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To: Board of Supervisors

From: Michael Gennaco, OCLEM Project Manager
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Date: December 6, 2022

Subject: Sheriff's Office Contract with Axon Enterprises, Inc.

Introduction/Summary Findings

At its meeting on November 15, 2022, this Board requested that OCLEM conduct an independent review of the Sheriff's Office proposed contract with Axon Enterprises, Inc. relating to the continued supply and support of body worn cameras. This Board requested that the Office of Correction and Law Enforcement Monitoring (OCLEM) review the new contract. Specifically, this Board requested that OCLEM evaluate:

1. Whether the proposed contract includes any hardware or software related to a Taser program, which the County has not yet approved.
2. Whether the proposed contract has any features that require changes to the Office of the Sheriff's Surveillance Use Policy for Body Worn Cameras.
3. An evaluation of the increased cost of the contract from 2017 to 2022.

Short Answers:

1. The proposed contract does *not* include any hardware or software related to a Taser program.

2. The proposed contract does *not* contain any features that require changes to the Office of the Sheriff’s Surveillance Use for Body Worn Cameras.
3. The initial five-year contract amount was \$3.98M, but this contract was subsequently amended to add hardware, licenses, and new software features and to extend the term by one year, resulting in a total cost of \$8M over six years.

Maintaining the existing body-worn camera program for a new five-year term would cost approximately \$10.4M, including the additional ongoing costs associated with the hardware, licenses, and software features added during the original contract term. The new request is for an amount not to exceed \$16M over five years. The breakdown of the requested cost is as follows:

Cost to Maintain Existing Features, Licenses, Hardware:	\$10.40M
Cost for New Features Requested:	\$4.77M
Cost for Additional Hardware and Licenses:	\$0.23M
Taxes/New Contract Fee:	\$0.46M

Total Cost for Proposed Contract: \$15.86M

Background

In 2016, the Santa Clara Sheriff’s Office issued a request for proposals for a body-worn camera program. The Sheriff’s Office selected Axon Enterprises, Inc. (“Axon”), as their body-worn camera vendor, and, in January of 2017, this Board approved an agreement with Axon for a five-year period at a cost not to exceed \$3.98M.¹

The body-worn camera program was then implemented department-wide by the Sheriff’s Office. At that time, body-worn camera programs across the nation were very basic from a technological standpoint: they only included the hardware and software to record video in the field, upload it, and store it.

¹ The County has a separate contract with Axon for the Sheriff’s Office In-Car Camera system, which is also managed by the Sheriff’s Office. While the contracts are currently managed separately, the In-Car Camera and body-worn camera systems are integrated, which means that they work with each other and share some hardware and software capabilities.

Even so, the implementation was a significant investment for the Sheriff's Office. It included creation of new policy, installation and dissemination of hardware (e.g., camera docking stations, uploading technology, and the cameras themselves, among other hardware), installation of new software throughout the agency, and extensive training for all personnel, including deputies and IT staff.

The contract cost was then amended² to increase the total maximum contract amount as follows:

- January 24, 2017: Initial contract - **\$3.98M** maximum amount
- May 8, 2018: Cost Amendment #1 to increase number of hardware and licenses to align with personnel count - **\$5.7M** maximum amount

Due to on-going discussions regarding the possible addition of a Taser program, which would also be sourced from Axon, the County's Chief Procurement Officer and Axon agreed to a one-year contract extension to continue the body-worn camera program in December of 2021.³

The contract was then amended again to increase the maximum contract amount by an additional \$2.3M, making the total maximum contract amount **\$8M** as of December 2021. This second cost amendment covered new hardware upgrades and a package of new software features, including Redaction Assistant Licenses, Transcription and Dictation Services, and Axon Performance Licenses; we detail each of these in our cost evaluation below.

This extension is set to expire on December 12, 2022.

On November 15, 2022, the Sheriff's Office requested approval of a new, five-year contract with Axon in an amount not to exceed \$16M. In addition to

² While other amendments were made, these did not have an impact on the cost of the contract.

