

DPO Advisory Council Meeting

Meeting Date: February 27, 2019

Time: 1:30 – 3:30pm

Location: **OMD**
 Owen Summers Building – 1776 Militia Way
 Salem, OR 97301

Attendees: Sharon Domaschofsky (OSP), Jay Jackson (DAS), Robert Jones (PERS), Nathan Brumfield (OMD), David McKay (DOE), Teresa Mortiz (OPRD), Jessica Nelson (OHCS), Toni Payseno (DOC), Shannon Rand (ODF), Tom Riel (HECC), Kathy Storm (OFRI), Melody Waight (ODFW), Jon Walton (OBDD), Sam Goff (OMD), Chris Shaver (OMD)

By Phone:
Guests: Melody Waight (ODFW), Ryan Taub (OCE), Barb Watson (SARS), Chris Patchell (DAS), Nicole Brazeal (DAS)

| ITEM | DISCUSSION |
|---|---|
| Welcome/Announcements– Sharon Domaschofsky | |
| | <ul style="list-style-type: none"> - Introductions were made. - January minutes approved. |
| Agency Introduction – Melody Waight (ODFW) | |
| Handout (PowerPoint) | <p><u>Agency Introduction:</u></p> <ul style="list-style-type: none"> • Mission: “To protect and enhance Oregon’s fish and wildlife and their habitats for use and enjoyment by present and future generations.” • Biennial operating budget of \$345 million. • Have 1,471 full time positions. • 2 main operating areas – Administration & Operations <ul style="list-style-type: none"> ○ Administration: HR, Information Systems, Information and Education, and Administrative Services (includes procurement) ○ Operations: contains 2 divisions; Fish and Wildlife • All federal funding the agency receives goes through the procurement division. • The procurement department is made up of: <ul style="list-style-type: none"> ○ 3 PCS 3’s - contract specialists who process over \$150 million in grant applications annually, ○ 4 PCS 2’s – 2 are real estate specialists and process land applications and 2 are contract specialists, ○ 1 PCS 1 - position was just reclassified and now has an opening, ○ 1 PCA - position will have an opening coming soon. • March-June is the time of year where ODFW receives grant applications. In this time period they will receive around 350 applications. |

Department of Administrative Services
EGS | Procurement Services
Submitted By: Jordan Sim

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| | <ul style="list-style-type: none">• Has 33 hatcheries & 21 designated wildlife areas• There are 45 different wildlife sites that are manned and 194 units for employees to be housed.• Each year ODFW has to do a rent assessment for each of the housing units for employees.• ODFW has recently adopted a new process in which the state is broken up into 5 different sections and an assessment is done on one section each year. Each unit will be assessed once every five years.• Fish Division:<ul style="list-style-type: none">○ Propagation (hatcheries)○ Natural Production (manage water quantity and quality, keep aquatic inventory)○ Marine Resources (Ground fish, shellfish & ocean salmon fisheries)○ Interjurisdictional Fisheries (Ocean Salmon & Columbia River management)• Wildlife Division:<ul style="list-style-type: none">○ Conservation program○ Game Program○ Habitat Program• This video (https://www.youtube.com/watch?v=8CjDPiPMGAk) will give an overview of what the Wildlife Division is about. |
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OCE New website – Ryan Taub (OCE)

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| Handout (PowerPoint) | <ul style="list-style-type: none">• OCE is #4 on the buy decision, which requires state agencies to purchase products from them if they are acceptable and meet the specs that are needed.• New website is rolling out May 1, 2019. The goal of the new website is for it to feel like Amazon.<ul style="list-style-type: none">○ Easy to use○ Simple to find products• Products/services that OCE currently offers:<ul style="list-style-type: none">○ Lockers○ Benches○ Garbage cans○ Office Furniture (desks, tables, filing cabinets)○ Upholstered furniture○ Mail Services○ Embroidery services○ Sign making○ Document imaging services |
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SARS for GASB87 – Barb Watson (SARS)

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| Handout (PowerPoint) | <ul style="list-style-type: none">• Government Accounting Standards Board (GASB) 87- establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.• Reporting requirements will be effective as of fiscal year 2021. Although, agencies should be ready to begin recording the below information as of July 1, 2020 to be prepared for reporting.<ul style="list-style-type: none">○ Lease term (remaining after 7/1/20)○ Useful life of asset○ Lease liability measure at present value○ Lease asset measured as the sum of:<ul style="list-style-type: none">▪ Initial measurement of lease liability▪ Payments made to lessor at or before commencement of the lease term, less lease incentives▪ Indirect costs that are needed to place asset in service (delivery, installation).• Implementation Team has 29 members with 14 agencies represented.• Currently mapping out accounting and policy changes. |
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OregonBuys – Chris Patchell & Nicole Brazeal (DAS)

