

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

LEGISLATIVE MANAGEMENT COMMITTEE

Friday, July 13, 2001
Teleconference Meeting
Harvest Room, State Capitol
Bismarck, North Dakota

Senator Bob Stenehjem, Chairman, called the meeting to order at 9:00 a.m.

Member present: Senator Bob Stenehjem

Members present by conference call: Senators Bill Bowman, Randel Christmann, Joel C. Heitkamp, Aaron Krauter; Representatives Wesley R. Belter, LeRoy G. Bernstein, David Monson, Mike Timm

Members absent: Representatives Merle Boucher, Pam Gullerson

Others present: Dave Thompson, Prairie Public Radio, Bismarck

Dale Wetzel, Associated Press, Bismarck

Maryann F. Trauger, Legislative Council, Bismarck

Chairman Stenehjem opened the meeting by stating that he believed it was important that the Legislative Management Committee hold this meeting because the decision to purchase computers for legislators made at the last meeting was based upon incorrect information. He said he believed it was important this committee make its decision based upon the correct numbers.

Chairman Stenehjem called on the director who reviewed events subsequent to the meeting of the Legislative Management Committee on Tuesday, June 26, 2001. He said the staff contacted Dell Computers to confirm arrangements for purchasing the computers approved by the committee. The staff discovered that the base price provided to the committee was not correct. Rather than a base price of \$1,598, as contained in the comparison list provided to the committee, the correct base price should have been \$1,727. He said the base price had been provided by Dell Computers, but that price was for a 10-gigabyte hard drive, and the committee had requested comparable prices for the various computers, and the 20-gigabyte hard drive price had not been reflected on the comparison list prepared by the staff. He apologized for the error, and said on Wednesday, June 27, 2001, the next morning after the committee meeting, the staff called the chairman of the Legislative Council and the chairman of the Legislative Management Committee to report the error. A letter was prepared and sent by e-mail to the members of the committee, which was followed by a hard copy of the same letter. The director said the staff called the Associated Press and delivered a copy

of the letter that was being sent to legislators the same day, as the Associated Press had distributed an article reporting on the committee's decision which was based on incorrect information.

In response to a question from Senator Heitkamp, the director said Dell Computers provided correct information at all times, and the error clearly was made by the staff. In response to a question from Representative Belter, Senator Stenehjem said he believes it is significant that the Dell computers have a four-megabyte RAM video card while the IBM computers have an eight-megabyte RAM video card.

In response to a further question from Representative Belter, the director said the staff had contacted both computer companies a few days ago, and the IBM representative said IBM had approximately half the number the committee was interested in ordering in stock and could send them immediately, and the remainder could be shipped within three to four weeks, and Dell Computers reported it would take approximately three days from the time the order is received for manufacturing and shipping, and with a custom hard drive image, it would delay delivery by two and one-half to three weeks. He said the staff had been attempting to contact the two companies to see what the supply of each of the computers was as of today but had been unable to obtain this information.

In response to a question from Representative Timm, Ms. Maryann F. Trauger, Information Technology Coordinator for the Legislative Council, said that both IBM and Dell Computers would have service provided by IBM Global Services. She said there is local service available for both.

In response to a question from Senator Krauter, Ms. Trauger said Dell Computers would train a member of the Legislative Council staff to be able to order parts and insert them into legislators' computers. She said major repairs would have to be done by service technicians.

Senator Bowman said he had voted on the prevailing side at the prior meeting, and because there is not as great a difference in price as the committee had believed, he asked what was necessary to rescind that action. He said he believes in the long run we will be better off with the IBMs. However,

Senator Bowman said whichever computer is ordered, he wants records kept of service and warranty experiences so when these computers are replaced, legislators will have an adequate picture of the record.

Chairman Stenehjem said the appropriate action would be a motion to reconsider the action approved at the last meeting and then have a second motion to proceed with whatever decision the committee makes. **It was moved by Representative Timm and seconded by Representative Monson that the committee reconsider its action at the prior meeting in which the committee authorized the purchase of 150 Dell Inspiron 2500 computers with the extended four-year warranty and without the DVD player.**

In the discussion that followed, Senator Heitkamp asked whether the Dell computer is still less expensive than the IBM. Ms. Trauger replied in the affirmative and stated the difference in price would be \$21,750 for a comparably equipped notebook computer. Senator Heitkamp said he believes even though the amount saved is less, the committee made the right decision at the last meeting.

