

# HAWAII LAND TITLE ASSOCIATION

733 Bishop Street, 27th floor, Honolulu, Hawaii 96813  
(808) 566-0100 Ext. 205 FAX (808) 566-0224

November 9, 2001

## HLTA - BOC Imaging Partnership

- Agreement should be between association and BOC, not vendor and BOC

Separate agreement between HLTA and vendor to specify cost sharing and  
Delivery requirements and arrangements

- Agreement should set out basic goals, definitions and requirements from perspective  
Of both the HLTA and the BOC
  - Purpose of Agreement
  - Description of documents to be scanned
  - Permitted Applications
  - Term of agreement
  - Image delivery methods and format
  - Reservation of rights for both parties

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**J. W. LOO & ASSOCIATES**  
Management Consultants

Post Office Box 22205  
Honolulu, Hawaii 96823  
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Fax: (808) 523-8543  
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February 21, 2001

Mr. Michael Pietsch  
Title Guaranty of Hawaii  
235 Queen Street  
Honolulu, HI 96813

**SUBJECT:** Bureau of Conveyance Project Planning Meeting, February 14, 2001

Dear Michael:

*Per your request, I am providing a summary of my notes from the February 14, 2001 meeting with the Bureau of Conveyance (BOC) management and staff. The information provided in the following sections represents my best recollection of the discussion and statements made at that meeting.*

The February 14, 2001 meeting was convened at the request of Mason Young, BOC Administrator, to discuss outstanding issues remaining from the previous January 17, 2001 planning meeting. At that meeting, Mr. Young had requested clarification on the index data that Title Guaranty (TG) would deliver in compliance with its contract obligations for the BOC recorded document images project.

Mr. Young initiated the February 14, 2001 meeting by stating that he had interviewed BOC staff present during the proposal presentations delivered by TG and he confirmed that all BOC staff had the impression from the information presented by Debra Pyrek and Jeffrey Loo that the BOC would receive all index data necessary to populate the new BOC information system. Debra responded that TG did not have the capability to provide document index data beyond document description data fields. Further, the names and formats of the index data fields that TG was capable of transmitting to BOC had been conveyed in an email message to Nani Lindsay over a year ago.

Carl Watanabe, BOC Project Manager, stated that since the last meeting, he had spoken with Debra Pyrek and Cynthia Nakaya at TG and he now understood that there was a discrepancy between what BOC and TG referred to as index data. He proceeded to draw a diagram on the conference room white board depicting how he understood that data is captured and stored in the respective TG and BOC information systems. Mr. Watanabe stated his conclusion that TG did not store index data in linked data files as he initially thought and that therefore this data may not be as readily exportable to BOC as he had assumed.

Mr. Watanabe described how the new BOC system will work and that there is a critical requirement for users to be able to retrieve recorded document images using transaction

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related data (e.g. grantor, grantee) and not just a simple document number. He then directed a question to Jeffrey Loo regarding what he had meant by index data during the proposal presentations.

Jeffrey responded that the proposal presentations had been provided in the context of the several outsource service proposals submitted by TG to the BOC. Under those outsource service scenarios, BOC would be linked with TG systems directly and thus would have access to substantially the same document images and lookup data available to TG staff. Jeffrey provided the clarification that when BOC ruled that those outsource service proposals were non-responsive to the BOC request for proposal (RFP), TG had been instructed to only submit a proposal on ten years of document images and indexes as specified in the Part II RFP. Consequently, TG had complied and that its final proposal to BOC had been scoped and priced only for the specified document images and supporting index data.

Mr. Watanabe replied that since TG had represented that it could provide the BOC with document image scanning and indexing services on an ongoing basis, this must mean that they would provide additional index data since the new BOC information system would require entry of that data when new document images are uploaded into that system. Jeffrey responded that that inference is incorrect since document indexing related to image capture processes usually is very limited and is distinct from data entry performed to populate a transactional information system.

Jeffrey stated that it was obvious that TG and BOC had different interpretations regarding what constituted index data. He posed the question of how TG should proceed and whether BOC still planned to proceed with the project testing and document transfer activities.

Mr. Watanabe responded that the project should proceed. Mr. Young however, stated that he would have to seek advice from the department's deputy attorney general. He further stated that representations had been made to the Legislature regarding the project implementation status and completion date. He said that it was clear that due to the miscommunication, whether deliberate or inadvertent on the part of TG, that BOC would not be able to meet the project schedule that had been committed at the Legislature. Therefore, Mr. Young advised that no further action should be initiated by TG until further notice is received from BOC.

Michael Pietsch asked, from a layperson's perspective, how lack of the requested index data substantively affected BOC operations capability. Further, he asked how often did BOC expect to query the old recorded document images since access requirements to recorded documents usually fall drastically after recordation.

Mr. Watanabe responded that they didn't really know how often a document would be queried. However, he reiterated that the new BOC system was set up with an integrated data model assumption and that it presumed the linkage of transaction records and

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document images. And he shared that although BOC actually had the data that it is requesting from TG, that it was difficult to extract since the data is stored on magnetic tape and the quality of the data is not good. Cynthia Nakaya confirmed that TG does review the dailies received from the BOC and must frequently enter corrections for name misspellings and when data does not align with what is stated on the respective recorded documents.

Mr. Watanabe then stated that since TG had a reputation for being cutting edge in the industry, he was somewhat surprised that TG's information systems were not integrated. Mr. Watanabe queried Jeffrey as an IT consultant, whether he would expect that TG's information systems would be more integrated. Jeffrey replied that, in this instance, BOC had the benefit of building a new system from scratch and so could design the new system in a logical, integrated manner. However, TG had built their system on top of its legacy information system and had made the management decision that it was more cost effective to do so rather than to replace it with a completely new system. Mr. Watanabe replied that if cost was no object, that shouldn't TG have built a more integrated system? Jeffrey responded that he had never worked on a project where money was not a consideration and that project decisions in the private sector had to be made on a return on investment basis.

Jeffrey then asked if it was possible for the attendees to step back from the contract negotiations stance for a moment and to discuss alternatives whereby TG might assist BOC with their index data issue. Jeffrey stated that TG had in good faith submitted its proposal to convey ten years of recorded document images and indexes to the BOC. TG had in no way intended to misrepresent the index data that it intended to deliver to the BOC. And its price proposal had been computed based on providing the index data that is routinely associated with recorded documents in the TG system.

Jeffrey further stated that to provide the additional data fields requested by BOC will *require considerable added labor and expense to TG. However, perhaps there might be alternatives that could be discussed that involved non-cash or barter exchanges to compensate TG for its costs to furnish BOC with the needed index data.*

Mr. Young responded that he welcomed dialog between TG and BOC. Michael stated that if such discussions took place, he would prefer that they involve the DLNR director. Mr. Young acknowledged that the director could be included but then asked that TG follow up with Mr. Watanabe regarding prospective proposals of this sort. Mr. Watanabe demurred and stated that he did not think he should be involved since he might not communicate the proposals correctly. Mr. Young replied that he didn't think this should be a problem.

Mr. Young then thanked attendees for their frank participation and the meeting was adjourned.

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Mr. Michael Pietsch  
February 20, 2001  
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Should you have any questions regarding any of the above, please do not hesitate to call me at 528-7176.

