Minutes
Enterprise Goods & Services
Customer Utility Board

DAS
DEPARTMENT OF ADMINISTRATIVE SERVICES

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Ron Bersin
Ethics Commission

Martin Pittioni
Board of Accountancy

DAS Support Staff:

Barry Pack
Deputy Director

Janet Savarro
DBS Interim Administrator

Bret West
EGS Administrator

Robin Kirkpatrick
DBS Analyst

Debby Dyer
Administrative Support

Meeting Date: **February 17, 2016**
Time: 10:00 -12:00 p.m.
Location: Somerville Building | 775 Court St. NE, Salem, OR 97301
Attendees: Ray Brixey, Cyndi Wickham, Caleb Yant, Vicki Chamberlain, Gail Shibley, Martin Pittioni, Sharon Domaschofsky for Merle Lindsey, Shawn Waite (called in), Debbie Strattman for Sean McCormick (called in)
SABR Coordinator: Shawn Range
DAS: Barry Pack, Bret West, Robin Kirkpatrick
Guests: Penny Evans, Zac Cartwright, Brad Cunningham,
Absent: Bob Baxter, Ron Bersin, Tracy Wroblewski

TOPIC	PRESENTER
Welcome	Ray Brixey

- January minutes review – approved
- Action Item Review –
  1. HB 2375/HB3099 status update – on agenda today
  2. Chair/Vice-Chair Meeting Update – talked budget and POPs

HB2375 and HB3099	Bret West

HB3099:

~ Debbie Dennis and Alex Pettit went before the Ways and Means IT subcommittee last Friday to request positions for a new IT Supply Chain Management Program. OSCIO is requesting two positions and Procurement Services is requesting four. A large part of the work will be to increase the number of statewide IT price agreements that are available for all agencies and local governments to use. There are currently about 103 agreements. By expanding the number of agreements to approximately 200-250, agencies and local governments will have more choice and it will be easier for them to purchase off these price agreements. Rather than having to go out for specific projects, RFP, etc. these price agreements would be in place primarily in partnership between the CIO's office and Procurement Services. The duties would be split in a way that the CIO's office would be setting the standards and identifying gaps in the current contracts. Procurement Services and the CIO's office would work together to get the statewide price agreements in place and the CIO's office would manage the vendor relationship. Procurement Services would still be responsible for the contract management. Debbie is asking for four positions – two that would assist with the expansion of the statewide price agreements and two because HB3099 changes the delegation levels for IT procurements and they expect to need additional staff to cover this. Alex is requesting two positions to assist with the CIO's portion of the work. Debbie and Alex will be up again today at 3:00 pm in the General Govt. Subcommittee of Ways and Means. The presentation outlines the concept in a very good way and even includes a matrix that illustrates (according to Gartner research) all of the ideal things you would do in a full blown IT Supply Management Program, the things we are already doing on an ad hoc basis, and the things we're not able to do at all while staffed as we current are.
Q: Have there been any discussions about how DOJ impacts some of these IT agreements? A specific example is the SAS or large software IT price agreement

the Dept. of Corrections has. We tried to use one of the vendors off that price agreement but DOJ said we really couldn't use it. Ray asked if there would be any coordination on this.
A: HB2375 has some impact on that as well with the IT terms and conditions. The whole idea is to make it an easier, smoother process to purchase off of the price agreements.
~ Bret said on HB2375 they're finding that some of the attorneys are giving inconsistent advice, such as how to address the Director's notification. Bret and Barry will talk about it more on Monday.
~ Also on HB2375, the DPO Leadership Team has come together to look at the right mix of experience, training and education; determine what the gaps are and to also take a look at the canned trainings already in place with ODOT and other larger agencies. DPO Leadership will be making a recommendation as to what the training program should look like. The bill requires the training be put in place next year. They have requested three Limited Duration positions to help them continue this work, which they've been doing basically through job rotations and other non-permanent staffing arrangements. They have the LD request in for the remainder of this biennium and a POP in their budget for 2017-19 to make the LD's permanent. They're not sure if in the long run they'd actually need permanent positions but they wanted to start there and see what they learn during the course of this biennium with the LD's they have in place.
~ Regarding the IT Supply Management piece - Barry said part of Alex's vision and experience was that it's not just about increasing the number of statewide contracts and making it easier for agencies and local governments to buy off them; it's also about setting the direction for the state. What Alex would do is create "buckets": One for Leading Technology - where we want to be going; One for As-is Technology, similar to what we're doing now; and one for Lagging Technology, the items people still want to hang on to but we don't really want to see the state continue to invest in. These items are still available to buy but we're trying to steer people towards the Leading Technology bucket. Within those buckets will be "kits". An agency, particularly a small agency that would like to invest in a wireless capacity would not have to guess on what to buy. Everything would already be "kitted" in a catalog and available for purchasing.
Q: How do we get the word out about this?
A: This is probably a good topic to bring to an All Agency Directors' Meeting.

