

Special Report

***DEPARTMENT OF
INFORMATION
SYSTEMS***



***HARDWARE/SOFTWARE
PURCHASING PROCEDURES***

DIVISION OF LEGISLATIVE AUDIT
NOVEMBER 10, 2000





Arkansas

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LEGISLATIVE AUDITOR

LEGISLATIVE JOINT AUDITING COMMITTEE DIVISION OF LEGISLATIVE AUDIT

November 10, 2000

Senator Jon Fitch, Chairman
Legislative Joint Auditing Committee
Room 172, State Capitol
Little Rock, AR 72201

Dear Senator Fitch and Committee Members:

This report is being issued in response to concerns raised during the September meeting of the Joint Committee on Advanced Communications and Information Technology (the Committee) regarding the Department of Information Systems (DIS) purchasing practices. Of particular concern to the Committee were the use of emergency and sole source methods of procuring software and hardware.

Our objectives in conducting this review were as follows:

- ⇒ Review DIS procedures for purchasing hardware and software.
- ⇒ Review internal controls surrounding DIS purchases for their own needs and for other state agencies.
- ⇒ Review DIS hardware and software purchases for the year ended June 30, 2000 to determine compliance with prescribed procedures and internal controls.

The review was conducted for the year ended June 30, 2000. In order to provide our report in a timely manner while giving maximum consideration to material transactions, we limited our review to those items purchased from vendors with cumulative purchases exceeding \$100,000.00. These purchases are listed in **Schedule 1** of this report.

Additionally, the review included two (2) hardware purchases occurring in the 2001 state fiscal year that were of particular concern to the Committee. Details and analysis of these transactions are included on **page 4** of this report.

The following **conclusions and recommendations** resulted from our review:

- ⇒ Justification statements required for sole source and emergency purchases are reviewed by the Office of State Purchasing (OSP) for reasonableness. These justifications are often technical both in their terminology and content. The OSP employee charged with evaluating the propriety of sole source purchases is experienced and knowledgeable of state purchasing laws and procedures, but does not have a data processing background. It is recommended the

Department of Information Systems *institute procedures requiring an independent evaluation of each sole source and emergency purchase and related justification statements* to determine the use of these purchase methods is necessary considering the circumstances surrounding each such purchase. DIS may *consider using the Department of Information Systems Advisory Board*, which was created by the Arkansas Information Systems Act of 1997, for this purpose. The Governor appoints this Board and members are required to have knowledge and experience in information technology. Current members of the Board are listed in **Exhibit III** of this report. After independent evaluation and approval, the purchases should follow normal purchasing procedures, which include a review by OSP to determine compliance with state purchasing laws and procedures.

- ⇒ Our review revealed that Software purchases were sometimes coded as exempt from the State Purchasing Law. DIS representatives cited the section of the law that exempts licenses as the basis for the coding of software purchases as exempt. The OSP employee responsible for reviewing data processing purchases has stated that OSP would not consider these type purchases to be exempt, although they could possibly have been justified as sole source purchases. The question of whether software can be purchased using exempt coding needs to be resolved. It is recommended the Agency *obtain an official determination from OSP concerning the propriety of the use of exempt coding for software purchases exceeding \$1,000* and comply with that determination.

DIVISION OF LEGISLATIVE AUDIT



Charles L. Robinson, CPA, CFE
Legislative Auditor

I. Introduction

This report is being issued in response to concerns raised during the September meeting of the Joint Committee on Advanced Communications and Information Technology (the Committee) regarding the Department of Information Systems (DIS) purchasing practices. Of particular concern to the Committee were the use of emergency and sole source methods of procuring software and hardware.

The Arkansas Purchasing law defines emergency procurements as the acquisition of commodities or services which, if not immediately initiated, will endanger human

life or health, state property, or the functional capability of a state agency. In these situations, contracts may be awarded without competitive sealed bids. Unless the emergency is critical, agencies must attempt to obtain quotation bids by contacting three (3) providers of the needed commodities or services.

Sole source procurements are those procurements that, by virtue of the performance specification, are available from a single source. Such procurements include those that require performance compatibility with existing commodities or services.

II. Objectives

Our objectives in conducting this review were as follows:

- ⇒ Review DIS procedures for purchasing hardware and software.
- ⇒ Review internal controls surrounding DIS purchases for their own needs and for other state agencies.
- ⇒ Review DIS hardware and software purchases for the year ended June 30, 2000 to determine compliance with prescribed procedures and internal controls.

III. Scope and Methodology

The review was conducted for the year ended June 30, 2000. In order to provide our report in a timely manner while giving maximum consideration to material transactions, we limited our review to those items purchased from vendors with cumulative purchases exceeding \$100,000.00. Additionally, the review included two (2) hardware purchases occurring in the 2001 state fiscal year that were of particular concern to the Committee.

