



Oregon

Department of Administrative Services - Phase II
Ways & Means Subcommittee on General Government

April 29 & 30, 2013



Overview of DAS Phase II Agenda

1. Review GBB Policy Packages
2. Review current vacancy report
3. Review 10% Reduction List themes



Changing Our Business

Government can no longer
operate “business as usual.”

The business is changing and
so is the usual.



DAS Policy Packages

Enterprise
Project
Management

Facility and
Infrastructure
Planning

Capitol
Construction and
Renovation
Projects

Replacing State's
Human Resource
Information
System

Meeting
Customer-Driven
Fleet Demands

Meeting
Customer-Driven
Technology
Demands

Broadband Data
Mapping Grant



Enterprise Project Management

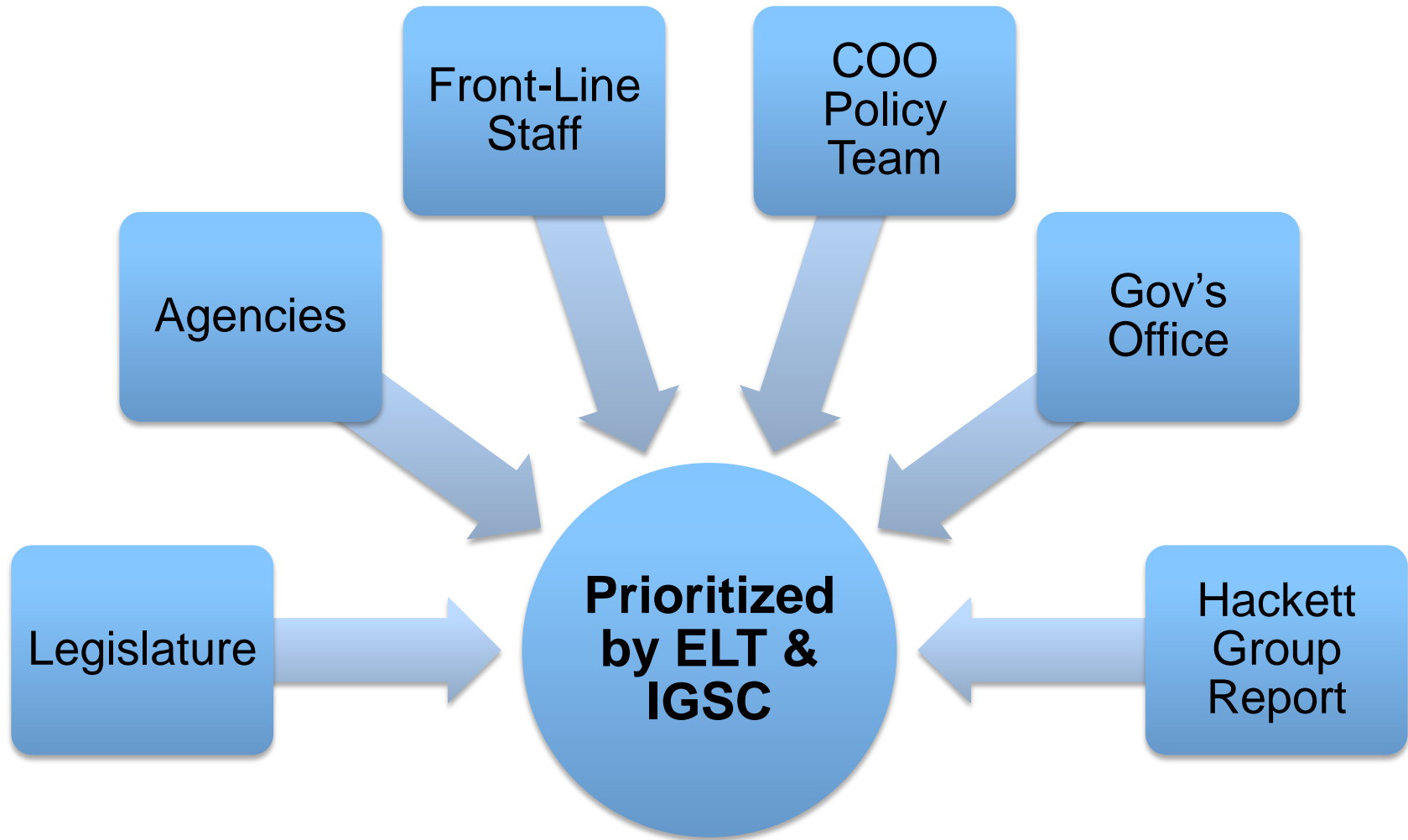


Funding Proposal– What is the ask?

- Objective: To develop, plan and implement Enterprise Initiatives to improve state government operations
- How Accomplished: Staffing for Enterprise Initiatives requires high-level implementation experience and deep program analysis skills
 - Package 101: Converts two existing limited duration Project Manager 1 positions to permanent positions, and adds two permanent Policy and Budget Analyst positions to the Office of the Chief Operating Officer



