

Mississippi Management and Reporting System
Steering Committee Minutes
May 29, 1996
Sillers - 9th Floor Conference Room

A called meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was held at 2:30 p.m. in the Conference Room of the Department of Finance and Administration (DFA), 901 Walter Sillers Building, Jackson, Mississippi, on Wednesday, May 29, 1996.

The following members were present:

J. K. Stringer, Vice-Chairman and Executive Director, State Personnel Board
David L. Litchliter, Executive Director, Department of Information Technology Services

The following member was unable to attend the meeting:

Edward L. Ranck, Chairman and Executive Director, Department of Finance and Administration

Also present were:

Cille Litchfield, MMRS Administrator
Cliff Davidson, MMRS Technical Director
Lynda Dutton, MMRS Functional Director
Tom Patterson, MMRS/MERLIN Project Manager
Julie Allen, MMRS/MERLIN Functional Leader
Tracie Dickerson, MMRS/SPAHRS Project Manager
Joyce Jordan, MMRS/SPAHRS Payroll Functional Leader

A quorum being present, the meeting of the Mississippi Management and Reporting System (MMRS) Steering Committee was called to order by Mr. Stringer in Dr. Ranck's absence. Mr. Stringer directed the Committee to Agenda Item 1 to approve the minutes from the last four MMRS Steering Committee meetings.

Mr. Stringer requested a motion that the minutes of the March 18, 1996 meeting be adopted. On a motion by Mr. Litchliter, seconded by Mr. Stringer, the minutes were adopted as presented.

Mr. Stringer requested a motion that the minutes of the March 20, 1996 meeting be adopted. On a motion by Mr. Litchliter, seconded by Mr. Stringer, the minutes were adopted as presented.

Mr. Stringer requested a motion that the minutes of the March 25, 1996 meeting be adopted. On a motion by Mr. Litchliter, seconded by Mr. Stringer, the minutes were adopted as presented.

Mr. Stringer requested a motion that the minutes of the April 8, 1996 meeting be adopted. On a motion by Mr. Litchliter, seconded by Mr. Stringer, the minutes were adopted as presented.

Mr. Stringer presented agenda item 2: Review request from the Port Authority of Gulfport to be excluded from MMRS (Attachment 5). Mrs. Litchfield stated that Port Authority, while an enterprise agency, does receive services from the State including an assessment from the State Auditor and sees no reason for this

request to be approved. Mr. Stringer stated that in his view, all agencies, including those like the Port Authority will be required to use at least the payroll system. On a motion by Mr. Stringer, seconded by Mr. Litchlitter, the request for exemption from the MMRS Revolving Fund Recovery for the Port Authority of Gulfport was denied.

Mr. Stringer presented Agenda Item 3: Review request from Public Employees Retirement System (PERS) to be excluded from MMRS development costs and related Attorney General's Opinion (Attachment 6). PERS had requested an Attorney General's Opinion regarding whether PERS was required to participate in the Revolving Fund Recovery. Mrs. Litchfield summarized from the Opinion that if any portion of MMRS was implemented, then PERS would be required to pay their portion of the development costs. PERS contends no part of MMRS is implemented. Mrs. Litchfield explained to the Committee that SAAS is implemented statewide and is a component of MMRS. Mrs. Litchfield also stated that approval of this request will set a precedent. On a motion by Mr. Stringer, seconded by Mr. Litchlitter, the request for exemption from the MMRS Revolving Fund for the Public Employees Retirement System was denied.

Mr. Stringer presented Agenda Item 4: MERLIN Update. Tom Patterson, MERLIN Project Manager, presented the bid scoring (Attachment 7 is included as a part of these minutes). The IBM bid was identified as the lowest and best bid based on the total scoring of the bids.

Mr. Stringer questioned why Software AG (SAG) was so high when they had worked so well with MMRS in the SPAHRS effort. Mr. Patterson responded that the software was higher, the loaded hourly rate for change orders was approximately \$50 higher than that proposed by IBM, and that SAG estimated a significantly higher number of hours to accomplish one of the phases.

Mr. Litchlitter asked whether the cost comparison factors only applied when comparing SAG and IBM. Mrs. Litchfield responded that the comparisons were relative to all other bids when compared to the IBM bid. Mr. Patterson stated that hardware and software (system) costs were comparable in all bids but that IBM took advantage of the existing mainframe FOCUS product in their bid as the proposed extract tool while other vendors proposed a variety of other higher cost tools.

Mr. Litchlitter in explaining why IBM was the low bid stated that IBM wanted this business and knew that to get a services agreement in Mississippi, they would probably have to "buy one".

Mr. Stringer asked what platform MERLIN will run from. Mr. Patterson responded that the production system will probably be a large UNIX server. Mr. Patterson also stated that the State liked the Sybase hardware approach better than that proposed by IBM. The Sybase approach used a separate server for Internet access. Mr. Patterson went on to state that IBM, Sybase, and SAG could all accomplish the job.

Mr. Patterson and Mrs. Litchfield discussed the site visit to Chrysler and the State of Michigan. In summary:

- . MDIB at Michigan is not as broad as MERLIN's scope but is representative;
- . A number of same staff have been proposed by IBM for MERLIN;
- . Michigan is more security conscious due to a great number of smaller "empires" within State government there;
- . While there were things everyone wanted to do to improve MDIB, no one wanted to give the system up;
- . Chrysler warranty administration system paid for itself in 4 months.

Mr. Stringer asked whether MMRS would have problems keeping the MERLIN contractor staff on site Monday - Friday. Mr. Patterson responded no.

