State of Oklahoma
Department of Central Services

Fiscal Year 2009 Performance Review

December 1, 2009

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EXECUTIVE SUMMARY

DCS FY 2009 Major Accomplishments – a fruitful year.

Last year's continued implementation and refinement of management software for fleet operations, facilities operations and risk management resulted in achieving the following efficiencies this year:

> M5, the Fleet Management system, has been initiated in the following agencies: the Department of Public Safety, Oklahoma Water Resources Board, and Oklahoma State University. Installation of Automatic Vehicle Location (AVL) devices in each Fleet Management vehicle also enables the Division to achieve comprehensive vehicle maintenance efficiencies through continuous monitoring.
>
> The facilities management system is now fully implemented. DCS is now able to quantify its facilities' conditions and make data driven decisions regarding priorities of repair and maintenance. Furthermore, we have implemented an automated customer support system, which allows our customers to directly report facilities problems through an automated reporting system.
>
> Risk Management Division has now fully implemented CSTARS which has automated the risk management and claims management processes. Customer support has improved significantly.

Utilization of a fleet calculator (trip optimizer) on the agency's website facilitates state agencies' capabilities to identify potential savings in managing their transportation needs. More agencies, including agencies that have authority to own their own automobiles, find Fleet Management's lease program the most cost effective method for obtaining fleet services.

Construction & Properties Division has enabled better visibility to track construction requisitions on the DCS website. C&P has also implemented best value contracting as another methodology for construction project and services delivery.

The Office of Facilities Management has continued to make significant strides in energy usage reduction, achieving a 16.9% reduction in energy from the baseline consumption in 2008. While energy consumption has dropped, rate and surcharge increases have minimized the dollar savings. Through its automation initiative, OFM has achieved efficiencies in facilities management, which has allowed the department to keep lease rates stable through 2011 and in some cases reduce lease rates where the leasing agency commits to partner with DCS to reduce energy costs.

The agency is in the final phase of its self-funded strategic sourcing initiative, which is converting into significant improvements in the state procurement program. The Legislature has enacted critical changes to purchasing law, which will enable the department to implement key modernization initiatives in the state. Internally, DCS is continuing to make aggressive changes to modernize our purchasing programs through emphasis on collaborative purchasing decision processes, analysis of the state's spending to strengthen our negotiation position, and streamlined purchasing procedures. The Department has completed Phases I and II of a comprehensive purchasing assessment and restructuring plan. The first five contracts issued under the new procedures and methods will result in over $6 million in annual savings for state agencies.

Summary of the FY 2011 Budget Request

The Department of Central Services' request for FY 2011 includes as our top three priorities critical deferred maintenance projects totaling $5,571,650, $550,000 to meet increased facilities operational and energy costs, and $1,000,000 to complete the changes required in our strategic purchasing initiative.

STRATEGIC EMPHASIS

DCS facilities continue to degrade due to inadequate funding for deferred maintenance. Continuation of this trend will result in snowballing degradation of our facilities. We recommend that the legislature develop a funding mechanism using bonds or lease-purchase authority or a dedicated revenue stream to address deferred maintenance needs for all facilities owned and managed by DCS, as well as the implementation of a discreet deferred maintenance fund from which to manage those projects.

Three years ago, the Legislature took necessary action to fully fund the operational costs of the approximately one million square feet of appropriated office space in the Capitol Complex, including the State Capitol Building. However, we still receive no appropriated dollars to cover the deferred maintenance requirements of those facilities, and no additional funding has been received since to cover the increasing operational costs.

DCS has self funded the first phases of the strategic purchasing initiative, but we must now rely on external funding sources (i.e. appropriations) to continue this important effort. To date, the initiative is paying back the state at a rate of six dollars for every dollar invested. DCS will require at least another $1,000,000 to take full advantage of all the technology required to fully implement all best purchasing practices.

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GENERAL INFORMATION

STRATEGIC DIRECTION

Agency Purpose

Serve and support Oklahoma government

Agency Mission

The Department of Central Services assists customers in accomplishing their missions by providing essential services and quality solutions through: procurement, facilities, real estate, construction, fleet, risk management, property reutilization, printing and distribution.

Agency Vision

The Department of Central Services operates cohesively and shares a consistent set of values so that agencies and other entities of the State of Oklahoma have confidence and trust in management systems operated by DCS, and actively partner with DCS to resolve state government administrative issues.

Core Values

Service	DCS serves customers in a team-oriented partnership and in a collegial manner
Integrity	DCS provides cost-effective services and programs through emphasis on good stewardship and accountability of the taxpayers' dollars
Quality	DCS provides the best available solutions to the issues of state government through emphasis on quality and effectiveness

Areas of Emphasis

Customers	Facilitate and provide effective and efficient services through collegial and productive relationships with all state agencies
Finance	Develop and maintain sound financial systems and practices to support DCS' services by ensuring accurate and accountable financial performance
Processes	Develop and maintain programs and policies that enhance DCS service performance and improve state agency mission performance
Growth	Develop and broaden the professional skills of DCS' employees in order to promote a high value-oriented workforce with professional growth opportunities for each employee

Objectives

- Achieve effective financial management
- Deliver consistent, quality service through integrated processes and procedures
- Implement and maintain comprehensive, reliable information systems
- Educate, train and support our employees and our customers for optimal performance
- Maintain and enhance comprehensive internal and external communication

AREAS OF RESPONSIBILITY – FUNCTIONAL SERVICES

DCS Administers:

- Central Purchasing
- Construction and design of state facilities
- Facilities - sixteen (16) State buildings including the Capitol; Governor's Mansion and State Capitol Park, Tulsa; and historical monuments and markers
- Fleet, fuel management, and alternative fuel programs
- Leasing - plans and manages space in State-owned and commercially-leased facilities
- Real Estate Services programs, including properties inventory, sale, purchase, lease, and/or easement of State-owned land
- Risk Management, including commercial and self-insurance programs
- Central Printing, photocopying and graphic design services
- Interagency mail service for state agencies in the Oklahoma City area
- Federal Surplus Property Donation program
- State Surplus Property program
- State Recycling program
- State Procurement Audit program
- Statewide Inventory program

DCS Provides Direct Administrative Support to:

- Oklahoma Capitol Improvement Authority
- Capitol Preservation Commission
- Oklahoma Capitol-Medical Center Improvement and Zoning Commission
- Public Employees Relations Board
- State Use Committee (under supervision of the Central Purchasing Division)

ORGANIZATION

LEADERSHIP

On December 1, 2004, Governor Brad Henry appointed John S. Richard as the Director of Central Services and Deputy Cabinet Secretary of Human Resources and Administration. (74 O. S. § 10.1, et seq.)

STRUCTURE

The organizational structure of DCS positions the Department to expediently deliver the highest quality business services to its customers throughout state government. DCS is committed to providing systems and services on which our customers can depend.

DCS consists of seven functional divisions, which deliver centrally managed services to state agencies, boards and commissions. They are as follows: Central Printing & Inter-agency Mail, Central Purchasing, Construction and Properties, Fleet Management, Property Reutilization, Risk Management and Office of Facilities Management.

DCS supports its mission divisions with ten administrative units. They are as follows: Finance, Information Services, Human Resources, Auditing, Legislative Operations and Legislative Liaison, Procurement, Public Relations, General Counsel, and Special Projects.

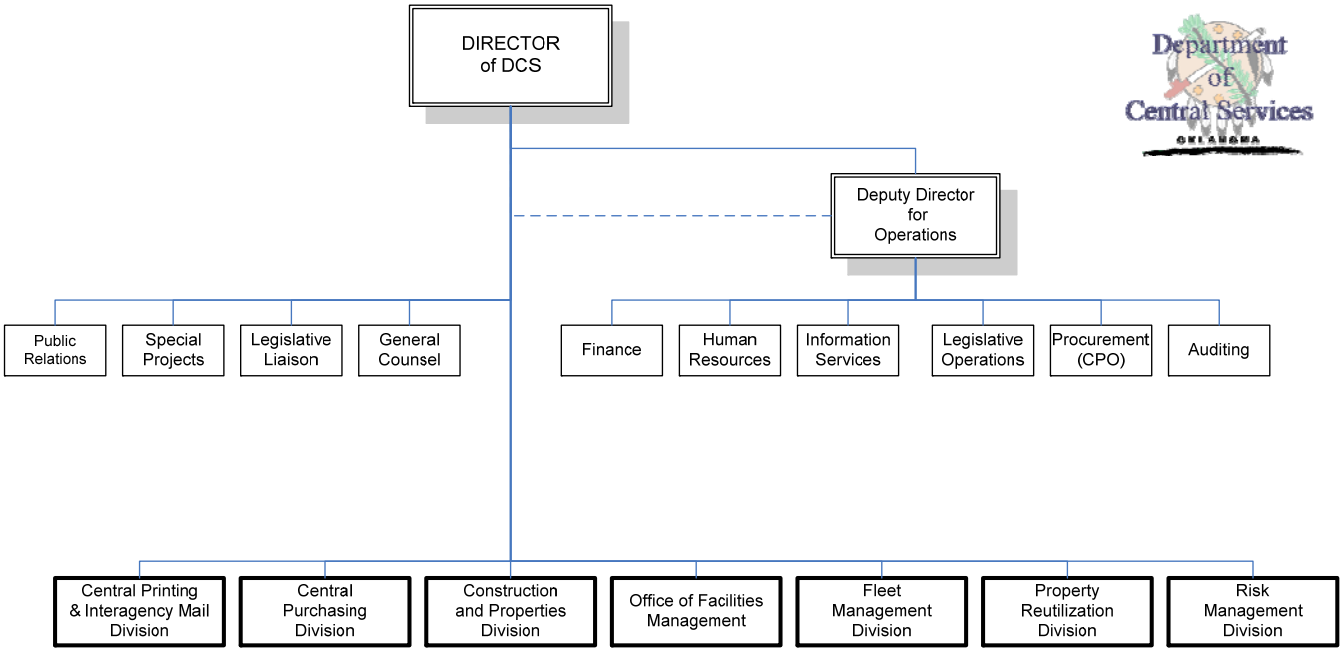


Figure 1 – DCS Organization Chart as of September 1st, 2009

EMPLOYEES / HUMAN RESOURCES

Mission

Provide quality and effective human resource services which support the agency in the achievement of the Department's mission, values, and goals, and which maximize the professional development of all agency staff.

Accomplishments / Initiatives

- Conducted 13 on-site training sessions to assist the agency in achieving the strategic goal of educating, training, and supporting its employees.
- 91% of employees were evaluated by the PMP process per statutory requirements.
- 100% supervisors received mandatory supervisory training.
- Partnered with Central Purchasing in developing new Strategic Sourcing position series to assist the divisions in fulfilling their strategic sourcing goals.
- HR is in a joint initiative with ISD and the Business Process Analyst to develop an electronic recruitment system to eliminate paper and save time.

Key Performance Indicators

- Statutory required supervisory training: DCS will meet 100% goal by the end of FY-10.
- Positions in Divisions are periodically under review for proper allocation and level assignment: in FY-09 incumbents and positions were reviewed in Construction and Properties, Property Reutilization and Facilities Management for consistency with OPM job family descriptors.
- EEO/AA goals: DCS continues to meet its goals in hiring minority groups, resulting in the number of minority staff ratio at DCS being 31%. In FY-09, 12% of new hires were minorities and 30% of promotional selections were minority applicants.
- Employee growth: 26 employees left the agency for various reasons; 26 new staff members were hired for no growth in FTE during FY-09. 57 employees were promoted in FY-09.
- Employee turnover: DCS turnover rate in FY-09 was 10.8%.

Challenges / Roadblocks

- Continued inadequacy of DCS pay scales to recruit the necessary talent in highly skilled areas including architects, engineers, construction managers and procurement specialists.
- Need for financial resources to adjust current staff's salaries to be competitive with the market. DCS hiring rates are three years behind the current mid-point on OPM 2009 Salary Schedule.
- Inadequate IT resources to program management reports. Our challenge is to train existing staff members in Crystal Reports, enabling them to program the necessary management reports in various mission areas.
- Budget reductions exacerbate the issues above and will limit training and recruitment in the current fiscal year.

DIVISION	FTE
Administration	10
Auditing	5
Finance	10
Human Resources	3
Information Services	6
Legal	4
Central Printing and Interagency Mail	21
Central Purchasing	32
Construction & Properties	18
Fleet Management	22
Office of Facilities Management	74
OFM Administration & Support	*11*
Facilities Management	*61*
State Leasing Office	*2*
Property Reutilization	16
Federal Property Distribution	*11*
Surplus Sales	*5*
Risk Management	12
TOTAL DCS	233
Administratively Supported Programs*	8
GRAND TOTAL	241

Table 1 – Number of FTEs According to the Organization Structure as of June 30th, 2009 (See Page 7)*

FINANCE / BUDGET

Mission

Provide outstanding financial and reporting services to both internal and external users in a timely manner. It is the vision of the finance staff to instill confidence in the information and services provided.

Accomplishments / Initiatives

- Integrated the Fleet Management system and the Printing Management system into the agency's accounts receivable system.
- Completed internal financial policy revisions which maximize mission division chiefs' authority and accountability over their respective budgets.
- Implemented paperless document system for DCS finance, reducing administrative costs and improving efficiency.

