

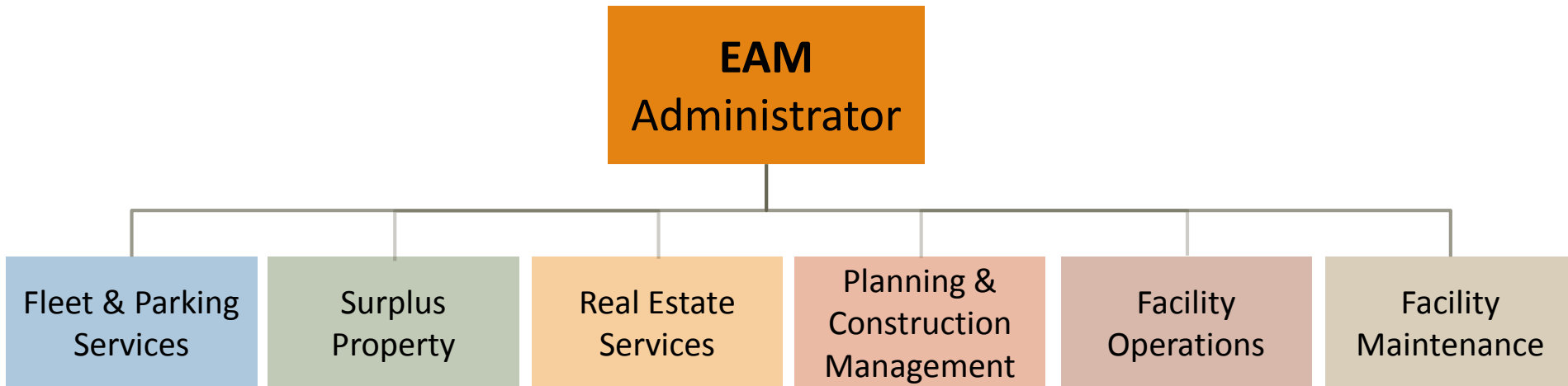


Department of Administrative Services

Day 5: Enterprise Asset Management
Partnerships with Cherriots
Office of Administrative Hearings Move



Enterprise Asset Management



Enterprise Asset Management Services strives to achieve a trend of operational excellence in service delivery, product usage, and customer results that differentiates them from market competitors as best value.

EAM Benefits to Customers

- Central oversight of necessary services so agencies can focus on their mission critical work
- Leverage expert knowledge for strategic sustainable solutions
- Reduce costs for agencies

