



STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

DEPARTMENT OF ADMINISTRATION

Indiana Government Center South
402 West Washington Street, Room W478
Indianapolis, Indiana 46204

November 1, 2010

Adam Horst, Director
State Budget Agency
212 State House
Indianapolis, IN 46204

Dear Mr. Horst:

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, 2011 through June 30, 2013. Our proposed budget represents total funding of \$342,962,917 for the biennium. This amount is comprised of the following:

\$49,734,800 for operating account expenses (General Fund);

\$239,561,168 for lease rental payments for state-occupied properties financed by the Indiana Finance Authority and the Indiana Bond Bank;

\$44,332,816 is estimated for "rotary" and dedicated accounts operated by various IDOA divisions that provide centralized services to other agencies and are funded by charges assessed to these agencies rather than by direct General Fund appropriation;

\$8,963,085 for repair/replacement and preventive maintenance expenses necessary to continued operations of the Indiana Government Center complex and other IDOA-owned state facilities; and

\$371,048 for the Minority Business Enterprise Center (Federal Funds).

The Department of Administration (IDOA) has numerous and diverse responsibilities including (1) operating the Government Center's Conference Center and Statehouse Tour Office, (2) Public Works Division, (3) State Procurement Division, (4) Facilities Management Division, (5) State Motor Pool, (6) Parking Facilities, (7) State Land Office, (8) Professional Service Contracts/Grants and Contract Compliance, (9) Minority and Women's Business Enterprises Division, (10) Logistics Center, (11) Federal and State Surplus, (12) Mail Distribution, (13) Central Printing, (14) Recycling Office, (15) Travel Management Office, and (16) the State Leasing Office.

IDOA's Procurement Division is responsible for administration of the state procurement code(s) for the executive branch agencies, with the exception of the Indiana Department of Transportation (INDOT) and quasi-governmental entities. Duties include procurement of goods and services, vendor maintenance, bid solicitations, vendor selection through formal bidding processes, procurement contract compliance, and business/bidder registration. Internal customers include executive branch agencies. External customers include any individual or business interested in doing business with the State of Indiana (except INDOT).

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 and Parking Operations divisions maintain the Indiana Government Center (IGC) complex. This large complex is comprised of six (6) buildings totaling 2.6 million square feet, plus two (2) elevated parking garages having an additional 1.9 million square feet (total of 4.5 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 two (2) elevated parking garages (1988 and 1990) and surface lots contain approximately 6,000 spaces for employee and public parking. 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 two (2) large cafeterias that are operated under a contract with a private firm that leases the cafeterias from the IDOA. The IGC complex also 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.

In addition, the IGC 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.

The State Motor Pool 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). Fifty (50) state agencies and commissions with ninety-three (93) different divisions currently utilize services provided by the State Motor Pool.

The Minority and Women's Business Enterprises Division (MWBE) is a multi-purpose service area for all Minority Business Enterprises (MBE) and Women Business Enterprises (WBE). In addition to the MBE/WBE certification process, the MWBE Division helps identify and/or provide information on resources for management and technical assistance, training, and opportunities. This division serves as a certification clearinghouse for all state agencies, the Indiana Gaming Commission and the Indiana Finance Authority.

Other operations: the IDOA operates the State's Land Office, with approximately 10,000 real property deeds covering 368,000+ acres owned by the State of Indiana in 89 counties. IDOA's State Leasing Office assists state agencies in negotiating and managing leases for office space, warehousing and parking facilities statewide. IDOA operates the central printing division, central mail distribution operations for all state agencies, central warehousing, State and Federal surplus, and Indiana's Greening

the Government program.

