

DALNET Finance Committee
Adamany Undergraduate Library
Wayne State University
August 16, 2000
Agenda

1. Call to order
2. DALNET Enhancement Timeline: Revision
 - a. Shared authority file
 - b. Shared patron database
 - c. signoff on the solution
 - d. signoff on the timeline
 - e. Prioritization of enhancements: Horizon 5.3, IPAC, RSS, Booking Module, etc.
 - f. epix legal obligation or liability
 - g. enhancement schedule penalty clause
3. Proposed Adjustments to the Partnership Agreement
 - a. Is payment of the software driven by payment schedule and actual Installation of software?
 - b. Resolution of billing issues
 - c. Resolution of damage to data load
 - d. Acceptance Testing: software functionality test – future releases, custom work (Rider K)
 - e. Partial payment
3. DALNET Project Manager
 - a. epix willingness to extend contract until January, 2001
 - b. When does contract end?
 - c. DALNET amendment to purchase order: increase of approximately \$2,200 per month
4. DALNET Director Search
 - a. Fund allocation requested: recommendation to Board
5. DALNET Member Satisfaction Survey
 - a. Approximately 80 surveys distributed; 31 surveys returned
 - b. How would Committee like to proceed?
6. DALNET New Members
 - a. Lewis Business College: impact of joining on DALNET
 - b. Mt. Clemens General Hospital: approval of membership
 - c. Marygrove College: status
 - d. William Tyndale College: status
7. Resource Reallocation
 - a. Hub Development: integrated access to information regardless of format
 - b. Horizon servers
 - c. Enhancements
8. DALNET Quarterly Reports
9. Budget Document: Planning
10. Adjournment: Finance Committee Meetings Suggested Dates
 - the week of August 28
 - the week of September 5

Questions to be answered:

How does DALNET achieve success?

Which path does DALNET take?

How expensive will it be?

Is DALNET over-expanding before it has basic functionality ensured?

**DALNET Finance Committee
Meeting Minutes
Adamany Undergraduate Library
Wayne State University
August 16, 2000**

Present: M. Auer, J. Bosler, N. Bulgarelli, B. Harris; B. Holley.

1. Call to order:

The meeting was called to order at 9:10 a.m.

2. Proposed Adjustments to the Partnership Agreement

3. DALNET Enhancement Timeline: Revision

Meg Fisher, *epixtech*, communicated with M. Auer and P. Jose via email on July 31, 2000. She made suggestions regarding a draft contract proposal to amend the Partnership Agreement. Ms. Fisher proposed a new payment schedule as well as a new timeline for enhancement implementation.

Committee members accepted the fact that new timelines would have to be negotiated because the original timelines have not been met. However, the payment schedule as proposed was disputed. A lack of trust in *epixtech*'s ability to provide a quality product and to complete the original enhancements interfered with an easy resolution of this matter. Committee members were skeptical noting that in listing the enhancements M. Fisher had made some errors which reflected an inability to grasp the situation. There was some concern that *epixtech* would evade providing the enhancements yet again. Paying for the enhancements would not necessarily provide *epixtech* with the incentive to complete the task. Some committee members wanted stronger language with a sever penalty for breach of contract.

Alternative solutions to Meg Fisher's proposal were considered. Can DALNET recommend a reduction in payment? Can DALNET change the payment schedule without a review by WSU lawyers? What is fair? Should DALNET hold back 25-30% of the money to be paid for the software?

Scott Muir, DALNET Project Manager, has been in contact with *epixtech* about these issues. There are some concerns: 1) a difference in enhancements that DALNET is receiving as opposed to what DALNET contracted for in the partnership agreement and 2) the acceptance of damaged data.

In addressing the first concern, it must be asked: Did DALNET know that it would not receive Horizon modules / enhancements as detailed in the Partnership Agreement until the implementation of Horizon 6.0 and IPAC.

In addressing the second concern, it has been established that there was some damage to the DALNET database during the migration from NOTIS to Horizon. Due to a fast load process, some of the data was cut out of the MARC record. It was noted that every DALNET library was proceeding with an ongoing database cleanup project, which is to be expected. In this context the problem created by the fast load is not major. However, the damage is not acceptable and is not easily fixed.

