

Information Network of Kansas Board Meeting Minutes

Special Meeting – Teleconference December 16, 2016 11:00AM

Opening

A special meeting of the INK Board was called to order at 11:00 a.m. on Friday, December 16, 2016 via teleconference by Chairman Eric Rucker, representing the Secretary of State, with the following members present:

Chuck Knapp, Vice Chairman, representing Jobs for America's Graduates - Kansas
Matt Billingsley, Secretary, representing the Secretary of Department of Revenue
Scott Hill, Treasurer, representing the Kansas Bar Association
Gregg Wamsley, representing Kansas Library Association
Kim Borchers, representing the Governor's Office
Tom Tunnell, representing the Kansas Grain and Feed Association
Tim Metz, representing the Kansas Bankers Association

Other Present

Duncan Friend of INK, Shane Myers, Ashley Gordon, and James Adams of Kansas Information Consortium, LLC; Tina Mize, National Information Consortium, Inc.; Kathy Sachs of Kansas Secretary of State; John Thomson, PayIt, LLC

Agenda

1. INK Bid on Office of Information Technology Services RFP for Mobile and Web Services.

Friend began the call by taking roll of the members and guests in attendance on the call, then turned the floor back over to Rucker to begin the meeting. Rucker thanked the members for attending the special meeting, noting that Friend had outlined the single issue on the meeting agenda in his previous communication. To summarize, Rucker said that the State of Kansas issued an RFP to provide cloud-hosted services for both Web and Mobile applications. The RFP requires that the applicants be hosted on a cloud-based platform. However, the INK network manager contract that is in place requires a centrally hosted facility which does not meet the definition of a "cloud-based" platform.

Rucker continued that the issue before the Board was that KIC would like to seek and receive approval from the Board to amend the contract that exists between the State of Kansas and KIC to allow them to use a cloud-based platform for the purpose of responding to the RFP that is due on the 19th of December. Rucker stated that what was in order next before the Board would be a motion, a second, and discussion on amending the Network Manager contract between INK and KIC to allow cloud-hosting for the purpose of responding to this RFP for web and mobile applications. Rucker asked if there were questions before a possible motion.

He continued that, if there were not questions or comments, then if any arise, he noted that Myers was on the call and if he wished to clarify their position or takes exception to how Rucker phrased it, it would be in order. He then restated that the proposed motion that he would like a Board member to make was amend the contract between KIC and INK to allow cloud-hosting for the purposes of KIC's response as INK to the RFP.

Myers indicated he had no exceptions. Rucker called for a motion. Hearing none, he continued that they had recently reviewed the contract and the Board's rules of order, and to put the motion on the table, the Board chair is allowed to do that.

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Action Taken: Rucker offered the motion as stated above “To amend the contract between KIC and INK to allow cloud-hosting for the purposes of KIC’s response as INK to the OITS RFP.” Seconded by Hill.

Discussion: Rucker asked the members if there was discussion on the motion and second. Knapp said that he didn’t know why the Board wouldn’t allow their Network Manager to propose this technology anyway, regardless of the RFP. He stated that clearly, it seems like everyone else is going to the cloud and it seemed to him like a “no brainer” as the INK Board to allow them to do it anyway. But, he stated, that is just his point of view as a non-technical person. Rucker asked if there was further discussion by the Board. Tunnell indicated that he agreed with Knapp, he didn’t know why this hadn’t happened already. To clarify the motion, however, he understood that his wasn’t just for the purpose of allowing this for the RFP, but in general and asked to confirm that was the case. Rucker clarified that the motion “could be that, if it were the Board’s desire”, but that was not the motion. He went on to explain that what precipitated this was the RFP that was put out by the State of Kansas that is due on the 19th. So, he wanted to call the Board together to make this limited decision, and that he (the Chair) believes that a more expansive view at this time should be taken more seriously by the Board, and that a broader discussion could take place in a regular board meeting. And, if that is the desire of the Board, they could make a more expansive policy decision at that time.