Improving Government Project Ideas



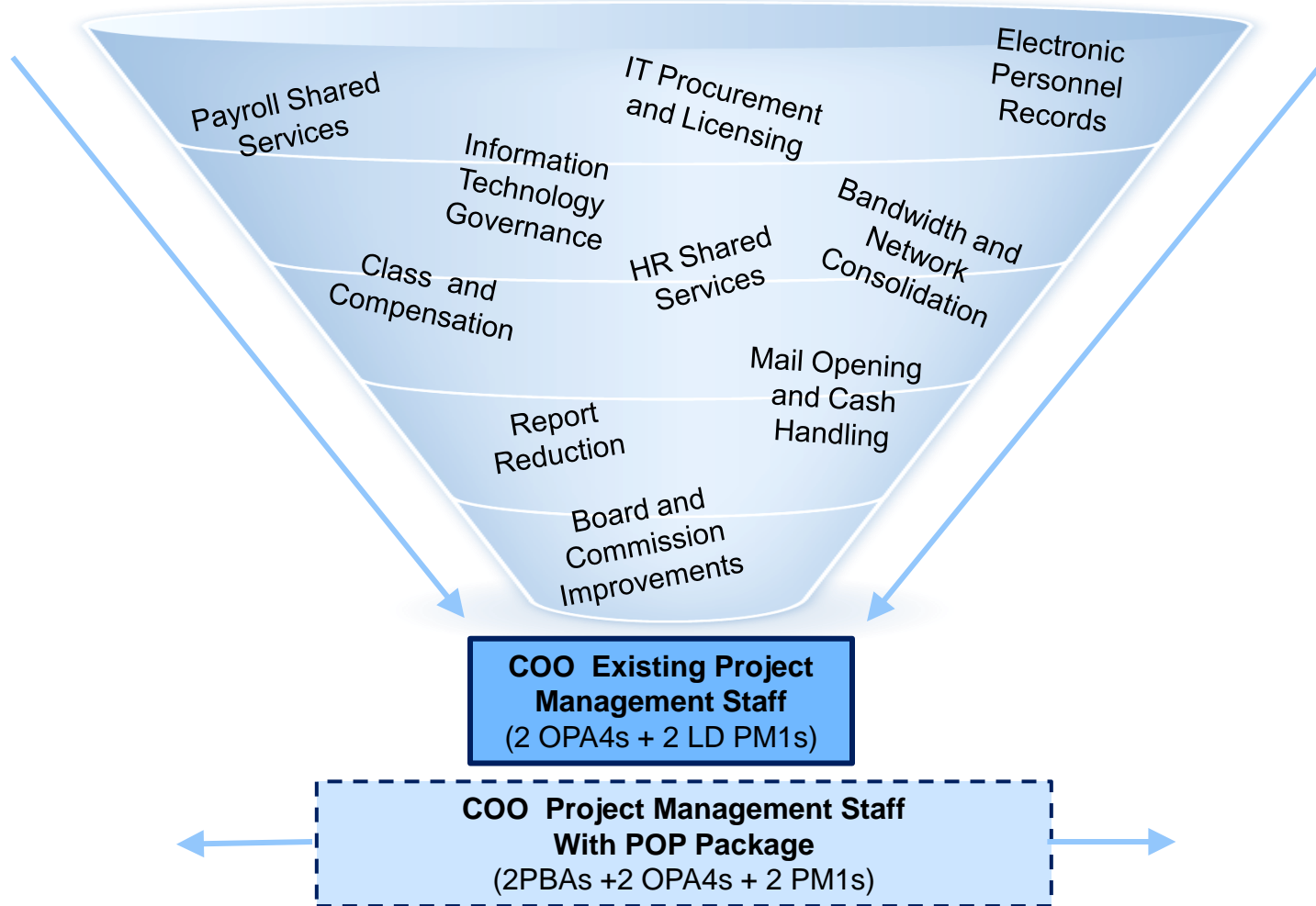


COO's Project Approach

- To implement the projects with the most opportunity, we need shared project ownership with agencies that perform the tasks.
 - DAS' role is to be the convener-in-chief
 - DAS uses a project management approach to organize and carry out enterprise level projects
 - Define clear project objectives upfront
 - Build project plans with measurable milestones
 - Convene technical experts to craft the solution
 - Implement projects with agency staff resources
 - Monitor progress & close projects when completed



Enterprise Change Initiatives





Implementing Our Vision

Pkg 101

Enterprise Initiative Project Managers

- Converts two existing limited duration Project Manager 1 positions to permanent positions and adds two permanent Policy and Budget Analyst positions
- Package Cost:
\$0.9 million Other Funds, 4 Positions



Facility and Infrastructure Planning



Funding Proposal— What is the ask?

Objective: To move Oregon’s facility planning from an Ad Hoc facility maintenance focus to a long-term strategic investment focus

How Accomplished: DAS is proposing 3 policy packages to address different components of long-range facility planning

Pkg 102 – TRIRIGA Software

- Provides resources to assess status of state facilities
- Develop a database to manage facility improvement projects
- 2013-15 focus on DAS-owned buildings

Pkg 117 – Capital Planning

- Adds two positions to develop a statewide facility long range plan for state owned and leased facilities
- Includes Capital Planning Director & Statewide Sustainability Coordinator

Pkg 504 – Infrastructure Coordination

- Adds two positions to work with non-state agency partners to better leverage & coordinate state investments in communities
- Extends long range planning concepts to investments in local infrastructure



Current Status – By The Numbers

- 21 separate state agencies own real property
- 4,700 state-owned buildings and structures throughout Oregon
- 22 million square feet owned; 4.5 million square feet leased
- Average age of DAS owned facilities is just over 43 years
- \$3+ billion estimated replacement value of state-owned facilities
- In 2012, state agencies self-reported over \$200 million in deferred maintenance needed for their facilities

Note: the numbers above do not include the Oregon University System



Solid Statutory Structure

- State law has long recognized the linkage between the budget process and statewide facility planning
- Capital Projects Advisory Board (CPAB) assists in planning
- DAS has authority to establish a statewide planning process:
 - Evaluates the needs of state facilities
 - Provides comparative information on the condition of state facilities
 - Establishes guidelines and standards for various aspects of facilities operation/management
 - Provides financing & budgeting strategies to allocate resources to facilities' needs



Current Status – What do we lack?

Consistent
Methods for
Measuring
Facility Data

Coordination
Across
Agencies for
Future
Facility
Needs

Resources
for Ongoing
Maintenance

Planning for
Future
Service
Demands

Lifecycle
Maintenance
Schedules for
Facility
Infrastructure

Central
Infrastructure
to Develop a
Comprehensive
Long-Range
Facility Plan

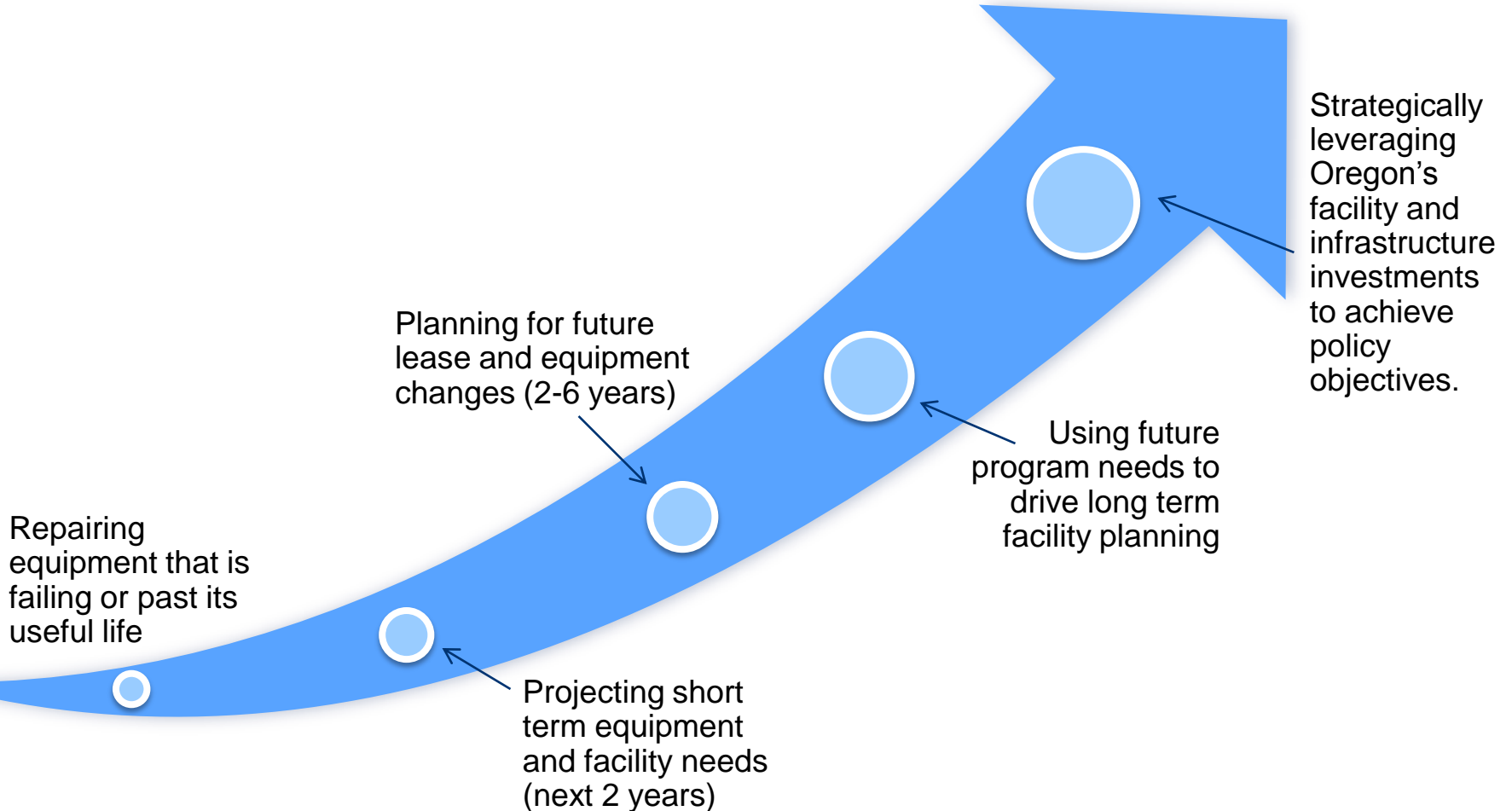


What We Will Achieve – Our Vision

1. Using agency business objectives to inform and guide future agency facility plans
2. Integrating individual agency plans into a statewide facility plan
3. Assessing the condition of state assets and projecting maintenance needs using life-cycle costing principles
4. Leveraging state investments with local community vision

