



Oregon

John A. Kitzhaber, MD, Governor

Department of Administrative Services

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April 30, 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 our responses to questions from the April 30 subcommittee meeting.

Question from Co-Chair Smith: Regarding HRIS, tell me what the contractor selected has done in other states, and what specifically the system can do.

No contractor has been selected yet, and won't be unless the legislature approves the expenditure of funds to further scope the project and issue bonds. However, basic functionality we would expect in a new HRIS System provided by any vendor would include the following:

- 1. Improve HR and budget decision making.** The new system will provide greater access and flexibility to use data to create what if scenarios and better analyze information for decision makers at all levels.
- 2. Provide a consistent source of timely HR data.** The new system will provide the ability to quickly report on things such as span of control and position details which in many cases are not available today. This would reduce, and in many cases eliminate, the need to manually gather and review information needed for decision making.
- 3. Gain efficiencies.** The new system will give us the ability to streamline and reduce redundant or non-value added efforts currently necessary due to our current outdated technology challenges. With current systems we have cases where we must print documents from one system to manually input data into another system because they are currently not compatible. This system would make this no longer necessary and significantly reduce errors which occur from manual data entry.
- 4. Provide an easy-to-use system for all parties.** The new system will create an intuitive user interface allowing people with little/no training to access and use system information, as appropriate, for casual users, expert HR specialists, budget and policy analysts. Our systems today are extremely outdated requiring significant training to operate and maintain.
- 5. Reduce or eliminate a large number of redundant systems statewide.** The new system will reduce the need for agencies across the state enterprise to create or maintain additional systems to gain information not currently available with existing systems.

6. **Improve the state's ability to maintain system compliance.** The new system will give us greater ability to implement necessary system changes due to updated HR related regulations that are not currently possible or are high risk to the system due to the out of date technology.
7. **Improve system security.** The new system will provide for greater security information levels and additional security measures not available due to current system constraints.
8. **Electronic document workflow, online approvals, document management and storage.** The new system will reduce manual document approvals (signing of documents by hand), printing costs, reduction of storage space, and greater ease to access, update and purge documents as required by their retention schedules.
9. **Reduced risk of system failure.** The new system will be more up to date and have improved measures in place to prevent/reduce risk of system failure. Our current system is difficult to update and is at potential risk of failure given its outdated technology and the limited number of people available to update and maintain it.
10. **Ability to Interface with Financial, Accounting, Procurement and Budget Systems.** The new system will have the ability to connect to other systems in a much more streamlined way providing the ability for additional improvements in strategic decision making.

Question from Co-Chair Smith: Has there been an analysis done as your looking at vehicles about purchasing vehicles that are one year old – so we don't carry the depreciation for that first year?

This has been done, but with the steep government price incentive discounts we receive from manufacturers, the price we pay for new vehicles is so low that it does not pay to do so.

For example, today on the Hertz sales website, the eight 2012 Ford Escapes listed have an average mileage of 32,250 and average price of \$17,524. This means if we replace them at 130,000 miles, they have a lifecycle mileage of 97,750 or \$.18 per mile. The new 2013 Escapes we just purchased cost \$22,588 making their lifecycle cost per mile \$.17.

The one cent per mile may not seem significant but picture buying 200 Escapes over time that travel a cumulative 26 million miles in their lifecycle. That one cent then adds up to an additional cost of \$260,000.

An additional aspect of purchasing used vehicles is that we would be buying them more often since they will reach their replacement age and miles sooner.

In 2010, we pursued the used vehicle option to see if the economic environment meant this dynamic had changed and managed to purchase five used Chevy Impalas where the lifecycle cost per mile was favorable. Despite repeated efforts, the dealerships we work with were unable to find any more.

As I mentioned, another factor is supply. This biennium we purchased 145 Ford Fusions. When we buy direct from the manufacturers we get the uniform base options we want and don't pay the cost of those we don't; moon roofs, heated seats, etc. Even large companies like Hertz would

have difficulty supplying our specific needs and buying used would mean we take whatever options the previous buyer purchased.

Comment from Co-Chair Steiner Hayward: Less than 20 mpg - that has to be due to the type of vehicles you have. This graph is less useful than other data. I'm curious about the different kinds of vehicles.

The table below gives vehicle types, counts and average MPG.

Vehicle Group	Average MPG	Vehicle Count
ADA Bus	6.7	8
Cargo Van	15.4	81
Box Van	10.0	3
Large Cargo Truck GMC T7500	9.1	3
Medium Cargo Truck	9.1	8
Motor Pool Misc. Equipment	6.2	5
Step Van	9.1	6
Passenger Van - ADA	20.2	4
Passenger Van - Large	12.6	140
Passenger Van - Mini	19.4	279
Passenger Van - Transit Connect	21.7	1
Pickup	14.9	957
Sedan - CNG	30.4	103
Sedan - EV (Electric Vehicle)	0.0	2
Sedan - Hybrid	44.5	422
Sedan - PHEV (plug in hybrid)	46.0	7
Sedan - Standard Fuel or E85 Flex Fuel	24.1	1,369
Station Wagon	21.4	43
SUV	19.6	563
Truck Cab-Chassis	11.1	13
Grand Total	20.2	4,017

Comment from Co-Chair Steiner Hayward: If we approve all of your POPs you would end up with more than 28 new people.

If the legislature approved all the DAS packages included in the Governor's budget, DAS would see a net increase of 28.25 FTE from the 2011-2013 LAB.

Sincerely,



Michael Jordan, COO
DAS Director