Borchers stated that she had a question. “Is this KIC separating themselves, or are they making this bid on behalf of the INK Board?” Rucker deferred to Myers to answer her question. Myers stated that if the motion is passed, KIC would bid as INK. That is the purpose of the meeting today. Rucker asked Myers if it would be fair for him to answer in the affirmative that he (Myers) had come to the conclusion that it was in the best interest of INK (Myers said yes) that KIC bid on this matter as INK and that this is what has precipitated these discussions and what causes this motion to be put before the Board today. Myers said that he definitely agrees it is in the best interest and all the services in the RFP are in the best interests of INK. Rucker asked if that answered Borchers’ question. She asked “Is it KIC, or NIC?” Rucker said that it is INK. It is because the way that it is anticipated that KIC would approach the Board is that they have, as INK’s partner, made the determination that it is in the interest of the INK Board, and, in his conversations, the Chair and KIC have agreed that it is in the best interest for them to bid.

Borchers continued by posing another question. “So, if it is in INK’s best interest, based on what?” Knapp asked to be recognized, asking the Chairman for clarification “This is INK bidding. KIC is our contracted general manager of INK. So, it is the Information Network of Kansas that would be bidding. Is that accurate?” Rucker confirmed that it was. Knapp continued that it was under the Board’s master contract with a private vendor to manage the Information Network of Kansas – and all the resources they have at their disposal. Borchers thanked Knapp and stated that this was exactly what her interpretation was. She continued that this was where her concern was and she asked Myers not to take her statement the wrong way, saying “Quite honestly, because we have the State CITO who sits on our Board, I believe that if we were looking at being innovative and responsive there would never have been a necessity for the State Chief Information Officer to even put out an RFP because this was something we would have been working on anyway.” She expressed that she asked for the clarification of whether it is INK or it is KIC because she doesn’t believe government should be in the business of picking winners and losers, so if KIC as an organization is a private vendor that wanted to go and do the bid, more power to them. But, quite honestly, if this is in the best interest of INK for self-preservation purposes, which she is not about sustaining another government entity, if that is why this is being done, she just felt like if INK had been on top of it, there would never have been an RFP in the first place, it would have been listening to the needs of its customers.

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Billingsley stated that he had a problem with this. In the Business Plan meetings that he attended, there was no mention of this that he knew of – he noted that it may have happened after he left – he would agree with Knapp and Tunnell that this should have already been happening. So, he had some questions – was this subject ever brought up at the Business Plan meetings held at the Secretary of State’s office? Or is it in the Business Plan now? Friend responded that he had been in attendance at both those meeting and, while he knew that Billingsley had to leave early, it was brought up. He thought the most current iteration of the Business Plan – it hadn’t been distributed as it was going to be discussed at the (canceled) December meeting – had information in it related to an outcome of bidding. Billingsley continued, asking if the topic of the cloud had been discussed. Friend said he wasn’t sure, but asked for clarification – he understood that it was a requirement of the RFP, but didn’t know that it was specifically discussed – the contract amendment piece – which is why it is on the agenda today. Billingsley inquired the same of Myers. Myers recalled that it was a topic that had been discussed in the October meeting about bringing an amendment as it related to Gov2Go. This is also a particular line item or tactic included in the Business Plan, to move forward and launch Gov2Go for the State of Kansas.

Billingsley then asked for confirmation that the Board did have to vote on the Business Plan to approve it – if so, he wanted to know if the Board was being asked to vote twice, voting on something that would be before the Board in its regular meeting. Rucker responded no, and stated, by manner of review, that there is an RFP that the State of Kansas has put out – he has phrased it as KIC wishes to submit a response, but he has been corrected in that KIC wished to submit a response as INK. The issue before the Board is whether or not INK, through their working partner, is going to submit a response to the RFP for this work. It is to allow INK through the KIC relationship to submit a response to the existing RFP that is due on the 19th. He continued that this is what it is INK does. What has changed that requires the motion is that the contract did not anticipate cloud-based services. Yet, this RFP is all about mobile apps in a cloud environment. That is what the motion is intending to give INK the freedom to participate in and that is the issue before the Board. Broader policy discussions are not on the table today and are not embodied in the motion.