Our review included interviewing personnel from DIS and the Office of State Purchasing; reviewing applicable sections of the Arkansas Code; examining vouchers and supporting documentation; and reviewing contracts for proper authorizations as prescribed by the Arkansas Purchasing Law, the State Accounting and Budgetary Procedures Law, and the State Accounting Procedures Manual.

IV. Results of Review

Purchasing Procedures and Internal Controls

Internal purchase requisitions (IPR) originate at the various division levels and are forwarded to the DIS fiscal office, which acts as the purchasing agent for the agency for all purchases, with the exception of emergency, sole source and competitive bid purchases greater than \$10,000.

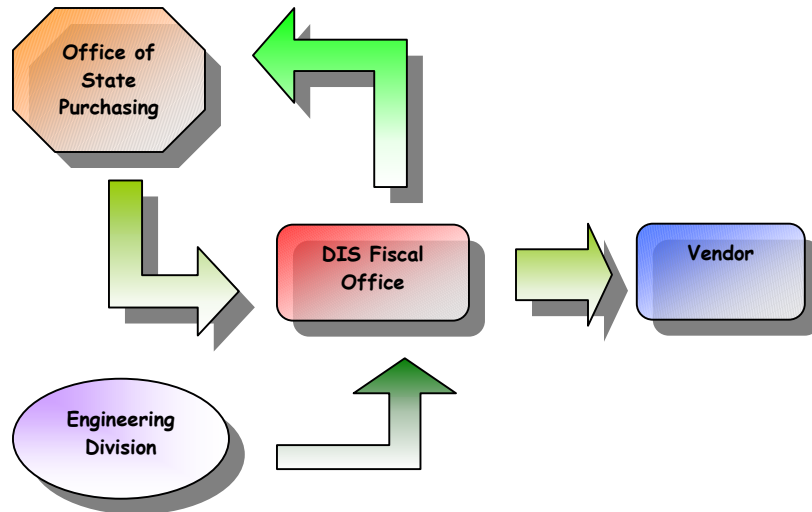
IPR's for emergency and sole source purchases must be submitted to the fiscal office with a letter justifying the emergency or sole source purchase classification. DIS then obtains bids for emergency purchases and forwards the respective purchase orders, letters of justification and a copy of the bid tabulation sheets to the Office of State Purchasing (OSP) for approval and review. Bids are not necessary for sole source purchases. Our review revealed that the OSP employee charged with evaluating the propriety of sole source and

emergency purchases is experienced and knowledgeable of state purchasing laws and procedures, but does not have a data processing background. After OSP approval, the purchase orders are returned

to DIS, who is responsible for contacting the appropriate vendor. **Exhibit I** graphically depicts the flow of sole source or emergency purchases.

Exhibit I

Flow of Sole Source and Emergency Purchases



The formal bidding process for competitive bid purchases over \$10,000.00 is handled by OSP. Purchase orders generated from IPRs are forwarded to OSP, which mails requests for bids to all vendors on their vendor list. Bids are accumulated and opened at a publicly announced and advertised bid opening. The bids are then evaluated by OSP from a legal standpoint and by DIS from a technical aspect. Generally, the lowest bid that meets the bid criteria is accepted.

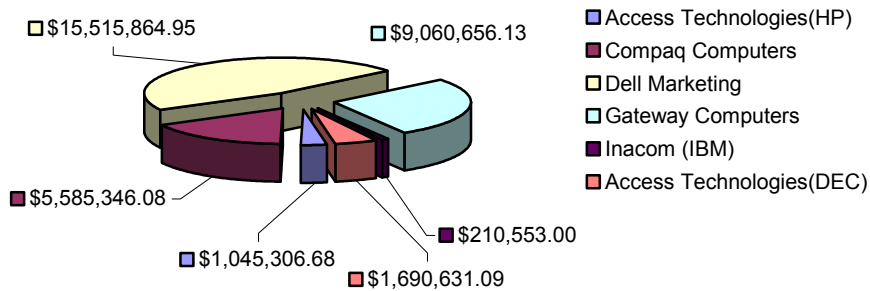
OSP maintains a list of vendors for purposes of obtaining bids on purchases over \$10,000. Vendors can obtain a bid application packet from OSP and must return a completed application along with an application fee of \$25.00 in order to be placed on the vendor list. Upon receipt of the completed application, OSP makes a determination as to the vendor's eligibility and the vendor is notified of that determination in writing. Vendors not on OSP vendor list are not excluded from bidding on Invitations for Bids.

