



NetFile
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July 28, 2021

Eleanor Manzano
City Clerk
City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277

Dear Eleanor:

Thank you for the e-mail today. Here is some background information regarding sole source information for NetFile's Campaign Disclosure and Form 700 e-filing Systems.

Background

NetFile offers hosted systems that provide you with an extremely affordable solution that enables you to paperless electronically file your Campaign and Form 700 Statements. NetFile was the first to market an electronic Campaign Disclosure e-filing and administration system back in 2003 as well as the first to market electronic Form 700 e-filing and administration system back in 2006. A NetFile client (San Francisco) sponsored the legislation that led to AB2452 which allows local governments to paperless file Campaign Statements. NetFile made history with the first ever paperless filing of a Campaign Statement in CA back on January 22, 2013. NetFile again made history in 2007 with the first electronic filing of a Form 700 document made by a filer in San Bernardino County.

Who Uses NetFile?

NetFile's Campaign Disclosure system and Form 700 system is currently being used by over 200 local government agencies in California today. As a matter of fact, in the last 5 years, 5 Counties and 3 Cities have switched from using another system over to NetFile.

The Top Reasons for Sole Source

NetFile's unique features allow our clients to sole source us as a vendor. Listed below are the top reasons (there are several other reasons besides these):

1) No other vendor offers off the shelf commercial software for creating Campaign Disclosure documents. This is extremely important for committees who want more features than are provided in the free filing software. The free filing software allows a committee to record and file its data but is not as feature laden as commercial off the shelf software. For example, a large committee may want to have any number of people have access at different levels into the filer system for various reasons. This is but one reason why a committee may want to choose to pay for off the shelf commercial software.

2) NetFile was founded in 1998 and was the first vendor in CA to file a Campaign Disclosure Statement in CA back in the year 2000. NetFile was instrumental in helping shape the cal filing spec back in the late 1990s that is still being used today by the Secretary of State as well as every electronic filing local government agency in CA. NetFile's 23 year experience in electronic filing of Campaign statements in CA is unparalleled. NetFile is currently assisting the Secretary of State staff with the development of the Cal Access Replacement System that is mandated to be done at the state level this year. The new filing specification will be the basis for all local filings as per AB2452.

3) NetFile's support group has an average of 13 years of experience in Campaign Disclosure support including an on-staff Disclosure Compliance Director. No other vendor has such a position or level of experience in dealing with Campaign Disclosure.

4) NetFile is the only company offering both single and dual signature verification options for Campaign agencies. Agencies such as the San Francisco Ethics Commission and the City of Berkeley use the dual signature verification. If an agency ever wanted to convert to dual signature verification, there would not be any additional costs to do so.

5) NetFile is the only vendor who doesn't use cloud services for hosting. NetFile hosts on its own NetFile owned servers in a top tier colocation facility located in the Bay Area of California. The only other vendor in this market space hosts in the cloud and does not have complete control over its hardware or where the data is replicated within their hosted cloud environment. NetFile has 100% control over all its process as well as where the data is stored.

6) NetFile has doubled in size since 2015. NetFile currently has 137 City clients using either one or both filing systems.

7) NetFile offers free filer training to all of its agency campaign disclosure clients. The purpose of the training session (which is free to the filer and Agency) is to help the filer navigate the e-filing process. This website advertised training is ONLY offered by NetFile. Filers can sign up through the following site: <https://netfile.com/Content/CampaignTraining> . A NetFile employee will schedule a telephone training session with the interested filer at a time and date convenient for the filer.

8) NetFile is a 100% hosted environment. The competition has a combination of placed and hosted platforms. The advantage being 100% hosted is Form 700 filers can file across several jurisdictions through one login point. All of our agencies can send and receive filings across jurisdictions which the competition cannot do. For campaign treasurers, this means they have only one login point that enables them to file to their various City and County committees that also use NetFile. The treasurer simply links all their committees in one convenient location to enter data and the don't have any costs for the software.

