Approved April 1, 1985
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina at
Chairperson

11:00 a.m./p.m. on March 26, 1985 in room 123-S of the Capitol.

All members were present except:

Committee staff present:
Research Department: Mary Galligan, Robin Hunn, Ray Hauke, Paul West
Revisor's Office: Norman Furse
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:
Ron Hein, Sperry-Univac
Carmen Hinkle, Sperry-Univac

INTRODUCTION OF BILLS

The chairman noted that he had been requested to have the committee introduce the following bills:

1. Senator Allen requested introduction of a bill providing for vocational agriculture education.

2. The Homebuilders' Association requested a bill to amend requirements for handicapped access.

Motion was made by Senator Talkington and seconded by Senator Gannon to introduce the above bills. The motion carried by roll call vote.

Presentation concerning Division of Information Services and Communications

Mr. Hein noted that Sperry has been used almost predominantly by the Department of Administration for many years. He noted that agencies which had become part of KIPPS had done so with relatively few problems. The obvious exception was the University of Kansas and the problems with their payroll in November and December of 1983. He stressed that this was not a problem with computer equipment, nor with the KIPPS software. There were problems with communications between the University of Kansas and DISC. Today the university is operating on KIPPS with what is the most efficient and accurate payroll system they have ever had. According to Mr. Hein, other state agencies will attest to the fact that it is a good system.

Mr. Hein reminded the committee that the state has millions of dollars invested in the KIPPS program. He referred to the proposed switch from the Sperry system to IBM, and stated there would be many complexities of changing the system and of moving to the Santa Fe building.

He cited the following reasons as those given for the proposal to change: (1) compatibility; (2) competition; (3) need for backup and recovery systems; (4) cost savings.

(1) Compatibility. Mr. Hein said that, in the proposed change, the system will not be completely compatible. He said that if the state wants capability to exchange data from one computer to the other, it must question whether the change is necessary. He stressed that there is that capability at the present time. (See Attachment A and Attachment B)

Mr. Hein further stated that the Sperry terminals will have been fully paid for, and if the proposed change is adopted they will be sold at salvage value in order to buy new equipment to replace them. He said there is only one vendor who has a truly compatible system, and that is Sperry Corporation.

(2) Competition. Mr. Hein said the state has been told that nobody can bid on Sperry terminal equipment. He distributed Attachment C, and noted that there are enough compatible vendors who can bid on that equipment. He indicated that if the state is not getting those bids, it isn't because there are not vendors who offer compatible equipment. However, if IBM equipment is used, Sperry will not be able to bid.

(3) Backup. Speaking about backup on Sperry equipment, Mr. Hein said it is possible to buy a backup for Sperry equipment for approximately $250,000. He said it is agreed by Sperry that backup equipment is needed, but they question if that is justification for the proposal made by the Department of Administration.

(3) Costs. (See Attachment D) Mr. Hein explained the tables in Attachment D. He indicated that the entire cost is not shown in the table, since some agencies have their own computer staffs and these are not reflected in the DISC budget. Mr. Hein said the table in question is consistent with that of a firm paid by the Department of Administration to make a study and provide recommendations. Mr. Hein distributed Attachments E and F at this point.

Mr. Hein reminded the committee that the decision to move the State of Kansas to a single vendor was made in January, 1984. Since that time the Director of DISC has been fired, and the firing was completed the day after the law went into effect which placed his position in unclassified service. Mr. Hein said that three consultants were hired by the Department of Administration and two did not provide written reports to the state. One consultant who needed to make a report said it would take eight years and seventeen personnel to make the proposed conversion. He didn't even consider the possibility of keeping any Sperry equipment.

Mr. Hein distributed Attachment G, noting the activity needed to convert the state computer system. He then provided Attachment H, the Sperry Solution. Finally, he distributed Attachment I, setting forth four plans for state computer budgeting.

Senator Feleciano expressed frustration about the lack of information relative to IBM. He said he had visited with the Secretary of Administration and the Secretary had said there may be a shortfall in that regard. Senator Feleciano then asked if the information provided this committee had been provided to the joint subcommittee working on this problem. Senator Hein said it had not, and that the interim committee had endorsed it without seeing the cost figures. In answer to a question from Senator Bogina, Senator Hein said the information before the committee had been prepared within the last 48 hours.

There were questions from Senator Winter concerning escalation in costs since the first contract with Sperry. Senator Hein answered that Sperry does not decide what to do with the system once it is in place. It is impossible to project costs when someone else's equipment is applied to the Sperry equipment.

