



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
INFORMATION SERVICES

KATHLEEN SEBELIUS, GOVERNOR

**Strategic Sourcing Team Meeting
Location KDOR Docking State Office Building
Learning Center, 11th Floor
December 19, 2007
10:00 a.m. to 11:00 a.m.**

ATTENDEES

Dale Bledsoe, KDOR/DISC
Carey Brown, KITO
Bob Sachs, Division of Purchases
Paul Geisler, KU
Chris Howe, Division of Purchases
Lee Harmon, Division of Purchases
Ed Ames, SRS
Barry Swanson, KU
Jerry Clements, SRS
Jeff Neal, KDOT
Rita Barnard, SRS
*Karen Leslie/Sedgwick County

*Phone Conference

AGENDA

- Introductions by Each Attending Member
- Review & Approval of Last Month's Minutes / Whole Team
- Data Gathering Idea's & Discussion
- Discussion on Vendors & Procedures / Whole Team
- Expiring Contracts List, 6 Months Out / Chris Howe
- Report on Goals and Targets / Whole Team Review
- Next Meeting Assignments

Review of Oct., 2007 Minutes

Approval of minutes was postponed in order for Dale to review.

Data Gathering Idea's and Discussion / Whole Team

New Ideas

No new idea's presented.

Green EPEAT Certification

Lee handed out a green purchasing initiative document to teams. There are two initiatives, 1) Climate Savers Computing Initiatives; 2) Electronic Product Environment Assessment Tool.

Lee indicated they talked with HP and all of their HP notebooks are energy star 4.0 compliant. HP said the cost difference of non-energy star equipment and energy star 4.0 is \$20 list price. This all hinges on the power supply unit.

Old Computers, Monitors & Printers (i.e. recycle, trash, sell, surplus property)

In Shawnee County, all equipment that has reached the end of there life is sent out to Surplus Property. Surplus Property has a company called Asset LifeCycle that disposes of equipment in a proper manner.

What do Agencies outside of Shawnee County do with old equipment?

Chris indicated there is carpet that is made out of recycled material, but then what do you do with this carpet at the end of its life? Putting it in a landfill is not "green." The question is, "what do we do with e-waste?"

KDOT said that the districts throughout the State have local disposal authority so the outlining offices bring the equipment into their district headquarters. They are often put out for bid and are bought by the local economy.

KDHE has recently offered grants to five or six recycling programs across the state. The programs are for putting together ways to dispose of e-waste. With computer equipment, how do you scrub the hard drive so there is not pertinent information on it at the time of disposal? Are the materials being torn apart and recycled or are they selling it off to a third world country?

There is interest in an e-waste program. Chris said Connie Schuessler have had discussions through the Kansas Association of Public Purchasing Professionals to get information on what other agencies are doing.

KU has a recycling department, that is part of the facilities operation, that collects equipment. A meeting took place to get more focused, organized, systematic, and methodical on how they handle recycling. Barry will provide this team with a program for their disposal procedures.

Karen with Sedgwick County shared that they have submitted an RFP and have received responses from two local vendors within the State and two outside of the State. They are leaning towards the two companies that are outside the State to do business with. They are currently using one of the vendors that did go through the RFP process but there are some issues regarding how they are disposing of equipment. Also, one of Sedgwick County's requirements was for the vendor to get their certificate from KDHE to handle e-waste. The two out-of-state vendors are Intechra in Carrollton, Texas and Cascade Asset Management from Madison,

Wisconsin. The Madison company also has a recycling service in Indianapolis, Indiana. They are both certified and one of them has the actual pledge of recyclers.

<http://www.wired.com/science/discoveries/news/2003/02/57802>

Chris said we need to get a list of organizations here in Kansas that received the KDHE grant and share with as many people as possible.

SRS is currently dealing with lease units on computers and the other equipment goes through the State of Kansas Surplus Property department.

Lee put together information on green purchasing initiatives and handed out to team members. He will also scan this information and e-mail to team members.

Discussion on Vendors & Procedures / Whole Team

STG – Statewide Hardware Maintenance Contract

Dale reviewed with the team the last three years of STG activities and provided a handout of the costs. When you compare STG with our previous hardware maintenance provider, Decision One, the state has spent more money with STG. If there is any future discussion with STG on this subject, Dale is going to present them with those facts.

