

M I N U T E S  
LEGISLATIVE COUNCIL

August 29, 1983

The seventh meeting of the 1983-1984 Iowa Legislative Council was called to order by the Chairperson, Speaker Donald Avenson, at 10:30 a.m., Monday, August 29, 1983 in Senate Committee Room 22 of the State House in Des Moines, Iowa. Council members present were:

Speaker Donald Avenson, Chairperson  
Senator Lowell L. Junkins, Vice Chairperson  
Lieutenant Governor Robert T. Anderson  
Senator James E. Briles  
Senator C. Joseph Coleman  
Senator Donald V. Doyle  
Senator Merlin D. Hulse  
Senator Calvin O. Hultman  
Senator C. W. Hutchins  
Senator Charles P. Miller  
Senator Dale Tieden  
Representative Dale Cochran  
Representative John Connors  
Representative Betty Hoffmann-Bright  
Representative Tom Jochum  
Representative Lester Menke  
Representative Lowell Norland  
Representative Delwyn Stromer  
Representative Richard Welden

Also present were:

Mr. Dennis Prouty, Director of the Legislative Fiscal Bureau  
Mr. William Angrick, Citizens' Aide  
Mr. Serge Garrison, Director of the Legislative Service Bureau  
Mr. William Krahrl, Acting State Comptroller  
Mr. Burnette Koebernick, Legislative Service Bureau  
Ms. Diane Bolender, Legislative Service Bureau

Also present were other Iowa legislative staff persons, news media representatives, and other interested individuals.

Chairperson Avenson recognized Senator Junkins who moved that the Council dispense with the roll call. The motion was adopted.

Representative Connors moved that the minutes of the June 29, 1983 and July 26, 1983 meetings of the Legislative Council be approved. Senator Tieden asked that the minutes of July 26, 1983 be corrected to reflect his attendance at the Council meeting. The Council agreed and the minutes were adopted as amended.

Representative Welden moved that the Legislative Council receive the Educational Leave Report. Representative Connors inquired about an employee of the Office for Planning and Programming enrolling in a 1983-1984 leadership Iowa class given by the Iowa

Manufacturers Association for which the tuition is \$500. Chairperson Avenson responded that the Legislative Council's only option is to receive the report. Representative Welden's motion was adopted.

Mr. Garrison indicated that the members of the Council have received a copy of the Affirmative Action Plan adopted for the Office of Consumer Advocate of the Iowa State Commerce Commission, as required by House File 312, section 10, enacted in 1983. Senator Hultman moved that the Council receive the plan, and the motion was adopted.

Chairperson Avenson recognized Senator Junkins for the Report of the Space Committee. A copy of the Space Committee Report is attached and by this reference made a part of these minutes. Senator Junkins indicated that the next meeting of the Space Committee will be September 21, 1983 at which time the Department of General Services will have developed cost estimates for a plan to remove the Auditor of State and the Treasurer of State to other offices in the Capitol Complex. He also indicated that the vacated office space could be used for committee rooms in lieu of using smaller rooms and the Legislative Fiscal Bureau Conference Room. Representative Connors moved adoption of the report, and the motion carried.

Chairperson Avenson asked Mr. Garrison to review the contract between Sperry Corporation and the Iowa Legislative Council. A copy of the contract is available upon request from the Legislative Service Bureau. A copy of Mr. Garrison's explanation of the contract is attached and by this reference made a part of these minutes. He indicated that a new section was added to the contract since the last meeting and in that section Sperry agrees that for each successful marketing and implementation effort in another state or local governmental entity or agency, the Iowa Legislative Council is entitled to an equipment credit equal to the lesser of \$5,000 or 15 percent of the equipment charge for additional ordered units of equipment. He indicated that the credit is only to be applied against future orders of Sperry equipment acquired by the Legislative Council after the date of the successful marketing and implementation effort.