Mr. Hinkle complimented Dr. Getter on the efficient manner in which he has handled the computer system. He indicated the requirements on the system have decreased under Dr. Getter's supervision. He further stated that if the state is serious about preserving its investment, Sperry would welcome the opportunity to provide a reasonable, workable guarantee.

There were several technical questions from members of the committee, and these were answered by Sperry representatives.

Senator Werts indicated that a new pay plan would be acted upon by the Legislature within a few days, and asked how long it would take to set up the plan on the computer. Mr. Hinkle answered that a pay plan passed this session would need to be placed on the Sperry system.

There were further questions about bidding. Mr. Hein said that on the original bid on the main frame, the bid was made by IBM, Honeywell and Sperry. He said he did not know why more vendors are not bidding on state computers.

Mr. Hinkle explained to the committee that, every time Sperry has put together a proposal, it has been prepared as though there would be competitors. Sperry has attempted to get the most discounts possible and has done everything in their power to minimize the costs to the state. He reminded the committee that DISC write the specifications--Sperry does not.

This concluded the presentation by Sperry Univac.

APPROVAL OF MINUTES

Motion was made by Senator Gaines and seconded by Senator Werts to approve the committee minutes for March 18 and March 20. The motion carried by voice vote.

The meeting was adjourned by the Chairman.

GUEST LIST

COMMITTEE: Senate Ways and Means DATE: MARCH 26, 1985

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Mary Cheng		Revisor
Bud Chamberlain		Revisor's Office
Terry Sloan	Topeka	CJA
Alice Watson	Topeka	Dof A
Virgil Bagsall	Room 1152-W S.O.B	DISC
Sherry Brown	Topeka	Dof A
Dennis Williams	Topeka	Div. of Budget
Marvin Tacha	Topeka	I.B.M
N. Zogleman	"	Majority Leader's off.

COMPATIBILITY

SPERRY 1100/63 (DISC)	HONEYWELL (KU)	BURROUGHS (STATE TREASURER)
SPERRY 1100/91 (DISC)	BURROUGHS (DOT)	IBM S38 (KBI)
IBM 3081K (DISC)	IBM 3033N (DISC)	IBM 370/158 (DHR)
NAS 5000 (DISC)	IBM SERIES 1 (SRS)	NAS 7000 (DISC)

Advantages:

°Initial cost less than Option 1.

°CPU capacity to meet anticipated processing needs for 2½ years - July 1986 through January 1989.

°Multiple processor complex provides 'limited' hardware backup capability.

°Capability of keeping vendor supplied software current thus insuring access to new functionality as it becomes available.

°Provides greater system stability due to new technology.

°Lessens energy consumption due to new technology.

°Eliminates the cost for bridging equipment to move to Santa Fe Building.

°Reduces floor space requirements.

°Reduces 'Rate Shock' in future budget years.

°Reduces 'Service Disruption' to user agencies.

°Extends payback period on the investment of State owned NAS7000 system.

Disadvantages:

°Shorter-term (2½ yr) solution to anticipated capacity needs.

°3081k processor will have to be handled by crane through window area to be installed creating additional installation costs.

°Requires two levels of system software (XA/NON-XA).

°Complicates management of 'DASD' resources - coupled systems with shared 'DASD' and 'TAPE' devices.

°NAS7000 has maximum of four data streaming channels and special 3880 disk controller adapters would need to be purchased to accommodate this design limitation.

°Requires duplicate systems software.

°New XA functionality cannot execute on the NAS 7000 system when the IBM 3081K system is broke.

COMPARISON OF IBM AND SPERRY COMPATIBLE VENDORS

I B M *	SPERRY *

Central Processing Units

IBM	Sperry
National Advanced Systems	Third Party Marketplace
Amdahl	
Third Party Marketplace	

Most mainframe vendors, including IBM & Sperry, are compatible to exchange data. So both lists could and should include Burroughs, Control Data, Honeywell, NCR, and each other. All IBM CPU's are not compatible with each other. Amdahl and NAS will not operate the state-of-the-art IBM operating system.

Tape Drive

Telex	Sperry
IBM	Third Party Marketplace
STC (currently in bankruptcy)	Telex
	STC (currently in bankruptcy)
Third Party Marketplace	Amperif

Disk Storage

IBM	Sperry
Storage Technology Corporation	Third Party Marketplace
National Advanced Systems	Amperif
Memorex	Centenial
Third Party Marketplace	Masstor

Terminal Equipment

IBM	Sperry
Telex	Third Party Marketplace
Harris	Computer Place
Courier	COM Squared Systems
Lee Data	Uniterm, Inc.
Beehive	CHI Corp.
Third Party Marketplace	Intelligent Systems Co.
	IBM
	Currier
	Beehive
	Harris
	Telex
	American Telephone and Telegraph
	Burroughs
	Hazeltine
	Memorex
	Zenith
	National Cash Register

* This listing should not be regarded as complete. Other vendors may also manufacture compatible equipment in some or all of these areas.

