DATE: January 9, 2020

TO: Honorable Members of the Board of Supervisors
Jefferey V. Smith, County Executive

FROM: Ann Dunkin, Chief Information Officer

SUBJECT: OFF-AGENDA REPORT REGARDING THE FEASIBILITY OF MONETIZING COUNTY ASSETS RELATIVE TO NEW TECHNOLOGY

At its May 1, 2018 meeting (Item. No. 8), the Board requested an off-agenda report regarding the feasibility of monetizing County of Santa Clara (SCC) assets relative to new technology. This report addresses only the possible monetization of Information Technology assets. For the purpose of this memo, monetization is simply defined as earning revenue from an asset or business.

Data Analytics, Mobile Applications, Autonomous Vehicles, Robotics, 5G, Advanced Sensors – new technology research, development, and use has grown significantly over the past decade. Monetization of these technologies continues to be lucrative for many private sector companies. Despite the pervasive growth in technology and the revenues associated with specific technologies, cities and counties across the state and country generally remain dedicated to sharing assets, rather than selling them. Ultimately, sharing, rather than selling, brings greater value to the County, and our constituents than the sale of information technology assets. That being said, if patentable technology beneficial to the public good could be monetized, the Department would collaborate with County Counsel to create a technology transfer process and monetization scheme.

Santa Clara County residents expect more convenience than ever before. They want to transact business with the County without ever setting foot on County property. In addition, a significant number of residents have a smart phone as their only access to the internet. These dual drivers, convenience and accessibility, along with the inherent opportunity to become more efficient are pushing the digital transformation of SCC services. Building useful, secure digital applications that quickly allow residents to access what they need in the shortest time possible, with limited County government interaction is a strategic driver for municipalities at all levels of government. The technical foundations of this digital transformation are software, data, a fast, stable network, and continuous user feedback to improve our constituents’ experience. Because counties and cities across California and the United States are simultaneously undergoing this digital transformation, the County of Santa Clara is no exception.
transformation, exchanging and sharing secure internally developed code, architecture of data flows, and best practices between counties can significantly speed up this transformation.

While sharing code is generally strategic, at times it fills an urgent need. This was observed during the devastating 2017 California wildfires. During the fires, the City of Santa Rosa Chief Information Officer requested the support of San Francisco’s Chief Digital Services Officer to build an application that would assist county residents who lost their homes in the fire in finding new long-term housing. Within one day, a Sonoma County and City of Santa Rosa sponsored digital application was built with data provided by Zillow, HipCamp, and HotPads offering safe, vetted long-term housing options for fire victims. Two weeks later, that same open source code was given at no cost to the County of Los Angeles Chief Data Officer, achieving the same outcomes for southern California residents in a matter of hours. This kind of collaboration and sharing is crucial to a successful response.

It has been the Technology Services and Solution Department’s (TSS) experience that sharing software code with other municipalities in a private and secure manner is more valuable than monetizing the software that the County develops, as TSS not only shares code, but is able to benefit from code developed by other local governments. TSS’s software development team has shared code with El Paso County, Colorado’s DA Office for a pre-trial application (Figure 1) and with Fresno County for a voting application (Figure 2).

These applications could be used throughout the state and TSS would encourage adoption and work with our colleagues to convey best practices.

While most TSS developed code maintains high coding and quality standards, possesses immediate practical application and adds tremendous value within County mission sets, it is not distinct enough to justify the complexities of attempting productization, sales, support, ongoing enhancements and long-term liability (specifically, privacy and security liability). Further, municipalities and county governments while similar in their service offerings, each possess nuanced localized legal differences that must reflect in the software. This would quickly dwarf any potential revenue.
Nonetheless, to reiterate, if TSS were to research, design, and build a patentable technology beneficial to the public good, the Department would collaborate with County Counsel to create a technology transfer process and monetization scheme.

Cc:  Chief Board Aides  
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