



**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  
Golden Wheat Room, 11th Floor  
June 18, 2008  
10:00 a.m. to 11:00 a.m.**

**ATTENDEES**

Dale Bledsoe, KDOR/DISC  
Tim Blevins, KDOR  
Chris Howe, DOP  
Eric Meyer, KHPA  
Jon Norris, KHPA  
Jerry Clements, SRS  
Rita Barnard, SRS  
Nalita Wright, KDOR  
JoAnn Remp, A&R  
Bob Sachs, DOP  
Dennis Brown, DOP  
Steve Berndsen, OJA  
Carla Bishop, KSU  
Lee Harmon, DOP  
\*Leigh Rush, Indigents Defense Services St Bd  
\*Dena Endsley, Indigents Defense Services St Bd  
\*Karen Leslie, Sedgwick County  
\*Paul Geisler, KU  
\*Ilene Phillips, KU  
\*Peggy Davis, KUMC  
\*Thurston Smith, DOP  
\*Jeff Peter, Judicial Branch  
  
\*Phone Conference

**AGENDA**

- Introductions by Each Attending Member
- Review & Approval of May Minutes / Whole Team
- Data Gathering Idea's and Discussion / Whole Team

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- Discussion on Vendors & Procedures / Whole Team
- Expiring Contracts / Whole Team / Chris Howe
- Next Meeting Assignments

### **Review of March Minutes**

The attendees approved May minutes with the participant addition of Ilene Phillips.

### **Data Gathering Idea's and Discussion / Whole Team**

Chris indicated the Legislative Post Audit group is meeting today and one of the topics is surplus computer equipment and whether or not State agencies are effectively removing software and agency data from surplus computers. There will be a physical document that is associated with this audit and will be posted on the Legislative Post Audit website by the end of today.

### **New Idea's for Team Discussion**

JoAnn with Accounts and Reports said they realize the sub-object codes for expenditures as it relates to communication and IT equipment is outdated. JoAnn has sent a listing of the codes that she believes are IT and Communications related to Dale and he then forward it on to this group. At this time, JoAnn is seeking input and revision on things that are obsolete and things we should be tracking that can be included in the new system. JoAnn would like to give this group an opportunity to review the codes on the provided listing and share your comments with her or bring your comments back to this group for discussion and come to consensus on what those categories will be while the FMS team is in the interim period of selecting an integrator and software provider.

Chris stated individuals on this team know the types of challenges we face when we use what we call strategic sourcing, which is what this group is about, we are limited by what is collected in STARS related to this information. IBM is a great example; did we buy hardware or maintenance? Object codes will give us some granularity but if we thought we needed to go deeper, this is what we need to determine.

With the new FMS system, there will be a commodity code but the decision has not been made on whether it's going to be an NIGP or United Nations. At some point, the tedious work of tying each of the NIGP or UN commodity codes to whatever object codes we develop has to take place. Charge of accounts is the ability to tie all the codes together and will be the key for reporting capabilities.

At this point, JoAnn is not comfortable with giving this team the structure or the number of digits. She believes the first character will represent the accounting structure. JoAnn thinks there will be a larger code field and there are some opportunities for agencies to have a further breakdown to their coding. K-State has a much bigger object code book than KDOT does but what we need to do is get a baseline that all agencies have to adhere to so we have the level of detail that we are seeking.

JoAnn indicated they will be looking at different agencies for input on object codes. For instance, an agency that has a lot of travel would be able to provide feedback on what travel codes they might need. Or, are there other categories of code that are needed for agencies that do a lot of printing?

This project is scheduled to start in October, 2008 so they would like to get a trial listing of codes over the next couple of months.

JoAnn said she believes there is also an opportunity to change the coding guide that says when you are going to buy a server to code it as such. JoAnn doesn't know that the coding guide will exist as it does today but she believes there will be drop-down boxes on-line so you can select the desired code.

Dale said object code 3720 seems to be a "catch all" for software, hardware, toner, cartridges, and even paper under the \$500 range. Dale would like this team to take this to their agencies and flesh it out for next meeting.

JoAnn said this team is the ideal group to look at all of the IT codes and she knows this is of interest to all agencies as far as trying to gather accurate spend under each object codes.

### Statewide E-Waste Contract

Dale asked the team if there is any interest in pursuing this. Dale said in some preliminary things he has done, there are state recognized e-waste places like the one that we use at Forbes. There are a couple more programs like the one at Forbes plus there are a lot of county governments and a prison that provide a similar program. If we arrange it right, we could cover pretty much the whole state of Kansas.

Chris said they are already pursuing this with Kevin Baldwin at Surplus Property for the needs in Shawnee County especially. Chris is interested in putting something together and KDHE has given grants to a number of facilities across the State to establish e-waste facilities. We want to involve KDHE and State Surplus in this process by getting the concept developed at their level. Once developed, share the developed concepts with agencies that have large equipment to ensure it meets all needs.

### **Discussion on Vendors and Procedures**

#### Adobe

This group tried to accumulate adobe purchases two years ago and was not able to come up a purchase in the amount of forty thousand dollars that qualified. Dale asked if we wanted to attempt this again or check into another software package that provides the same service.