Communication Subsystems

Unknown, not listed by DISC

Sperry
Third Party Marketplace
CHI Corp.

Distributed Systems that function through compatible Communications Controllers

IBM
Harris
Data General
Wang
Burroughs
National Cash Register
Third Party Marketplace

Sperry
Third Party Marketplace
Digital Equipment Corporation
IBM
Harris
Data General
Wang
National Cash Register
Burroughs
Honeywell

Personal Computers

Unknown, not listed by DISC

Sperry
Third Party Marketplace
IBM
Zenith
Corona
Televideo
Eagle PC
Columbia PC
Leading Edge PC
COMPAQ
Chameleon
Olivetti
Tava
Handwell PC

]DISC FISCAL IMPACT ANALYSIS[

PHASE OUT SPERRY - UNIVAC

M Operations:	FY85	FY86	FY87	FY88	FY89	FY90	TOTAL FY86-FY90
Base Budget	4875434	4977813	4368468	3865591	3633436	3457885	20303193
Add Memory Page Devise	0	149088	0	0	0	0	149088
Add 5 GB Disk w/contrlr	0	69306	72696	72696	72696	72696	360090
Replace ribbon reinker	0	8500	0	0	0	0	8500
Replace 2 old printers	0	9963	42084	42084	42084	42084	178299
Replace Tape Dr.Equip.	0	45480	179964	179964	179964	179964	765336
Micro mainframe links	0	53861	43861	43861	43861	43861	229305
Replace COBOL Complier	0	7500	7500	7500	7500	7500	37500
Add 3081-K CPU	0	417208	1251624	1251624	1251624	1251624	5423704
Add 27.5 GB Disk	0	111450	380808	380808	380808	380808	1634682
Add Speed Match/buffers	0	6652	22476	22476	22476	22476	96556
Move to Santa Fe Bldg.	0	123478	0	0	0	0	123478
Add 4 Operator position	0	75454	75454	75454	75454	75454	377270
Comm.Link with Santa Fe	0	368616	24336	24336	24336	24336	465960
Relocate Comm. circuits	0	25822	0	0	0	0	25822
Expand Dial-up Security	0	15000	0	0	0	0	15000
Portable circuit testrs	0	1978	0	0	0	1978	1978
New Terminal Devices	0	10800	16200	16200	16200	75600	75600
Miscellaneous Furniture	0	4347	0	0	0	4347	4347
Less:IBM 3033-N (DHR)	0	0	-323379	-99384	-99384	-99384	-621531
Less:AS 5000 CPU&Peri.	0	0	0	0	0	0	0
Less:Old Stc.Disk Stor.	0	0	0	0	0	0	0
Replace Univac terminal	0	39600	269935	269935	269935	269935	1119340
Replace 3081K w/3084Q	0	0	0	0	0	855420	855420
10 Distrib.Minicomputr.	0	0	909720	909720	909720	909720	3638880
SUB-TOTAL	4375434	6521916	7341747	7062865	6830710	7510579	35267817
Space Requirements:							
Base Budget	299572	314236	392178	392178	392178	392178	1882948
Cold Site	0	17118	17118	17118	0	0	51354
Duplicate space (move)	0	122283	0	0	0	0	122283
SUB-TOTAL	299572	453637	409296	409296	392178	392178	2056585
Univac Operations:							
Base Budget	2880301	2956626	2956506	2339799	2118408	1126804	11498143
Miscellaneous Furniture	0	854	0	0	0	0	854
Loaner-4thCPU for 1100	0	0	0	0	0	0	0
Add 1100/91 CPU&Softw.	0	0	0	0	0	0	0
Add Disk Stor.4x4 8480	0	0	0	0	0	0	0
Add 4 Tape Drives	0	0	0	0	0	0	0
Add Cashe Storage 2x2	0	0	0	0	0	0	0
Upgrade 1100/92	0	0	0	0	0	0	0
Less:1100/63 trade-in	0	0	0	0	0	0	0
2 DCP-40 Comm. Process	0	0	0	0	0	0	0
Comm.Link with Santa Fe	0	7320	21961	21961	21961	7320	80523
Move to Santa Fe Bldg.	0	0	0	0	0	0	0
Additional Freight	0	0	0	0	0	0	0
Relocate Comm. Circuit	0	0	0	0	0	0	0
Less:Phased/o oper.pos.	0	0	0	0	0	-211690	-211690
10 Distrib.minicomputer	0	0	0	0	0	0	0
SUB-TOTAL	2880301	2964800	2978467	2361760	2140369	922434	11367830