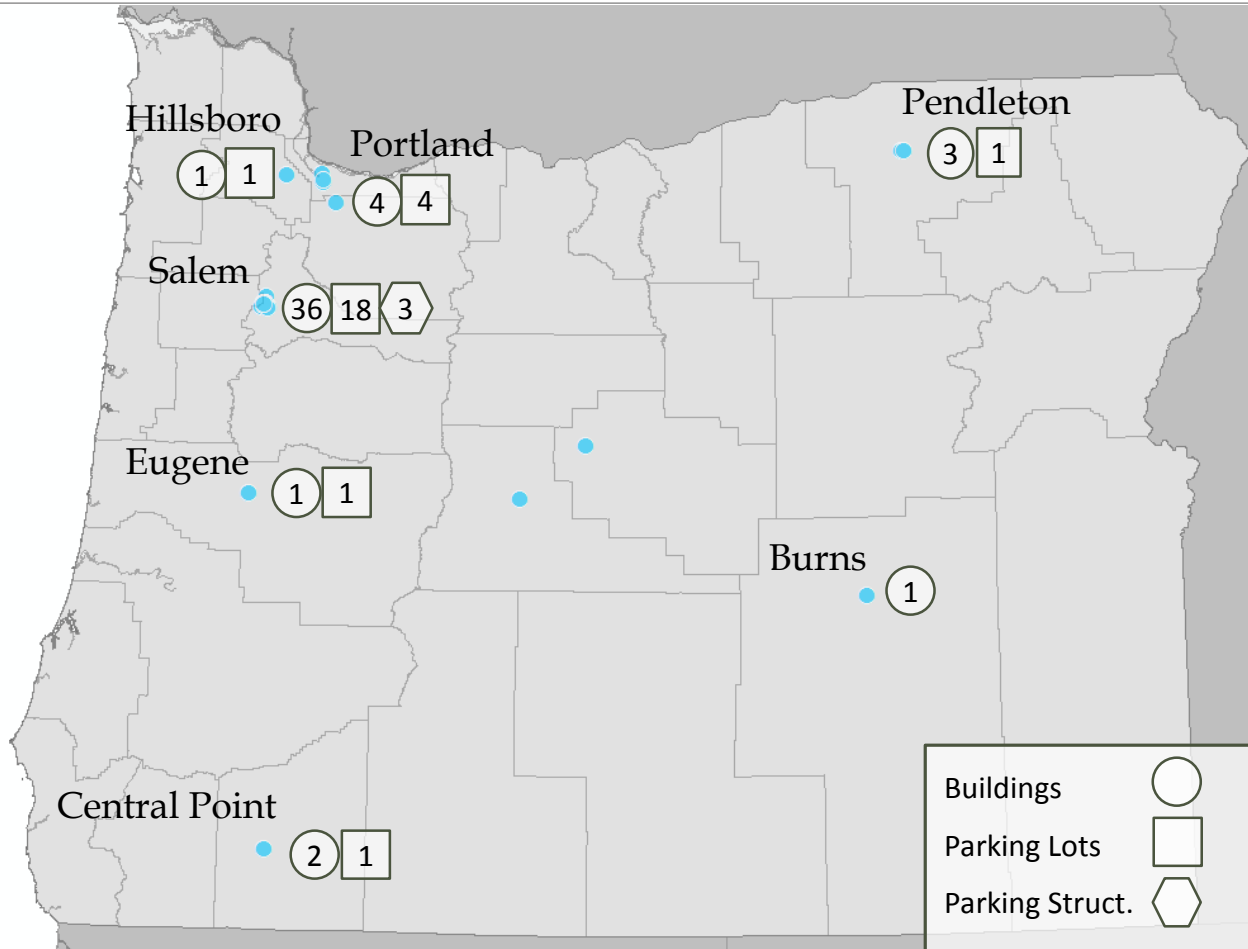
EAM Environmental Factors

- Aging buildings and equipment, deferred maintenance
- Changing commercial real estate environment
- Fuel and utility cost volatility
- Longer asset life cycles and alternative service providers impact Surplus

