

M I N U T E S

JOINT ADMINISTRATION AND SERVICE COMMITTEES

June 29, 1983

The joint meeting of the Administration and Service Committees of the Legislative Council was called to order by the Administration Committee Chairman, Representative John H. Connors at 8:10 a.m., Wednesday, June 29, 1983, in Committee Room 22 of the State House, Des Moines, Iowa. Administration and Service Committee members present, in addition to Chairman Connors, were:

Senator C. W. Bill Hutchins, Chairman, Service Committee
Senator C. Joseph Coleman
Senator Donald V. Doyle
Senator Merlin D. Hulse
Senator Calvin O. Hultman
Senator Lowell L. Junkins
Representative Dale M. Cochran
Representative Jean Lloyd-Jones
Representative Lester D. Menke
Representative Delwyn Stromer

Also present were Senator Arthur A. Small, Jr., Senator James E. Briles, Representative Donald D. Avenson, Representative Richard W. Welden, Mr. Dennis Prouty, Director, Legislative Fiscal Bureau, Ms. Diane Bolender, Senior Research Analyst, Legislative Service Bureau, Mr. Serge H. Garrison, Director, Legislative Service Bureau, Mr. Burnette E. Koebernick, Senior Legal Counsel, Legislative Service Bureau, those persons who had attended the joint meeting of the Administration and Service Committees on the preceding day, representatives of the news media, and other interested persons.

Chairman Hutchins suggested that Mr. Garrison review the summary of possible savings which would result from the acquisition of a computer system by the general assembly. Mr. Garrison noted that a savings of approximately \$49,000 would occur annually by not having to execute an update contract with the Data Retrieval Corporation of Milwaukee for the Code. He noted that it is anticipated that reduced typesetting fees would save the general assembly up to \$16,000 annually. He noted that income of approximately \$133,000 would be gained if the costs of some publications produced by the general assembly were increased as authorized under the law enacted during the 1983 session. He also pointed out that the general assembly would save \$52,000 annually which is currently expended by the state comptroller's data processing division on legislative systems and that another possible \$20,000 in labor costs for proof-reading could be saved if this system were acquired. A summary sheet containing the information with detailed explanation is attached and by this reference made a part of these minutes.

Senator Junkins noted that he feels it is important to determine the hourly rate for the start-up costs outlined by Honeywell and Sperry. He indicated that the proposal submitted by Honeywell shows a price tag of \$100,000 for start-up costs and that the bid proposal submitted by Sperry indicates start-up costs of \$113,000.

Senator Hutchins also noted that the department of general services has expressed some reservations about the space and temperature controls which will be needed for housing the mainframe computer. Mr. Prouty responded that the department of general services has picked up the information on the amount of heat generated by the equipment and that the department has concluded that the computer will be generating less heat than originally anticipated.

Representative Cochran asked Mr. Garrison to comment upon the bill drafting functions which need to be performed by any computer acquired by the general assembly. Mr. Garrison responded that Iowa has a rather unique bill drafting capability in comparison to other states. He emphasized that the request for proposal included 59 standards which must be met by the vendor to maintain the current system. He pointed out that Honeywell has demonstrated all 59 points and that Sperry has demonstrated or is capable of meeting 28 of these points at the present time. Mr. Garrison also pointed out that IBM had indicated during the 1982 interim that it had the capability to replace Iowa's current bill drafting system and IBM worked 8 months in developing this system and subsequently the project was abandoned because the computer equipment provided and programs to be used by IBM were unable to do essential tasks required under Iowa's current bill drafting system.

Representative Menke inquired as to whether the staff has visited with Sperry or Honeywell users about service provided with their respective systems. Mr. Garrison responded that Maryland currently uses Sperry for its fiscal system and is pleased with that system. Representative Menke inquired as to the length of time required for response for service calls. Mr. Garrison responded that the staff has not visited with other users but would anticipate that the response time for service by Sperry and Honeywell would be comparable to the time required by other computer companies. Mr. Prouty agreed that Sperry and Honeywell are probably very comparable in service response time to other computer companies. Mr. Prouty also noted that he had visited with officials in Kansas who used Sperry and IBM and suggested that Sperry has been well accepted in Kansas.

