



Iowa Department of Administrative Services

Customer Council Archives

Council: General Services

For Calendar Year: 2003

Meeting Dates: July 8
August 19
September 23
September 25
October 21
October 23
October 30
November 14
December 15

Any meeting hand-outs or attachments not included in this electronic file may be obtained by contacting the Department of Administrative Services – Customer Council Support at 515-242-5038.

Agenda

DGS Customer Council Meeting

July 8, 2003

7:30 – 9:00 a.m.

Capitol Complex Maintenance Building

Break Room

Meeting called by:

Type of meeting:

Facilitator:

Attendees:

Mollie Anderson- DAS; Patrick Deluhery-DGS; Debbie O'Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR;; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Larry Murphy-Judicial; Dennis Prouty-Legislature; John Bradford-Member of Public; Mike Campbell-AFSCME; Dale Schroeder-DGS; Scott Bertness-DGS; Tim Ryburn-DGS; Dean Ibsen-DGS.

Agenda topics

First DGS Customer Council Meeting

Patrick Deluhery

Welcome

Mollie Anderson

General Topics

Debbie O'Leary

Questions, Comments, Discussion

Mollie, Pat, Debbie

GSE Customer Council Meeting Minutes
July 8, 2003
Capitol Complex Maintenance Building

Members Present:

John Baldwin – DOC; Capt. Bob Alles – DPS; Jennifer St. John – DNR; Marcia Spangler – DPH; Mary Lawyer – IDED; Roger Johnson – Cultural Affairs; Greg Anliker – Elder Affairs; Charlie Smithson – Ethics; Ruth White – Human Rights; Peggy Sullivan – Judicial; John Bradford – Public;

Members Absent:

Mike Campbell – AFSCME

Others Present:

Mollie Anderson – DAS; Patrick Deluhery – GSE; Debbie O’Leary – GSE; Dale Schroeder – GSE (Fleet & Mail); Scott Bertness – GSE (Printing); Tim Ryburn – GSE (CCM); Dean Ibsen – GSE (Design & Construction); Bob Straker – GSE (CCM Lead Worker & AFSCME Steward); Tera Harrington – GSE (Secretary); Nancy Williams – GSE (Secretary); Patti Allen – DAS.

Introductions:

All attendees introduced themselves.

Welcome:

Mollie Anderson, Director of the Department of Administrative Services, welcomed everyone to the first meeting of the General Services Enterprise Customer Council meeting. Mollie gave a brief overview of DAS and the Customer Council’s role in assisting General Services Enterprise.

Pat Deluhery, Chief Operating Officer of General Services Enterprise, opened his remarks outlining the differences between his 24 years in the Legislature and the last several months in the Executive Branch as the Interim Director of the General Services Department. Pat noted that we are listening to our customers; we want to hear from them with their ideas and suggestions. We don’t have all the answers, but we are willing to learn and look forward to the input from the Customer Council members.

Tour:

Tim Ryburn, Administrator for the Capitol Complex Maintenance area as well as the Custodial staff, gave a brief history of CCM, and then proceeded with a tour of the facility.

General Topics:

Pat Deluhery clarified the distinction between *Leadership, Utility and Marketplace*.

Services are divided in three categories; *Leadership, Utility and Marketplace*. When the customers are the taxpayers of the State of Iowa and we get paid by the Governor and the General Assembly through a direct appropriation, it is a *Leadership* function. An illustration of that is the “Ceremonial Space” in the Capitol building. That area cannot be charged to any one agency. Instead it is funded by a direct appropriation.

Everything else was divided into two categories – *Utility and Marketplace*. The *utility* function is where a decision is made that a single provider, at least for this first year, makes the most sense for the whole enterprise. Most of our functions in General Services Enterprises are categorized as *utilities*. The customer pays for services; but the customer is given an important role in deciding the payment level and the quality of service or the level of service that is offered.

A very good way to describe the role of the Customer Council in a *utility* service, is to compare it to one of the co-ops that exist in rural Iowa – like a rural electric co-op. In a co-op, the board members govern the co-op. The board decides what improvements are made or whether the service cost is the absolute minimum.

The other category is *marketplace*. The customers are free to choose any provider they want. They can choose us, they can choose other agencies in the state or local government, or they can choose the private sector. In our department, we have determined this year that the daily trip pool (that’s the car people take out for one day or less), and the Printing Division are *marketplace*.

Marketplace services do not have a Customer Council. *Marketplace* services will be priced in order to compete. Marketplace prices will go to whatever the market place is charging. It won’t be regarded as something like the *utility* where the customer doesn’t want us charging more than it costs. *Marketplace* services charges, “whatever the market will bear.”

General Services Enterprise will provide staffing. Pat Deluhery volunteered to act as Executive Director, will set up the meetings, present options to the committee and suggest items for the agendas. He will also continually ask for help/suggestions from GSE staff.

The Chairperson will conduct the meeting and the co-chair should be able to fill in. The chairperson should also represent GSE to the Governor, DOM, and Governor’s Chief of Staff or to the Director of DAS as required.

The chairperson should also feel free to express his/her own opinion; but also fairly represent the opinions of the other members.

John Bradford (member of Public) was nominated as the Chairperson. John Baldwin (DOC) was nominated as the Vice-Chairperson.

Motion passed by a unanimous vote. Both accepted the position.

Expectations:

Identify who the customers are and what services they want. Eventually, sell our services and allow us to offer a better price.

Discussion:

John Baldwin - GSE must “sell itself”. They did it at one time, they must do it again!

Mary Lawyer – What functions are the functions of Leadership, Utility and Marketplace? Patti Allen responded that it is on the DAS website (www.das.iowa.gov). There is a page of Frequently Asked Questions, which can explain this fully. If you cannot find your answers, call Patti at 281-7056.

Next Meeting:

- Need to be monthly.
- Rates must be set in time for budgets and budget development.
- Mollie Anderson advised the Council members must understand this business, its expenses, staffing, prices and services.
- Members asked for a “break-out” of different utilities.
- Greg Anliker requested financial information including trend for the last 2 – 5 years on costs, expenditures and revenues.

Pat Deluhery thanked everyone for attending, thanked staff for putting together the brunch. Pat will work with John Bradford and John Baldwin to set a date and place for the next Customer Council meeting.

Patrick J. Deluhery, C.O.O.
General Services Enterprise

Naw

Agenda

GSE Customer Council Meeting

Tuesday
August 19, 2003
7:30 – 9:30 a.m.

Emergency Management Conference Room
Hoover State Office Bldg – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Mike Campbell-AFSCME; Roger Johnson, Cultural Affairs; Dale Schroeder-DGS; Tim Ryburn-DGS; Dean Ibsen-DGS.

Agenda topics

7:30 – 7:35	Call To Order	John Bradford
7:35 – 7:45	Opening Comments	Patrick Deluhery
7:45 – 7:50	Approve Minutes of 7/8/03 Meeting (Action Requested)	John Bradford
7:50 – 8:15	Review of Draft Customer Council By-Laws (Action Requested)	John Bradford
8:15 – 9:15	Product Line Presentations (Informational) Capitol Complex Maintenance (CCM)	Tim Ryburn,
9:15 – 9:30	Open Discussion	John Bradford
9:30	Adjournment	John Bradford
	Optional Tour of the Fleet Building (301 East 7 th Street)	Dale Schroeder to conduct tour

General Services Enterprise Customer Council Meeting

August 19, 2003

Members Present:

John Bradford, Chairperson; John Baldwin, Vice-Chairperson – DOC; Captain Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics, Peggy Sullivan, Judicial; Mary Lawyer, IDED.

Members Absent:

Terry Roberson, IDED; Ruth White, Human Rights, Mike Campbell, AFSCME.

Others Present:

Patrick Deluhery, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE; Dean Ibsen GSE, Tera Harrington, GSE, Nancy Williams, GSE, Patti Allen, DAS; Bonita Lane, GSE.

Call to Order

Chairperson John Bradford called the meeting to order at 7:30 a.m.

Opening Comments

Pat Deluhery, C.O.O. welcomed everyone to this second GSE Customer Council meeting. Mollie Anderson and a large portion of DAS have now moved to the Hoover Building, Level A. Mr. Deluhery asked members if any of them had any visibility as a member of this council. Are people coming to you with their ideas about General Services Enterprise?

Approval of Minutes

Charlie Smithson moved to approve the meeting minutes of July 8, 2003 as presented. Bob Alles seconded that motion. Motion approved. Minutes to be filed.