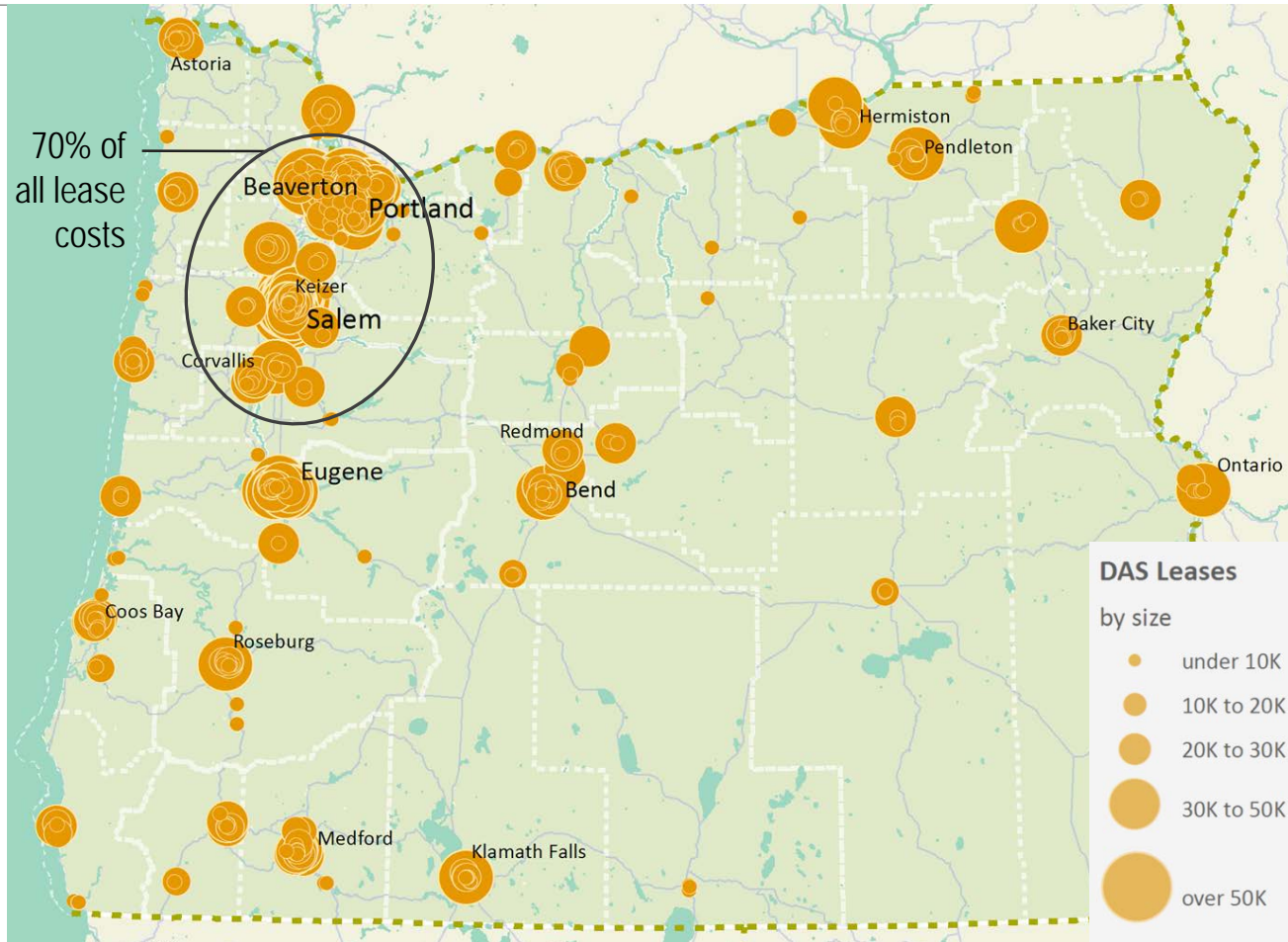
EAM - Program Funding

	Enterprise Asset Management Programs							
Source of Funding	Planning & Construction Management	Operations	Maintenance	Real Estate Services	Fleet Services	Surplus Property	Debt Service	Capital Program
Assessments:								
Statewide Facilities Coordination				✓				
Portfolio Management				✓				
Property Distribution Center						✓		
Charges for Service								
Uniform Rent Rate		✓	✓				✓	✓
Service Agreements		✓	✓				✓	✓
Self Support Rent		✓	✓					✓
Project Management	✓							
Leasing				✓				
Key Card Program			✓					
Fleet Services					✓			
Parking Services					✓			✓
Property Distribution Center						✓		
Article XI-Q Bonds								✓

EAM: DAS-owned Buildings, Structures and Lots

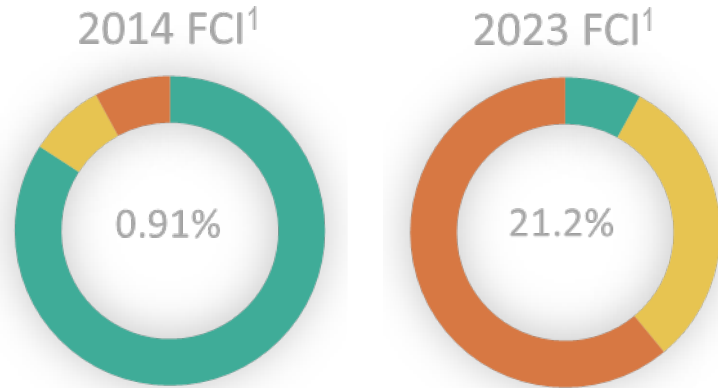


EAM: DAS-leased Buildings, Structures and Lots



DAS Facility Condition Assessment Summary

Current (2014) and 10-Year FCI Percent of Total DAS Buildings by FCI Condition



DEFINITIONS

Condition	FCI Range	Description
Good	0 - 5%	In new or well-maintained condition with no visual evidence of wear, soiling or other deficiencies.
Fair	5 - 10%	Subject to wear and soiling, but is still in a serviceable and functioning condition.
Poor	10 - 60%	Subjected to hard or long-term wear. Nearing the end of its useful or serviceable life.
Very Poor	>60%	Has reached the end of its useful or serviceable life. Renewal now necessary.

