Enterprise Human Resource Services
Customer Utility Board
Charter

Executive Summary:

The Customer Utility Board (CUB) exists to provide DAS' customers with a meaningful voice in the cost, type, quality, and quantity of utility services delivered. This CUB acts as a governing board for those services provided by Enterprise Human Resource Services that have been designated as utility services. The Board serves as a forum to recognize and respond to customers' needs as well as a communication channel to keep the exchange of information flowing between customers and provider. This takes its shape in the form of four primary responsibilities:

- Approving rate-setting methodologies and resulting rates
- Approving general service level agreements,
- Reviewing business plans and annual financial statements
- Settling unresolved service complaints

Effective CUB members will be well informed of the utility services provided and make decisions on the basis of overall value and not just service quality or cost. This ability means being enough of a "numbers" person to understand costs and rates and their impact on customers and providers and also consider the "big picture" to see how different cost and rate structures will affect other customers and Oregon state government as a whole.

The CUB members will:

- Work for the common good of the state government enterprise, striving to make decisions in the best interest of utility service customers.
- Represent not just one's own agency, but also other agencies of similar size and customers in general.
- Furnish expertise to solve service issues collaboratively, thus facilitating the success of the Service Enterprise.
- Respect the boundaries and separation existing between the CUB and the management or administration of the Service Enterprise and its different programs.

The CUB consists of voting members represented from different areas of the government.

- Three or four state agency representatives from the largest customers of the enterprise.
- Three or four state agency representatives from the medium sized customers of the enterprise.
- Two or three state agency representatives from the smallest customers of the enterprise.
- One customer representative from a local government (as needed).

Note: For definition of size of customers, see the definitions section at the close of this charter.

There will be regular CUB meetings scheduled at least quarterly, with duration to be determined by the Board. However, the chair may cancel a regular meeting due to lack of agenda topics. Alternatively, additional meetings of the Board may be scheduled by the chair as needed (e.g., to make urgent decisions during the budget cycle or when the rates are actively being changed).

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Program Overview	In 2012 DAS implemented Entrepreneurial Management (see definitions) as a business model. At the model's core is the customer's voice. For DAS utility services (see definitions), this voice is expressed through the Customer Utility Board that governs the services. Also integral to the model is customer choice. Choice for utility services comes through the unbundling of previously aggregated services and the creation of discrete rates and service level agreements that provide greater choice for customers. This Board exists to provide DAS' customers with a meaningful voice in the cost, type, quality, and quantity of utility services delivered. The Board serves as a forum to recognize and respond to customers' needs as well as a communication channel to keep the exchange of information flowing between customer and provider.
Group Purpose	The Service Enterprise (see definitions) Enterprise Human Resource Services Customer Utility Board will be referred to with the acronym of CUB throughout the remainder of this charter. This CUB acts as a governing board for those services provided by Enterprise Human Resource Services that have been designated as utility services, according to the service slotting categorization used in the implementation of Entrepreneurial Management in Oregon state government. In its capacity as a governing board, the CUB will ensure that utility services provide effective and efficient quality service that benefits customer agencies and the citizens they serve.
Charter Authority and Anticipated Duration	This CUB came to be created by the authority of the Chief Operating Officer (COO) / Director of DAS. The duration of the Board will coincide with the duration of the utility sector of DAS' Entrepreneurial Management business model. The COO / DAS Director retains the right to disband the Board as is merited by DAS business strategies. Ultimate accountability for DAS' service provision statutorily falls to the Director of DAS. As such, the COO / DAS Director retains the right to modify or over turn CUB decisions. If the COO / DAS Director were to exercise this right, s/he will be responsible to report back to the CUB on the reasons why a change was deemed necessary.
Group Sponsor	The CUB is sponsored by the Chief Operating Officer. The day-to-day performance of the Board is overseen by the DAS Deputy Director.
Responsibilities and Expectations	**1. Approving rate-setting methodologies and resulting rates** The CUB approves the process and the methodology for setting rates for the utility services that the CUB oversees, as well as the resulting rates according