Mr. Stringer asked whether MMRS should retain Armin Moeller at Phelps Dunbar, LLP to negotiate the contract. Mrs. Litchfield stated that Michigan recommended that outside counsel be obtained to negotiate the contract and asked what the possibility would be to extend the existing contract by \$5,000 to accomplish the MERLIN negotiations as well as work with MMRS to negotiate on going agreements for SPAHRS. On a motion by Mr. Stringer, seconded by Mr. Litchlitter, the \$5,000 modification to the existing agreement with Phelps Dunbar, LLP was approved.

Mr. Patterson discussed the approximately \$500,000 for necessary project hardware and software not included in the IBM bid. This additional cost will cover the acquisition of the production hardware and software and the procurement of some extract and load tool other than Focus. Mr. Stringer asked whether space and equipment exist for the MERLIN team. Mrs. Litchfield responded yes.

On a motion by Mr. Litchlitter, seconded by Mr. Stringer, the staff recommendation to proceed with contract negotiations with IBM was approved.

Mrs. Litchfield discussed the fiber implementation between the State Computer Center and Barefield Complex. The construction of this link will cost approximately \$28,000 and will be in place this summer. Monthly charges will be somewhere in the range of \$150 - \$400 per month. DeViney will be installing the fiber. The next bid was from BellSouth. BellSouth wanted the State to pay construction costs and then lease the service for approximately \$3000 per month. Dr. Ranck approved for MMRS to proceed with the DeViney installation via the Department of Information Technology Services (ITS) in early May.

Mrs. Litchfield briefly discussed the request made to the Lt. Governor's Office for an appointment to the MERLIN Steering Committee. Dr. Ranck had asked for this contact to be made thus this discussion was deferred until Dr. Ranck was present.

Mr. Stringer presented Agenda Item 5: SPAHRS Update. Mrs. Litchfield stated that the tender with Deloitte & Touche, LLP was completed April 10, 1996, and that to the best of her knowledge, the only outstanding matter is the repayment to MMRS for the final month's phone bill, an amount of approximately \$700.

Mrs. Dickerson presented the SPAHRS Status as of May 28, 1996 (identified as Attachment 8 with these minutes). Mrs. Dickerson stated that only Manage People was not reopened as planned for the period to end June 30, that the Calculate Pay components to support school employee pay was also deferred until Manage People, and the Department of Education will provide a resource to work with MMRS on this component since it only impacts that agency.

Mrs. Dickerson also corrected the reported schedule for the next SPAHRS User Meetings. These will be held on June 20 and June 26. Mr. Stringer asked at what point the database would be available. Mrs. Litchfield stated that our target is to convert the pilot agencies and all base human resource information in April 1997.

On a motion made by Mr. Stringer, seconded by Mr. Litchlitter, MMRS was given approval to extend the end date on the existing contracts with Lenco, Business Software Alliance, Software Technical Services, and SAG until July 31, 1996, with no increase in total contract amounts. This extension is for risk protection and provides MMRS with more time to negotiate a long term arrangement based on the Request for Services

(RFS) now being evaluated.

Mrs. Dickerson presented the SPAHRS RFS Summary and explained that only existing sub-contractors were allowed to bid on this RFS, that two bids were received, and that there are problems with both bids. Mrs. Litchfield stated that if we cannot get the proposed costs down we will have a difficult time going forward. Mrs. Dickerson recommended on behalf of the RFS evaluation committee that MMRS negotiate with Software AG. Mrs. Litchfield asked for approval of the Steering Committee to negotiate the cost and risk protection with both Lenco and SAG. Mr. Stringer responded that a motion was not required for that to occur. Mr. Stringer also stated that he wanted Armin Moeller at Phelps Dunbar, LLP, to review any contracts between the State and either of these vendors. Mrs. Litchfield acknowledged that this review was planned.

On a motion made by Mr. Stringer, seconded by Mr. Litchliter, the MMRS Steering Committee approved a contract with William Shumate Consulting for FY1997 for \$130,000 to serve as the on site Database Administrator for the SPAHRS project. This approval was based on the recommendation of the SPAHRS Steering Committee from May 28, 1996.

Mrs. Dickerson and Mrs. Jordan presented Resolution for SPAHRS Issue P000028 - Leave Accrual By Employee as approved by the SPAHRS Steering Committee on May 28, 1996. Mr. Stringer discussed that there is a question of liability. Since the State is a single employer, the leave liability belongs with the appropriation where the leave is earned, not to the employee who may hold multiple positions with the State. It was recommended by Mr. Stringer that the SPAHRS Steering Committee Resolution be modified to request an Attorney General's (AG) opinion that as a State employee, the employee is entitled to only a single set of benefits. Mrs. Jordan, Melba Dixon (AG representative for SPB), John Mulholland (Deputy Director, SPB) were designated to formulate the request for the AG opinion.

Mrs. Litchfield expressed concern about large amounts of time being spent in resolution of low percentage items and stated that continued rehashing of low percentage items is an extreme danger in attempting to control the project schedule and costs. Mr. Stringer agreed that the low percentage items should be dropped to the bottom of the stack and addressed as time and resources permit.

Mrs. Dickerson presented Resolution for SPAHRS Issue P000023 - Law Enforcement FLSA as approved by the SPAHRS Steering Committee on May 28, 1996. Mrs. Dickerson stated that the existing system for Wildlife, Fisheries, and Parks (WFP) pays for all time over 160 hours because their existing system has no means to track time otherwise. WFP has informally agreed with the proposed implementation of this issue in SPAHRS as long as Department of Labor approval is obtained. Betty Ash Dumbald at WFP has been notified on the SPAHRS position but no formal response has been received.