Chairperson Avenson stated that there are serious problems in completing the site preparation by the October 1 deadline specified in the contract and he asked the Council to consider the addendum to the contract. He explained that the Contract Drafting Committee has had conversations with representatives from Sperry about solutions to the situation. He stated that it was the Legislative Council's intention to have completed testing the system by November 1 in order that the Legislative Service Bureau can be drafting bills under the new system by December 1. He indicated that if completion of testing on a timely basis is not possible, it may be necessary to use the existing computers and programs for bill drafting purposes for the next legislative session. A

representative from the Sperry Corporation stated that Sperry agrees that it will attempt to test the program on a remote system located in Roseville, Minnesota on or before November 1, 1983 in order that the system may be completely developed.

Representative Hoffmann-Bright asked for further clarification. Chairperson Avenson stated that there are problems for Sperry to complete a system test by the date specified, but it is intended that as complete a test as is possible be conducted off-site as soon as possible, preferably on or before November 1, 1983. In addition, he stated that the Legislative Council will try to expedite the problems that the Department of General Services has in preparing the site.

Representative Cochran asked whether the Legislative Council has paid any money to Sperry to date. Chairperson Avenson responded that the Legislative Council will only pay the educational costs and development costs and if the contract is not completed, Sperry will refund the development costs. Mr. Garrison interjected there will be no equipment costs paid for the Sperry system until six months after the system is installed and operating.

Representative Cochran asked whether it is intended that the computer system be used during the 1984 legislative session. Chairperson Avenson responded that it is the intention to do everything possible to be ready for the computer installation by November 1. Senator Hultman commented that the 30-day delay from October 1 to November 1 may be the result of the Legislative Council postponing for 30 days, from June 29 to July 29, in order to make a decision as to the computer firm. Chairperson Avenson disagreed, commenting that the Legislative Council assumed that it would be possible for the site to be ready for the computer by October 1 and this is not now possible.

Representative Cochran asked Mr. Garrison for comments. Mr. Garrison responded that it is necessary that the Legislative Service Bureau be working full time on bill drafts on December 1 or it will not be possible to have individual legislative bill drafts ready for the beginning of session. He explained that since the testing of the Sperry system must be completed before December 1, Sperry hopes to provide for testing programs prior to November 1 from a remote site. He indicated that if the system is not working in a production capacity by December 1, then the present system must be used. Representative Cochran expressed the belief that the Legislative Council should not be paying interest on the system before it has been used. Senator Junkins responded that Sperry has agreed to explore the feasibility of using the remote site prior to and during the legislative session if problems remain in using the Capitol Complex site, even though the remote site is not a production site.

Chairperson Avenson responded to Representative Cochran's concerns by stating that if the Legislative Council states that the

computer is not meeting the terms of the contract, the contract is void. Chairperson Avenson stated that the Legislative Council will back the decisions of the Director of the Legislative Service Bureau concerning needs of the Service Bureau in order to serve the General Assembly. He indicated that the Legislative Council's Contract Drafting Committee will remain in contact with the Department of General Services in order to expedite site preparation.

Representative Menke asked to be shown the section of the contract that states that the decision will be made by the staff persons that Sperry has not met its part of the contract. Chairperson Avenson responded that the Legislative Council cannot delegate its authority to legislative staff, and the decision must be made by the Legislative Council. Senator Junkins added that the Council's decision to terminate the contract will be based upon the staff's recommendations.

Representative Hoffmann-Bright stated that she believes there are problems with the contract since the Council voted that it would determine whether Sperry meets the terms of the contract and the contract states the project coordinator will signify acceptance or a deficiency of the computer system and immediately following notification to Sperry "Sperry shall respond as to whether it agrees the alleged deficiency constitutes a material or minor deficiency to the system". Lieutenant Governor Anderson asked whether the four staff professionals agree with the contract language. Mr. Garrison responded that the language which was read contains a "right to cure", meaning that Sperry has a right to attempt to rectify any alleged deficiencies over a 30-day period following notification of the deficiency. He indicated that that language was requested by Sperry. He noted that the contract also includes language requiring that the Sperry system demonstrate data processing applications in use in the Iowa legislative branch of government prior to the execution of the agreement. Representative Hoffmann-Bright asked Mr. Garrison whether he is satisfied with the language, and Mr. Garrison responded that he is dissatisfied with the time schedule, but agrees that Sperry should have the right to repair minor deficiencies in the system without negating the entire contract.