In addition to making its own internal purchases, DIS has worked with the Department of Finance and Administration's offices of State Purchasing and Accounting and the Attorney General's Office to develop a procurement service to assist state agencies and public institutions in acquiring information technology equipment in a less time consuming manner. Presently, DIS has fourteen (14) commodity contracts and administers the Microsoft Select contract for OSP. All contracts provide for delivery of equipment within twenty-days (20) and a "total satisfaction" return policy within thirty-days (30) of delivery.

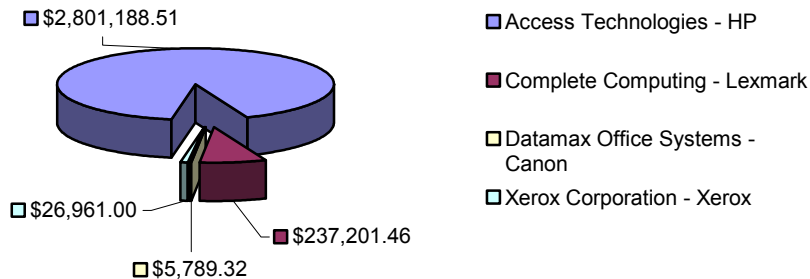
The commodity contracts are grouped in three (3) areas, microcomputers, desktop printers and networking equipment. **Exhibit II** illustrates sales by vendor for each commodity type for the year ended June 30, 2000.

EXHIBIT II

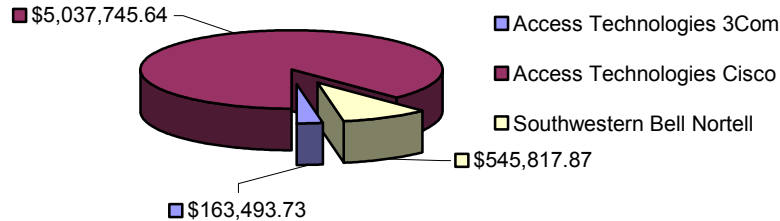
Sales for Microcomputer Contract ST98-0788 for Fiscal Year Ended June 30, 2000



Sales for Printer Contract ST99-1210 for Year Ended June 30, 2000



Sales for Networking Contract ST-99-1169 For The Year Ended June 30, 2000



Purchases Review

We reviewed all purchases by DIS for the year ended June 30, 2000 which were coded as computer equipment, data communication supplies, data processing supplies, license fees, software, and software maintenance agreements and were purchased from vendors with cumulative sales to DIS exceeding \$100,000 for the year. These purchases are detailed at **Schedule 1**.

Our review revealed that Software purchases were sometimes coded as exempt from the State Purchasing Law. DIS representatives cited the section of the law that exempts licenses as the basis for the coding of software purchases as exempt. The OSP employee responsible for reviewing data processing purchases has stated that OSP would not consider these type purchases to be exempt, although they could possibly have been justified as sole source purchases.

In addition to the review of state fiscal year 2000 purchases, we reviewed two (2) hardware purchases occurring in the current fiscal year that were of particular concern to the Committee.

1. On August 1, 2000 OSP approved an emergency purchase in the amount of \$1,792,207.25 for the Arkansas Administrative Statewide Information System (AASIS) Project. Following the selection of SAP as the software contractor for the AASIS Project in March of 2000, the AASIS implementation team began holding periodic meetings to discuss the needs of the system. Representatives of DIS were involved in these meetings, which included discussions of equipment needs and timelines. On July 21, 2000, DIS received a letter from the AASIS Project and Implementation Managers expressing an immediate need for a QAS server and some related products. The purchase was processed as an emergency procurement in order to insure the AASIS project continued implementation in accordance with the established timeline. According to DIS, the initiation of the purchase had been delayed due to questions concerning how the purchase would be funded. When the need for the equipment became an emergency situation, the transaction was processed using existing appropriation and funding from the Department of Information Systems Revolving Fund. For this purchase, three (3) quotation bids were taken by DIS and the lowest bidder was chosen as the vendor.
2. A storage server was purchased during September of 2000 using the competitive bid procurement method at a cost of \$352,623.75. The request for bid specified an IBM 2105-F20 Enterprise Storage Server. In a letter to the DIS Chief Fiscal Officer, the Administrator of the Office of Computing Services for DIS stated that this specific machine was considered to be "the right technology for current and planned DIS processing requirements"

and that it was determined by the Agency's Operations and Engineering Divisions that the machine would "provide the optimum benefit in the current DIS computing environment". In addition to these representations, the Director of Engineering for DIS provided a more detailed explanation of the DIS rationale for specifying certain brands in their requests for bids. A staff member of the Division of Legislative Audit, who is a Certified Information Systems Auditor (CISA), reviewed this explanation and found it to be relevant and reasonable. Bids were taken through OSP and the lowest bidder was selected. Our review of this transaction verified that the equipment was procured in accordance with procedures established by the State Purchasing Law and the Office of State Purchasing.

