H. What should happen with excess funding that comes in as a result of the fee charged.   If a fee is charged, how should funds in excess of what is required to operate the system be used?
I. Should there be limitations on the fund and how much it can take in or charge?
J. E Commerce Fund (currently $10,748,417 in fund as of March 31, 2012)
   • Current obligations of fund
K. Reference to Ariba upgrade, upgrades (listed)?
L. Potential Savings:
   • What potential sources of actual savings have been identified?
   • Could returning functions performed by contractors to the State save money?
   • How should "soft" savings be considered?
   • How should any savings resulting from efficiencies be used?
   • Should the State provide incentives for agencies to participate in and more rigorously implement spend analysis?
M. Potential Consolidation:
   • Should the State consider migrating to a single e procurement system?
   • The possible issues (listed)
   • Is there functionality in either system that could be applied to both (e.g., catalogs, spend analysis, etc.)?
N. Spend Analysis Applications.
   • Department of Administration does not currently have a spend analysis module but as part of an ongoing procurement, just approved by the State's CIO, they are proposing that they add a spend analysis module for the Ariba system. This, according to the department, would give them the ability to perform spend analysis across both their system and SciQuest.
   • SciQuest will offer the capability in the next 18-24 months.
   • Could the spend analysis be accomplished through collaboration between the Department of Administration and the UNC General Administration?
   • How significantly would the need to cleanse data impact any potential savings?
   • What are the potential uses from aggregation of information available in each system?
O. Possible Next Steps need to be discussed by the Committee:
   • Identify full range of e procurement options for the State.
   • Further consider funding options.
   • Examine other States' systems and processes.
   • Request using agency feedback.
   • Request customer feedback (the vendors required to use the system for ease of use).
VII. The Chair opened the meeting for discussion / questions.

Questions:

Q: Rep. Floyd had one question and a follow-up question (inaudible)?

A: Staff will follow-up.

Q: The Chair asked if the Yearly Costs shown on page two of Attachment A was the amount to be paid after the upgrade or is it for current annual charges?

A: Mr. Byassee told the committee that the amount shown were current charges. He explained that because the Department of Administration will be putting out an RFP for a new operational vendor he cannot say how much it is going to be the end of this year.

Q: Rep. Floyd (inaudible)

A: Staff to follow-up

The Chair recommended that the minutes be provided to the committee members for further discussion and that questions be emailed to staff and copied to each member of the committee to avoid duplicity. All responses from staff should be emailed back to all committee members.

VIII. **Adjournment**: With no further discussion or business, the committee meeting was adjourned at 2:50 pm.

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Signature: Representative G. L. Pridgen, Chair