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| Handout (PowerPoint) | <ul style="list-style-type: none">• For questions regarding issues with OregonBuys should go to OregonBuys.support@oregon.gov• For questions regarding process within OregonBuys should go to OregonBuys.info@oregon.gov• Implementation of end to end functionality of OregonBuys will come in 3 waves.• Question: Will each agency have the same functionality after these waves happen?• Answer: Yes, to keep everything uniform for both agencies and vendors we will keep functionality the same.• Question: Are we trying to capture expenditure for only Public Procurement Code?• Answer: Likely no, only if it is something you do in ORPIN currently.• Question: Is there an agency cost to implement?• Answer: funding is coming from an increase of 1% in vendor fee – Agency will not have a fee directly.• Question: When ORPIN is fully replaced, will there be a deadline for open solicitation to be transferred to OregonBuys?• Answer: We will be sending out an email with advice on how to prepare for the transfer soon.• Question: How can an agency prepare now?• Answer: We will be creating and distribute guidelines soon.• Question: is this replacing CSR's?• Answer: any requisitions that go through ORPIN currently will be replaced. OregonBuys has its own form for CSRs |
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Department of Administrative Services
EGS | Procurement Services
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| | <ul style="list-style-type: none"> • Question: Can you register vendors for them? • Answer: Would not suggest it. • Question: Does it integrate with COBID? • Answer: yes – will tell you if they are certified but it does not go in to detail about what certifications the vendor holds. We wanted to keep that with the COBID website. • Question: Can you enter and track manual records – if a vendor is not in OregonBuys? (ex. Hotels) • Answer: Yes, SOS keeps manual records of travel. So we can follow the process and where we are at as far as reservation and payments |
| Legislative Updates – Jay Jackson (DAS) | |
| | <ul style="list-style-type: none"> • Currently there are 6,772 bills • Deadline of 4/9 for a bill in policy committee has to have a work session or it is effectively dead. • 165 bills being tracked by Jay Jackson. • 111 bills have not received or scheduled a hearing (Jay is assuming a large number of bills will be falling off after deadline). • Legislative Conference Calls are held Wednesday mornings, any and all are invited to participate in this conference call. • Jay Jackson puts out a update on the DPO listserv on a regular basis. If you do not see these emails please contact Jay (Jay.Jackson@oregon.gov). |
| Roundtable: | |
| | <ul style="list-style-type: none"> • SOS: OregonBuys – working well, some bumps along the way but working through them. • DCBS: Does anyone have training plans that we can use? Please send to Jordan Sim for distribution (jordan.sim@oregon.gov). • DAS: Can local governments participate in DPO meetings? <ul style="list-style-type: none"> ○ Answer: Need to be careful with that. Karen Johnson will discuss further with Debbie Dennis and give update at later date. • DOJ: Suggests that agencies meeting with DAS IT & OSCIO to discuss Basecamp further to get a better understanding. DOJ did this and it was very beneficial. |
| | Close of meeting. |

Next Meeting:

Date: April, 24 2019

Time: 1:30 - 3:30 pm

Location: ODOT – 3930 Fairview Industrial Drive (Room 230 – Ashland Conf. Room)

OREGON DEPARTMENT OF FISH AND WILDLIFE



Mission:

To protect and enhance Oregon's fish and wildlife and their habitat's for use and enjoyment by present and future generations.

DEPARTMENT OVERVIEW

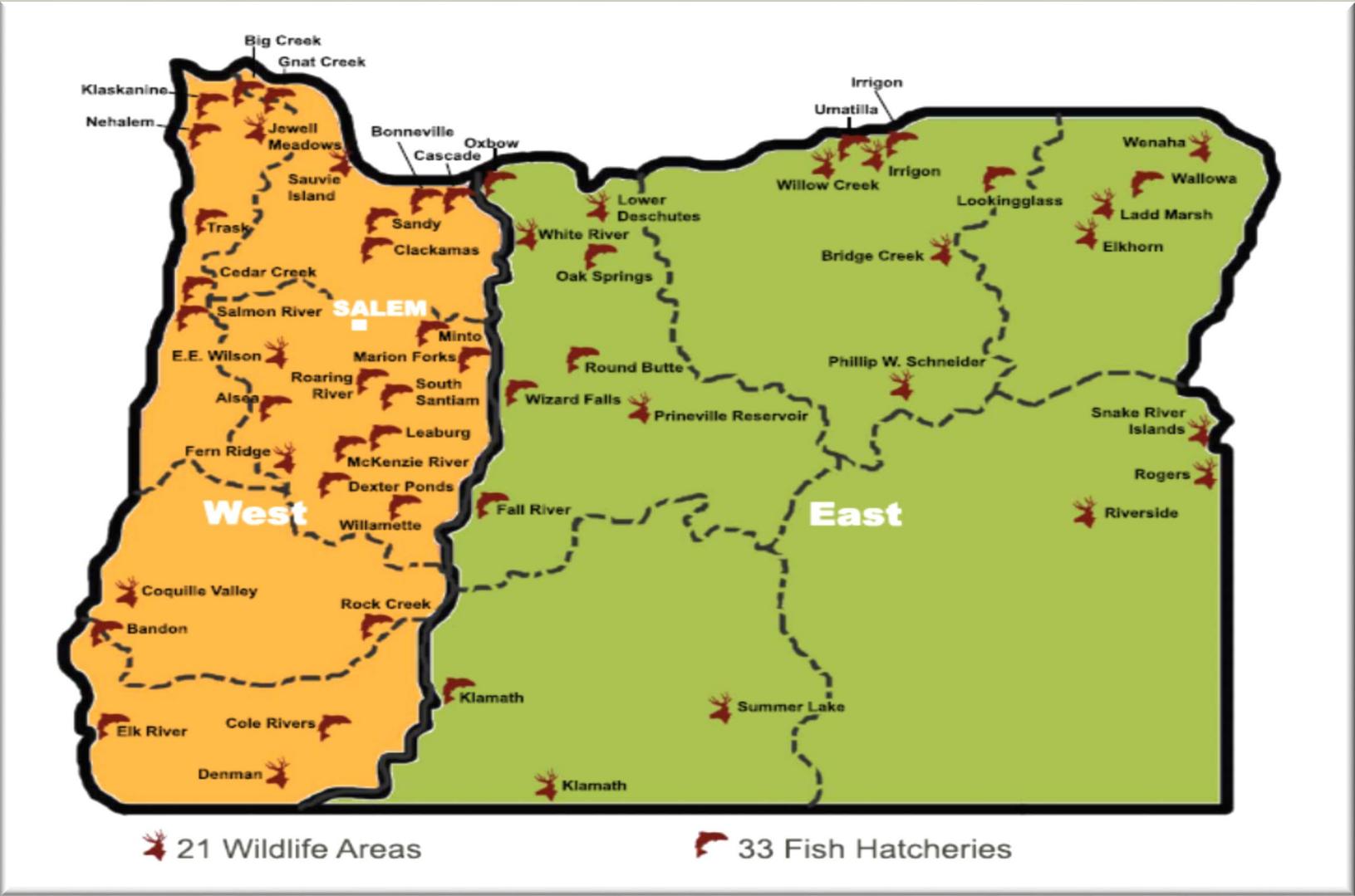
ODFW is a natural resource agency with a complex biennial operating budget of \$345 million and 1,471 positions.

