

M I N U T E S

JOINT ADMINISTRATION AND SERVICE COMMITTEES

JULY 26, 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 3:15 p.m., Tuesday, July 26, 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 Lowell L. Junkins
Representative Dale M. Cochran
Representative Thomas J. Jochum
Representative Jean Lloyd-Jones
Representative Lester D. Menke
Representative Delwyn Stromer

Also present were a number of Legislative Council members, Mr. Dennis Prouty, Director, Legislative Fiscal Bureau, Mr. Serge H. Garrison, Director, Legislative Service Bureau, Mr. Burnette E. Koebernick, Senior Legal Counsel, Legislative Service Bureau, other legislative staff persons, representatives of Sperry and Honeywell Corporations, representatives of the news media, and other interested persons.

Chairman Connors noted that the purpose of calling this meeting, at the request of the Legislative Council, is to hear another proposal submitted by the Honeywell Corporation. Representative Jochum noted his objections to this procedure and suggested that when Honeywell is providing its new proposal, that it explain the reasons why this proposal was not submitted at the joint meeting of the Administration and Service Committees on the preceding day.

Mr. Larry Swanson of Honeywell indicated that the company is prepared to provide the hardware and the software to the General Assembly beginning September 1 to develop the system requested by the General Assembly. He noted that there will be no charge for the hardware or software but only the payment of the maintenance costs of \$12,000 per month for the months of September and October. He noted that there will be no customization charges unless Honeywell is able to produce the system required by the General Assembly by November 1. If Honeywell fails to provide the system required by the General Assembly by November 1, 1983, Honeywell will assume all customization charges and will remove its hardware and software and no additional obligation will exist for the General Assembly.

Chairman Connors asked how the proposal submitted today differs from the proposal submitted on the preceding day by Honeywell. Mr. Swanson responded that there will be no requirement for payment of principal or interest until Honeywell has demonstrated a working system to the General Assembly. Chairman Hutchins asked as to the results if Honeywell is unable to meet the November 1, 1983 deadline. Mr. Swanson responded that the General Assembly would be responsible only for the costs of \$12,000 per month for two months. He noted that the proposal submitted by Honeywell requires payments for September and October for maintenance costs.

Senator Junkins noted that as he understands the proposal, Honeywell is not changing the total costs for the Honeywell system but only willing to prove that it can do the work it is indicated that it can by November 1, 1983. Representative Cochran noted that this amounts to a guarantee that the system will be operational by November 1, 1983. Mr. Swanson also indicated that the basis for compliance for a computer system would be the Request For Proposal. Representative Menke asked whether Honeywell was willing to accept the judgment of the staff and Legislative Council as to determination of compliance with the Request for Proposal. Mr. Swanson responded in the affirmative qualifying his response with the requirement that the evaluation be a fair one. He also emphasized that the General Assembly would be responsible for development costs if Honeywell succeeds and has the system operational by November 1, 1983.

Senator Junkins noted that he has no problems with a vendor providing an alternative proposal but suggested that it is only fair to provide the other vendor with an opportunity to meet or better that alternative proposal. Representative Lloyd-Jones noted that the two Committees have been reviewing these systems for a very long time and agreed that there is some lack of understanding by members of the two Committees with regard to the Proposal and the requirements therein but suggested that it would be unfair to both companies to delay a decision on the computer system any longer. Senator Junkins noted his agreement and stated that there is no change in the Honeywell bid but what has been added is a guarantee that a system will be operational by November 1, 1983. Chairman Connors recognized representatives of Sperry Corporation for their response. Mr. Suther responded that a performance bond or similar vehicle could be used to provide for compliance or monetary reimbursement for failure to comply but suggested that one of the problems might be that the General Assembly does not have a place to put the equipment at the current time. Representative Menke asked whether Sperry is prepared to bring in for two months its system for development and if it fails it would remove it if the Request For Proposal is not met to the satisfaction of the staff. Mr. Suther responded in the affirmative, also suggesting that a fair evaluation must be made. Representative Cochran noted that he is still concerned that we may face that situation which occurred last year with another vendor that completed eight months of work on a text processing system and arrived at the conclusion that it could not meet the requirements of the General Assembly.

Representative Stromer noted that he feels that the Administration and Service Committees had a right to reconsider their decision on the bidders if they so desire.

Senator Hutchins noted that this issue has been discussed many times. In this situation the losing vendor is submitting an alternative bid and we ought to check with the other vendor to see if they will submit a similar bid. Senator Junkins asked Sperry representatives whether they would provide the guarantee that Honeywell has proposed and that Sperry will be financially responsible if they are unable to perform. Mr. Suther responded in the affirmative.

Representative Menke suggested that both parties must recognize that performance is to be determined by the legislative staff who must work with the system.

Chairman Connors inquired as to whether any member of the Administration and Service Committees would like to make a motion at this time. Senator Doyle moved that the joint meeting of the Administration and Service Committees be adjourned. The joint meeting of the Administration and Service Committees was adjourned at 4:10 p.m.

Respectfully submitted,

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