³ This extension, reported representatives from Axon, was a rare exception to their typical business practices to allow the County, Board, Sheriff's Office, and stakeholders to discuss the possibility of including Axon's Taser features into the new five-year contract to take advantage of incentive pricing.

continuation of the current body-worn camera program, the new contract includes a bundle⁴ of new features that we outline in this memo.

Over the past six years, the technological features of body-worn camera programs have vastly improved and expanded, including software features to increase transparency, auditing, workability, and efficiency.

This Board requested that OCLEM review the new contract. Specifically, this Board requested that OCLEM evaluate:

- Whether the new contract includes any hardware or software related to a Taser program, which the County has not yet approved.
- Whether the new contract contains features that would require changes to the Office of the Sheriff’s Surveillance Use for Body Worn Cameras policy.
- An evaluation of the increased cost of the contract from 2017 to 2022.

To complete this assignment, OCLEM met separately with representatives from Axon and from the Sheriff’s Office. We reviewed the original Board Agenda item; the “Agreement Between the County of Santa Clara and Axon Enterprises, Inc., for Body-Worn Cameras, Evidence Management System, Accessories, and Related Services,” including all related exhibits; the “Body Worn Camera Impact Report” submitted to the Board; and memoranda from the Sheriff’s Office and Axon related to features and costs.

Evaluation of Contract for Taser Features

Our review confirmed that the contract as presented to the Board on November 15, 2022, does not contain any features related to Tasers: it does not include any purchase or implementation of software or hardware related to Axon’s Taser package. Representatives from Axon also independently confirmed that, in collaboration with County Procurement and the Sheriff’s Office, they extracted all Taser technology language and features from this contract.

⁴ A “bundle” is a package of new Axon features that are grouped together for, according to a representative from Axon, a 10-15% cost savings, versus purchasing each feature independently, or “a la carte.”

Of note is that if the Taser program is approved by the Board of Supervisors, it will require either a net-new five-year contract with Axon for that program alone or, alternatively, an amendment to the current proposed contract to “co-term” the Taser features with body-worn camera features. Either procurement contract method will result in an increase in cost; however, according to Axon, a co-term contract may result in cost-savings due to incentivized “bundle” pricing.

Evaluation of Contract for Changes to Surveillance Use Policy

We have reviewed the contract and the County’s surveillance use policy, as well as informally discussed this issue with the Office of County Counsel. Because the new contract (and the new features therein as set out below) does not create a more intrusive surveillance system, we concur with County Counsel’s opinion as stated at the November 15 Board meeting and do not see a need for changes in the surveillance use policy. However, as part of our monitoring mandate, we intend to examine the body-worn camera policy as currently constituted and to report back to this Board upon completion of that review.

Evaluation of Contract Cost

In the November 15 meeting, this Board noted the substantial increase in the contract cost from the initial contract in 2017 – from \$3.98M to \$15.86M.⁵

To simply renew the existing contract today would cost the County **\$10.4M**. While this is a significant cost increase from the original agreement, it reflects the ongoing costs of additional hardware, licenses, and software features added in the 2018 and 2021 amendments to the original agreement.

- The current pricing for *existing contract features* is \$136/user/month.⁶

⁵ As noted above, the cost of the contract was amended twice, once in May of 2018 and again in December of 2021, bringing the total maximum contract amount to \$8M.

⁶ Axon prices are listed as cost per user per month and do not include taxes. The Sheriff’s Office currently has 1,275 users of the body-worn camera program. The term of this contract is 5 years, or 60 months.

The Sheriff's Office is requesting net new technology features, which also increase the contract price as follows:

- The new features being requested increase the contract cost by \$62.40/user/month.
- The proposed total cost *for the new contract, including new features*, is \$198.40/user/month, or \$15.17M for the life of the new contract.

The Sheriff's Office is also seeking 45 additional Evidence.com licenses and 75 additional cameras for special teams and to loan to personnel working court duty overtime. The total cost for these items is \$231,300 over the life of the contract.

There is a one-time cost of \$1,500 for the new contract.