Senator Doyle noted that it appears that MAPPER which is provided by Sperry is different from the IRMS system provided by Honeywell and inquired as to whether the Legislative Fiscal Bureau prefers MAPPER. Mr. Prouty responded in the affirmative. Representative Stromer inquired as to which of the vendors will have to go to more third-party vendors. Mr. Garrison responded that Honeywell will use more third-party vendors.

Mr. Gary Kaufman noted that there is quite a range of difference between the two systems to be provided by Sperry and Honeywell. He emphasized that the system proposed by Honeywell is specifically designed for revising text while the Sperry system is not. The system developed by Honeywell was designed by Honeywell.

Ms. Cynde Clingan of the Senate staff noted that on the basis of the demonstrations, Honeywell has a system which the Legislative Service Bureau and the House and Senate staffs require with regard to bill drafting and the building of bills.

Mr. Joe O'Hern, Chief Clerk of the House, noted that the building blocks provided by both companies appear to be a problem and that the basic issue can be phrased in terms of trust in the two vendors. He pointed out that Honeywell has the capability of replacing the current building blocks which the general assembly has. But he also pointed out that the other problem is that the general assembly and its staffs have not determined what additional needs the general assembly and its staffs will have in the future.

Chairman Connors noted that the members of the Committees have had an opportunity to think about additional questions which they might have with regard to the two systems and suggested that the time has arrived to call those representatives back in to respond to particular questions. Representative Connors suggested that the representatives of Honeywell be invited back into the Committee meeting.

Senator Hultman stated that Honeywell has indicated that various other terminals will be able to be hooked into the mainframe. Mr. Williamson of Honeywell indicated that many other computers can be added to the system. Senator Junkins inquired as to whether other printers might also be added to the system. Mr. Geoffrey Sickler responded in the affirmative and Mr. Peterson added that he has a list consisting of three pages which lists other computer terminals which can be accommodated with the Honeywell system.

Senator Hultman noted that the bid submitted by Honeywell includes a cost of \$100,000 for start-up and inquired as to how this amount is billed out. Mr. Swanson responded that the amount is billed at a cost of \$59 or \$85 per hour for the number of hours needed but that the \$100,000 figure represents total maximum cost. Senator Hultman inquired as to whether these costs might be less. Mr. Swanson responded in the affirmative and suggested that in all likelihood it will be fewer hours. He also pointed out that it requires that two people come to Des Moines from Los Angeles for program development. Mr. Sickler also pointed out that Honeywell will be customizing the program to the needs of the general assembly and must do some additional work to assure that non-technical people are able to use the system very easily. Senator Hultman inquired as to whether there should be any problem transferring the current data on the computer system the general assembly currently has to a new data base. Mr. Sickler responded

that there will be no problems in transferring this data to a new data base.

Representative Lloyd-Jones inquired as to how many maintenance personnel Honeywell currently has in Des Moines. Mr. Swanson responded that the Des Moines staff consists of a district manager plus nine additional employees. Representative Cochran noted that the Legislative Fiscal Bureau has found that the Honeywell system makes it difficult to call up figures and change them individually. Mr. Swanson noted that he is unable to respond to this question and that Mr. Bearley who is very familiar with the IRMS system had to return to Los Angeles last evening. Representative Cochran inquired as to whether program changes could be made to accommodate some of the apprehensions the Fiscal Bureau staff has regarding Honeywell. Mr. Sickler responded in the affirmative and noted that some additional costs may be involved but that the program modifications probably can be made. Mr. Swanson also noted that he would be unable to indicate what additional modifications might be required in the program and he would be happy to check with Mr. Bearley on this matter. Representative Cochran indicated that some members of the Council are interested in bids submitted by an Iowa company and inquired as to Honeywell's chances of coming into the state with a plant. Mr. Swanson indicated that he is not familiar with the contents of the current corporate plans for expansions or changes in the present structure of Honeywell but pointed out that Honeywell currently has over 125 employees in the state.

Mr. Menke inquired as to how much energy will be required to operate the system. Mr. Swanson pointed out that this information is contained in the specifications set out by Honeywell in its bid. Senator Hultman noted that Sperry has indicated a willingness to provide a flexible financing plan for the computer system and inquired as to Honeywell's position on financing. Mr. Swanson responded that Honeywell is willing to finance the acquisition in any manner necessary to accommodate the general assembly.