V. Conclusions and Recommendations

Justification statements required for sole source and emergency purchases are reviewed by OSP for reasonableness. These justifications are often technical both in their terminology and content. The OSP employee charged with evaluating the propriety of sole source and emergency purchases is experienced and knowledgeable of state purchasing laws and procedures, but does not have a data processing background. It is recommended the Department of Information Systems ***institute procedures requiring an independent evaluation of each sole source and emergency purchase and the related justification statements*** to determine the use of these purchase methods is necessary and reasonable considering the circumstances surrounding each such purchase. ***DIS should consider using the Department of Information Systems Advisory Board***, which was created by the Arkansas Information Systems Act of 1997, for this purpose. The Governor appoints the Board and members are required to have knowledge and experience in information technology. Current members of the Board are presented in **Exhibit III**.

Exhibit III

Member	Employer	Position
Dr. Victoria Heinrich, Chairperson	Microsolutions	CFO
Dr. Edward Crowe	Arkansas Department of Higher Education	Sr. Associate Director
Rodney Curry	Southwestern Bell	Director of Government Accounts
Robert Donaldson	University of Arkansas for Medical Sciences	Network Director
Rod Ford	ESI Group	President/CEO
Jim Graham	Southern Arkansas University	Director – Computer Services
Brad Greenway		IS Consultant
Marla Johnson	Aristotle Internet Access	CEO
David Merrifield	University of Arkansas at Fayetteville	Associate Director
Dwayne Morgan	Alltel	System Specialist

After independent evaluation and approval, the purchases should follow normal purchasing procedures, which include a review by OSP to determine compliance with state purchasing laws and procedures.

Also, the question of whether software can be purchased using exempt coding needs

to be resolved. ***It is recommended the Agency obtain an official determination from OSP concerning the propriety of the use of exempt coding for software purchases exceeding \$1,000 and comply with that determination.***

**DEPARTMENT OF INFORMATION SYSTEMS
SCHEDULE OF HARDWARE AND SOFTWARE PURCHASES
FOR THE YEAR ENDED JUNE 30, 2000**

PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Computer equipment:						
CDW Government, Inc.	09/20/99	6,518.36	CB	✓	✓	N/A
CDW Government, Inc.	10/13/99	9,136.57	CB	✓	✓	N/A
CDW Government, Inc.	10/19/99	1,093.52	CB	✓	✓	N/A
CDW Government, Inc.	11/10/99	6,255.42	CB	✓	✓	N/A
CDW Government, Inc.	02/02/00	9,981.91	CB	✓	✓	N/A
CDW Government, Inc.	03/06/00	3,051.80	CB	✓	N/A	N/A
Dell Marketing L.P.	08/04/99	2,897.24	ST	✓	✓	N/A
Dell Marketing L.P.	08/20/99	12,423.00	ST	✓	✓	N/A
Dell Marketing L.P.	08/20/99	3,455.59	ST	✓	✓	N/A
Dell Marketing L.P.	09/10/99	11,073.35	ST	✓	✓	N/A
Dell Marketing L.P.	09/17/99	2,531.10	ST	✓	✓	N/A
Dell Marketing L.P.	09/30/99	17,821.67	ST	✓	✓	N/A
Dell Marketing L.P.	09/30/99	1,989.85	ST	✓	✓	N/A
Dell Marketing L.P.	09/30/99	8,900.47	ST	✓	✓	N/A
Dell Marketing L.P.	10/12/99	3,836.43	ST	✓	✓	N/A
Dell Marketing L.P.	10/13/99	13,968.14	ST	✓	✓	N/A
Dell Marketing L.P.	10/19/99	4,456.14	ST	✓	✓	N/A
Dell Marketing L.P.	10/20/99	2,026.99	ST	✓	✓	N/A
Dell Marketing L.P.	10/20/99	17,530.42	ST	✓	✓	N/A
Dell Marketing L.P.	11/10/99	5,039.36	ST	✓	✓	N/A
Dell Marketing L.P.	12/02/99	1,683.18	ST	✓	✓	N/A
Dell Marketing L.P.	12/09/99	3,530.92	ST	✓	✓	N/A
Dell Marketing L.P.	12/22/99	50,664.45	ST	✓	✓	N/A
Dell Marketing L.P.	12/22/99	20,697.47	ST	✓	✓	N/A
Dell Marketing L.P.	12/22/99	1,683.18	ST	✓	✓	N/A
Dell Marketing L.P.	01/04/00	50,326.38	ST	✓	✓	N/A
Dell Marketing L.P.	01/04/00	5,785.60	ST	✓	✓	N/A
Dell Marketing L.P.	01/11/00	4,731.13	ST	✓	✓	N/A
Dell Marketing L.P.	01/14/00	1,114.31	ST	✓	✓	N/A
Dell Marketing L.P.	02/15/00	34,075.15	ST	✓	✓	N/A
Dell Marketing L.P.	02/15/00	7,411.47	ST	✓	✓	N/A
Dell Marketing L.P.	02/15/00	49,855.58	ST	✓	✓	N/A
Dell Marketing L.P.	02/18/00	259,156.06	ST	✓	✓	N/A
Dell Marketing L.P.	03/06/00	3,707.75	ST	✓	✓	N/A
Dell Marketing L.P.	03/06/00	14,934.73	ST	✓	✓	N/A
Dell Marketing L.P.	03/07/00	8,305.74	ST	✓	✓	N/A