When these items are totaled and taxes added, the total cost of the new contract is ***\$15.86M for the next five years.***

Feature and Cost Breakdown

The following features are in the current contract (extension signed in 2021); the cost listed after each item is the price for selecting this feature "a la carte:"

- Unlimited BWC (\$89/user/month). This is the main package for the current body-worn camera program. This is all hardware (camera, docking station, mounting equipment) and related software. It includes:
 - Total or Technology Assurance Plan (TAP). Warranty, including replacement of cameras for the life of the contract and camera upgrades if new models are released within the life of the contract.
 - Unlimited Axon Storage. This is cloud storage video uploaded directly from an Axon body-worn camera.⁷
 - Pro License. This allows access to Evidence.com for every user. Evidence.com is Axon's evidence management system.
 - Integration with the In-Car Camera system

⁷ Due to its legal obligations to preserve evidence, the Sheriff's Office requires unlimited storage capacity.

- Axon Capture. This allows users to upload video or photographs taken from their Sheriff's Office-issued cell phone into Evidence.com
- Redaction Assistant Licenses (\$9/user/month). This feature was added in the 2021 contract extension. It automatically redacts, or covers/obstructs, sensitive images that should not be released, such as license plates, or witness and juvenile faces.

Without access to this automated feature, the Sheriff's Office would need to assign personnel, usually a deputy, to manually redact videos. Depending on the length and nature of redaction, this might take upwards of six hours. Axon studies of other agencies that use this feature have shown that this feature results in a 70-80% increase in efficiency over manually redacting video.

- Axon Auto Tagging Integration (\$9/user/month). This feature automatically "tags" a body-worn video with the related event number from the Sheriff's Office homegrown Computer Aided Dispatch (CAD) program.

Without this automatic feature, deputies would be required to manually tag their hours of body-worn camera footage in the evidence management system.

- Transcription and Dictation Services (\$20/user/month). This feature was added to the 2021 contract extension. Any Sheriff's Office or partner agency can request transcription of any video. And artificial intelligence (AI) software can search for specific words or phrases within the transcription.

If this tool is not used, an alternative video transcription service would have to be purchased / utilized by the Sheriff's Office. The cost of that service is unknown.

- Axon Performance Licenses (\$9/user/month). This feature was also added to the 2021 contract extension. It is not currently being utilized by the Sheriff's Office due to various technical issues mainly related to organizational structure and staffing. Axon has committed to assisting the Sheriff's Office in the implementation of this feature.

Axon Performance automates various body-worn camera auditing functions that are typically assigned to a supervisor. These functions include:

- Measurement of activation rates by matching CAD events that should prompt activation with a related body-worn camera video
- Activation metrics by deputy and by “squad,” or group of deputies assigned to a specific supervisor.
- Randomized video audits for supervisors. Axon’s algorithm suggests videos for review by a supervisor at random, making sure that all deputies on a particular “squad” are reviewed at similar frequency.
- Priority-rank audits. Using activation signals from firearm holsters and AI key-word identification from transcription, this feature suggests higher risk videos for review by supervisors.

The current total price for these items, if purchased “a la carte” from Axon today, is **\$136/user/month**. According to the Sheriff’s Office, at the time of the contract extension in 2021, Axon offered a discounted price of \$121/user/month for these items purchased together.

The Sheriff’s Office has requested that the following items be added to the new proposed contract:

- Virtual Reality Training (\$17/user/month). This feature provides virtual reality training scenarios via virtual reality headsets for deputies to practice using modules, including “empathy scenarios” that allow deputies to experience mental health calls from the perspective of a person experiencing a mental health crisis, de-escalation training, and use of force scenarios.
- Unlimited 3rd Party Storage (\$15/user/month). The Sheriff’s Office collects video data from various sources outside of body-worn video. These include videos from jail facilities, surveillance cameras from business or residences (e.g., Ring or Nest), or videos from the public or media. Currently, third-party storage is capped at 52TB. The Sheriff’s Office estimates that it will rapidly exceed this capacity. This feature allows for unlimited storage of 3rd party data.