Yours very truly,



Jeffrey W. Loo, Principal

Cc: Debra Pyrek

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## Transfer of Images from TG to BoC

Meeting Agenda for Wednesday, January 17, 2001

1. Schedule for delivery of images
  - a. 3 months duration for each 5 year set
  - b. Back to back delivery (6 concurrent months total)
2. Transport
  - a. Batch size
    - i. Estimate 2.1 million documents @ 8 pages per doc = 16.8 million pages
    - ii. Approximately 50 KB per document (rough estimate)
    - iii. Estimate 840 GB for 5 years of images
    - iv. Assuming a 12 week duration for file transfers, this requires 70 GB per week or 14 GB per day (5 day work week).
  - b. Transfer method
    - i. High speed line
    - ii. Other media
3. BoC Server Capacity
4. Image Quality Assurance Plan
  - a. Describe TG quality review process
  - b. Batch acceptance schedule (24 hour turn around if daily batch transfers or weekly acceptance if one batch per week)
  - c. Payment due upon acceptance of batch
5. Alternatives, if necessary
  - a. BoC to review images by accessing TG systems
  - b. Others

400373

BENJAMIN J. CAYETANO  
GOVERNOR OF HAWAII



CARL T. WATANABE  
ACTING REGISTRAR OF CONVEYANCES

TELEPHONE (808) 587-0120

FAX (808) 587-0136

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
BUREAU OF CONVEYANCES

P. O. BOX 2067

HONOLULU HAWAII 96803

January 3, 2001

Mr. Michael Pietsch  
Title Guaranty of Hawaii  
235 Queen Street  
Honolulu, Hawaii 96813

Re: RFP-ICS-FY-099-052

Dear Mr. Pietsch:

Your contract for phase two (2) of the images has been forwarded for processing to encumber the additional funds. The project is proceeding as we hoped, and we look forward to migrating the images that you are providing.

We would like to meet with you and your staff to establish a tentative timetable to migrate the images. At the same time, we hope to finalize the migration process and identify indexing needs to locate the document image. We have tentatively set aside Wednesday, January 17 for the meeting. It will be held in our conference room at 9 a.m.

Please confirm your attendance or call us if changes are necessary. Thank you for your involvement. Should you have any questions, please feel free to contact me at 587-0120.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl Watanabe", with a long horizontal line extending to the right.

Carl Watanabe

CW/nt

pc: Mason Young  
Nani Lindsey  
Debra Pyrek

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BoC

Our current history layout of bureau data:

We currently create a file with 160 characters. The bureau tape we rec  
We could recreate there format or we could strip our data as is.

Position	Description	
1 - 11	Record Key	just a sequential number incremented as we
12 - 13	System Code	11- LCO 12 - Regular System 13 - Land
14 - 53	Name	
54 - 60	Regular System Document Number	Only for system
61 - 68	Regular System Book/Page	5pos - 3 pos Only for system
69 - 76	Land Court Document Number	Only for system code 13
77 - 82	Land Court TCT Number	Only for system code 13 and 11
83 - 87	Land Court Order Number	Only for system code 11
88 - 88	Land Court Order Asterisk	Only for system code 11
89 - 103	Class Of Document	
104 - 111	Date of Document (YYYYMMDD)	Tape format is yymmdd
112 - 112	RorE	Grantor or Grantee
113 - 113	Island Code	
114 - 114	AorN	(I do not know what this is)
115 - 144	Description	
145 - 160	Filler for future use	

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03/21/2000

BoE

- Sewer for transmission of images to be provided by TG on a temporary basis  
↳ put test batches on this sewer
- Quality Review → TG to propose quality review process to BoE staff

- IBM Visual Info 3 months for 5 yrs = 500 GB

- Indexing ~~100,000~~

25 GB batch

$128\frac{4}{5}$   $\frac{2.9,000}{10,000,000 \times 39}$

answered by the week of April 4th

OPEN ITEMS → 2 wks

\* 30-~~0~~ GB used

- ① HW/ Sewer to be provided by TG
- ② Quality Review Plan
- ③ BoE line installation possibilities
- ④ time frame (3 months) reasonable

⑤ Send index file <sup>sample</sup> to Nami

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Title Guaranty of Hawaii

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Department of Land and  
Natural Resources

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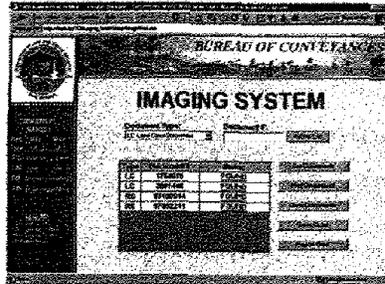
*Bureau of Conveyance System  
Alternatives*  
September 12, 2000

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## Introduction



Today, State agencies such as the Bureau of Conveyances (BOC) are being challenged to provide more efficient and better quality services with increased emphases on meeting specific customer needs at times and manners that are convenient to their customers. To some extent, these pressures are fueled by an increasingly technology aware public that has become accustomed to services based on Internet standards where convenience and speed are de facto standards and free/low cost service is the norm.

The BOC, like other State agencies committed to responsibly serving their constituencies, has responded by seeking a broad array of technology-based solutions that can at once:

- Improve the efficiency of often times complex manual processes dictated by constantly changing regulatory requirements.
- Utilize contemporary technical solutions such as websites, high speed network connections, robust RDMS databases, and intuitive graphical user interfaces (GUIs).
- Meet the public demand for services that are always *available* on and at *no price. Cost*

As the BOC deploys these technology focused solutions, it will inevitably be confronted with a new set of challenges that mirror issues occurring in the private sector and are exacerbated by factors unique to the public sector. Among these challenges are:

- Contemporary technical solutions are increasingly complex, oftentimes involving integration of new application, database, and network platforms with *existing* legacy systems.
- The need to update, expand, and replace system components (e.g. storage devices, CPU memory, workstations) that underlay the new technology platforms is a frequent, ongoing and increasingly mandatory budget requirement as organizations become more dependent on these systems to support their customer services.

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- System obsolescence is increasingly framed in month time frames rather than years.
- Increasing public expectations that access to information resources be provided on a 7 X 24 basis.
- *There is an increasing scarcity of technical personnel with the skill sets (e.g. HTML programming, RDMS database design and administration, network design and administration) to implement contemporary technical solutions.*
- Management expectations dictate accomplishing productive, new technology projects in 8 - 10 month timeframes rather than the 2 - 3 year cycles common in the past.
- Increasingly competitive wage levels must often be offered to recruit and retain experienced technical staffs.
- Training existing legacy system (e.g. mainframe, second generation programming languages, hierarchical database structure) staff to undertake new system responsibilities is a long process that usually doesn't meet immediate development needs.
- The success rate in converting existing legacy staff to undertake development and maintenance of contemporary technology based solutions has been very low.

While the abovementioned challenges are indeed daunting, there is also a broad array of choices available to agencies like the BOC to address and overcome these issues. Across the spectrum of successful technology based initiatives implemented here in Hawaii and on the Mainland, there are numerous examples of innovative solutions that include:

- *Partnerships and collaborations between public sector agencies and between public and private sector groups (e.g. Department of Health and the Hawaii Health Information Corporation arrangement to collaboratively maintain a hospital discharge data repository to assess patient outcomes).*
- *Outsourcing technical services (e.g. State arrangement with egovhawaii to develop and support Hawaii agency website initiatives).*
- *Innovative contracting methods (e.g. Department of Taxation contract with AMS that provides for services to replace legacy Hawaii tax systems using contingent payments subject to documented productivity improvements resulting from the new systems).*

As the BOC considers its alternatives, it is paramount that it makes choices that it can confidently rely on, that the BOC can afford on an ongoing basis and that include solutions can be supported by its staff under contemporary industry demands and constraints.