The Department consists of two main program areas, Administration and Operations.

- The **Administration Program** area has four divisions including Human Resources, Information Systems, Information and Education, and Administrative Services.
- The **Operations Program** has two divisions, Fish and Wildlife.

The Administrative Services Division (ASD) provides the administrative infrastructure necessary for accounting, payroll, business operations, license sales, and procurement services. ASD has 55 positions and a biennial budget of \$25.7 million.

Fish Hatcheries and Wildlife Management Areas



Contract Services

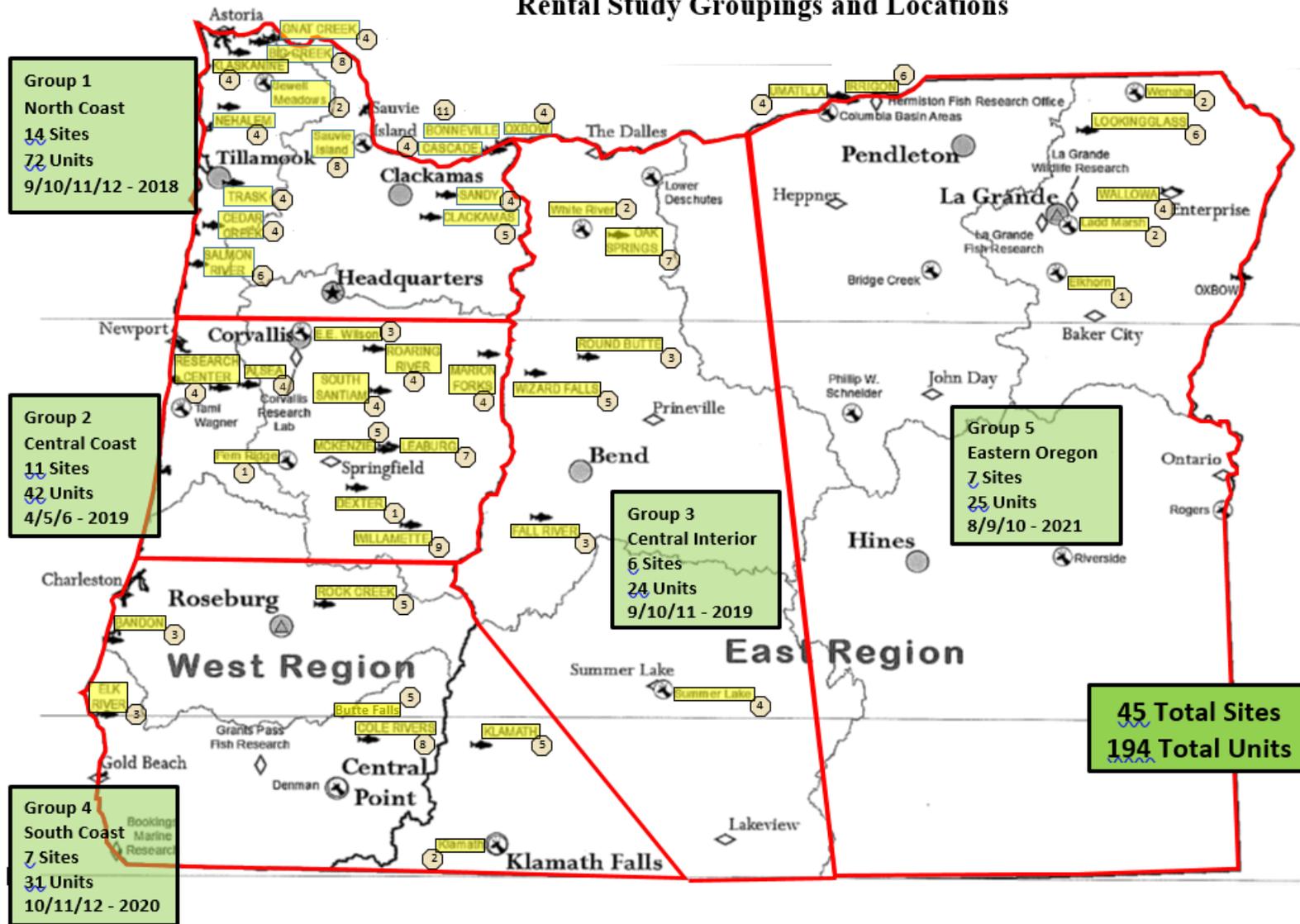
The Contract Services department consists of:

- 3 - PCS3's (Grants/Contracts Specialists)
- 4 - PCS2's (2 Contract Specialists and 2 Realty Specialists)
- 1 - PCS1
- 1 - PCA

Contract Services is responsible for processing approximately \$100 million in biennial procurements & contracts (including all land acquisitions, dispositions, easements, and leased space for the agency) and \$150 million in biennial federal Grant applications and awards.

Contract Services also includes Fleet Administration, Risk Management, Cellular Phone administration and Employee Uniform administration.

ODFW Employee Housing Rental Study Groupings and Locations



Types of Contracts & Agreements

Contract Services Staff develop the following types of Contracts & Agreements (approx. 500 in 2018):

- **Public Works / Public Improvements** (Fish rearing ponds/facilities, Wetlands Enhancements, Dam removal, Hatchery Gravity Intake, Residences)
- **Personal/Professional Services** (Helicopter services, Fish Marking/Fin Clipping Services, Sea Vessel & deckhands)
- **Goods** (Fish Food, Fish Liberation Trucks, Fencing Materials, GPS Collars)
- **IAA / IGA / Tribal** (Laboratory Services [GNA Testing], Cultural Resources, OSP Game Warden)
- **Cooperative Agreements** (Access & Habitat, Restoration & Enhancement, New Carissa Trustee)
- **Grants, Sub-Grants, Landowner Agreements** (Hazing, Grazing, Foraging, Access Permits)

FISH DIVISION

The Fish Division consists of four main programs:

- Propagation (hatcheries)
- Natural Production
- Marine Resources
- Interjurisdictional Fisheries

Propagation is responsible for fish identification, fish pathology, hatchery production and propagation operations.

Natural Production is responsible for aquatic inventories, engineering and facilities management, the Restoration and Enhancement Program, water quality and quantity monitoring, research, fish screening and passage, the Salmon and Trout Enhancement Program, fish management, and the Oregon Plan for Salmon and Watersheds.

Marine Resource is responsible for groundfish, shellfish and ocean salmon fisheries.

Interjurisdictional Fisheries is responsible for ocean salmon and Columbia River management, and overall division and region operations.

WILDLIFE DIVISION

The Wildlife Division has direct responsibility for monitoring the numbers and health of wildlife species, setting population conservation and management objectives, overseeing wildlife habitat restoration and maintenance, and regulating harvest of game animals. The Oregon Conservation Strategy is a key part of the Division.

The Wildlife Division is organized into three key program areas

Conservation Program

- ▶ Implements the Oregon Conservation Strategy, a blueprint for conservation of the state's native fish and wildlife and their habitats

Game Program

- ▶ Works with landowners to prevent and reduce wildlife damage to agricultural and timber crops, conducts inventories of game mammals, establishes harvest regulations, conducts hunter surveys, and investigates wildlife diseases.

Habitat Program

- ▶ Oversees 16 Wildlife Areas that provide valuable habitat for native and migrating species; oversees statewide habitat development, conducts wildlife research projects, provides assistance to landowners for enhancement of private property for the benefit of fish and wildlife, provides technical assistance for the best seed mixtures to use when reseeding lands burned by wildfires, and coordinates with other agencies to address land and water use issues associated with fish and wildlife habitats.

[ODFW Flagship video](#)



Oregon Corrections
ENTERPRISES

Oregon Corrections Enterprises

Who are we?

Oregon Corrections Enterprises (OCE) is a semi-independent state agency created by Oregon voters in 1999. The constitutional mandate of OCE is to create work opportunities for inmates which teach marketable work skills while providing high quality products to government agencies.

Oregon Corrections Enterprises is a group of self-supporting work programs operating inside Oregon's correctional facilities which provide high quality services at competitive rates.

Our Mission

To promote public safety by providing inmates with meaningful work experience in a self sustaining organization

Our Core Values

- Integrity
- Respect for the Individual
- Commitment to Excellence
- Accountability
- Innovation

Why Consider Us?

