



# STATE OF INDIANA

Michael R. Pence, Governor

DEPARTMENT OF ADMINISTRATION  
Commissioner's Office

Indiana Government Center South  
402 West Washington Street, Room W469  
Indianapolis, IN 46204

August 15, 2016

Brian Bailey, Director  
State Budget Agency  
212 State House  
Indianapolis, IN 46204

Dear Mr. Bailey:

The purpose of this submittal is to provide a narrative summary of the proposed budget for the Indiana Department of Administration (IDOA) for the biennium covering July 1, 2017 through June 30, 2019.

IDOA has numerous and diverse responsibilities including (1) operating the Government Center's Conference Center, Statehouse Tour Office and State Information Center, (2) Public Works Division, (3) State Procurement Division, (4) Facilities Management Division, (5) Fleet Services, (6) Parking Facilities, (7) Professional Service Contracts/Grants and Contract Compliance, (8) Minority and Women's Business Enterprises Division, (9) Logistics Center, (10) Federal and State Surplus, (11) Mail Distribution, (12) Central Printing, (13) Recycling Office, (14) Travel Management Office, and (15) the State Leasing Office. Additional information for the divisions are listed below.

While IDOA strives to be customer-focused, our primary mission is to control the costs of state government. Whether it's creating savings through a negotiated contract or surplus vehicles that are no longer needed, we strive to be stewards of the taxpayer dollars and ensure that our State government is operating effectively and efficiently.

- The **Procurement Division** is the central resource for all State purchasing activity. The Division reviews and administers all agency requisitions for the purchase of goods and services. In addition, the Division provides training to all agency personnel on procurement procedures as well as electronic purchasing systems used in the day to day purchasing activity. The Division also oversees the implementation and adoption of the PeopleSoft electronic contracting module, procurement-card module and Supplier Portal. Additionally, the Division qualifies Indiana Veteran owned businesses through a registration process to conduct business with the State.
- The **Public Works Division** of IDOA manages the State's construction projects, with the exception of highway construction/maintenance and those projects financed and constructed by the Indiana Finance Authority. Customers include all state agencies that own and operate fixed facilities, from correctional institutions to INDOT salt storage buildings.
- IDOA's **Facilities Management** divisions maintain the Indiana Government Center (IGC) complex. This large complex is comprised of six (6) buildings totaling 2.6 million square feet. The IGC is comprised of the Statehouse (circa 1888), the IGC-North (circa 1965), the IGC-South (circa 1989) that also encloses the federally owned Department of Workforce Development building within the IGC-South's exterior facade (1960), the Indiana State Library (1932), and the Indiana Historical Society Building (1999). The complex provides space for legislative, judicial and executive officials and staff and their customers. An estimated 9,000 persons work in or visit the campus each day.

- The IGC complex houses the Conference Center that provides free meeting space and equipment for any state agency, quasi-state agency and elected official. The Statehouse Tour Office greets visitors from all over the world and acts as liaison to the Executive, Judicial and Legislative branches of state government. Their staff educates the public about the building and the events occurring in the Statehouse. The Statehouse Tour Office conducts hundreds of tours annually. Additionally, the State Information Center takes calls and inquiries from the public.
- The IGC also houses a licensed, privately-operated child care center, two (2) private financial institutions that lease space from the IDOA, and four (4) convenience shops operated by a state-sponsored organization which assists persons with visual impairments. The IGC has 200 public restrooms, 80 elevators and escalators, emergency generators, and 80 air-handling systems and chillers for air-conditioning. The IGC complex is comparable to a small city in the scope of daily activities.
- IDOA's **Parking Operations** operates two (2) multi-level parking garages and two (2) surface lots, offering a total of approximately 6,500 parking spaces to state employees and visitors to the Indiana Government Center (IGC). Parking Services outsourced operations beginning July 1, 2015.
- IDOA operates the **State Real Estate Leasing and Disposition Office**. The Leasing Office assists state agencies in negotiating and managing leases for office space, warehousing and parking facilities statewide. The Disposition Office disposes of unused or underutilized State owned land.
- The **Fleet Services Division** provides support services to state agencies for transportation issues including fleet management services, vehicle purchases and leasing, vehicle titles inventory, and comprehensive vehicular maintenance services (including body shop).
- IDOA's **Surplus Division** manages the State surplus, and two Federal surplus operations. The division facilitates the redistribution, sale or final disposal of items.
- The **Minority and Women's Business Enterprises Division** is a multi-purpose service area for all Minority, Women, and Veteran-owned Business Enterprises. In addition to the MBE, WBE and VBE certification process, the Minority and Women's Business Enterprises Division helps identify and provide information on resources for management and technical assistance, training, and opportunities. This division serves as a certification clearinghouse for all state agencies, the seven (7) state educational institutions, the Indiana Gaming Commission and the Indiana Finance Authority.