Review the Draft Customer Council By-Laws

This document will guide us on how we do business. Comments regarding this document:

Chairman Bradford asked that the members go through each article and comment individually on them and hopefully come to closure on each one as we go through.

- **Article 1** – We need to put General Services Enterprise in that title.
- **Article 2** – A suggestion on the specific wording on the Customer Council. Take the Purpose and enumerate it. Chairman Bradford stated – I don't think we'll be able to get to specific wording at this meeting; but, would like to get everybody's comments on how we can improve the document and customize it for ourselves.
- **Article 3** - The opening line, change to "strive to". **Remove # 11** because that is a duplicate to Article 11.

- **Article 4** – Chairman Bradford stated: “There are actually nine members from the State agencies and I believe the Legislative Branch member is no longer an active participant – is that correct?” Pat Deluhery stated that is still an open question. The question was asked for clarification on **Article 4, Section 1** - whether the Judicial Branch member was an Ex-officio nonvoting member or whether the Judicial and Legislative were voting members? Pat Deluhery stated: “As I recall the language in the bill, the legislature was somewhat intent that on those issues that impacted the judiciary or the legislature, they should be able to participate – but whether it specifies what that participation means, I’m not sure. But, the idea was that if they are going to participate as being a part of a utility that they have to use, then they should have some voice. Peggy Sullivan stated it was her understanding, that if we were going to be charged – that we have input on it. Move **Section 6** to Article 9 and then re-number this section. **Section 4** – for each of the three constituencies, the large, medium, small will have to decide which one of their members is the one year term and which are the two year terms. Chairman Bradford asked each group get together and just decide which member is the two years and which is the one year term get back to Pat Deluhery or Nancy Williams. Question arose– can the members serve continuously – if so appointed by the group (term limits) – Pat Deluhery stated he saw nothing that prohibits that. Question - AFSCME membership – is that person a voting member? Pat Deluhery will check into this and advise the group. **Section 5** – shall remain as written – substitutes will not be allowed.
- **Article 5** – Chairman Bradford commented in section 2 that a simple majority should be 50% plus 1.
- **Article 6** – Add as one of the responsibilities of the chairperson to review if not approve the agendas.
- **Article 7** – Section 5 – Committees shall meet, discuss, study and/or *make recommendations* on assigned issues as needed.
- **Article 8** – Include a section regarding Open Meeting Laws. Section 4 – change from “shall be provided five (5) business days prior to the meeting” – to read “not less than five (5) business days”.
- **Article 9** – Move **Article 4 – Section 6** and re-number.
- **Article 10** – Make a title change - change to GSE Chief Operating Officer. **Section 2** change from “within five (5) business days” to “*strive to inform customers within five (5) business days*”
- **Article 11** – No change

Chairman Bradford - let’s try to do as much e-mail communication on editing these as we can and just keep everybody in the loop on what we are thinking and hopefully next meeting we can have action on this and move forward.

Product Line Presentation

Chairman Bradford – just as an organizational point, we thought it would be best to take each enterprise unit within General Services Enterprise – take one at a time and talk about the full range of what kind of services they provide, what kinds of costs they incur and other information that they may have as opposed to getting all services and then all costs and spend these next three meetings basically gathering information so that in a month – two months from now we are able to have some good discussion about how best to allocate costs to the other units. Having said that – first up is Tim Ryburn from the Capitol Complex Maintenance Division.

- Tim Ryburn – Power Point Presentation
(Copy of Time’s presentation attached – as part of the minutes)
- Questions:
 - Are we able to get to the point to say – per square foot, per the kind of services we are now providing as a baseline, this is what it is costing us?
Tim Ryburn – we are working very hard that, we are close to being able to share that with you, one of the things that we still do not have is the square footage analysis, by who has what space.
 - Patti Allen – I think the perception that Accrual Accounting presumes that costs have been matched with the revenues that they provide and what we see in large part is that while the bills may have been paid, they have in very many cases been satisfied by moving money around. Part of what the DAS expects to do is to implement cash – or an accrual accounting system where each agency actually sees their cost of doing business and can associate them with the revenues that they receive from any source.
 - Greg Anliker – “When does the switch actually happen where the different departments are going to be responsible for getting their piece of the pie – 05 or 06?” Pat Deluhery responded we are in fiscal year 04, it will be 05.
 - Pat Deluhery – We have two meetings in September – September 23 and September 25th, we are going to do D & C (Design and Construction) and Mail on September 23. On September 25th, we’ll put in there Fleet and Purchasing and that covers the utility services that are offered by the General Services Enterprise that this council governs. Then, we’ll have October 21 review rates and budgets and we recognize that is pretty late in the appropriations cycle for FY05 but that’s what we will be working on.
 - John Bradford –At the October meeting we talk about rates, that’s what we are really going to have to focus on, this is package A, this is package B, and this is the service that you get for that and this is how much that costs.

- Tim Ryburn advised we have been looking at what leased locations are doing – you get a cost for the utilities, a cost for janitorial, a cost for maintenance, etc. – we are looking at it based on a square footage allocation. It seems to be what works the most and makes the most sense. It is better than the FTE allocation.
- John Baldwin – I don't think rates are going to be our hardest problem – hardest problem is going to be convincing people that they actually have costs for this.

Open Discussion

- Patti Allen - The financing people, that are responsible for engineering this transition to a new way of looking at numbers, are very committed to getting numbers that are reasonable and presenting them to you in a way that you can ask all the questions you want to and have the information that you need to make good decisions about how you want to spend the money. We are looking at streamlining the billing processes from all of the agencies that are a part of the DAS. You will have a much better idea of what you are spending your money for on all of the DAS services, not just the ones that come from GSE.

Adjournment

Note: Optional Tour of the Fleet Building – 301 East 7th Street.

Respectfully submitted,

Patrick J. Deluhery

PJD:naw

Agenda

GSE Customer Council Meeting

Tuesday, September 23, 2003

1:30 – 3:30 p.m.

1st Floor North Conference Room
Grimes State Office Bldg

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; (representative) - AFSCME; Roger Johnson, Cultural Affairs; Dale Schroeder-DGS; Tim Ryburn-DGS; Dean Ibsen-DGS.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery & John Bradford
1:40 – 1:45	Approve Minutes of 8/19/03 Meeting (Action Requested)	John Bradford
1:45 – 1:50	Approve By-Laws for GSE Customer Council (Action Requested)	John Bradford
1:50 – 2:30	Product Line Presentations (Informational) Design & Construction	Dean Ibsen
2:30 – 3:15	Product Line Presentations (Informational) Mail	Dale Schroeder
3:15 – 3:30	Open Discussion	John Bradford
3:30	Adjournment	John Bradford

**GENERAL SERVICES ENTERPRISE
CUSTOMER COUNCIL MEETING MINUTES
September 23, 2003**

Members Present:

John Bradford, Chairperson, Member of Public; John Baldwin, Vice Chairperson, Dept. of Corrections; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial;

Members Absent:

Marcia Spangler, DPH; Mary Lawyer, IDED, Terry Robertson, IDED, Ruth White, Human Rights, AFSCME Representative.

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE, Terra Harrington, GSE; Nancy Williams, GSE, Shirley Walker, GSE, Carol Stratemeyer, GSE, Cynthia Clingan, Senate.

Call to Order

Chairperson John Bradford called the meeting to order at 1:35 p.m.

Opening Comments

Pat Deluhery, GSE C.O.O. welcomed members and guests to the GSE Customer Council meeting.

Approval of Minutes

Cpt. Bob Alles moved to approve the meeting minutes of August 19, 2003 as presented. Roger Johnson seconded that motion. Motion approved. Minutes to be filed.

Approval of GSE By-Laws

Cpt. Bob Alles moved to approve the GSE By-Laws as presented. Peggy Sullivan seconded that motion. Motion approved. GSE By-Laws to be filed.

Product Line Presentation

Dean Ibsen, Administrator of the Design and Construction Division made a Power Point Presentation to the group (*copy attached as part of the minutes*).

Dean advised he is an architect, has been in private practice, spent 13 years in Colorado Springs, 7 years in Dubuque, Iowa and has been with the State since 1999 (initially as a private sector consultant helping with an infrastructure assessment state-wide). Dean spent about six months going around the state walking through rooms and buildings and sites and making comments on conditions of the buildings and has a good sense of the facilities all over the State.

General Services works with about one-fifth of all of the state facilities, about 12 agencies and institutions. GSE doesn't work directly with DNR, DOT, Public Defense or with the Regents.