Without this feature, the Sheriff’s Office would have to pay for another means of storing these large video files. That alternative data storage cost is unknown currently.

- Axon Respond (\$5/user/month). Currently, GPS data is added to a video once the camera is docked and the video is uploaded. This feature provides real-time mapping of officers in the field and allows supervisors to see the location of an activated (recording) body-worn camera in real-time.
- Axon Respond Plus (\$18/user/month). Currently, supervisors can watch videos after videos have been recorded and uploaded. This can occur at the station or in the field. Respond Plus allows for a supervisor to watch body-worn camera video live, in real-time, as it is being recorded.

As we understand it, the video stream will occur behind the County and Sheriff Office's firewalls in a similar way that body-worn camera footage is uploaded from in-car cameras to the evidence management system via Bluetooth technology. The Sheriff's Office maintains that the video stream could not be intercepted by any member of the public.

- 3rd Party Video Support (\$9/user/month). Currently, videos uploaded to Evidence.com that are encoded in different formats require the user to download a proprietary player, open that player, and play the video outside of Evidence.com. This feature allows the user to view all videos within Evidence.com regardless of their codec. This feature also reportedly scans these 3rd party videos for any potential viruses.
- Integration of 3rd Party Data (3 streams, \$5/user/month). To support the feature described above.
- Citizen for Communities License (\$9/user/month). This new feature allows for evidence collection from the community at large. A detective can create a dedicated online portal (website) via Evidence.com for a specific case. The link will be shared by the Sheriff's Office PIO. After completing a privacy disclosure acknowledgement, members of the community can upload photos or videos directly to this link, where the detective can review and accept it into evidence.

Each detective can determine what, if any, identifying information will be required from a civilian uploading video. The detective can permit "anonymous" submissions. The IP address of any upload is tracked in the evidence management system; however, this data is only available to the technical team of body-worn camera experts in the Sheriff's Office.

The total additional cost for these new items, if each were purchased individually “a la carte,” is \$78/user/month. The total for these new items plus the existing contract items, if all were purchased “a la carte,” is **\$214/user/month**.

Axon has offered the Sheriff’s Office incentive pricing for purchasing a bundle package called “Unlimited 7+ Premium.” This bundle includes all the aforementioned features, plus three features that the Sheriff’s Office does not require at this time:

- Axon Standards Licenses (\$9/user/month). This is Axon’s Force Reporting software. The Sheriff’s Office uses a different force reporting tool called BlueTeam.
- Axon Records (\$20/user/month). This is Axon’s Records Management System. The Sheriff’s Office currently uses a homegrown RMS but will implement a new RMS with the company Central Square in 2023.
- Signal Sidearm (\$4/user/month). This feature activates the body-worn camera when a firearm is removed from its holster. The Sheriff’s Office is waiting to activate this feature until Axon has updated technology features.

The bundle package pricing offered to the Sheriff’s Office for all these features is **\$198.40/user/month**; this cost is \$15.60/user/month less than purchasing all the requested features “a la carte.”

Conclusion

While there may be alternatives to the individual features proposed in the new contract, or to the entire body-worn camera program, these come with their own – and not unsubstantial -- costs. In the contract proposed by the Sheriff’s Office, we find that advanced features are integrated into the existing hardware and software; these have been bundled to take advantage of much-needed pricing discounts.

Since the initial implementation of the Sheriff’s Office body-worn camera program in 2017, body-worn camera technology has expanded exponentially, as have community’s expectations for transparency, immediate data release, and real-time monitoring, and requirements for reporting and retention. The contract proposed by the Sheriff’s Office meets these demands. While the new features and increased storage costs add considerably to the cost of the contract, as noted above, they should reduce personnel costs that have accompanied the

implementation of body-worn cameras regarding the tasks of downloading, providing discovery, tagging, and storage maintenance that necessarily take up deputies' time. In sum, the proposed new features, which make up the bulk of the pricing increase, bring efficiency and automation to the existing body-worn camera program.