Year/Condition	Good	Fair	Poor	Total FCI
2014	85%	8%	8%	0.91%
2023	8%	31%	61%	21.20%

$$\begin{array}{c}
 \text{FCI} \\
 \frac{\text{DEFERRED MAINTENANCE} + \text{CAPITAL RENEWAL}}{\text{CURRENT REPLACEMENT VALUE}}
 \end{array}$$

Energy Savings

Upgrading the Historic Lighting Fixtures on the Capitol Mall

- Total project cost: \$123,750
- Approximately 225 fixtures
- Energy Trust of Oregon incentive: \$28,125
- Net cost: \$95,625
- Energy saved by the LED upgrade: 69%
- Payback through energy savings: 2.7 yrs.
- Total utility and maintenance savings: \$36,054 annually
- Savings over lifetime: **\$411,116**



Surplus Path to Break-Even

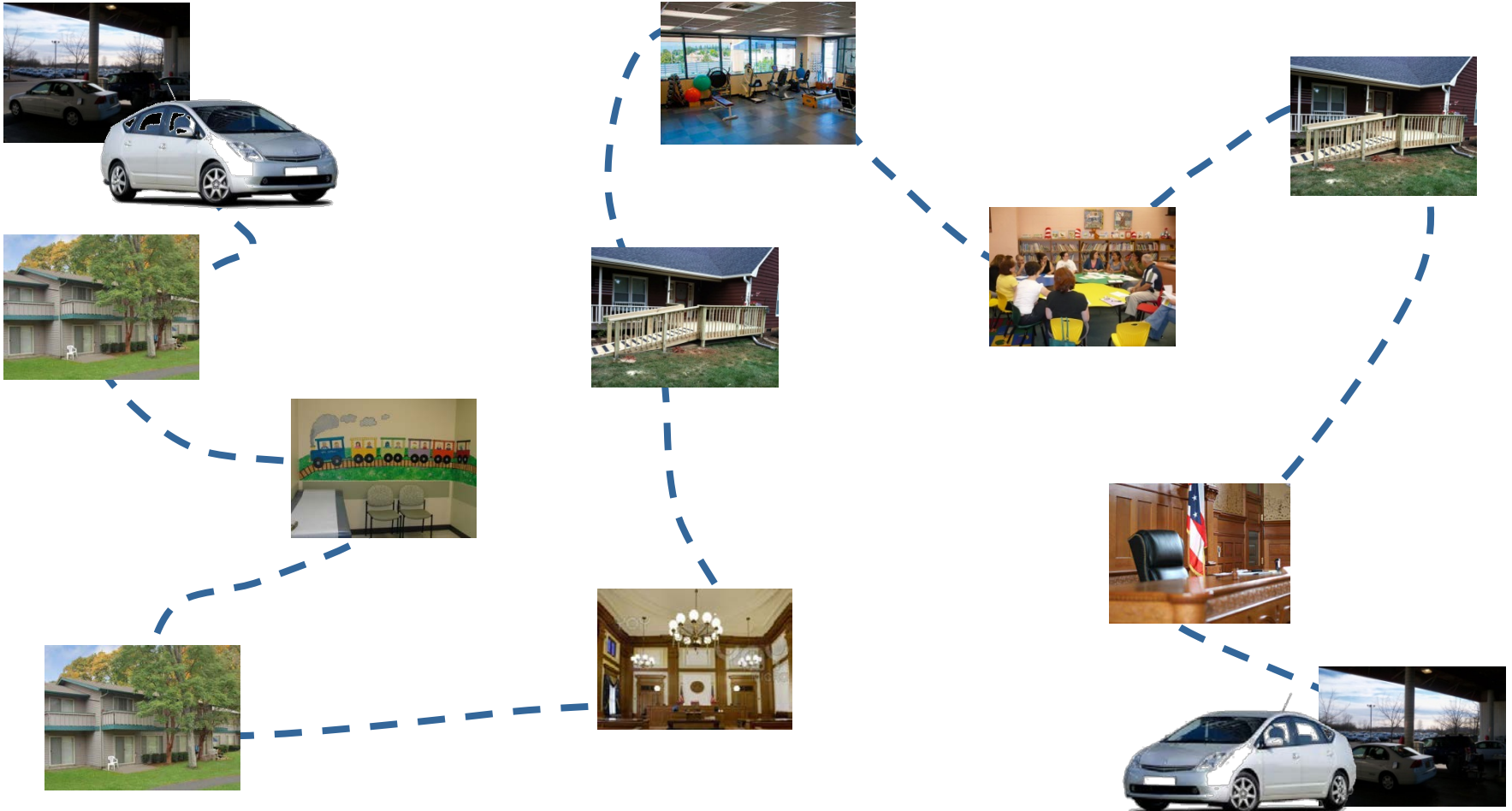
The Surplus Property Program facilitates the reuse of surplus property for state, local and federal government.