We do work with most of the other agencies, especially with the agencies that have sites and facilities either on the Capitol Complex or around the State.

Dean's presentation is about the services GSE provides, the funding sources and the budget items, and the items that GSE needs to pay for with the money that GSE receives and some of the challenges and the opportunities that GSE faces as we try to do our work.

Questions:

Define Seat of Government?

Defined as Polk County

Lease Management Charges?

GSE will bill back for our services to negotiate contracts

How is it decided who gets leased space and who doesn't on complex?

Some agencies request to be off complex.

A wide variety of reasons

Building being demolished – i.e. micrographics building

The "ideal" would be to have as many agencies on complex as possible – not to pay off campus lease charges.

Number of Leases?

34 at Seat of Government

134 outside Seat of Government – GSE provides oversight

Utilities

Just recently we purchased 240,000 gallons of fuel oil. We expect natural gas prices to dramatically increase and decided to lock in on some heating fuel prices.

Which services do you believe would be utilities?

Project Management and Planning for the agencies that we work with (exception would be ceremonial spaces).

Restoration Painting – is ceremonial space work, in general we won't bill for.

If we were to do work for other areas, we would consider billing for those services.

Leases and move management on the Capitol Complex.

Leases outside the seat of government.

Capitol Complex utilities (gas, electric, etc.)

Dale Schroeder, Administrator of the Fleet and Mail Division made a Power Point Presentation to the group on the Mail Division (*copy attached as part of the minutes*).

Dale's career in state government began in 1979 as a purchasing agent for General Services, and he was promoted to become the state vehicle dispatcher in 1988. In 1994 in one of General Services' reorganizations the mail section was added to Dale's duties.

Questions:

Inter-office mail service area?

Within the service area, we have staff picking up the mail and bringing it back to the Grimes and then sending it out the federal system or delivering it to another office within that area.

Can't the Post Office deliver mail to all of the buildings?

They will not deliver to each building.

The Postal Service will make deliveries to individual offices outside of the Complex, but they will not make deliveries within the Complex.

GSE also picks up and delivers inter-office mail along with the federal mail.

Metered Mail?

Processed in the Hoover and Grimes Building.

About 2/3 of our mail is metered.

Question on bar codes?

There is no set limit on how many bar codes you can set.

Open Discussion

None

Adjournment

Meeting adjourned at 3:00 pm.

Reminder – next meeting will be Thursday, September 25, 2003 in the Grimes Building.

Respectfully submitted,

Patrick J. Deluhery, C. O. O.
General Services Enterprise

PJD:naw

Agenda

GSE Customer Council Meeting

Thursday, September 25, 2003

1:30 – 3:30 p.m.

1st Floor South Conference Room

Grimes State Office Bldg

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; (representative) - AFSCME; Roger Johnson, Cultural Affairs; Dale Schroeder-DGS; Tim Ryburn-DGS; Dean Ibsen-DGS.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery& John Bradford
1:40 – 1:45	Approve Minutes of 9/23/03 Meeting (Action Requested)	John Bradford
1:45 – 2:30	Product Line Presentation (Informational) Fleet	Dale Schroeder
2:30 – 3:15	Product Line Presentations (Informational) Purchasing	Debbie O’Leary
3:15 – 3:30	Open Discussion	John Bradford
3:30	Adjournment	John Bradford

GENERAL SERVICES ENTERPRISE
CUSTOMER COUNCIL MEETING MINUTES
September 25, 2003

Members Present: John Bradford, Chairperson; John Baldwin, Vice Chairperson (DOC); Capt. Bob Alles (DPS); Jennifer St.Jonn (DNR); Roger Johnson (Cultural Affairs); Greg Anliker (Elder Affairs); Charlie Smithson (Ethics).

Members Absent: Marcia Spangler (DPH); Mary Lawyer (IDED); Ruth White (Human Rights); Peggy Sullivan (Judicial); AFSCME Representative.

Others Present: Patrick Deluhery, GSE; Debbie O’Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Terra Harrington, GSE; Nancy Williams, GSE; Ken Paulsen, GSE; Julie Economaki, GSE; Carol Stratemeyer, GSE; Shirley Walker, GSE; Mollie Anderson, DAS.

Call to Order

The meeting was called to order by Chairperson Bradford after the first presentation (awaiting a quorum of members).

Opening Comments

Patrick Deluhery welcomed everyone and suggested that we begin with the first presentation.

Approval of Minutes

Page three – discussing bar codes – change to read “can obtain”.

Charlie Smithson moved to approve the minutes with the change. Roger Johnson seconded the motion. Minutes approved. To be filed.

Product Line Presentation

Dale Schroeder, Administrator of the Fleet and Mail Division made a presentation to the group on the Fleet Division (copy attached as part of the minutes).

A copy of the Code of Iowa – Chapter 18, was passed along to members of the Board. The Code contains all of the state statutory requirements that govern how the state fleet is administered. Past General Assemblies and the Governor have taken an interest in how the fleet is administered.

Statutory Requirements and Policies

- 1990 Federal Clean Act.
- 1992 Federal Energy Policy Act – requires that certain percentages of purchases of the fleet be fueled with alternative fuels. In Iowa, that means E85.
- State Code – also talks about alternative fuel vehicles – we have an across the board requirement that 10% of fleet purchases every year be of vehicles that are propelled by alternative fuels.
- CAFÉ Standard (Corporate Average Fuel Economy) – Requirement that vehicles which GSE purchases each year, have to meet 27-1/2 MPG. Trucks and vans have to meet 20.8 MPG. There are some exceptions to that for law enforcement purposes, off-road vehicles and a few others.
- Vehicle assignment criteria – the Code states the Department of Administrative Services must have in place rules that maximize passenger fuel economy per mile. That means the vehicles have to be sized the smallest for the appropriate job.
- Reporting – there are dozens of reporting requirements in the Code – they mostly deal with data the fleet division is charged with providing each agency.
- Mileage Reimbursement – the Code gives the Department of Administrative Services the responsibility to establish a mileage reimbursement policy. GSE has had that responsibility for about six or seven years now.

Management Information

- GSE tries to provide agencies monthly, via billing statements, cost per mile data, maintenance and fueling costs, your depreciation charges. GSE has in the last year starting sending out maintenance notifications to you. Some departments have received reports on mileage reimbursement. GSE has also been sending out information on vehicle utilization so that you can take some of that information and make appropriate decisions on how you govern your own fleet.

Cars, Trucks & Vans

- Fleet goes through a rather lengthy process, working in conjunction with DAS purchasing to establish contracts that have statewide scope for all of the trucks, vans, police cars that are bought by state agencies. DAS works in conjunction with the three universities and DOT. This results in the “best bang for the buck” by pooling all of those statewide requirements together in one major procurement. GSE gets substantial discounts from General Motors, Ford and Chrysler in that bid process.
- Fleet has two or three car auctions each year.
- Fleet administers and provides each vehicle with a fuel card. The fuel cards are fairly well accepted at 98% of the stations in Iowa. This is called the “Wright Express Cards” and is up for re-bid next year. This has been very successful.
- Contracts for services – master contracts with Goodyear, Firestone, auto body contracts, General Motors, Ford and Chrysler for master billing which in many cases provides discounts on parts and labor.
- Billing and payments – all billing and payments for agency vehicles is provided by Fleet.
- Recalls/Technical Advisories – Fleet garage is certified by Ford, Chrysler and GM to do warranty work; along with that work we are able to have “drop shipments” of vehicles direct from the factory to Fleet. Fleet receives all recalls from the factories.

- Self-Insurance Fund.
GSE Fleet Division saved approximately \$800,000 per year in insurance payments when we went from a contracted insurance policy to having a self-insurance fund. The State does not have any commercial insurance.
We are self-insured liability for \$250,000; anything above that goes to the Appeal Board.
Collision - \$500.00 deductible with a \$5,000 maximum. The balance comes out of the department's budgets.
Fleet maintains about \$1 million dollars in reserves (this would be approximately 4 major claims)

Budget:

Fleet Income Sources

- Monthly vehicle fee of \$32.38
- FY 2003 Budget: \$969,501

Fleet Outputs - \$

- Personal services
- IT
- Support

Self-Insurance Income Sources

- Monthly Ins. Premium of \$24.75 per vehicle
- Regents Annual fee for service: \$28,368

Self-Insurance Outputs

- Personal services
- Support
- Attorney General
- Liability Claims
- Accident Repairs

In addition to processing and managing the self-insurance fund for the 2629 DAS vehicles, Kathy Shannon acts as a "claims processor" for the Board of Regents fleet of 1400 vehicles. For this service, Fleet receives \$28,368.