Mrs. Dickerson presented Resolution for SPAHRS Issue P000007 -Single Federal Tax Payer ID as approved by the SPAHRS Steering Committee on May 28, 1996. Mr. Stringer asked why we cared. Mrs. Jordan responded that the State is not willing to assume liability for agencies unless the central agency has full control of the payroll calculations, deposits of withholdings, and federal reporting unless the State is identified as a single employer. It was also mentioned by Mrs. Litchfield that if we did not take this action as agencies convert to SPAHRS that sooner or later the federal government would force us to make this change. Everyone agreed that this change will be to the advantage of all agencies.

Mrs. Litchfield and Mrs. Dutton presented for discussion the proposed operational charge back for SPAHRS for FY98 and the potential impact on both user and control agencies. Everyone agreed that with the MMRS

agencies and the Legislature regarding control agency assessments. Mr. Stringer suggested that there will be a point in time when the Revolving Fund recovery will be forgiven and the balance of the loan turned over for operational dollars. By that time, data will be available to more accurately determine operational costs for SPAHRS. It was discussed by Mrs. Litchfield that SPAHRS presently does not have an offset of Statewide Cost Allocation monies (SWCAP) like SAAS does and if SWCAP monies were spread across both SAAS and SPAHRS, SPAHRS operational assessments would be lowered but SAAS assessments increased. No action was taken on this matter.

Mr. Stringer presented Agenda Item 6: FY98 Revolving Fund Recovery of Estimated FY97 Expenses. Mrs. Litchfield explained that the total recovery estimated for FY98 is just marginally more than the FY97 estimate for recovering FY96 expenses. There is a difference in the projected spread of the recovery across agencies since SAAS activity affects the MERLIN recovery and MERLIN costs are projected to increase significantly in FY97 over FY96. Attachment 9 is included as a portion of these minutes.

Mrs. Litchfield moved to Agenda Item 7 when she expressed concern that the cut in the FY97 budget request may force MMRS to request a deficit appropriation during the 1997 Session to cover the shortfall in expenditure authority. Had SPAHRS stayed on schedule and met the targets for FY96, reported Mrs. Litchfield, there would be little cause for concern.

Mr. Stringer presented Agenda Item 8: SAAS Update. Mrs. Litchfield reported that South Mississippi Regional Center and State Hospital at Whitfield are scheduled to become online users July 1, 1996, that MMRS is having conversations with additional mental health facilities, and that conversations are underway with Agriculture and Commerce and the Office of the State Auditor.

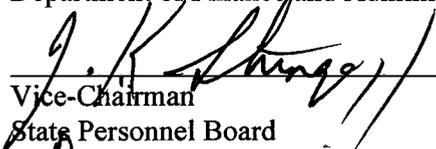
Mrs. Litchfield discussed Dr. Ranck's approval for MMRS to participate with SPB, ITS, and possibly others to acquire and implement a Windows NT server and Folio to support SAAS documentation distribution, MAAPP manual distribution (future), and SPB Policy distribution via the Internet. This acquisition is scheduled to occur during June 1996. Mrs. Litchfield stated that the approximately \$10,000 initial cost to MMRS is significantly less expensive than repeated binding and distribution of SAAS documentation on paper and/or CD-ROM.

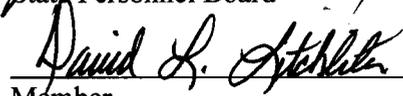
Mrs. Litchfield presented Agenda Item 9: Revolving Fund Status. Mrs. Litchfield reported that the balance in the Revolving Fund on May 29, 1996, was \$12,645,189. Mrs. Litchfield reported that outstanding recovery of Revolving Fund assessments for FY95-FY96 are \$8,253 (includes the PERS invoice that was canceled in FY95). Mrs. Litchfield reported that these agencies have not paid: Optometry Board, PERS, Environmental Protection Council, Mississippi River Parkway Commission, and Yellow Creek Port Authority.

The final item of business was presented by Mrs. Litchfield. She stated that the MMRS Steering Committee will need to meet again before the end of the fiscal year to review and approve the contracts for MERLIN and SPAHRS. This meeting will be scheduled when the detailed negotiations have been completed and the final recommendations are prepared. Both of these contracts must be presented at the ITS Board Meeting, tentatively scheduled for June 28, 1996.

There being no further business to come before the Committee, Mr. Stringer moved to adjourn, and, there being no objection, the Committee adjourned.

Chairman, MMRS Steering Committee
Department of Finance and Administration


Vice-Chairman
State Personnel Board


Member
Department of Information Technology Services



MISSISSIPPI STATE PORT AUTHORITY AT GULFPORT

BOARD OF COMMISSIONERS
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Commissioner

ANTHONY J. TAORMINA
Executive Director

March 29, 1996

Steering Committee
Mississippi Management &
Reporting System
901 Walter Sillers Building
Jackson, MS 39201

Dear Steering Committee:

Per conversations with Ms. Cille Litchfield, MMRS Administrator, the Mississippi State Port Authority at Gulfport would like to request to be deleted from the invoicing for MMRS Development Costs.

As an Enterprise Agency within the State of Mississippi, the State Port Authority processes all payroll in-house. We do not anticipate that the Port Authority will utilize the Statewide Payroll and Human Resource System when it becomes operational.

Our Finance Department conducted a survey of MSPA managers and it was determined that we do not foresee that the Mississippi Executive Resource Library and Information Network (MERLIN) will assist us in our day to day operations, therefore we do not anticipate using the network.

We do not receive any funding from the State of Mississippi and another agency (DECD) has oversight responsibility for the Mississippi State Port Authority. Although we believe these to be worthy projects, we do not receive any measurable benefits from MMRS. Therefore, we respectfully request that we be removed from the MMRS invoicing.

