



Update on the Strategic Initiatives of the Department of Administrative Services

June 26, 2014



Strategic Initiatives

- Consolidate State Services
- Health Insurance Review and Improvement
- Comprehensive Review of Services
- Labor Relations & Negotiations
- Re-structuring of DAS for Efficiency and Value
- Minimize General Fund Appropriation



Consolidation of State Services



Information Technology Consolidation

- **Consolidation Strategy and Cooperation with State Chief Information Officer**
- **Staff Augmentation Contract**
 - Total savings for all agencies using contract - \$1,000,000.00 (not including overhead reduction)
- **Fixed Price Web Development**
- **Technology Implementation for Property Tax Reform**
- **Virtualization (FY13 thru FY14)**
 - Added 194 virtual servers avoiding \$388,000 of server costs during the FY13-FY14 period.
- **Incident Response**
 - Saved approximately 8 hours of downtime - \$3.8 million in lost productivity avoided.



Procurement Consolidation

P-Card Use Expansion:

- FY2015 Projected P-Card Rebate Savings = \$395,940
- Compares to \$17,500 in 2010
- Exploring pharmaceutical and bulk natural gas purchases

School Bus Master Purchase Agreements:

- FY2015 Projected Statewide Savings = \$2,665,000
- Compares to \$0 in 2010



Human Resources Consolidation

- Personnel Assistants Consolidation
 - Services provided to 11 agencies
 - Net Reduction in state employees
 - Cost avoidance (if consolidated across the executive branch): \$x,xxx,xxx
- Benefits of Expanded HR Consolidation
 - Additional cost savings
 - Increased consistency and regulatory compliance
 - Elimination of duplicative work in professional HR functions
 - Increased ability to establish, track, and report data and performance measures across the state and to adjust strategies and initiatives accordingly



Health Insurance Review and Improvement



Executive Branch Non-Contract and SPOC Insurance

- 20% Employee Contribution
- Elimination of Double Spouse Policies
- Wellness Program and Incentives – 90% participation
- Estimated Savings = \$3,400,000.00/year
(based on 90% Wellness participation)



Future Health Insurance Opportunities

- Expand premium contribution and wellness to achieve better health outcomes for employees
- Plan Redesign
 - Market alignment
 - 10-13% Savings



Labor Relations



2013-2015 Labor Contraction Negotiations Highlights

- For the first time since the adoption of Iowa Code Chapter 20, no across the board pay increase in both years of AFSCME contract. Estimate cost avoidance: \$94 million
- SPOC employees contribute 20% to health insurance premiums with optional wellness incentive



Re-Organization of Labor Relations Team

- Truly labor relations
- Better management and handling of grievances and arbitrations

Estimated Work Hours for Labor Relations:

	FY 2011		FY2012		FY2013	
	Number	Hours	Number	Hours	Number	Hours
Grievances	574	2870	910	4550	615	3075
Arbitrations	50	2000	141	5640	175	7000
Total	624	4870	1051	10,190	790	10,075



Restructuring of DAS for Efficiency and Value



Revamped Public Construction Program

- Better Service, Better Value, Better Projects
- Scalability for Construction Workload
- Reorganization Savings:
 - Annual operating savings = \$736,022
 - Change order savings for completed projects = \$2,587,143
 - General contraction markup cost avoidance = \$6,671,909
 - Total Savings = \$9,995,074
- No formal disputes on any projects under new program



Minimize General Fund Appropriation



General Value, Efficiencies, and Cost Reductions

FY 15 vs. FY14 Billings/Costs:

- \$2,779,573.00 less in FY15 (-7.57%)
- \$5,650,334.00 less than 2011 (-15.38%)
- Head Count down by 60 from 2011 (-15.95%)

General Efficiencies and Cost Reductions:

- DAS Finance is streamlining and automating financial statements.
- Passage of elimination of unnecessary reports equals savings of approximately \$92,000 /year.



DAS General Fund Request

- FY2012: \$10,679,063*
- FY2013: \$12,216,267
- FY2014: \$12,173,135
- FY2015: \$ 7,929,705
- Demolition of Iowa Building Savings = \$995,000 per year

* In FY12 \$4,759,766 I-3 and Iowa Building funds were appropriated from RIIF. In FY13 and FY14 those were general fund expenditures.