Self-Insurance Fund – typically has a balance of about \$1 million dollars, the theory is that we want to cover four \$250,000 claims at one time. If the balance exceeds \$1 million dollars the rate is adjusted down.

Customer Expectations

- Appropriate vehicle delivered timely
- Credit card
- Prompt payment to vendors
- Accurate customer bills
- Statutory compliance
- Timely management information
- Preservation of replacement funds (Depreciation Fund)

Customer Alternatives

- 180,000 Fuel transactions
- 25,000 maintenance transactions
- CAFÉ reporting
- Vehicle assignment criteria
- Quantity purchasing

Future of Fleet Services

- Separate of state garage.
- State garage will be “marketplace” effective July 1, 2004.
 - This represents approximately 38% of the \$969,000 budget.The \$32.38 a month that agencies are charged per vehicle will be reduced by that amount. Agencies will now be billed for services. GSE feels that we will be competitive in the \$40 to \$45 flat rate hourly rate – that compares to about \$75.00 an hour to a dealership.
- Past style of Fleet management
 - Previously the style of management has been rather “dictatorial” over the years.
- Moving forward
 - In the future, GSE wants to share those responsibilities with agencies. Where the ownership of the statutory requirements really falls on your shoulders with the Department of Administrative Services being there to assist you.

Questions/Responses

- Fleet currently has a service area (for its garage) that is a little larger than the boundaries of Polk County.
- GSE does not foresee shifting the reporting itself; we expect to see a shifting of the responsibility for compliance. In the past, the Fleet Division “has to meet” these objectives; therefore, you will buy this type of car, you will purchase this type of fuel and you will operate it according to these policies and procedures. GSE wants to back away from that dictatorial overtone, and say “these regulations/statutes” are your responsibility, we will report them as required, but it’s going to be a shared responsibility for meeting them. GSE really wants to take a backseat to that process, as opposed to being so forward in our tone on how you meet those requirements.

Debbie O’Leary, Administrator of the Service Delivery Division made a presentation to the group on the Purchasing Division (copy attached as part of the minutes).

Purchasing - Overview

1. GSE Purchasing Services
2. GSE Purchasing Customers
3. GSE Purchasing Staff
4. Financial Picture
5. Challenges and Opportunities
6. Proposal for Customer Council Consideration

Customer Expectations

1. Neutral Third Party
 - Purchasing “keeps you out of trouble”
2. Save Time
 - You want to have your staff focus on their “core responsibilities” and you really don’t want your staff to do a lot of “purchasing staff duties”.
3. Handle Disputes
 - You want someone to handle your appeals, problems with bids, etc.
4. Save Money
 - Everyone’s budgets are tight – everyone wants to save money.

5. Experience

- You want to know that the people that are doing the purchasing, bidding, etc. are experienced.

GSE Purchasing Can Offer You:

- GSE Purchasing serves as a neutral 3rd party during the bidding and contracting process.
- Saving of Time
 - Bidding and RFP's and statewide contracts.
 - Supplies for DNR
 - Bike helmets for Public Safety
 - Pontoon floats for barges for DNR
 - Contract for John Deere for all the John Deere equipment
- Save and Money for Agencies
 - Procurement card - you can make purchases on this card and pay one bill a month. Emergency Management is going to issue these to all 99 county Emergency Management Operations. Each card will have a dollar limit, according to the grant, and then they are going to use these cards to purchase the items for Homeland Security. This will save them an immense amount of time.
- Handling Disputes
 - Recently some of you have been involved in the digital scanning services, the vendor wasn't performing – the purchasing agent called the vendor in, worked with that vendor – advising the vendor you have x amount of time to perform or we will get a new vendor. They also went to the second bidder and allowed that bidder to work with state agencies as well. Purchasing handles vendors and the type of service that they receive.
 - If there is an appeal on a bid, Purchasing will handle that or work with the Attorney General's office or in-house counsel to handle those disputes.

Saving Money

- WSCA (Western States Contract Alliance) – takes the buying power of a number of states and puts those together so everyone receives a good bargain.
- Office supplies – we have a contract for the entire enterprise so that each agency doesn't have to go out and purchase their own office supplies – they can just buy off this master contract and it saves on the economy of scale.
- Vehicles – another money saving process GSE Purchasing does for agencies.
- Vehicle Auction – this is going to be part of the new module in the I/3 system. We will be able to save agencies more money.
- Consolidated Equipment Maintenance Program – GSE Purchasing put out a bid and Specialty Underwriters won the contract. They are going around talking to agencies about how you can save on your maintenance agreements. Agencies can save about 20 – 25% on maintenance agreements. DHS had Specialty Underwriters look at their copy machines and they will save about \$10,000.

Experienced Staff

- Administrative Rules
- Iowa Code Requirements
- Purchasing System and Procedures

- Accountable Government Act
 - There are a large amount of Administrative Rules; code requirements, purchasing system, purchasing procedures. After the Accountable Government Act, this is something the purchasing agents had to learn about.
 - GSE Purchasing agents have had over 200 years of experience in purchasing.
 - GSE also has some credentialed Purchasing Agents; they attend the national organization of purchasing agents and get a wealth of information from that organization.

Services Offered by GSE

- Assistance with Bidding Process
 - Some agencies do a lot of the specs themselves, others GSE does most of the specs and put that together in the bid document. It is up to the agency to decide how much they want GSE Purchasing to do for them.
- Contract Management (800+ contracts)
 - GSE has about 800 contracts that state agencies can buy off of. GSE Purchasing is responsible for entering into those contracts, negotiating those contracts and renewing those contracts.
- Service Contracting
 - Currently service contracting is done throughout all the agencies, each agency can do this on their own and we also have expertise on contracting.
- Advice for other purchasing agents
 - GSE offers a lot of advise for purchasing agents, answer contract questions, etc.
- Market targeted small business program
 - GSE markets the TSB program.
- Educate vendors on how to do business with the State
 - GSE does a lot of vendors on how to do business with the State.

GSE Purchasing Customers

<u>Top Five Customers</u>	<u>1% Fee *</u>
1. Dept. of Human Services	\$392,000
2. General Services	\$309,000
3. Department of Corrections	\$260,000
4. Veterans Home	\$ 88,000
5. Department of Natural Resources	\$ 55,000

Examples of Other Customers

Workforce Development	\$ 39,000
Department of Public Health	\$ 35,000
Department of Economic Development	\$ 30,000
Department of Public Safety	\$ 29,000
Revenue	\$ 16,000
Iowa Public Television	\$ 15,000
Human Rights	\$ 877
Elder Affairs	\$ 191
Ia. Ethics & Campaign Finance Board	\$ 84

* Average purchase over the last 3 years.

GSE Purchasing Staff

Purchasing Agents - Jeanette Chupp, Sharon Downey, Dave Kaili, Nola Penland, Doug Reed, Randy Stapp and Ashley Super.

Ken Paulsen, Supervisor – assigned to I/3

Barb Sullivan, systems coordinator, assigned to I/3

Julie Economaki, I/3 project coordinator

Pam Dickey, I/3 testing support, purchasing support, technical support

Nancy Williams – Secretary

Debbie O’Leary, Division Administrator

GSE Purchasing Financial Picture

Revenue

1% fee

\$1,165,697.91	FY01
\$ 895,476.53	FY02
\$1,005,969.76	FY03

Other Income

\$ 65,000	Service Level Agreements
\$ 12,000	Credit Card Rebate

Primarily, GSE Purchasing is financed by the 1% fee. In FY01 there was a lot of purchasing going on, but when you have years when there is not a lot of purchasing happening, it really affects the Purchasing Department.

GSE Purchasing Financial Picture

Expenditures

Salaries	\$1,039,107
Other	\$ 300,000*

* Right now we spend an awful lot on postage, IT support, mainframe processing. We pay for the maintenance of the purchasing system (AMS), legal, etc.

Challenges

Maintain an open, fair competitive process that meets multiple needs.

- Everybody needs to be able to look at this and see why a bid went to somebody else. It has to meet multiple needs.

Save Money

- You can't just switch to a different vendor – there must be a competitive bid.

Financing the Purchasing Operation

- Most of the GSE Purchasing income is based on the 1% fee – that varies widely depending on much purchases agencies make.

The Future

Move from processing paper to strategic sourcing.

- Strategic sourcing – we want to look at all the purchasing that are made by state government and see where we can get “better economy of scale”.
- Right now, we are spending a lot of time processing paper
- We want to move to more strategic sourcing of items for state government.