Chairperson Avenson asked whether the contract follows the intent of the motion adopted by the Legislative Council on July 26. Mr. Garrison responded that the contract does follow the intent of the motion, except that Sperry has the right to fix alleged deficiencies over a 30-day period. Chairperson Avenson commented that the language proposed by Sperry is standard language in many contracts.

Chairperson Avenson stated that if the four members of the professional staff agree that the Sperry system is not working, the Legislative Council will not keep the system. He indicated that he believes the members of the staff are aware of generally accepted computer practices.

Representative Menke expressed the belief that in view of the current financial situation of the state, the Legislative Council should have postponed the computer purchase for a year and maintained the present system. Senator Junkins disagreed, stating that the system will save dollars. It was noted that the system will pay for itself over a five-year period. Representative Hoffmann-Bright agreed with Representative Menke's comments.

With regard to the delay in preparation of the site, a representative of the Department of General Services stated that he has recently visited with the contractor in charge of the site preparation and the contractor has awarded all component parts and is on board and working. He stated that the Department of General Services is hopeful of a completion date of November 1.

Representative Stromer asked Mr. Cliff Derby from Sperry to comment on the credits allowed the Legislative Council. Mr. Derby responded that Sperry hopes that the Legislative Council will assist in signing other states to the system, and Sperry agrees to remunerate the General Assembly for an active role in assisting Sperry. He stated that the \$5,000 credit is only for additionally ordered units of equipment. Chairperson Avenson explained that he believes that the credits are an effort by Sperry to recognize that it will take time for staff members to visit about the system with colleagues from other states. Senator Tieden asked whether that portion of the contract binds employees of the General Assembly to attempt to sell the Sperry system. Chairperson Avenson responded in the negative, commenting that both the House and Senate have total authority over authorization for any person to enter either chamber.

Senator Hutchins stated that he believes that using a remote base and testing in that manner is the usual way to proceed and he hopes that, given the study that has been put into the purchase of a new computer system, the Legislative Service Bureau will have a better system. He stated that he believes the Legislative Council is making a good decision.

The question was called on the proposed amendment to the contract, a copy of which is attached and by this reference made a part of these minutes. The amendment provides for a demonstration of each of the tasks by November 1, 1983 using a remote mainframe. In addition, other conditions of the RFP and the contract must be tested by November 1, 1983. The amendment to the contract was adopted. Senator Hutchins moved that the Legislative Council accept the contract with Sperry as amended. Representative Stromer seconded the motion, and it was adopted on a roll call vote with 14 affirmative votes by Chairperson Avenson, Senators Junkins, Briles, Coleman, Doyle, Hutchins, Miller, and Tieden, and Representatives Cochran, Connors, Jochum, Norland, Stromer, and Welden. There were four negative votes by Senators Hulse and Hultman and Representatives Hoffmann-Bright and Menke.

Chairperson Avenson announced that the Legislative Council also should approve in addition to the costs of education of staff and development of the site, expenditures for such incidental items as tape storage racks, phone lines, and additional terminals. He asked the Legislative Council to give authority to the Contract Drafting Committee to authorize expenditures for incidental costs. Representative Connors moved that the authority be given, and the motion was adopted. Chairperson Avenson moved that the Council authorize hiring of a data processing person to oversee the computer operation. Representative Menke asked whether this would be a temporary person. Chairperson Avenson responded that the data processing person would be permanent, but no one would be hired until the computer system had been installed and accepted. Chairperson Avenson withdrew his motion.

Senator Junkins gave the Report of the Studies Committee and moved its adoption. A copy of the report is attached to the minutes and by this reference made a part thereof. Senator Hutchins asked whether the Interim Committee on Taxes will also be looking at valuation changes. Senator Junkins responded that information will be sent after November 15 to the Ways and Means Committee chairpersons asking them to look at changes in valuation. Senator Junkins' motion was adopted.

