



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
Secretary of Revenue Conference Room, 2nd Floor
August 20, 2008
10:00 a.m. to 11:00 a.m.

ATTENDEES

Dale Bledsoe, KDOR/DISC
Chris Howe, DOP
Rick Baker, KDOT
Carey Brown / KITO
Eric Meyer, KHPA
Ed Ames, SRS
Rita Barnard, SRS
Dennis Brown, DOP
Jon Norris, KHPA
Nalita Wright, KDOR
Kathy McDaniel, KDOR
Paul Geisler, KU
JoAnn Remp, Sunflower Project
Brett Bauer, Sunflower Project
Annette Witt, Sunflower Project
Jeff Peter, Judicial, OJA
Steve Berndsen, OJA
*Connie Torres, KSBE
*Karen Leslie, Sedgwick County
*Peggy Davis, KUMC

*Phone Conference

AGENDA

- **Introduction by Each Attending Member**
- **Review & Approval of Last Month's Minutes / Whole Team**
- **Data Gathering Idea's & Discussions / Whole Team Review**
- **Discussion on Vendors & Procedures**
- **Expiring Contracts List, 6 months out / Chris Howe**
- **Report on Goals & Targets / Whole Team Review**

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, KS 66612-1588
Voice 785-296-3973 Fax 785-296-8602 <http://www.ksrevenue.org/>

Review of June and July Minutes / Whole Team Review

June and July minutes were approved.

Data Gathering Idea's and Discussion / Whole Team Review

New Ideas / Dale

Dale asked attending members if their agencies use any type of data encryption software on laptops. Paul Geisler indicated that KU started using PDP and Dale said DISC and KDOR is using WinMagic.

Jerry Meriam at DISC provided Dale information on McAfee SafeBoot Bundle which is available through the Government contract at \$12 for a perpetual license. The \$12 includes the first year of support; the second year support is around \$3 per license. Chris indicated that there is special handling required for purchasing this software at that price. Is this a product that ITAB needs to endorse before agencies use this software? Connie said this software is available through SHI, but SHI is quoting it at about \$36 per license. Chris said there will need to be a discussion with SHI to let them know the State will buy directly from the vendor if we can't get a lower rate. Chris will meet with Jerry to get more details on this software.

Financial Management System (FMS) / Whole Team Review

Dale handed out a list of KDOR IT expenditures for FY08 as an example for making a new IT object code book.

Rita indicated they have provided their input on a higher level. They think the software licenses need to be pulled out of the office series so these purchases can be better identified. Also, servers need to be coded separate from desktops, etc.

Chris is under the impression the commodity codes will be directly linked to the sub object codes. The commodity codes are not used anywhere in the State except with the procurement management software, so that means it's used six hundred times a year versus on the six million transactions per year. There will be two organizations that use substantial commodity codes. One is NIGP, National Institute of Governmental Purchasing, the other is the UN. The committee is looking at those two commodity code structures and when one is chosen, there will be discussion on how many digits will be used. Each commodity code is broken into sections to identify categories. This will give us the needed granularity with the sub object code tied to the commodity codes. Dale said there will need to be a book used to learn the material that ties the commodity and object codes together.

Chris said the UN code is updated very regularly and there are sub committees on the global UN group that oversees the codes to keep up-to-date. It will be too intense for us to do the real time updates but there might be a quarterly or semi-annual update to the commodity codes.

Rita said it will be a challenge working the commodity codes because we will be overwhelmed with detail so finding a balance will be necessary to accomplish this task.

The plan is to have a daily download from UMB, United Missouri Bank, to FMS for credit card transactions. The FMS system needs to capture the vendor name when pulling reports from procurement card purchases in order to determine the type of spend. Currently, we are unable to determine the vendor from procurement card purchases.

Chris said they also want to choose a commodity code that is used widely by business in e-commerce applications. Using office supplies as an example, it could be that businesses already have a UN commodity code associated with every product in their catalog, so that work may already have been done. It makes a punch out type application easy. The punch out will come in phase two and is not part of the initial FMS project. The ability to capture that information from the vendor side will be the key in the future.

Peggy asked if DOP will include in the RFP or RFQ a level three merchant detail requirement from the vendors when submitting their bids. It would be beneficial when we are letting bids to know what level of detail the vendors can provide and to use that factor when doing negotiations. If a vendor can provide this information, then when purchasing with a procurement card, the daily download from the bank will give us all the detail down to what item was purchased. If the vendor doesn't provide level three details, then all you receive in the daily download is a summary from UMB for that line entry. Chris said his exposure to level three was in early 2000 when not many people were using it. As more computer companies and companies like Corporate Express become more sophisticated, they are able to provide that kind of data by building it into their systems. Essentially, level one is when you make a purchase with a procurement card and the data you receive includes vendor name and amount. Level two would group it by category like restaurant, department stores, gas stations, etc. Level three is some very specific information about type of purchases made in that transaction.