## Accomplishments

- IDOA's Procurement Division has continued to make strides in streamlining the State's contracting process. Implementation of electronic contracting has realized over \$100.7M of savings through new contracts and contract negotiations.
- The State's Buy Indiana metric (measuring the amount of dollars spent with Indiana companies) continues at a steady rate of 80%.
- Successfully completed the 2015 State of Indiana Disparity Study which included data analysis from all state agencies, and the seven (7) state educational institutions to gauge if there was a disparity in the utilization of minorities and women in the state of Indiana's procurement process.
- Currently over 2,000 qualified Indiana Minority and Women owned businesses are registered to do business with the State. Increased focus on Outreach efforts will continue.

- The Division of Fleet Services has reduced the fleet size by 182 vehicles since 2014. Additionally, Fleet Services has reassigned 112 underutilized vehicles to various agencies over the past 2 years saving \$1.8 million in new vehicle purchases.
- In February of 2016 a new vehicle GPS initiative was implemented to assist in gathering vehicle use data. Currently 96% (4,630 vehicles) of the passenger fleet are equipped with GPS units. This initiative has led to a partnership with INDOT to install GPS units on their snow plow vehicles to gather information on routes to assist with the distribution of salt.
- Federal Surplus programs have served 95 local units of government and saved taxpayers \$14.2 million dollar over the past 12 months. While the State Surplus program has served 52 State agencies and saved taxpayers \$3 million dollars over the past 12 months.
- IDOA Real Estate Leasing division has co-located State agencies in 64% of Indiana's counties and continues to consolidate locations throughout the State. The Leasing division has saved \$3.6M annually in lease costs over the past two biennium. This represents a reduction of almost 11% since July 2012.
- Since 2012, IDOA Real Estate Disposition has sold or gifted \$16.3 million of unused or underutilized land throughout the State.
- The outsourcing of parking operations has resulted in a reduction of operational expenses by 30% from Fiscal Year 2015. Additional improvements in efficiency, revenue growth, and increased security are expected with the installation of new parking equipment (to be completed in Fall 2016).
- Through creation of the IVBE program, the State spent \$15,819,227 in the last Fiscal year with Indiana Veteran Businesses subcontractors. The number listed above represents 3.94% of procurable spend, which exceeds the 3% goal.
- As of November 2015, there were 181 veteran businesses registered with the State. After pursuing legislation to allow for veteran firms to be certified by the State, this number is expected to continue to grow.
- Facilities Management and Public Works executed a lighting controls and lighting fixture upgrade project moving to LED lights and resulting in electrical cost savings. With the upgrade in lighting, other equipment replacement and changes to building systems management and monitoring, there was a realized savings in utilities for IDOA of \$1.4M for fiscal year 2015-16.

## Key Objectives

To continue its positive momentum and further IDOA's mission, IDOA would like to move forward with a number of projects in the next 24 months.