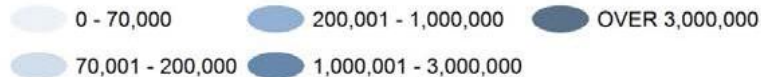
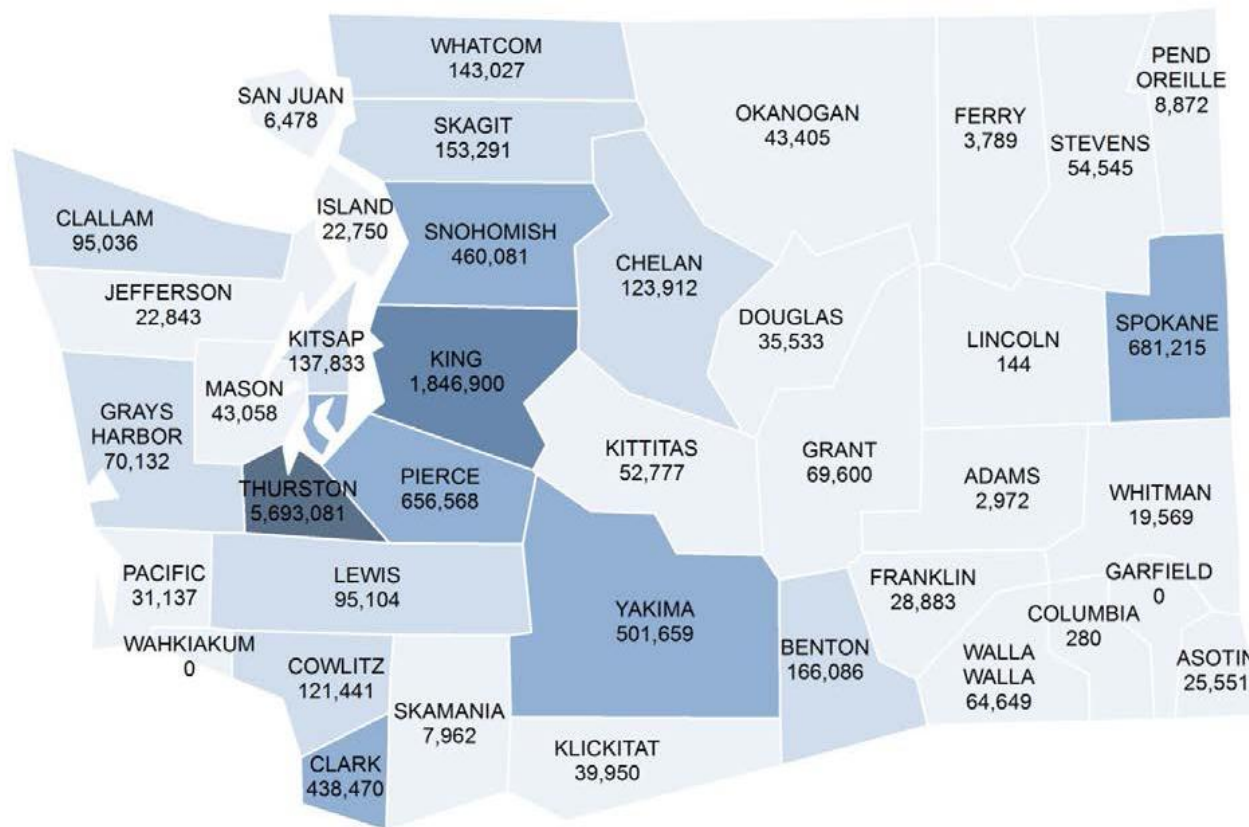


Facility and Infrastructure Planning Continuum





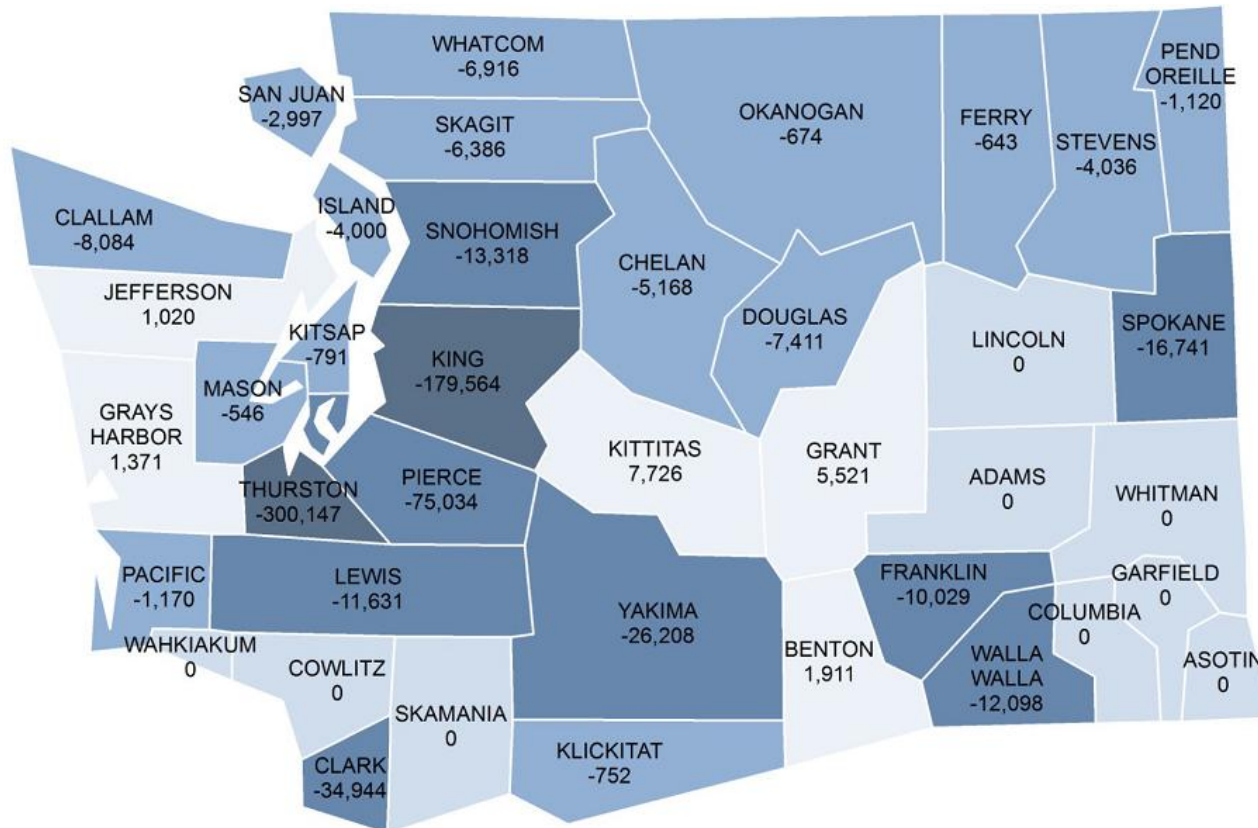
Washington Example – Better Information



Current Office Space
State of Washington,
2013-19 Six Year Facilities Plan



Washington Example – Better Information



Change of office space needed in six years / by county.



Implementing Our Vision

Pkg 102

Facilities Assessment and Planning Analytics Software

- Implement new module for facilities condition assessment and projecting maintenance needs using life-cycle cost approach
- Utilize contractors to perform initial detailed facility assessments at DAS-owned facilities to accelerate work while training state staff
- Package Cost: \$2.6 million Other Funds, 0 positions



Implementing Our Vision

Pkg 117

Create Capability and Capacity for Facilities Capital Construction Planning

- Creates Statewide Facilities Planning Director
- Creates Statewide Sustainability Coordinator
- Professional Services to augment planning staff, providing expertise on industry benchmarks, best practices and quality standards.
- Package Cost: \$1.1 million Other Funds, 2 positions



Implementing Our Vision

Pkg 504

Infrastructure Coordination

- Adds two positions to work with non-state agency partners to better leverage and coordinate state investments
- Focus on investment planning and priorities across all capital planning categories:
 - Education Infrastructure
 - Regional & Community Priorities
 - State Government Infrastructure
 - Reserve Capacity and Emerging Opportunities
- Primary focus of these positions will be for non-state agency partners.
- Package Cost: \$2.8 million General Fund, 2 positions



2013-15 Capitol Construction/Renovation Projects



Funding Proposal— What is the ask?