It is with the above in mind that Title Guaranty of Hawaii (TG) has identified two service opportunities that the BOC may find useful to consider as it seeks to define its technical solutions. These include the following:

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- **Recorded Document Images Capture Service.** A service that provides for the digitization of new recorded documents on an ongoing basis.
- **Recorded Document Image Repository.** A service that provides BOC staff with high capacity storage and access to recorded document images.

TG invites the BOC to engage in an active discussion to discuss these two service opportunities. A more detailed description of the service offerings is provided in the sections that follow.

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## Recorded Document Images Capture Service

1/21/01 → The *Recorded Document Images Capture* service provides BOC with a cost effective option to perform document image capture tasks. This service is offered as a joint initiative with the Hawaii Title Association. On a daily basis, TG would scan new recorded documents, perform image quality review, and enter document index data. The new recorded document images would subsequently be loaded to a designated BOC image server and to the TG recorded document image repository.

With this service, the BOC would have the option of retrieving new recorded document images from its own image server or the TG recorded document image repository. The *Recorded Document Images Capture* service offers the BOC the following benefits:

- *Offers the BOC full access to new recorded documents without the system conversion and operations costs.* With this feature, the BOC has the option to delay or eliminate proposed system development, acquisition, and recurring staff costs associated with the required systems to digitally convert new recorded documents.

This feature offers the BOC an opportunity to save \$100,000 - \$200,000 in document capture software costs and approximately \$100,000 in document scanning and image storage equipment costs. Additional recurring operational costs and staff costs savings could also be derived since the BOC would not require operations staff to perform document preparation and capture tasks. BOC's savings opportunity in this area is estimated to be approximately 2 - 3 FTEs at an average annual savings of approximately \$60,000 - \$90,000 per year.

- *Offers BOC near term access to necessary recorded documents.* With this feature, TG can offer BOC near term access to new recorded documents on an ongoing basis. Once new recorded document images have been loaded to the BOC image server and the TG recorded document image repository they will be available for access by BOC offices, both on Oahu and the Neighbor Islands.

### Architecture and Components

This feature assumes use of existing and modified TG imaging systems components to perform the image capture of new recorded documents on a daily basis. Proposed operation processes include logging new recorded documents, performing document preparation tasks, scanning documents, performing image quality review, and performing image commit processes.

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Finished recorded document images may be stored on a designated image server at BOC and/or the TG RAID server, as mutually agreed. BOC will have the option to retrieve stored recorded documents using its BCIS or Internet browser software.

### Strengths and Challenges

The following table summarizes strengths and challenges for BOC in selecting the *Recorded Document Images Capture* feature:

Strengths	Challenges
<ul style="list-style-type: none"> <li>Provides BOC with opportunity to significantly reduce costs related to document scanning and storage hardware and software.</li> <li>Provides opportunity for BOC to reduce costs associated with relatively low value document capture processes and to utilize the savings to invest in higher value BCIS functions.</li> <li>Provides BOC with optimized document image capture capability that minimizes the cycle time and error rates associated with recorded documents processing.</li> </ul>	<ul style="list-style-type: none"> <li>Requires BOC to depend on the Title Association as an outsource service vendor to provide new recorded document images.</li> </ul>
<p><i>Provide All technical capabilities provided by experienced TB staff (so no new training or high priced technical BOC staff are necessary)</i></p>	

### Recommendation

The *Recorded Document Images Capture* feature is a **good match** for BOC if its highest priorities include:

- Reducing the cycle time involved in processing new recorded documents and making document images available to staff and users.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support requirements (i.e. document scanning and processing, system technical support, staff training, competitive staff retention).

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- Providing Neighbor Island offices with near term access to recorded document images.
- Provides ongoing, reliable access to new recorded documents.

Implementation of the *Recorded Document Images Capture* feature is *not a good match* for BOC if its higher priorities include:

- Implementing defined administrative and programmatic initiatives that dictate creation of a BOC proprietary recorded document images system capability.
- BOC anticipates a need to develop independent document image capture capability to support other prospective department information requirements.

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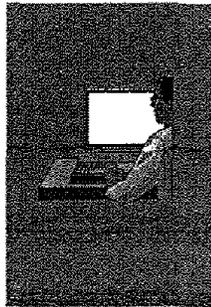


## Recorded Document Image Repository

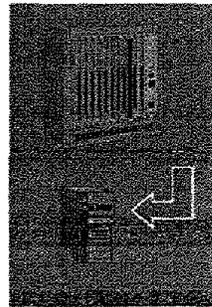
The *Recorded Document Image Repository* service provides BOC with a cost effective option to access recorded document images stored on the TG high capacity RAID ~~array~~<sup>server</sup>. Using a dedicated, high-speed network link, the BOC would use the BCIS application or Web browser based image viewers to access document images on the TG recorded document image repository. From its main offices and Neighbor Island offices, the BOC would be able to search, retrieve, display, print and download recorded documents from the TG recorded document image repository. *or using the Internet,*



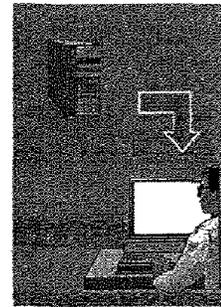
BOC User Identifies Document Images for Retrieval



BOC User Enters Document ID No. Into TG Web Application



Document Images Retrieved from TG RAID Repository



BOC User Displays/Prints Document Image

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Based on TG's understanding of the BOC's requirements and experience derived from many years in the title insurance business in Hawaii, TG believes the *Recorded Document Image Repository* feature offers the following benefits to the BOC:

- *Offers the BOC full access to necessary recorded documents without incurring significant start up and recurring system operations costs.* With this option, the BOC has the option to delay or eliminate proposed costs related to acquiring and managing a high capacity image server/optical jukebox system and tape backup environment.

Using this option, the BOC has an opportunity to save approximately \$250,000 - \$400,000 in image storage equipment acquisition and installation costs. Additional operational costs and staff costs savings could also be derived since the BOC would not require backup systems and operations staff to maintain the image server/optical jukebox systems. *in a 24x7 availability environment.*

- *Offers BOC a high speed documents retrieval option with off-site backup safeguards.* With recorded documents stored on the TG RAID <sup>server</sup> ~~array~~ based image repository, the BOC will have a superior image delivery platform for accessing recorded documents. A RAID based storage system is the optimal solution for retrieval of large image files and transmission over the Internet and over the State HAWAIIAN Network.

And the BOC is assured of having adequate off-site backups in case of systems failure and disruptions. In addition to safeguards built into the RAID array device, TG maintains both CD based image duplicates and microfilm copies of its recorded document images.