Accomplishments

- The Procurement Division has negotiated rebates into a number of quantity purchase agreement (QPA) contracts and has developed a rebate spending plan with the Office of Management and Budget.
- A Facilities Management project to replace all of the incandescent light bulbs with compact florescent lamps in fixtures throughout the public areas on all floors of the State House has resulted in an average monthly reduction of 129,472 kw compared to the same period last year. The savings has been \$67,703.89 for the same six month period. The payback period for this change was approximately two months.
- The size of the state fleet has been reduced by 21.5% since January 1, 2005 when vehicles totaled 12,718. On May 1, 2010 the state fleet consisted of 9,984 vehicles.
- The State Land Office completed the conversion of 4,000 Mylar maps to a digital format as well as the records of 9,000 parcels and developed a public internet mapping interface, accessible online at any time. Identification of underutilized state owned properties have been auctioned to private entities, returning \$9.1 million to state coffers and generating property tax revenues as well as economic development opportunities.
- Minority Business Enterprise (MBE) participation in state government contracts for 2010 was 9.95% or \$133.95 million of the total \$1.34 billion of state contract spend. In FY2009, MBE participation was 3.86% or \$79.98 million on a total state contract spend of \$2.07 billion. Women's Business Enterprise participation for FY2010 was \$70 million (5.20%) of the total state spend. The FY2010 participation was a significant improvement over the FY2009 results of \$57.71 million (2.78%).
- Between 2005 and 2010, the consolidation of the Aviation Division resulted in reducing the state's aircraft fleet 60%, from 20 to 7, resulting in approximately \$2.5 million in revenue. The consolidation also enabled the state to reduce the lease of aviation hangars from eleven to four, saving an additional \$47,000 a year on rental space. On July 1, 2010, IDOA's aviation division was transferred through an MOU to the Indiana State Police.

Objectives

- IDOA's MWBE division continues to work to improve MBE and WBE utilization on State contracts.
- The MWBE Division will implement pay audit software and/or modifications to the State's current PeopleSoft system to address category spend and MWBE prime and subcontractor spend activities. The software tool will also have the capability to track spend activity by category. This data will allow the division to get a more accurate and timely understanding of MWBE utilization, and better enforce the MWBE program.

- IDOA's Contract Administration arm will develop an electronic signature process for State contracts. The process will be designed to significantly speed the contract routing and signature process while eliminating the rare instances of contract documents lost "in transit."
- To continue its positive momentum and further IDOA's procurement centralization plan, IDOA Procurement would like to move forward with a number of projects in the next 6 - 12 months. The Division will continue to expand the Equipment Maintenance program with the competitively selected vendor, The Remi Group. Also, efforts will be made to continue the reduction and elimination of Special Disbursing Officer (SDO) accounts with the State's purchasing and travel cards. This reduction will increase the rebate dollars to the State. The Division will also invest in an advanced spend management and sourcing analytic tool. This investment will allow the Division to update the spend analysis conducted in 2005 which will serve as a road map for future sourcing efforts.
- IDOA will begin to work with the kindergarten through 12th grade schools to centralize purchasing to help schools achieve savings on commonly purchased items.

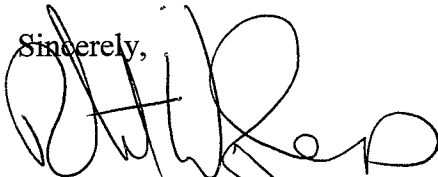
Key Performance Indicators

- The Department of Administration tracks Indiana disbursements as a percentage of state disbursements. Our goal is to have 90% of the total spend going to Indiana businesses. Currently we are at 88%.
- IDOA also tracks savings achieved through OneIndiana and new solicitations for sourcing. Our goal here is to reach \$54,000,000. We are currently at \$46,000,000.
- The Fleet Services Division tracks reduction of state vehicles with a quarterly goal of reducing the fleet by 0.75%. This goal was exceeded in four of the past eight quarters. We are currently 21.5% below our starting point in January 1, 2005.

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 2012-13 biennial budget process progresses. Your favorable consideration of our request will be most appreciated.

Thank you.

