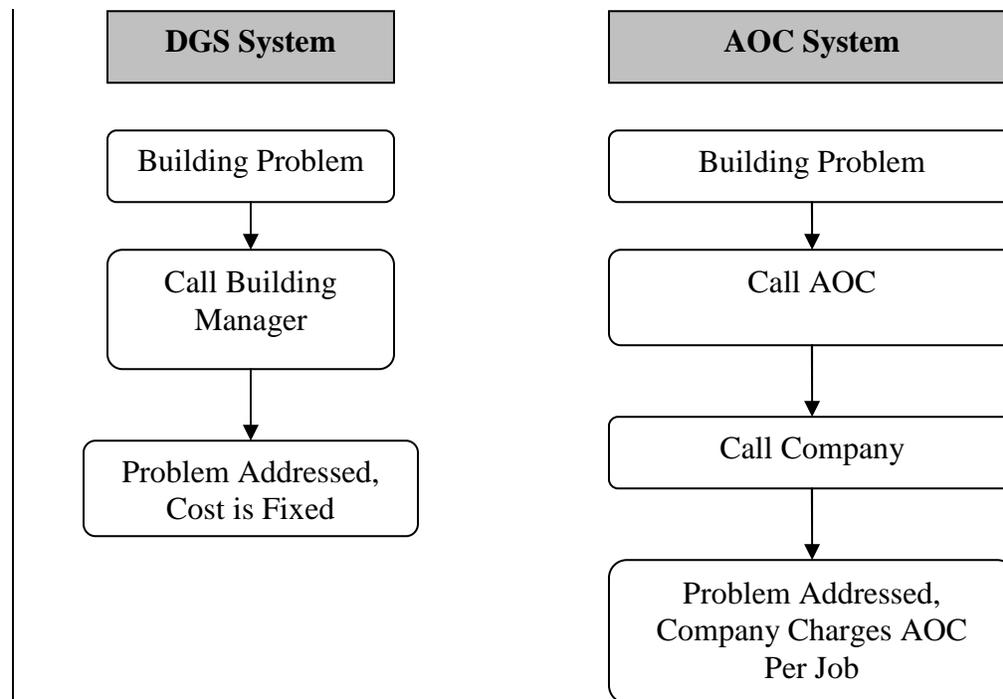
- \$1,980 to remove gum from a sidewalk at a courthouse in San Bernardino County and more than \$8,000 to remove gum from a court facility in Sacramento;
- More than \$14,000 to paint a restroom in a Solano County courthouse;
- \$112 to empty trash cans and \$74.90 to empty ash trays in a Northern California juvenile court facility;
- \$178 to replace the batteries in clock;

- \$149 for a worker to escort another worker through a courthouse;
- And \$124 to reorganize a storage room maintained by the maintenance company that is hired by the AOC.

Examples of these charges are included as attachments.

As the examples show, the AOC system can potentially lead to savings as well. Many routine jobs that are originally approved by the AOC for \$500 cost far less than \$500; many are not charged at all because they are worked in to other projects. In addition, the Committee found many larger-scale facilities modification projects that ended up costing far less than estimated. A broke sewage pump in an Alameda facility that was estimated to cost \$9,000 only ended up costing \$277, for example.

The process used by the AOC to maintain courthouses differs from how the state Department of General Services (DGS) charges state agencies to maintain their office space. Based on the previous year's costs, DGS establishes a fixed fee per square feet they will charge state agencies to maintain buildings, including minor repairs. DGS then employs a building manager in each building who responds to daily concerns from building occupants. There is no calculation of charge; it is done through the fixed fee. For larger-scale repairs, DGS has established an hourly rate for specialty employees, such as engineers or plumbers, and charges buildings based on the hours required to fix a problem. In contrast, when a minor or major problem occurs in a court building, court officials first call the AOC. The AOC then calls one of its contracted companies. The companies then dispatch workers to address the issue. Once the problem is addressed, the company calculates its costs and sends monthly invoices to the AOC. Below is a flow chart depicting the two systems:



A DGS official told the Committee DGS charged state agencies an average of \$1.95 per square foot to maintain buildings in 2009-10. AOC officials told the Committee they spent about \$2.43 per square foot, or about 25 percent more than DGS.

The AOC is considering issuing a new RFP for facilities maintenance next year.