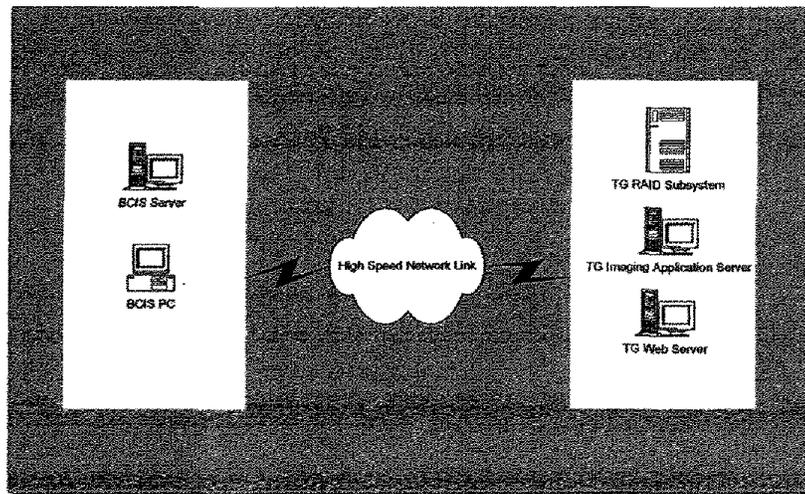
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### Architecture and Components

The *Recorded Document Image Repository* feature utilizes a system environment that includes a primary document index database and a RAID based image repository. A direct telecommunications link between TG and the BOC will be installed to enable BOC access to recorded document images stored on the TG document image repository.

or  
Internet-based  
access



400386



## Strengths and Challenges

The following table summarizes strengths and challenges for BOC in selecting the *Recorded Document Image Repository* feature:

Strengths	Challenges
<ul style="list-style-type: none"><li>• Provides BOC with opportunity to significantly reduce costs related to document management operations.</li><li>• Provides BOC with an optimized document storage and retrieval solution that meets and exceeds its specified requirements.</li><li>• Offers BOC with opportunity to provide support for its Neighbor Island record retrieval requirements.</li></ul>	<ul style="list-style-type: none"><li>• Requires BOC to depend on an outsource service vendor to provide delivery of recorded document images.</li></ul>

## Recommendation

The *Recorded Document Image Repository* feature is a *good match* for BOC if its highest priorities include:

- Providing its staff and users with an optimized system platform for accessing recorded documents.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support (staff, hardware/software, training) requirements.
- Providing Neighbor Island offices with near term access to recorded document images.

Implementation of the *Recorded Document Image Repository* feature is *not a good match* for BOC if its higher priorities include:

- Implementing defined administrative and programmatic initiatives that dictate creation of a BOC proprietary recorded document images collection.

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Title Guaranty of Hawaii



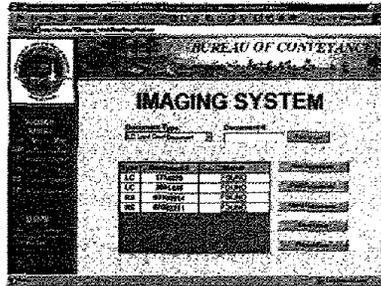
Department of Land and  
Natural Resources

*Bureau of Conveyance System  
Alternatives*  
July 13, 2000

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## Introduction



*where the world is going - technology driven*

*State for a free low cost option  
explain to costs available from systems*

Today, State agencies such as the Bureau of Conveyances (BOC) are being challenged to provide more efficient and better quality services with increased emphases on meeting specific customer needs at times and manners that are convenient to their customers. To some extent, these pressures are fueled by an increasingly technology aware public that has become accustomed to services based on Internet standards where convenience and speed are de facto standards and free/low cost service is the norm.

The BOC, like other State agencies committed to responsibly serving their constituencies, has responded by seeking a broad array of technology-based solutions that can at once:

- Improve the efficiency of often times complex manual processes dictated by constantly changing regulatory requirements.
- Utilize contemporary technical solutions such as websites, high speed network connections, robust RDMS databases, and intuitive graphical user interfaces (GUIs).
- Meet the public demand for services that are always on and at a low or no price.

As the BOC deploys these technology focused solutions, it will inevitably be confronted with a new set of challenges that mirror issues occurring in the private sector and are exacerbated by factors unique to the public sector.

Among these challenges are:

- Contemporary technical solutions are increasingly complex, oftentimes involving integration of new application, database, and network platforms with existing legacy systems.
- The need to update, expand, and replace system components (e.g. storage devices, CPU memory, workstations) that underlay the new technology platforms is a frequent, ongoing and increasingly mandatory budget requirement as organizations become more dependent on these systems to support their customer services.

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Alternatives Assessment

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Modified: July 21, 2000

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- System obsolescence is increasingly framed in month time frames rather than years.
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- There is an increasing scarcity of technical personnel with the skill sets (e.g. HTML programming, RDMS database design and administration, network design and administration) to implement contemporary technical solutions.
- Management expectations dictate accomplishing productive, new technology projects in 8 - 10 month timeframes rather than the 2 - 3 year cycles common in the past.
- Increasingly competitive wage levels must often be offered to recruit and retain experienced technical staffs.
- Training existing legacy system (e.g. mainframe, second generation programming languages, hierarchical database structure) staff to undertake new system responsibilities is a long process that usually doesn't meet immediate development needs.
- The success rate in converting existing legacy staff to undertake development and maintenance of contemporary technology based solutions has been very low.

While the abovementioned challenges are indeed daunting, there is also a broad array of choices available to agencies like the BOC to address and overcome these issues. Across the spectrum of successful technology based initiatives implemented here in Hawaii and on the Mainland, there are numerous examples of innovative solutions that include:

- Partnerships and collaborations between public sector agencies and between public and private sector groups (e.g. Department of Health and the Hawaii Health Information Corporation arrangement to collaboratively maintain a hospital discharge data repository to assess patient outcomes).
- Outsourcing technical services (e.g. State arrangement with egovhawaii to develop and support Hawaii agency website initiatives).
- Innovative contracting methods (e.g. Department of Taxation contract with AMS that provides for services to replace legacy Hawaii tax systems using contingent payments subject to documented productivity improvements resulting from the new systems).

As the BOC considers its alternatives, it is paramount that it makes choices that it can confidently rely on, that the BOC can afford on an ongoing basis and that include solutions can be supported by its staff under contemporary industry demands and constraints.

It is with the above in mind that Title Guaranty of Hawaii (TG) has identified four service opportunities that the BOC may find useful to consider as it seeks to define its technical solutions. These include the following:

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make this  
first &  
stress  
most!

- **Recorded Document Image Repository.** A service that provides BOC staff with high capacity storage and access to recorded document images.
- **Recorded Document Images Capture Service.** A service that provides for the digitization of new recorded documents on an ongoing basis.
- **Land Court and Regular System Data Upload Service.** A service that extracts data from new Land Court and Regular System documents and provides for uploads to BOC databases.
- **Land Court and Regular System Outsource Service.** An application service provider (ASP) offering that provides BOC staff access to TG title plant applications and data.

TG invites the BOC to engage in an active discussion to discuss these four service opportunities. A more detailed description of the service offerings is provided in the sections that follow.

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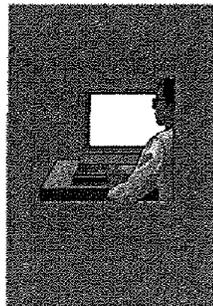


## Recorded Document Image Repository

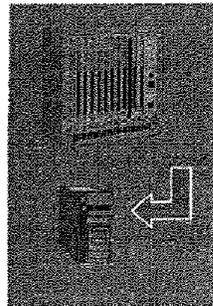
The *Recorded Document Image Repository* service provides BOC with a cost effective option to access recorded document images stored on the TG high capacity RAID array. Using a dedicated, high-speed network link, the BOC would use the BCIS application or Web browser based image viewers to access document images on the TG recorded document image repository. From its main offices and Neighbor Island offices, the BOC would be able to search, retrieve, display, print and download recorded documents from the TG recorded document image repository.



