



STATE OF INDIANA

Mitchell E. Daniels Jr., Governor

DEPARTMENT OF ADMINISTRATION
Commissioner's Office

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

November 9, 2012

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, 2013 through June 30, 2015. Our proposed budget represents total funding of \$271,920,960 for the biennium.

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) Fleet Services, (6) Parking Facilities, (7) Professional Service Contracts/Grants and Contract Compliance, (8) Minority and Women's Business Enterprises, (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.

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.

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 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 (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 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.

IDOA operates the State Leasing Office that 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 utilized these rebates to deliver savings to K-12 schools and fund other key initiatives.
- Through operational changes and capital equipment upgrades, IDOA utility costs were reduced by 2.73% for a savings of \$314,127 compared with last fiscal year.
- The size of the state fleet has been reduced by 19% since January 1, 2005 when vehicles totaled 12,718. On September 1, 2012 the state fleet was 10,309.
- Minority and Women's Business Enterprise (MWBE) participation in state government contracts for FY2012 was 11.01% or \$140.7 million of the total \$1.28 billion of state contract spend. In FY2012, MBE participation was 5.34% or \$68.2 million on a total state contract spend of \$1.28

billion. Women's Business Enterprise (WBE) participation for FY2012 was \$72.5 million (5.67%) of the total state spend. The FY2012 participation was the second highest MWBE reporting year in state history. In addition, the division reports the highest number of certified firms in state history. The division has experienced a progressive increase in the number of firms seeking and being granted MBE/WBE certification. This is a result of increased outreach activities, improvements in the certification process, and a more robust branding and marketing campaign which includes the use of social media and other electronic tools to better engage MBE and WBE firms. Despite the increased workload, the division has reduced the certification process time by nearly 50%.

Key Objectives

IDOA's Minority and Women's Business Enterprises Division (MWBE) will continue its focus on three key activities:

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

In December 2011, the Minority and Women's Business Enterprises Division began implementing the Pay Audit System and/or modifications to the State's current PeopleSoft system to address category spend and MWBE prime and subcontractor spend activities. The system allows the division to get a more accurate and timely understanding of MWBE utilization, and better enforce the MWBE program. While the system is currently in production, there are changes and improvements that have been recently identified. These additions will make the system more robust and provide more flexibility in reporting.

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 K12Indiana program through coordinated sourcing opportunities where like contracts exist. Success of coordinated sourcing is enhanced through continued development of the existing portal. Key upcoming upgrades include the state's ability to capture purchase data by participating K-12 entities within the portal.

The Procurement Division will continue to invest in an advanced spend management and sourcing analytic tool to further the OneIndiana initiative. 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.

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. As of September 1, 2012, we are at 84%.
- IDOA also tracks savings achieved through OneIndiana and new solicitations for sourcing. Our goal here was to reach \$54,000,000. We are currently at \$81,355,292.
- 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 19% 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 2013-15 biennial budget process progresses. Your favorable consideration of our request will be most appreciated. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Wynkoop". The signature is written in a cursive style with a large, looping initial "R".

Robert D. Wynkoop, Commissioner

Attachments