Key Performance Indicators

Data Presented in $1000s		FY-2009	FY-2009	FY-2010
Fund #	Fund Title	Budget Work Prog.	Actual Expenditures	Budget Work Prog.
DCS GRAND TOTAL		$74,911	$66,756	$83,149
		Administration		
19X	General Revenue	984	669	1,484
201	Gen Purpose Rev.	19	0	200
445	Payroll Trust Fund	0	749	0
TOTAL	Administration	$1,003	$1,418	$1,684
		Core Services		
11X	Public Building Fund	0	0	0
19X	General Revenue	13,228	12,264	12,037
201	Gen Purpose Rev.	456	686	1,914
205	Risk Management	100	0	100
215	State Const Rev.	1,792	1,558	1,492
225	Severely Handicapped	240	241	300
230	OK Print Shop Fund	12	0	0
231	Postal Service Rev.	765	685	788
240	Asbestos Abate. Rev.	88	80	0
244	Statewide Surp. Prop.	2,680	2,272	2,584
245	Build. And Fac. Rev.	14,266	13,753	15,312
250	State Motor Pool Rev.	288	1,178	293
255	Ok Motor Lic Agent Indemnity	0	0	0
260	Risk Manage. Fire Prot.	0	0	50
265	Bid Document & Bond F.	0	0	0
270	Regis. Of State Vendors	77	162	62
271	Vendor Fees & Rebates	755	719	436
272	Purch. Training Fund	41	20	39
275	State Recycling Rev.	47	44	27
430	Homeland Security	191	0	0
443	Interagency Reimb.	0	0	0
445	Payroll Trust Fund	670	733	0
494	Sales Fund Surplus	0	0	0
57X	Special Cash Fund	0	805	3,200
TOTAL	Core Services	$35,696	$35,200	$38,634
		Public Employees Relation Board		
11X	Public Building Fund	0	0	0
19X	General Revenue	52	52	52
201	Gen Purpose Rev.	18	16	17
57X	Special Cash Fund	0	0	0
TOTAL	PERB	$70	$68	$69

Table 2 – Budget, Expenditures and Funding Lines

Data Presented in $1000s		FY-2009	FY-2009	FY-2010
Fund #	Fund Title	Budget Work Prog.	Actual Expenditures	Budget Work Prog.
		Capitol Medical Zoning Commission		
11X	Public Building Fund	0	0	0
19X	General Revenue	92	96	92
TOTAL	Zoning Commission	$92	$96	$92
		Property Distribution		
11X	Public Building Fund	0	0	0
210	Surplus Property Rev.	1,612	1,423	1,648
245	Build and Facility Rev.	0	0	0
TOTAL	Property Distribution	$1,612	$1,423	$1,648
		Central Printing		
11X	Public Building Fund	0	0	0
201	General Purpose Revolving	0	8	0
230	Ok Print Shop Fund	1,745	2,352	2,087
TOTAL	Central Printing	$1,745	$2,360	$2,087
		Motor Pool		
19X	General Revenue	0	0	0
250	State Motor Pool Fund	7,469	6,402	10,401
490	American Recovery and Reinv. Act	0	0	1,000
TOTAL	Motor Pool	$7,469	$6,402	$11,402
		Alternative Fuels		
11X	Public Building Fund	0	0	0
19X	General Revenue	50	51	50
250	State Motor Pool Fund	0	0	14
251	Alternative Fuels Tech	28	10	16
TOTAL	Alternative Fuels	$78	$61	$80
		Risk Management		
19X	General Revenue	40	40	40
205	Risk Manage. Rev.	25,054	18,502	25,341
206	Community Action Ag	0	0	0
223	Foster Families Prot. Fund	830	413	730
255	Motor License Agent ID	105	102	105
260	Risk Mgmt Fire Protec.	915	569	987
261	Risk Mgmt Elderly & H	0	0	0
262	Risk Mgmt Political Subdivisions	202	102	202
TOTAL	Risk Management	$27,146	$19,728	$27,453
DCS GRAND TOTAL		$74,911	$66,756	$83,149

Table 2 (cont.) – Budget, Expenditures and Funding Lines

Summary of FY-11 Budget Request

#	PROJECT	State Appropriated	State Revolving	Federal Funds	Total Funding Change	FTE Changes
1.	Capitol Waterline-Chillers Appropriated Buildings	$ 3,300	$ -	$ -	$ 3,300	-
2.	Utilities/Operations Cost	$ 550	$ -	$ -	$ 550	-
3.	Strategic Government Modernization Initiative	$ 1,000	$ -	$ -	$ 1,000	-
4.	State Energy Efficiency and Conservation	$ 82	$ -	$ -	$ 82	1.00
5.	Health Benefits Increase	$ 1,246	$ -	$ -	$ 1,246	-
6.	Educational Reimbursement	$ 150	$ -	$ -	$ 150	-
7.	Tri-Annual Peer Review of DCS Audit Division	$ 9	$ -	$ -	$ 9	-
8.	Oklahoma Municipal Collective Bargaining Act (OMCBA) PERB	$ 200	$ -	$ -	$ 200	-
9.	Alternative Fuels Conversion Act	$ 5,142	$ 14	$ -	$ 5,142	1.00
	TOTAL	$11,679	$ 14	$ -	$11,693	2.00

Table 3 – Summary of FY-11 Budget Request (000's)

Impact of not Funding FY-11 Request by Priority Number

Priority 1 – Deferred Maintenance: Capitol Waterline-Chillers Appropriated Buildings:

Failure to fund the cost to replace the waterline for HVAC to the Capitol and chillers in two buildings will lead to catastrophic failure and render the buildings unusable for a significant period of time. The waterline to the Capitol sprung a leak again this past summer which shut down the Capitol for two days. If the operational cost is not funded, the ability to maintain the functionality of buildings will be impaired. The agency does not have sufficient resources to address critical emergency repairs. DOL has recently taken two boilers off line due to cracks and age. Replacement cost is estimated at $600,000. Failure to replace will result in inadequate heating this winter in the Will Rogers and Sequoyah Buildings.

Priority 2 – Utilities/Operations Cost:

Increased energy utilization coupled with increased service contracts and utility rates (water, gas and electric) over the past 36 months have created the need for additional funding to retain services at current levels. Several cost saving initiatives have mitigated the increases. Failure to fund will require reduced services and stringent energy reduction efforts similar to those undertaken in FY-06 (reduction of janitorial service, resetting temperature set points, reduced lighting, etc.).

Priority 3 – Strategic Government Modernization Initiative:

The agency has continued the course of changing the processes and culture of the purchasing program. Best practices procedures along with sophisticated analytical tools are being implemented in order to accurately quantify state spend in order to effect significant savings for the State of Oklahoma. Continued investments in these initiatives are necessary to realize the savings identified by consultants. The ability to revamp the current procurement methodology, accurately quantify state spend, and capture significant savings as identified by consultants will not be attainable in the near term. Potential cost savings will be realized in the future. Adding highly skilled and appropriately compensated personnel to implement consultant recommendations will enhance procurement-generated savings for the state.

Priority 4 – State Energy Efficiency and Conservation:

One additional FTE is required to administer the requirements of SB 833 from the 2009 legislative session. Additionally, the agency can continue to address the challenges of on-going operational cost by turning greener and finding more efficient operational methods.

Priority 5 – Health Benefits Increase:

Failure to fund mandated increases in employee health benefits will further stretch the shifting of available funds. Reduction of FTE's or contractual services will result, which will impede the agency's ability to perform required services.

Priority 6 – Educational Reimbursement:

The Legislature has recently provided agencies with a tool to attract and retain skilled personnel through payment for educational loans and tuition. Failure by our agency to fund this program will result in missed opportunities to obtain and retain skilled personnel, when competing with other state agencies and the private sector. However to pay for this program without funding, the agency will have to reduce services or personnel, which is contrary to the intent of the legislation.

Priority 7 – Tri-Annual Peer Review of DCS Audit Division:

Mandatory peer review is necessary under current accounting guidelines for the audit division. Quality and recognition issues will occur if peer review is not conducted.

Priority 8 – Oklahoma Municipal Collective Bargaining Act:

A question of the constitutionality of this Act may have delayed an accurate fiscal analysis of funding required to administer the responsibilities mandated to the Public Employees Relations Board by the law. The law adds the management of municipal employee grievances to the Board, which includes costs of administrative hearing officers, additional staff and operational expense.

Operations of the quasi-judicial board and administration of the two acts are responsible for not having been funded to minimum operational levels for several years. Legal expenses, document transcription, travel and other associated costs have been subsidized by DCS in order for the Board to fulfill its statutory functions. With past and current fiscal reductions, we are requesting this need to be addressed.

Priority 9 – Alternative Fuel Conversion Act:

The focus of this priority is to develop infrastructure, such as fueling stations, to implement the widespread use of alternative fuels. Without the infrastructure to refuel vehicles, the program will not be viable. Passage of the Alternative Fuel Act in 2009 emphasizes the need to address alternative fuel and the infrastructure to support the continued drive to reduce the amount of fossil fuel utilization.

Challenges/ Roadblocks

- Agency is operating at the bare operational minimum with little flexibility to address critical emergencies due to building or mechanical failures or weather-incurred damages.
- Agency will incur approximately $1,246,000 for employees' insurance payments (FY2008, 2009. 2010), which will have to be taken from operational funds.
- DCS needs legislative assistance to systematically address deferred maintenance needs in our Capitol facilities.
- DCS maintains the State of Oklahoma Capitol facilities, including two million square feet (2,000,000 sq ft) of office space in the Capitol complex. The budgetary costs for maintaining one-half of that space is appropriated directly to DCS by the Legislature annually. No funds are appropriated to maintain or repair facilities on an annual basis, resulting in significant deferred maintenance issues.

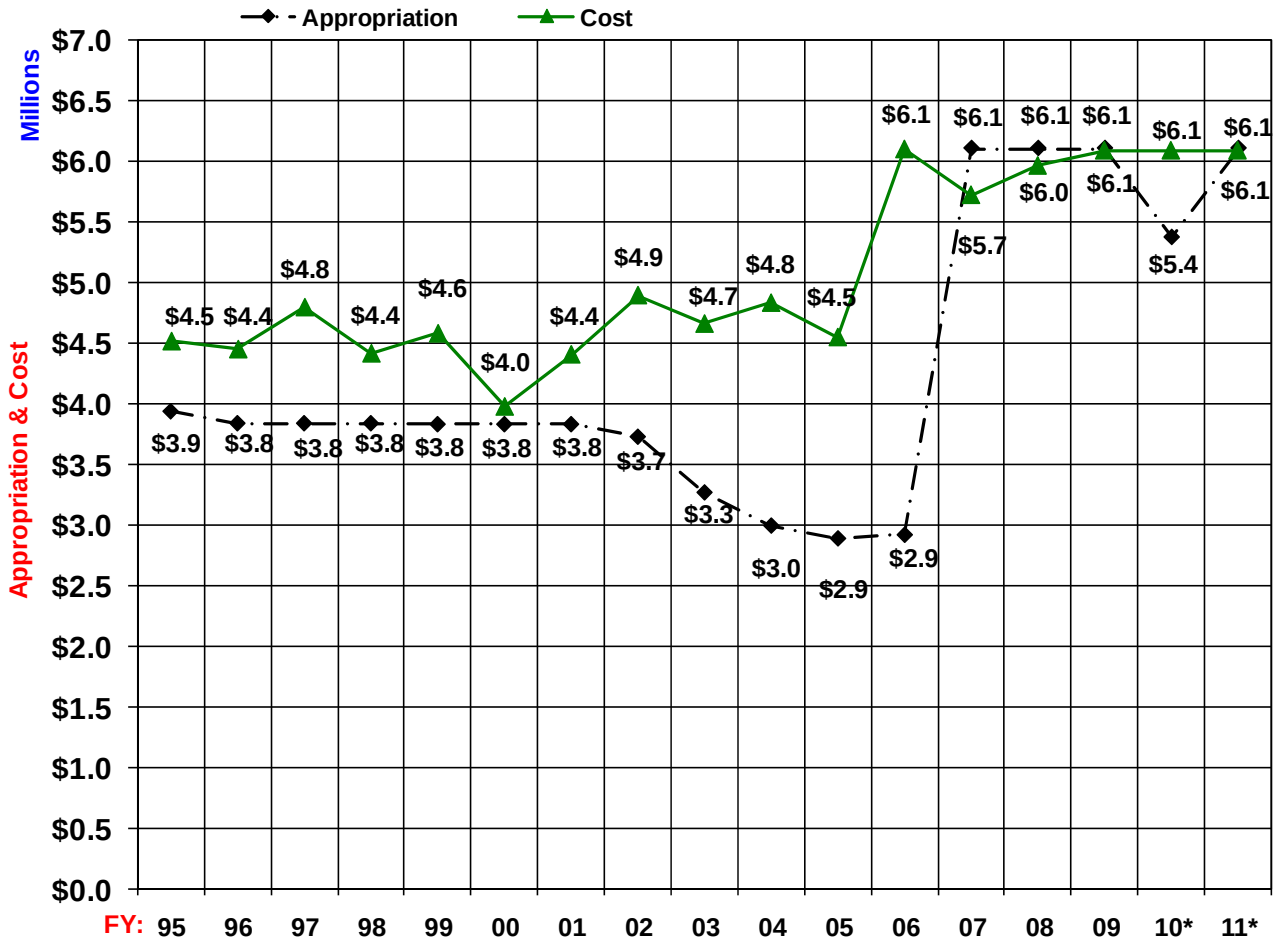


Figure 2 - Buildings Appropriation vs. Maintenance Cost (- maintenance cost and appropriation are an estimate)*

INFORMATION / TECHNOLOGY

Mission

Develop and deploy information technology that empowers the Department of Central Services to provide service to the State of Oklahoma.

Objectives

- Deliver reliable application systems that address each Division's unique requirements
- Provide a secure and reliable network
- Provide secure and reliable workstations and laptops
- Support the applications that are installed on Agency workstations and laptops

Services

Application, Network and Desktop support, including custom built-in house application development

Accomplishments / Initiatives

- Installation of Blade Server system to reduce energy and cooling requirements for server room
- Configuration and deployment of six virtual servers on new Blade system
- Increased security of Agency network by deploying following equipment:
  - Improved Firewall
  - Intrusion Detection/Prevention appliance
  - Web Filter appliance
  - Deployment of new Secure Access appliance to improve ability for Agency employees to remotely access internal network resources
- Currently designing new Agency Intranet, based on Microsoft SharePoint services

Key Performance Indicators

- Network - Uptime exceeds 99%
- Security:
  - All viruses stopped at firewall or workstation level to prevent virus spreading
  - Anti-Virus definitions updated on a daily basis
  - Operating Systems updates received within 24 hours of release
- Applications
  - Project schedules are determined within one week of completed request packet
  - All projects completed to specifications and on schedule
- Operations Support
  - 1-hour response time to requests for support
  - 4-hour resolution time for all requests not requiring the purchasing of parts
  - 2-hour resolution time once parts arrive

Challenges/ Roadblocks

- 1/47 support ratio - 1 ISD employee supports 47 DCS employees while industry standards for an organization the size of DCS recommend 1 ISD staff member for every 18 employees (1/18 ratio).
- Difficulties in obtaining access rights to PeopleSoft, with which to integrate current and prospective systems.
- Investigating possibility of converting legacy applications to SharePoint applications

AUDITING UNIT

Mission

Plan and perform audits in accordance with professional auditing standards to ensure that programs and contracts administered by the Department of Central Services are conducted in accordance with laws and regulations and used in an ethical, effective and efficient manner while limiting exposure to fraud, waste, mismanagement, or abuse.