As far as Adobe, we spend enough every year to qualify for the points; however, Adobe has restrictions in the ways you have to spend to qualify for the points. Is there a way to get the discount applied because our annual spend far exceeds the qualifying event of points? We never meet the secondary tier for discounts.

Dennis will check into the Adobe competitor, PDF Converter Professional 5 software by Nuance and get an actual number of cost savings. We will also want to determine for the Adobe licenses that carry software maintenance how often the software assurance is utilized and what value did the agency receive by having maintenance on the software. For the Nuance software, the maintenance is free as long as you own a license and they also provide free telephone support.

### SHI Visit to Kansas / Dennis Brown

SHI is going to provide Division of Purchases with software update information and DOP is going to capture this information on a weekly basis and then monthly, put the updates in a newsletter and circulate. This will make agencies aware of any new software such as Nuance. Plus, there is a Microsoft update that not all agencies are receiving so Dennis will include this in the monthly newsletter and provide this team with a quick highlighted version each month. Tim suggested this newsletter be posted on the IT Sourcing website.

Deborah Childress who is the Microsoft licensing specialist for SHI attended our contract development meeting. We are looking at having license support representatives come down on a quarterly basis from SHI, including Deborah, to be available for assisting State agencies with any questions or license issues. One of the most common topics brought up when SHI was here is SharePoint and how SharePoint works with different types of client access.

With having a software resource contact, Tim suggested entertaining the idea of having a pilot organization run a licensing audit to see what they come back with as a test for one big organization. Dennis doesn't believe they would have a problem with this but this group will want to write down our expectations. This is a service of SHI and there is no charge for coming in and looking at our licenses and dealing with ERP agreements.

A common concern throughout the agencies is the confusion on how our request for software we commonly carry through SHI catalog and the biggest opportunity was consistency on SHI's part. Our understanding what the expectation is and what they will deliver. The first change made is we should receive a response from SHI within one business day or 8 hours after submitting a request. Within 48 to 72 hours, they will turn around with a response from the original software provider and a determination of whether they have a contract or if they can work with them.

### Expiring Contracts List, 6 months out / Whole Team / Lee Harmon

Lee pointed out the two new items added to the bottom of the Expiring IT Contracts list. Bob Sachs has a contract for KU through Xiotech for a tape library that expires 11/30/08 and Thurston has a contract for Interface Systems for barcode scanners that will expire 11/30/08. Lee is waiting for the KU and KBI to respond.

The Large Account Reseller/SHI and Panasonic Tough Book/Arbitrator Line of Rugged Laptops/Mobile Data Solutions through World Wide Technology contracts have been renewed.

The storage area networks contract has been rebid and is in the process of being finalized. There will be two groups under this contract: Group one will be for all Xiotech equipment and Group two will include Xiotech equipment and about seven different manufacturers/resellers.

Tim said in the past, we have talked and tried to get spend out of contracts where we have multiple vendors awarded but have not been successful. Do we need to look at creating a generic process that any vendor awarded a contract that has reporting requirements can easily evaluate spend on contracts? JoAnn is thinking that in the new FMS System if there is a contract number field, you could do a query off the contract number and receive the spend information. Tim was thinking more in lines of the vendor providing this information versus getting it off the accounting system. He suggest we create a model that is easy to replicate that doesn't create a lot of work on procurement to capture spend.

Tim would like a template that reflects spend by multiples vendors on a single contract that are required to report the sales under that contract back to State of Kansas. Behind this there is a report for Fishnet, etc. so you can see the detail. Include a process in the contract that says here is your URL and here is where you dump your ODBC compliant database with these fields every quarter. Then DOP goes in the backside of this to rip it for the contract and position it so when DOP is ready to pull the data is ready to pull down. This is just something we can start thinking about. Chris will check and see if vendors are providing reports to DOP for IT Security spend for next meeting.

To summarize, there is a 3 dimension reporting functionality needed.

1. Being able to capture spend by agency internally.
2. Capture the spend from the actual vendor reporting back to us.
3. You convert and slice the spend from not one contractor but one vendor being on multiple contracts.

Chris said the third dimension is the hard part. We can take the vendor reports and compare them to spend but it's difficult to sync the reports up. DOP logs spend at the time of payment made not the encumbrance. Tim also stated KDOR has a large amount of spend off the IT Security contract to local city/county government that will never show up in the STARS accounting system or FMS.

### **Next Meeting Assignments**

- Dale would like team members to think about a way to breakdown Sub-Object Code 3720 to eliminate it as being the "catch all" object code.
- Dennis will check into the Adobe competitor and get an actual number of savings as well as what benefit there is to carry software maintenance on this type of software.
- Dennis will put together a draft licensing audit template for this team to review at the next meeting.
- Chris will check and see if the vendors are providing reports to DOP for IT Security spend.

Next meeting will be Wednesday, July 16th, at KDOR Learning Center, Sunflower Room, 11<sup>th</sup> Floor, DSOB, 10:00 a.m. to 11:00 a.m.