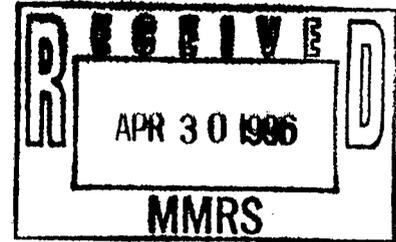
Sincerely,

William G. McGhee
Manager of Budget & Finance

PERS

PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
OF MISSISSIPPI

PROVIDING SECURITY
FOR YOUR FUTURE



April 26, 1996

PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
BUILDING
429 MISSISSIPPI STREET
JACKSON, MISSISSIPPI
39201-1005
(601) 359-3589
1-800-444-PERS

Ms. Cille Litchfield
Department of Finance and
Administration
550 High Street
906 Sillers Building
Jackson, Mississippi 39201

FRANK READY
Executive Director

Dear Ms. Litchfield:

BOARD OF TRUSTEES

LESTER C. HERRINGTON, CHM.
Appointed by Governor

VIRGIL F. BELUE
Retirees

In response to your letter dated February 16, 1996, PERS requested an Attorney General's opinion regarding the authority to spend trust fund monies to pay for the development cost of MMRS. (See attached copy)

MARSHALL G. BENNETT
State Treasurer

It is PERS contention that MMRS has not been implemented and, as such, there should be no costs allocated to PERS.

WALTER P. CARTIER
Public Schools,
Community/Junior Colleges

Please credit our account for the invoice #95 32010059. If you have any questions or feel there is a need for discussion of this matter, please feel free to contact me.

RUBY B. GRAVES
State Employees

MARY G. HAWKINS
Municipal Employees

RICHARD C. MILLER
Inst. of Higher Learning

SAM W. VALENTINE, JR.
State Employees

FRED M. WALKER
Retirees

JEANNE R. WALKER
County Employees

Sincerely,

Frank Ready
Executive Director

FR/PSS/cb

PROGRAMS ADMINISTERED

Public Employees'
Retirement System of Mississippi
Mississippi Highway
Safety Patrol Retirement System

Attachments

Government Employees'
Deferred Compensation Plan

Mississippi Municipal
Retirement Systems

Supplemental Legislative
Retirement Plan

Retiree Group Life
& Health Benefits

Optional Retirement Plan For
Institutions of Higher Learning

cc: Pat S. Seyler

Copies to: Sandra Lohrsted - 5/96

STATE OF MISSISSIPPI



OFFICE OF THE ATTORNEY GENERAL

OFFICIAL ATTORNEY GENERAL'S OPINION

MIKE MOORE
ATTORNEY GENERAL

April 3, 1996

Ms. Pat Sanders Seyler, CPA
Deputy Director
Administrative Services
Public Employees' Retirement System
429 Mississippi Street
Jackson, Mississippi 39201-1005

Dear Ms. Seyler:

Attorney General Mike Moore has received your request for an official opinion and assigned it to me for research and reply. In your letter of request, you state:

In the 1993 Legislative Session, the Mississippi Management and Reporting System (MMRS) was established and charged with providing automated delivery of accurate and relevant information to the State's executives and agency managers in a form that is easily manipulated and understood. As a part of this legislation, MMRS, under Section 7-7-3 of the Mississippi Code of 1972 Annotated, is allowed to recover the developmental cost associated with SASS, SPAHR and MERLIN, plus interest.

Upon the establishment of MMRS, a PERS representative met with representatives of MMRS and was assured that the development costs of MMRS were to be financed by the MMRS revolving fund with costs to be recouped by user agencies. Once MMRS had been fully developed and implemented and as agencies came on-line, the only charges would be for processing data and reports of agencies similar to what is currently being charged for transactions being processed in SASS.

At this time, PERS is not a user agency and it is our contention, therefore, that no costs should be allocated to us in accordance with Section 272A of the Mississippi Constitution Section (1) which states:

"All of the assets, proceeds or income of the Public Employees' Retirement System of Mississippi and the Mississippi Safety Patrol Retirement System or any successor systems, and all contributions

Ms. Pat Sanders Seyler
April 3, 1996
Page Two

and payments made to the systems to provide for retirement and related benefits shall be held, invested as authorized by law, or disbursed as in trust for the exclusive purpose of providing for such benefits, refunds and administrative expenses under the management of the board of trustees of the systems, and shall not be encumbered for or diverted to any other purposes."

Please advise by way of Official Opinion as to whether PERS has authority to spend trust fund monies to pay for the development cost of the MMRS for which PERS receives no current benefit or service relating to such expenditure.

In response to your request, section 7-7-3 provides, in part, that:

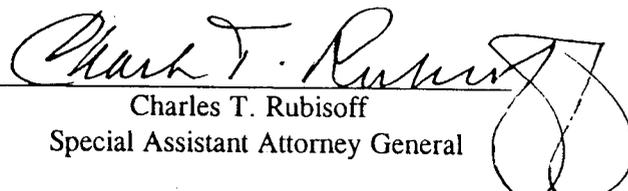
Upon implementation of the Mississippi Management and Reporting System, or any part thereof, at any state agency, a repayment schedule shall be determined by the Mississippi Management and Reporting System Revolving Fund administrator for payment back into the Mississippi Management and Reporting System Revolving Fund. This repayment schedule will include direct and indirect expenses of implementing the Mississippi Management and Reporting System at each agency and applied interest charges. Each state agency shall be required to request the amount of its yearly repayment in its annual budget request.

