



Oregon

John A. Kitzhaber, MD, Governor

Department of Administrative Services

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February 12, 2013

Senator Steiner Hayward, Co-Chair
Representative Smith, Co-Chair
Ways & Means General Government Subcommittee
900 Court Street NE
Salem, OR 97301

Dear Senator Steiner Hayward, Representative Smith, and the Ways & Means General Government Subcommittee;

Below, please find follow-up information as requested during the February 12, 2013 subcommittee meeting.

Question from Senator Whitsett: Please provide the costs of the consultants on the Improving Government projects.

Attached you will find a spreadsheet with costs of these consultants.

(Attachment: ConsultantBudget.xlsx)

Question from Representative Gomberg: Please provide historical context for the Department of Administrative Services.

The following information is excerpted from the HB 5002 Report given to the legislature during the 2011 legislative session:

The Department of Administrative Services (DAS) was created in 1993 by legislative action to combine two already existing state agencies into one organization. In forming DAS, the legislature combined the Executive Department, which focused on policy and governance, with the Department of General Services, which focused on infrastructure and business services.

The early 1990's were a period of significant organizational change within Oregon state government. During that time, the merger of DAS became a political priority, but the primary considerations were not necessarily those of effectiveness or efficiency. Consequently, not much emphasis went to fusing functions, reducing overhead, or eliminating redundancies. In fact, consolidation eliminated only one position, the agency director of one of the two prior organizations. Though officially consolidated, DAS existed in functional silos.

Prior to the merger, the Executive Department and the Department of General Services had been created in 1969. Before the consolidation in 1993, the Executive Department clearly operated as

the administrative extension of the Governor's Office, providing governance and policy direction (e.g., budget, accounting practices, human resource policies) and was supported by a General Fund appropriation.

Similarly, the Department of General Services was distinctly a service provider for infrastructure and business services (e.g. printing, mail, fleet, custodial services) primarily on a pay-as-you-go fee structure or some other generally understood funding mechanisms (such as per square foot rent charges).

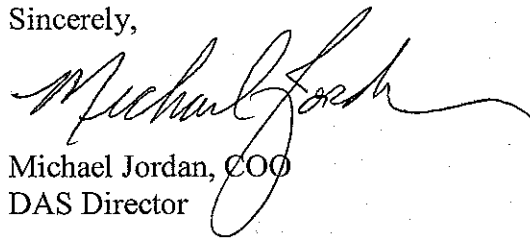
Each agency enjoyed a clearly defined and longstanding role in government. The funding methodologies – while not perfect – were readily understandable. After the merger, DAS' identity became less certain. The duality of DAS' role in providing both service delivery and policy direction to agencies created a dichotomy that was inherent in its structure and funding mechanisms.

As DAS' organizational culture matured over the years, the agency made many efforts to better organize its business functions, create greater operational efficiencies, and realign service delivery to meet changing demands. Until now, however, this type of comprehensive organizational review has not occurred. Beginning in 2012, DAS reorganized to better separate the basic policy and service functions that exist within the organization.

Question from Co-Chair Steiner Hayward: Why is there so much turnover in Leasing/Real Estate staff?

The Leasing Team consists of 4 Leasing Agents in the Real Estate Services Program supervised by a fairly new manager of just over 2 years. The 4 leasing agents have 11, 5, 2, & 1 years of experience respectively. A little over two years ago, we had two Agents who accepted higher level positions – one with another state agency and one in the private sector. While we've lost some institutional memory and experience, we've gained fresh knowledge and experience from the private sector with our recent hires. We've had no turnover since the current Leasing Manager was hired. Her focus, with the support of her division administrator and Michael Jordan is to build a strong team focused on serving state government.

Sincerely,



Michael Jordan, COO
DAS Director

Improving Government Projects | Budget Summary

Project #	Name	Total Budget	Budget for Consultant Fees	*
600001	Admin Baseline 2.0	\$355,000.00	\$355,000.00	
600002	HR System Replacement	\$0.00	\$0.00	
600003	Renegotiate Large Leases	\$116,818.00	\$116,818.00	
600004	Optimize Office & Warehouse Space	\$102,843.00	\$102,843.00	
600005	Pilot Campus Facility	\$70,990.00	\$70,990.00	
600006	Procurement Improvements	\$150,000.00	\$150,000.00	
600007	Electronic Paystubs	\$25,650.00	\$0.00	
600008	Electronic Timekeeping	\$154,000.00	\$0.00	*
600009	Data Storage Consolidation	\$1,072,000.00	\$0.00	*
600010	Email Consolidation	\$850,000.00	\$0.00	
600011	Enterprise Active Directory	\$750,000.00	\$138,000.00	
600012	Enterprise Software License (Microsoft)	\$0.00	\$0.00	
	Total	\$3,647,301.00	\$933,651.00	
* Some vendor involvement as part of a total purchase price - included in cost of equipment purchased				