Responsibilities and Expectations (Con't)	to the approved methodologies. Review of the rate methodologies and approval of rates will be done according to the calendar of activities set by the CUB, allowing enough time for DAS customers to provide input and develop their agency budgets for the next biennium. In any case, the final rates will be established no later than four weeks in advance of the publication of the rates for the next biennium. Established rates may be amended after the date they are published upon recommendation by the Service Enterprise Leader and affirmative vote by the CUB**.** **2. Approving general service level agreements** The CUB will participate in the development of general service level agreement documents for each one of the utility services that it oversees, negotiating the contents of each service level agreement with the Service Enterprise. The CUB will also be responsible for reviewing and approving the final terms of each service level agreement document, ensuring that defined service levels are commensurate with the rates charged for each service. Service level agreement documents will include, at least, a definition of customer expectations around a service, a description of service terms and packages, service standards and metrics that will be used to measure performance, and redress mechanisms. A single service level agreement could be created for multiple related services within a service enterprise. Service Enterprise Leaders (see definitions) will make this decision. To this end, the CUB also approves the process to be followed for the development of service level agreements, as well as the specific ad-hoc committees and/or task-forces responsible for overseeing this work, ensuring that participating representatives from customer agencies can clearly articulate the outcomes that customers need. **3. Reviewing business plans and annual financial statements** The CUB reviews and comments on the business plans submitted by the DAS Service Enterprise Leader for the performance of the services the CUB oversees prior to the beginning of each budgeting cycle. The Service Enterprise Leader, in coordination with the Program Managers within the Service Enterprise, will decide on whether to present one Business Plan for each utility service the CUB oversees, one business plan per program or one aggregate business plan for the whole Service Enterprise. Business plans will include information on:

Responsibilities and Expectations (Con't)	• Strategic direction, goals and strategies of the Service Enterprise. • Performance objectives along with new objectives for the upcoming biennium. • Service rates. • Levels of service and service packages. • Capital and investment plans. • New or existing projects and plans to be executed by the Service Enterprise for improving customer service or efficiency of operations. • Other relevant information. In addition, the Service Enterprise Leader will submit annually updated financial statements for each of the utility services that the Board oversees. The CUB will review the updated financial statements, and make recommendations to the Service Enterprise Leader on decisions bearing an impact on the profit and loss statement for each utility service, such as 1) adjusting service rates, operating expenses or personnel expenses, 2) launching or delaying new or approved investments and projects, 3) Emergency Board submissions and requests for increases to program-specific expenditure limitations, 4) policy option packages, etc. The Service Enterprise Leader will have the final authority regarding whether to make the changes recommended by the CUB. **4. Settling unresolved service complaints** Service complaints should be resolved at the lowest common level, collaboratively between customer and provider. For those unresolved service complaints, the CUB will provide a resolution forum. The CUB is responsible for the unresolved service complaint resolution procedures concerning the utility services the Board oversees, as well as for participating in the complaint resolution process. The complaint resolution procedure includes, at a minimum, the following provisions: • A definition of complaint, which conveys that the resolution process does not take the place of any other complaint, grievance or appeal process required by statute or rule. • Receipt and resolution of complaints by the utility service provider charged with providing the service. • Standards for prompt, timely complaint resolution. • Provisions to aggregate analyze and communicate issues and outcomes in a manner that contributes to overall organizational development. • Identification of the Service Enterprise Leader's decision as the last step in the process. However, the procedure will contemplate the possibility for customers to appeal the Service Enterprise Leader's decision to the DAS Deputy Director for ultimate resolution.