Objectives

- Identify systemic issues with DCS administrated programs
- Assist State agencies in improvement of their DCS promulgated programs
- Effectively monitor agencies' compliance and procedures with DCS programs

Services

Auditors review compliance with the purchasing procedures, State Use laws, State Purchase Card procedures and adherence to and management of contract terms and conditions. When requested by the Director of Central Services, the auditors review and audit construction contracts for compliance with Title 61 of the Oklahoma Statutes. Based on findings from reviews and audits, the Director of Central Services may require retraining of a State agency CPO, reduce the State agency acquisition competitive bid limit or transmit audit findings to the State Auditor and Inspector or Attorney General for further review.

Accomplishments / Initiatives

- Received Governor's Commendation for our Paperless Auditing system
- Completed first year of operation for our online fraud and abuse reporting system
- Presented at 10 seminars, including two national conferences (NAPCP and NASACT)
- Initiated the first series of statewide purchasing system audits.

Key Performance Indicators

- In CY08 published
  - 6 Purchase Card audits,
  - 4 Procurement audits,
  - 1 Follow-up audit,
  - 1 Statewide Contract Audit, and
  - 3 Purchase Card Continuous Monitoring reports.
- A total of 55 audit findings and 60 recommendations were reported.
- Agency internal personnel actions including loss of Purchase Card authority occurred 6 times due to our purchase card monitoring efforts.

Challenges / Roadblocks

- There is sufficient workload for 4 additional full time auditors. Our challenge is to target resources to highest risk areas.

FUNCTIONAL UNITS OVERVIEW

CENTRAL PRINTING AND INTERAGENCY MAIL DIVISION

Mission

Provide professional printing, mailing and distribution services to agency and governmental entities of the State of Oklahoma.

Objectives

- To provide best value printing and mail services to state, county and city governmental entities that exceeds customer expectations
- Effective business and marketing practices to ensure Central Printing and Interagency Mail operates on a sound financial basis
- An efficient processes management that optimizes CPIAM resources and reduces administrative and operating costs
- Promotion of accountability and opportunities for each CPIAM employee and effective management of CPIAM staff

Services

- Printing products and services:
  - Graphic design and layout
  - Single color through 4-color process printing, custom stationery, business cards, receipt books, newsletters, brochures, posters, books, forms, tabs, on-demand color printing, fulfillment services, application forms, certificates, notices, licenses, handbooks, large volume envelope printing and storage, renewal forms, large format/banner printing, variable data printing, collating
  - Folding, booklet making, perfect binding, numbering, foiling, die cutting, and coating
- Automated mailing with discounts through Central Printing's postal permit and barcode addressing, folding and inserting, presort Mail discounts for agency-provided US mail.
- Interagency Mail makes 160 stops a day by delivering and picking up the mail for state agencies. Interagency Mail meters first class, presorts, and issues postal permits for bulk mailing

Considered Services

Central Printing is constantly searching to find new and innovative services of benefit its customers. Some services that are being considered are:

- Scanning and Archiving
- Large format/banner printing
- Variable data printing
- Satellite copy centers

Accomplishments / Initiatives

- Central Printing completed Phase I implementation of the new print management system that replaces the outdated AS400 based order/invoicing system. The new system has streamlined order entry and invoicing and is providing in-depth data access for: benchmarking, identifying profit/loss

centers, as well as real time job tracking. Phase II of the new system, scheduled for completion by January, 2010, will streamline print ordering for Central Printing's customers via a personalized, secure web portal.

- Purchase and installation of a Chemical Free computer to plate system.
- Purchase and Installation of a 23 x 29 four-color offset press.

Key Performance Indicators

Central Printing	*Job Requests*	*Job turn-around*	*Billing*	*Expenses*
FY 2007	4,584	16 days	$1,641,908	$1,449,604
FY 2008	4,300	16 days	$1,844,611	$1,630,267
FY 2009	3,919	12 days	$1,950,747	$2,155,304*

Table 4 – Central Printing Performance (Includes $600,000 in new equipment purchase for FY09)*

Interagency Mail	*Delivered*	*Metered*
FY 2007	1,118,773	1,450,942
FY 2008	1,489,970	1,395,271
FY 2009	1,369,779	1,231,256

Table 5 – Interagency Mail Performance

Challenges/Roadblocks

- Integrating state printing management, inclusive of a competitive private printing capacity and state operated printing operations.
- Assuring accurate data from Print Management System
- Integrating print procurement needs with procurement guidelines and laws
- Upgrading printing technology to remain cost-effective
- Remaining viable within the trend to go paperless
- "Green" or "Eco-friendly" technology costs

CENTRAL PURCHASING DIVISION

Mission

Provide leadership and services for innovative, responsive, and accountable public procurement by working in partnership with state agencies, local governments and suppliers to provide quality goods and services, striving to optimize taxpayer dollars while carefully monitoring and improving the use of our time, talent and resources.

Objectives

- Capture and quantify spend data for improved negotiation leverage
- Increase use of negotiations to improve cost effectiveness of contracts
- Improve vendor performance monitoring and contract management procedures
- Provide consistent procurement services
- Leverage PeopleSoft functionality to move toward electronic commerce
- Increase use of performance monitoring programs for contracting officers and vendors
- Minimize valid protests
- Increase knowledge of customer needs through commodity councils and customer surveys
- Increase communications to external users
- Increase resources available for training for external customers
- Increase procurement system user proficiency (internal and external)
- Provide opportunities for personal growth of staff

Services

As required by 74 O.S. § 85.3 and 85.4, the State Purchasing Director, under the supervision of the Director of Department of Central Services, has sole and exclusive authority and responsibility for all acquisitions used or consumed by State agencies. The Division is made up of the following branches and programs:

- Supplies/Operations contract management
- Technical/Services contract management
- Multi-State and Statewide Contracts Administration
- Training Support Program
- Customer Relations Program
- Vendor Registration Program
- State Use Program
- P-Card Program

Accomplishments / Initiatives

- The Central Purchasing Division enlisted the assistance of a consulting firm to evaluate operations. The consulting firm evaluated the state purchasing statutes, rules, the organizational structure, and the skill sets of the Central Purchasing employees. Central Purchasing has changed the organizational structure of the division, established performance metrics, enhanced contract management procedures, augmented the staff, and increased the utilization of mandatory statewide contracts.
- Central Purchasing is working in partnership with the OSF CORE group to implement E-supplier and Strategic Sourcing to facilitate moving forward with electronic commerce. E-supplier will provide our supplier base with increased visibility from solicitation announcement to accounts payable information. Strategic Sourcing will allow the electronic issuance of solicitations and electronic receipt of supplier responses.
- Continued efforts to assist state suppliers in doing business with the State of Oklahoma by working with OBAN (Oklahoma Bid Assistance Network), and other organizations for various opportunities to speak directly to the business community.

- Increased communications and networking initiatives with other States for cooperative contracting opportunities.
- Streamlined procurement processes through the modification of state statutes, which included eliminating the notarization of documents by state agencies and suppliers when acquiring goods and services through Central Purchasing. These statutory changes will allow for further advancement of electronic commerce and reduction in agency operational costs.
- Expands the use of standardized solicitation packages among state agencies.
- Expanded utilization of commodity councils for acquisitions processed through Central Purchasing. This action has increased the visibility, transparency, and opportunities for state agencies to become more involved and informed of the procurement process.

Key Performance Indicators

- The number of sustained protests benchmarked at three to four per year
- Agency vendor performance complaints

Vendor	*FY 2003*	*FY 2004*	*FY 2005*	*FY 2006*	*FY 2007*	*FY 2008*	*FY 2009*
Number of Complaints*	89	91	75	79	72	63	51
Protests (sustained / all)	3 / 3	3 / 10	3 / 17	4 / 20	3 / 10	3 / 8	1 / 13
Registered suppliers	2923	2299	2145	2272	2429	1959	1663

Table 6 - vendor performance indicators (Agency complaints about vendors)*

- Number of active commodity councils: 7
- Increased use of the Purchase Card program by implementation of more flexible p-card legislation

Purchase Card	*FY 2005*	*FY 2006*	*FY 2007*	*FY 2008*	*FY 2009**
Expenditures - State Agencies	$21 million	$26 million	$35 million	$41 million	$47 million
Expenditures – Other Entities	$93 million	$95 million	$120 million	$127 million	$142 million
Expenditures – Total	$114 million	$121 million	$155 million	$168 million	$189 million
Rebate - State Agencies	$175,000	$228,000	$343,000	$420,000	$522,000
Rebate – Other Entities	-	$1,047,000	$1,263,000	$1,270,000	$1,605,000
Rebate – Total	$175,000	$1,275,000	$1,606,000	$1,690,000	$2,127,000

Table 7 -Card Performance Indicators (Estimate – expenditures are tracked by calendar year)*

- Training Performance Indicator

*Training**	*FY 2005*	*FY 2006*	*FY 2007*	*FY 2008*	*FY 2009*
Agency Personnel (CPOs)	2323	2869	3040	3152	1837

Table 8 – Number of people who attended Central Purchasing sponsored training (Agency training consisted of a variety of purchasing seminars, CPO classes, purchase card, travel and portal training)*

- High share of volume of low value purchase orders (POs) processed in CP (72% volume vs. 7% of value in FY2009 for $0K-$50K POs) prevents CP's personnel from focusing more on high value and complex contracts (16% volume vs. 87% of value in FY2009 for over $100K POs)

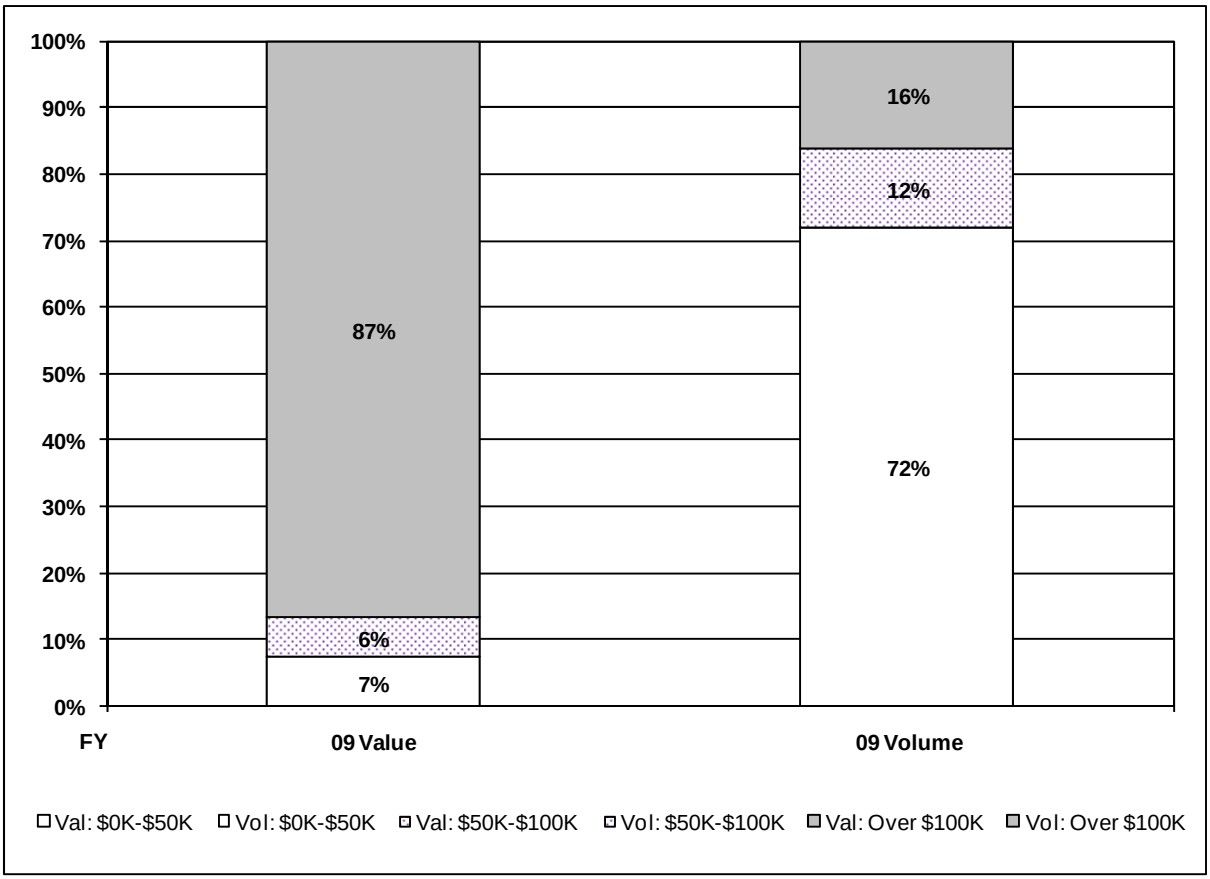


Figure 3 -Purchase order $ amount vs. quantity distribution – percentile values

POs Processed	*$0K-$50K*		*$50K-$100K*		*Over $100K*		*Total*	
	Amount	*Quantity*	*Amount*	*Quantity*	*Amount*	*Quantity*	*Amount*	*Quantity*
FY05	$40,414,059	2852	$35,453,301	491	$546,028,456	790	$621,895,816	4,133
FY06	$37,934,365	2330	$33,925,499	467	$440,019,001	734	$511,878,865	3,531
FY07	$37,864,559	2298	$30,857,729	422	$465,830,666	582	$534,552,954	3,302
FY08	$32,625,037	2274	$28,496,051	399	$327,821,434	470	$388,942,522	3,143
FY09	$30,019,204	2035	$24,755,933	335	$357,178,971	461	$411,954,108	2,831

Table 9 - Purchase orders $ amount vs. quantity distribution – nominal values

- Statewide and Central Purchasing business with Minority, Small Business, and Women Owned Business in FY 2009

	# of vendors through POs	# of POs cut	% of P-Card transactions
State	626 (65.4% of 957 registered) (37.6% of all 1,663 vendors registered with the state)	8,225 (17.9% of all 45,713 POs issued)	Approximately 25%
Central Purchasing	189 (19.7% of 957 / 11.4% of 1,663)	440 (15.5% of 2,831 POs issued by CP)	Not Applicable

Table 10 - Business with Minority, Small Business, and Women Owned Business

Challenges

- Comprehensive tracking of spend data from People Soft, purchase card and agency data.
- Development of a more strategic procurement organization.
- Challenge associated with implementing electronic procurement processes.
- Continue to increase communication between agencies and Central Purchasing Division to improve customer service and performance.
- Working closely with a wide variety of specialized customers and suppliers to assure that we are providing the best quality services and products available.
- Agencies not fully exercising their spending authority, which distracts the focus by Central Purchasing on opportunities for larger dollar savings for the State.