Senator Stenehjem said the difference between the IBM computers and the Dell computers with the different warranties is \$18,450. However, he said, it should be taken into account that if the Dell computers are upgraded to provide the same video cards as are on the IBM computers, another \$25 should be added to the price of each Dell computer.

Senator Christmann said if there are no extended warranties, the difference between the two computers is \$34,800.

Representative Timm said based upon the minutes and reviewing the information provided, he understands the IBM computer is easier to use and more compatible with legislative use, and he was concerned about the statement that some Dell computer parts could be used parts. Senator Heitkamp said the parts in the purchased computers would be new, but the warranty repair parts in the future could be used parts.

Senator Heitkamp also said at the prior meeting, he had asked a member of the staff which computer the staff member had at home, and the answer was a Dell. Senator Stenehjem said he wishes the question had been asked as to why the staff member had purchased that computer, and he understands the answer would have been price. He said when the Legislative Assembly is making laws, members need reliable computers, and we have had good experience with IBMs.

Senator Krauter said he believes the fact the IBM computers come with only a one-year warranty is significant because that year will be up prior to the 2003 legislative session. He said the three-year warranties on the Dell computers would extend through the 2003 legislative session.

In response to a question from Senator Krauter, Ms. Trauger said the price for the Dell computers is for Pentium III 900 megahertz processors with 20-gigabyte hard drives and a three-year warranty. She also said the information provided at each of the meetings has been based upon information provided by the vendors, and some of the figures might have been modified when the vendors incorporated different features based upon subsequent requests. She said the Legislative Council requested that information be obtained from each of the vendors which was different from the original specifications, so some of the numbers have changed.

Representative Bernstein said if IBM does not provide good machines and if their warranties do not cover future problems, he believes that would hurt IBM's chances of getting future business. In response, Senator Heitkamp said he believes there are problems when the lowest bid is not accepted. Representative Bernstein said cheap is not always better.

In response to a question from Senator Bowman, Ms. Trauger read portions of the information provided by Dell Computers concerning coverage under the limited warranty provisions of its proposal.

Senator Christmann said he would support the reconsideration because he believes it is necessary that the committee make its decision based upon correct information, but he believes the decision to purchase the Dell computers was correct.

In response to a question from Representative Monson, Ms. Trauger said the difference between the two computers under consideration is \$18,450. Senator Christmann said that figure is based upon a one-year warranty on the IBM and an extended warranty on the Dell computer.

Representative Belter said the standard warranty on the IBM computer is one year, and on the Dell computer, it is three years, and the reason there had not been any discussion about comparing one-year warranties on both is because Dell provides a three-year warranty. He said the discussion for extended warranties was to extend both warranties to four years.

Chairman Stenehjem called for a vote on the motion to reconsider and **the motion passed on a roll call vote of 7-2**. Senators Stenehjem, Bowman, and Christmann and Representatives Belter, Bernstein, Monson, and Timm voted in favor of the motion, and Senators Heitkamp and Krauter voted against the motion.

Representative Monson reviewed the features of the two computers and noted that the IBM has a DVD upgrade and the Dell does not, the IBM has a stick mouse and the Dell has a touchpad, and the IBM has back-mounted cords while the Dell cords are on the side. In response to a question from Representative Monson, Ms. Trauger said the IBM computers have

speakers on the top and eight-megabyte RAM video cards instead of four-megabyte video cards.

In response to a question from Senator Krauter, Ms. Trauger said the price of the Dell computers without extended warranties or other upgrades is \$1,727. The IBM computer without an extended warranty but with the DVD upgrade is \$1,959. Senator Krauter said the difference is \$34,800, and Senator Stenehjsem agreed. However, Senator Stenehjsem said to upgrade the Dell computers to an eight-megabyte RAM video card would cost an extra \$25 per computer.