SUN equipment maintenance stays with SUN. Dale talked with Loren Westerdale and all of the maintenance came due on all of our SUN boxes and Lauren was asked to request a quote from STG for SUN maintenance. STG will only cover the hardware but the SUN boxes also have software and firmware that we have to carry maintenance on. So, Lauren went back to SUN and received a quote just for software and firmware. At the same time, Lauren told SUN that he is looking at STG for the hardware portion, but he would like SUN's best offer to provide maintenance on all components. STG came in at less than half of our current maintenance cost, but when you add the firmware and software to the quote, STG was more than SUN's best price. We ended up saving almost fifty percent over the prior year, so Lauren signed off on the new maintenance contract with SUN. Chris requested an e-mail summing up the outcome of this request.

New Web Hosting and Services Contract / Dale Bledsoe

Six bids have been received and they are currently in the process of being evaluated.

IT Training Contract / Chris Howe

Chris is hoping to have this contract completed by the end of December, 2007.

Expiring Contracts List, 6 months out / Whole Team / Chris Howe

Expiring Contracts, New Process / Chris Howe

- Xiotech – The RFP is almost ready to be released and will have two groups. Group one will be for existing Xiotech customers so they can augment their existing installations by going directly to Xiotech. If you don't have an existing installation, then you go to Group two, where all the vendors compete for your new storage area network installation. There are five or six manufacturers represented in group two and each manufacturer is represented by a single seller. We choose the reseller by saying, "you may have four resellers who deal in EMC gear" and so we'll say, "EMC will be on group two so which reseller gives us the deepest discount for EMC gear"? That's the reseller that goes into group two.

Barry said he can expedite this review and will make sure the correct regent individuals review it quickly.

Chris said that it was discussed at the Regent IT Meeting that there is a need to set the concept before the EMC gear goes out for bid. This concept has been developed partially through this team but we need to make sure ITAB has had an opportunity to review it as well as the RITSC (Regents Information Technology Steering Committee) before it goes out for bid. Meaning, ITAB and RITSC need to pass judgment on the bid and not in a passive manner. Unless they respond in ten days with your rejections, we are going to assume approval. It would be hard to pull the contract back and make changes that will affect how the agencies order and use that contract.

Barry said he can expedite these reviews to the RITSC members and he will make sure the individuals review it quickly.

- Security Contract will be renewed one last time. After this last renewal, it will have to be re-bid.
- DISC was talking about taking over the **Attunity** contract for SRS and SRS purchasing from DISC. This was a four year contract and if you want to keep the licenses, you have to re-purchase them.
- The Toshiba Key Telephone contract is being re-resurrected and extended to February and will be re-bid.
- Lee is currently exploring how to combine the SUN Worldwide Technology contract with the Education entities and State agencies. There are three choices, 1) re-bid; 2) go with WSCA SUN contract; 3) sole source with SUN. SUN talked with us about it and they indicated Oklahoma has a sole source contract with them for regents and agencies. The State of Oklahoma procurement folks say they are happy with the SUN contract.

One of the issues we have with SUN right now is they rejected some of our terms and conditions and it may be quite a battle dealing with them. So, even if we re-bid, we will still have the same types of term and conditions. If we would go with the WSCA contract, the terms and conditions have already been negotiated and we would just need to do an addendum with WSCA. The drawback with WSCA is they have a one hundred thousand dollar ceiling on purchases for individual units or configurations.

Lee did some research and talked with Washington state and Arizona, who are the two heavy users of the WSCA SUN contract, and they say they have not had any problems with the ceiling. But when asked if they had bought anything that cost one hundred thousand dollars, they replied they didn't think so.

Lee is also going to talk to the WSCA folks about how we could get an exception to the one hundred thousand dollar ceiling.

Chris shared that the DOA Legal Dept. is doing some significant research on hardware and software licensing and the legal issues as associated with the FMS project. Chris feels that gaining the resource in the DOA Legal section will help us learn as well as make them aware of what we are willing to accept.

Chris said the data services and self-services contracts have annual renewals and they have major battles on these every year. If they can get to an acceptable agreement, they will be extending these contracts to the end of the term of the original contract to avoid renewing every year.

Report on Goals and Targets / Whole Team Review

MITSC Contract / Carey Brown

The evaluations done by the committee members were somewhat comparable. Carey will receive the last evaluation by the end of the week and should be able to do the contract announcement. Specification changes were made for groups three and four so the requirements weren't the same as groups one and two.

Telecommunication / Carey Brown

No discussion.

Next Meeting Assignments

- Dale is going to review the November minutes and the team will review and approve at next meeting.
- Dale would like to get a list of current disposal companies that are used across the State.
- Lee will scan green purchasing initiatives and e-mail to team members.
- Chris would like for Lauren to give details on what took place when he requested a quote from STG for SUN equipment.
- Lee was asked to contact Glen Yancey with KDOR to discuss the WSCA one hundred thousand dollar ceiling.

Next meeting will be Wednesday, February 20, 2008, on 11th Floor of DSOB, Sunflower room.