Objective: To manage the state's physical assets to support the ongoing needs of state agency programs

How Accomplished: DAS proposes three Policy Packages to address priority repairs, energy upgrades, health and safety maintenance, and disposal of property

Pkg 489 – Capital Construction Limitation

- Maintain and upgrade the DAS Property Portfolio

Pkg 116 – Supreme Court Renovation

- Companion package to agency request
- Includes 2 Project Managers & related project costs

New Pkg – North Campus Request

- Provides funds to minimally maintain and prepare North Campus property for sale



Enterprise Asset Management – Portfolio Management

- DAS owns 53 buildings, comprising approximately 3.1 million square feet. DAS operates and maintains these properties and provides similar services to other property owning agencies.
- DAS maintains its buildings to protect the state's investment.
- As part of budget development, DAS presents a capital project list to the legislature for the upcoming biennium.
- Occasionally, DAS acquires or disposes of property depending on the business needs of agency programs. During 2013-15, we need to plan for the disposition of the North Campus property of the Oregon State Hospital.



Capital Projects for 2013-15

Pkg 489

2013-15 Capital Construction Projects

- For the upcoming biennium, DAS is proposing projects related to:
 - Upgrading heating, ventilation and air conditioning systems
 - Energy efficiency upgrades
 - Electrical upgrades
 - Carpet replacement
 - Exterior building weatherization
 - PUC Building envelope replacement
- Package Cost: \$16.8 million Other Funds, 0 positions



Supreme Court Renovation Companion – Pkg 116

Supreme Court Renovation Project

- The Judicial Department is requesting approximately \$26 million to upgrade the Supreme Court Building. As part of their project, they have asked DAS construction project management services to assist them with the project.
- To accomplish this assistance, DAS will need to add two construction project managers and resources for project related services (legal, contracting, bidding, administrative support).
- Package Cost: \$0.6 million Other Funds, 2 (LD) positions



North Campus Maintenance and Disposal – New Package

North Campus Maintenance and Property Disposal

- With the recent completion of the new Oregon State Hospital in Salem, OHA has transferred to old North Campus property to DAS for sale. Property includes 6 buildings and 47 acres of grounds.
 - Maintenance
 - Minimally maintain 4 vacant buildings - \$1.1 million General Fund, 1 position
 - Maintain one building occupied by DHS - \$0.3 million Other Funds
 - Continue agreement with DOC to occupy and maintain the Dome building - \$0.00
 - Package Cost: \$1.4 million total funds, 1 position
 - Disposal of Excess Property
 - Preparation for Sale, due diligence, marketing
 - Package Cost: \$0.2 million General Fund
- Total North Campus Package: \$1.6 million Total Funds, 1 (LD) Position

North Campus – Existing Site Map



Dome Building
Office
70,052 SF
1912, Bldg #36

Yaquina Hall
Office
51,720 SF
1948, Bldg #33

McKenzie Hall
Health / Hospital / Clinic
68,706 SF
1948, Bldg #40

Breitenbush Hall
Health / Hospital / Clinic
110,301 SF
1948, Bldg #35

Eola Hall
Health / Hospital / Clinic
149,048 SF
1955, Bldg #50 and #77

Santiam Hall
Health / Hospital / Clinic
57,348 SF
1951, Bldg #34



Replacing the State's Human Resource Information System



Funding Proposal— What is the ask?

- Objective: Replace the existing system with one that will provide better information for decision-makers and more effectively process the state's human resource transactions
 - Because the current system is inflexible, agencies have developed “shadow systems” to meet their needs. The proliferation of these shadow systems causes system fragmentation and increased security risks.
- DAS is proposing the following Policy Option Package:
 - Package 104: Provides the resources to design, procure and begin implementing a new human services system in the 2013-15 biennium



What We Will Achieve – Our Vision

Provide better information to decision makers

Electronic
Workflow and
Online
Approvals

Reduce
Shadow
Systems and
Improve
Security

Timely and
Accurate HR
data that is
Printed
Locally and
On Demand

Risk of
system failure

Ability to
Interface with
Financial,
Accounting,
Procurement
and Budget
Systems



Implementing Our Vision

Pkg 104

HRIS Replacement

- During 2013-15, DAS is requesting funding to:
 - Complete a comprehensive business case
 - Refine and standardize enterprise HR business processes
 - Determine customer requirements and HR data needs
 - Develop a Request for Proposal (RFP) to acquire a HRIS solution
 - Begin implementation of the system in 2013-15
- Package Cost:
\$40.1 million Other Funds, 8 positions (4LD, 4 Perm)



Meeting Customer Driven Fleet Replacement Demands



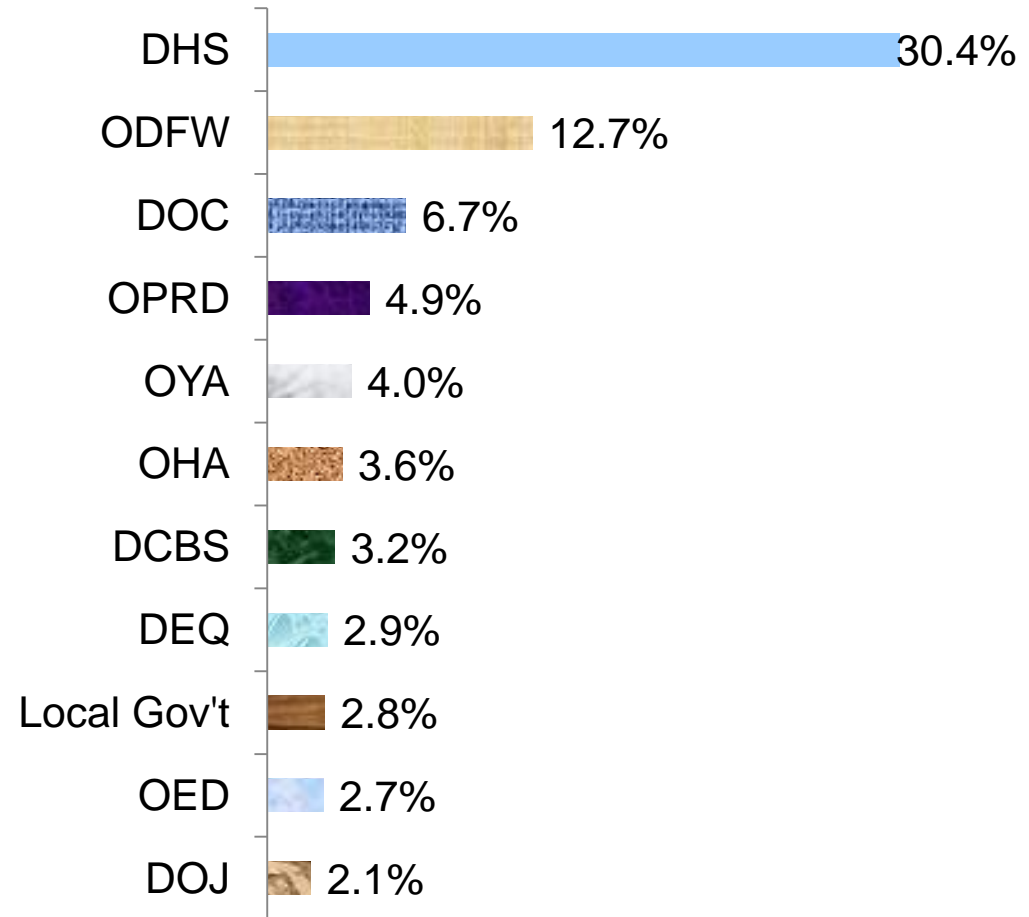
Funding Proposal— What is the ask?