The question of whether the Mississippi Management and Reporting System (MMRS), or any part thereof, has been implemented at the Public Employees' Retirement System (PERS) is a question of fact which this office is unable to determine. The authority of the MMRS revolving fund administrator to prepare a repayment schedule is predicated upon at least partial implementation of the MMRS at PERS and at other state agencies. If at least partial implementation has not occurred at PERS, then there is no authority for the preparation of a repayment schedule relating thereto and no obligation of PERS to pay such costs. However, if partial implementation has occurred, then the MMRS revolving fund administrator has authority to prepare a repayment schedule relating to such partial implementation and PERS has authority to pay the same.

Very truly yours,

MIKE MOORE, ATTORNEY GENERAL

By:


Charles T. Rubisoff
Special Assistant Attorney General

CTR/ra

Department of Finance and Administration
MISSISSIPPI MANAGEMENT AND REPORTING SYSTEM

455 North Lamar, Suite 222, Jackson MS 39202 • P.O. Box 267, Jackson MS 39205-0267
Phone: (601) 359-6570 • Fax: (601) 359-6551

MEMORANDUM

FILED
PLS

TO: Chuck Rubisoff, Special Assistant Attorney General
Public Employees Retirement System

FROM: Cille Litchfield, Administrator
Mississippi Management and Reporting System

DATE: April 1, 1996

SUBJECT: Justification for MMRS Revolving Fund Recovery

Annually during November or December, the Department of Finance and Administration issues invoices for the recovery of the Mississippi Management and Reporting System (MMRS) development costs for the fiscal year just ended.

MMRS, established in 1993 under §7-7-3, Mississippi Code of 1972, Annotated, is charged with providing automated delivery of accurate and relevant information to the State's executives and agency managers in a form that is easily manipulated and understood. There are three components of MMRS: the Statewide Automated Accounting System (SAAS), the Statewide Payroll and Human Resource System (SPAHRS), and the Mississippi Executive Resource Library and Information Network (MERLIN). MERLIN, the State's Executive Information System initiative, will extract information from SAAS, SPAHRS, and numerous programmatic repositories throughout state government.

The statute allows us to recover the direct and indirect expenditures associated with the implementation of SAAS, SPAHRS, and MERLIN in state agencies, plus interest. SAAS is already implemented. SPAHRS and MERLIN are in various stages of development. Development of a system is the first step in any system implementation. No administrative costs (indirect expenses) have been included in the charges allocated to agencies.

Development costs recovered thus far have included upgrade costs for SAAS, the Statewide Payroll and Human Resource System (SPAHRS) development costs to date, and the development start up costs for MERLIN. Operational charges for SAAS are handled in another manner as will be operational charges for SPAHRS and MERLIN once these systems have achieved full production status. Annual recovery of the development costs is necessary to maintain a going-forward cash position. All state agencies whose budget is controlled at the appropriation level through SAAS, whose payroll production is under DFA purview and/or whose positions are under SPB purview, are assessed development charges during the recovery process on these bases. Additionally, all agencies were required by the statute to specify an agency implementation leader for the MMRS applications since all agencies were required by the statute to "implement the MMRS", thus implement SAAS, SPAHRS, and MERLIN, unless specifically exempted by the MMRS Steering Committee.

During 1995, David M. Griffith and Associates reviewed the MMRS charge back methodology and agreed that MMRS's recovery basis is sound and within the limits of the statute. Should agencies begin to be exempted from recovery of the system development costs, MMRS's ability to deliver these systems would be severely restricted since there has not been a direct allocation by the Legislature for each of these projects.

Should you have additional questions, please call me at 359-1433.

pc: John Runnels



STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION

EDWARD L. RANCK
EXECUTIVE DIRECTOR

November 17, 1995

Ms. Pat Seyler
Deputy Director, Administrative Services
Public Employees' Retirement System of Mississippi
429 Mississippi Street
Jackson, Mississippi 39201-1005

Dear Ms. Seyler:

Next week, the Department of Finance and Administration will issue invoices for the recovery of the Mississippi Management and Reporting System (MMRS) development costs for FY1995. Concerns were expressed by you on behalf of the Public Employees' Retirement System (PERS) when these invoices were issued for FY1994. I should have been in contact with you before now to review your concerns and apologize for not doing so. At your convenience, I would like the opportunity to discuss with you MMRS's mission and operation and any concerns you may still have.

When MMRS issued invoices during November 1994 for the recovery of the FY1994 development costs, you indicated that PERS was not a user agency and should not be allocated a portion of the charges. Your position was based on a meeting held in November 1993 with Pery Winegarden, then MMRS Administrator, and Lynda Babin. MMRS canceled the PERS invoice for the FY1994 recovery period. There is no intention on our part to re-invoice PERS for that period. I do hope to resolve your concerns on a going-forward basis.

MMRS, established in 1993 under §7-7-3, Mississippi Code of 1972, Annotated, is charged with providing automated delivery of accurate and relevant information to the State's executives and agency managers in a form that is easily manipulated and understood. There are three components of MMRS: the Statewide Automated Accounting System (SAAS), the Statewide Payroll and Human Resource System (SPAHRs), and the Mississippi Executive Resource Library and Information Network (MERLIN). MERLIN, the State's Executive Information System initiative, will extract information from SAAS, SPAHRs, and numerous programmatic repositories throughout state government.

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The statute allows us to recover the development costs associated with SAAS, SPAHRS, and MERLIN, plus interest. No administrative costs are included in the charges allocated to agencies. Development costs recovered thus far have included upgrade costs for SAAS, the Statewide Payroll and Human Resource System (SPAHRs) development costs to date, and the development start up costs for MERLIN. Operational charges for SAAS are handled in another manner as will be operational charges for SPAHRS and MERLIN once these systems have achieved full production status. Annual recovery of the development costs is necessary to maintain a going-forward cash position.