Responsibilities and Expectations (Con't)	The chair will be the point of contact to raise any complaint to be discussed during CUB meetings. **5. Supporting the Office of the COO on leadership policies** As requested by the Office of the COO, the CUB will provide input on statewide laws, rules, policies, standards and practices, as well as on related statewide initiatives, policy impact assessments and issues, in a manner that increases value for agency customers and the public. **6. Participating in service side policy development** At the request of the Service Enterprise Leader, the CUB will be responsible for providing customer input as well as reviewing and providing comments on the final terms of Service Enterprise policies. Service Enterprises, with the participation of the CUB, will be responsible for setting their own policies within this operational framework in alignment with strategic and policy direction set by the Office of the COO. **7. Participating in the prioritization of limited resources** The CUB will work with Service Enterprise Leaders to develop criteria by which limited resources will be prioritized in the establishment of service levels and/or the delivery of services. **8. Monitoring performance** The CUB will monitor and review performance quality and customer service for all services provided by the Service Enterprise based, where possible, on available performance data provided by Service Enterprise Leaders. **9. Promoting innovation** The CUB will promote innovation in service delivery, identifying new services or service packages that DAS could offer, proposing alternative rate methodologies, and generally thinking creatively about different ways to conduct business and deliver administrative services to continuously improve value.
Membership	**Members:** The CUB consists of voting and non-voting members represented from different areas of the government. **A) Voting members** • Three or four state agency representatives from the largest customers of the enterprise. • Three or four state agency representatives from the medium sized customers of the enterprise. • Two or three state agency representatives from the smallest customers of the enterprise. • One customer representative from a local government (as needed).

Membership (Con't)	• The Board may have a judicial branch member if services are provided to the judicial branch and a legislative branch member if services are provided to the legislative branch. Note: For definition of size of customers, see the definitions section at the close of this charter. In selecting agencies to become members of the CUB, the COO will strive to have a mix of agencies that includes General Fund, Lottery Fund, Federal Fund and Other Fund agencies representing all the outcome areas of the 10-Year Plan. Additionally, in order to create the synergy needed for a highly effective Board, the COO will aim for a mix of Board members with a blend of executive level staff with decision making authority and program level staff with deep operational knowledge of the services offered by the Enterprise. **B) Ex-officio non-voting members** • The permanent non-voting members will mainly be comprised of the Service Enterprise Leader and CUB staff. • Other non-voting Board attendees can include the DAS Deputy Director, representatives from the Office of the COO or other members of DAS. • The non-voting members may attend meetings according to the topics being discussed during each meeting. **Types of officers and duties:** • The officers of the CUB will be the chair and the vice-chair. • Any CUB voting member can be nominated for the role of chair or vice-chair. • Members can nominate themselves to compete for the role of chair or vice-chair. In case no one volunteers, the positions will be appointed by luck of the draw. • Board officers will be elected by a simple majority (50-percent+ 1) of the voting members present in the CUB in the case where more than one member volunteers for a position. • The chair will preside over all CUB meetings. • The chair, in collaboration with the Service Enterprise Leader, will create, review and approve the agendas before they are distributed to the members. • The chair will maintain order in the meetings and make sure everyone acts according to the guidelines established within the CUB charter. • The vice-chair will assist the chair in the discharge of the chair's duties stated above as requested, and will perform the chair's duties in the absence or inability of the chair to act. **Appointments and terms of membership** In order to maximize continuity of Board activity, members will serve four-year terms or terms equivalent to two full budgeting and rate-setting cycles. However,

Membership (Con't)	initial membership terms will be staggered terms of two to four years to ensure continuity. Usually member terms will begin on July 1 and end on June 30 of the odd year. However, initial membership terms will begin on July 1 2012. Upon mutual agreement between the Board member and the Service Enterprise Leader, terms may be extended. **Initial appointment of members** The COO will conduct the initial selection of agencies to be represented in the CUB, and will also select the local government representative. The COO will ensure that the mix of represented agencies does not violate the CUB composition described in this charter. The appointment of the employees designated as members for the CUB within the selected agencies will be done by each agency director. **Replacement of members** The COO will replace the CUB members once their term is over. For this purpose, the COO will select the agencies that ensure the mix of representation described in this charter is maintained. The appointment of the employee or employees designated as replacement member(s) for the CUB within the selected agencies will be done by each agency director. If an agency employee who serves as a Board member leaves before the completion of their term, DAS will ask the agency director to appoint a replacement member to complete that term. If the agency director is unable to do so, the COO will designate a replacement agency in accordance with the mix of representation described in this charter. **Removal of members** Board members can be removed from the CUB by the approval of the chair of the Board or the COO before the end of their actual term for any of the following reasons: • If the Board member appointed by the Board member misses three consecutive Board meetings. • If the member does not follow the guidelines as established in the CUB charter. **Guiding principles and standards of conduct of CUB members:** The CUB members will: • Work for the common good of the state government enterprise, striving to make decisions in the best interest of utility service customers. • Represent not just one's own agency, but also other agencies of similar size and customers in general. • Furnish expertise to solve service issues collaboratively, thus facilitating the success of the Service Enterprise. • Conduct professionally and treat one another with mutual respect and