Senator Hutchins, noting that there was not time for a Service Committee meeting, asked that the Legislative Council grant authority for Mr. Angrick to advertise for applications for a Legal Analyst in the Office of Citizens' Aide. He indicated that Mr. Bill Hornbostel has resigned and accepted a position with the Drake University Law School. Permission was granted.

Chairperson Avenson noted that two persons have resigned from the Professional and Occupational Licensing Review Board and announced that Senator Hulse will replace Senator Waldstein and Ms. Barbara Sorenson will replace Mr. Joe Halvorson.

Chairperson Avenson called for comments from Mr. Krah1, Acting State Comptroller. Mr. Krah1 stated that he has informed the Governor that for fiscal year 1984, appropriations will exceed revenues by \$85-90 million.

Chairperson Avenson asked about the factors used by the Comptroller when he is estimating revenue losses because of the drought and revenue gains because of the PIK program. Mr. Krah1 stated that no specific factors were used, but that he has met with economists recently and there appears no unanimity of thought. Mr. Krah1 stated that most economists believe that higher grain prices will offset the production losses because of the drought. He added that most economists that the Office of State Comptroller consults (not DRI economists) think that fiscal year 1985 will be better than fiscal year 1984, but Mr. Krah1 believes that it will also be necessary to decrease revenue estimates for fiscal year 1985. Mr. Krah1 commented that it appears that the manufacturing industry has

sufficient inventory so that it will not be required to increase production until the end of this calendar year. He commented that although retail sales continue to increase, it is not possible to meet the original estimates for fiscal year 1984.

Lieutenant Governor Anderson asked for assurances that the \$85-90 million shortfall will be accurate and will not require further downward revision. Mr. Krah1 responded that the \$90 million shortfall is the best estimate the Comptroller's Office can make at this time, and he stated that both Governor Branstad and he want accurate projections.

Chairperson Avenson asked for Mr. Krah1's recommendations. Mr. Krah1 stated that he will not make recommendations, but that each one percent across-the-board appropriation cut equals about \$20 million and if across-the-board cuts are not made, some appropriations must be reduced. In response to a further question by Chairperson Avenson, Mr. Krah1 responded that if the Governor uses an across-the-board cut, the law provides that the reduction must be equal to the state's revenue shortfall. Representative Norland asked whether Mr. Krah1 will be mailing a financial report to members of the General Assembly, and Mr. Krah1 responded in the affirmative, commenting that such reports will be mailed next week.

Senator Junkins moved that if necessary the Legislative Fiscal Committee be authorized to meet between now and the next meeting of the Legislative Council on the call of the chairperson and vice chairperson. He commented that the majority and minority party leadership will be meeting with Governor Branstad to discuss alternative proposals. He stated that if there are any options developed, they will be referred to the Legislative Fiscal Committee. Senator Junkins' motion was adopted.

The next Legislative Council meeting will be held September 22, 1983.

The Legislative Council adjourned at 3:50 p.m.

Respectfully submitted,

SERGE H. GARRISON  
Director

DIANE BOLENDER  
Senior Research Analyst

R E P O R T  
of the  
SPACE COMMITTEE  
to the  
LEGISLATIVE COUNCIL

The Space Committee met on Monday, August 29, 1983 to review the preliminary allocation options of the Capitol Space Study with representatives of the Department of General Services and the firm of Hansen Lind Meyer, P.C. The Space Committee recommends that the Department of General Services develop cost estimates for the options that provide for the relocation of the Treasurer and Auditor of State, the construction of underground office space, the removal of the mezzanine floors and the relocation of the cafeteria.