Senator Doyle inquired as to whether the Honeywell system would require a rather expensive voltage regulator to assure continued operation of the system. Mr. Swanson noted that in putting the proposal together, this item was avoided by Honeywell, because no one seemed to know for sure where the mainframe would be placed. Senator Doyle inquired as to the number of phone lines which would be required for the Honeywell system. Mr. Peterson responded that one phone line would be required plus three synchronized lines would be needed for the system.

Ray Knapp of the Legislative Fiscal Bureau inquired into what types of modifications would be necessary in the Honeywell system if major changes were made in the bill drafting system. Mr. Swanson answered by emphasizing that there would be no way of telling what changes have to be made in the system until the general assembly has determined exactly how the bill drafting system would be changed.

There being no additional questions of the Honeywell representatives, Chairman Connors called for a brief recess for the meeting at 9:30 a.m. and announced that the meeting would reconvene at 9:50 a.m.

Chairman Connors called the meeting back to order and noted that the representatives of the Sperry Corporation are available for questions at this time.

Senator Hultman inquired as to whether the Sperry equipment would be compatible with home computers. Mr. Jerry Vennard answered in the affirmative but noted that that might require some code building. He also noted that the mainframe would be able to tie into any number of terminals required. Senator Hultman asked whether the mainframe would also be able to be interchangeable with printers. Mr. Vennard responded in the affirmative noting that it would be possible if the printers were compatible to the Sperry equipment. Senator Hultman noted that Sperry has listed costs of \$113,560 for customizing the systems and asked Mr. Vennard to expound upon this figure. Mr. Vennard responded that the hourly rate established by Sperry is \$17 per hour and it is anticipated that it would take 6,680 man hours to place the system in operation. Senator Hultman inquired as to the interest rate Sperry would charge for financing. Mr. Vennard responded that he did not know the interest rate applied to the figure. Senator Hultman asked what Sperry would be willing to do with financing the entire package. Mr. Vennard stated that Sperry intends to tailor the payment program to the financial needs of the general assembly.

Senator Junkins noted that Sperry is able to comply with 29 of the 59 requirements set out in the RFP and asked what guarantee the general assembly would receive from Sperry that it could do those items in the RFP which it cannot do today. Mr. Vennard noted that Sperry cannot make a guarantee but is willing to give its assurances that it can do the job. Senator Junkins emphasized that Honeywell has demonstrated that it can currently meet all 59 requirements in the RFP and inquired as to how Sperry can provide assurances that it will be able to comply with those provisions of the RFP which it cannot comply with today. Mr. Vennard responded that Sperry is not bidding third-party vendors, that it believes the general assembly wants its own computer system, and that Sperry is confident it can develop the system necessary to meet the needs of the general assembly.

Senator Junkins noted that the primary problem is that one vendor currently indicates that it can comply with all provisions in the RFP while the other vendor is only able to provide assurances to the general assembly. He pointed out that the general assembly has worked with another vendor before who provided the assurances that it could meet all of the RFP requirements and that after eight months of trying it was unable to do so and queried as why the general assembly should assume that this same

scenario would not occur again. Mr. Vennard responded that Sperry could provide for receipt of only part payment of the start-up costs until it can demonstrate that it can meet all 59 points in the RFP. Chairman Connors pointed out that this approach however will not meet the problem facing the general assembly. Senator Junkins pointed out that the Administration and Service Committees must be able to assure the Legislative Council that the computer system will be there when it is needed. Mr. Vennard pointed out that some type of performance bond could be provided for this assurance.

Representative Cochran noted that he favors the award of the contract to an Iowa company but has some hesitations when the company has failed to demonstrate the 59 points required in the RFP and inquired as to why Sperry has not been able to demonstrate these points. Mr. Vennard indicated that Sperry has been on site during the last session and has made some demonstrations of its text editing ability. Senator Junkins suggested that the Sperry proposal is giving the general assembly carte blanche on man hours under the \$113,560 start-up cost figure provided by the company. Mr. Vennard stated that that figure is for 6,680 hours and that if additional hours were required, an additional charge for those hours is necessary but noted that Sperry will guarantee that the cost will be \$17 per hour. Mr. Kaufman asked whether Sperry would have to charge an additional amount if the computers were to use a computer language other than COBAL. Mr. Vennard noted that this would be a chargeable item. Mr. Garrison also pointed out that in the start-up cost price of \$113,560, it provides for 6,680 hours at a cost of \$17 per hour and that the \$17 per hour is guaranteed but that once the 6,680 hours have been exceeded a charge of \$51 per hour is specified.