Project Music Update	Bret West

As DAS has been going through some of the pilot projects we've noticed that one of the more difficult things to do is trying to stay on top of the phone list: verifying the current set of phones and the phones that we will implement, i.e., making sure we have all the phones identified, get rid of those we don't need any longer and then make sure we've identified the ones we need for the staff we have. In a meeting last week with Hayley Sandburg in EGS Shared Financial Services, who is the current biller for all of the phone bills around the state, we identified a process improvement we will be talking to Jodie Jones and her team about. We think by having Hayley more involved in this process it will eliminate a lot of confusion on the part of agencies and the Project MUSIC team. Our experience as a pilot agency has helped us identify a potential process improvement effort and Bret said he will let the CUB know how it goes. Hopefully those agencies going sooner will find it much easier than it has been. Martin said from the small agency perspective it has been a little bumpy. Yesterday they received some data from the phone list and they realized how out dated that information was. They were also receiving phone calls from IBM asking questions. He said it's not easy to keep it all on track. Bret said that was why we want to do everything we can to help. This is an overall DAS statewide project but we're also impacted as an agency. Our implementation at

P&D has been delayed a bit because of some other issues but it has allowed us to really get a better grasp on how we can help the project and help all of you.
Q: Are other agencies having issues with Century Link?
A: Yes, it's happened several other times.
Q: Is it a problem with DPSST?
A: I don't know.
Q: How long has it been delayed - a week or so?
Q: Did you get an updated schedule?
A: Tim Hendrix said right now P&D is on hold. IBM might be able to tell them this afternoon that it's a Go but they're waiting on Century Link. There is no new schedule out yet.
Bret said the project team is learning from us and the pilot agencies, which will help make it easier for everyone else.

Seismic Shutoff Valve	Bret West

Rex Emery with the Oregon Youth Authority is excited to be a part of the seismic shutoff valve project. He has proposed hiring an intern to help build a business case so we can be sure that installing seismic shutoff valves is the right thing to do. We believe it is and our insurance companies also believe it is. They're very excited to hear that we were beginning this process. The business case hasn't been completed yet and Bret said he can give a quarterly update if the CUB is interested.

Datamart Query Tool Replacement	Bret West

Bret clarified that FBS will be replacing the Datamart reporting tool, not the platform. The platform and technology will stay the same. We had one additional product demonstration this month. Aaron Wallace is writing the business case for the replacement project. We factored the cost of the project into the current FBS budget and we think we can replace it with current resources. We will keep you posted as we go along. Trudy was contacted by ODOT and they're interested in either partnering or learning from what we know so far. Trudy is meeting with ODOT possibly this afternoon.

Risk Management Funding Level	Bret West

Bret said the spreadsheet handed out at last month's meeting has been updated a bit because we have newer assumptions for what the overall cost of risk administration will be. The assumption Bret put in for commercial insurance was inflated over current amounts and by what we're seeing the cost of commercial insurance has actually declined. The net effect is almost the same so what we're proposing for next biennium is a flat assessment. The left side of a spreadsheet handed out shows 2015-17 LAB amounts. The projected cash balance changed slightly due to some additional changes in the accounts receivable area. The goal is to try to keep the projected ending balance under $100M. In looking at the projected costs we think the $107,250,203 assessment amount we have for the current biennium is the way to go. We think it will accomplish the goal of keeping a healthy balance but not too healthy. At last month's CUB meeting Bret committed to providing a spreadsheet demonstrating how over time we would step down the ending balance. He was not able to provide it because the actuarial report only projects out through 17-19.
Q: What are the DHS and Shelter Workshops items on the bottom of the worksheet?
A: The items at the bottom left of the sheet are current expenditures through 12/31/15, $18.98M. We did a straight line biennial projection of the current costs to get us to the $75.9M. The DHS and Sheltered Workshops items are two large settlements that we had agreed to which have not yet hit the financial system. We just paid a portion out last week – $5.25M. The projection of $102.4M is what I believe is the likely cost of risk for this biennium. We compared that to the total