Provide more service contracting

- This is done throughout state government; every department does their own service contracting. We think we can develop some expertise in this area and provide that as a service to departments.

Provide more services to counties, cities, and schools

- This is an area we would like to explore more
- Right now, they can all buy off our state contracts – they don't pay GSE Purchasing to buy off the contract
- We are thinking of other services, helping them with their contracts, etc.

Policy changes

- Changing some Administrative Rules so we can do things electronically.
- Currently agency-purchasing agents can only purchase items if they are under \$2500.00. GSE Purchasing believes this should be increased to \$5,000.
- Contracting for goods – currently if the amount is \$5,000 the GSE Purchasing agent are required to go out for a formal bid. We are recommending that be increased to \$50,000 to purchasing agents will have time to focus on strategic sourcing rather than doing the more in depth paperwork currently required.

The Future: I/3

- Manages all steps of the purchasing cycle.
- Is integrated with all other parts of I/3 including accounts payable, fixed assets, and inventory
- Supports paperless internal processes
- Provides real time information
- Enables e-business with vendors

I/3 is an electronic purchasing system, it will be a very transparent system, you will be able to see every step of the process, vendors will be able to register on line. Vendors will be able to tell us what they are interested in and then they will get that information.

We hope in April 2004 that it will be available for agencies to use and then in July 2004 for vendors to use.

The Project Manager is Sharon Sperry. In GSE Purchasing, Julie Economaki, Ken Paulsen, Barb Sullivan are working full-time on the project and a number of our other purchasing agents are testing the system. It is not just one agency doing most of the work,

Disadvantages of the 1% fee

- Not a stable source of funding – agencies have found hundreds of ways to avoid the fee.
- Disincentive to save money

The Proposal

- Eliminate 1% fee
- Enter into Service Level Agreements with Agencies
- Establish a rate based upon the average amount of purchases made in FY's 01 through 03.

The Advantages

- Agencies allowed unlimited purchases without an additional charge.
- Ability to “strategic source”
- More Predictable
- Guaranteed level of service

Open Discussion

John Bradford stated he felt we have had really good presentations from all of the divisions. Starting next month the hard part for the Council starts – we get to start talking about rate structures, rate models and really getting into the details and the tough discussions of how we are going to deal with this. John thanked everybody again for all the time we will be putting into this as we move forward and encourage a lot of honest participation and straight-forward comments of what everybody thinks is happening and where we should go.

Mollie Anderson, Director of Department of Administrative Services, spoke to the group briefly. Mollie stated she believes there are a lot of opportunities for GSE to manage this from more of a macro enterprise perspective and the question is whether we can establish with you the right relationship with our customers to do this. There has been some debate on the other Customer Councils of what is a utility, the purchasing area is one of the places we feel it is a utility and the Governor believes there will be savings by managing this. If you think about the dollar amount there is wonderful opportunities to save money.

Adjournment

Roger Johnson moved to adjourn, Charlie Smithson seconded the motion. Meeting adjourned.

Reminder – next meeting will be Tuesday, October 21, 2003 in the Hoover Building, Level A – EMD Conference Room. This meeting will begin at 1:30 p.m. to review rates/Budgets

Respectfully submitted,

Patrick J. Deluhery, C.O.O.
General Services Enterprise

PJD:naw

Agenda

GSE Customer Council Meeting

Tuesday, October 21, 2003

1:30 – 4:30 p.m.

EMD Conference Room

Hoover Bldg. – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery & John Bradford
1:40 – 1:45	Approve Minutes of 9/25/03 Meeting (Action Requested)	John Bradford
	D & C Rate Presentation (Action Requested)	Dean Ibsen
	Fleet Rate Presentation (Action Requested)	Dale Schroeder
	*Purchasing Rate Presentation (Time Permitting)	Debbie O’Leary
	Open Discussion	John Bradford
4:30	Adjournment	John Bradford

GSE CUSTOMER COUNCIL

October 21, 2003

Members Present:

John Bradford, Chairperson; John Baldwin, Vice-Chairperson, DOC; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH; Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial.

Members Not Present:

Ruth White, Human Rights and Bob Straker, AFSCME.

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Ken Paulsen, GSE; Shirley Walker, GSE; Julie Sterk, DAS; Denise Sturm, DAS; Miranne Mickelson, Mollie Anderson, DAS

Call To Order

Chairperson Bradford called the meeting to order at 1:30 p.m.

Opening Comments

Patrick Deluhery advised the GSE Customer Council:

- 1) The proposed budgets are bare-bones budgets for General Services Enterprise.
- 2) GSE has not added new staff, we have replaced one or two people who have left and have kept some positions open where people have left.
- 3) The proposed budgets for FY05 is status quo.
- 4) GSE as well as other agencies have lived through the cuts of the last four years, the state revenue stream going from \$4.8 billion down to \$4.5 billion. GSE has given up a large number of positions in these four years with no corresponding reduction in what's expected of us – there were no responsibilities taken from General Services' list of responsibilities.
- 5) GSE will aim for Profit and Loss Statements; we expect to have those by December or the first of the year on a monthly basis, line-by-line according to the enterprises that are being presented today and Thursday. It is possible, as we get into the year and do these kinds of Profit and Loss statements, that we will be asking you for adjustments in the rates up or down and we will strive to be candid and open with you.

Approval of Minutes of 9/25/03 Meeting

Capt. Bob Alles moved to approve the minutes as typed. Jennifer St. John seconded the motion. Motion passed.

Design & Construction Rate Presentation (Dean Ibsen)

Dean Ibsen discussed the Design & Construction presentation "handout" (copy attached to minutes) in detail and answered many questions and comments.

John Bradford indicated that the fee in the private sector can be as high as 4% of the project and believes the cost of \$73.50/hour is on the "low side"; Greg Anliker also expressed his thought that this rate was low as well.

GSE noted a very important thing about the services GSE provides to our customer agencies, compared with outside vendors, is that we have knowledge, experience and expertise about all of the institutions that we work with that go back a number of years. GSE has standard contract forms, standard RFP, templates for processing many things – if an outside consultant came in they would have to learn that and develop the expertise for the specific agencies

John Baldwin expressed he has been very pleased since July 1 with the enthusiasm and quality of service from GSE Design and Construction staff. The problem he sees is talking with Legislature and advising them of this fee on his projects and requesting more money.

Mollie Anderson noted DAS had made a commitment of no or low cost increase.

After lengthy discussion, Capt. Bob Alles moved to tentatively accept the proposed billing rate of \$73.50 per hour for the Design and Construction Division. Roger Johnson seconded the motion. Motion passed.

Fleet Rate Presentation (Dale Schroeder)

Dale Schroeder discussed the Fleet presentation “handout” (copy attached to minutes) in detail and answered many questions and comments.

Dale described his task today is to discuss with the committee and, obtain approval on proposals for *three separate revolving fund rates*.

- 1) Fleet Management Administrative Services and overhead charges – the fee itself will be reduced because we are separating the State Garage from our Fleet Management Budget. The State Garage will be going Marketplace July 1, 2004.
- 2) Vehicle Self-Insurance Fund monthly vehicle premium – re-calculated every year
- 3) Monthly Depreciation Charge
When Fleet receives the 2004 vehicle contract costs – they will then calculate this rate and present to the Customer Council.

Dale asked that the Council endorse the methodologies for the rate determination for the three revolving accounts.

There is only one rate that has been calculated that the Council would be approving – the \$15.28 per month per vehicle.

Mary Lawyer noted she would like to get the proposed rates out to the departments for feedback before implementing them. Mary asked that the Committee give preliminary approval, package all the costs together and then contact the appropriate people in the departments, probably the director and the finance staff. Mary stated that the rates should be “bundled” together and sent out with a note advising agencies that this is your chance to comment and giving them a firm date to respond.

Mollie Anderson noted on October 28, all of the agencies will be together for the DAS Advisory Committee and at that time they will be getting an update on the work being done by each Customer Council. It is likely Committee chairpersons will be asked to actively participate in this meeting. DAS is hoping that all Committees will have their rates set at this time.

Mary Lawyer asked that the committee consider the actions taken today as “contingent upon us getting feed-back and subject to action later” so that they don’t think we have “rubber stamped it” without input.

Greg Anliker moved to approve (contingent upon feedback from agencies) the rate of \$15.28 per month as well as the methodology for the insurance and the vehicle replacement rate. Roger Johnson seconded the motion. Motion passed

Purchasing Rate Presentation (Debbie O’Leary)

Debbie O’Leary discussed the Purchasing presentation “handouts” (copies attached to the minutes) in detail and answered many questions and comments.