**DEPARTMENT OF INFORMATION SYSTEMS
SCHEDULE OF HARDWARE AND SOFTWARE PURCHASES
FOR THE YEAR ENDED JUNE 30, 2000**

PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Dell Marketing L.P.	03/23/00	1,881.63	ST	✓	✓	N/A
Dell Marketing L.P.	04/28/00	7,221.63	ST	✓	✓	N/A
Dell Marketing L.P.	05/16/00	5,589.94	ST	✓	✓	N/A
Dell Marketing L.P.	06/14/00	8,291.21	ST	✓	✓	N/A
Dell Marketing L.P.	06/14/00	80,604.01	ST	✓	✓	N/A
Dell Marketing L.P.	06/16/00	97,282.30	ST	✓	✓	N/A
Dell Marketing L.P.	06/23/00	4,359.55	ST	✓	✓	N/A
Dell Marketing L.P.	06/24/00	1,026.23	ST	✓	✓	N/A
Dell Marketing L.P.	06/26/00	8,768.45	ST	✓	✓	N/A
Dell Marketing L.P.	06/29/00	34,685.14	ST	✓	✓	N/A
Dell Marketing L.P.	06/29/00	8,050.73	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	12,383.24	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	5,431.97	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	18,402.00	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	33,242.16	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	16,616.21	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	1,026.22	ST	✓	✓	N/A
I.B.M. Corporation	09/23/99	260,255.57	SS	N/A	✓	✓
I.B.M. Corporation	02/10/00	184,314.12	SS	N/A	✓	✓
I.B.M. Corporation	03/15/00	266,486.01	SS	N/A	✓	✓
I.B.M. Corporation	06/23/00	45,863.25	SS	N/A	✓	✓
I.B.M. Corporation	06/29/00	1,018,328.05	SS	N/A	✓	✓
I.B.M. Corporation	06/30/00	16,507.32	EL	N/A	✓	✓
I.B.M. Corporation	06/30/00	11,050.32	EL	N/A	N/A	N/A
KCI, Inc.	04/13/00	104,900.00	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	07/05/99	1,188,229.61	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	08/03/99	914.80	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	09/14/99	5,389.19	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	10/13/99	2,172.42	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	10/28/99	1,310.50	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	11/16/99	151,157.85	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/01/99	9,673.98	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/01/99	3,929.55	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/07/99	2,214.74	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/29/99	1,769.53	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	01/04/00	1,583.83	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	01/05/00	191,208.30	ST	✓	✓	N/A

**DEPARTMENT OF INFORMATION SYSTEMS
SCHEDULE OF HARDWARE AND SOFTWARE PURCHASES
FOR THE YEAR ENDED JUNE 30, 2000**

PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Pomeroy Comp. Res. / Access. Tech.	01/06/00	69,793.70	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	01/19/00	64,053.06	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	02/04/00	1,435.23	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	02/17/00	1,297.53	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/06/00	2,965,011.23	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/08/00	27,069.30	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/08/00	17,710.75	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/09/00	36,774.19	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/13/00	183,523.44	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/14/00	16,287.85	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/22/00	2,800.65	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/29/00	10,219.60	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	04/05/00	1,477.94	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	05/03/00	51,479.52	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	05/03/00	648.76	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	05/08/00	30,738.66	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/05/00	746.36	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/14/00	6,173.33	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/14/00	101,973.64	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/14/00	4,968.68	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/23/00	27,710.50	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/27/00	2,003.11	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	6,826.83	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	1,477.94	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	14,343.06	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	1,435.23	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	15,438.77	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/30/00	216,918.63	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/30/00	1,879.18	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/30/00	746.36	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/30/00	23,250.18	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/07/00	99,632.50	ST	✓	✓	N/A
Worldnet Computers, Inc.	10/08/99	43,800.00	ST	✓	✓	✓
Worldnet Computers, Inc.	11/04/99	58,380.00	ST	✓	✓	N/A
Total computer equipment		8,581,797.70				

