



MINUTES

House Select Committee on E-Procurement

Wednesday, March 21, 2012

1:00 PM

Room 415 / Legislative Office Building

I. Committee Members & Staff:

Co-Chairs: Rep. G. L. Pridgen, 46th District

Rep. Fred F. Steen II, 76th District (*Absent*)

Members: Rep. Glen Bradley, 49th District (*Absent*)

Rep. Dale Folwell, 74th district (*Absent*)

Rep. Elmer Floyd, 43rd District

Rep. Pricey Harrison, 57th District (*Absent*)

Rep. Bill Brawley, 103rd District

Rep. Grey Mills, 95th District (*Absent*)

Rep. Rosa U. Gill, 33rd District

Clerk: Beverly Slagle

Attending House Sargent at Arms:

Martha Gadison

Fred Hines

II. Staff: Mark Bondo (Fiscal Research)

Bill Patterson (Research)

Tim Hovis (Research)

Barbara Riley (Research)

Karlynn O'Shaughnessy (Fiscal Research)

III. Speakers:

A. Sam Byassee, State Purchasing Officer / Department of Administration (DOA)

B. Ms. Karlynn O'Shaughnessy, Fiscal Research Division, NCGA

IV. Call To Order:

The House Select Committee on E-Procurement (the committee) meeting was called to order at 1:10 PM by the presiding Co-Chair, Representative G. L. Pridgen, who welcomed members and guests, and thanked the staff for their time and valued input.

V. Approval of the Minutes: With no quorum present, the February 15, 2012 meeting Minutes were tabled to be approved at the April 25, 2012 meeting.

VI. E-Procurement Operational Contract (See Attachment A):

Mr. Byassee presented the contractual aspect of DOA's e-Procurement Operations:

- Prefaced his comments with an assumption of the costly impact of a large volume of state employee retirements in ISD in the near future.
- Explained the new contract incorporating procurement software (Ariba) as separate from services contract to operate the e-Procurement system
- Explained where the monthly fee goes to provide, explaining DOA is now directly bound to Ariba for the system and will be paying software support and maintenance fees, directly.

VII. Overview of Business Intelligence (See Attachment B):

Ms. O'Shaughnessy gave an overview of Business Intelligence using a presentation which covered the following information:

- Defined Business Intelligence (BI) as an umbrella term that refers to a variety of software applications used to analyze an organization's raw data.
- Demonstrated the "Intelligence Cycle" to provide the best possible result in analyzing collected data, forecast, and anticipate results.
- Illustrated the Business Intelligence Cycle in a chart.
- Charted the levels of Business Intelligence.
- BI in NC: Informed the committee that this was not a new concept within NC, in 2007 the NCGA began the implementation of a data immigration program as part of the BEACON process, going on at the time, and basically provided funding and setup a government structure for data integration in NC. In 2008 one of the first major efforts to come out of this initiative was the Criminal Justice Law Enforcement Automated Data Services (CJLEDS), due to events.
- BI for Procurement: She explained Spend Analysis; Key Capabilities; and the Benefits.

VIII. E-Procurement Operational Contract (Cont'd, see Attachment A):

A. Mr. Byasse began by commenting on the importance of two points of Ms. O'Shaughnessy's presentation.

- **Data Quality:** Administration does have the capability to do a fair amount of data analysis, but the program is difficult to use. One problem we have with the system is data quality; what we are finding is that a lot of the data is not what it purports to be.
- **Compliance:** Mr. Byassee suggested that, if the committee made recommendations to improve our e-Procurement system, the recommendation include an enforcement mechanism for those inputting data to ensure better quality of data.

B. Mr. Byassee concluded his presentation (Attachment A) with the following:

- Plans for mid-term future
- Business Intelligence for Procurement
- Ways to improve Procurement Decisions:
 - There are definitely ways to improve the system or, *we might* replace it with something else; but in any event DOA wants to go out with an RFP and we hope to do that, once we get our upgrade implemented. If we can do that within the next six months, certainly within the next year, we will be saving the state millions of dollars—immediately and we want to do that.

C. **Brief Discussion:** There was a discussion (Rep. Brawley) regarding upgrading the antiquated hardware. Mr. Byassee stated that there were no plans to upgrade hardware over the next six years.

IX. **Adjournment:** With no further business, the committee meeting was adjourned at 2:22 pm.



Signature: Representative G. L. Pridgen, Chair