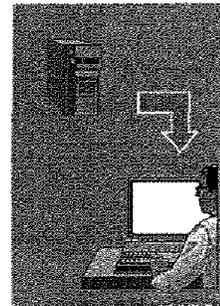
BOC User Identifies  
Document Images for  
Retrieval



BOC User Enters  
Document ID No. Into  
TG Web Application



Document Images  
Retrieved from TG  
RAID Repository



BOC User  
Displays/Prints  
Document Image



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Based on TG's understanding of the BOC's requirements and experience derived from many years in the title insurance business in Hawaii, TG believes the *Recorded Document Image Repository* feature offers the following benefits to the BOC:

- *Offers the BOC full access to necessary recorded documents without incurring significant start up and recurring system operations costs.* With this option, the BOC has the option to delay or eliminate proposed costs related to acquiring and managing a high capacity image server/optical jukebox system and tape backup environment.

Using this option, the BOC has an opportunity to save approximately \$250,000 - \$400,000 in image storage equipment acquisition and installation costs. Additional operational costs and staff costs savings could also be derived since the BOC would not require backup systems and operations staff to maintain the image server/optical jukebox systems.

- *Offers BOC a high speed documents retrieval option with off-site backup safeguards.* With recorded documents stored on the TG RAID array based image repository, the BOC will have a superior image delivery platform for accessing recorded documents. A RAID based storage system is the optimal solution for retrieval of large image files and transmission over the Internet and over the State HAWAIIAN Network.

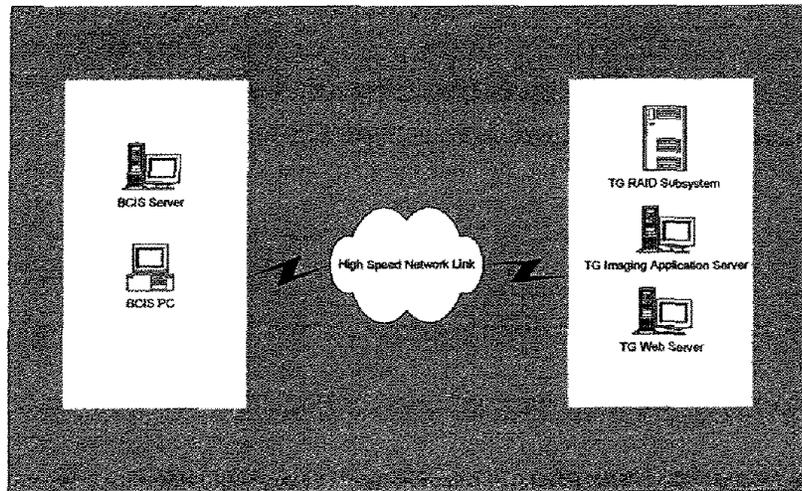
And the BOC is assured of having adequate off-site backups in case of systems failure and disruptions. In addition to safeguards built into the RAID array device, TG maintains both CD based image duplicates and microfilm copies of its recorded document images.

400393



## Architecture and Components

The *Recorded Document Image Repository* feature utilizes a system environment that includes a primary document index database and a RAID based image repository. A direct telecommunications link between TG and the BOC will be installed to enable BOC access to recorded document images stored on the TG document image repository.



400394



## Strengths and Challenges

The following table summarizes strengths and challenges for BOC in selecting the *Recorded Document Image Repository* feature:

Strengths	Challenges
<ul style="list-style-type: none"><li>• Provides BOC with opportunity to significantly reduce costs related to document management operations.</li><li>• Provides BOC with an optimized document storage and retrieval solution that meets and exceeds its specified requirements.</li><li>• Offers BOC with opportunity to provide support for its Neighbor Island record retrieval requirements.</li></ul>	<ul style="list-style-type: none"><li>• Requires BOC to depend on an outsource service vendor to provide delivery of recorded document images.</li></ul>

## Recommendation

The *Recorded Document Image Repository* feature is a **good match** for BOC if its highest priorities include:

- Providing its staff and users with an optimized system platform for accessing recorded documents.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support (staff, hardware/software, training) requirements.
- Providing Neighbor Island offices with near term access to recorded document images.

Implementation of the *Recorded Document Image Repository* feature is **not a good match** for BOC if its higher priorities include:

- Implementing defined administrative and programmatic initiatives that dictate creation of a BOC proprietary recorded document images collection.

400395



## Recorded Document Images Capture Service

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The *Recorded Document Images Capture* service provides BOC with a cost effective option to perform document image capture tasks. On a daily basis, TG would scan new recorded documents, perform image quality review, and enter document index data. The new recorded document images would subsequently be loaded to a designated BOC image server and to the TG recorded document image repository.

With this service, the BOC would have the option of retrieving new recorded document images from its own image server or the TG recorded document image repository. The *Recorded Document Images Capture* service offers the BOC the following benefits:

- *Offers the BOC full access to new recorded documents without the system conversion and operations costs.* With this feature, the BOC has the option to delay or eliminate proposed system development, acquisition, and recurring staff costs associated with the required systems to digitally convert new recorded documents.

This feature offers the BOC an opportunity to save \$100,000 - \$200,000 in document capture software costs and approximately \$100,000 in document scanning and image storage equipment costs. Additional recurring operational costs and staff costs savings could also be derived since the BOC would not require operations staff to perform document preparation and capture tasks. BOC's savings opportunity in this area is estimated to be approximately 1-2 FTEs at an average annual savings of approximately \$30,000 - 60,000 per year.

- *Offers BOC near term access to necessary recorded documents.* With this feature, TG can offer BOC near term access to new recorded documents on an ongoing basis. Once new recorded document images have been loaded to the BOC image server and the TG recorded document image repository they will be available for access by BOC offices, both on Oahu and the Neighbor Islands.

### **Architecture and Components**

This feature assumes use of existing and modified TG imaging systems components to perform the image capture of new recorded documents on a daily basis. Proposed operation processes include logging new recorded documents, performing document preparation tasks, scanning documents, performing image quality review, and performing image commit processes.

400396



Finished recorded document images may be stored on a designated image server at BOC and/or the TG RAID server, as mutually agreed. BOC will have the option to retrieve stored recorded documents using its BCIS or Internet browser software.

### **Strengths and Challenges**

The following table summarizes strengths and challenges for BOC in selecting the *Recorded Document Images Capture* feature:

Strengths	Challenges
<ul style="list-style-type: none"><li>• Provides BOC with opportunity to significantly reduce costs related to document scanning and storage hardware and software.</li><li>• Provides opportunity for BOC to reduce costs associated with relatively low value document capture processes and to utilize the savings to invest in higher value BCIS functions.</li><li>• Provides BOC with optimized document image capture capability that minimizes the cycle time and error rates associated with recorded documents processing.</li></ul>	<ul style="list-style-type: none"><li>• Requires BOC to depend on TG as an outsource service vendor to provide new recorded document images.</li></ul>

### **Recommendation**

The *Recorded Document Images Capture* feature is a *good match* for BOC if its highest priorities include:

- Reducing the cycle time involved in processing new recorded documents and making document images available to staff and users.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support requirements (i.e. document scanning and processing, system technical support, staff training, competitive staff retention).

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- Providing Neighbor Island offices with near term access to recorded document images.
- Provides ongoing, reliable access to new recorded documents.