**DEPARTMENT OF INFORMATION SYSTEMS
SCHEDULE OF HARDWARE AND SOFTWARE PURCHASES
FOR THE YEAR ENDED JUNE 30, 2000**

PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Data communication supplies:						
CDW Government, Inc.	08/20/99	42.91	SO	N/A	N/A	N/A
CDW Government, Inc.	08/20/99	310.00	SO	N/A	N/A	N/A
CDW Government, Inc.	09/30/99	5,019.53	CB	✓	✓	N/A
CDW Government, Inc.	10/19/99	6,490.10	CB	✓	✓	N/A
CDW Government, Inc.	10/22/99	508.99	EL	N/A	N/A	N/A
CDW Government, Inc.	04/07/00	333.37	SO	N/A	N/A	N/A
Dell Marketing L.P.	08/17/99	50.73	ST	N/A	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	07/19/99	4,773.09	EL	N/A	N/A	N/A
Pomeroy Comp. Res. / Access. Tech.	08/16/99	6,341.07	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	08/16/99	1,456.90	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/29/99	45,321.94	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	01/04/00	2,387.81	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	02/02/00	8,649.90	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	02/15/00	14,266.50	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	02/23/00	164.44	SO	N/A	N/A	N/A
Pomeroy Comp. Res. / Access. Tech.	02/23/00	605.76	SO	N/A	N/A	N/A
Total data communication supplies		96,723.04				
Data processing supplies:						
CDW Government, Inc.	07/29/99	291.99	EL	N/A	N/A	N/A
CDW Government, Inc.	09/14/99	136.49	EL	N/A	N/A	N/A
CDW Government, Inc.	09/14/99	1,899.51	CB	✓	✓	N/A
CDW Government, Inc.	10/05/99	1,511.24	EL	N/A	N/A	N/A
CDW Government, Inc.	10/11/99	163.02	EL	N/A	N/A	N/A
CDW Government, Inc.	11/02/99	1,851.29	EL	N/A	N/A	N/A
CDW Government, Inc.	12/22/99	392.05	EL	N/A	N/A	N/A
CDW Government, Inc.	12/22/99	802.99	CB	✓	✓	N/A
CDW Government, Inc.	01/06/00	992.14	SO	N/A	N/A	N/A
CDW Government, Inc.	01/06/00	900.99	SO	N/A	N/A	N/A
CDW Government, Inc.	01/21/00	989.49	CB	✓	✓	N/A
CDW Government, Inc.	01/26/00	121.83	SO	N/A	N/A	N/A
CDW Government, Inc.	02/02/00	17.00	CB	✓	✓	N/A
CDW Government, Inc.	02/14/00	184.84	EL	N/A	N/A	N/A
CDW Government, Inc.	02/23/00	474.70	EL	N/A	N/A	N/A
CDW Government, Inc.	02/23/00	394.00	EL	N/A	N/A	N/A