Keep Sperry-Univac

M Operations:	FY85	FY86	FY87	FY88	FY89	FY90	TOTAL FY86-FY90
Base Budget	4875434	4977813	4368468	3865591	3633436	3457885	20303193
Add Memory Page Devise	0	149088	0	0	0	0	149088
Add 5 GB Disk w/contrlr	0	69306	72696	72696	72696	72696	360090
Replace ribbon reinker	0	8500	0	0	0	0	8500
Replace 2 old printers	0	9963	42084	42084	42084	42084	178299
Replace Tape Dr.Equip.	0	45480	179964	179964	179964	179964	765336
Micro mainframe links	0	53861	43861	43861	43861	43861	229305
Replace COBOL Complier	0	7500	7500	7500	7500	7500	37500
Add 3081-K CPU	0	417208	1251624	1251624	1251624	1251624	5423704
Add 27.5 GB Disk	0	111450	380808	380808	380808	380808	1634682
Add Speed Match/buffers	0	6352	22476	22476	22476	22476	96556
Move to Santa Fe Bldg.	0	123478	0	0	0	0	123478
Add 4 Operator position	0	75454	75454	75454	75454	75454	377270
Comm.Link with Santa Fe	0	268616	24336	24336	24336	24336	465960
Relocate Comm. circuits	0	25822	0	0	0	0	25822
Expand Dial-up Security	0	15000	0	0	0	0	15000
Portable circuit testrs	0	1978	0	0	0	0	1978
New Terminal Devices	0	10800	16200	16200	16200	16200	75600
Miscellaneous Furniture	0	4347	0	0	0	0	4347
Less:IBM 3033-N (DHR)	0	-323379	-99384	-99384	-99384	-99384	-621531
Less:AS 5000 CPU&Peri.	0	0	-146076	-146076	-146076	-146076	-584304
Less:Old Stc.Disk Stor.	0	0	-199068	-199068	-199068	-199068	-796272
Replace Univac terminal	0	0	0	0	0	0	0
Replace 3081K w/3084Q	0	0	0	0	0	0	0
10 Distrib.Minicomputr.	0	0	0	0	0	0	0
SUB-TOTAL	4875434	6482316	5816948	5538066	5305911	5130360	28273601
Space Requirements:							
Base Budget	299572	314236	392178	392178	392178	392178	1882948
Cold Site	0	17118	17118	17118	0	0	51354
Duplicate space (move)	0	122283	0	0	0	0	122293
SUB-TOTAL	299572	453637	409296	409296	392178	392178	2056585
Univac Operations:							
Base Budget	2880301	2956626	2956506	2339799	2118408	1537204	11908543
Miscellaneous Furniture	0	854	0	0	0	0	854
Loaner-4thCPU for 1100	0	27756	0	0	0	0	27756
Add 1100/91 CPU&Softw.	0	367288	1101864	1101864	1101864	1101864	4774744
Add Disk Stor.4x4 8480	0	72056	216168	216168	216168	216168	936728
Add 4 Tape Drives	0	15104	45312	45312	45312	45312	196352
Add Cashe Storage 2x2	0	74792	224376	224376	224376	224376	972296
Upgrade 1100/92	0	0	650568	650568	650568	650568	2602272
Less:1100/63 trade-in	0	0	-638700	-463506	-405108	-153612	-1660926
2 DCP-40 Comm. Process	0	37692	113076	113076	113076	113076	489996
Comm.Link with Santa Fe	0	7320	21961	21961	21961	21961	95164
Move to Santa Fe Bldg.	0	88426	0	0	0	0	88426
Additional Freight	0	8500	2800	0	0	0	11300
Relocate Comm. Circuit	0	17500	0	0	0	0	17500
Less:Phased/o oper.pos.	0	0	0	0	0	0	0
10 Distrib.minicomputer	0	0	1377120	1377120	1377120	1377120	5508480
SUB-TOTAL	2880301	3673914	6071051	5626738	5463745	5134037	25969485