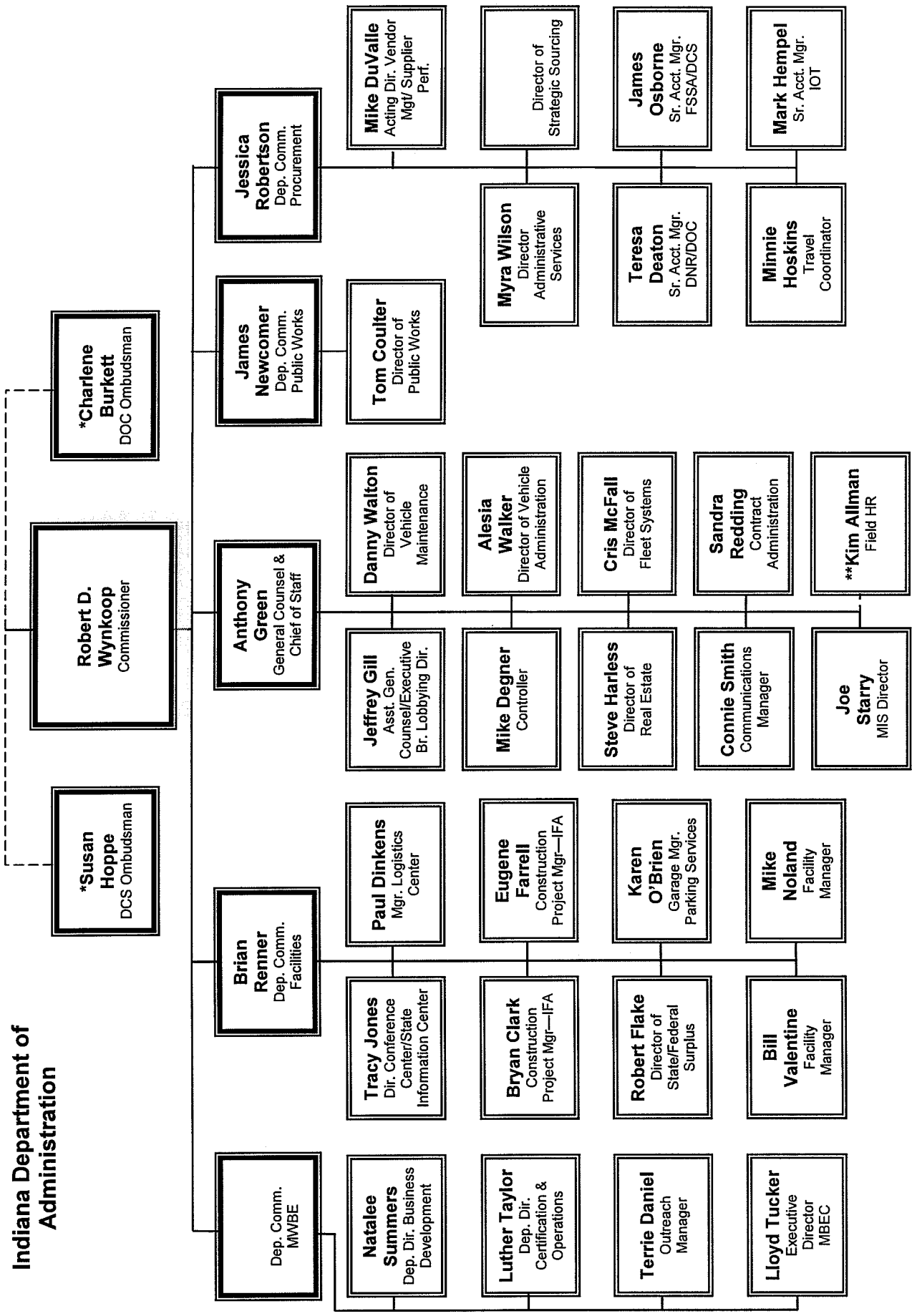
Sincerely,



Robert D. Wynkoop, Commissioner

Attachments

Indiana Department of Administration



* Employee and PCN assigned to IDOA staffing; however, reports to the Governor
 ** Assigned to IDOA staffing; however, reports to HR