- **Satisfying Citizen Expectations – Oregon Constitution**
- **Supporting Oregon Jobs** (8 Million dollars back into the local economy)
- **Reducing Cost to Oregon Taxpayers – Price vs. Quality**
- **Benefiting the Citizens of Oregon**
- **Reducing Recidivism**
- **Contributing to Public Safety**
- **Sustainability – water based stains, recycled metal, LEEDS**
- **Inmate Labor listed on DAS Best Buy Matrix**

Our Programs

● **Metal**

● **Furniture**

● **Upholstery**

● **Printing**

● **Mail Fulfillment**

● **Call Centers**

● **Garments**

● **Embroidery**

● **Sign Shop**

● **Parks**

● **Laundries**

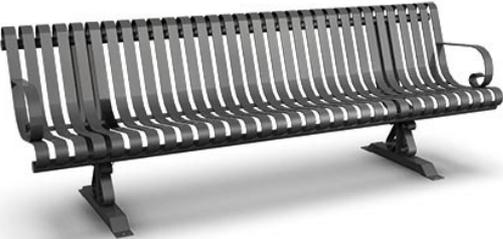
● **Document Imaging**

Businesses Locations





Metal from Salem





Furniture from Salem



Furniture Features

- ✓ The front face frame and sides are counter bored and screwed together for No Flex Construction.
- ✓ High Quality 1" Oak plywood veneer sides.
- ✓ 3/4" plywood furniture backing.
- ✓ Four solid sides create an indescribably strong "no-flex" construction.
- ✓ Never-Warp Tops: Laminate (Wildwood), 2" of solid oak all around the top (Santiam).
- ✓ Steel ball bearing guides
- ✓ Highest quality 9-ply Birch drawer sides & bottoms
- ✓ Edge Banding – Hardwood or Plastic.
- ✓ Quality Assurance Checks through out the process
- ✓ Ability to Customize based on Office Environment