Surplus historically operated in the red. Currently on path to break even by:

- Reducing square footage of warehouse by 10K
- Creating efficiencies by implementing new inventory software and allowing people to view current inventory online and by switching online auction services
- Business process changes allowed reducing 3 FTE
- CUB rate setting recognized value to all agencies and added an assessment component to funding



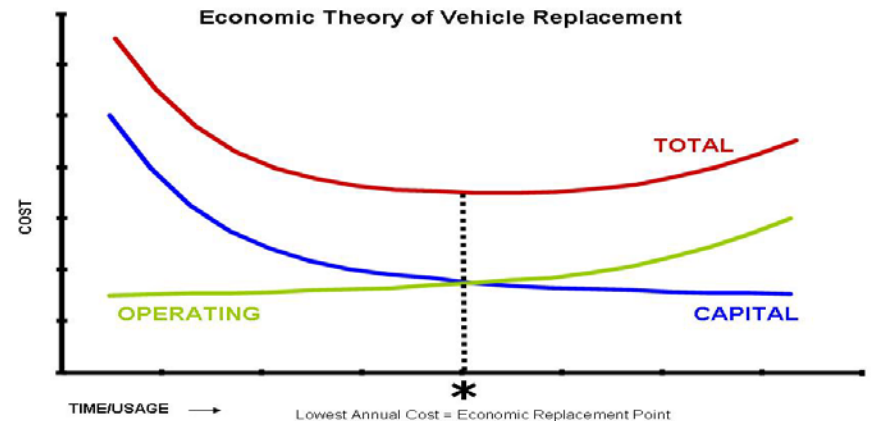
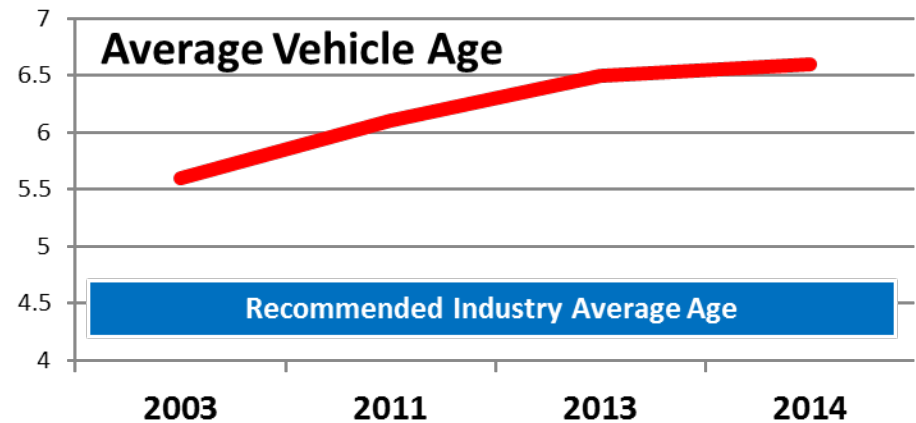
A Day in the Life of a Fleet Car...



Fleet and Parking Services

Optimal Replacement Schedule

- Vehicles are being held beyond the optimal replacement interval since 2010
- Budget includes an additional \$2.5M of limitation to purchase vehicles and reduce the average age of the fleet
- Future investment will be necessary to reach the optimal replacement interval



Fleet and Parking Services

Agency Requests for Additional Vehicles

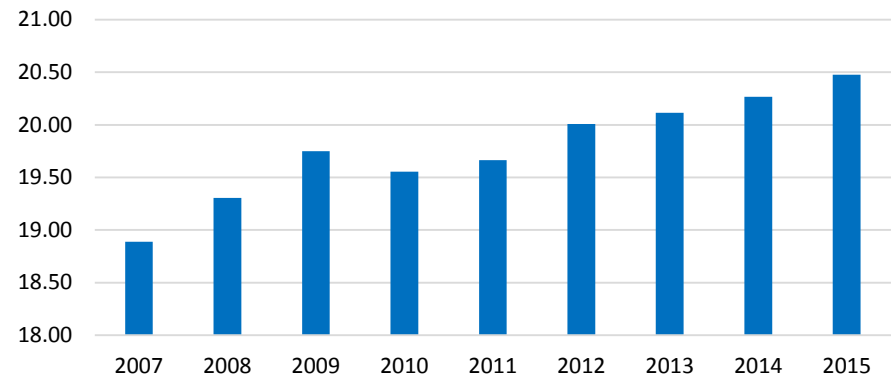
- Purchase of 81 additional vehicles was approved by the E-board in the current biennium
- Purchase of 52 additional vehicles to meet agency demand is included in the budget request
- Prevents further increase in the average age of fleet vehicles
- Capital cost is funded by increasing rates for all customers