- Objective: Safe, reliable, fuel efficient vehicles for state and local government customers
- How Accomplished: DAS proposes policy package 113 to fund vehicle purchases



Customer Vehicle Needs

- DAS Fleet provides 4,000 vehicles for 120 state and local government customers
- The vehicles are used to provide health and human services, public safety, and protect our state's resources require replacement

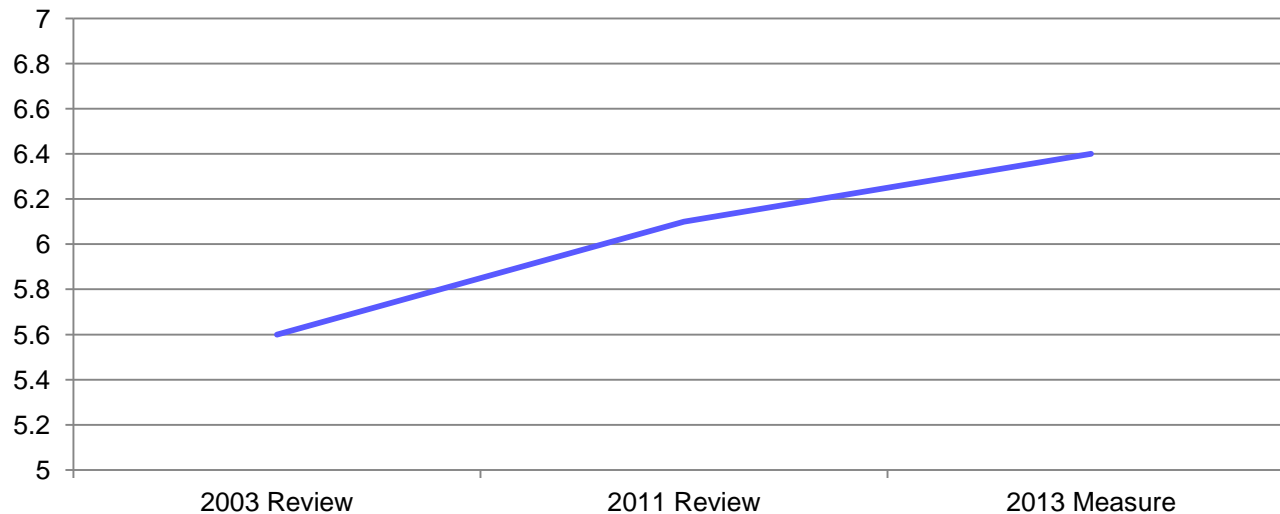




Current Status – Aging Fleet

- DAS fleet age is higher than an industry optimal of 4 to 5 years

Average Vehicle Age

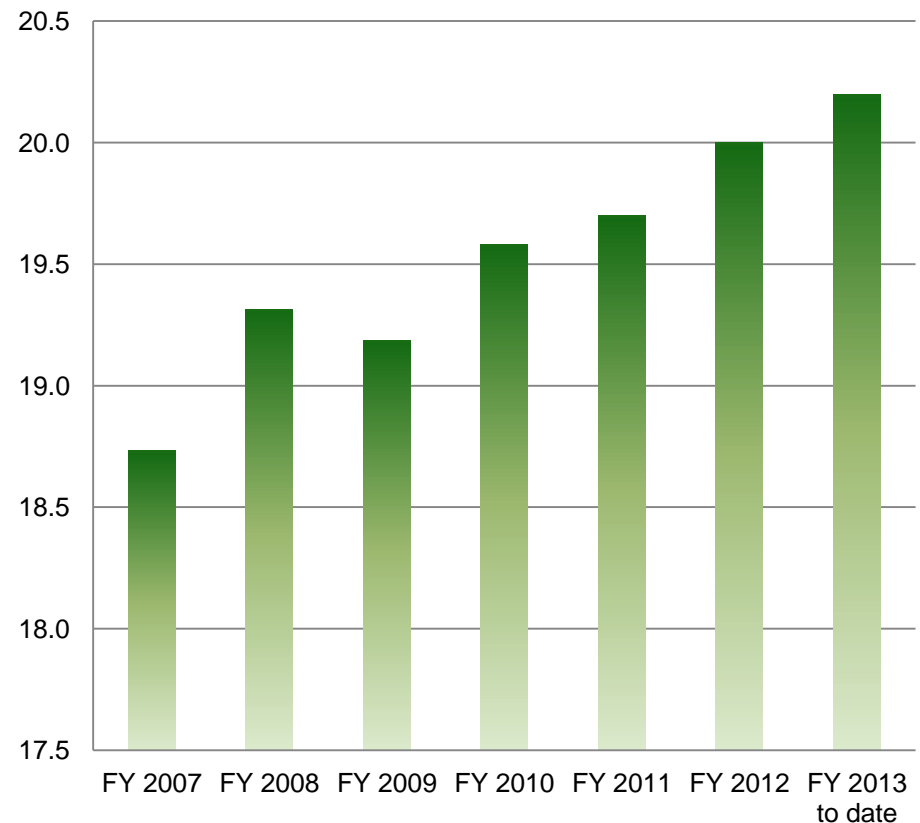




Current Status – Lost Opportunities

- Agencies drive about 42 million miles per year
- Increasing MPG by one MPG can save \$450K annually in fuel cost
- Reduced fuel use also reduces greenhouse gas emissions

**DAS Fleet Vehicle Fiscal Year Average
MPG**

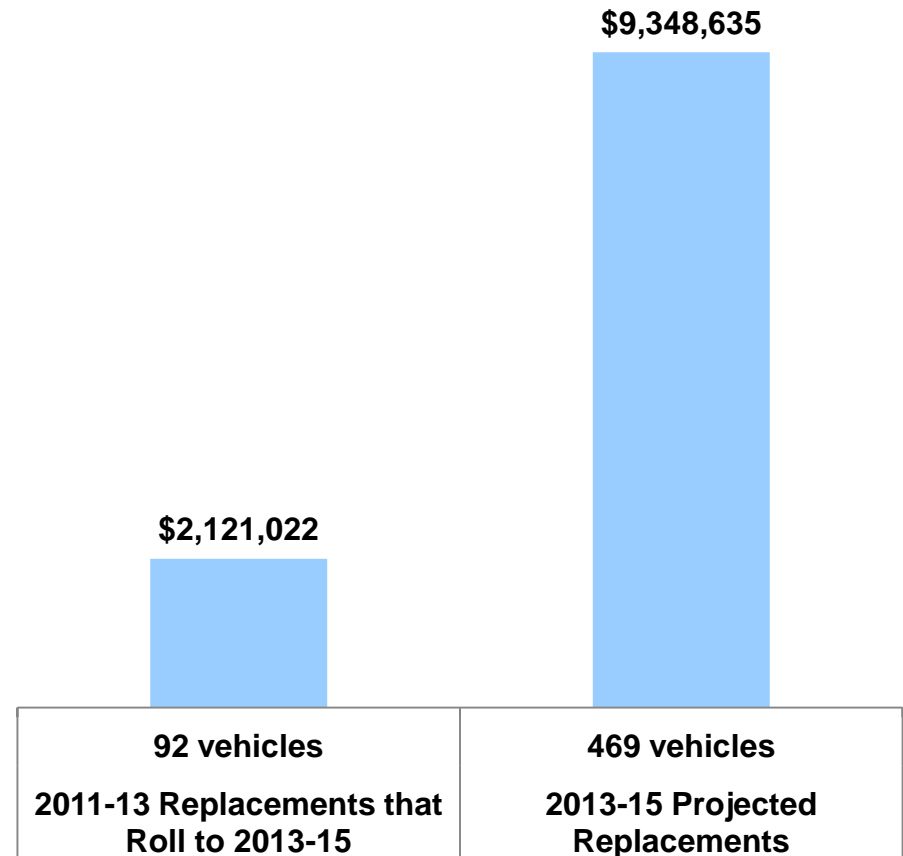




2013-15 Vehicle Buy

- \$10 million reduction in 2009 delayed replacement of vehicles
- Projected need is \$11.6 million for 561 vehicles.