Roadblocks

- Agency funding – There are a number of initiatives in the cue that are unfunded. Examples include online catalogs for statewide contracts and paying for the consulting services that have yielded large cost savings.

CONSTRUCTION AND PROPERTIES DIVISION

Mission

Procure and administer design, construction and maintenance services to effectively support the facility needs of state agencies.

Vision

Construction and Properties will create a public procurement environment that allows each stakeholder – designers, contractors and using agencies – to excel in their respective roles.

Services

- Design & Project Management:
  Construction and Properties (CAP) is responsible for design and construction of State facilities and has contractual authority to engage the services of architects, engineers and construction contractors (61 O.S.).
- IDIQ programs:
  - Architecture & Engineering Services
  - Statewide Roofing Program
  - Construction Inspection
  - Emergency Services
  - Environmental Services
  - Geotechnical Testing
  - Land Surveying
  - Pre-design Services
- On–Call Consultants
- CAP maintains a comprehensive inventory of state owned real property.

CAP Core Values

Communication:	CAP will provide clear instructions and set clear expectations for clients and vendors
Leadership:	CAP, by daily example, will be recognized and respected as the authority for public construction procurement
Accommodation:	CAP will remove real and perceived barriers that obstruct doing business with and within the State of Oklahoma
Professionalism:	CAP will maintain the highest standards for design and construction technologies
Accountability:	CAP will manage the Division's internal finances and the resources entrusted by state agencies, proactively and with specificity

Accomplishments / Initiatives

- Improved financial position = Improved capacity and service to agencies
- Construction under management dollars-to-staff-ratio continues to increase, double the regional average of $10.5M. CAP = $26.3M (the higher the number, the greater workload)
- Best value procurement implementation has increased the accountability of our contractors and consultants, lowered overall costs and reduced administrative burden by decreasing disputes over the term of the contract
- Programs to streamline common procurement actions have increased efficiency and service to State Agencies; CAP has continued to add statewide purchasing contracts for minor services. Two new programs and 102 vendor contracts have been added in 2009
- Construction lawsuits, for the third consecutive year, were ZERO (0) in FY09
- There were ZERO (0) bid protests in FY09
- Continued to offer '*Doing Business with CAP*' seminars for State Agency personnel - Two seminars during FY09, total of 320 agency representatives attended

- Time to complete procurement actions continues to improve - Example: for small contracts, the time from receipt of Agency Requisition to Contract Award has improved from 26 days in FY2006 to 7 days in FY2009.
- Fewer agency requisitions are rejected due to increased clarity of processes - In FY2006, 12% of agency requisitions were returned for correction or re-submittal. In FY2009, less than 1% of all requisitions needed correction.
- Improved public relations:
  - "Doing Business with CAP" seminars held bi-annually for all stakeholders
  - Design and construction community – CAP Construction Advisory Council
- Expanded Services to Agencies:
  - Pre-design Services and Pre-Construction Planning accurately establish needs, costs and expected outcomes
  - On-Call and IDIQ (Indefinite Delivery Indefinite Quantity) Services expand in variety and usage to reduce utilizing agency costs across the state
- Improved competitive bid process – Improved relations with bidders = more bidders
- Successful deployment of the first "Design-Build" project Oklahoma Military Department's Federal BRAC Program
- CAP has retained the Performance Based Research Studies Group from Arizona State University and continues implementation of "Best Value Procurement" for consultant and construction contracts designed to increase contract performance, accountability and reduce project costs

Key Performance Indicators

- Project management work load
- Dollar Volume/Number of Projects
- Volume per employee
- Volume per Project Manager

CAP Projects	*FY 2006*	*FY 2007*	*FY 2008*	*FY 2009*	*FY 2010**	*FY 2011**
Under Management (000's)	$200,000	$240,000	$325,250	$500,000	$450,000	$450,000
Contracts	736	521	680	696	649	550
Contracts/FTE	61	37	37	37	34	30
Contracts/Project Manager	147	87	97	92	108	92

Table 11 – CAP Projects Value and Volume

- Response Time within CAP – Agency Requests for Contract Awards

Time for Contract Award	*FY 2007*	*FY 2008*	*FY2009*	*FY 2010*	*Goal*
Small Projects (are not bid out)	12	10	8	7	5
Large Projects (for Bidding and Contract Award)	76	70	65	52	48

Table 12 – CAP Projects Time for Contract Award

Challenges

- Ratio of Projects per Professional Staff has improved, but is still deficient
- Improve efficiency of professional staff
- Increase productivity of administrative staff through efficient processes
- Set clear contract requirements and expectations for design consultants
- Establishing clear and workable standards for high efficiency facilities, as required by HB 3364.
- Limited professional expertise within Division, particularly energy engineering
- Legislative mandate did not provide funding for program development
- Must gain professional expertise, particularly energy engineering, from consultants and industry liaisons
- Must educate current staff on sustainability issues
- Many stakeholders involved with process: State, Higher Education and industry
- Collaborative, goal-oriented construction industry will require modernization of public procurement laws – must fully allow evolution of practices in a way that completely addresses public policy issues
- Refine 'Best Value' contracting processes
- Must gain support of design and construction community for procedural changes

REAL PROPERTY SERVICES

Mission

Support and assist customers with centralized real estate transaction services while supplying comprehensive real property records through continued development and maintenance of a real property inventory database.

Services

- Educate agencies, organizations and individuals on the proper procedures to be used in real estate transactions and assist in the executing of those transactions if necessary.
- Administer, review/approve and execute contracts for acquisition, disposal, surface leasing and the granting of easements, agreements and contracts for requesting agencies.
- Maintain database of state-owned real property including structures, surface leased premises and easement data.
- Coordinate directly with agency liaisons to obtain/verify ownership data for state-owned real property.
- Evaluate surplus state-owned real estate for alternate uses.

Accomplishments / Initiatives

- Reviewed and approved approximately $2,757,000 in acquisitions and disposals in FY 09.
- Completed land-planning analysis of real property acquisitions acquired for the Lincoln Renaissance Project.
- Completed 85% verification process of real property data records of miscellaneous agencies.
- Rewrote Real Estate Procedures of real property transactions.
- Drafted rules for Real Estate Services.
- Plan and prepare disposal for Classen Terrace Building.

- Begin process to acquire five homes on N.E. 29th Street for OCIA.
- Completing all procedures, internal and external for Real Estate Services to be published on Website.
- Planning scanning process for Real Estate Services' files and records.
- Continuing to establish relationships with other agency land contacts.
- Continue processing leases, easements and agreements along with other service incidents requested by state agencies.
- Revise Database to prepare to publish on website.

Key Performance Indicators

- Increase surface lease and easement contract values to current market values.
- 100% completion of verification process for state-owned real property database.
- Revisit agencies for compilation of updated records.

Measure	*FY 08*	*FY 09*	*Goal*
Increase state income from surface leases and easements.	0% *	25%	25%
# of state-owned properties in database verified.	65%	97%	100%

Table 13 – Real Estate Services Performance (Easements involving monetary consideration were not executed during FY 08. Two surface leases were bid at the same rate as FY 05.)*

Challenges / Roadblocks

- Agencies often don't file ownership documents with DCS when real property transactions are executed, thus rendering the real property database out-of-date.
  Objective: Educate and promote notification through DCS policy and rules.
- Availability of funding to develop and implement a statewide program to identify, review and obtain each county's official land records as they pertain to state-owned real property.
  Objective: Achieve as staffing will allow.
- Inconsistencies in language of state laws regarding state agency responsibilities for real property transactions.
  Objective: Clarify language in statutes and publish rules.

FLEET MANAGEMENT AND ALTERNATIVE FUELS

Mission

Provide economical motor vehicle services to State agencies including policy oversight, leasing, fueling, maintenance management, reporting, and education; provide alternative fuel motor vehicle and infrastructure services to political sub-divisions including alternative fuel vehicle and infrastructure leasing, provide training and promote the use of alternative fuels in both the public and private sectors; apply for, participate in, and administer federal alternative fuel grant funds.

Objectives

- Execute Generally Approved Accounting Principles (GAAP) and effective business practices to ensure Fleet Management provides cost-effective services on a continuous basis.
- Provide efficient fleet services that "enable" supported State agencies to meet their core missions.

- Provide accurate and consistent accounting of all state-owned motor vehicles, operational cost and utilization data.
- Effectively manage the life-cycle costing (purchase price plus operation and maintenance costs) over the life cycle cost of the entire fleet of state-owned motor vehicles.
- Provide professional development opportunities for each Fleet Management and Alternative Fuel employee through a mission-driven, skill-based performance pay program.
- Manage Fleet Management and Alternative Fuel staff effectively using performance-based, data-driven fleet management programs and allocation matrices.

Finances	*Fleet Management*			*Alternative Fuel*		
	FY2007	FY2008	FY2009	FY2007	FY2008	FY2009
Budget	$8,176,500	$8,045,809	$8,939,776	$50,440	$85,121	$67,647
Expenditures	$6,836,218	$7,908,873	$8,419,527	$50,470	$62,360	$65,961

Table 14 – Fleet Management and Alternative Fuels Financial Performance

FLEET MANAGEMENT DIVISION

Services

The Division provides oversight and advice to State agencies that own, operate and utilize motor vehicles. It also administers the statewide fuel management program.

The State fleet, managed by the Division, includes passenger vehicles, minivans, full size vans, cargo vans, pickup trucks and box trucks that are available for rent on a daily or monthly basis averaging less than the State reimbursement rate.

Accomplishments / Initiatives

- Increased the involvement of the Motor Vehicle Advisory Council (MVAC) (all State agencies with statutory authority to own vehicles) in determining fleet policy and procedures focusing on developing statewide standards, policies and rules for vehicle acquisition, leasing, maintenance, repair and disposal by all state agencies. The council serves as a catalyst for change – and now, more than ever, is vital to the joint success of agency fleets across the state. The MVAC has been in existence since October 12, 2006.
- Maximus Fleet Focus M5 Expansion - DCS is offering advanced fleet management software and associated equipment to other state agencies interested in upgrading or updating their current fleet operations management systems. The program's expansion is expected to create efficiencies in work order management, centralized maintenance and parts operations, and more coherent and cost-effective vehicle replacement policies by using state agencies. Expansion beyond DCS Fleet Management to state agencies authorized to own vehicles is nearing completion within the Department of Public Safety and ongoing within Oklahoma State University.
- GPS initiative - installation of telematic or AVL (Automatic Vehicle Location) Equipment in all DCS-owned vehicles is complete. Telematic equipment can best be described as a "black box" for vehicles. Telematic equipment monitors vehicle performance and driver behavior. The telematic equipment is contained in one device about the size of a CD player connected to the vehicle's onboard diagnostic computer OBD-II and transmits information via mobile communications networks back to a central hub. An integrated GPS interface also allows the vehicle's location to be determined and tracked. A statewide contract expanding the availability of both GPS and AVL equipment to all state agencies is pending award. The contract includes components for special-use,

GPS-only, GPS plus engine diagnostics (light and heavy-duty vehicles), and an enhanced software for existing, installed equipment.

- Comprehensive and Collision Insurance Coverage – DCS-owned vehicles continue to receive additional comprehensive and collision insurance coverage. Cost for the additional insurance coverage is approximately $120 per vehicle per year. Agencies benefit from zero-deductibles, limited vehicle loss rate, and absolute predictability in creating their annual budgets.
- Rate Initiatives – DCS executed two mileage plans (My Team and Rollover) to provide maximum flexibility to agencies based on their missions and reduce excess mileage charges with a projected savings to agencies of $700,000 or 8% of total agency expenditures for fleet services.
- Increase in Rural Alternative Fuels Service Stations – DCS continues its efforts to expand alternative fuel infrastructure and the number of alternative fuel vehicles. Legislative change (HB 1952) provided statutory authority to jump-start the creation of infrastructure and lease alternative fuel vehicles to political entities. Additional federal grant funding by the U. S. Department of Energy and Oklahoma Department of Commerce, State Energy Program will ensure increasing numbers of alternative fuel vehicles and increased base-load requirements over a three-year period beginning in FY2010.
- Comdata Fuel Card - The statewide automated fleet fueling management contract continues to provide notable benefits to the state's vehicle fleets. Comdata provides the state with expansive acceptability throughout Oklahoma and neighboring states at any fuel location that accepts MasterCard® as a payment method for fuel or maintenance. This acceptability provides for a single-card use system to purchase fuel and automotive maintenance services at local or state-owned facilities, marinas, airports, and other mobile locations.
- Statewide Rental Car Contract -To combat increasing fuel prices and meet existing statutory requirements, a statewide rental car contract was awarded to Enterprise Rent-A-Car®. As a concurrent and complimentary initiative, a web-based application was created to compare and select the most cost-effective mode of travel for state employees. Heretofore agencies were limited to leasing a state vehicle, or authorizing state employees to request mileage reimbursement while driving their personal vehicle on state business. The "Trip Optimizer" comparative web tool became available on the DCS/Fleet web site (www.dcs.ok.gov) in October, 2007 and has subsequently been mandated (SB2016) for use by state employees. Enterprise Rent-A-Car® has over 44 locations throughout the State of Oklahoma and over 6,000 locations nationwide.