I look forward to having an opportunity to discuss this with you further. Please let me know when it would be convenient for me to do so. I understand that PERS is in the midst of a major systems project right now and I wish your agency the best in this important endeavor. I can be reached at (601) 359-1433.

Sincerely,

MISSISSIPPI MANAGEMENT AND REPORTING SYSTEM

Cille Litchfield
Administrator

Attachment

File: PERS

PERS

PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
OF MISSISSIPPI

PROVIDING SECURITY
FOR YOUR FUTURE

PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
BUILDING
429 MISSISSIPPI STREET
JACKSON, MISSISSIPPI
39201-1005
(601) 359-3589
1-800-444-PERS

MILTON G. WALKER, ED.D.
Executive Director

BOARD OF TRUSTEES

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County Employees

ROBERT C. MILLER
Inst. of Higher Learning

MARY G. HAWKINS
Municipal Employees

WALTER P. CARTER
Public Schools,
Community/Junior Colleges

FRED M. WALKER
Retirees

AVERY S. SMITH
State Employees

SARA W. VALENTINE, JR.
State Employees

MARSHALL G. BENNETT
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PROGRAMS ADMINISTERED

Public Employees'
Retirement System Of Mississippi

Mississippi Highway
Safety Patrol Retirement System

Government Employees'
Deferred Compensation Plan

Mississippi Municipal
Retirement Systems

Supplemental Legislative
Retirement Plan

Retiree Group Life
& Health Benefits

Optional Retirement Plan For
Institutions of Higher Learning

January 3, 1995

Ms. Cille Litchfield
Department of Finance and
Administration
550 High Street
906 Sillers Building
Jackson, Mississippi 39201

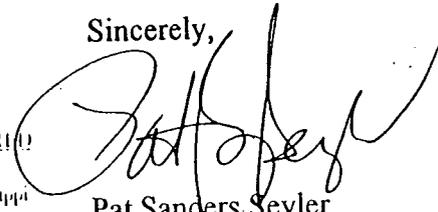
RE: Invoice No: 95000000896

Dear Ms Litchfield:

Our agency recently received an invoice in the amount of \$3,520.65 for Mississippi Management and Reporting System development costs. It is my understanding from a meeting with Perry Winegarden and Linda Babin in November, 1993 that development costs of the MMRS System are to be financed by the MMRS Revolving Fund with costs to be recouped by user agencies. Once MMRS has been fully developed and implemented and as agencies come on line, the only charges will be for processing data and reports of agencies, similar to what is currently being charged for transactions being processed in SAAS. At this time, PERS is not a user agency and it is our contention therefore that no costs should be allocated to us.

Please credit our account. If you have any questions or feel there is a need for discussion of this matter, please feel free to contact me.

Sincerely,

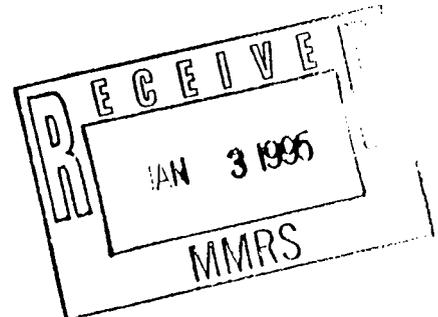


Pat Sanders Seyler
Deputy Director,
Administrative Services

PSS/pls

cc: Milton G. Walker

attachments



MS MGT AND REPORTING SYSTEM
 CUSTOMER ACCOUNT STATEMENT AS OF
 04/30/96

PFA35310000
 RETIREMENT SYSTEM
 429 MISSISSIPPI ST

 JACKSON, MS HAND MAIL

DEPT OF FINANCE & ADMIN
 901 WALTER SILLERS BLDG
 JACKSON MS 39201

CONTACT:

***** CURRENT ACTIVITY DETAIL (04/01/96 - 04/30/96) *****

TC	TRAN NUM	TR DATE	MC MATCH NUM	CURRENT CHARGES/PAYMNTS	PREV BALANCE	ADJ
----	----------	---------	--------------	-------------------------	--------------	-----

IN	13095320100059	11/16/95	IN 13095320100059	4,456.78		
CURRENT CHARGES TOTAL:				.00		
CURRENT PAYMENTS TOTAL:					.00	
PRIOR BALANCE ADJ TOTAL:						.00

PREVIOUS BALANCE (PRIOR TO 04/01/96): 4,456.78

CURRENT BALANCE DUE: \$ 4,456.78

*** DO NOT REMIT. INFORMATION ONLY ***

*** END OF STATEMENT ***

MERLIN
Bid Evaluation Summary

I. RECOMMENDATION

MMRS recommends the selection of IBM as the MERLIN project contractor.

Through the evaluation of IBM's proposal and their oral presentation, the MERLIN evaluation team determined IBM was the lowest and best bidder. This determination was based on the following reasons:

- IBM demonstrated an excellent understanding of the MERLIN project goals and requirements
- Their prior experience in implementing data warehouses in the governmental environment
- Qualified Staff were proposed who demonstrated an understanding of the project
- IBM was the lowest bidder

II. Results of Three Finalists in Bid Evaluation:

	IBM	Sybase	Software AG
Possible Score	195	195	195
Final Score	184.31	155.82	146.37
Cost	* \$4,424,875.00	\$6,097,222.31	\$7,484,908.00

*Additional cost of approximately \$500,000 for necessary project software and hardware not included. This cost does not impact the evaluation scoring.

