



## MEMORANDUM

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April 10, 2013

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator *Eric Stuckey*  
Russell Truell, ACA/ Chief Financial Officer – Finance & Administration  
Fred Banner, MIT Director

**SUBJECT:** E.Discovery Software Proposal

### **Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider replacement of the current electronic discovery software with a system from Microsoft.

### **Background**

At the Budget and Finance Committee meeting of October 12, 2012, the concerns about support and replacement of the City's current email discovery system were addressed. The City installed a product titled Near Point (also called Mimosa) in December 2008 to provide a system that would keep all email data in a secured environment for later retrieval and analysis. We started using the system in March 2009 and continue to use the system today.

The primary user for "e.discovery" software is our legal staff. All email users are able to retrieve their information from Near Point whenever necessary. As email transactions occur, they are written to the archive server and also to our main email (Microsoft Exchange) server. After thirty days, email is dropped from the email server but not the Near Point (archive) server. In the event of a lawsuit, where email messages are required by the court, the Law Department staff is able to reconstruct communications from the archive server.

In 2010, Near Point was acquired by another company. The City was not made aware of this until the new owner sold the system to Iron Mountain, a third-party records storage company. No problems occurred with Iron Mountain, which has a long and positive track record of technical support. Hewlett Packard acquired this system from Iron Mountain in 2011 with the intent to create a satellite company. HP has not been willing or able to provide an adequate level of support service for the software in recent months, at least not up to the standards set by Near Point and other previous owners.

The net effect of all of this is that maintenance and timely technical support for this business-critical product is basically non-existent today, even though the City has kept our maintenance contract payments up to date. It can take up to two days to get a return call from HP support and even longer to receive a "fix" for a pending maintenance issue. On occasion, we have called upon independent contactors that used to work for Near Point to resolve technical problems.



There is also a further concern that HP will not be supporting the product in the future. If Near Point is not going to be updated in the future, the City will not be able to implement a new version of our Exchange email server, usually an annual event, and still use the e-discovery system. Staff believes this is a business decision on HP's part to sell us a competing product, which staff reviewed and does not consider to be a viable option. Other users of Near Point whom staff has polled have reached a similar conclusion.

Near Point is currently in a routine state of failure, which requires almost daily attention to keep it operational. Our Legal Department has not been able to use the system as it was designed. We believe that now is the time to replace the system.

In the report given to Budget & Finance Committee last year, staff discussed a replacement system from Source One that both Legal and IT Departments reviewed as a possible replacement. Since that report was given, we have reviewed other options as well, including a move to the Microsoft Office 365 application. That is a cloud application for email that satisfies our discovery needs while reducing the ever-growing need for server storage.

### **Financial Impact**

Our staff completed a detailed analysis of the cost that Source One would entail.

Software cost for Source One: \$77,000

Data conversion from Near Point to Source One: \$ 70, 000+

Data Domain software cost (additional module required): \$30,800

Ironport Email Security: \$29,025

Disc storage due to in house requirement: \$10,000

Personnel cost to maintain Source One and MS Exchange: \$75,000

The sum of this is \$291,825 with an annual maintenance cost of approximately \$35,000 to start.

The Microsoft Office 365 option would allow all email to move to the cloud environment. The cost to make this switch is \$137,376. Maintenance would be covered by our current Enterprise Application Agreement that we have with Microsoft. Office and Exchange are already covered currently.

### **Options**

Continue with Near Point and accept the risk that we will not be able to adequately retrieve email records on a timely basis. Purchase the Source One product and convert data at a considerable cost. Move to Microsoft Office 365, which includes email archiving, as soon as it is feasible.

### **Recommendation**

Legal and IT reviewed the Microsoft cloud proposal and are in agreement that this move is warranted. Staff recommends starting the implementation of Microsoft Office 365 immediately.