Upholstery in Umatilla





Mail Fulfillment from Salem





Oregon Corrections
ENTERPRISES

Embroidery from Pendleton



Department of Corrections Shields for Uniforms



Signs from Ontario



PARKING AREA
1 MILE



The Cove Palisades
State Park

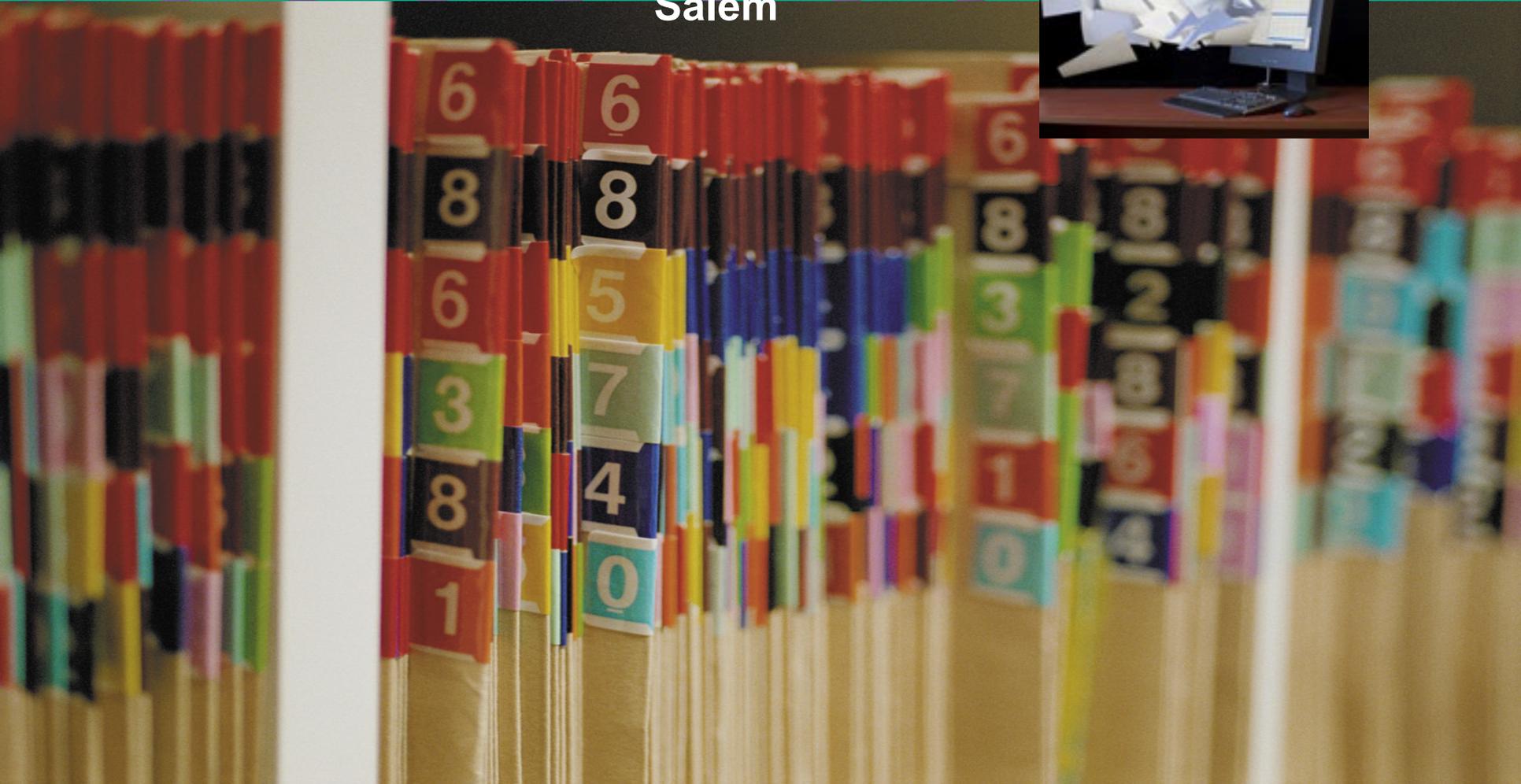


RIGHT-NEXT SIGNAL





Document Imaging in Salem



Best Buy Decision from DAS

1. Surplus

2. IGA

3. QRF

4. Inmate Labor – Highly Encouraged

5. Price Agreement / State Contract

6. MWESB

7. Open Market

GASB 87

Leases

What is changing

- Effective for FY 2021 for the State
- Agencies must be ready by **July 1, 2020** as operating activity will need to be recorded throughout the year
- GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
 - No more operating or capital leases
 - Most similar to a capital lease, but not the same
- A lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction
 - Underlying asset does not have to be a capital asset
 - As a "contract" , the lease, whether written or verbal, be legally enforceable

What is excluded from the standard

- Intra-agency leases
- Short term leases - the maximum possible term of the lease is 12 months or less, including any options to extend, regardless of their probability of being exercised
- Contracts that transfer ownership by the end of the contract period
- Leases of intangible assets, including licensing contracts for computer software
- Leases of biological assets (timber, plants, animals)
- Leases of assets that are investments
- Leases of inventory
- Certain regulated leases (specific criteria, airport/aviation leases are the example)

Factors needed to measure

- Lease term – noncancelable portion plus/less options that are “reasonably certain” of being exercised
- Useful life of the asset - asset is amortized over the shorter of useful life or lease term
- Lease liability measured at present value, to include if required:
 - Discount rate being charged
 - Fixed payments
 - Variable payments depending on an index or rate
 - Variable payments fixed in substance
 - Residual value guarantees
 - Penalties for terminating lease
 - Lease incentives receivable from the lessor
- Lease asset measured as the sum of:
 - Initial measurement of lease liability
 - Payments made to lessor at or before commencement of the lease term, less lease incentives
 - Indirect costs that are needed to place asset in service (delivery, installation)

Additional considerations

- Contracts that contain a lease component and a nonlease component must be accounted for separately
- If a lease involves multiple underlying assets, with varying lease terms and asset classes, each underlying asset should be accounted for as a separate lease (lessor/ee)
- Contracts that are entered into at or near the same time with the same counterparty should be considered part of the same contract if either of the following are met:
 - The contracts are negotiated as a package with a single objective
 - The amount paid in one contract depends on the price or performance of the other contract
- The copier leases with Ricoh is an example of a contract combination. If a copier needs to be replaced, as long as it is changed out without adjustment to the lease term or price, the agreement does not need to be re-measured.
- Sufficient documentation of lease determinations and valuations will be subject to Audit.

Where we are now

- GASB 87 Implementation Team – 29 members with 14 agencies represented
- Information request to agencies for number of leases by asset class
- Meeting with both DPO Advisory Council and ABSD
- Starting to map out accounting and policy changes

How the DPO Advisory Council can help

– Future Leases

- Require the necessary components in the lease agreements
 - Clear lease terms:
 - Non-cancelable period
 - Likelihood of that lease or the lessor will exercise option to extend
 - Will ownership be transferred at end of contract
 - Fair Market Value of underlying asset
 - Variable and fixed payment detail
 - Initial indirect costs necessary to place asset in service
 - Available discount rate
 - Nonlease components identified, such as maintenance or software
 - Multiple underlying assets that need to be separated
 - Residual value guarantees
 - Lease incentive values
- Uniform accounting cover sheet

How the DPO Advisory Council can help

– Existing Leases

- Current focus - begin review of existing leases
 - All leases will need to be re-evaluated that are in place as of 7/1/2020
 - The lease term for GASB 87 purposes will start 7/1/2020 – regardless of original start date
 - All of the components listed in the previous slide will be needed in order to determine lease term and value (including lease data matrix)
 - Accounting will be looking to Procurement for this data.
 - **July 1, 2020 will come fast !**



