



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, 2014

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, 2015 through June 30, 2017.

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) State Leasing Office. Additional information on each division is 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.
- 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. 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.
- 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). Fifty (50) state agencies and commissions currently utilize services provided by the Fleet Services Division.
- 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.
- IDOA operates the **State Leasing Office** that assists state agencies in negotiating and managing leases for office space, warehousing and parking facilities statewide. IDOA also oversees the print and mail distribution operations for all state agencies, provides central warehousing, and manages the State and Federal surplus operations.

Accomplishments

- In CY 2013 and 2014 IDOA partnered with IOT to transform the State's contracting process. Electronic contracting will completely replace the current paper-based process. As of July 2014, electronic contracting was piloted with IDOA and IOT. Implementation of electronic contracting will be phased-in to other agencies starting in early 2015.
- In Calendar Year 2013 to date, the Procurement division has realized \$31.7M of savings

through new contracts and contract negotiations. This number represents a savings of 18% of the contract value that was processed by the division.

- Through creation of the IVBE program, the State has committed \$24,763,324 (or 5.44%) to date with Indiana Veteran Businesses. This commitment is above the goal of 3%.
- 61 of the 157 qualified Indiana Veteran-owned businesses are registered to do business with the State. Increased focus on Outreach efforts will continue.
- The State's Buy Indiana metric (measuring the amount of dollars spent with Indiana companies) is at a steady rate of 80%.
- IDOA Real Estate division has saved \$3.4M annually in lease costs over the past two FYs. This represents a reduction of almost 10% since July 2012.
- Fleet Services has reduced the size of the fleet by 5% (or 475 vehicles) from the State's fleet in the past Calendar Year. The current fleet size of 9,928 is a 22% reduction from September 2005 when the vehicle count was 12,718.
- In the last 12 months, Fleet Services has created over \$1M of savings through improved management of vehicles that are considered under-utilized. Under-utilized vehicles were either sold or re-deployed to agencies that were paying large amounts of employee mileage reimbursement.

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 K12Indiana 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.
- Explore centralizing agency Procurement responsibilities in to the IDOA Procurement division

Minority and Women's Business Enterprise Division

- Improve customer service to MBE, WBE and VBE companies
- Improve MBE, WBE and VBE 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

- Create strategy to contain the State's leased real estate presence
- Create a comprehensive inventory list of all 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
- Continue monitoring under-utilized vehicles for either disposition or re-deployment
- Increase productivity of the IDOA Maintenance Garage

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.

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 2016-17 biennial budget process progresses. Your favorable consideration of our request will be most appreciated. Thank you.

Sincerely,



Jessica Robertson, Commissioner
Indiana Department of Administration