Chris reported that they are getting close to having FMS contracts written and decisions made. Chris will try to provide a sample of the level of detail in at least one of the commodity groups to share with this team.

Discussion on Vendors and Procedures / Whole Team Review

Current Software News and Bargains / Dennis Brown

Adobe CLP: CLP is a level of pricing available through Adobe. Dennis will provide information to Dale in greater detail of what has been discussed and what needs to be done. If the State does qualify for the CLP discount level, the approximate savings will be ten to twelve percent. Once we have forty thousand points accumulated under one purchase, we will qualify for the CLP pricing. The big opportunity is the new Adobe Acrobat v9 which has just been released. We need to solicit and determine who will be purchasing v9 and when. We need to have 14 to 20 software purchases at once to reach the required points. And, about 97% of Adobe Acrobat licenses are not purchased through the software assurance program. By not doing so, it is costing the State 25% more for Adobe Acrobat. This is because every 18-20 months Adobe will release a new version and the assurance is good for two years, So, when we don't buy the assurance you are buying the renewal and new license at the most expensive way. Since most agencies don't carry assurance, most agencies will buy v9 this fiscal year. Once we qualify for the CLP, we are forever in the program. The CLP representative indicated they are trying to drop the qualification points in half for State Government.

SHI is willing to collaborate with the State of Kansas to help meet the CLP qualification by collecting all State Agency Adobe orders then submitting one purchase. We will want to provide a 30-day window to coordinate an Adobe purchase with all State Agencies. September will be the month to qualify for Level 3 of the CLP program. Paul Geisler indicated the Universities already qualify to purchase under Level 3 of the CLP program.

Marketing Feedback / Dennis Brown

Dennis provided samples of some of the marketing material that SHI provided him in June as well as a Microsoft newsletter for June. Dennis will either send this through Strategic Sourcing e-mail or have David put this on the SHI link.

SHI Provided Microsoft Audit Services / Dennis Brown

Dennis received an e-mail regarding how SHI executes Microsoft Audit Services. He also received a letter about the asset management tools they use to look at software licenses and what is included in the reporting. Another handout he provided is a drill-down of some things they are working on with KDOT. He will provide the team the information following this meeting.

TN 3270 Emulation Software / Dale Bledsoe

Dale reminded the attendees there is a TN 3270 emulation software that DISC owns under an enterprise license that is available to all State agencies. Any agency that connects to the DISC mainframe can have this software free. It is only free if you connect to the DISC mainframe.

Language Training / Dale Bledsoe

Dale asked attendees if their agencies provided training to employees for different languages (i.e. Spanish). No one knew of any software purchased or training that has taken place.

PDF Converter Software / Dale Bledsoe

KDOR purchased a license of PDF Converter for a user to test. When using the software, she was unable to convert just the active spreadsheet into a PDF document; the software converted all worksheets in that document. On the plus side, when she receives PDF files from outside entities, PDF Converter converts the files into Word or Excel. With Adobe, she has to save the PDF document into a text file then convert the file into Word.

Rick indicated KDOT looked into other options outside of Adobe and they concluded that Adobe has been very good about making everything backward compatible whenever they release a new reader. Because they have potentially hundreds of thousands of PDF documents in their document management system, they felt it was too much of a risk to try other software that may not work with a future Adobe engine.

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

- The IT Training contract is being refreshed so agencies need to make their requests for any vendors they would like to see on the contract. Chris would like to get agencies

involved in this to avoid the difficulties that were endured the last time. Chris will bring this to the Purchasing level but it also needs to be brought to the IT level as well.

- Worldwide Technology, Inc. and Sun Microsystems are becoming sole sourced.
- KDOT's Integrated Services contract (07896) will go away eventually per Rick Baker. Rick will contact Bob Sach's to see what action he needs to take to renew this for another year.
- Chris said they want to get away from yearly renewals in order to lessen the busy work. They prefer to have a two 2-year or 5-year agreement with strong termination language.

Next Meeting Assignments

- Dennis will provide information to Dale in greater level of detail of what has been discussed and what needs to be done for Adobe Acrobat. This will include a list of products that will qualify State of Kansas agencies for the CLP program.
- Dennis will provide Microsoft Audit Service information to team members.
- See that Adobe purchases is mentioned at ITAB.
- See that ITAB is informed of the IT Training contract that is being refreshed.

Next meeting will be Wednesday, September 24th, at KDOR Learning Center, Sunflower Room, 11th Floor, DSOB, 10:00 a.m. to 11:00 a.m.