III. Bidders Eliminated from Consideration

Conway Exhibited a general lack of knowledge and experience in implementing data warehouses and large-scale computer systems

Litton Proposal was outside the threshold for acceptable cost

Peat Marwick Failed to include necessary information in their proposal

SPAHR Status as of May 28, 1996

- Selection** This process includes all activities required to select an applicant for a position such as screening, evaluating, testing, notifying and actually filling the position.
- Original goal for June 30, 1996 - Complete all modifications.
 - Where we are today - Currently stands at 86% complete.
 - Where we will be on June 30 - All modifications will be completed. We will have begun internal unit segment testing. This segment unit testing was not scheduled as part of the tasks for Selection this fiscal year.
- Agency** This process maintains agency information and fiscal year agency information from primarily a control perspective.
- Original goal for June 30, 1996 - Complete all modifications.
 - Where we are today - Currently stands at 10% complete.
 - Where we will be on June 30 - All modifications will be completed. The segment will be ready for segment testing.
- Position** This process includes all processing of position transactions such as creating new positions, abolishing positions, reallocations, reclassifications and all maintenance of positions.
- Original goal for June 30, 1996 - Finalize design through JAD sessions and complete all modifications.
 - Where we are today - Currently stands at 55% complete.
 - Where we will be on June 30 - All modifications will be completed. The segment will be ready for segment testing.
- Occupation** This process includes all activities related to the creation and maintenance of occupation classifications. Occupation is an integration point for all other segments.
- Original goal for June 30, 1996 - Complete all modifications.
 - Where we are today - Currently stands at 46% complete.
 - Where we will be on June 30 - All modifications will be completed. The segment will be ready for segment testing.
- Payroll** This includes both the Report Time and the Calculate Pay segment. These processes includes capturing time and leave information online, calculating gross pay, calculating wage bases, calculating taxes, calculating taxable deduction, and calculating net pay.
- Original goal for June 30, 1996 - Complete all modifications.
 - Where we are today - Currently stands at 70% complete.
 - Where we will be on June 30 - All modifications will be completed with the exception of calculating school employees pay.
- Contractor Staffing**
- On April 9, 1996, all twelve contractors were back on the project. All contracts end on June 30, 1996.
 - Two programmers resigned and two programmers were added.
- Request for Services** Identifies development services requested from vendor for fiscal year 1997 and 1998.
- Draft published as planned on May 3, 1996
 - Held Q&A sessions with Software AG, Lenco, and STS
 - Received two proposals on May 22, 1996
 - Currently evaluating the proposals
- User Group Meeting**
- Scheduled for June 20 and June 25.
 - Topics include Job and Position Management (Agency, Position, and Occupation segments), Selection, Employment (Manage People), and Payment (Report Time and Calculate Pay)

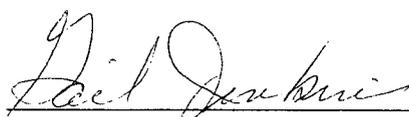
Resolution for SPAHRS Issue P000028
Leave Accrual by Employee

Whereas, the application of leave accrual to an employee regardless of the agency(ies) for which he works would affect those agencies, due to the fact that they are not currently operating on this policy and,

Whereas, due to the fact that it would be difficult to handle the accountability of each agency to this policy, since leave could be taken at an agency where an employee works part-time but does not accrue leave because the employee also works full-time at another agency and the agency where the employee works part-time would be held liable if the employee terminates from a position in the agency where the employee works full-time, and

Whereas, the SPAHRS system has been programmed to keep a leave balance for each employee within each agency that the employee works and following this policy would mean a major change to the SPAHRS system and it is anticipated that an Attorney General's opinion would be requested by an agency after implementation of the SPAHRS system,

Therefore, it is resolved that a request be made to the Attorney General to interpret Sections 25-3-93 and 25-3-95 of the law that provide for accrual of leave and, further, Section 25-9-107(xi) on accrual and use of leave by part-time employees as to the effect of an employee working in more than one agency on the personal and major medical leave that the employee accrues and the use of the leave accrued.



Gail Jenkins, SPAHRS Steering Committee Chairman

Resolution for SPAHRS Issue P000023
Law Enforcement FLSA

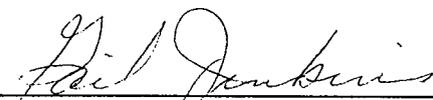
Whereas, the policy of compensating law enforcement personnel who work from 160-171 hours during their 28-day cycle at the time that SPAHRS Calculate Payroll was programmed was to pay for those hours, and

Whereas, the SPAHRS system has been programmed to allow agencies employing law enforcement personnel to pay for the hours worked from 160-171 hours, and

Whereas, the Department of Labor has instated new policy to allow public employers two options in compensating law enforcement personnel, as follows:

- 1) to pay for the hours worked from 160-171 hours, and
- 2) to award compensatory time for hours worked from 160-171 hours within the 28-day cycle, provided the employee agrees to this before working the overtime hours,

Therefore, it is resolved that the SPAHRS system be modified to follow the above stated policy issued by the Department of Labor and allow the two options for compensating law enforcement personnel.



Gail Jenkins, SPAHRS Steering Committee Chairman

**Resolution for SPAHRS Issue P000007
Single Federal Tax Payer ID**

Whereas, there are approximately 90 Federal Tax Payor ID numbers used within the State by the various state agencies, and

Whereas, the Federal government, in most cases, considers the State a single employer, and

Whereas, a survey taken among the 83 agencies reflected a vote of 77 in favor of a single Tax Payor ID, 3 against, and 3 not responding, and

Whereas, the liability for using one Federal Tax Payor ID for the State rests with the Department of Finance and Administration,

Therefore, it is resolved that there be discussions between SPAHRS personnel and personnel of the Department of Finance and Administration on the liabilities and that Joyce Jordan write a recommendation to Dr. Ed Ranck.