Key Performance Indicators

- Fleet Statistics (General)
  - State-owned light vehicles (minus higher education) 8,056 (includes alt fuel vehicles)
  - DCS-owned light vehicles 945 (includes alt fuel vehicles)
  - Miles driven State fleet annually + 72 million (10.2k miles / vehicle)
  - Miles driven DCS fleet annually + 14 million (14.6k miles / vehicle)
  - Value of State fleet (replacement price) + $237 million
  - Value of DCS fleet (replacement price) + $21 million
- Increase customer base and vehicle rentals.
  During first-half, FY 2009, automotive parts, supplies, and petroleum byproducts such as tires, lubrications, antifreeze, seals continued to increase concurrent with crude oil price increases. The Average maintenance cost for DCS vehicle does not reflect the purchase and installation of Automated Vehicle Location (AVL) equipment on DCS-owned vehicles ($450 per unit). The net change discounted for the addition of AVL reflects a decrease in overall maintenance costs of $77 per vehicle. Maintenance costs are projected to continue decreasing as agencies receive enhanced AVL software and drivers receive additional education and training, e.g., Green Driver® and National Safety Council Defensive Driving Course)

Key Data	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Number of vehicles in DCS Fleet	909	1,050	947	926	945
Average maintenance cost for DCS vehicle	$461	$597	$630	$631	$554

Table 15 - DCS Motor Pool Statistics.

- Maintain vehicle rental rates at a cost less than private rental companies and mileage reimbursement rates for use of an employee's personal vehicle. During FY-09 DCS Fleet Management rental rates (cost per mile) continued to be extremely cost-efficient in comparison to the IRS and State approved mileage reimbursement rates (FY07 – 48.5 cents; FY08 – 50.5 cents; and FY09 – 58.5 cents per mile). DCS lease rates include vehicle administration, fuel, maintenance, wrecker service, insurance, and depreciation (total life cycle costs).

Key Data	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
IRS Mileage Allowance	$0.425	$0.445	$0.485	$0.505	$0.585
Fleet Mileage Cost (cost avg. - all vehicle classes)	-	$0.260	$0.400	$0.320	$0.380

*Table 16 - DCS Lease Rates (*During FY 2009 lease rates continued to provide a cost savings to State agencies over the IRS and State approved mileage reimbursement rate.)*

- Vehicles Owned by Agency

Agency	FY 2007			FY 2008			FY 2009		
	Total Vehicles**	Home to Work	Driven <12K miles	Total Vehicles**	Home to Work	Driven <12K miles	Total Vehicles**	Home to Work	Driven <12K miles
025 Military Dept.	89	1	59	96	1	77	80	1	23
030 ABLE Comm.	39	35	14	52	40	7	33	33	10
039 Boll Weevil	0	0	0	19	0	25	16	0	15
040 Agriculture	1,279	0	26	289	0	27	298	0	146
125 Mines	12	0	4	11	0	4	12	0	9
131 Corrections	1,086	0	852	871	0	856	923	0	853
204 J.M Davis Memorial	1	0	1	1	0	1	1	0	1
220 Dist. Attorney Council	81	6	44	61	4	40	121	0	78
265 Education	3	0	3	3	0	4	2	1	3
266 OETA	0	0	0	0	0	0	2	0	1
292 DEQ	1	0	1	1	0	1	1	0	1
308 OSBI	215	202	100	173	173	84	172	172	133
309 Emergency Mgt.	3	0	3	1	0	3	1	0	1
320 Wildlife Conservation	318	0	43	325	0	59	292	0	27
340 Health	4	0	3	4	0	3	4	0	3
345 ODOT*	1,480	0	0	1554	0	0	1582	0	0
350 Historical Society	9	0	9	9	0	11	8	0	9
390 CompSource	5	0	3	4	0	3	4	0	4
400 OJA	129	0	52	110	0	47	119	1	77
415 CLEET	14	0	14	14	0	16	15	0	22
452 ODMHSAS	290	0	169	234	0	266	240	0	266
477 OBN	80	0	13	78	0	41	98	0	32
566 Tourism	396	0	199	321	0	260	309	0	301
568 Scenic River Comm.	7	0	7	7	0	9	9	0	10
580 DCS	947	75	379	926	75	371	945	151	452
585 DPS*	1,299	0	0	1,259	0	0	1525	0	0
605 OHRE	16	0	13	8	0	9	13	0	8
606 Ardmore Hi Ed	1	0	1	1	0	1	1	0	1
645 Conservation	8	0	2	7	0	4	7	0	2
650 Veterans Affairs	81	0	42	70	0	63	80	0	74
670 J.D McCarty Center	8	0	8	7	0	9	8	0	8
695 Tax Commission	7	0	7	6	0	7	0	0	0
800 Career and Tech.	15	0	15	11	0	14	14	0	14
805 Rehab. Services	40	0	27	35	0	30	44	0	29
830 DHS	418	0	126	376	0	182	454	0	208
835 Water Resources	37	0	13	25	0	5	26	0	7
880 Will Rogers Comm.	3	0	3	3	0	3	0	0	0
978 Transportation Auth.	320	0	120	319	0	115	355	0	187
980 Grand River Dam Auth.	218	0	110	215	0	102	215	0	92
981 Municipal Power Auth.	6	0	2	5	0	2	8	0	4
999 Higher Education*	0	0	0	0	0	0	0	0	0
Total	8,965	319	2,487	7,511	293	2,761	8,037	359	3,111

*Table 17 – State-owned vehicles by agency (*Agencies statutorily exempted from reporting to DCS. Total vehicles owned increased as agencies prepped for or delayed surplus to reduce mileage reimbursement expenses. Concurrently, increased fuel pricing during the first-half of FY2009 to record levels contributed to vehicle utilization statistics decreasing; **Represents data at the end of the fiscal year).*

Challenges/Roadblocks

- Rising fuel prices to record levels and associated increases in automotive parts and supplies due to higher transportation costs and oil byproducts. DCS Fleet Management on average maintained rental rates lower than private vehicle rental and mileage reimbursement rates, even with higher fuel prices during the first-half, FY-09.

ALTERNATIVE FUEL PROGRAM

Services

In 1990, the Legislature passed the Oklahoma Alternative Fuels Conversion Act. The Act creates a revolving fund, which enables the State to provide governmental entities with no interest reimbursement of costs to convert vehicles to alternative fuels as well as installation of refueling facilities. The Committee of Alternative Fuel Technician Examiners has the responsibility of administering examinations to alternative fuel technicians, certification and recertification of technicians and assisting and advising the Department of Central Services in all matters relating to the formulation of rules and standards in accordance with the Alternative Fuel Technician Certification Act.

Accomplishments / Initiatives

- DCS continues to meet the federal mandate for replacement with alternative fuel capable vehicles within the State. 10 CFR Part 490, The Alternative Fuel Transportation Program, began in 1997 with 30% replacement increasing to 75% by 2000. The State has exceeded the mandate requirement in past years and has 240 Banked Credits that can be used in the event the replacement mandate cannot be met in the future.
- In FY09, CNG vehicles were available on the statewide contract. In FY09, 166 flex-fuel vehicles were purchased by DCS.
- The FY09 replacement target for DCS includes 30 CNG vehicles and as many flex-fuel vehicles as are available on the statewide auto contract. Historically, flex-fuel pricing for available models on the statewide auto contract has been comparable to non flex-fuel vehicle models available on the same contract.

Key Performance Indicators

Alt Fuel Product	New in FY 07	New in FY 08	New in FY 09	Cumulative since 1990
CNG	8	22	70	180
Hybrid Electric	0	0	4	14
LPG	1	2	1	94
Grand Total	9	24	75	288

Table 18 – Number of alternative fuel technicians in Oklahoma

Alt Fuel Product:	DCS	State (w/o DCS)	Total
CNG	11	1	12
E85 (flex-fuel)	593	769	1362
Hybrid Electric	6	7	13
NEV	2	0	2
LPG	0	1	1
Fuel Efficient	0	19	19
Grand Total	612	797	1409

Table 19 – Number of alternative fuel vehicles utilized by the State of Oklahoma

Challenges / Roadblocks

- Lack of availability of alternative fuel infrastructure (fueling/charging stations) in the State of Oklahoma
- Limited availability of Environmental Protection Agency (EPA) approved alternative fuel engine conversion kits.

OFFICE OF FACILITIES MANAGEMENT

Mission

Provide quality work environments to our customers

Objectives

Goals	Objectives - FY 10
1. Implement Sustainable Building Practices	1.1 Establish OFM sustainability building standards. 1.2 50% of OFM's remodel and renovation projects will exceed minimum code standards. 1.3 100% of OFMs repair and replacements will be best available for the application.
2. Reduce Vehicle Associated Pollution	2.1 50% reduction of petroleum-using OFM vehicles compared to the FY 08 baseline. 2.2 10% reduction of petroleum use by Mansion grounds equipment compared to the FY 08 baseline.
3. Maximize Recycling, Minimize Waste and Use of Products with 100% Virgin Materials	3.1 35% reduction in office paper use per employee. 3.2 Maintain 100% of copy paper (8 ½ x 11) purchased for OFM use is 100% recycled content. 3.3 87% of office paper will be recycled. 3.4 100% of janitorial paper products will be of 60% recycled content and chlorine free if available in the market. 3.5 90% of all fluorescent bulbs, compact fluorescent bulbs, and ballasts will be recycled.
4. Minimize Facility Related Energy and Water Use	4.1 20% reduction of electric use on a square footage basis in state-owned and operated facilities. 4.2 35% reduction of natural gas use on a square footage basis in state-owned and operated facilities. 4.3 10% reduction of potable water use for OFM managed grounds. 4.4 35% reduction of interior potable water use per square foot. 4.5 Install 2 renewable energy projects. 4.6 Purchase 2% "Green power" for OFM-owned and managed projects. 4.7 Energy Star rating of 75 for seven (7) buildings on the Capitol Campus based on FY 08 baseline. 4.8 Achieve Energy Star Portfolio average rating of >80%. 4.9 Achieve Power Factor of 85 in all buildings.
5. Reduce use of Toxic Products and Use of Toxic Chemicals	5.1 Procurement will add three new Environmentally Preferred Products/Services (EPP) contracts this year. 5.2 100% of OFM janitorial products used will be Green Seal approved or equivalent. 5.3 Eliminate all persistent toxins in OFM managed landscaping, and reduce overall toxins by 10% below FY 08 levels.
6. Sustainable Practices in State Leasing	6.1 Research standards, practices and guidelines used by other states when procuring leased space. 6.2 Add information on evaluation of sustainable practices to annual State Leasing class.

Table 20 – OFM FY2010 Objectives

FACILITIES MANAGEMENT

Mission

Provide a safe, comfortable workspace for our tenants and guests through quality facilities and responsive service.

Services

The Facilities Management Division directs management, operations and maintenance of 2.1 million square feet of space in sixteen (16) major State buildings valued at $420 million. Primary buildings include the State Capitol, Governor's Mansion and the office buildings in the Capitol Complex and Tulsa.

Accomplishments

- Eighty-three (83) projects were completed in FY09 that were either *Remodel & Renovation* projects or *Repair & Replacement* projects. A total of thirty-eight (38) projects that met sustainability criteria in these two categories were completed in FY09. 6 of 7 (86%) remodel and renovation projects and 32 of 52 (62%) repair and replacement projects took potential environmental impacts into consideration.
- Fleet Management assisted in ordering 10 electric vehicles (4 carts, 6 trucks) for OFM use on the Capitol Complex and Governor's Mansion grounds. The new electric vehicles allowed Central Maintenance to eliminate two (2) gasoline vehicles. Three (3) to four (4) more petroleum vehicles are expected to be eliminated from the Central Maintenance fleet in FY10. An audit of 2-stroke equipment yielded 8 total pieces; at least two are expected to be replaced in FY10.
- All printers in OFM are set to duplex printing (prints on both sides of paper) as default settings. Typically, paper made with more recycled content is also more expensive due to the extra processing that is required. However, paper costs were reduced as OFM employees developed a conservation-minded approach to printing documents which allowed the purchase of 100% recycled paper.
- Fluorescent tubes are recycled with a drum-top bulb crusher at the Kerr-Edmondson buildings in Tulsa and the Facilities Annex. OFM partnered with the Oklahoma Department of Environmental Quality (DEQ) to recycle 397 bulbs removed from the DEQ building in downtown Oklahoma City.
- Energy efficiency upgrades, sustainability projects, and innovative programming strategies by OFM have resulted in a total energy reduction of 35,224,619 kilo-British Thermal Units (kBTU) (16.9%) from FY08 usage to FY09 usage (Figure 4). Due to higher costs-per-unit, the 16.9% reduction of energy use contributed to a total of $673,779 in costs avoided (Figure 5).
- Gaining knowledge of product life-cycles for all products ordered, not just janitorial products, proved to be exceptionally valuable for procurement decision-makers in understanding environmental impacts. Purchasers are now aware of 'green washing' and how to avoid businesses that use misleading statements when promoting themselves as 'environmentally-responsible' and items as 'environmentally-friendly.'
- Current landscaping contract was reviewed for amount and type of toxic chemicals used for landscaping; several stored chemicals have been eliminated.