In response to a question from Representative Belter, Ms. Trauger said the \$34,800 difference between the two computers is the base price difference without any upgrades. The \$18,450 difference results when comparing the IBM without a four-year warranty with a Dell with an extended warranty and DVD drive.

Senator Bowman said we should not only be thinking about the needs of legislators for these computers, but there is also concern about their use when they are eventually turned over to schools or other political subdivisions. He said he believes the IBM computers will have a better resale value.

Chairman Stenehjsem reviewed some of the materials contained in a consumer report distributed at the last meeting. He noted the batteries in the Dell computers will not last as long as those in the IBM computers, and the report rated the Dells on that feature as "poor" and the IBMs as "good." Representative Bernstein said that same report rated the Dell as "satisfactory" and the IBM as "outstanding."

It was moved by Representative Belter and seconded by Representative Timm that the committee authorize the purchase of 150 IBM ThinkPad A22m computers without the extended four-year warranty.

After reviewing the price comparisons, Senator Heitkamp said he believes it is an error to give up the extended warranties in the Dell computers.

In response to a question from Representative Belter, Ms. Trauger said if the two computers are comparably equipped with DVD, the price differential is \$25,500, and if the video cards are the same, the price differential is \$21,750 with both options. In response to a question from Senator Heitkamp, Representative Belter said he understands there is a difference in the terms of the warranties of the two computers.

Senator Krauter said he sees no need for a DVD in these computers. He said the DVD is not needed for the software currently used by legislators. He said he believes the warranty is more important. Ms. Trauger said because the IBM computers come with the DVDs installed, to answer the question on comparably equipped computers requires that the price of the DVDs be added to the Dell computers. Senator Krauter said one of the reasons the committee is

reviewing the purchase of new computers is that the warranties on the current computers have run out, and therefore, he said, he believes warranties are very important.

Senator Bowman said there is a big difference between a full warranty and a limited warranty.

Senator Krauter said there is a full warranty on the Dell computers for the first year, and the limited warranty is for the subsequent years. Ms. Trauger reviewed the warranty provisions provided by Dell Computers. Senator Krauter said it sounds as if all the major parts are covered.

In response to a question from Senator Stenehjsem, Ms. Trauger said 47 batteries have been replaced in legislators' current computers.

Senator Stenehjsem said it is difficult to know what may be needed in the future. He said four years ago there were questions concerning whether the computers needed the capacity for CD-ROMs. He said experience has shown that many of the current applications for legislators use CD-ROMs, and in the future, it may be necessary to have DVD capacity for tutorials or other purposes that are not yet known.

Senator Heitkamp said it should be remembered that nothing is covered under the IBM warranty after the first year. However, he said, more important than the warranty discussion is the consideration of the price differential between the two computers, and he said he believes the committee should honor the low bid.

In response to a question from Representative Bernstein, Representative Belter said it would be acceptable to him to place a price limitation in the motion. Representative Belter, with the consent of the second, withdrew his motion. **It was moved by Representative Belter, seconded by Representative Timm, and carried on a roll call vote that the committee authorize the purchase of 150 IBM ThinkPad A22m computers without the extended four-year warranty at a price not to exceed \$1,959 each. The motion carried on a 6-3 roll call vote.** Senators Stenehjsem and Bowman and Representatives Belter, Bernstein, Monson, and Timm voted in favor of the motion and Senators Christmann, Heitkamp, and Krauter voted against the motion.

In response to a question from Senator Krauter, the director said consideration of the minutes at the prior meeting were not included on the tentative agenda for this meeting, and if not approved at this meeting, the minutes for both the prior meeting and this meeting would be on the agenda for approval at the next meeting. **It was moved by Senator Krauter, seconded by Senator Heitkamp, and carried on a voice vote that the minutes of the June 26, 2001, meeting be approved as distributed.**

It was moved by Senator Heitkamp, seconded by Representative Bernstein, and carried on a voice vote that the meeting be adjourned.

Chairman Stenehjem adjourned the meeting at 9:55 a.m.

John D. Olsrud
Director