DISREGARD HIGHLIGHT

D 3-25

Space Requirements:														
Base Budget	120543	126443	126443	126443	126443	42148	547920	120543	126443	4312	4312	4312	4312	143691
Old Site	0	6888	6888	6888	0	0	20664	0	6888	6888	6888	24006	24006	68876
Bld'l 5866 Sq.Ft.(move)	0	0	0	0	0	0	0	0	62375	187125	187125	187125	187125	810875
SUB-TOTAL	120543	133331	133331	133331	126443	42148	568584	120543	195706	198325	198325	215443	215443	1023242
Systems Development														
Base Budget	1046104	1055306	1055306	1055306	1055306	1055306	5276530	1046104	1055306	1055306	1055306	1055306	1055306	5276530
Purchase KIPPS Pkg.	300000	0	0	0	0	0	0	0	0	0	0	0	0	0
Adapt KIPPS Package	0	350000	0	0	0	0	350000	0	0	0	0	0	0	0
SUB-TOTAL	1346104	1405306	1055306	1055306	1055306	1055306	5626530	1046104	1055306	1055306	1055306	1055306	1055306	5276530
Other Cost Centers:														
Base Budget	1037871	1118991	1118991	1118991	1118991	1118991	5594955	1037871	1118991	1118991	1118991	1118991	1118991	5594955
Add 3 Positions	0	107327	107327	107327	107327	107327	536635	0	107327	107327	107327	107327	107327	536635
Upgrade W/P Terminals	0	5530	0	0	0	0	5530	0	5530	0	0	0	0	5530
Insurance Cov.on Equip.	0	11888	11888	11888	11888	11888	59440	0	11888	11888	11888	11888	11888	59440
Software Pkg. for IC	0	3500	0	0	0	0	3500	0	3500	0	0	0	0	3500
Add Micro & Printer	0	3877	0	0	0	0	3877	0	3877	0	0	0	0	3877
Move to Santa Fe Bldg.	0	14640	0	0	0	0	14640	0	14640	0	0	0	0	14640
SUB-TOTAL	1037871	1265753	1238206	1238206	1238206	1238206	6218577	1037871	1265753	1238206	1238206	1238206	1238206	6218577
GRAND TOTAL	10559825	12744743	13156353	12260764	11783212	11160851	61105923	10259825	13126632	14789132	14065937	13670789	13165530	68818020
SAVINGS TO PHASE OUT SPERRY-UNIVAC	-300000	381889	1632779	1805173	1887577	2004679	7712097							

* - Is the net $4,000,000 + that will be owed to IBM at the end of FY 90 included as a cost of the system? If not, why not?

* - Isn't it true that, based upon current growth factors, the State does not need a $2,600,000 upgrade to the Sperry 1100/92, and that the 1100/91 is sufficient? (DISC, in their rebuttal to Sperry testimony, justified the 1100/92, by saying the State would need back-up not provided by the single CPU 1100/91.) Why didn't DISC tell the Legislature that the Sperry minicomputers would provide back-up without the need to spend $1.6 million more?

* - Why are mini-computers on the Keep Sperry side of the ledger priced $1,900,000 more than the left side (Phase Out Sperry) when DISC plans to use Harris 700 minicomputers that will work equally well on IBM and Sperry? If the answer is that they used Sperry minicomputers for the right side, isn't it true that the Sperry minicomputer would offer full compatibility between mainframe and the minis and provide 10 hot-site backup locations for the State, which compatibility is not possible on the IBM side. (There is not a minicomputer made that is fully compatible with the IBM mainframe.)

* - DISC testified they used "list" prices. Sperry encouraged the Legislature to seek bids or "firm" prices from the vendors because traditionally IBM would not provide the package discounts that other vendors, including Sperry, would provide. Wouldn't the Legislature have a more realistic and accurate view of the costs on this multi-million dollar project if they sought bids or "firm" prices from the vendors? (Sperry has offered substantial over the life of the contract. IBM has not offered any discounts to date, so far as is known.)

* - The State will be required to pay a tremendous price for the conversion or replacement of the 3,943 programs now operating on the Sperry System. The DOA's own consultant estimated the conversion effort at 138 man-years. Therefore, if the 17 Sperry System programmer/analysts had nothing to do but convert programs to IBM the task would take 8 years. DOA has included no identified conversion cost in its plan. At the conservative rate of $25,000 per man year the costs to convert would be $3,450,000.