Projected Vehicle Replacements





Implementing Our Vision

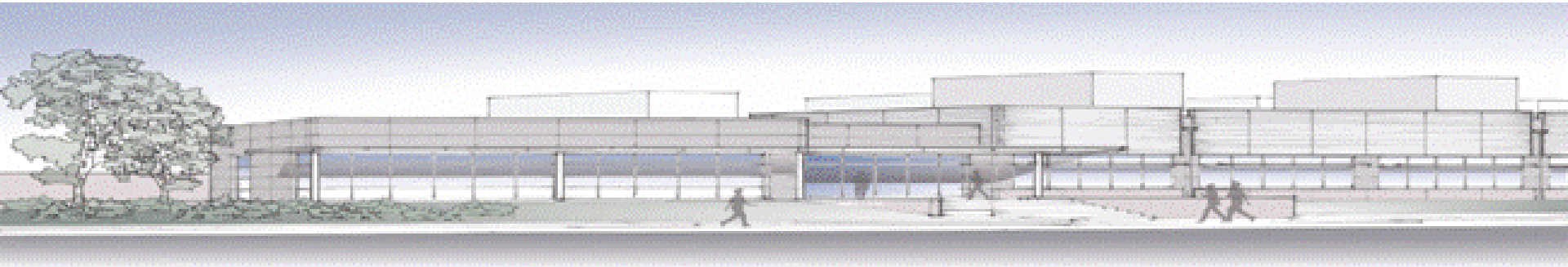
Pkg 113

Funding to Meet Agency Customer Vehicle Needs

- The proposed package is a strategy to gradually restore funding stability to the DAS Fleet vehicle purchase budget
- Completed repayment of a COP this biennium means we can replace more vehicles in 2013-15 without an increase in rates
- Package Cost: \$3.5 million Other Funds, 0 positions



Meeting Customer Driven Technology Demands





Funding Proposal— What is the ask?

Objective: To ensure that technology can reliably and securely meet the growing demands of citizens, businesses, state agencies and local governments.

How Accomplished: DAS is proposing 6 policy packages to address customer driven demand, failed equipment, and security protection

Pkg 107/108/110/111 – Customer Driven Demands

- Demand for more use of existing technology
- Demand for new and more effective technology solutions
- Demand for technology in support of large complex IT Projects

Pkg 106 – Equipment Lifecycle Replacement Package

- Establish minimal funding for emergency replacement of failed equipment for reliability

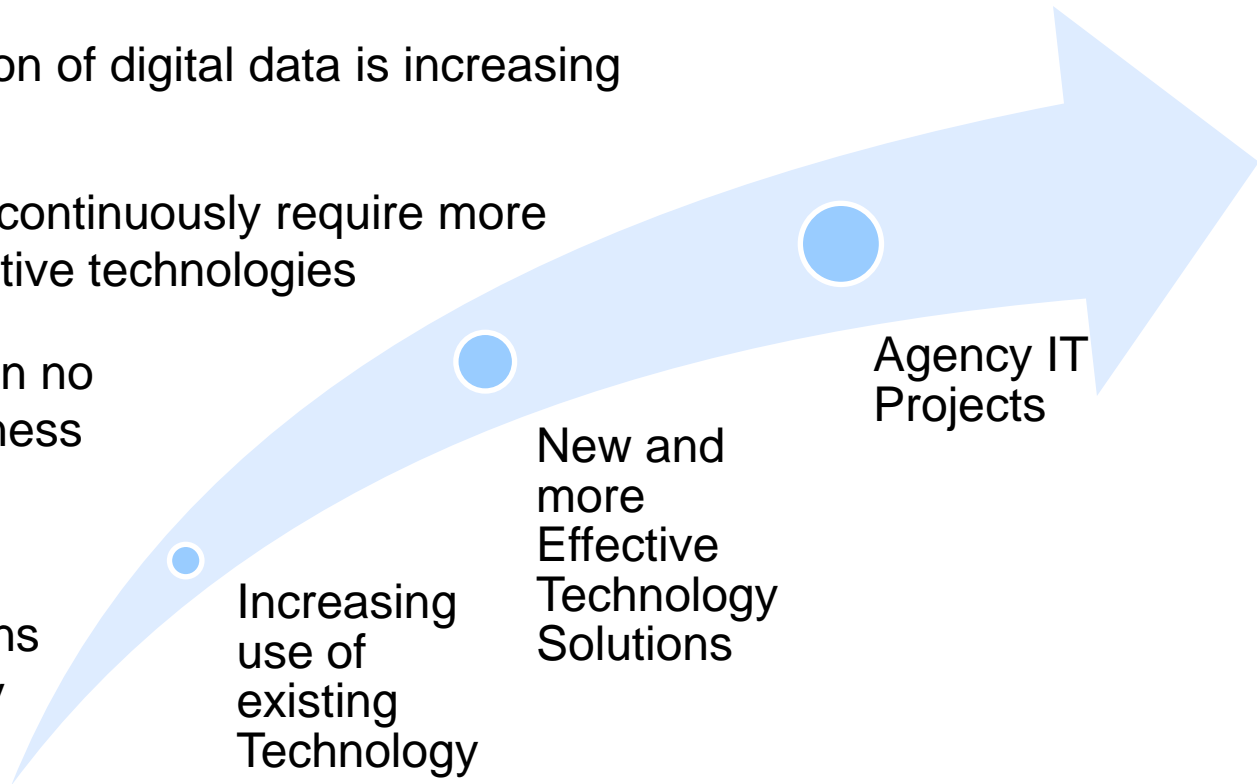
Pkg 109– Security Protection

- Implementation of increasing technology security enhancements required by both agency federal audits and SOS



Where is increasing technology demand coming from?

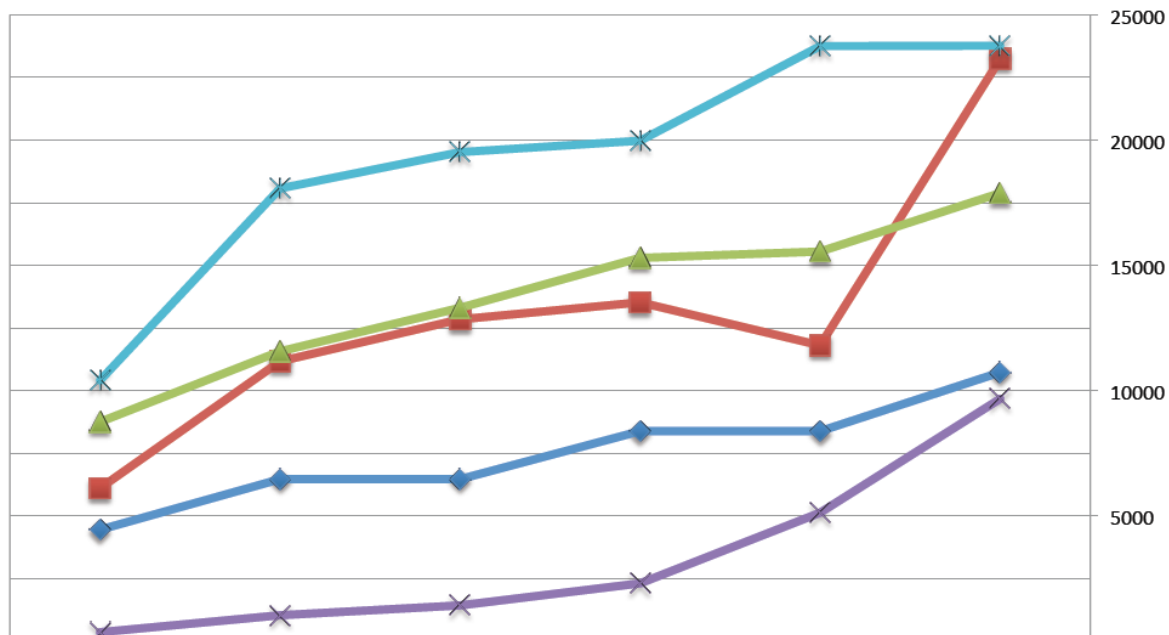
- The reliance of government business on IT is increasing dramatically - Citizens, Oregon Businesses, Federal Partners, State Employees
- Access and consumption of digital data is increasing dramatically
- Business complexities continuously require more sophisticated and effective technologies
- Agency applications can no longer meet state business requirements to deliver services
- New agency applications require new technology to deliver services