### Procurement Division

- Enhancements to PeopleSoft/PayAudit to provide more transparency, reporting and enforcement of MWBE/IVBE subcontractor commitments and spend activities
- Continue to expand the K12 Indiana program through coordinated sourcing opportunities where like contracts exist
- Continued implementation of PeopleSoft Strategic Sourcing and Electronic Contracting Tools
- Drive agency adoption of the PeopleSoft Travel and Expense Tool
- Enhance agency partnerships to link purchasing strategies to the agencies business needs and improve forecasting and demand management through an expanded Account Management team.
- Continued focus on implementation of Procurement Compliance Audit function which provides systematic reviews of agencies to determine compliance with the State's procurement laws/rules and identify areas for continuous improvement

#### Minority and Women's Business Enterprise Division

- Improve MBE, WBE utilization on State contracts
- Increase the number and variety of certified firms, and
- Improve and expand the MWBE program's business development and outreach efforts

#### Real Estate Division

- Implement strategy to reduce the State's leased real estate presence
- Prioritizing the disposal of unused or underutilized State owned real estate
- Ensure the State is maximizing the use of State-owned office space

#### Fleet Management

- Improved management of the State's fleet to ensure it is right-sized and appropriately used
- GPS Initiative - Review, analyze, and manage data produced by GPS units and software program
- Continue monitoring under-utilized vehicles for either disposition or re-deployment

#### Surplus Division

- Redistribute and reuse State owned property to avoid cost of purchasing new items
- Work with local units of Indiana government to distribute Federal surplus property made available by the General Services Administration and the United States Military

#### Parking Division

- Provide safe and secure parking for employees and guests of the Indiana Statehouse and Government Center
- Work in conjunction with local entities to accommodate parking needs of special events and attractions
- Maximize revenue generation outside of State business hours

#### Facilities Management

- Continuous improvement in the management, maintenance and operations of the Indiana Government Center in providing safe, secure, clean and appropriate working environment for the employees and citizens that visit the IGC Campus
- Continue to reduce operational costs through utility optimization and changes to building operations and systems
- Employee focused management to empower staff to perform tasks as efficiently as possible and with little direct supervision

#### Public Works

- Implementation of Job Order Contracting
- Implementation of expanded Pre-Qualification of Public Works contractors
- Coordination with SBA and other agencies on an energy efficiency initiative to reduce utility costs and aid in the capital upgrade of equipment at various institutions and buildings

## Key Performance Indicators

- Savings Realized:
  - Overview: This KPI focuses on the opportunities created by IDOA for the State to reduce costs. This KPI supports strong fiscal management and helps to reduce the overall cost of government.
- Cost per Occupant at Government Center North and Government Center South
  - Overview: This KPI provides visibility in to the way the Government Campus is managed and how well the space is utilized.
- Procurement Service Excellence and Support
  - This KPI represents the average number of days between the issuance of the Request for Proposal and its award. It is a measurement of IDOA's responsiveness and customer service to the state agencies.

## Special Initiatives – Change Packages

The Indiana Bicentennial Commission (IBC) was established and given its charge in December 2011 to oversee the planning and execution of a statewide celebration and honor of Indiana's 200th year of statehood. In order to achieve IBC's programs and functions outlined in IC 4-23-33, funding was appropriated in the FY2016-2017 biennium budget into a specified General Fund (13069). Additionally, IDOA's Operating Fund (10560) transferred four (4) vacant positions to help support the initiative. As IBC finalizes its activities within Fiscal Year 2017, no ongoing funding or support is required for the FY2018-2019 biennium. Therefore, IDOA respectfully submits two (2) change packages to reflect the conclusion of the IBC as follows:

- Change Package (13069): Defund base budget appropriations for FY2018-2019
- Change Package (10560): Transfer the four (4) established positions back to IDOA.
  - IDOA will not seek additional funds to support the positions and maintain the support of these positions within the current proposed appropriations.

The IDOA organizational chart is attached. We look forward to working with you and the staff of the State Budget Agency, as well as members of the Indiana General Assembly as the FY 2018-19 biennial budget process progresses. Your favorable consideration of our request will be most appreciated. Thank you.

Sincerely,



Jessica Robertson, Commissioner  
Indiana Department of Administration