Respectfully submitted,

SENATOR LOWELL L. JUNKINS  
Chairperson, Space Committee

DSB:cf



## EXPLANATION OF CONTRACT

The contract submitted by Sperry in response to Council directions and the proposed contract prepared by the Legislative Service Bureau provides as follows:

A. That the Council will appoint a person to serve as project coordinator during the initial installation of the 1100/71 computer system. Staff would be appointed to perform functions noted in the contract and one new person would have to be hired. Each staff coordinator is responsible for reviewing and acknowledging the temporary acceptance of the programs for which they would normally be responsible. Thus Serge Garrison is responsible for text, Dennis Prouty for fiscal, and Joe O'Hern and Marie Thayer for amending and office automation. This portion of the contract provides for appointment of persons who will serve as the manager, MAPPER coordinator, system operator, and system support analyst. The system operator is the new individual and it is anticipated by the staff that that person will when hired perform a number of functions of the other persons. In the meantime temporary persons would be appointed and the system operator would not be employed until the total system is accepted.

B. The contract provides that Sperry will deliver if the site is prepared prior to October 1, 1983 the computer system and implement the system on or before November 1, 1983. There is an acceleration clause later in the contract which provides for each day of delay after October 1, 1983 the system does not have to be installed. It appears that the site will not be developed until at the earliest November 1, 1983, and thus the system will not be completely installed until December 1, 1983 assuming the site is ready on November 1, 1983.

The contract provides for demonstrating the individually assigned tasks as soon as they are ready to be demonstrated and giving the preliminary acceptance or rejection of them at that time. Thus these demonstrations can start immediately. However, the final test would be the systems test when all equipment is installed and all individual tasks and programs would be required to work together. The successful application of an individual task does not necessarily mean that this task will work when the total system is consolidated.

The contract provides for indicating whether a deficiency is minor or material and allows Sperry thirty days after the systems test to correct minor or material defects.

C. The contract provides reference to the RFP to identify the text functions that will be provided including mainframe amending function, collating function and other functions specified in the RFP, except that additionally the function of being able to 'pull text, calendars, committee schedules, would be subject to an implementation plan.

All specifications of the RFP are listed to be tested at the latest on the systems testing date (December 1, 1983 at the earliest) except the ability to pull material from the mainframe with print code intact, and possibly the bill index system.

D. This provision allows Sperry to substitute terminal equipment for those specified in the configuration if written notice of thirty days is given to the Council and if the terminal equipment operates in substantial conformance with standard specification of the replaced units.

It is anticipated that the UTS-30 terminals may not be available and therefore the UTS-40 terminals will be substituted for them. The UTS-40 terminals are normally more expensive and more intelligent but the contract provides that they would be provided at the same cost as the UTS-30 and the maintenance cost would be the same. We could substitute the UTS-30's within six months of the successful systems test.

E. The contract provides for office automation on the MAPPER system and specifies those functions which will be used initially and those functions which will be delayed for future implementation.

F. The contract specifies the fiscal application that will be developed and contains other conditions that will be included including the interface requirement with the comptroller's data processing system. It specifies that one graphics terminal will be provided at no additional charge until such time as the UTS-30 terminal will be available. Since the UTS-40 terminal does not have graphics capability, it is necessary to provide a terminal with graphics capabilities. When the UTS-30 terminal becomes available the graphics capability will be provided however there will be an

additional charge for the graphics package ranging in price from \$300 to \$500 per terminal.

G. The contract provides that the Council must meet specified obligations including execution of the agreement, site preparation, personnel requirements, data base requirements, etc.

H. There are educational courses, and it is anticipated that a number of persons will be required to take advantage of these educational courses and some persons will take educational courses so that they can serve as back up individuals.

I. The contract provides additional conditions that Sperry must meet by November 1, 1983, which date because of the acceleration clause will be December 1, 1983. Some of these conditions are the conversion of the Iowa Code data base, providing a users' manual, documentation of communication abilities with other computer terminals, and providing actual numbers that Sperry has utilized in development.

J. There is a provision that is quite standard releasing the Council if funds are not appropriated, however there would be no release if the funds would not be available because the purpose is to acquire similar equipment from another vendor.