Fleet and Parking Services

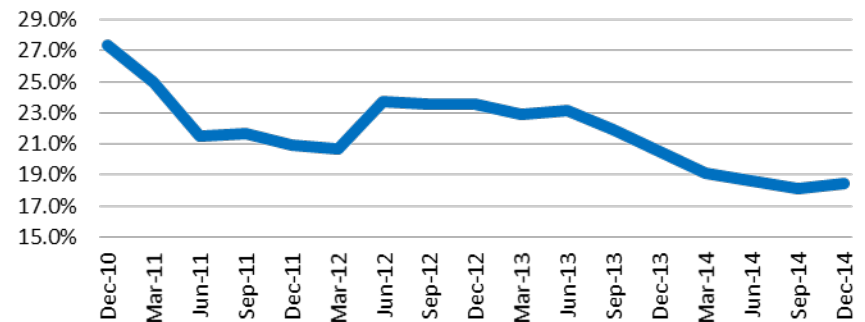
Efficiency / Utilization

- Purchase of fuel efficient vehicles and hybrids continue to improve fuel efficiency of the fleet
- Continued improvement in number of vehicles meeting minimum mileage standards
- Exemption process for low mileage vehicles in urban and campus settings

Permanently Assigned Vehicles Average MPG



% of DAS Fleet Vehicles Below Minimum Standard

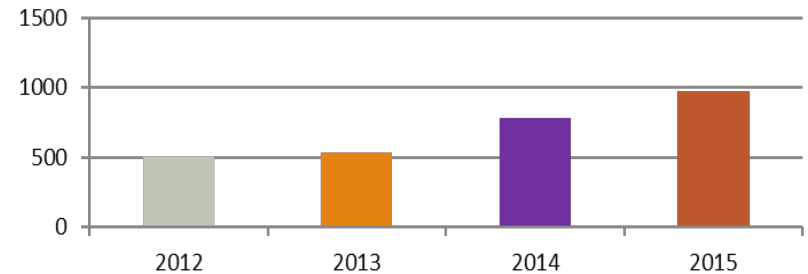


Fleet and Parking Services

Parking Demand / Alternatives

- Parking demand remains high and is increasing
- Smart Commuter, Carpool/Vanpool and bike rooms/lockers promote alternative commuting to reduce parking demand and traffic. Carpool/Vanpool participants receive higher priority to get a space as incentive
- Budget request includes options for adding more Park and Ride transit and resume free bus pass program
- DAS is working with Salem Keizer Transit to reinstate if the package is funded

Individuals on Wait List With No State Parking



Fleet and Parking Services: Partnership with Cherriots

Allan Pollock, General Manager, Cherriots

Free Bus Pass Program

- DAS will pay Salem Keizer Transit \$460,000 per year for any of the 8000 Capitol Mall state employees to obtain a free pass
- The \$4.80 per month , per employee is a reduced rate than that normally charged to government and non-profit organizations
- The passes also provide transit from any park and ride lot served by the transit district to help reduce parking demand in the mall

- Historical usage of the Airport Road Park and Ride lot shows up to 330 people used this option daily in the past program

Year	Total Rides	Daily Average
2006	77,463	306
2007	79,174	312
2008	83,776	330

Office of Administrative Hearings (OAH)