The information describes the core services that every agency, without independent purchasing authority, would receive from GSE purchasing. GSE proposes to enter into a Service Level Agreement with every agency in state government that GSE provides services to and list out the core services provided to agencies.

The other authority that is given to GSE agencies is to delegate purchasing authority to agencies. GSE has proposed in our Administrative Rules to increase that authority from \$2,500 to \$5,000.

Currently Purchasing is funded by a 1% fee based on the volume of purchases. GSE is proposing to take the last three years (FY03, FY02 and FY01); take an average of those, and adjust it slightly to meet the \$1.2 million dollar amount is needed to cover expenses.

John Bradford proposed the Committee hold decisions on the Purchasing area to another meeting.

Next meeting – Thursday @ 7:30a.m. – Hoover level A – EMD Conference Room

Adjournment

Respectfully submitted,

Nancy Williams
GSE Secretary

Agenda

GSE Customer Council Meeting

Thursday October 23, 2003

7:30 – 9:45 a.m.

EMD Conference Room

Hoover Bldg. – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

Agenda topics

7:30 – 7:35	Call To Order	John Bradford
7:35 – 7:45	Opening Comments	Patrick Deluhery & John Bradford
7:45 -	Approve Minutes of 10/21/03 Meeting (Action Requested)	John Bradford
	Purchasing – finish rate presentation (Action Requested)	Debbie O’Leary
	Mail rate presentation (Action Requested)	Dale Schroeder
	Open Discussion	John Bradford
9:45	Adjournment	John Bradford

GSE CUSTOMER COUNCIL

October 23, 2003

Members Present:

John Bradford, Chairperson; John Baldwin, Vice Chairperson, DOC; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH, Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial; Bob Straker, AFSCME.

Members Not Present:

Ruth White, Human Rights

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE, Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Patti Allen, DAS; Ken Paulsen, GSE; Julie Sterk, DAS; Shirley Walker, GSE; Denise Sturm, DAS.

Call To Order

Chairperson John Bradford called to order at 7:30 a.m.

Opening Comments

Chairperson Bradford advised of meeting updates:

Tuesday, October 28, 2003 scheduled meeting – cancelled

Thursday, October 30, 2003 – keep this meeting as scheduled

Additional Meeting – Friday, November 14, 2003 1:30 – 4:30

EMD Conf. Room Hoover/A Level

November 18, 2003 1:30 – 3:30 – 1st Floor North Conference Room (Grimes)

December 15, 2003 1:30 – 3:30 EMD Conference Room Hoover/A Level

Purchasing (Debbie O'Leary)

Debbie O'Leary discussed the Purchasing presentation “handout” copy attached to minutes) in detail and answered many questions and comments.

Purchasing budget is at “bare bones” (see hand-out)

Proposed eliminating the 1% Administrative Fee and find a new way of calculating a fee for agencies since the 1% fee will be a detriment to agencies using the I/3 system.

GSE is aware there are a number of agencies that avoid the 1% fee.

By not utilizing purchase orders, we are not seeing what agencies are purchasing so we are not able to do our job of getting “economy of scale” prices. We do not really know what the volume of purchasing is for all the agencies.

As we move forward to I/3 system, we don't want to have people not using that system simply because they don't want to pay the 1% fee. This is the basis of starting to think about changing the 1%.

Handouts were provided from the IFAS system – For FY01, FY02 and FY03, there are a lot of differences among agencies. Purchasing is struggling with what is the correct methodology.

Travel – Purchasing doesn't receive any money from the Short's contract. Purchasing wants to get to the volume and cost-effectiveness. Agencies must take into account how much time is spent looking for a deal! Keep in mind the "hidden costs" of finding deals.

Purchasing needs to find more time to devote to "strategic procurement" - doing a higher level of negotiations. We are attempting to situate ourselves into a better position to do this; however, we also must find a way to fund ourselves. This has been a problem. The Purchasing budget supports 12.8 people.

John Baldwin stated he doesn't believe the Council has enough information at this time to come up with a rational approach to this. Right now, we need to find some way to get a "simple start", with the I/3 – there should be better numbers.

Mary Lawyer stated that if people thought they were getting a value for the 1%, they might be more willing to do it. Somehow we need to benchmark and show the value of the Purchasing Department. Debbie O'Leary agreed Purchasing needs to do a better job of advising agencies of the value GSE Purchasing adds. We are seeing this value with contracted services, cell phone costs, PC costs, etc.; we need focus on taking credit for the many savings provided the agencies. John Baldwin stated, "Benchmarking" will show savings".

Mary Lawyer advised it would be good on each contract negotiated, that GSE Purchasing show cost savings over what agencies have been paying in the marketplace. It was noted by others that there is not a perceived savings.

Competitive Bidding - you get the best price *at the time* of the bid. We find that vendors, who were not the low bidder, will go to each department and offer a better price. Purchasing is bound by code requirements that require competitive bidding, ethical conduct, etc. This provides integrity to the program but yet, when times are hard, the vendors are out there to get every cent they can get

John Bradford advised that a small group be set up, including both Council members and agency representative and do some "brainstorming", then bring these ideas and plans back to this Committee.

The next presentation by Purchasing will be either the October 30th meeting or November 14, 2003 meeting.

Mail Rate Presentation (Dale Schroeder)

Dale Schroeder discussed the Mail presentation "handout" (copy attached to minutes) in detail and answered many questions and comments.

Dale's objective is to discuss the three funding structures that support the core and specialized services provided in mail.

Core services are supported by billing agencies the general fund appropriation based on an allocation of outgoing mail volume processed by the Mail Section.

Supplemental Administrative Fee for Core Services - The current fee is \$.0066 for each first class PRE-SORTED mail piece. The proposed fee is \$.0058 for each first class mail piece.

Supplemental Fees for Specialized Services:

- a) The current AND proposed fees for FY05 automation services are:
 - \$.03 per piece for permit mail
 - \$.0372 per piece for metered mail (varies by discounts achieved via automation)
- b) Letter shop services – current and proposed fees are:
 - \$.011 Standard letter size insertion charge for first document
 - \$.003 Standard letter size insertion charge for each additional document
 - \$.007 Each machine folding

The Mail Section will waive Letter shop folding and inserting fees for mail streams utilizing its “in-house” automation services.

Discussion about the issue of agencies off complex receiving the same services as those on complex, i.e. delivery and pickup – yet they are being charged the same rate. Dale pointed out that to some degree, GSE Mail is handling some of the incoming mail for you, we are handling any and all inter-office mail – still is coming through our system and we are processing your outgoing mail if you provide it to us. We also offer any of the other services such as certified, parcels, etc.

Greg Anliker moved to accept the Mail proposal as presented at the tentative rate, with the suggestion that in the next twelve to eighteen months, to look at other options for off-campus agencies. Capt. Bob Alles seconded the motion. Motion passed.

Open Discussion

Pat Deluhery noted that all of the documents are preliminary and in terms of our decisions, these are all tentative – there are big budget issues out there that we will all still have to grapple with.

Sending out preliminary rates to agencies was discussed, Mary Lawyer indicated that if agencies want to discuss – they could contact anyone on the Customer Council. Information should be sent to the Director and Finance Directors.

Respectfully submitted,

Nancy Williams
GSE Secretary

Agenda

GSE Customer Council Meeting

Thursday, October 30, 2003

1:30 – 4:30 p.m.

EMD Conference Room

Hoover Bldg. – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery & John Bradford
1:40 – 1:45	Approve Minutes of 10/28/04 Meeting (Action Requested)	John Bradford
1:45 – 2:30	CCM Presentation (Action Requested)	Tim Ryburn
2:30 – 3:15	Leasing Presentation (Action Requested)	Dean Ibsen
3:15 – 4:30	Finish any Rate Presentations (Action Requested – as needed)	
	Open Discussion	John Bradford
4:30	Adjournment	John Bradford

GSE CUSTOMER COUNCIL

October 30, 2003

Members Present:

John Bradford, Chairperson; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH; Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial.

Members Not Present:

John Baldwin, DOC; Ruth White, Human Rights; Bob Straker, AFSCME.

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Scott Bertness, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Patti Allen, DAS; Barbara Bendon, GSE; Bonita Lane, GSE; Randy Howard, GSE; Mark Willemssen, Legislature; Julie Sterk, DAS; Mollie Anderson, DAS.