SPERRY SYSTEMS INVENTORY

KIPPS		
APPLICANT MODULE		98 MAPPER RUNS
POSITION, EMPLOYEE MODULES		336 MAPPER RUNS
		20 COBOL PROGRAMS
PAYROLL MODULE		409 MAPPER RUNS
		180 COBOL PROGRAMS
SUB-TOTAL - KIPPS	843 MAPPER RUNS	
	200 COBOL PROGRAMS	
CASK		
DAILY PROCESSING		34 DMS PROGRAMS
		45 COBOL PROGRAMS
		1 RPG PROGRAM
MONTHLY PROCESSING		23 DMS PROGRAMS
		61 COBOL PROGRAMS
		2 RPG PROGRAMS
YEARLY PROCESSING		46 DMS PROGRAMS
		35 COBOL PROGRAMS
1099 PROCESSING		3 DMS PROGRAMS
		13 COBOL PROGRAMS
ACCOUNTS RECEIVABLE SETOFF		10 COBOL PROGRAMS
CASK INQUIRY, SUSPENSE AND REPORTING		136 MAPPER RUNS
SUB-TOTAL - CASK	136 MAPPER RUNS	
	106 DMS PROGRAMS	
	164 COBOL PROGRAMS	
	3 RPG PROGRAMS	
TITLE XIX		24 COBOL PROGRAMS
CENPAY		11 COBOL PROGRAMS
INCOME TAX		6 COBOL PROGRAMS
MUNICIPAL ACCOUNTING		36 COBOL PROGRAMS
INVENTORY		9 COBOL PROGRAMS
BI-WEEKLY PAYROLL		57 COBOL PROGRAMS
MONTHLY PAYROLL		255 COBOL PROGRAMS
		9 RPG PROGRAMS
		115 MAPPER RUNS
TREASURER'S TAPE		1 COBOL PROGRAM
OUTLAWED WARRANTS		4 COBOL PROGRAMS
BUDGET		12 COBOL PROGRAMS

	240 MAPPER RUNS
MAILING LABELS	1 COBOL PROGRAM
MOTOR POOL	10 MAPPER RUNS 1 COBOL PROGRAM
AD VALOREM TAX	3 COBOL PROGRAMS 21 MAPPER RUNS
PARKING PERMIT	45 MAPPER RUNS
SOCIAL SECURITY	129 MAPPER RUNS
PERSONNEL GRADING	1 COBOL PROGRAM 37 MAPPER RUNS
POSTAGE METER	2 COBOL PROGRAMS
PURCHASING BIDS	18 COBOL PROGRAMS
TELEPHONE BILLING	29 COBOL PROGRAMS
SMALL BUSINESS SET-ASIDE	22 COBOL PROGRAMS
MONTHLY DATA ENTRY STATISTICS	3 COBOL PROGRAMS
GHI DIRECT BILLING	111 MAPPER RUNS 3 COBOL PROGRAMS
KANSAS CORPORATION COMMISSION	163 MAPPER RUNS
ACR PROGRAMMING AND CONTROL	137 MAPPER RUNS
MISC DPS MAPPER RUN WRITING	43 MAPPER RUNS
DISC OPERATIONS RUN WRITING	15 MAPPER RUNS
MISC ACR MAPPER RUN WRITING	25 MAPPER RUNS
REVENUE MAPPER RUN WRITING	42 MAPPER RUNS
ACCOUNTS RECEIVABLE SETOFF	23 MAPPER RUNS
ARCHITECTURAL SERVICES	34 MAPPER RUNS
KSU RUN WRITING	1 MAPPER RUN
PIRS	127 MAPPER RUNS
LEGISLATIVE POST AUDIT	5 MAPPER RUNS
HEALTH AND ENVIRONMENT	40 MAPPER RUNS
ACCOUNTS AND REPORTS DATA CONTROL	37 MAPPER RUNS
OUT OF STATE TRAVEL	8 MAPPER RUNS

DISC CONTROL RUN WRITING	54 MAPPER RUNS
ACCOUNTS AND REPORTS PRE-AUDIT	94 MAPPER RUNS
ACCOUNTS AND REPORTS MAPPER SUSPENSE AUDITING	29 MAPPER RUNS
DISC ACCOUNTING SYSTEM	58 MAPPER RUNS
KPERS PAYROLL INQUIRY	5 MAPPER RUNS
ACCOUNTS AND REPORTS BUDGETARY ACCOUNTING REPORTS	85 MAPPER RUNS
ACCOUNTS AND REPORTS SETOFF	50 MAPPER RUNS
KPERS OPTIONAL GROUP LIFE INSURANCE	57 MAPPER RUNS
SMALL BUSINESS LABEL PROCESSING	52 MAPPER RUNS
DISC EQUIPMENT INVENTORY	78 MAPPER RUNS
KCC FRANCHISE TAX	5 MAPPER RUNS
KDOT FINANCIAL REPORTING	8 MAPPER RUNS

TOTALS

966 COBOL
2963 MAPPER
12 RPG

ESTIMATED CONVERSION AT 1 MANWEEK PER COBOL PROGRAM, 2 MANWEEKS PER MAPPER RUN AND 2 MANWEEKS PER RPG PROGRAM =

136 MANYEARS

WITH 17 PERSONNEL, CONVERSION WILL TAKE 8 YEARS

..... END REPORT .....

