

Approved 3-4-92
Date

MINUTES OF THE House COMMITTEE ON Computers, Communications & Technology

The meeting was called to order by George Dean
Chairperson

12:00 Noon on February 4, 1992 in room 529-S of the Cap

All members were present except:

Representative McKechnic - Absent

Committee staff present:

Julian Efird - Research
Jim Wilson - Revisor
Diane Duffy - Research
Donna Stadel - Committee Secretary

Conferees appearing before the committee:

Julene Miller - Attorney General's Office

Others attending: See attached list.

Chairman Dean opened the meeting by announcing the agenda for Wednesday, February 5, will be discussion of 900 Numbers and Cable Television.

He introduced Julene Miller from the Attorney General's office who gave the committee an update on the KFIS project. She said her office had looked at the contracts between the Department of Administration and various vendors involved in the KFIS project, and they quickly discovered they were not going to determine, just by looking at the contracts, whether all of the obligations under those contracts had been completed or provided. At that point, they asked that the committee consider requesting a post audit of the KFIS project. That has now been completed, and they have had an opportunity to review the report and are in a position to respond to the original letter requesting them to take a look at the contracts.

At this point Rep. Kerry moved that the open meeting of House Committee on Computers, Communications and Technology be recessed for a closed, executive meeting for the purpose of consulting with an Assistant Attorney General regarding contracts for the Kansas Financial Information Systems (KFIS) on matters which are privileged in the attorney-client relationship, that the Committee resume the open meeting in Room 529-S of the Statehouse at 12:45 P.M., and that this motion, if adopted, shall be recorded in the minutes of the Committee and shall be maintained as a part of the permanent records of the Committee. Seconded by Rep. Rock. The Post Audit Report was received and approved complete, and an Executive Session was declared.

The committee resumed its' meeting at 12:45 P.M., the question was raised by Chairman Dean whether someone separate from purchasing had looked at the specifications in the contract. Ms. Miller replied, the problem in this case, was the Division of Purchasing is normally the "watch dog" for other agencies entering into these kinds of agreements. In this case it was the Division of Purchasing who entered into the contract, and didn't

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have an outside/seperate agency looking into it. Perhaps this would have been a good idea, but cannot say why they didn't have the Attorney General's office look at the contract, as they can do so by request.

Chairman Dean asked if there was some way they could implement some of the recommendations of the post audit, such as having deliverables specified, or certain items to be delivered. Ms. Miller thought so, but as she understands it, one of the reasons for asking for the statute with the ability to negotiate this kind of agreement was to give agencies more flexibility in regard to purchasing complex items such as computer systems. You may not always know exactly what you want, or what the vendors can give you at the time you are looking into purchasing a particular product. The idea is you give them generalities of what you want and they come back with proposals for you as to what they can do for you, and how they can do it better than anyone else.

The statutes provide for negotiations, but not for any procedural guidelines, other than who is to be on the committee. She further stated, they are authorized to negotiate for the procuring of state agency contract of qualified party and have to submit notice against the register for the proposal; can negotiate with one or more firms submitting bids and select from among them. Negotiations are not subject to the contract entered into, pursuant to the negotiation statute of law, subject to the bid laws and the negotiation themselves are not subject to the open meeting act. There is no further guidance as to whether it has to be the lowest bid, or who it has to be.

Discussion followed regarding methodology used in other organizations regarding specifications and contract negotiations. Rep. Mead stated there should always be a specific goal which is understood by both parties. It appears this did not happen in this instance. Originally the agency requested a procurement management system, and this is what the specifications reflected. When the request was modified, they asked for proposals on the personnel payroll, STARS, and the integrated systems. The original RFP went out April 27, 1988, and the amendment went out May 18, 1988. Chairman Dean asked for clarification that the first RFP was just for purchase of the module. This is correct, Ms. Miller believed fixed accounting was part of this also; with the amendment to the RFP being for a proposal on an integrated system.

She also stated, it was her understanding Pete Marwick was not the only vendor who advised the state it would be better to do an integrated system.

Chairman Dean asked the hypothetical question, if a state employee was classified managerial level and it was felt they were incompetent, could that person be removed from their position if the allegations were true about their incompetence. Ms. Miller replied, the statute which provides for disciplinary

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action against classified employees sets forth the procedure which has to be done in order to discipline an employee. You must give them warning enough to cure and to her knowledge this wasn't done.

This concluded questions and discussion regarding the KFIS project. The committee adjourned at approximately 1:00 P. M. until Wednesday, February 5, 1992.