K. The contract provides for the various charges which would commence upon successful demonstration at the systems test. There are conditions in order to take advantage of certain discounts.

L. The contract provides for reducing the charge for program products by \$1000 per month for sixty months commencing with successful demonstration of the systems test.

M. The contract provides for quantity discount. There are some conditions attached to the quantity discount among them ordering within a definite time period and specifying delivery within a definite time period. In order to take advantage of the quantity discount, it would not be possible to add those original units to the number of units you might order later.

N. The contract provides for the equipment purchase option and provides formulas for computing them.

There are a number of standard provisions included in the contract addendum and in addition the equipment that would be provided in the

programs are listed as well as the charges. It should be noted that the mainframe would be what is known as a C-1 and there would be no Sperrylink package.

Sperry's standard contract provides for cancellation procedures and installation procedures. Other provisions provide for maintenance charges, working and storage space, responsibilities customary in regard to the use of software, systems service, educational services, charges, payments, and other similar provisions. A number of these provisions have been superceded by the addendum to the standard contract.

PROPOSED REVISION OF CONTRACT IN ORDER TO DETERMINE IF THE  
COMPUTER SYSTEM CAN BE USED FOR THE NEXT LEGISLATIVE SESSION

In order to use a new computer system for the next session in the text processing field, it must be operating at a level equal to the existing system no later than December 1, 1983 and ideally not later than November 15, 1983. The proposed contract rules out that possibility, which means we must plan on using the existing system. The only alternative, if we are going to use Sperry, appears to be the following suggested amendments.

Amend B to provide that demonstration of all tasks must be accomplished on or before November 1, 1983, notwithstanding that the site is not completed by October 1, 1983. Each task must be accepted by November 1, 1983 individually and when tested in total so that tasks dependent upon each other can be determined to operate in substantial conformance with the defined Task Processing Acceptance Criteria. The tests shall be conducted using a remote mainframe. Any disagreements in regard to material deficiencies must be resolved by November 15, 1983, and if not resolved the Iowa Legislative Council may terminate the agreement. If all tasks are successfully accomplished, Sperry must agree to provide by use of a remote site the capabilities to run the total system until such time as the systems test is successfully completed according to the terms of the contract.

In addition all other conditions of the RFP and the contract must be met by November 1, 1983 including the conditions listed in part E (Office automation), Part F (Fiscal Requirements), and Part I (Additional Conditions). The state will have to meet the conditions of Part G but they will not be dependent upon site development because a remote site would be used. In Part G the acceleration provision would not apply to remote testing and neither would the date for execution of the contract if it cannot be rewritten by then.

Thus there would be two primary testing dates for programs and equipment: November 1, 1983 as originally agreed to by the Council and 30 days following preparation of the site when the systems test would be performed. Failure to meet the standards at either date allows the Council to terminate at no obligation to the state.

REPORT OF THE STUDIES COMMITTEE

to the

LEGISLATIVE COUNCIL

August 29, 1983

The Studies Committee of the Legislative Council met at 2:10 p.m. in Committee Room 24 of the State House to review requests for interim studies and requests of interim study committees and submits the following report:

1. That the respective leadership appoint one representative and one senator to a select advisory panel on hazardous waste established by the Water, Air and Waste Management Commission.
2. That the request for one additional meeting by the Corrections Oversight Committee be approved.
3. That the request for three additional meetings for public hearings requested by the Retirement Programs Subcommittee not be approved.
4. That HCR 40 requesting a study on the office for planning and programming structure and the request by the auditor of state for a study relating to audits of publicly-funded private entities be referred to the fiscal committee for further referral to the state government visitations committee.
5. That a request by the sentencing subcommittee to bring in and pay expenses of witnesses from Minnesota on determinate sentencing guidelines be approved.
6. That a ways and means subcommittee be authorized one meeting day to review the productivity formula following the conclusion of appeals of the director of revenue's 1983 equalization order. The committee shall consist of five members of each house.

Respectfully submitted,

SENATOR LOWELL L. JUNKINS  
Chairman