Borchers addressed the Chair, indicating that she would like to pose another question, “piggybacking” off Matt’s comment. If it was in the business plan – was it in the strategic plan? She knows there is a lot to read and she is trying to get through it. But, whether it is something INK said it wanted to do in a former business plan or strategic plan or not, to her mind, there is a question as to why the Board would be tying the vendor’s hands – it would be a natural thing to be part of the business plan or strategic plan and the Board wouldn’t even be sitting here as it would have approved those things. The debate at the last meeting, she continued, was, if she was not mistaken, whether or not these things would be done as INK – or does the Board free them up and allow them to separate from their contract agreement to where they are permitted to bid by themselves where they are not representing INK. She asked why that was not what the Board was discussing?

Hill responded that he did not understand why the Board would want to cut itself out of future business, simply because the Board is unhappy with itself and its vendor that they have not gone this direction in the past. It seems like, if there are criticisms for past performance, there is an opportunity to correct it and maintain or develop a book of business that maybe INK should have had before, but there is an opportunity to go again. He stated that “It seems like a no-brainer that the Board would allow KIC to bid this on behalf of the Board, or at least I haven’t heard any reason why we wouldn’t want to bid this, that we wouldn’t want this work, through KIC or through otherwise.”

Borchers said that her concern was because she didn’t believe this was ever intended to be created as a business for government. That was her concern – she continued that she “is all for private vendors vying for competitive marketplaces, but, INK propping itself up... what does the Board do, collect a portion of it so it can give out grants? That’s not a business model, that’s ‘government at its finest’”. And, she knows that Eric said that’s a policy issue, but continued that “in looking at INK and why it was ever created and why does it continue to

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exist, and, it's like most things in government, it's outlived itself and things have changed. So, with the idea of looking for more business, INK was supposed to have been responding to state government entities, and it looks like INK, the Board, failed in their (our) responsibilities with one of probably the largest entities, which is the Chief Information Technology Officer, as they were the ones who had to propose the idea and didn't get responsiveness – and now the Board (we're) here trying to get the business.” She has real concerns on that.

Rucker responded that it is not meant to be critical, but “It is a statutory fact that the majority of the appointees to the INK Board are, in fact, gubernatorial appointees, so, when broader comments are made about the future of INK and what roles the Board is or is not going to take on, we have to remember that the vast majority of the makeup of the Board has, over the years, had various governors participating - and promoting - the continued existence of INK. This is exactly what it is that we do. It is not uncommon for KIC to approach the INK Board and to indicate that they believe it is in the best interest of INK for them to participate in business and the procurement of business in order to perpetuate the statutory entity and the business model. What is limited to this RFP only today and embodied in this motion is whether nor not to participate in this RFP.” He stated that he felt the comments were constructive and appropriate. However, he believed they were appropriate in a broader discussion than what was before the Board today in the motion. Rucker then asked for further discussion.

Knapp stated that there is still a further process with the RFP, so it is possible that INK will not get the bid, that they (we) do not meet the requirements. Rucker responded that he was correct. Knapp continued that he didn't disagree with Borchers, that the Board shouldn't even be here if things had been going well. But, it is what it is. Knapp asked the Chair to call the question. Rucker asked Friend to take the roll of votes.

Action Taken: Motion made by Rucker (as stated previously above) “To amend the contract between KIC and INK to allow cloud-hosting for the purposes of KIC's response as INK to the OITS RFP for web and mobile applications on December 19th.” Seconded by Hill. **Voting for (6):** Wamsley, Tunnell, Metz, Hill, Knapp, Rucker. **Against (2):** Borchers, Billingsley. Motion passes.

Upon conclusion of the vote, Knapp explained the rationale for his yes vote. He said that he did so because he thought that as an INK Board what they were supposed to do was promote the Information Network of Kansas. He continued that he understood there was a process with the RFP and the Office of Information Technology Services needs to make a decision based on the best interests of the state. He said that it is unfortunate that things are at a point where INK is not seen as the best option. He stated that is not making a value judgment on anyone or anything, but he thinks that it is unfortunate that the Board is at this point and they (we) need to seriously consider the future of the Information Network of Kansas.

Adjournment

Borchers moved to adjourn the meeting, seconded by Metz. Passed unanimously. Meeting adjourned at 11:35 am. The next INK board meeting will be at 10:00 a.m. on January 3, 2017, at 700 SW Harrison, Topeka, Kansas, 2nd Floor Conference Room.

Minutes submitted by: Duncan Friend