Membership (Con't)	trust. • Strive for quality decisions within the timeframes provided. • Respect the boundaries and separation existing between the CUB and the management of the Service Enterprise and its different programs. • Review and observe the requirements of the state ethics law (ORS 244.010 to ORS 244.390) dealing with use of public office for private financial gain. **CUB Staff:** CUB staff will be comprised of employees of DAS who will be present in the Board meetings, and will facilitate the administration and operations of the CUB and its interaction with DAS and the rest of state agencies. **A) CUB staff provided by DAS' Business Support Services will be responsible for:** • Developing management and financial analyses and reports requested by the CUB that need to be explored through communication with specific programs of the Service Enterprise. These reports may require working together with Service Enterprise staff or other areas within DAS to develop analyses on existing or new rate methodologies, service performance, service level agreements, etc. • Providing logistic support to Board meetings, including setting up meeting rooms and taking minutes. • Keeping the official, current records of the decisions, members, actions, meeting minutes, and obligations of the CUB. • Establishing clear communication mechanisms for Board members to place requests for materials and analyses, express opinions on topics not covered during Board meetings, raise complaints, make suggestions, etc. • Providing new Board member orientation. **B) CUB staff provided by the Service Enterprise:** • Each Service Enterprise Leader can appoint one or more employees from among its staff to provide specialized support to Board operations. • All CUB staff members will be approved by the Service Enterprise Leader.
Convening Information	**Ad-hoc committees and workgroups** The CUB may form ad-hoc committees and workgroups: • The CUB chair will authorize or dissolve ad-hoc committees and workgroups in support of the needs that arise during the regular CUB operations. • These ad-hoc committees and workgroups will be appointed by the Board to advise and make recommendations to the Board regarding topics as specified in the Board's enabling provision. • DAS Service Enterprise ad-hoc committee and workgroup members may consist of anyone including CUB voting members, CUB ex-officio non-voting members, CUB staff or anyone recommended by any of the above. • All ad-hoc committees and workgroups will be chaired by a Board

Convening Information (Con't)	member. **Frequency of meetings** • There will be regular CUB meetings scheduled at least quarterly, with duration to be determined by the Board. • However, the chair may cancel a regular meeting due to lack of agenda topics. Alternatively, additional meetings of the Board may be scheduled by the chair as needed (e.g., to make any urgent decisions during the budget cycle or when the rates are actively being changed). **Agenda** The agenda for each CUB meeting will be set by the chair. Members or staff who would like to discuss specific topics may communicate those to the chair at least five business days before the actual date of the meeting to be included in the agenda. Agendas will include a list of the principal subjects anticipated to be considered at each CUB meeting, but this requirement does not limit the ability of the CUB to consider additional subjects. Agendas and attachments will be posted electronically and through that posting made available to all Service Enterprise customers within one week of any meeting. **Minutes and other meeting materials** The minutes of all the CUB meetings will be recorded by a member of the CUB staff from DAS, who will submit them to the chair for his or her review. All meeting materials will be posted electronically and made available to all Service Enterprise customers within a reasonable time after each CUB meeting. **Voting** Voting will be conducted according to the following provisions: • Each member of the CUB has one vote on any issue. • Members can only participate in voting if they are present at the meeting or attending the meeting by phone or other electronic means. • A quorum of 66-percent Board members is required to be present and vote on the approval or modification of rates. • A quorum of at least (50-percent + 1) Board members is required to vote on any other decision. • If absence of a quorum prevents the CUB from making decisions (such as approving rates during the budget cycle), the COO will make the final decision on behalf of the CUB. • A simple majority of the members voting will determine the outcome of any issue that is being voted upon. • "No" votes will be recorded for the minutes. • For rate-setting methodologies and resulting rates, voting will be done by