The database does not include indicators in MARC format. Authority records were stripped of see and see also records. DALNET could ask *epixtech* to rerun the authority files. However, dealing decisively with the identified problems may not be all that possible. In addition, there was some discussion that some DALNET libraries may contract out "fixes" to some of their Horizon problems in order to expedite a solution. It was agreed that *epixtech* should be asked to solve the problems first.

Committee members discussed how to correct or fix the data. How corrupted is the data? Did *epixtech* perform to the level that they contracted to provide?

It was proposed that DALNET should pay for the software. However, there was some question as to whether the Committee ought to negotiate a reduced price for the cost incurred in correcting the damaged DALNET database. At the very least, DALNET should have been informed of the risks involved in the fast load option. Committee members suggested holding back a sum of money because of the damage.

Note: it became clear at the Board Meeting of August 18 that DALNET is currently holding back payments to *epixtech* due to lack of satisfaction for data load services as well as dissatisfaction with Horizon software services. This was not clearly understood at the Finance Committee Meeting.

Going back to the basic purpose of the partnership agreement, DALNET agreed to develop software with Ameritech because the consortium needs tailored enhancements which Ameritech agreed to provide. The contract language provides the leverage with which DALNET can work to gain satisfaction. The contract was clear about specific enhancements to be developed and the timelines for implementation. However, it is not in DALNET's interest to create an adversarial relationship with *epixtech*. At the same time DALNET must make an impression on *epixtech* that it means business.

Committee members reviewed Meg Fisher's email to see if a number of software items could be paid. They are: Horizon Software-UDM, Horizon Software-Botsford, Horizon Software-Group 3, and Horizon Software Group 4.

Software items that should not be paid are: Horizon Software-WSU/DPL, and Horizon Software-Group 5.

In addition, the following enhancements have not been received and therefore payment should not be provided: Children's OPAC, Ad hoc Management and Statistical Reports, Integrated Booking Module, and RSS. The additional money tied to the functionality testing / enhancements and the additional holdback money should not be paid either.

Members noted that beginning the warrantee period on 01/01/2000 is acceptable if *epixtech* continues to offer this provision.

Further, the Finance Committee is not prepared to agree to the proposed alternatives for delivery and payment of the enhancements as specified by Meg Fisher. There is no basis for an agreement on enhancements with *epixtech* until the revision to the DALNET contractual enhancements timeline is agreed upon. Seven enhancements are listed, but, the timelines proposed relate to identifying solutions, writing specifications and agreeing on a timeline for implementation. In actuality, this is an agreement to a process in order to get to the enhancements. The delivery of the enhancements will be some time after the process has had an opportunity to work. DALNET and *epixtech* do not communicate effectively to the extent that they do not understand each other's needs nor their priorities. This elementary problem must be resolved as part of the process. What has happened in the past is that Ameritech / *epixtech* may have worked on solutions only to find that they were not acceptable to DALNET. The resulting frustration and confusion have led to a standstill. There is some feeling on the DALNET side that *epixtech* is devoting its human and programming resources to its major product line rather than to the partnership agreement. Some of the new Horizon system enhancements are supposed to provide a fix for a number of DALNET's concerns (i.e. broadcast searching, shared patron databases, shared authority files, seamless, automated interlibrary loan). However, the enhancements must be provided, mounted and tested within DALNET since they are not a proven product for large consortium use. Otherwise, DALNET would be paying for vaporware.

Committee members agreed that *epixtech* has had since the summer of 1998 to provide implementation of the enhancements as specified in the Partnership Agreement. DALNET needs to be careful about abrogating its rights as specified in the original Partnership Agreement.

The DALNET Finance Committee is not in favor of releasing any money to pay for additional Horizon bills until a conversation with *epixtech* is held.

Finance Committee members considered how to deal with payment. To keep the pressure on *epixtech*, signoffs on the software should be recommended by the DALNET Systems Office and sent to the Board for approval. Voting can be accomplished by email and confirmed at Board meetings.