**DEPARTMENT OF INFORMATION SYSTEMS
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PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
CDW Government, Inc.	02/24/00	955.11	EL	N/A	N/A	N/A
CDW Government, Inc.	03/14/00	897.00	SO	N/A	N/A	N/A
CDW Government, Inc.	03/21/00	8,701.24	CB	✓	N/A	N/A
CDW Government, Inc.	03/29/00	520.00	SO	N/A	N/A	N/A
CDW Government, Inc.	04/07/00	199.49	SO	N/A	N/A	N/A
CDW Government, Inc.	04/13/00	7,417.61	EL	N/A	N/A	N/A
CDW Government, Inc.	04/27/00	2,171.21	CB	✓	N/A	N/A
CDW Government, Inc.	04/28/00	482.14	SO	N/A	N/A	N/A
CDW Government, Inc.	05/03/00	416.68	EL	N/A	N/A	N/A
CDW Government, Inc.	05/16/00	510.64	EL	N/A	N/A	N/A
CDW Government, Inc.	05/16/00	34.99	EL	N/A	N/A	N/A
CDW Government, Inc.	06/05/00	3,740.83	CB	✓	N/A	N/A
CDW Government, Inc.	06/05/00	84.38	SO	N/A	N/A	N/A
CDW Government, Inc.	06/14/00	3,452.95	CB	✓	N/A	N/A
CDW Government, Inc.	06/14/00	376.15	SO	N/A	N/A	N/A
CDW Government, Inc.	06/16/00	536.00	SO	N/A	N/A	N/A
CDW Government, Inc.	06/19/00	1,197.34	SO	N/A	N/A	N/A
CDW Government, Inc.	06/23/00	594.54	SO	N/A	N/A	N/A
CDW Government, Inc.	06/26/00	3,889.58	CB	✓	N/A	N/A
CDW Government, Inc.	06/26/00	406.56	CB	N/A	N/A	N/A
CDW Government, Inc.	06/26/00	471.50	SO	N/A	N/A	N/A
CDW Government, Inc.	06/26/00	110.18	SO	N/A	N/A	N/A
CDW Government, Inc.	06/29/00	3,347.58	CB	✓	N/A	N/A
CDW Government, Inc.	06/29/00	231.67	CB	✓	N/A	N/A
CDW Government, Inc.	06/29/00	2,010.33	SO	N/A	N/A	N/A
Dell Marketing L.P.	08/03/99	253.45	ST	N/A	N/A	N/A
Dell Marketing L.P.	08/17/99	6,551.87	ST	✓	✓	N/A
Dell Marketing L.P.	10/21/99	18,870.94	ST	✓	✓	N/A
Dell Marketing L.P.	10/21/99	84,075.40	ST	✓	✓	N/A
Dell Marketing L.P.	11/02/99	2,484.17	ST	✓	✓	N/A
Dell Marketing L.P.	11/02/99	419.38	ST	N/A	N/A	N/A
Dell Marketing L.P.	11/12/99	1,060.19	ST	✓	✓	N/A
Dell Marketing L.P.	02/01/00	4,894.74	ST	✓	✓	N/A
Dell Marketing L.P.	02/23/00	185.45	SO	N/A	N/A	N/A
Dell Marketing L.P.	02/28/00	219.68	ST	N/A	N/A	N/A
Dell Marketing L.P.	03/17/00	285.48	ST	N/A	N/A	N/A
Dell Marketing L.P.	06/05/00	515.77	ST	N/A	N/A	N/A

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PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Dell Marketing L.P.	06/30/00	134.78	ST	N/A	N/A	N/A
I.B.M. Corporation	07/19/99	714.00	EL	N/A	N/A	N/A
I.B.M. Corporation	12/02/99	9,817.84	EL	N/A	✓	✓
I.B.M. Corporation	01/06/00	528.50	EL	N/A	N/A	N/A
I.B.M. Corporation	06/30/00	1,804.12	EL	N/A	N/A	N/A
Pomeroy Comp. Res. / Access. Tech.	08/04/99	961.49	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	09/17/99	1,146.53	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	09/20/99	132.91	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	12/02/99	144.33	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/02/00	144.33	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/13/00	3,340.49	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	03/14/00	45,620.36	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	04/07/00	17,112.30	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	05/16/00	346.00	EL	N/A	N/A	N/A
Pomeroy Comp. Res. / Access. Tech.	06/02/00	2,883.30	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/02/00	957.67	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/13/00	25,436.26	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	428.15	ST	✓	✓	N/A
Pomeroy Comp. Res. / Access. Tech.	06/29/00	2,488.13	ST	✓	✓	N/A
Total data processing supplies		287,837.28				
License fees:						
Computer Associates International, Inc.	12/22/99	138,224.04	EL	N/A	N/A	N/A
Informix Software, Inc.	07/21/99	135,798.90	EL	N/A	N/A	N/A
Landmark Systems Corporation	08/06/99	9,437.01	EL	N/A	N/A	N/A
Landmark Systems Corporation	12/22/99	23,000.00	EL	N/A	N/A	N/A
Landmark Systems Corporation	02/29/00	12,477.00	EL	N/A	N/A	N/A
Landmark Systems Corporation	06/29/00	64,538.81	EL	N/A	N/A	N/A
Total license fees		383,475.76				
Software :						
Ardent Software, Inc.	11/12/99	160,025.05	EL	(2)	(2)	(2)
CDW Government, Inc.	10/22/99	357.25	EL	N/A	N/A	N/A
CDW Government, Inc.	10/28/99	4,009.05	CB	✓	✓	N/A
Dell Marketing L.P.	07/30/99	261.93	ST	N/A	N/A	N/A