OREGON DEPARTMENT OF ADMINISTRATIVE
SERVICES



OregonBuys

March 12, 2019

OregonBuys

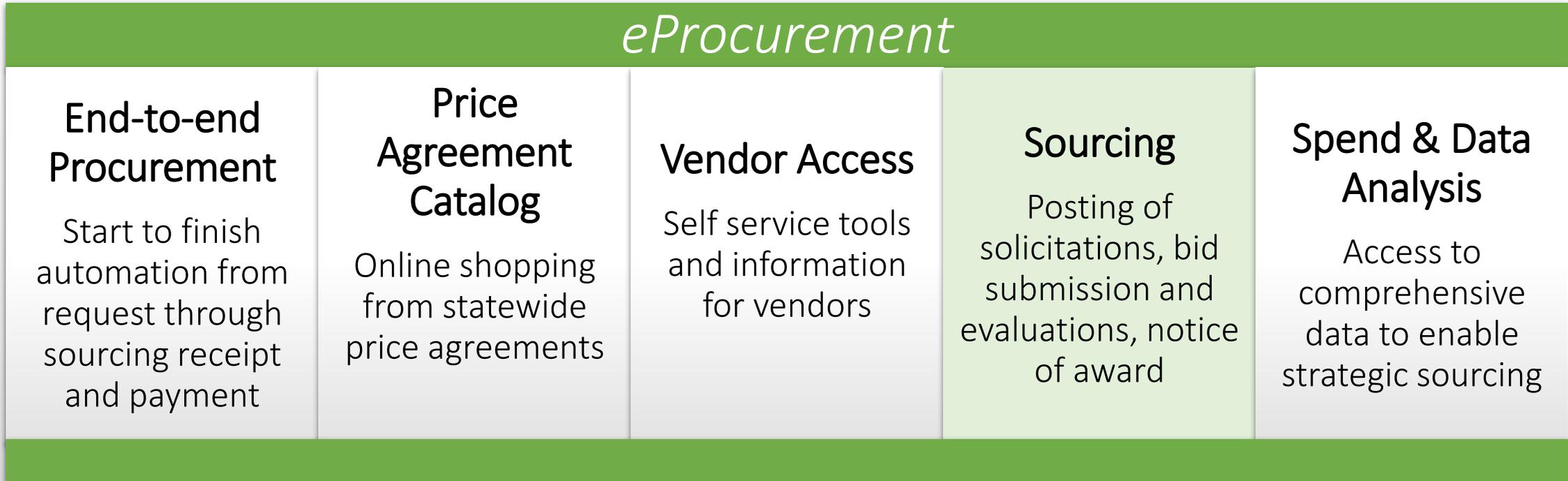
Agenda

- OregonBuys Intro
- Current Status
- OregonBuys Schedule
- Governance
- Project Team

What is OregonBuys?

Definition

- OregonBuys is an end-to-end eProcurement solution which automates the procurement processes using web-based applications. It is a technology-enabled solution that allows the state to procure goods and services at the best value.*



OregonBuys Benefits

Why does Oregon need this?

- *Main benefits include standardizing and embracing industry best practices which will streamline procurement process*
- *Increased visibility into Oregon's spend can help us identify opportunities to strategically identify cost savings and negotiate better contracts*

How will it benefit my agency?

- *Negotiating better price agreements benefits all agencies*
- *Streamlining the procurement process helps eliminate manual and duplicative steps*
- *Efficiencies built into the workflow will shorten the time it currently takes to procure and pay for items.*
- *Improved buy experience.*

OregonBuys - Current Status

The first implementation phase is complete

- *The SaaS instance is up and running and is currently in use*
 - *Procurement process and configurations performed by 10 collaborating agencies: ODE, OJD, ODFW, DHS/OHA, DOR, SoS, ODF, DAS, DCBS, and ODOT*
- *Secretary of State's office went live with OregonBuys in February 2019*
- *Department of Forestry has kicked off their deployment project*
 - *Plan to go live in early July 2019*

The Enterprise project is underway

Planning

- *Where we are at with legislative approval*
- *Finalizing contract and project timeline with Vendor (Periscope)*
- *Working with OSCIO on Stage Gate 3 approval*
- *Official project kickoff planned for April 2019*

Communication

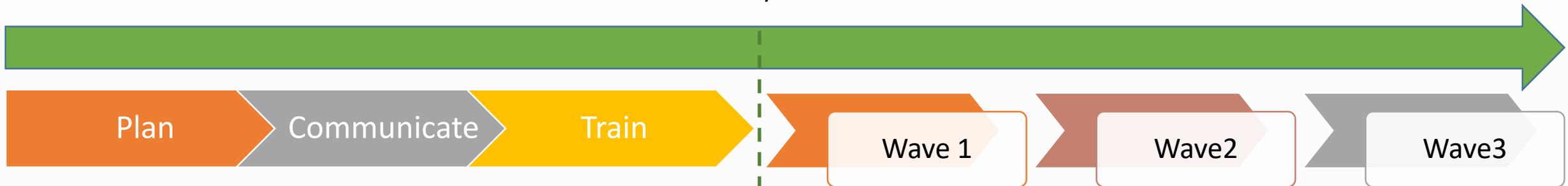
- *Working on a communication plan to keep all stakeholders informed*
- *Will establish regular channels where agencies can be kept up to date*