Customer Demand Driving Increase Usage of Technology

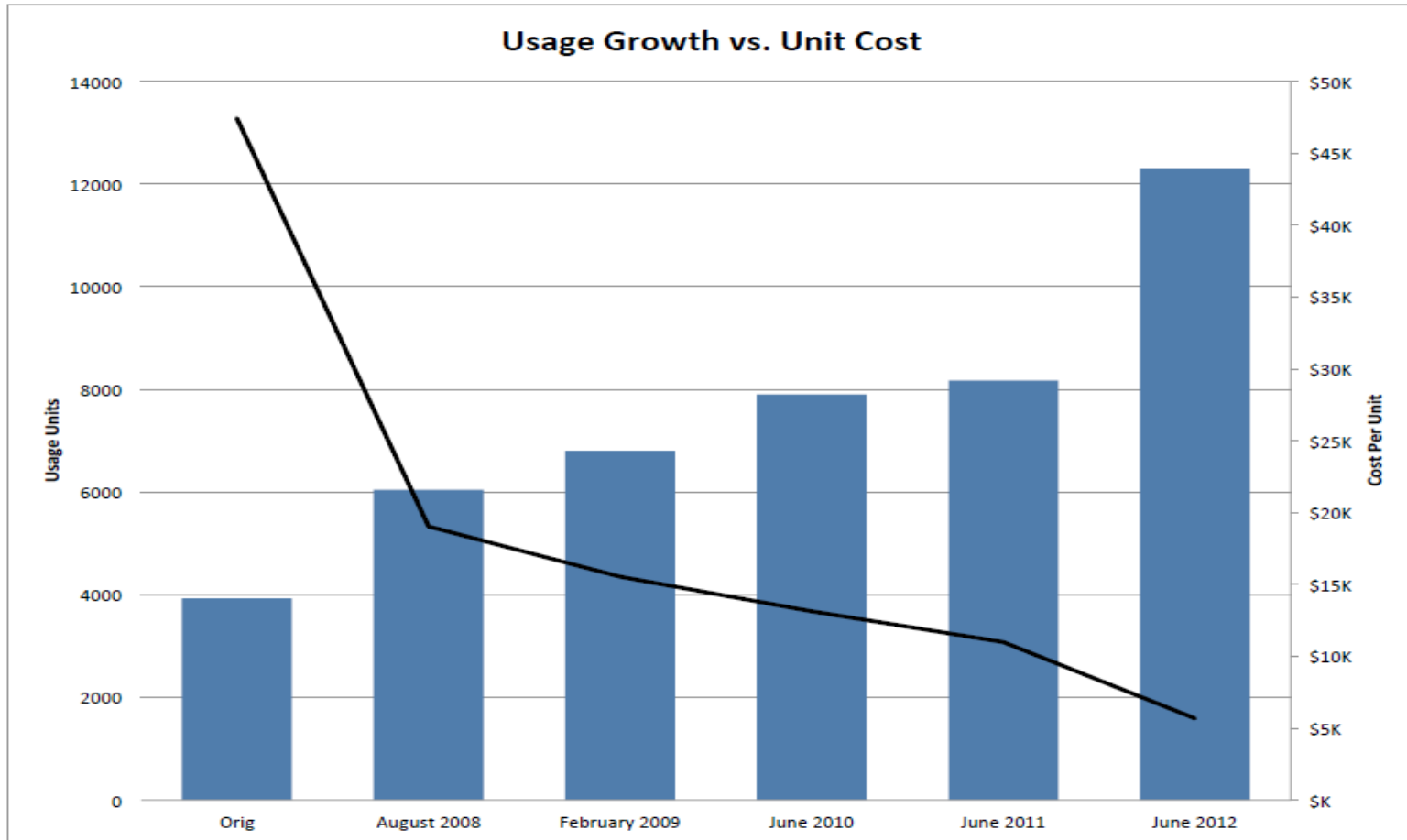
**Increase in Usage
By Service**



	Orig	August 2008	February 2009	June 2010	June 2011	June 2012
MF (MIPS)	888	1292	1292	1675	1675	2145
MR (CPU Equiv.)	1220	2233	2568	2704	2360	4648
Server (OS)	1749	2313	2660	3059	3110	3577
Storage (TB)	69	205.5	284	460	1024	1934
Network (Gbs)	10402	18069	19517	19974	23750	23768



Increased Usage Decreases Cost





Technology Service Challenges

- Customers demand more
 - They have to innovate
 - They have more demand/volume
 - They have new projects and markets
- Difficult to meet demand with aging equipment
- State, citizens, federal partners require security protection



What We Will Achieve – Our Vision

1. Expand existing technology to support the use that our customers have projected and requested
2. Provide more storage options for significantly increasing use of digital data
3. Consolidate multiple email systems to gain economies of scale
4. Emergent break/fix lifecycle replacement
5. Provide technology for new and existing customers large IT projects
6. Address increasing security challenges and threats



Implementing Our Vision

Customer Driven Demand Packages – 107, 108, 110, 111

107 - Support IT Infrastructure Growth

Package Costs: \$ 3.4 million OF, 3 FTE

- Mainframe upgrade required to support the projected growth by the agencies and citizens

108 – Leverage Technology

Package Costs: \$ 2.8 million OF, 3 FTE

- Infrastructure for an integrated access to support enterprise shared applications, enterprise e-mail system and storage tool to automatically move storage to cheaper storage

110 – eGov System Support

Package Costs: \$ 0.5 million OF, 2 FTE

- Requesting staffing to administer the state-wide e-Government service – managing web content, online commerce transactions, portal applications, online enterprise licensing, and internet applications services through citizen accessed portals

111 – Agency Companion POP

Package Costs: \$12.3 million OF, 15 FTE

- Companion package to agency project proposals to cover software, hardware, maintenance and personal services need to support the development or integration of the agencies projects