The Committee reviewed the payment schedule. There was some discussion of paying \$96,010 to *epixtech* and withholding 135,064. Some committee members were in favor of holding back \$100,000 due to the systemic conversion problem with the database. Eventually, it was agreed that the Finance Committee would recommend to the Board that of the \$331,074 that DALNET could pay *epixtech* for the Horizon software, \$100,000 should be withheld pending resolution of current issues with the software and the promised enhancements.

The Committee decided not to respond to Meg Fisher's proposal regarding the payment schedule for the enhancements. Ideally DALNET would not respond or negotiate to pay for the enhancements until enhancement solutions, and the implementation timeline are provided.

The Finance Committee is open to another counter offer, should *epixtech* decide to engage in continuing negotiation.

4. DALNET Project Manager

epixtech is willing to extend the Project Managers contract for another six months. There is some disagreement as to when the contract started and when it will end. In addition, *epixtech* has been paying more for salary and benefits than DALNET has been reimbursing *epixtech*. The Finance Committee will recommend to the Board that DALNET amend the WSU purchase order so as to cover *epixtech's* cost over a six month period to employ the DALNET Project Manager. These funds will be taken from existing revenue.

5. DALNET Director Search

The DALNET Director search has begun. There will be costs incurred in advertising the position as well as for interviewing candidates. The Finance Committee will make a recommendation to the Board that, not to exceed \$10,000 should be allocated from the general fund, i.e. existing revenue, for the DALNET Director search.

6. DALNET Member Satisfaction Survey

The DALNET Member Satisfaction Survey was distributed to approximately 80 individuals. Thirty-one surveys were returned. The raw data is being compiled and will be presented by J. Bosler to the Finance Committee. Using the raw data the Finance Committee will then make recommendations to the Board.

7. DALNET New Members

The status of new members was reviewed. The Committee considered the impact of having Lewis Business College join DALNET. Upon the indication of an earnest interest a motion will be made to approve Lewis Business College as a member contingent on negotiation of the financial terms. Specific financial guidelines for Lewis Business College were not provided other than it is probably a Tier I library. A volume count will have to be ascertained. Marygrove College and William Tyndale College continue to plan for membership in DALNET. Negotiations are proceeding as previously approved by the Board. Oakland County Schools has indicated an interest in joining DALNET. Initial fact-finding has begun. The Finance Committee will be informed of developments. Mt. Clemens General Hospital is again interested in DALNET membership. This library was supposed to be in the original group of DALNET / Horizon libraries but withdrew just before implementation. Committee members agreed that Mt. Clemens General Hospital could be included as a DALNET member as originally planned with no additional approvals being necessary. It is expected that DALNET would not owe *epixtech* for an additional software license or loader fees for Mt. Clemens General.

8. Resource Reallocation

Reallocation of financial resources was considered so as to accommodate the expected Information Hub Development Proposal. The Information Hub Development Committee is in the process of creating a plan with a financial request. Their intent is to provide integrated access to information regardless of format. Additional resource reallocation will be required for Horizon servers and Horizon enhancements for which DALNET did not originally contract with Ameritech / *epixtech*.

9. DALNET Quarterly Reports

P. Jose, DALNET Chair, has requested quarterly financial reports. The content of the reports might include the fiscal year budget allocations followed by the encumbrances and payouts as they transpire during the year. B. Harris will work with P. Jose on the content of the reports.

10. Budget Document Planning

Budget Document Planning is underway for the next fiscal year. Based on incoming information B. Harris should have a draft of a budget proposal ready for the next meeting.

11. New Finance Committee Members

Bosler asked the Finance Committee to approve the recommendation of Phyllis Jose, Karen Tubolino and Maurice Wheeler to the Finance Committee. Email communications had previously been sent to committee members regarding these nominations. Each of the nominees brings with them a great deal of expertise and a constituency that will aid DALNET. The Committee approved the nominations and recommended them to the Board for an email vote.

12. Adjournment.

The next Finance Committee Meeting needs to be at least ten days before the next Board Meeting. A Board meeting is scheduled for September 18, 2000. The suggested dates for the next Finance Committee Meeting will be during the week of September 5.