Implementation of the *Recorded Document Images Capture* feature is *not a good match* for BOC if its higher priorities include:

- Implementing defined administrative and programmatic initiatives that dictate creation of a BOC proprietary recorded document images system capability.
- BOC anticipates a need to develop independent document image capture capability to support other prospective department information requirements.

400398



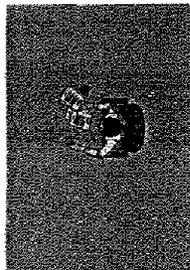
## Land Court and Regular System Data Upload Service

The *Land Court and Regular System Data Upload* service provides BOC users with specified Land Court and Regular System data extracted from new recorded documents filed at the BOC. The data would conform to BOC specifications and could include data elements not currently extracted by BOC but available from TG data retrieval activities. On a daily basis, data from the TG title plant would be compiled and batch uploaded to data servers at the BOC.

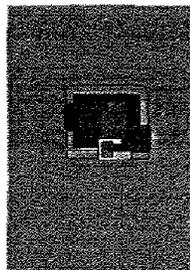
The BOC, as needed, could also have the option to acquire historic Land Court and Regular System data in addition to current transactions.

This feature offers the BOC the following benefits:

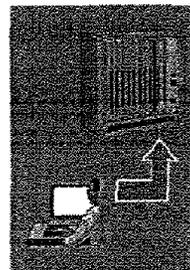
- **Offers BOC timely access to recently recorded documents.** TG's highly efficient data extraction process enables it to rapidly provide BOC with data on recent transactions.
- **Offers BOC an opportunity to significantly reduce its staff operational costs.** With this feature, BOC will be able to redeploy from 4 - 6 staff FTEs, currently assigned to data abstracting and data entry functions, with an estimated annual savings of \$120,000 - \$180,000.
- **Provides BOC with high quality data.** TG will be able to offer BOC better quality data than currently available since TG data extraction activities include data validation and correction steps as well as data lookups into the TG historical database to assure that new recorded transactions are accurate.



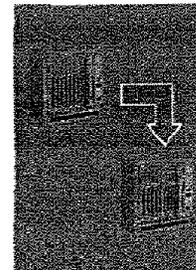
BOC Processes New  
Recorded Documents  
Daily



TG Extracts Data and  
Enters to TG Title  
Plant System



Data Converted to  
BOC Specifications



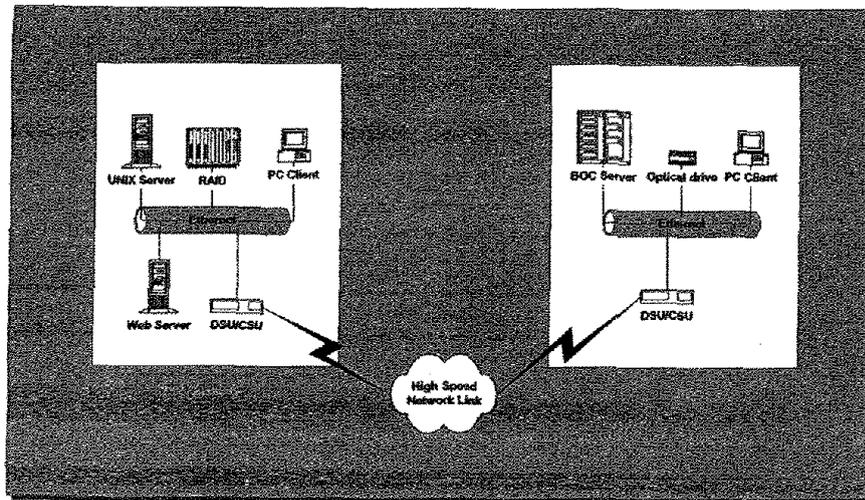
Data Uploaded Daily  
to BOC Server

400399



## Architecture and Components

The *Land Court and Regular System Data* service requires a dedicated network connection from Title Guaranty to the BOC. Land Court and Regular System data files would be transmitted to the BOC from TG on a daily basis. Subsequently, the data would be uploaded by BOC staff to specified BOC data systems.





## Strengths and Challenges

The following table summarizes strengths and challenges for BOC in selecting the *Land Court and Regular System Data Upload* service:

Strengths	Challenges
<ul style="list-style-type: none"><li>• Provides BOC with opportunity to significantly reduce costs related to extracting and entering data for new real property transactions.</li><li>• Provides opportunity for BOC to reduce costs associated with relatively low value data capture processes and to utilize the savings to invest in higher value BCIS functions.</li><li>• Provides BOC with very timely and accurate data to support its Regular System and Land Court System user requirements.</li></ul>	<ul style="list-style-type: none"><li>• Requires BOC to depend on TG as an outsource service vendor to provide new recorded document data.</li></ul>

## Recommendation

The *Land Court and Regular System Data Upload* service is a *good match* for BOC if its highest priorities include:

- Reducing the cycle time involved in extracting data from new recorded documents.
- Improving the quality of data to support Regular System and Land Court System operations.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support requirements.
- Improving the quality of the data supporting the Regular System and Land Court System.

400401



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Implementation of the *Recorded Document Images Capture* feature is *not a good match* for BOC if its higher priorities include:

- Implementing defined administrative and programmatic initiatives that dictate population of a BOC proprietary database to support its Regular System and Land Court System.
- BOC anticipates a need to develop independent data capture capability to support other prospective department information requirements.

400402



## Land Court and Regular System Outsource Service

The *Land Court and Regular System Outsource* feature offers BOC users direct access to TG Land Court and Regular System applications and data. With this feature, BOC will have the capability to perform information retrieval and lookups on real property transactions directly from TG systems without the need to maintain a separate recorded documents image and data abstraction function.

The benefits to BOC of selecting the *Land Court and Regular System Data Outsource* service include:

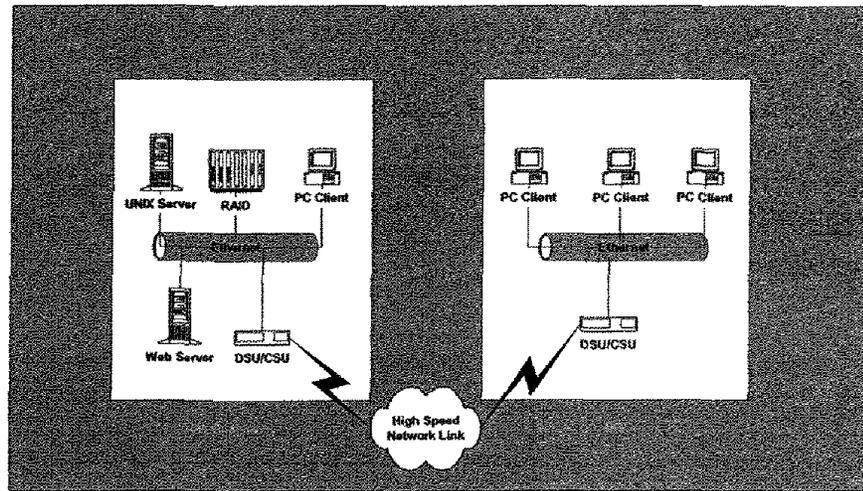
- ***Provides BOC users with very timely access to new and historical real property documents and data.*** BOC users would have near immediate access to new information on recent real property conveyance transactions.
- ***Significantly reduces BOC staffing requirements.*** Eliminates BOC requirement to support an entire production process to create recorded document image copies and to extract data from new recorded documents.
- ***Provides BOC with access to a best practice title plant system.*** BOC will have access to an industry leading information system that is constantly updated to meet current business needs.
- ***Eliminates need to provide ongoing technical support for an increasingly complex information system.*** With this service, BOC will be able to minimize issues related to maintaining/updating systems related to supporting its Land Court and Regular System information needs.