2017-19 projected risk cost of $110.9M (upper right side of the spreadsheet in bold). We feel comfortable that we are in the ballpark with that straight line projection and the known issues factored into it. This leaves about $8M cushion.
~ CUB decision: A motion to adopt the proposed funding levels was made and seconded. The motion consists of the 2017-19 estimate of $202M total projected cash, the accounts receivable of $105.6M projected total for 17-19, ending with projected balance of $96.8M and $107,250,203M billing. The motion was passed.
~ Robin said we now have the overall billing number and that the Risk staff is working very diligently to come up with what the agency impacts are and what the allocations will be based on the total assessment for 2017-19 being the same as that for 2015-17. He expects the new risk charges to be very close to what each of the agencies paid last time around; but he also said we don't have the final allocation yet. Bret said the EGS CUB approved some methodology changes that will make the allocation a bit different for agencies. Allocation changes driven by claims experience and insured value will also be factored in.

Wrap Up	Barry Pack

Improving Government report:
~ We gave our report on shared services to the General Govt. Subcommittee two weeks ago and Barry thought it went well. One of the issues we discovered in the budget note report was the spectrum of the amount of services that agencies are sharing and the formality in which they do that. We have everything from full service level agreements with very detailed hourly or monthly rates to a wink, a nod, and a handshake and "we'll help you out if you're under staffed at a point in time" and everything in between. There is a lot of interest in seeing some standardization being brought to the chaos that is sharing in administrative services right now and a good recognition that one size doesn't fit all. There can't be just a single way of doing this and that you might have multiple standard methodologies for the formality and the cost recovery if agencies want to share in administrative services work. It was a good discussion with the Subcommittee; they were interested and Barry felt the conversation would probably be ongoing.
~ Martin made the comment that Brad's shop has it completely together, at least on his end and everything is completely set: He has a contract, everything relates to the billing and it works incredibly well. EHRS was the second one to come online and we have a contract, there were a couple of issues around the billing that Brad's shop helped work out and I could tell the gears inside were working. They're still trying to figure it all out and trying to be patient while it's being worked out. But, even within DAS there's still quite a bit of level of diversity where each unit is at with respect to figuring out the new world that's out there.
~ Barry said his point is well taken and recognized but CUBS are at different levels of maturity and I think the programs within DAS are at different levels of maturity. One of the things that is happening with the reorganization in both the HR world and the IT world we're going to get a better handle on some of that. Martin said he would continue to be patient.
~ Bret wanted to acknowledge Vicki and the Oregon Teachers Standards and Practices Commissions receiving an "A" rating on student safety. Vicki said student safety is a really big deal. We have to take care of the conditions in the classroom. The under-funding of education over the years has created a stressful environment in the everyday world of K-12.

For the Good of the Order:	All

~ Regarding the IBM phone piece – Brad said they have come up with some efficiencies within DAS regarding the billing piece once all the phones are fully implemented. They would be happy to share what they're doing, what they're putting in place, and the workflow. They are working on translating the IBM

acronyms so it won't be so difficult for everyone. Bret said Tim Hendrix might be another resource.
Q: Do we have any idea of the timeline for the rollout? Is there a plan; are agencies joining as they're ready and willing?
A: Bret said he is mostly focused on DAS so he doesn't know about the other agencies. Barry said there is a schedule; he has not seen the master schedule, just the DAS schedule. Outreach has been done to agencies by the project team for blackout dates.
~ Vicki said they are implementing a new NIC system built for them and it has been a bumpy road but they're hopeful about the final product.
~ Martin wanted to acknowledge and said he appreciated the invite that went out last week for chair/vice-chair meeting. He doesn't know what the follow up plans are because this is obviously a work in progress but whenever DAS thinks it's the right time to circle back and keep that level of openness is much appreciated. Barry said the work of the CUBs is not over when DAS puts out the price lists with budget instructions. It's just the start pointing of a much deeper engagement about the overall rates. Everyone's budgets are going to increase just as a matter of course and we have something we would like to do to improve service to be prioritized and evaluated so we have to start high with the price list so it goes down. That's an ongoing conversation and we will be bringing back the EGS rates here for a deeper look in the coming months and we'll have other opportunities to look at the full DAS budget down the road.

Next Meeting:

March 9, 2016

10 am – Noon

Sommerville Building | 775 Court St.