Implementing Our Vision

Replacing Aging Equipment

106 – Equipment Lifecycle Replacement Package Costs: \$ 0.7 million OF, 0 FTE

- Establish limited funding to replace equipment once failed

Increasing Security

109 – Security Package Costs: \$ 1.2 million OF, 1 FTE

- Upgrades security firewalls and support functions



Continuing the State Broadband Data Mapping Grant

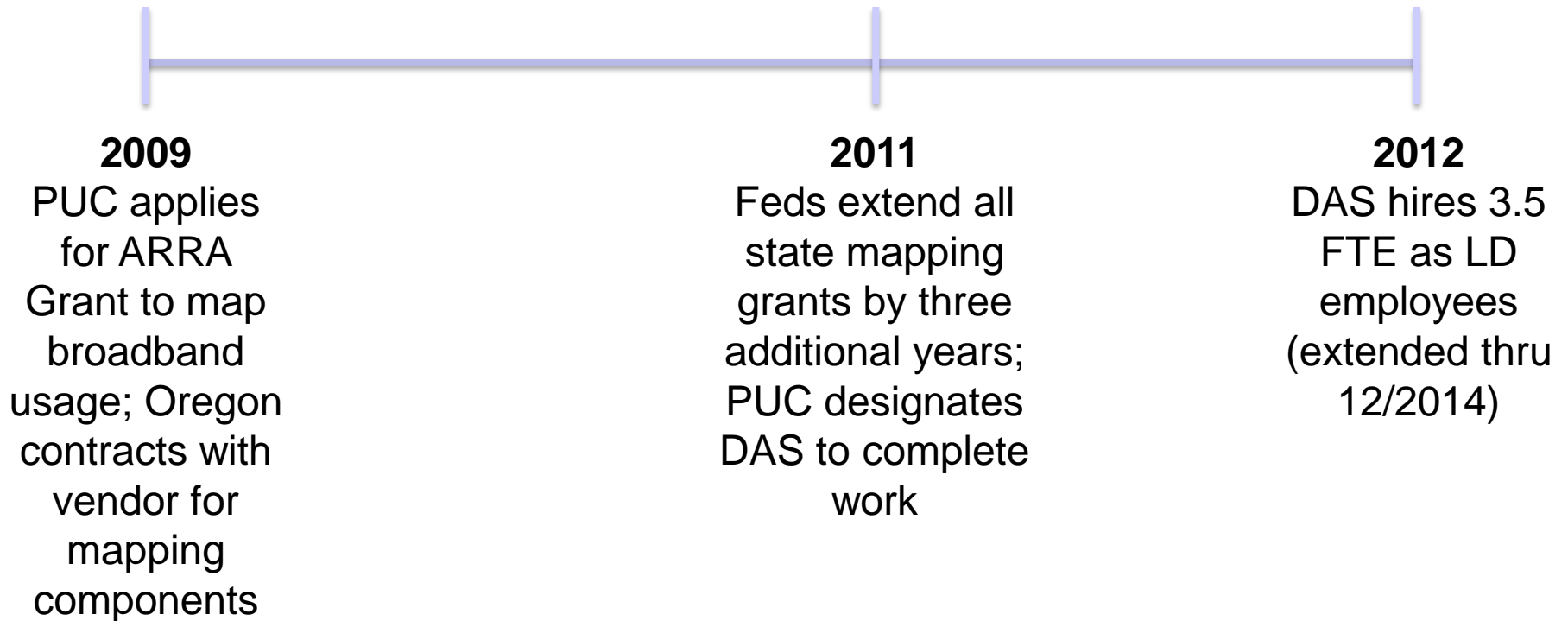


Funding Proposal— What is the ask?

- **Objective:** To continue work on a federally funded grant to track and report the availability of broadband internet services to Oregonians
- **How Achieved:** Authorize continued limited duration staff to complete work under a federal grant scheduled to sunset on December 31, 2014



Broadband Mapping Effort to Date





Implementing Our Vision

Pkg 103

Broadband Data Mapping Continuation

- Provide sufficient staff and expenditure limitation to complete work under the federal grant to monitor and report the availability of broadband services throughout the state
- Package Cost: No dollars, 4 limited duration positions (3.5 FTE)

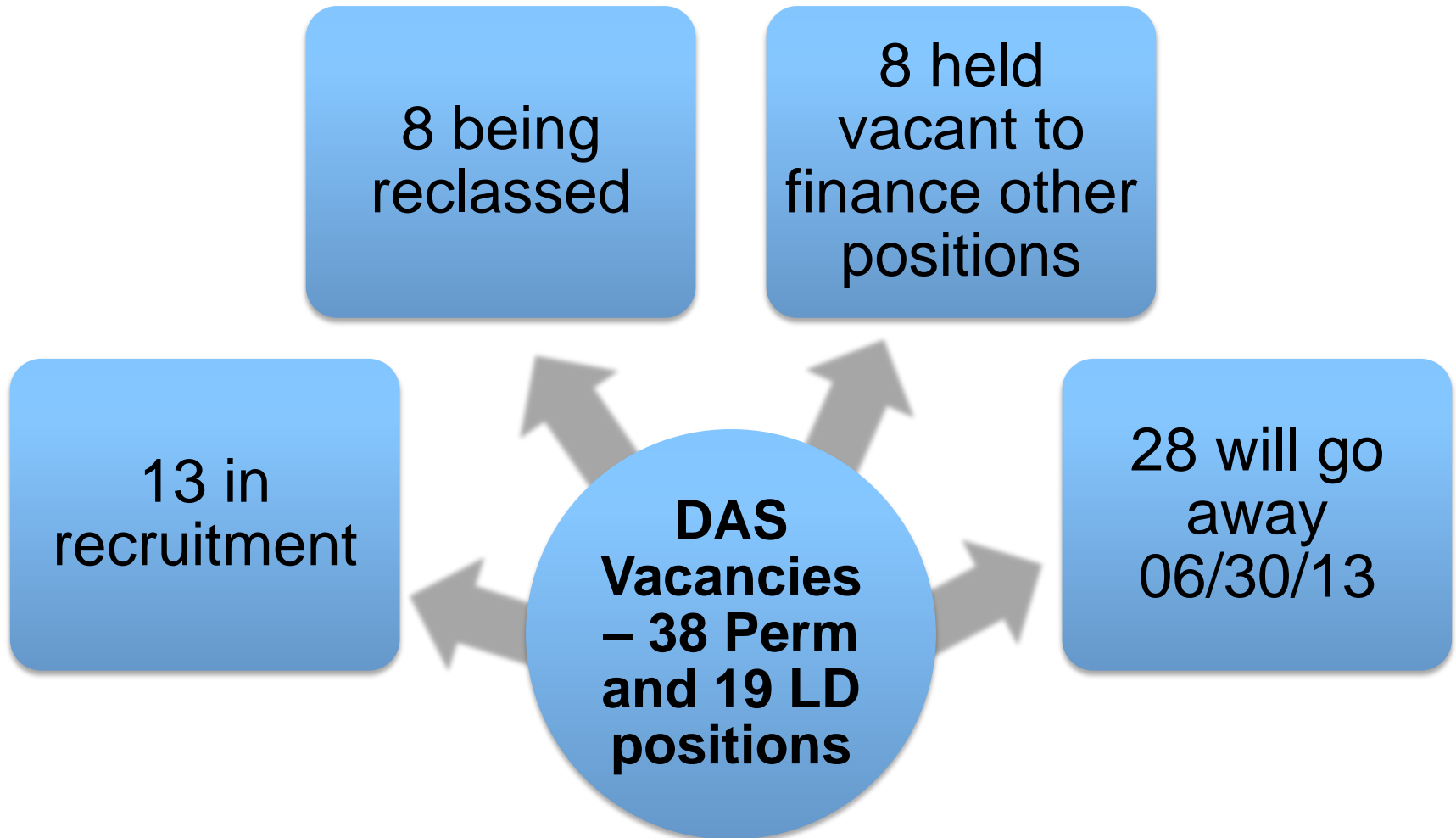


Department of Administrative Services

Phase II Agency Reports



Overview of Current DAS Vacancies





Overview of DAS

10% Reduction List

While reductions in the DAS budget may generate a drop in agency charges, it also means reduced services, or cost shifts, to agency customers, often at a higher overall cost.

Trimming back DAS expenditures that will not directly impact clients, many of which are included in the Governor's Budget

Reducing the statewide policy and management oversight provided by the COO on behalf of the Governor and the Legislature

Reducing direct services agencies rely on that have been centralized for consistency or efficiency purposes – cost shifting responsibility for service



Overview of DAS GRB Reductions

- As part of the Governor's budget, there are about \$8.2 million of Other Funds reductions in the proposed DAS budget. Highlights of those reductions include:
 - Reducing various service and supplies expenditures: \$3.0 million
 - Targeted reductions in Attorney General expenses: \$1.3 million
 - Eliminating DAS oversight of agency internal audit functions: \$0.3 million
 - Eliminating some permanent and temporary employees: \$0.3 million
 - Migrating telephone services to hosted VoIP: \$3.3 million
- DAS will take an additional \$10 million Other Fund reduction as part of Package 091 in the Governor's Budget.



Closing Remarks

**Government can no longer
operate “business as usual.”**

**The business has changed
and so has the usual.**