Representative Lloyd-Jones inquired as to the maintenance response time by Sperry. Mr. Vennard responded that he is sure the response time is within the norm of the computer industry and noted that Sperry does have personnel based in Des Moines. Mr. Garrison also pointed out that Sperry has demonstrated the strike-through, underscore, and collation of amendment capabilities but has been unable to demonstrate other functions which are absolutely necessary for the House and Senate to perform those functions.

Chairman Connors asked the Sperry representatives to leave the room so the Committees could discuss the respective proposals and thanked the members of the Sperry Corporation staff for being available this morning.

Senator Hultman suggested that the primary needs which the general assembly must meet at this time are the bill drafting and those features needed for Code publication purposes. Representative Cochran noted that the members of the Committee probably do not fully understand the impact of the respective proposals and indicated that he feels more comfortable with what has been demonstrated to this time and suggested that the greatest

unknown at this point appears to be text. He also indicated that it appears to him that the Legislative Fiscal Bureau has a preference for the Sperry Corporation system while Honeywell appears to be preferred by the Legislative Service Bureau, the House staff, and the Senate staff.

Senator Hutchins noted that both vendors appear to have some shortcomings depending on whose needs are to be met. However, he suggested that one other dimension which must also be considered is the use of a computer system by members of the general assembly and indicated that it is his opinion that the Sperry system will better meet the needs of the individual legislators.

Senator Hultman moved that the general assembly accept the bid submitted by the Honeywell Corporation. Representative Lloyd-Jones noted that she had toured the Sperry facility at Clear Lake and was very impressed with Sperry's desire to increase its operations at the Clear Lake facility and made a substitute motion that the Legislative Council accept the bid submitted by the Sperry Corporation.

Chairman Connors suggested that perhaps additional time might be given to Sperry to demonstrate its capability in text processing. Senator Junkins suggested that Sperry must demonstrate its text processing abilities before the bids can be let. Chairman Connors inquired as to whether the Committees would agree that demonstrations should be first required before acceptance of either bid. Senator Hulse responded that the text processing has already been demonstrated by Honeywell and suggested his preference for Honeywell at this time. Representative Menke noted that Honeywell has demonstrated what it can do but that the Committees might consider allowing Sperry to demonstrate its capabilities and suggested some skepticism with the Sperry proposal. Representative Cochran noted that it would appear that Honeywell would have the edge at the present time but suggested that Sperry be given an additional thirty days and inquired as to what a thirty-day delay might mean for the House and Senate staffs and the Service Bureau and Fiscal Bureau. Mr. Garrison responded that Honeywell could probably meet those deadlines as well.

Senator Hultman suggested that if it is decided to give the Sperry Corporation additional time, then Honeywell should be given an additional thirty-days to improve on the fiscal demonstration which they have provided. Representative Cochran suggested that he prefers an Iowa firm to award the bid to, but that the problem appears that Sperry may be unable to do the work it has indicated it can do. Senator Junkins suggested that perhaps the Committees should recommend a delay of thirty days to allow both parties to further improve the systems and make their demonstrations to the Committees.

Representative Lloyd-Jones agreed that this proposal would be acceptable and withdrew the substitute motion. Senator Hultman

also suggested that this proposal is acceptable and withdrew the original motion.

Representative Cochran moved to allow a thirty-day delay in the award of bids to allow Honeywell to demonstrate its fiscal capabilities and to allow Sperry to demonstrate its bill drafting features as required under the request for proposal. The motion was adopted on a roll call vote of ten ayes, 1 nay, with one member absent. Voting in the affirmative were Chairman Connors, Chairman Hutchins, Senators Hultman, Doyle, Junkins and Coleman, and Representatives Menke, Cochran, Lloyd-Jones, and Stromer. Voting in the negative was Senator Hulse and absent was Representative Jochum.

Chairman Connors suggested that the representatives of both companies be invited back into the Committee meeting and told of the decision. Representatives of the two companies were invited back to the Committee meeting and spokesmen for both companies agreed and indicated their willingness to comply with the recommendations of the joint Committees and agreed to make further demonstrations of their products on July 29, 1983 or if both parties are able to complete their work prior to that time, a date acceptable to the Committees.

There being no further business, the joint meeting of the Administration and Service Committees was adjourned at 11:15 a.m.

Respectfully submitted,

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Senior Legal Counsel

7/15/83
ADM. SER. II/24