

**Vermont Web Portal Board meeting
February 22, 2023
Room 206, Dewey**

Present:

Board members:

- Lauren Hibbert
- Marcia Schels
- Michael Smith
- Elle O'Casey
- Valerie Giroux
- Dawn Carrillo
- Jacob Durell
- James Lipinski

ADS: Harry Bell

VIC: Kim Cuciti
Nick Larow
Dan Gozdiff

Call to Order

Introductions and welcome new members

A brief overview of the Board was provided to new members by Harry Bell

Amendment to allow no-cost marketing activities under the contract. The amendment was read and debate on the amendment proceeded and is summarized below. After failure to reach consensus on the amendment a motion to table was proposed. A vote was taken to table the amendment until the next meeting and, in the meantime, request feedback form Purchasing on the subject. This motion was approved and the amendment tabled.

VIC Update

VIC presented the update of progress and developments since the previous meeting.

Background and Debate on the Amendment

The VIC Contract

Marketing is not mentioned specifically in the Statement of Work for the contract. At the time the contract was written this was seen as a natural step in the creation of a State e-government service. First create it and then let the public know it existed, and then draw additional attention to it over time.

PAYMENTS FROM ACCOUNTS. The funds in the Portal Revenue Accounts may be disbursed for only the following purposes and in the order set forth in this Section 2:

- A. First, to pay over to the State or DPEs as provided in this Contract or the DPE IAs those revenues finally collected on behalf of the State.
- B. Second, to pay the ordinary, necessary and reasonable expenses for the operation, maintenance, or expansion of the Web Portal, **including marketing.**
- C. Third, to pay the reasonable costs of System development, including programming (to the extent not covered by regular salary under ordinary operating expenses), and purchases of software or hardware.
- D. Finally, to pay the Contractor as provided in Section II(D), above.

From VIC – paraphrased from the meeting minutes

VIC has two types of marketing programs. One is state directed. So would be borne out of a specific need from an agency, and we would work with that agency to develop a marketing campaign. The majority of those we do have within the fees that we collect and allocate some for marketing. So ideally, there would be no additional cost. I won't say they'll never be a cost because if there is a need for a large program that would be beyond those funds that we have available then that would be detailed in the statement of work and paid for in that manner.

The second piece that we have is a centralized campaign that we have run and those are directed through our central office from our marketing team that allows multiple states to participate. Those are done at no cost to any of the states who want to participate. And in each of these cases, nothing would go out without the approval from the agency. We'll go and say, hey, if we have a centralized campaign coming up, would you like to participate? If not, then they don't participate, but the centralized campaign comes from someone within the state saying we want it. It actually comes from our corporate marketing team. So in the past, they've run a campaign for, for example, vehicle registrations. And so, the question would come, would you like to participate in that campaign. What that means is that multiple states may be running the same campaign at the same time, but that verbiage and everything would be dictated by the state with their approval to participate.

From the CMO's Office – paraphrased from the meeting minutes

An issue that I have with this is they're not really no cost to the state. Anytime that you create a marketing campaign to drive people to a product that you have developed that you will also derive revenue off of. It is, I would argue, a conflict of interest to be marketing things that you've created to make money off of those things that you have created. So that's one of the other concerns that I have is just the financial aspect of it. The fact that it's not technically no cost.

It is a conflict if NIC is trying to market things that they have created. So that they will receive additional revenue so that more people use it. It would be like, if a marketing vendor that we had wanted to provide no cost kind of policy consultation to agency secretaries, for example, to try to get additional policies passed that might help them in the long run, be able to create marketing campaigns around those new policies.

And I guess I also have concerns around centralized campaigns as well. I realize that Tyler calls them centralized campaigns, but those are corporate driven marketing campaigns from Tyler that they're asking the state of Vermont to run. To benefit their corporate interests, so that also feels problematic to me.

I think I feel like this is outside the scope of what this contract provides. I think that's my primary concern is that NIC provides the state with these web services and these Government solutions and there is no mention of marketing in the contract objectives for this in the actual statement of work section for this contract. So, knowing that when this was competitively put out for bid it was seen as more of a web services contract.

I'm having a hard time with now transitioning it to be a web services and marketing scope of work because it's not a competitive procurement for this marketing set of marketing services. Traditionally, when we have marketing services, there are multi page scopes that list out all of the different services. They list the payment provisions they list the key personnel. There's a lot more to it. So that it just feels like we're entering into some noncompetitive procurement and honestly, I would have a really hard time defending this if other marketing contractors who have gone through the competitive procurement pathway asked why there were state agencies that were able to have marketing services at no cost that they didn't need to use any kind of contracting methods to obtain.