400403



## Architecture and Components

Land Court and Regular System Data Outsource service uses existing TG Title Plant applications.



## Strengths and Challenges

The following table summarizes strengths and challenges for BOC in selecting the *Land Court and Regular System Outsource* service:

Strengths	Challenges
<ul style="list-style-type: none"><li>• Provides BOC with opportunity to significantly reduce costs related to Regular System and Land Court System hardware and software.</li><li>• Provides opportunity for BOC to reduce costs associated with relatively low value document and data capture processes and to focus on higher priority customer needs.</li></ul>	<ul style="list-style-type: none"><li>• Requires BOC to depend on TG as an outsource service vendor to support its ongoing regulatory and customer information requirements.</li></ul>

400404



### ***Recommendation***

The *Land Court and Regular System Data Outsource* feature is a *good match* for BOC if its highest priorities include:

- Increasing its focus on meeting high priority customer needs.
- Reducing its exposure to system update/maintenance, system obsolescence, staff retention, and staff training issues.
- Increasing BOC capabilities to quickly respond to system change requirements and to transform to be a more proactive and competitive public service agency.
- Leveraging its limited funds for optimal development of BCIS.
- Reducing its operational support requirements.

Implementation of the *Recorded Document Images Capture* feature is *not a good match* for BOC if its higher priorities include:

- Implementing defined programmatic initiatives to support new product developments and revenue enhancement capabilities.
- BOC anticipates a need to develop independent data and document image capture capability to support other prospective department information requirements.

400405

# State of Hawaii

*A Proposal To Provide Hawaii Document  
Images and Data Services*

*June 6, 2000*

## Overview

- Opportunities
- Our Proposed Services
- Summary
- Questions & Answers

June 6, 2000

Title Guaranty of Hawaii

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400406

## Opportunities

- To obtain timely and cost efficient access to BOC recorded document images
- To obtain timely and cost efficient access to updated county property tax map images
- To implement cost efficient processes to extract and enter property data

June 6, 2000

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## Our Proposed Services

- **Option 1** - Provide image capture for new recorded documents and support on-line access to historical and new document images
- **Option 2** - Deliver property data for new real property transactions

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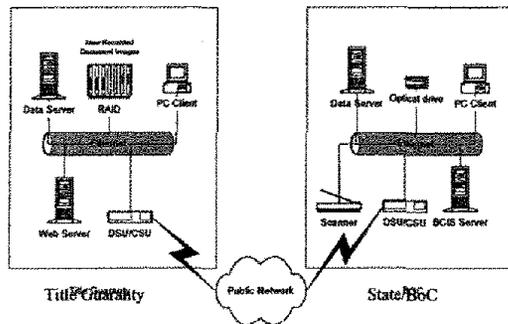
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400407

## Option 1

- Provide image capture for new recorded documents.
- Provide on-line access to historical and current document images



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## Option 1 Features

- Access new recorded documents images (Regular System and Land Court)
- Access historical recorded document images (Regular System and Land Court back files)
- Compiled from BOC recorded documents and county tax maps
- Standard TIF format

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400408

## Option 1 Features

- Images stored on fast TG RAID server
- Images transmitted over high-speed line
- Access via intranet using standard web browsers
- Offers Neighbor Island office access via browser

June 6, 2000

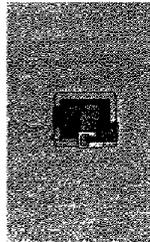
Title Guaranty of Hawaii

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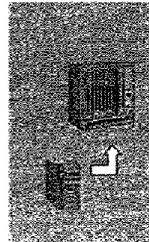
## Option 1 Capture Process



BOC Processes  
New Recorded  
Documents, Daily



TG Scans and  
Quality Reviews  
New Document  
Images



Document Images  
Uploaded to RAID  
Server

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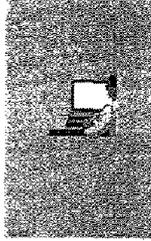
8

400409

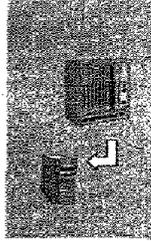
## Option 1 Retrieval Process



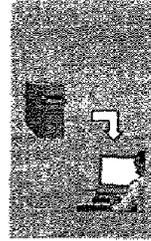
User Identifies  
Document Images  
for Retrieval



User Enters  
Document ID No. Into  
Web Application



Document Images  
Retrieved from  
RAID Repository



User  
Displays/Prints  
Document Image

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## Option 1 Sample Screen

Type	Document #	Status
LC	1754075	FOUND
LC	2081446	FOUND
RS	93100914	FOUND
RS	97062211	FOUND

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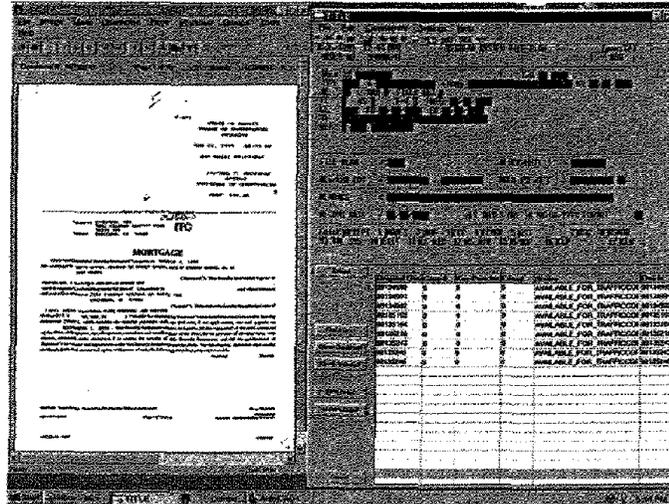
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400410



## Workflow



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## Option 1 Benefits

- Provides image capture for new recorded documents.
- Offers the state capability to access new recorded document images without incurring system implementation and operations costs.
- Offers the state capability to access historical recorded document images and tax maps without incurring system implementation and operations costs.

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400413

## Option 1 Benefits

- Eliminates need for back scanning microfilm
- Offers local support
- *Minimizes impact on the state/BoC*
- Provides a simple and easy-to-manage solution for BoC staff

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## Option 1 Benefits

- Works seamlessly with BoC workflow
- Offers high speed document retrieval option with offsite backup safeguards

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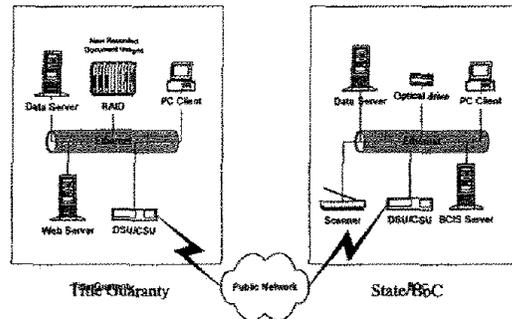
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400413

## Option 2

- Deliver property transaction data for new transactions to the state/BoC

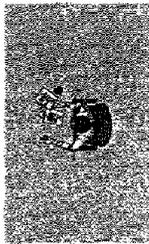


June 6, 2000

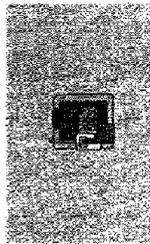
Title Guaranty of Hawaii

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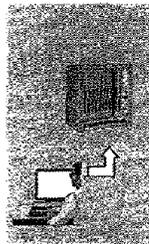
## Option 2 Process



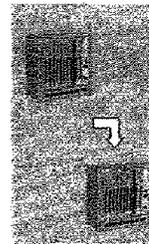
BOC Processes  
New Recorded  
Documents, Daily



TG Extracts  
Data and Enters  
to TG Title Plant  
System



Data Converted to  
BoC Specifications



Data Uploaded  
Daily to BoC  
Server

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400414

## Option 2 Features

- Offers data capture for new real property transactions.
- Data converted to BoC data specifications.
- Provides upload to BoC database server.
- Includes Regular System and Land Court document data.