Call to Order:

Chairperson John Bradford called to order at 1:30 p.m.

Opening Comments

Pat Deluhery thanked Chairperson John Bradford for attending the DAS Key Staff meeting with Mollie Anderson to outline what is happening with the GSE Customer Council up to this point.

Approval of Minutes of October 21, 2003 & October 23, 2003

Roger Johnson moved to approve the minutes as typed. Jennifer St. John seconded the motion. Motion passed.

CCM (Tim Ryburn)

Tim Ryburn discussed the CCM presentation ("handout" copy attached to minutes) in detail and answered many questions and comments.

The association fee structure is based on six support areas:

- Capitol Complex maintenance Administration
- Custodial Services
- Locksmith Services
- Facility Maintenance
- Customer Service Center
- Space Management

Building Services – level of services – discussed

Ceremonial Spaces – funded by Direct Appropriation. Buildings: Capitol, Ola Babcock Miller, New Historical and new parking structure.

Mary Lawyer stated she was struggling with not charging for offices in buildings considered as Ceremonial Buildings. Example – offices in the Capitol. GSE responded it was considered; however, struggled with the methodology because some of these departments would use ceremonial spaces such as meeting rooms, halls, etc. The issue of equity was discussed at length.

Customer Council asked GSE to put together the square footage figure for Executive Branch agencies in ceremonial space. GSE Customer Council could then decide if Executive Branch agencies should be charged \$3.29 per square foot. If so, GSE would need to take that amount allocated for ceremonial – move that into the other funding source. John Bradford stated he believed knowing the square footage for ceremonial spaces would be useful information.

Customer Council members expressed the desire to have “call-backs” from Customer Service as to how their request for service has been handled, is the task completed? Is a part ordered? Is it a non-issue (example: heat is 68 degrees)? Etc.

After a lengthy discussion, Greg Anliker moved to tentatively accept the proposed Association fee per square footage on complex (subject to adjustment for removing any storage spaces of 1,000 square feet or more – to be charged at a lesser rate) at \$3.29 per square footage – noting there will be a slight adjustment up for occupied space and a lower rate for storage areas). Mary Lawyer seconded the motion. Motion passed.

Include or exclude Commission for the Blind Cafeterias in the fee structure discussed. Currently, they do not pay any rent or expenses. The operator himself is a private business manager.

Motion by Charlie Smithson and seconded by Roger Johnson to charge the cafeterias rent for the space they occupy. Motion passed.

Topic for future discussion - funding for vacant space.

Leasing (Dean Ibsen)

Dean Ibsen discussed the Leasing presentation (“handout” copy attached to minutes) in detail and answered many questions and comments.

Exempt agencies: IWD, DOT and Board of Regents.

Mary Lawyer expressed her appreciation for the good job GSE Leasing has done for her department.

Capt. Bob Alles moved to tentatively accept the Space Management and Leasing Services at the Seat of Government for FY2005, at the rate of 20 cents per square foot and the Leasing Services Outside the Seat of Government for FY2005, at the billing rate of \$41.60 per hour. Greg Anliker seconded the motion. Motion passed.

Purchasing (Debbie O’Leary)

Debbie O’Leary gave a brief update with the outcome of the “Purchasing Workgroup” results.

The workgroup (Debbie O’Leary, Roger Johnson, John Baldwin, Steve Lindner and a representative from Marcia Spangler’s office) met yesterday (10/29/03) for the first session. The group came up with Objective codes related to purchasing items, of approximately \$630,869,723.00 and will be presenting this information to the committee very soon. Now that GSE knows the total amount, the committee will go back and look at details.

Open Discussion

Next Meetings: Friday, November 14, 2003 1:30 – 4:30
 Hoover Building, Level A – EMD Conference Room

 November 18, 2003 1:30 – 4:30
 Grimes Building – 1st Floor North Conference Room

 December 15, 2003 1:30 – 3:30
 Hoover Building, Level A – EMD Conference Room

Adjournment

Meeting adjourned at 4:15 p.m.

Respectfully submitted,

Nancy Williams
General Services Enterprise

Agenda

GSE Customer Council Meeting

Friday, November 14, 2003

1:30 – 4:30 p.m.

EMD Conference Room

Hoover Bldg. – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery & John Bradford
1:40 – 1:45	Approve Minutes of 10/30/03 Meeting (Action Requested)	John Bradford
1:45 – 2:00	Mollie Anderson – Discussion of Rates	Mollie Anderson
2:00 - 3:00	CCM Association Fees (Revisions) (Action Requested)	Tim Ryburn
3:00 – 3:30	Purchasing Update (Action Requested)	Debbie O’Leary
3:30 – 4:00	Capitol Complex Events (Action Requested)	Debbie O’Leary
4:00 – 4:30	Open Discussion	John Bradford
4:30	Adjournment	John Bradford

GSE CUSTOMER COUNCIL MEETING

November 14, 2003

Members Present:

John Bradford, Chairperson; Capt. Bob Alles, DPS; Jennifer St. John, DNR; Marcia Spangler, DPH; Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs; Charlie Smithson, Ethics; Peggy Sullivan, Judicial; Bob Straker, AFSCME.

Members Not Present:

John Baldwin, DOC; Ruth White, Human Rights.

Others Present:

Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Mark Willemssen, Legislature; Bonita Lane, GSE; Randy Howard, GSE; Julie Sterk, DAS; Denise Sturm, DAS; Mollie Anderson, DAS.

Call to Order:

Chairperson John Bradford called the meeting to order at 1:30 p.m.

Opening Comments:

None

Approval of Minutes of October 30, 2003:

Capt. Bob Alles moved to approve the minutes as typed. Greg Anliker seconded the motion. Motion passed.

Discussion of Rates (Mollie Anderson)

The four enterprises are:

- State Accounting
- Human Resources
- ITE
- GSE

The two topics discussed are:

- Setting of the rates
- Distribution of the Funds

These two areas are tied together and need to be done in sync since customers will get a bill and will be concerned about whether they have adequate resources to pay those bills. This is why the timing of the two pieces of information needs to be given at the same time.

The four enterprises are at different places. Accounting does not have a utility; everything is considered leadership at this point in time. Human Resource Enterprise has completed their rates and ITE Enterprise is not as far along since there has been a history of how IT has been supported, which has been through fees not through appropriations and therefore, the distribution of the dollars associated with those fees is a lot more

complicated. ITE will be ready to communicate their rates with HRE and GSE January 15, 2004.

Mollie Anderson proposed that DAS present the rates as one package to the customers in January and give the agencies thirty days to review the packages and comment. The package that we would send out on January 15, 2004 would include:

- Information about what these services are
- A description about what a utility is
- A description about the formula for each of the rates, the methodology and the assumptions that were used
- A description about how the billings will take place and how the funds will be distributed

The assumption is that there will be no increase in rates for any of the products and services that we offer all across DAS. Whatever we have today, will be what is used to fund the programs - the customers will receive a “memo bill” starting in the first of this year. July 1, 2005, the real billing process starts – customers will have the money in their budget and they will be expected to use the money in their budget to pay for the rates and services received from DAS.

We don’t have an answer to the “salary adjustment money” – we are being told that if there is salary adjustment money, DAS would receive this in the first transition year for all of the things that we do that are utilities – in the future, we will build that into our rates.

In the future, rates would be attempted to be set in April, which would give our customers time to plan in their budgets, so that the customers would include this in their appropriation request.

DAS will be asking for “seed capital” since in the future DAS is going to be fee based starting on July 1; DAS is going to have to have something to cover the expenses for the first two months of operation.

CCM Association Fees – Revisions (Tim Ryburn)

Tim Ryburn discussed the CCM Association presentation (“handout” copy attached to minutes) in detail and answered many questions and comments.

- At the request of the Customer Council, we looked at warehouse and storage space over 1,000 square feet. Per the attachment, there is approximately 109,222 sq. ft., which would be affected at a different cost, approximately \$0.46 per square foot for custodial).
- At the request of the Customer Council we reviewed Executive Branch Agencies in Ceremonial Space. We reviewed the Capitol, New Historical Building and Ola Babcock Miller Building and found a total of approximately 89,421 office square feet.
- Records Center in Association fee – (65,340 sq. ft).
- Space Occupied by Food Vendors

Purchasing Update (Debbie O'Leary)

Debbie O'Leary discussed the Purchasing ("handout" copy attached to minutes) in detail and answered many questions and comments.

The subcommittee has met several times and discussed various ways of purchasing services from GSE Purchasing.