Proposed Project Timeline

Project
Kick off
4/2019

Replace
ORPIN
12/2019

State Agency
Deployments
Ends 3/2021



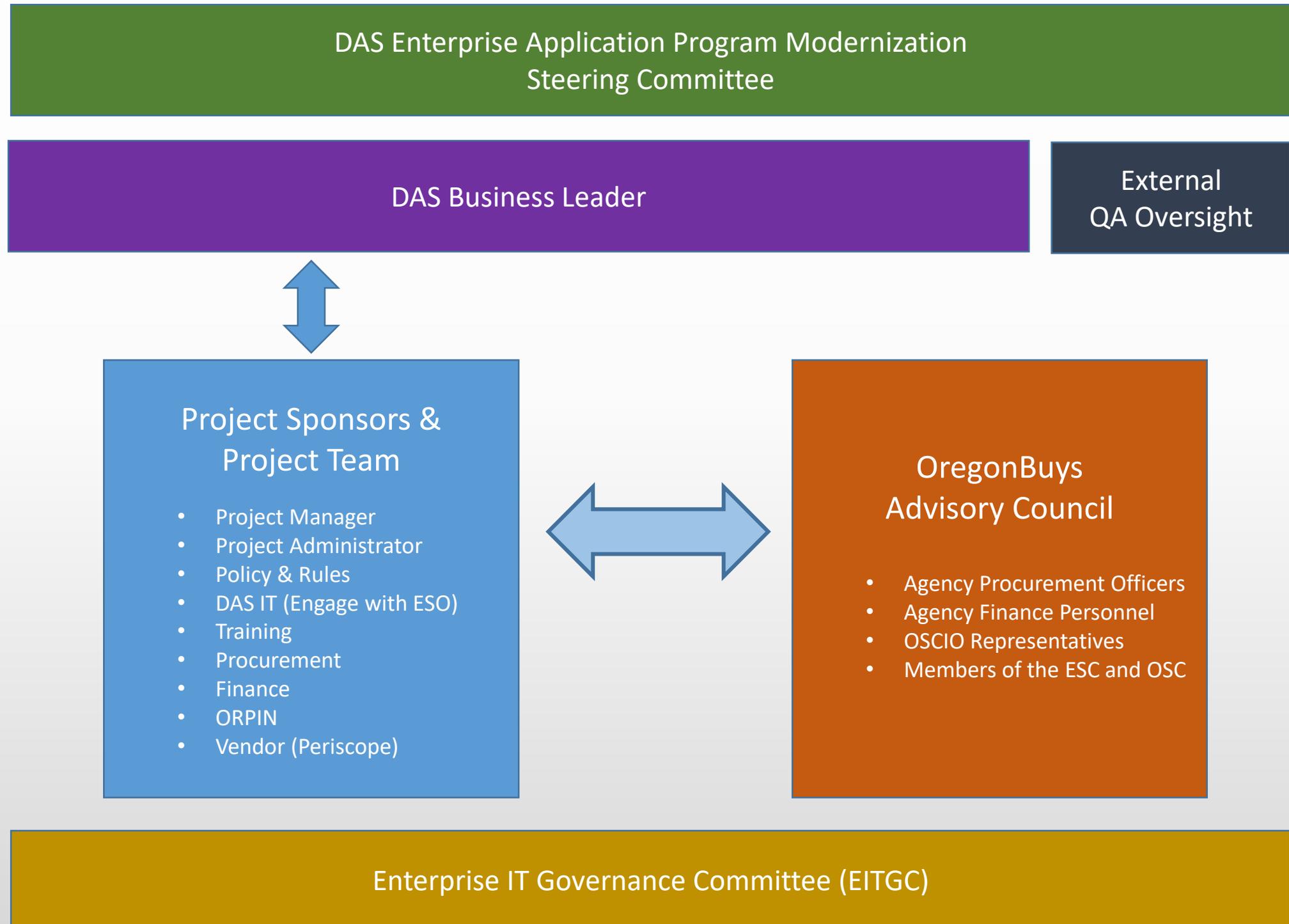
Year 1 Priority – Replace ORPIN

- Develop Enterprise-wide Configuration
- Develop Training Materials
- Conduct Vendor and ORCPP Outreach
- Upload statewide Price Agreements into OregonBuys
- Communicate throughout the project
- All agencies use OregonBuys instead of ORPIN to solicit and award bids

Year 2 Priority – Onboard State Agencies

- Each on-boarding wave is six months long
 - Each wave contains multiple phases
 - Plan, train configure, test, go live
 - 3 deployment waves planned for state agencies
 - Each wave contains a combination of big and small agencies
 - Agencies will be able to provide feedback on what wave they are in

Proposed Project Governance Model



Frequently Asked Questions

- **What happens with Vendors?**
 - Vendors will need to re-register in OregonBuys
 - They will receive notification and instructions on how to do so
- **What happens to ORPIN?**
 - Once ORPIN has been replaced by OregonBuys, it will be available for historical purposes
- **Who do I send my questions to?**
 - Agency staff can send questions to: oregonbuys.info@oregon.gov
- **Who do vendors contact for questions?**
 - Vendors can send questions to: oregonbuys.support@oregon.gov

Questions and Feedback