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## Option 2 Features

Information Available Includes:

- Parties to the transaction
- Recordation Information
- Property Descriptions

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400415

## Option 2 Benefits

- Provides data capture for new real property transactions.
- Offers state capability to acquire new property transaction data without incurring data entry operations costs.

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## Summary of Options

### Option One:

- Access Back File Images
- Access New Images

### Option Two:

- Deliver new property data

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400416

## BoC Perspectives

- **Option One (Imaging)**
  - BoC Committee supported this alternative as long as integrated with Part One vendor
  - Discussed concerns about scope overlap with Part One vendor
  - Partnership between TG and BoC offers the State an expected savings of \$770,000.00 - \$1,050,000.00 or more
- **Option Two (Data)**
  - Not discussed as part of our original proposal, so no recent feedback is available

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## Why Title Guaranty of Hawaii?

- Experience in industry
- Expertise in imaging
- Knowledge of BoC Workflow

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Title Guaranty of Hawaii

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400417

## Why Title Guaranty of Hawaii?

- Title Guaranty has a serious commitment to helping BOC be successful in this project since TG is very dependent on BOC services.
- TG's solutions significantly reduce the requirements of ICSD staff (databases, servers, scanning software and hardware will all be supported by TG staff).

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## Why Title Guaranty of Hawaii?

- Title Guaranty is a local company and is able to resolve issues with locally based TG technical resources, not mainland vendors.
- Since TG has carefully reviewed BoC requirements, we are proposing solutions that are easier and faster to implement and have fewer support requirements of BoC staff.

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400418

## Solution

- TG strongly recommends implementing some type of partnership with the State/BoC.
- TG will gladly work with the selected Part One vendor in whatever capacity required to meet BoC requirements.

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## Questions and Answers

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400419



## RFP Description

Scope of RFP includes design, development, and implementation of a replacement system for Land Court and Regular tracking systems. Also includes electronic documents capture and wide area access from Neighbor Islands. Require development of a Master Plan that provides assessment findings, implementation recommendations, test plan, and staff training.

Requires use of SDM/Structured system development methodology.

Uses RFP method, otherwise known as two step bid process. Allows for initial proposal screening to arrive at best three proposals.

## General RFP Comments

The outline of required proposal sections is generally State standard. Inclusion of offeror financials submittal requirement is also standard. However, bidders can usually stipulate that financials are private, but will be made available to State for inspection at company site in the event that the bidder is selected.

The RFP method used makes for a lengthy process. However, the two step process gives State some leeway in selecting bidders based on design approach and qualifications and not just on low price criteria.

The evaluation method used in this RFP is faulty and has been challenged successfully in the past by losing bidders. Current practice is to identify the weight and percentages associated with each stated criteria.

SDM/Structured is a very resource and document intensive system development methodology. Best used in situations that do not involve process reengineering and where new data requirements are incremental and not significantly new or broader in scope. There are simple forms of SDM/Structured that are acceptable to the State which reduce required steps. State generally is reasonable in allowing variances from forms and documentation requirements that make SDM/Structure hard to use.

Proposal should respond with recommended hardware but exclude actual hardware purchase from scope of proposal. Reduces potential problems related to your purchase of equipment and conveying title to State, implied warranty responsibilities for equipment, and assumption of integration responsibilities with existing State equipment.

## System Requirements

Image retrieval times specified on page 25 may not be achievable across the system and across locations. Variables include document length, storage media, and network connection types.

Suggests map scanning requirement on page 25 which adds oversized scanning hardware and support.

Requirement on page 26 to support production of microfilm copies. Need to clarify if this is to be done prior to scan, at time of scan or some time after daily batch scan.

Required support for mirrored images on page 27 could double disk storage requirement and substantially add hardware costs.

Hot Key requirement on page 27 is no problem if all new and legacy applications are in the Windows environment. However, this may be a problem if there is requirement to hot key from mainframe application to PC application. This would add requirement to run two live sessions and programming script to perform hot key.

400420



Stipulate on page 28 that optical storage device must support selection of WORM or erasable media. Needs clarification on purpose and possible alternative approaches.

P. 29 contains general Inter island communication requirement. Too vague and presents potential scope issue. Makes big difference if State HAWAIIAN network used or commercial solution is required. Also depends on where offices are located on Neighbor Island. Network options significantly different if BOC offices are located in main State offices which have good connectivity to Oahu or are in commercial spaces where network configurations and arrangements would be built from scratch.

The requirement for a UNIX server on page 29 is unclear. Is this for the LCATS, the image application server or the database server? If its for the image application server, this could restrict the range of vendor products that could be proposed to only solutions that ran in UNIX and not Windows NT. This requirement doesn't make sense for document capture function. Also suggests that systems client environment supports UNIX sessions rather than Windows.

Suggests on page 30 that remote users may be provided access to system. Adds significant security requirement and potentially conflicts with above server requirement. Unreasonable to suggest that casual remote users be able to support UNIX client sessions.

Page 31 contains requirement to provide online access to 10 years of documents currently stored on microfilm. Raises many questions. Suggests requirement to do major backfile conversion. Or at least to support ad hoc microfilm scanning. Depends on what their term SEAMLESS access means.

## Comments

Offer to provide access to TG recorded documents fits nicely with RFP requirement. Could be a good opportunity for TG since this record segment is already scanned. Since TG collection is unique, may be opportunity to independently offer annual license to access collection for specified fee. Interesting to speculate if the fee could be set to equivalent cost of document scanner/operator, have TG donate license fee to State into BOC revenue fund so they could pay the scanner/operator.

Long term, there may be an issue with current method of supplying BOC with images on CDs. Their requirements stipulates an optical jukebox for image storage and retrieval. Also requires record grouping to facilitate document retention and purge schedules. And they state that they want capability to update or modify record images.

Suggest raising possibility of separating the whole image capture section from the RFP and proposing that this be done on an outsource basis. Decision to reside image repository on BOC or TG site could be negotiated pending clarification of network and user access issues.

Variation would involve formation of a 501(3)(c) non profit organization made up of all title companies in Hawaii. Title companies would contribute support based on annual revenue or transaction volume. Organization would offer independent and neutral organization to perform document conversion of recorded documents in the public interest. BOC would provide daily documents in exchange for free access or digitized copies of documents.

Documents could be made available equally to all participating title companies. TG would still have advantage of historical back files that no other company can match. Also, TG has technical infrastructure to make beneficial use of images that other companies can't match.

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