THE LOUISIANA EXPERIENCE

Louisiana had a Honeywell for DOA and IBM for the rest. It was proposed to convert to all IBM, buy software packages, and modify them.

The person interviewed has an IBM background. Louisiana bought a package (believed to be ISI). They have spent a considerable amount on consultants to try to get the package to work, and have committed 7-8 positions for 2 years to implement the package for Personnel only, and it's still not complete. In addition, there has been manpower from the user agencies involved. They have not even begun the Payroll Module yet.

He said the commercial package vendors sell you "off the shelf" and then leave you to modify it yourself. You get a product that's "extremely complex" and it becomes a "nightmare." To buy a package for a single agency or single university is alright if you are prepared to modify the agency's procedures to meet the software requirements. But "various departments have divergent requirements" and when you combine all into a single system it becomes "extremely difficult - just to design it is hard enough."

With the package, you don't know what's on the inside. He said you could not convert "unless willing to make significant compromises in the way you do business." After hearing a brief explanation of the Kansas DOA proposal, he said he would not expect that project to be successful.

Louisiana had a Big-8 accounting firm do a comprehensive needs analysis and got a 2-3 volume report. Even then, the original estimates were only 1/2 of the project scope.

Regarding modifying software that you have not done yourself, he said, it is more difficult because you do not know the code. Every time Kansas would change laws or regulations, it would be more difficult to make software changes than with software you have designed yourself.

All it takes is one small change when doing the modification to "screw up the whole package."

He will provide the costs for their project if he receives an official request.

CAN THE DEPARTMENT OF ADMINISTRATION'S IBM CONVERSION PLAN SUCCEED?

Following is a list of activities occurring in the next 3 years:

Implement largest IBM computer upgrade in Kansas history.

Replace Sperry terminal communications network (320 devices) with IBM connected terminal network.

Change to the new IBM operating system MVS-XA.

Maintain and support multiple operating systems in IBM center (MVS-XA will not operate on NAS 7000)

Complete 138 man-year Sperry to IBM software conversion.
(See Department of Administration's Consultants Sperry System Inventory Attached)

Install a totally new Personnel/Payroll package to replace KIPPS.

Modify new Personnel/Payroll package to meet the needs of Kansas.

Continue to maintain KIPPS and old payroll system until something new is functional.

Attempt to convert a Personnel/Payroll package which is designed for centralized processing to a distributed processing mode of operation.

Install the minicomputer hardware necessary to implement a distributed processing network.

Replace end-user computing capability of MAPPER with software that requires more professional programmers to get work done with the computer.

Retrain the approximately 1500 Sperry System users.

Implement a new statewide pay plan?

Implement a technologically complex statewide telecommunications plan.

Complete a physical move of the DISC Computing Center from the State Office Building to the Santa Fe Office Building.

Implement several major new on-line applications on the IBM system: Vehicle Information Processing System (VIPS); Kansas Business Integrated Tax System (KBITS); KPERS Claim System, SRS On-line Automated Eligibility System (450 terminals).

Continue to try to remove Kansas University from KIPPS?

1-1/2 years into this plan a new Administration will inherit the results of this IBM conversion plan.

SPERRY SOLUTION

The Sperry Corporation is offering a solution to the State's data processing needs which is superior to the DOA approach in several respects:

(1) Lower identifiable costs.

(2) Preserves the State's investment in hardware, software, and maintenance for KIPPS, CASK and the other applications running on the Sperry System. (FY 79-90 Approx. $15,000,000).

(3) Preserves the State's investment in staff costs to design, develop and fully implement KIPPS during the past 6 years in 92 of 105 agencies.(?)

(4) Avoids the cost to retrain the approximately 1500 Sperry users. (?)

(5) Avoids need for FY'85 Supplemental Appropriation to purchase a software package to replace KIPPS. ($300,000)

(6) Avoids need for FY'86 appropriation to pay outside consultants to modify new software package to meet Kansas' needs. ($350,000)

(7) Avoids duplicate hardware costs on the IBM identified by DISC to replace existing Sperry terminals, tape drives, disk drives, for development of new personnel/payroll system ($2,499,916)

(8) Delays the need to upgrade the IBM 3081K to the IBM 3084Q (most powerful IBM system deliverable.) ($855,000 per year of delay)

(9) Provides excessive trade-in value of older technology Sperry 1100/63 for the state-of-the-art Sperry 1100/91 to be installed at the Santa Fe Building in March 1986. The State will be contractually obligated to pay an additional $1,600,000 on the Sperry 1100/63 at that time. Sperry is offering to accept this system as a trade-in on the 1100/91 and relieve the State of its obligation to pay the $1,600,000 still owed at that time.