Key Performance Indicators

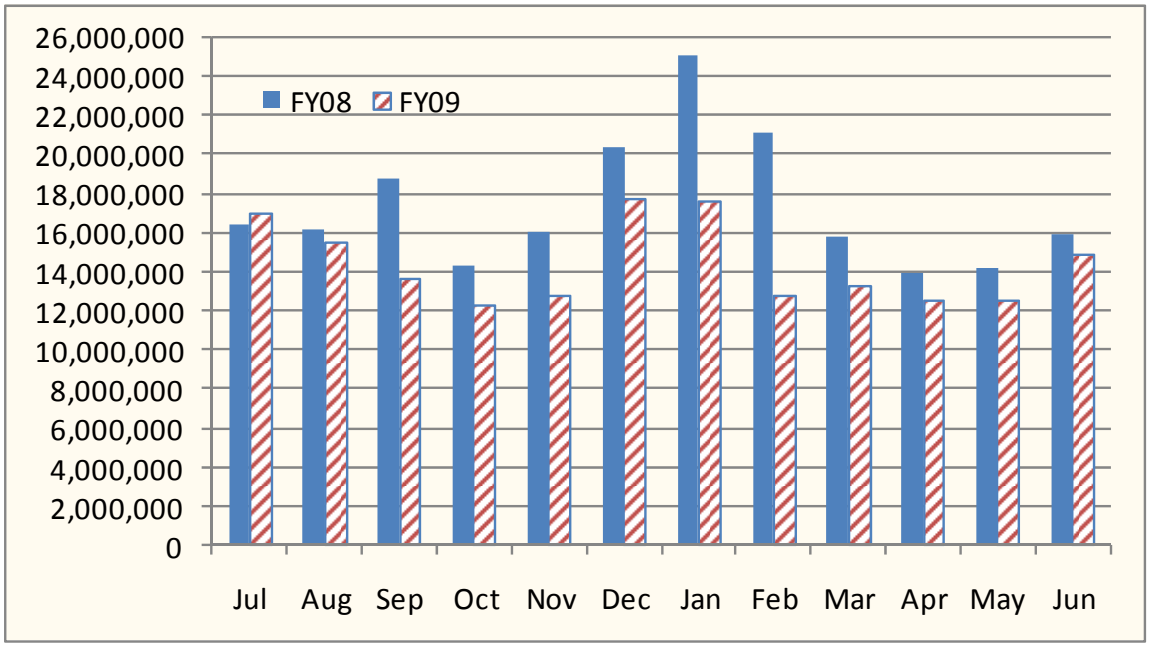


Figure 4 – Monthly energy reduction in kilo-British thermal units (kBTU)

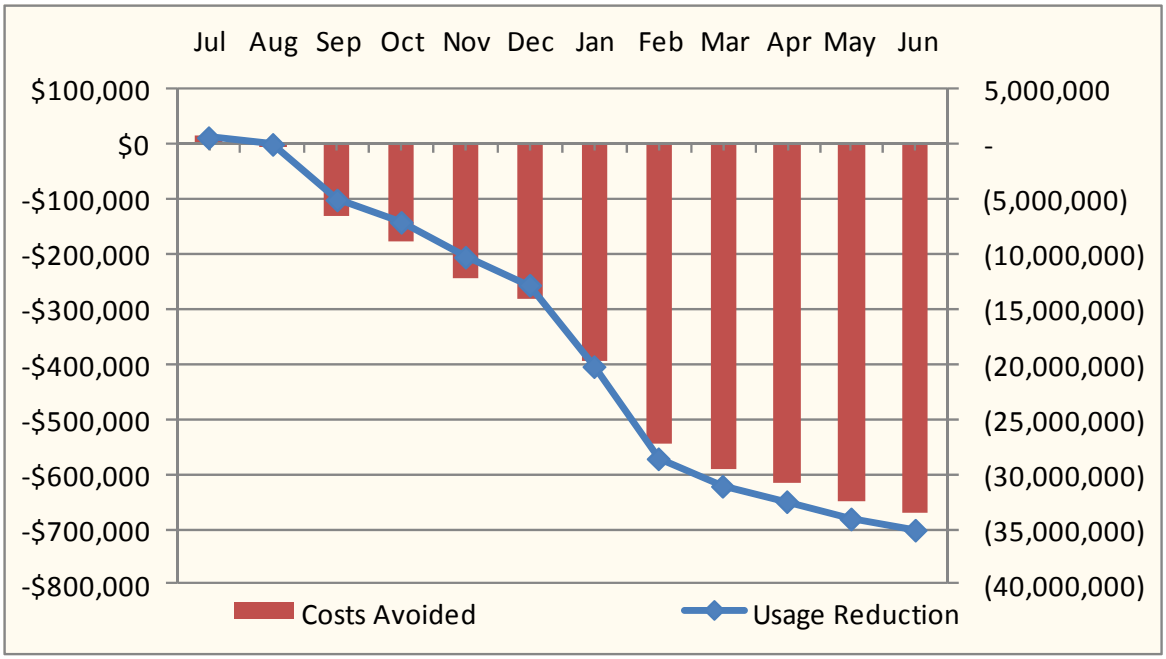


Figure 5 – Cumulative Cost and kBTU avoided in FY09 vs. FY08

Challenges / Roadblocks

The state government must increase its commitment to fund the maintenance of its facilities. Unpredictable funding impacts planning and leads to "hills and valleys" of maintenance funding. The absence of a reliable funding stream for major life-cycle replacements, equipment upgrades, and renovations is a huge obstacle to maintaining and improving the condition of the State's real property assets. Failing to fund an intentionally reliable plan, which addresses reducing the deferred maintenance backlog and life-cycle placements, will cause buildings' value to decline.

Priority	Cost
Replace Capitol chilled water line for well	$1,300,000
Replace Capitol cooling tower	$ 471,000
Replace two boilers controlling heat to the Will Rogers and Sequoyah buildings	$ 600,000
Replace main storm sewer @ 21st St.	$1,700,000
Capitol south plaza re-grouting and repair	$ 300,000
Library lighting and lighting control upgrade	$ 100,000
Update controls in Denver Davison	$ 350,000
Replace Denver Davison cooling tower	$ 210,000
Tuckpoint Mansion	$ 65,000
Replace Library boiler and humidity control	$ 250,000
Library roof replacement	$ 225,000
Total current priority projects cancelled (this is not an all-inclusive list)	*$5,571,656*

Table 21 – Facilities Unfunded Priority Events

STATE LEASING

Mission

Assists state agencies in accomplishing their missions by providing essential real estate services through uniform leasing and space standards, detailed space evaluations, centralized management of real property transactions, uniformity in contractual terms, favorable and economical rental rates, and agency staff training.

Services

The State Leasing office seeks to assist our client agencies in the performance of their mission by:

- Assigning space in state-owned buildings or leasing space from the private sector.
- Authorizing the amount of space to be acquired by state agencies and executing leasing contracts on behalf of state agencies.
- Assisting the client agencies in completing the required forms,
- Serving the unique real estate needs of state government leasing by providing expertise in various types of space including industrial, storage, parking, hangar, boat slips, etc.
- Providing expertise in property management, lease terms and conditions, and market rate information to the agencies we serve.

- Providing information and encouraging the real estate community to do business with the State of Oklahoma.
- Maintaining a computerized database of leased and owned real property for the approximately 4.4 million square feet occupied by state agencies.
- Providing a single communication point for all state agencies and the real estate community regarding: leased space; state-owned space; space standards; lease terms and conditions; rental rates; and contract expectations.

Accomplishments / Initiatives

- Successfully maintained belowmarket rental rates for leased space.
- Maintained a strong reputation of credibility with the real estate community.
- Developed the Active Space Request listing on the DCS website to be used by state agencies, Oklahoma State Finance (OSF) for possible data line relocations, and the private sector real estate brokers to inform them of current state space needs.
- Decreased the processing time for purchase order approval.
- Each year State Leasing approves approximately $34,000,000 in funding lease agreements.
- Approved 72 new lease agreements and successfully negotiated $278,000 in savings on new lease rental rates and tenant allowances.
- Trained four state agencies in State Leasing Procedures.
- Reduced the amount of file storage space by scanning contracts, purchase orders, closed files, and correspondence for one pilot agency instead of keeping paper copies.

Key Performance Indicators

- Negotiated and maintained office rental rates at or below current private market rates
- Increased the number of Hits to the "Active Space Request" listing.

Measure	Result in FY08	Result in FY09	Goal
Maintain leased rental rate below market (average leased rate)	OKC: $10.29	OKC: $10.54	OKC: $12.00 to 14.50
	Tulsa: $12.31	Tulsa: $11.75	Tulsa: $13.50
Number of Hits - Active Space Request List	1631 Hits	3220 Hits	200 Hits
Purchase Order Approval Turnaround	Averaged 5 days	Averaged 4 days	1 week or less (previously 2 weeks in FY07)

Table 22 – State Leasing Performance

Challenges / Roadblocks

- Ability to locate office space around the State Capitol.
  Objective: State to build more buildings in Lincoln Renaissance development area.
- Insufficient office space inventory.
  Objective: State to build more buildings in Lincoln Renaissance development area.
- Lack of staff to develop and implement strategic long term plans for space:
  Objective: Achieve funding for additional staff person.

PROPERTY REUTILIZATION

Mission

Procure excess federal property targeted to the needs of agencies and political subdivisions of Oklahoma, and dispose of excess state property through use of best resale/auction programs.

Objectives

- Maintain sound financial systems and practices to support Property Reutilization (PR's) services by ensuring accurate and accountable financial performance
- Provide effective and efficient services through collegial and productive relationships with all external customers
- Maintain an efficient processes management that optimizes PR resources and reduces administrative and operating costs
- Provide growth opportunities for each PR employee
- Manage PR staff efficiently

Services

Federal Property Distribution

The program operates pursuant to State and Federal regulations and an approved State Plan of Operation. The program acquires and distributes excess and surplus Federal property and acts as a reseller of used Federal vehicles to eligible entities, known as donees. Donees consist of governmental entities, schools, qualified not-for-profit groups and other groups authorized to participate in the program by Federal regulations. Program funds come from a service charge, ranging from five percent (5%) to twenty percent (20%), of the original government acquisition cost for excess and surplus property. The program purchases used Federal vehicles for resale and adds a service charge to the purchase price to establish a sale price to donees. The program receives no appropriated funds.

State Surplus Property

The program receives surplus property of all types from State agencies and redistributes it to authorized entities. Surplus vehicles are received from State agencies, colleges and universities and political subdivisions. Authorized entities include state agencies, political subdivisions, schools, non-profit entities and eligible senior citizen centers. The program conducts monthly auctions that are open to the public as well as online electronic auctions. The program is self-funded through redistribution and sales fees and receives no appropriated funds.

Accomplishments / Initiatives indicate current status and use of 1033 and 1122 Programs

- Donated over $17,667,242.49 GAC (Government Acquisition Cost) of Federal Property for $1,953,974.16.
- Continue to obtain FEMA trailers and other items for the benefit of Oklahoma taxpayers. 480 travel trailers, 348 mobile homes & 29 park mobiles.
- Improved DCS developed auction software for the public auction and daily sales processes. It has made auctions more efficient, provides accountability and requires fewer personnel.
- Daily sales to non-profit entities decreased by 6.5%; online auction sales decreased by 39.2%; and public auction sales decreased by 10.1% in FY09.

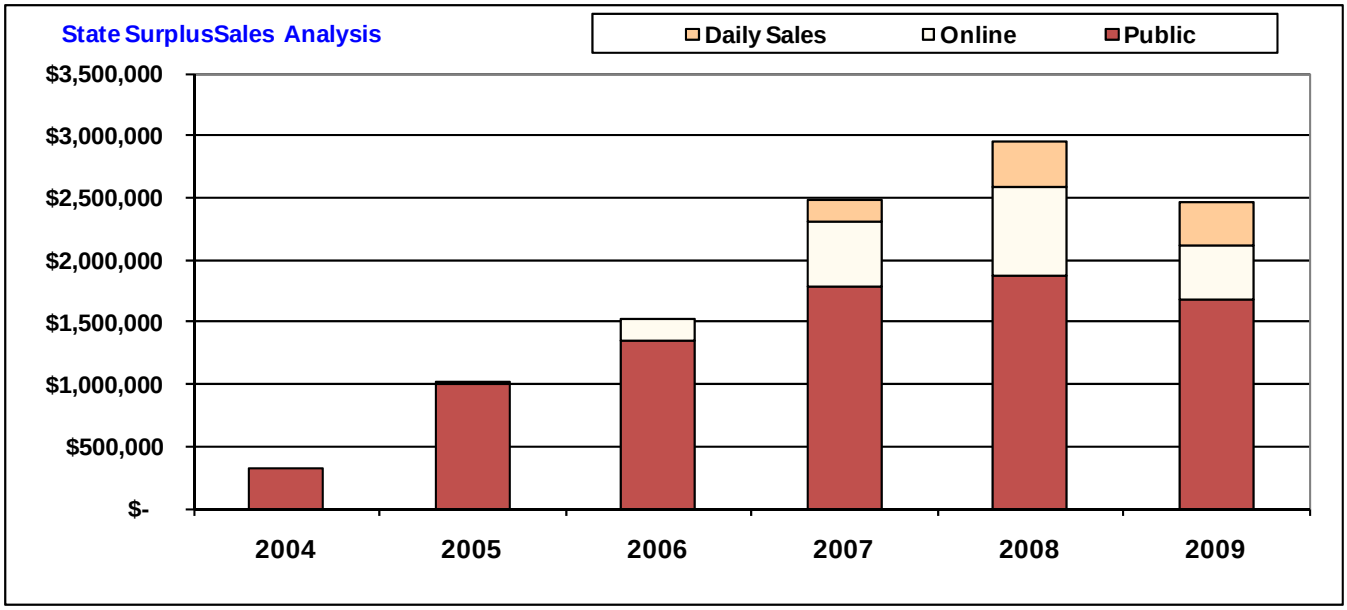


Figure 6 – State Surplus Sales Information

Key Performance Indicators

- Increased number of donees to 100 for 1033 Law Enforcement Program (49 in FY2006)
- Increased number of active donees in the donation program from 1,140 to 1150 in FY2009