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PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Dell Marketing L.P.	11/12/99	83.65	ST	N/A	N/A	N/A
Dell Marketing L.P.	01/21/00	623.12	ST	N/A	N/A	N/A
Dell Marketing L.P.	04/28/00	3,451.91	ST	✓	✓	N/A
Dell Marketing L.P.	05/03/00	1,055.44	ST	✓	✓	N/A
Dell Marketing L.P.	05/16/00	307.45	ST	N/A	N/A	N/A
Dell Marketing L.P.	06/23/00	106,977.51	ST	✓	✓	N/A
Dell Marketing L.P.	06/23/00	501.24	EL	N/A	N/A	N/A
Dell Marketing L.P.	06/23/00	50.46	EL	N/A	N/A	N/A
Dell Marketing L.P.	06/29/00	25,932.19	ST	✓	✓	N/A
Dell Marketing L.P.	06/29/00	6,365.74	ST	✓	✓	N/A
Dell Marketing L.P.	06/30/00	167.42	ST	N/A	N/A	N/A
I.B.M. Corporation	10/28/99	288,304.48	EL	(2)	(2)	(2)
Informix Software, Inc.	06/23/00	123,399.24	EL	(2)	(2)	(2)
Total software		721,873.13				
Software maintenance agreements:						
Ardent Software, Inc.	11/12/99	39,510.00	EL	N/A	N/A	N/A
Ardent Software, Inc.	02/25/00	27,600.00	EL	N/A	N/A	N/A
Ardent Software, Inc.	04/11/00	27,600.00	EL	N/A	N/A	N/A
Computer Associates International, Inc.	08/24/99	317,427.79	EL	N/A	N/A	N/A
Computer Associates International, Inc.	10/06/99	555,525.81	EL	N/A	N/A	N/A
Computer Associates International, Inc.	02/08/00	318,352.79	EL	N/A	N/A	N/A
Computer Associates International, Inc.	02/23/00	31,676.10	EL	N/A	N/A	N/A
Computer Associates International, Inc.	05/16/00	261,636.54	EL	N/A	N/A	N/A
I.B.M. Corporation	07/13/99	165,000.00	EL	N/A	N/A	N/A
I.B.M. Corporation	04/19/00	725.00	EL	N/A	N/A	N/A
I.B.M. Corporation	05/16/00	769.41	EL	N/A	N/A	N/A
I.B.M. Corporation	05/25/00	769.41	EL	N/A	N/A	N/A
I.B.M. Corporation	06/13/00	725.00	EL	N/A	N/A	N/A
I.B.M. Corporation	06/30/00	69,012.20	EL	N/A	N/A	N/A
Information Builders	08/16/99	300.00	EL	N/A	N/A	N/A
Information Builders	09/21/99	15,613.05	EL	N/A	N/A	N/A
Information Builders	03/30/00	20,169.81	EL	N/A	N/A	N/A
Information Builders	06/16/00	67,146.00	EL	N/A	N/A	N/A
Informix Software, Inc.	08/17/99	6,129.23	EL	N/A	N/A	N/A
Informix Software, Inc.	09/30/99	1,641.75	EL	N/A	N/A	N/A

**DEPARTMENT OF INFORMATION SYSTEMS
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PAYEE	ISSUE DATE	COST	PURCHASE CODE UTILIZED (1)	BIDDING REQUIREMENTS	STATE PURCHASING APPROVAL	PROVIDED LETTER OF JUSTIFICATION
Informix Software, Inc.	10/12/99	189,293.35	EL	N/A	N/A	N/A
Informix Software, Inc.	03/16/00	51,720.00	EL	N/A	N/A	N/A
Informix Software, Inc.	06/23/00	29,072.16	EL	N/A	N/A	N/A
Total software maintenance agreements		2,197,415.40				
Grand Total		\$ 12,269,122.31				

(1) - Most of the purchases coded to purchase code ST, would fall under one of six contracts issued by the Office of State Purchasing.
 (2) - Purchases of software which the Agency indicated were exempt from the state purchasing law. The Office of State Purchasing indicated that purchases of these types are not exempt from the State purchasing law.
 ✓ - Purchase met criteria.
 N/A - Requirement not applicable to purchase.

Purchase Codes

EL - Procurements of commodities which are listed as exempt in Arkansas Code Annotated of 1987, § 19-11-203(5) and (14).
 ST - Procurements made under a term contract issued by the Office of State Purchasing.
 CB - Procurements not subject to Amendment 54 to the Arkansas Constitution, not included on State contracts and costing between \$1,000 and \$10,000.
 SO - Purchases not subject to Amendment 54 to the Arkansas Constitution, not included on State contract and costing \$1,000.00 or less.
 SS - Procurements which, by virtue of the performance specification, are available from a single source, including repairs involving hidden damages.
 EM - the acquisition of commodities or services which, if not immediately initiated, will endanger human life, health, State property or the functional capability of a State agency.