Convening Information (Con't)	roll call voice vote. All other voting may be done by a group voice vote. If the chair is in doubt or if a member requests a show of hands, then the vote can be retaken in that fashion.
Amendments to Charter	Amendments to the CUB charter might be necessary to conform to statewide overall organization or governance, improve Board organizational efficiency, or in case it is warranted by changes to the Entrepreneurial Management model implemented in Oregon state government. Amendments to the CUB charter will be proposed to the Deputy Director of DAS. Changes can be proposed by any Board member, any customer agency or any of the DAS staff present at the CUB. The Deputy Director of DAS will review any proposed changes to the content of the CUB charter. The final amendment decision will be at the discretion of the COO. Amendments to the CUB charter will apply to all of DAS Customer Utility Boards.
Definitions	**Agency Size:** • **Large customer**: A state agency, board or commission whose aggregate spend in the utility services delivered by all the programs of a given Service Enterprise ranks amongst the top 10 of that Enterprise. • **Medium sized customer**: A state agency, board or commission whose aggregate spend in the utility services delivered by all the programs of a given Service Enterprise ranks between the 11th and 30th of that Enterprise. • **Small customer**: A state agency, board or commission whose aggregate spend in the utility services delivered by all the programs of a given Service Enterprise ranks amongst the 31st and below of that Enterprise. **DAS Utility services:** DAS Utility services are those most efficiently provided through DAS in order to maximize efficiency or capture economies of scale—where it makes economic sense to have a single supplier for all users for any of the following reasons: economies of scale; policy reasons; the need for one integrated system; or a strong need for uniformity. Customers of utility services are local government entities, individual state agencies and other public entities that may choose how much to purchase, but for any of the reasons cited above the choice of supplier is limited to a single designated source. **Entrepreneurial Management (EM):** Innovative public management model that uses customer choice, competition, and policy/service separation to increase service satisfaction.

Definitions (Con't)	The dictionary defines the word "entrepreneur" as "one who organizes, operates and assumes the risk for a business venture". DAS defines "entrepreneurial management" as a customer-focused approach to delivering services in a competitive marketplace, where business decisions are motivated by the desire to meet customer needs and by rewards or consequences for financial performance. This means:
	• We "risk" success or failure based on whether customers buy our products and services;
	• We must put customers first;
	• We must listen to customers in order to find out what we can provide that meets their needs;
	• We must focus on both activities and results.
	
	According to the entrepreneurial management model, DAS services are divided into three categories:
	• **Utility services:** see definition above.
	• **Policy Services:** Services encompassing the following functions:
	  o Development, modification and sun-setting of statewide codified statutes, rules and policies, as well as technical standards and other policies that affect all state employees or all state agencies
	  o Statewide compliance and policy enforcement activities, including a) audits, b) compliance coordination activities, including coordinating and ensuring compliance with statewide codified policy, federal policies and external standards (such as generally accepted accounting principles)
	  o Statewide policy consultation and information
	  o Other functions delivered by the Office of the COO on behalf of Oregon state government, such as strategic planning, IT planning, workforce development planning, management of statewide projects, economic forecasting, executive recruitment, etc.
	• **Marketplace services:** Services for which the customer agencies may select a vendor (either DAS or some other entity inside or outside state government). For a service to be designated "marketplace," there must be an active and competitive marketplace in these services so customers have effective choices in quality, quantity, and prices, and can switch providers if the current one proves unsatisfactory.
	
	Local government representative: any representative from any Oregon city, county, district or other municipal or public board, commission, council, office, authority or entity, organized for public purposes and existing under statute, city or county charter.
	
	Service Enterprise: Each one of the four service delivery organizational areas of DAS: Enterprise Technology Services, Enterprise Goods & Services, Enterprise Asset Management and Enterprise Human Resource Services. Under the Entrepreneurial Management public management model, a service provider becomes an

Definitions (Con't)	"enterprise," dependant on earned revenue for its budget from the "sale" of utility and/or marketplace services to its customers. **Service Enterprise Leader:** Head of any of the Service Enterprises established by DAS to deliver administrative services to its customers. **State agency**: All state officers, boards, commissions, departments, institutions, branches, divisions, agencies and other entities that are within the executive, legislative or judicial branch of state government. **Outcome Areas of 10-Year Plan:** • 1: Education • 2: Healthy people • 3: Economy and jobs • 4: Healthy environment • 5: Safety • 6: Improving government