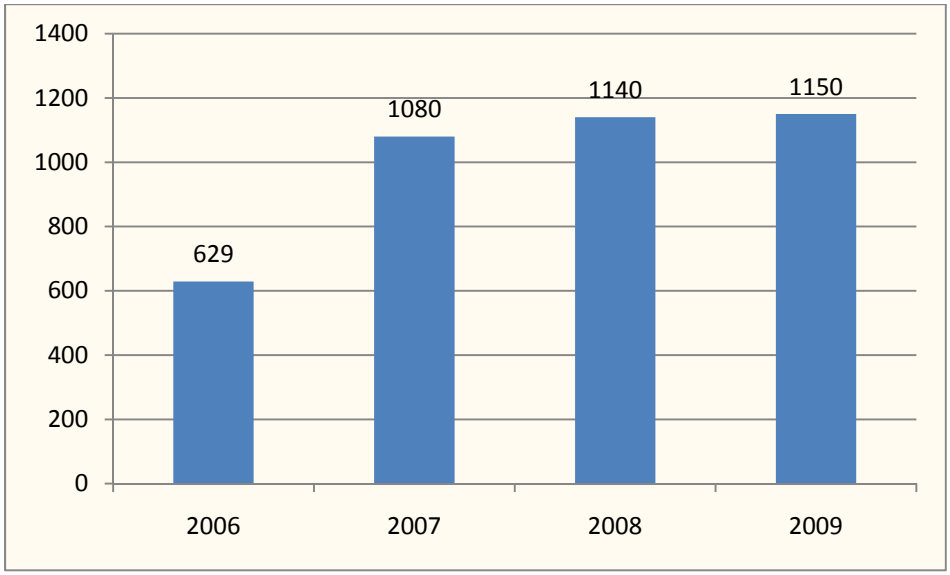


Figure 7 – Number of donees in the donation program

- Donated property in 75 counties - Goal is to donate property in all 77 counties
- Number of registered bidders with the online auction – 7,603

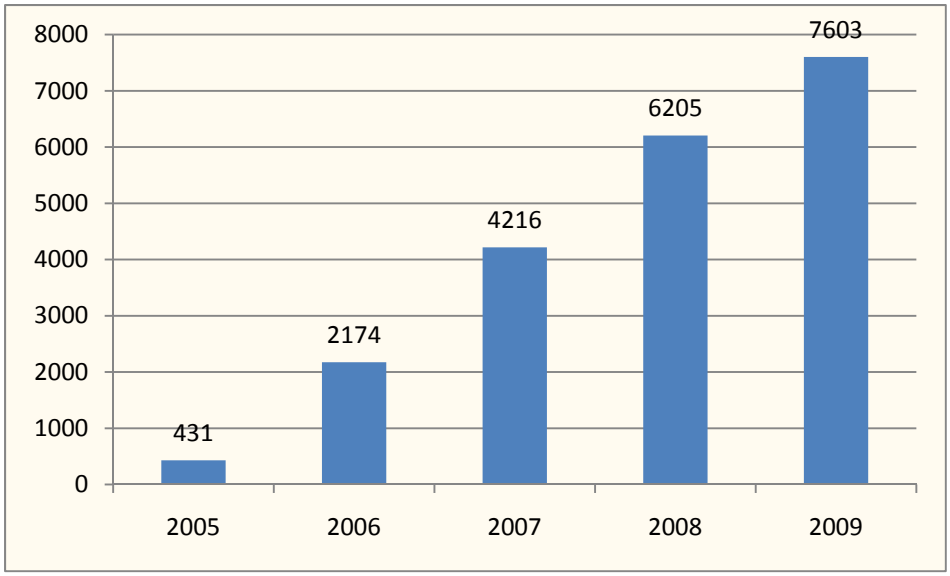


Figure 8 – Number of registered bidders with the online auction

- Revenue returned to other State Agencies from auctions of vehicles, large equipment and scrap metal: $1.5M in FY2009, $2.0M in FY2008, $1.6M in FY 2007, and 1.2M in FY 2006
- Business with other governmental entities: items sold to 223, (196 in FY2008, 152 in FY 2007) other governmental and qualified entities which includes private and public schools, police departments, fire departments, higher education, counties/cities/towns, hospitals and non-profits.

Challenges/Roadblocks

- Rerouting of I-40 reduces State Surplus parking space available for surplus vehicle lots and bidders to park their vehicles
- Marketing our programs: auction, donation, resale, 1033 and 1122 Programs
- Obtaining more excess travel and mobile home trailers and other FEMA items for our donees
- Expanding 1122 Program
- Increasing disposal fees and transportation costs
- Encouraging other State agencies to use our cost-effective programs and discourage them from duplicating services
- Making surplus property disposal easier for agencies (resources to account for and move property)
- Obtain authority for DCS to purchase industrial facilities for surplus operations using lease purchase agreement with existing revenue streams.

RISK MANAGEMENT DIVISION

Mission

To provide professional Risk Management (RM) services by supporting and building partnerships with all entities including claimants and vendors as provided by law.

Objectives

- To provide Risk Management services to all state entities and other entities provided by law
- To stabilize and lower insurance cost for the State of Oklahoma
- To manage the Risk Management Division budget efficiently and effectively
- To have Total Continuous Improvement (TCI) in Risk Management Division processes
- To provide opportunities for personal growth for RM staff

Services

The Risk Management Division (RM) administers a professional risk management program that provides liability and property insurance for State entities through commercial insurance lines and self-insurance (74 O.S., § 85.58A et seq.) The Division directs insurance programs for State agencies, higher education, fire departments, motor license agents and employees, conservation districts and foster family homes.

The Risk Management Division strives to maximize expense control for the State by utilizing programs commonly found in major corporations including taking advantage of economies of scale afforded large insurance programs These programs include: risk assessment, loss prevention, and loss control, risk transfer, (including contractual risk transfer), insurance, self-insurance, claims management and training.

The Division consults with and provides advice to customers engaging both internal and outsourced program controls. It works closely with all customers to protect customer interests. Using internal allocation models proposed by an actuary, the Division equitably distributes premium expense based upon customer loss exposure and actual loss experience. The Division seeks to bring discipline, responsibility, and accountability for risk management issues under the control of each state agency to reduce or prevent losses.

Accomplishments

- RM educational seminar series and presentations continue to grow. Thirty-Eight (38) formal seminars and requested presentations were held in FY2009. Additional courses are being developed for inclusion in the HRDD schedule.
- State Fine Arts insurance program for arts and rare book collections continues to grow. Currently a total of 42 Agencies are participating in the program. Insured values have increased from $1.759 billion in FY2007 to $2.039 billion in FY2009 (excludes Historical Society collections).
- Fine Arts policy No Claim Bonus provision has returned to the State a total of $217,500 over three (3) year period.
- Lowered state entity property premiums due to lower than expected historical loss projections.
- Lowered state entity tort premiums due to lower than expected historical loss projections.
- RM has reduced costs for state entities over the past five (5) years by $10.5 million provided in the form of premium credits on Tort, Property, and Fine Arts programs.
- Implemented and completed appraisals of twenty (20) State buildings.

- Since expansion of Auto Physical Damage Program to include passenger vehicles, in addition to Specialty Vehicles, the insured values have increased from $11.3 million in FY2008 to $33.0 million in FY2010.
- Finalization of FY2007 Northeastern Oklahoma A&M flood claim – total recovery was $14.225 million.
- Implementation of D&O/ELL Program change which allowed Agencies to select one (1) of four (4) deductible options that met their Agency's financial and budgetary needs.
- Implementation of D&O/ELL program transition from an Exposure Based Model to Experience Based Model. Initial phase based on 25% Experience/75% Exposure.
- DCS Evacuation Plan document submitted to DCS/Administration Unit for review.
- Implementation of MMSEA Section 111 program in progress: liability claim form re-designed as necessary; CSSTARS data fields being updated; registration completed; testing to begin 1/1/2010.
- With implementation of the Risk Management Information System (RMIS) claims and underwriting time and data management has significantly improved:
- Report generation is 100% faster with greater detail captured than prior electronic database system.
- Access to claims data is more efficient; we can respond to customer inquiries over 80% faster. This enables us to provide better customer service.
- Loss reserve data is timely and accurately maintained and is accessed over 80% faster than hardcopy file search and analysis.
- Greater accuracy in loss data report to actuary for analysis and allocation reports.

Initiatives

- Exploring development of web-based Agency access to operational data and electronic forms filing:
- Loss Experience Website.
- Best Practices Website.
- Electronic filing of claims.
- Exploring development of web-based electronic filing of claim form by a claimant.

Key Performance Indicators

Measure	*Goal*	*Result*
Performance satisfaction survey results	> 90%	97.5% (Combined Excellent and Good ratings)
# of risk control inspections and visits per year	100	116
# of educational programs per year (seminars held)	4*	10
Renewal insurance rates compared to previous year insurance rates	below 10% increase	Property rate change: 1.46% increase
		D&O rate change: 8.5% decrease
		Renewal of other lines of coverage remained relatively flat.
Cost of risk compared to previous year rate. (Cost per $1,000 of Revenue)	below 10% increase	State's cost of risk (rate) in comparison to itself is as follows: FY 05: $0.99/$1000 of revenue; FY 06: $0.84/$1000 of revenue (15.2% down) FY 07: $0.81/$1000 of revenue (3.6% down) FY 08: $0.73/$1000 of revenue (9.9% down) FY 09: $0.75/$1000 of revenue (2.7% up)

*Table 23 – Risk Management Performance (*1 Annual Seminar; 1 D&O/ELL/EPL Seminar; 2 HRDD Safety Seminars)*

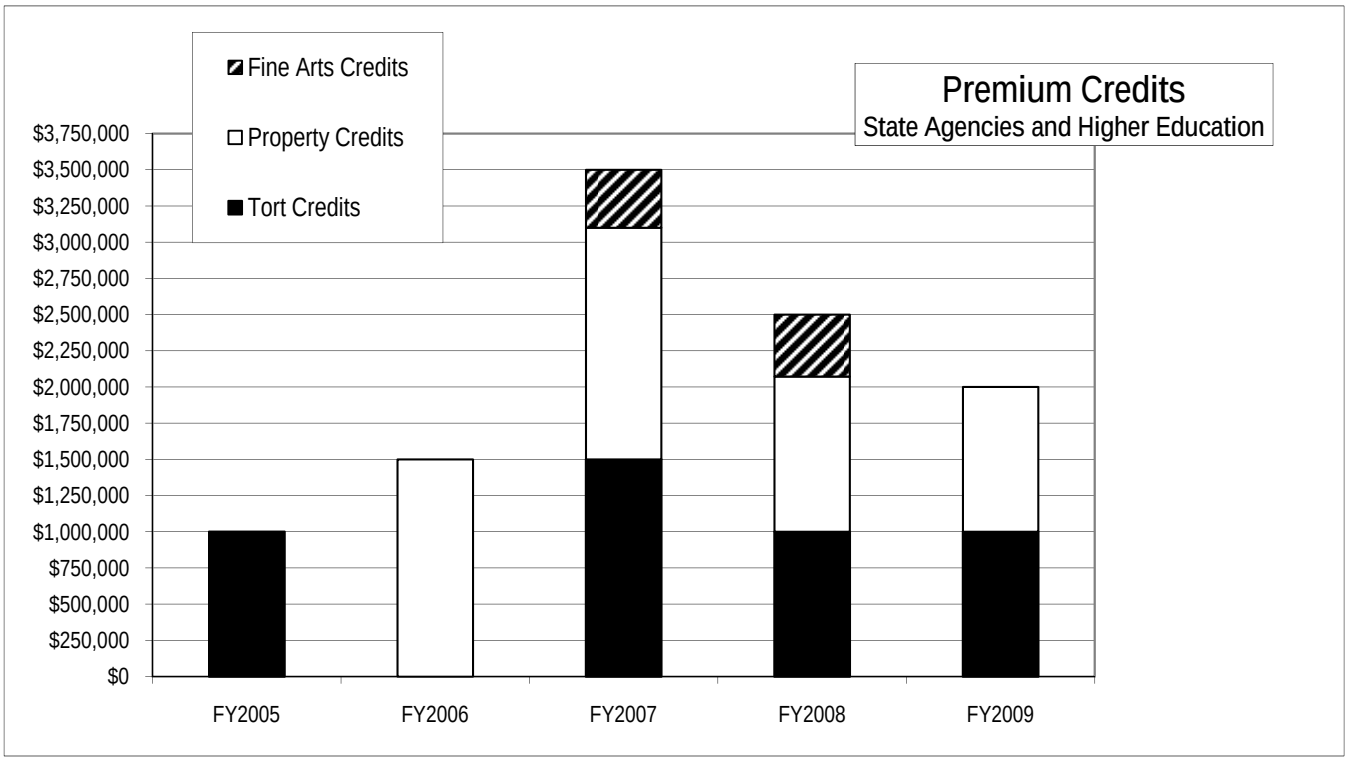


Figure 9 –Risk Management credits to agencies

Challenges

- Governmental action affecting financial and actuarial soundness of Risk Management Funds.
- MMSEA Section 111- obtaining required information from claimants where claims were settled prior to 7/1/2009 to present and before use of new claim form.
- MMSEA Section 111 and State Entities that have purchased their own liability insurance without following proper channels.
- New legislation with unknown financial impact on Risk Management Funds.
- Failure of agencies to maintain properties - especially roofs – related to claims of damage due to wind and hail.
- Agencies not timely and accurately reporting property values and/or changes, which can negatively impact renewal costs, Agency's premium budget, and Agency's recovery of a loss.
- Agencies not timely and accurately responding to Risk Management Program renewal surveys, which can negatively impact renewal costs.
- Agencies lack of commitment to Risk Control.
- To establish and maintain a current and continuous flow of pertinent information from Volunteer Fire Protection organizations usable to protect their assets and liabilities.
- To update Fire District files/coverage information on CSSTARS.