(10) Sperry is also offering to provide immediate capacity relief on the currently installed Sperry 1100/63 at the State Office Building. This system is currently operating at full capacity. Sperry will provide a 4th CPU for the 1100/63, making it an 1100/64, and adding approximately 30% to its capacity. The value of ths 4th processor is approximately $400,000. Sperry will provide the 4th CPU to the State until the move to the Santa Fe Building at maintenance cost only. Approximately $30,000 total.

(11) Sperry would install an 1100/91 CPU complex at the Santa Fe Office Building. This would provide approximately twice the CPU performance of the current 1100/63 system. At a 12% growth rate in processing per year the 1100/91 would represent a 5 year solution. The total net increase in the budget over the years FY 85 - FY 91 would be approximately $3.2 million. The State would then own all of the Sperry equipment. (These figures presume currently available financing rates of 8-1/2% pver a 60 month period).

(12) Sperry System back-up capacility can be provided via cold sites as has been budgeted, through hot sites which would be available with compatible Sperry distributed network, through the Sperry users group, and through Sperry itself.

(13) The most important advantage of the Sperry Solution is that it actually addresses the problem which has prevented the remaining 13 of 105 agencies from being implemented on the payroll module of KIPPS: hardware capacity on the Sperry System. Sperry will be the first to agree that "just throwing computer hardware at a problem" is generally not the best approach unless hardware capacity is the primary problem. Computer systems do run out of capacity when the demand placed on a system by a large network of users exceeds a particular hardware configurations ability to respond to the demand. That is what has happened on the Sperry System in the State. Sperry is proposing a solution that solves the problem both in the short-term and long-term.

The DOA alternative does more than "just throw computer hardware at the problem."

The DOA proposal throws the largest IBM side hardware upgrade in the history of the State at the problem.

The DOA proposal also throws expensive consultants, software packages and an unidentified number of State employees into the most costly conversion effort ever undertaken by the State.

The DOA proposal also throws out the entire $15 million hardware, software and maintenance investment which has been made to design, develop, and implement KIPPS specifically to meet the needs of Kansas.

The Sperry alternative provides a cost=effective and realistic solution which will allow the State to build on its investment rather than waste it.

BASE BUDGET PLUS HARDWARE, SOFTWARE AND MAINTENANCE COMPARISON

		DISC IBM PLAN	DISC SPERRY PLAN	DISC KIPPS PROJECT TEAM	SPERRY PLAN
1.	FY 85 Additional Appropriation	$ 300,000	0	0	0
2.	FY 86 Consultants	$ 350,000	0	0	0
3.	Total Conversion Required	138 man years	0	Some COBOL	0
4.	Duplicate HDW Cost - CRTS, DISK, CPU	$ 2,500,000	0	0	0
5.	$15,000,000 Investment in current hardware, software, maintenance	Wasted	Preserved	Preserved	Preserved
6.	Retrain Approx. 1500 Sperry System Users	Yes	No	No	No
7.	New Technology Trade in-Allowance	No	Yes=$1.6M	Yes=?	Yes=$1.6M
8.	Potential for fully-compatible Distributed System Network	No	Yes	Yes	Yes
9.	Designed for Kansas or Generic Pkg?	Generic Pkg.	Kansas	Kansas	Kansas
10.	Solves Short Term Capacity Problem	No	Yes	Yes	Yes
11.	Hot and Cold Site Back-up Capability	Yes	Yes	Yes	Yes
12.	Fy 86-90 Sperry Base Budget	$11,498,143	$11,908,543	$11,908,543	$11,908,543
13.	FY 86-90 New Sperry Center Expenditure Hardware and Software	0	13,971,662	1,703,560	3,245,000
14.	FY 86-90 Total Sperry Expenditures (HDWR, Software, Maint.)	11,498,143	25,880,205	13,612,103	15,153,543
15.	FY 86-90 IBM Base Budget	20,303,193	20,303,193	20,303,193	20,303,193
16.	FY 86-90 New IBM HDWR, Software, Maint.	16,966,731	9,622,515	9,622,515	9,622,515
17.	FY 86-90 Total IBM Center HDWR, Software Maint Expenditures	37,269,924	29,925,708	29,925,708	29,925,708
18.	FY 86-90 Total IBM and Sperry Center Hardware, Software, Maintenance and Base	48,768,067	55,805,913	43,537,811	45,079,251
	Approximate Additional Net Contractual Obligations Beyond FY 90 vs. Sperry Plan	4,500,000			
	Total	$53,268,067			

Identifiable Savings on Hardware, Software, Maintenance to Stay with Sperry — Approximately $8,000,000