9) NetFile has several public viewing portal features not available through the competition. A partial list of these features include:

- a) Campaign Cycle tree that discloses who is filing to an election by seat and/or ballot measure.
- b) Campaign Cycle tree that shows all Independent Expenditures made within 90 days of any election.
- c) Independent Expenditure search by date (the competition's system doesn't track independent expenditures at all resulting in a needle in a haystack search for independent expenditures).
- d) RSS feeds that anyone interested in subscribing to this feed will be notified upon every filing made in the County (both Campaign and Form 700).
- e) Get all by year Campaign transaction download. Any interested party can download one years-worth of filing transactions made. The media love this feature!
- f) Campaign advanced search capabilities that offer Syntax rules to allow filers to fine tune their searches. The best example of this is someone trying to find a contribution by someone named John that also may be named Johnathon or Johnny or Jon. This search feature lets you search using all those different variations to pull results – extremely powerful search tool only available through NetFile.

- g) On screen results aren't limited to 10 in a list like the competition. With NetFile, your onscreen report will show 50 results at a time allowing you to look at 5 times the data per page you scroll through versus the competition.
- h) On screen results aren't limited at all for total transactions pulled. The competition limits their pull to just 500 transactions at a time. NetFile's pulls are unlimited and can easily be saved to the user's computer.
- i) Form 700 advanced transaction search where you can search by elements across all filings whereas the competition does not even offer an advanced public search for Form 700 filings.
- j) NetFile is the only provider who offers mobile apps for Form 700 filers. These apps can be downloaded through the Apple App Store or GooglePlay.

Fact: NetFile is the only vendor who aggregates public filing data in CA for interested persons to search at no cost. This NetFile owned website is: www.cal-access.com and allows a person to search through over 26 million transactions!

10) NetFile is the preferred system for Professional Treasurers and other 3rd party software vendors in CA. (see attached California Political Treasurers Association press release announcing NetFile as the recommended agency platform for Campaign Disclosure).

11) Social Responsibility Program: No other company gives back to its City Clerk community like NetFile. In the last 4 years, NetFile has spent more than \$150k in supporting the CCAC. In 2020 over 900 clerks participated in 6 free webinar NetFile provided workshops that they earned points towards their CMC or MMC accreditations. In 2021, we have spent over \$30k year to date and have already offered 2 free webinar workshops.

12) Continuity of Ownership: NetFile is the only company in these market segments that have not changed ownership since starting in the local government segment in 2003. The competition is going through its 3rd change of ownership (see CA Secretary of State online business search).

If you have any questions, please let me know.

Best regards,



Tom Diebert
Vice President, NetFile

Attachment



California Political Treasurer's Association

1127-11th Street, Suite 210
Sacramento, CA 95814

January 1, 2020

Tom Diebert
Vice President & COO
NetFile, Inc.
2707-A Aurora Road
Mariposa, CA 95338

Dear Tom:

One of the goals of the California Political Treasurer's Association (CPTA) is to promote the concept of paperless electronic filing for Campaign Disclosure statements in California at all levels.

As such, we would like to acknowledge NetFile, Inc. and their contributions over the years to the local Agency filing community, specifically County and City Agencies in California.

Our members have worked with several of these Agencies and applaud NetFile's efforts in making their Agency system work within the confines of Assembly Bill 2452 which allows local governments to electronically file Campaign Statements in California in a true paperless fashion. We know the first ever paperless filing in CA took place on January 22, 2013 through a CPTA treasurer filing to a NetFile Agency system. Since then we have seen NetFile being adopted by several local government Agencies in CA today.

As such, we recommend that all local government Agencies in CA go to a paperless filing system for their Campaign Disclosure filings. From the prospective of the CPTA, we recommend those Agencies use NetFile as their preferred solution.

NetFile's background in Campaign Disclosure gives them the unique advantage of having expertise nowhere else available for the local government filing community. The fact that NetFile accounts for over 70% of all filings made to the Secretary of State of CA gives them a distinctive advantage in Campaign Disclosure expertise not found anywhere else. All of the treasurers agree that any filings made to local governments that use the NetFile system, makes the process easy and results in the ultimate level of transparency.

We applaud NetFile's efforts in promoting paperless electronic filing in CA and endorse them as the solution of choice for California local government Agencies.

Sincerely,

Laura Ann Stephen
Vice President, Legislative Affairs