Gail Jenkins, SPAHRS Steering Committee Chairman

SPAHRs Request for Services Bid Evaluation Summary
May 29, 1996

I. Recommendation

The Evaluation Team recommends Software AG as the lowest and best proposal.

The members of the Evaluation Team are Cliff Davidson, Tracie Dickerson, Jerry Weir and Patricia Whitley.

II. Results of the Evaluation

Points were awarded in the following categories:

Categories	Points Available	Software AG	Lenco
Cost Proposal	50 points	42 points	39 points
Technical Requirements	22 points	15 points	16 points
Qualifications of Staff	28 points	28 points	28 points
Total	100 points	83 points	83 points
Proposal Costs		\$5,205,232	\$5,298,939.12

Software AG is recommended as the vendor with whom the State should enter contract negotiations. Software AG is offering a fixed price contract and will therefore share the risk of this project with the State. (Lenco's proposal is based on time and materials.)

III. Negotiation Points

a. Total Cost

The Evaluation Team recognizes that the cost proposed by Software AG must be negotiated down. Potential areas for cost negotiation include: removing the Disaster Recovery Plan, removing the Capacity Plan, and removing Training and Documentation from Contractor's responsibility (MMRS would have to contract with a third party for assistance in the training and documentation areas).

b. Exceptions

Software AG took exception to the State's requirements for liquidated damages, requested a reduction in the amount of holdback, limitation for liability, and requested monthly payments (as opposed to payment per deliverable milestone).

Summary

FY98 Recovery for FY97 Estimate

	Total
	FY98 Recovery
	for
Agency Name	FY97
Agribusiness Council	930
Agricultural Aviation Board	570
Agriculture & Commerce	59,902
Agriculture & Commerce, Plant Industry Board	8,009
Animal Health	11,776
Architecuture & Landscaping	827
Archives & History	29,861
Arts Commission	4,331
Athletic Commission	397
Attorney General's Office	38,777
Auctioneers, State Board of	0
Banking & Consumer Finance	7,153
Bar Admissions	183
Barber Examiners	1,415
Beauvoir Shrine	0
Board of Nursing Home Administrators	174
Board of Polygraph Examiners	0
Boswell Regional Center	671,562
Bureau of Narcotics	29,301
Chiropractic Examiners	256
Community & Junior Colleges	10,402
Corrections	649,218
Cosmetology	4,245
Dental Examiners	1,693
DHS Allied Enterprises	0
East Mississippi State Hospital	87,321
Economic & Community Development	91,299
Education	192,682
Educational Television	32,167
Ellisville State School	112,867
Emergency Management Agency	12,491
Employment Security Commission	98,989
Environmental Protection Council	0
Environmental Quality	111,295
Ethics Commission	2,049
Finance and Administration	123,275
Forestry Commission	181,183
Forrestors, Board of Registration of Professiona	146
Funeral Services Board	970

Summary

FY98 Recovery for FY97 Estimate

	Total
	FY98 Recovery
	for
Agency Name	FY97
Gaming Commission	36,209
Governor's Office	9,233
Grand Gulf Military Monument	2,104
Health	557,395
House of Representatives (includes Rep)	44,280
Hudspeth Center	70,113
Human Services	817,742
Information Technology Services	56,896
Institutions of Higher Learning	622
Insurance	21,286
Joint Legislative Operations	3,527
Judicial Performance Commission	1,244
Legislative Budget Office	4,466
Library Commission	18,222
Licensed Professional Counselors Examiners	0
Marine Resources, Dept of	10,603
Medicaid, Division of	54,162
Medical Licensure	4,083
Mental Health	12,581
Military Department	156,769
Mississippi Auctioneer's Commission	174
Mississippi Home Corp	2,176
Mississippi River Parkway Commission	73
Mississippi State Hospital	201,780
Motor Vehicle Commission	1,321
North Mississippi State Hospital	17,099
North MS Regional Center	68,004
Nursing Board	5,001
Oil & Gas Board	8,550
Optometry Board	73
Pat Harrison Waterway District	8,498
Pearl River Basin Devel District	1,106
Pearl River Valley Water Supply District	6,495
PEER Committee	5,918
Personnel Board	15,324
Pharmacy Board	3,084
Port Authority of Gulfport	146
Professional Engineers&Land Surveyors	2,260
Psychological Examiners	293

	Total
	FY98 Recovery
	for
Agency Name	FY97
Public Accountancy	2,812
Public Contractors	2,543
Public Employees' Retirement System	21,182
Public Safety	200,526
Public Service Commission	26,165
Public Service Commission / Public Utilities Staf	4,767
Real Estate Appraisers Licensing Board	1,290
Real Estate Commission	3,687
Rehabilitation Services	357,500
Secretary of State's Office	24,151
Senate (+ Senators)	22,144
Soil & Water Conservation Commission	4,403
South Mississippi Regional Center	44,711
State Auditor's Office	35,241
State Fair Commission	9,963
State Fire Academy	10,591
Supreme Court	64,066
Tax Commission	404,645
Telecommunications Center	0
Tombigbee River Valley Water Mgmt District	1,244
Transportation	675,811
Transportation, State Aid Road Construction	7,115
Treasury Department	19,292
Veterans Affairs Board	11,372
Veterans Home Purchase Board	7,038
Veterans Memorial Stadium Commission	3,352
Veterans Monument Trust	0
Veterinarian Examiners, Board of	510
Welfare Restructure Program	1,106
Wildlife, Fisheries and Parks	223,950
Workers' Compensation Commission	15,076
Yellow Creek Inland Port Authority	762