Roadblocks

- Agencies timely payment of invoiced insurance premiums.
- Maintain relatively flat program renewal rate variance over prior year to minimize and smooth impact on Risk Management Funds and to Agency budgets.
- Funds availability to cover unknown exposure created by MMSEA Section 111, in light of Governmental actions affecting Risk Management Funds.
- Accurate and timely processing of claims with Medicare components to assure compliance with MMSEA Section 111 reporting requirements to minimize possibility of $1,000/day/claim penalty, which, if imposed, would significantly impact Risk Management Funds and Agency budgets.
- Settlement of D&O/ELL claims in which bodily injury is alleged as one element of claim but for which no GTCA claim was filed and MMSEA Section 111.
- Identification of exposures associated with new legislation such as SB0487 and recent legislation, being SB930 and HB2863.
- Agencies not reporting claims, within Risk Management Rules timelines, can negatively impact Agency's recovery of a loss and may impact Agency budget.
- Increasing number of EEOC claims and unknown impact on Risk Management Funds.
- Obtaining non-jurisdictional liability coverage, in light of State budget issues.
- Providing insurance coverage for non-declared State owned assets.
- Obtaining commitment of Agency Risk Coordinators to attend Risk Management Seminars.

ADMINISTRATIVELY SUPPORTED AGENCIES

OKLAHOMA CAPITOL IMPROVEMENT AUTHORITY

Services

The Oklahoma Capitol Improvement Authority ("OCIA" or the "Authority") is authorized to issue bonds, notes or other obligations to finance construction of buildings or other facilities for the State of Oklahoma, its departments and agencies. OCIA may also issue refunding bonds to refinance its existing obligations, if economically feasible. Powers and duties of OCIA are set out in its enabling statutes at Title 73, Oklahoma Statutes, Section 151 et seq. OCIA exists to finance, construct and provide adequate and suitable office space and other needed facilities for departments and agencies of State government.

In addition, OCIA helps provide financing for highway infrastructure for continued economic development in the State. Its enabling laws allow OCIA to purchase land, and to erect, maintain and operate buildings for the use of State and federal agencies. Such improvements are generally financed through issuance of long-term OCIA obligations, which are in turn retired by rental payments made by agencies occupying the facilities. Members of the OCIA governing board are determined by statute.

Accomplishments / Initiatives

- An independent audit of financial records was commenced and completed with an unqualified report issued.
- Staff has received additional training on financial reporting in compliance with federal and state governmental rules and regulations.
- Monthly financial statements are routinely produced and presented to management.
- A procedure has been put in process that all financial documents are to be scanned.

Key Performance Indicators

- Letters informing agencies of their bond payments for fiscal year 2010 were sent, allowing them to include in their budget requests.
- Three bond closings were completed successfully.
- Vendor requests concerning past due invoices has continued to decline.

Challenges / Roadblocks

- Continued increases in construction cost impacts accuracy of initial design and cost estimation
- Uncertainty in the market results in estimates of bond interest rates given to agencies and the Legislature when a bond is proposed that may be different at the time of a bond issuance

PUBLIC EMPLOYEES RELATIONS BOARD

Mission

To act as the neutral party between eligible municipal employees, police and fire department members, their collective bargaining representatives and municipal employers to ensure the protection of all employment terms and conditions afforded such employees by law.

Objectives

To expeditiously and effectively carry out the intent of the legislature by holding ethical, trustworthy certification elections for the purpose of collective bargaining; and, to coordinate and act as a neutral representative on behalf of the State to hear and decide alleged unfair labor practice charges filed by employees protected by the laws administered by PERB.

Services

PERB schedules and coordinates elections for fire and police departments desiring collective bargaining representation pursuant to the Fire and Police Arbitration Act (FPAA) and for the municipal employees authorized representation pursuant to the Municipal Employee Collective Bargaining Act (MECBA). The Board must hold hearings to determine the appropriate bargaining unit of a municipal employee organization.

PERB also acts as the repository for unfair labor practice charges/prohibitive practice charges filed by individuals pursuant to the FPAA and MECBA. The Board holds hearings and issues decisions in such cases. Board decisions in MECBA cases may be appealed to the district court, however, decisions in FPAA cases may not.

Accomplishments / Initiatives

- Currently, there are 103 collective bargaining units across the state certified under the FPAA and 12 units certified under the MECBA. The number of clients served under the two Acts range in the thousands.
- PERB has handled over 484 documented cases to date. Most have gone to the Board hearings for decisions and orders. The Board's unique role significantly impacts the state's court system by settling cases prior to issues being elevated to the district court level. Very few cases are appealed and when they are, the appellate court usually rules in favor of the PERB.
- There are very few 'pending' cases at any given time because PERB Rules provide deadlines for briefs and a swift process that encourages communication between the parties, often times resulting in resolution before the scheduled hearing.

Key Performance Indicators

CY	Cases Filed	Decisions and Orders	Withdrawn and dismissed	Certifications
2009	10	7	4	3
2008	33	9	15	6

Table 24 – Cases, decisions and certifications

Challenges / Roadblocks

- Insufficient appropriated funding for additional responsibilities mandated by the MECBA, which include use of hearing officers, provision of official written transcripts of hearings and the purchasing of an Arbitrator List upon request.
- Due to the increase in cases, the Attorney General's Office has asked PERB to contract for the services of an Assistant Attorney General, required to attend board meetings and write the Board's final decisions and orders, for one-quarter time (approximately $22,000).

STATE USE COMMITTEE

Mission

To provide leadership and responsive accountability in directing State Use vendors in providing employment to severely disabled individuals while providing quality products and services to governmental entities throughout the State of Oklahoma.

Objectives

- Assist in creation of meaningful employment and income for persons with severe disabilities.
- Assist in providing quality products and services to governmental agencies at a fair market price.
- Improve vendor-agency relationship through customer relationship management.
- Promote the State Use Program to all state agencies, school and municipalities
- Complete the Economic Benefits Study to enhance the State Use Program.

Services

- Comprehensive Portal training for agency users
- Statewide contract development/management
- Fair Market research/development
- Vendor Training Program
- Procurement Schedule maintenance

Accomplishments / Initiatives

- Revision of the procurement schedule
- Update and revision of the state use rules

Key Performance Indicators

- Contract sales vs. man-hours of severely disabled
- Number of disadvantaged persons employed thru State Use Vendors

CY	Man Hours of Disabled	Change	FTE	Change	Contract Sales (000's)	Change
2006	1,259,054	-	617	-	$ 16,582.00	-
2007	1,265,475	1%	631	1%	$ 17,682.00	7%
2008	1,347,364	6%	660*	1%	$ 23,398.00	32%

*Table 25 – Contract sales vs. man-hours of severely disabled (*equivalent full time employee hours at 2040 hours per year, however, most disabled people do not work 40 hours per week)*

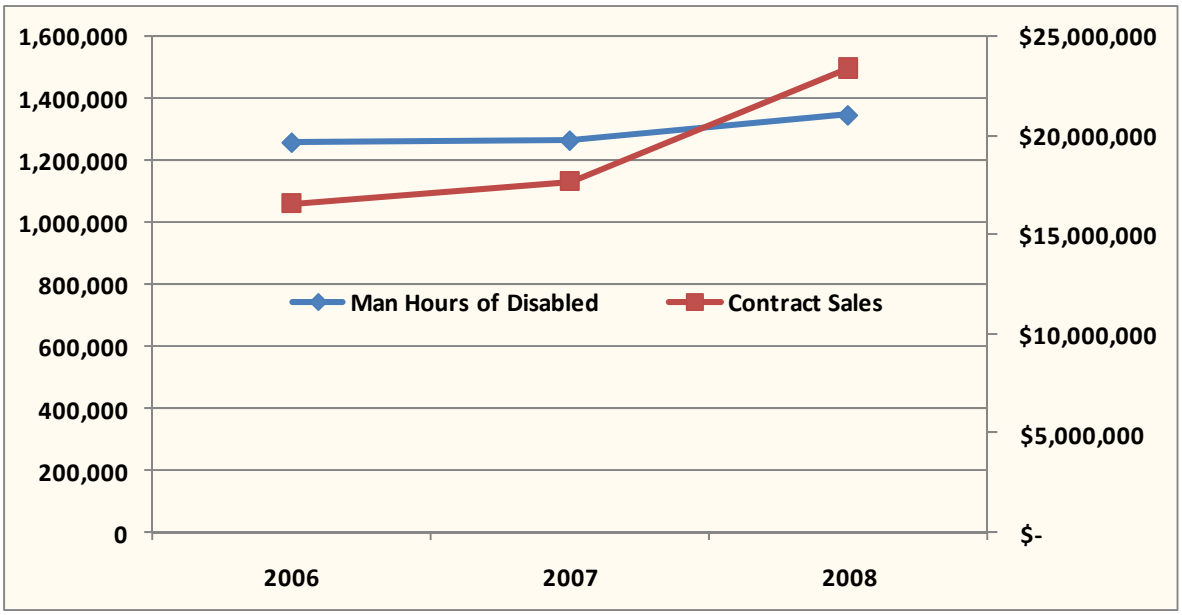


Figure 10 – Contract sales vs. man-hours of severely disabled

- Total number of contracts administered yearly - 65
- Number of vendor/agency complaints filed yearly - 9

Challenges

- Full reporting compliance of State Use vendors
- Timely review of all Fair Market Prices
- Proper disbursement of Purchase Orders and Change Orders to State Use Staff
- Integration of state use requirements within agency purchasing processes
- Insufficient training of State Use staff in PeopleSoft usage

CAPITOL PRESERVATION COMMISSION

Mission

The Commission was created in 1982 to plan and supervise the preservation and restoration of the interior and exterior of the Oklahoma State Capitol building. Similar responsibilities were added in 1983 with respect to the Governor's Mansion. The Commission also controls the display of art objects in public areas of the State Capitol and the first floor of the Governor's Mansion. The Commission consists of fifteen members.

Services

Oversight of all construction and renovation projects in the State Capitol and Governor’s mansion

OKLAHOMA CAPITOL-MEDICAL CENTER IMPROVEMENT AND ZONING COMMISSION

Mission

To promote the general welfare of the State of Oklahoma and private property owners by providing effective direction for the orderly development of the Capitol-Medical Center Improvement and Zoning District through the adoption, maintenance and equitable administration of a comprehensive plan, land use controls, and building and zoning regulations in keeping with accepted planning principals.

Objectives

- Adoption and Implementation of a Master Plan for the District
- Effective communication and promotion of policies and goals
- Promulgate zoning regulations to support dictates of the Master Plan
- Coordinate district and sub district development through the use of contemporary planning principals and zoning controls
- Conserve value of buildings, land and existing developments
- Encourage the most appropriate use of land throughout the district

Services

- Land Use Planning
- Code Enforcement
- Citizen's Participation

Accomplishments / Initiatives

- Master Plan Update/Zoning Regulations Update:
  Commission's enabling legislation states the Commission shall adopt and revise from time to time an official master plan for the district. The last plan update was 1994. Plans are typically updated every 10 years, the purpose being to acknowledge changed conditions, update census data and other statistics for the area for current & future land use and transportation planning.
- Increase Code Enforcement:
  Citizen's have asked for an increase in code enforcement and to enhance the contract with the City of Oklahoma for alleged zoning and maintenance violations. The Citizen's are proactively reporting violations of use and are requesting assistance to bring about zoning compliance throughout the district.
- Fee Schedule & Collection:
  It has been suggested that the Commission establish a fee schedule similar to those of City Planning Commissions. Fees would be charged for certain building and use permits. The funds collected would be placed in the operations budget for the Commission to enhance technology, services, and increase personnel.
- Data Collection/Electronic Mapping System:
  Infrastructure and mapping data has been collected. Once a master plan update is completed and other statistics collected it would be an asset to the Commission to combine all data into an electronic mapping system. To have all land use and property information combined in one file for convenience, quick retrieval, and historic information.
- Enhance Historic Preservation Standards:
  Residents and property owners in the historic preservation district and other potential preservation

district have asked for a standard or guideline to educate residents of the purpose and intent of historic preservation and its relationship to the zoning district.

Key Performance Indicators

- 40% Zoning Regulations Updated:
  40% of the zoning district regulations were amended to reflect current planning techniques, dictates/recommendations of the Zoning District Master Plan and the Oklahoma Health Center Master Plan -2007. Language was simplified for easier interpretation by the public.
- 100% Proactive Zoning Violations Investigated:
  100% of the proactive reporting of alleged zoning violation to Oklahoma City's Action Line and the Commission were investigated. 75% of the cases were resolved; 20% are still under investigation; 5% are pending Commission action or Municipal Court Action.
- 100% Infrastructure Date Collected:
  100% of the current infrastructure data for the zoning district was collected and electronically provided to the Commission by the City of Oklahoma. Water & Sewer Lines, and Storm Sewers locations can be immediately identified; as well as streets, easements, and street right-of-way.
- 5% Draft of Historic Preservation Standards:
  5% of a draft of Historic Preservation Standards/Guidelines as requested by property and home owners. Standards/guidelines are designed to support the historic preservation regulations; and to assist and guide the homeowner in selecting appropriate building materials and workmanship for the preservation of the architectural resources.

Challenges / Roadblocks

- Budgetary Restraints - Additional human resources would resolve work flow constraints, upgrade technology, and enhance service to the public as well as contribute to achieving the objectives of the Commission's enabling legislation (Title 73, Sections 83.1-83.14).
- Master Plan Update - Lack of financial resources prohibit a plan update that is typically done every 10 years (last update 1994) to recognize changed conditions and provide an analysis of the district to determine present and future direction in planning. Provide a planning strategy for the creation of an appropriate land use pattern that will allow for the continued growth and development of the Oklahoma Health Center and protection of the State Capitol Building and private sector ownership.
- The collection of fees for permits on a schedule at a rate typical to government planning commissions would assist in alleviating the financial strain.