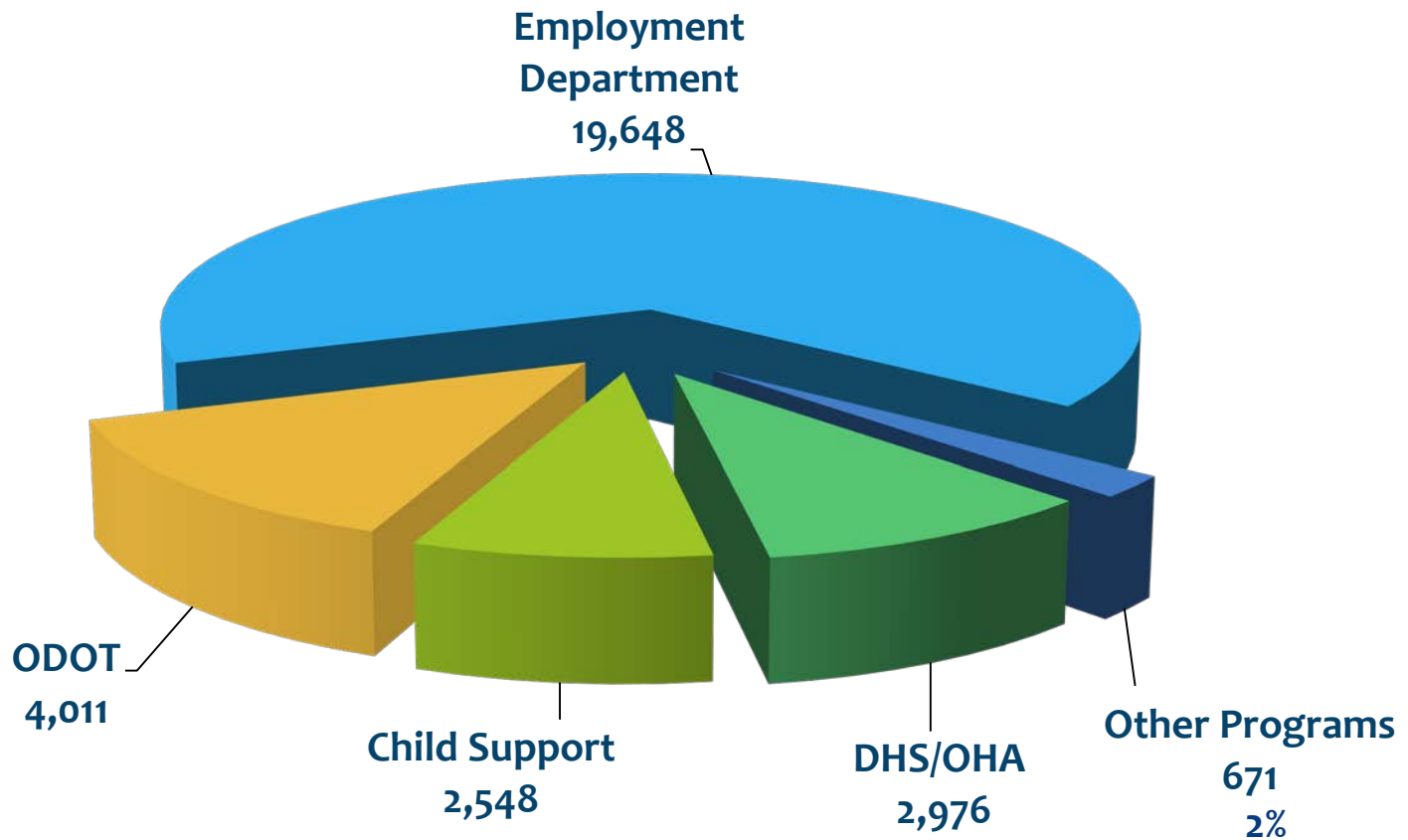
Lisa Nisenfeld, *Director, Oregon Employment Department*

Gary Tyler, *Chief Administrative Law Judge, Office of Administrative Hearings*

Office of Administrative Hearings (OAH)

- Improves perception of fairness, independence of the OAH and good governance
- Moves administrative support out of the Employment Department and into the Department of Administrative Services
- No physical move of the OAH from its current location
- No change in 2015-17 budgeted expenses
- Revenue source: Other Funds - \$27,874,653
(111 pos./109.79 FTE)

OAH Received 29,854 Hearing Requests Between July 2013 and June 2014



Related Packages

- Package 120 – Purchase of Fleet Vehicles
- Package 121 – Parking & Alternative Commuting Options
- Package 123 – Transfer Custodial Position to PERS
- Package 124 – Governor’s Office Regional Solution Centers
- Package 138 – State Fairgrounds
- Package 139 – Office of Administrative Hearings Transfer from Employment

Topics for Tomorrow

- Capital Projects
- Updating the DAS Entrepreneurial Management model, KPMs
- The Oregon Management Project
- Enterprise managements systems and business architecture