The committee looked at:

- Object Codes which the committee believed was related to Purchasing
- Looked at charging departments by their number of FTE's.
- Looked at charging by FTE's (50%) and 50% of actual purchases by the department over the last three years.

After considerable discussion, looking closely at the various versions, Capt. Bob Alles moved to tentatively accept the "three-year rolling average version as discussed at previous meetings". Greg Anliker seconded the motion. Motion carried.

Capitol Complex Events (Debbie O'Leary)

Debbie O'Leary distributed copies of the Code Requirement for the Department of General Services to oversee the Events on the Capitol Complex as well as a "sampling" list of some of the events that take place on the Complex.

At this time, GSE is asking the Customer Council to consider if GSE should be charging for after normal hours and weekend events as well as looking at some other types of services.

After lengthy discussion of the various events, who sponsors these events, etc., GSE was asked to check rates charged by other entities such as the New Historical Building, and bring suggested charges for various services back to the GSE Customer Council for consideration.

Open Discussion

Meeting scheduled November 18, 2003 – CANCELLED

Next meeting – December 15, 2003 – 1:30 – 3:30

Hoover – Level A – EMD Conference Room

Adjournment

Meeting adjourned at 3:45 p.m.

Respectfully submitted,

Nancy Williams
General Services Enterprise

Agenda

GSE Customer Council Meeting

Monday, December 15, 2003

1:30 – 3:30 p.m.

EMD Conference Room

Hoover Bldg. – Level A

Meeting called by: John Bradford, Chairperson

Attendees: Patrick Deluhery-DGS; Debbie O’Leary-DGS; John Baldwin-DOC; Capt. Bob Alles-DPS; Jennifer St.John-DNR; Marcia Spangler-DPH; Mary Lawyer-IDED; Greg Anliker-Elder Affairs; Charlie Smithson-Ethics; Ruth White-Human Rights; Peggy Sullivan-Judicial; John Bradford-Member of Public; Bob Straker, AFSCME; Roger Johnson, Cultural Affairs.

Agenda topics

1:30 – 1:35	Call To Order	John Bradford
1:35 – 1:40	Opening Comments	Patrick Deluhery & John Bradford
1:40 – 1:45	Approve Minutes of 11/14/03 Meeting (Action Requested)	John Bradford
	Rates Package – Update	Mollie Anderson & Denise Sturm
	Blanket Bond (Action Requested)	Debbie O’Leary
	Events (Action Requested)	Debbie O’Leary & Tim Ryburn
	By-Laws and Attendance (Action Requested)	
	2004 GSE Meeting Schedule	John Bradford
	Open Discussion	John Bradford
4:30	Adjournment	John Bradford

GSE CUSTOMER COUNCIL MEETING

December 15, 2003

Members Present:

John Bradford, Chairperson; Capt. Bob Alles, DPS, Jennifer St.John, DNR; Mary Lawyer, IDED; Roger Johnson, Cultural Affairs; Greg Anliker, Elder Affairs, Charlie Smithson, Ethics; Peggy Sullivan, Judicial; Ruth White, Human Rights.

Members Not Present:

John Baldwin, DOC; Marcia Spangler, DPH; Bob Straker, AFSCME.

Others Present:

Mollie Anderson, DAS; Patrick Deluhery, GSE; Debbie O'Leary, GSE; Dale Schroeder, GSE; Tim Ryburn, GSE; Dean Ibsen, GSE; Tera Harrington, GSE; Nancy Williams, GSE; Mark Willemssen, Legislature; Bonita Lane, GSE; Julie Sterk, DAS; Denise Sturm, DAS; Ken Paulsen, GSE; Randy Howard, GSE.

Call to Order:

Chairperson John Bradford called the meeting to order at 1:30 p.m.

Opening Comments:

Patrick Deluhery, GSE, C.O.O., welcomed everyone to the meeting.

Approval of Minutes of November 14, 2003:

Capt. Bob Alles moved to approve the minutes. Greg Anliker seconded the motion. Motion passed.

Rates Package:

Mollie Anderson and Denise Sturm presented.

Handling of Distribution of Information for the rates:

Two Step Information Process:

- Step 1 – To compile all of the rate information from the various Customer Councils into one rate package – the intention is to distribute this information by January 15, 2004.
- Step 2 – for Denise Sturm, DAS CFO to communicate rate information and be available to answer questions from agency final managers about the rate package.

Important information to be included in the package:

- Provide our customers with a complete listing of all of the services and products that the Department of Administrative Services has available to its customers. That will be a comprehensive list of not only utility services but also the marketplace services.
- Provide the customer with a listing of services and how are they categorized – to clearly identify what is going to be a utility and what is going to be a marketplace service.
- A general discussion in the rate package of how the rates were formally set or applied against bills.
- We will then compile the Customer Council Information showing how we are deriving the rates.
- The next part of the rate package will include what -- the formula is for each set of rates and an explanation about the assumptions used in the formula.

- We will then discuss how customers can affect their utilization of those utilities and services as well as how billings will take place and how customer agencies will be funded to pay their bills.
- We will show when we expect to do the prototype billing.
- Probably the biggest question on peoples mind is how customer agencies will be funded to pay bills.
- Our current intent is for the DAS Finance to distribute the funds out to the agencies. We are in the process of identifying to DOM those activities that are Utilities and the appropriation dollars associated with them.
- Not every Utility rate has dollars to be distributed. We will identify that in the distribution process.
- We will also show in this distribution piece, the current appropriation we have to distribute, which is the fiscal year '04 appropriation. You need to remember that you have set rates including fiscal year '05 salary information. That will be clear in the assumptions in the rate package.

The importance of putting the rates out as one agency rather than three separate councils was again discussed. Prototype billings will be processed after the “comment period” is over from our customers. – Anticipated billings to go out in March.

Mollie Anderson advised that it may be best to look at one “Account Executive” per agency that would follow-up once the package is distributed, rather than have each of those enterprises contact each of the agencies separately.

Another issue DAS has in the Legislative session, is the issue of “working capital”. DAS has a \$1.9 million dollar request for working capital. This is the amount of cash that DAS would need in order to operate for two months. If this is not acted favorably, we will have to re-visit whether we can launch this whole effort at this point in time and we won’t know that until well into the Legislative session. We have asked for funding to help with federal over recover, which also has an impact on rates.

Blanket Bond:

The Blanket Bond protects the State against embezzlement. The cost is approximately \$40,000. – It will be re-negotiated this year. The cost is pro-rated back to departments on a full-time employee basis. Regents also participate. This bond has a \$100,000 deductible.

Roger Johnson moved to continue with the blanket bond fee structure. Mary Lawyer seconded the motion. Motion passed.

Events:

Debbie O’Leary discussed charging for “after hours and weekend events” in the non-ceremonial space. The rates are the similar to charges for use of the Historical Building.
(See hand-out)

Events currently scheduled between December 15, 2003 and July 1, 2004 will have no change in fees. Events scheduled December 15, 2003 will be charged as per the attached schedule. Additionally, insurance requirements will be required and will be determined on a case-by-case basis.

Mary Lawyer moved to approve charging for Events as outlined above. Charlie Smithson seconded the motion. Motion approved.

CCM Rate Update:

Revised Association Budget for CCM was discussed in detail. (Document attached). This document outlined the difference in rate between \$3.15 per square foot for office space and the \$2.20 per square foot for warehouse space. The rates did go down when we added on Records and Property Center, took on executive branch space from the Capitol, Historical and Miller Building, we added that into the non-ceremonial rates. Last time we looked at this, it was \$3.29 per square foot.

Since this was not an agenda item, this rate will be carried forward to the January meeting for approval by GSE Customer Council.

By-Laws and Attendance:

Discussion on the following items:

- Mechanism for replacing a member
 - Agencies select the member and would have to select the new member
- Having someone attend in place of a member
 - GSE bylaws state that you cannot send someone in your place
 - Downside – members attending would have to “educate” the substitute member.
- Possibility of sending a “proxy” vote to the meeting
 - If there is no quorum – proxy wouldn’t qualify

No decisions made at this time.

2004 GSE Meeting Schedule:

2004 meeting schedule discussed. Due to upcoming Legislative Session, the meeting dates in January, February, March, April and May are difficult for some members. Members decided to move the dates/time for these meetings to: Fridays at 7:30 a.m. Schedule will be revised and sent out to members.

Open Discussion:

None

Adjournment:

Meeting adjourned at 3:15 p.m.

Respectfully submitted,

Nancy Williams, GSE Secretary