

IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES

July 2018

Business Plan and Report to the Customer Council

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Mission Statement:

To deliver efficient and effective services to enable and support the mission and operations of our stakeholder agencies.

Vision Statement:

DAS will be an organization of excellence, providing services and support to meet our stakeholder agencies' needs and ever mindful of good stewardship in resource utilization.

Director Expectations:

- Mission focus
- Resource responsible (\$\$, time, etc.)
- Commitment to innovation
- Deliberately practice to succeed
- Commitment to excellence
- Actions add value
- Embrace diversity
- Learn from mistakes
- Recognize success / achievement
- High "Say/Do" ratio (Do what you say)
- Exemplify professionalism
- Treat all with respect
- No surprises - - bad news does not improve with age
- Take risks - - use judgment and risk analysis
- Have a sense of humor - - it is critical to survive in our environment - - and life!

Zero Tolerance for:

- Moral/ethical violations
- Discrimination
- Failure to own up to mistakes

Strategic Initiatives:

DAS is committed to contributing to Governor Reynolds' and Lt. Governor Gregg's goals of 1) Creating a Competitive Business Environment; 2) Developing the Most Innovative Energy Policy in the Country; 3) Educating our Children for the Knowledge Economy; and 4) Training Iowans for the Jobs of Tomorrow. DAS provides essential support services to agencies so agencies can focus on their respective core missions. DAS' contributions include:

- Assisting state agencies in attracting a talented and diverse workforce through competitive salaries and benefits
- Providing economical and efficient support services to other agencies (purchasing, mail services, fleet, maintenance, construction, energy management)
- Providing sound state accounting support through the collection and reporting of financial information

Customer Council

The Customer Council provides a link between the Department of Administrative Services and our customers – other state agencies. The Customer Council is under the purview of the Department of Management and is comprised of representatives from small (< 70 employees), medium (between 70-700 employees), and large (> 700 employees) customer agencies.

The Customer Council reviews and recommends action on the DAS Business Plan for the delivery of services to customer agencies.

Rate and Calculation Definitions

Allocation: “Allocation” is a combination of several calculations, which when added together, provides the total amount “allocated” to an agency for the use of a particular service based upon the proportionate share of the total for all agencies.

For example, the State's Accounting System allocation has various components: Payroll, I/3 financial, budget, and data warehouse. The Payroll component is allocated based on a five quarter average of filled permanent positions, while I/3 financial and budget are allocated based on an agency's revenues and expenses for all classification lines, excluding depreciation. The allocation for each component of I/3 is calculated individually for each agency and then summed to determine the “total I/3 allocation” for each agency. Other examples of allocations are Procurement and Mail Services.

Five-Quarter Average: Many of the core services DAS provides are charged to agencies based on a position count. The position count is comprised of the total number of filled permanent fulltime (FT) and part-time (PT) positions for five consecutive quarters ending with the third quarter of a fiscal year. HRIS is the source of the position count or, for agencies not on HRIS, directly from the

agency. For example, the five-quarter average used in the calculations and agency impacts for services billed in FY 2020 is the five-quarter average of filled permanent full-time and part-time positions ending third quarter of FY 2018.

Headcount: “Headcount” is the average number of filled permanent, temporary, seasonal and emergency positions over five consecutive quarters ending with the third quarter of a fiscal year. Headcount is the basis for unemployment claims administration charges to agencies.

Methodology: “Methodology” is the process used to identify how much of a service is utilized by an agency and thus, is charged. Examples include hourly rate, number of square feet of occupied space, number of vehicles assigned, class of vehicle, and positions filled.

Rate: “Rate” is calculated on either a monthly or an annual basis, depending on the service. The rate billed for a service is the same for all agencies and is based upon the methodology applicable to the specific service provided.

GENERAL SERVICES ENTERPRISE (GSE)

SERVICE DESCRIPTION	SERVICE NUMBER	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES	FY20 APPROVED RATES	FY20 PROPOSED RATES	FY21 PROPOSED RATES	METHODOLOGY
<u>Association Rate - Complex</u>	3897	\$4.86/sq. ft.	\$5.75/sq. ft.	\$5.75/sq. ft.	\$6.00/sq. ft.	\$6.25/sq. ft.		\$6.25/sq. ft.	Square footage of space occupied.
<u>Association Rate - Iowa Labs</u>	3820	\$5.47/sq. ft.	\$5.75/sq. ft.	\$5.75/sq. ft.	\$6.00/sq. ft.	\$6.25/sq. ft.		\$6.25/sq. ft.	Square footage of space occupied.
<u>Mail Administration</u>	3835	N/A	N/A	N/A	N/A	N/A		N/A	Allocation - Defined on page 5
<u>Design & Construction Services</u>	4095 or 4212	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$90.00/hr.	\$95.00/hr.	Hourly rate
<u>Leasing Management</u>	3900	\$0.05/sq. ft.	\$0.05/sq. ft.	\$0.05/sq. ft.	\$0.05/sq. ft.	\$0.05/sq. ft.		\$0.05 / sq. ft.	Based upon total current leased square footage
<u>Space Management</u>	3901	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.		\$85.00/hr.	Hourly rate
<u>State Surplus</u>	4451	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.	\$85.00/hr.		\$85.00/hr.	Cost is paid by surplus property sales proceeds

Association Rate – Capitol Complex/Iowa Labs

The Association Rate is based on the square footage occupied by the agency, including a pro-rata share of the common areas in the building, and covers the following:

- Facility Maintenance
- Life, health, and safety systems maintenance (HVAC, fire alarms, sprinklers, etc.)
- Locksmith services
- Custodial Services
- Electrical and emergency generation
- Customer Service Center
- Capitol Complex Maintenance Administration

Mail Administration

The Mail Administration Rate provides funding for mail services to State government in the Des Moines area. The DAS Mail Center meets agency needs for incoming and outgoing local and U.S. Postal Service letters, flats, and parcels by providing the following services:

- Delivery of incoming federal mail and interoffice mail to Des Moines area customers
- Pickup and processing of outgoing letters, flats, and parcels in the Des Moines area
- Signature mail services including certified, registered, and insured mail
- Mail administration and reporting

Design and Construction Services

The Design and Construction Services (D/C) Rate provides funding for the management and oversight for state agencies involved in facility design, construction, renovation and energy management. The rate is based on the actual expenditures of the D/C operation and is billed to the infrastructure project.

Leasing and Space Management

The Leasing and Space Management Rates provides funding for new lease negotiation, lease renewals, resolution of landlord/tenant issues, and development of space standards and allocations. This service also maintains a database of all leased property; architectural CAD drawings; available real estate inventory; design and reconfiguration of office and storage space; coordination of all voice, data, electrical, furniture and evacuation plans; assurance of code compliance with space and ADA guidelines; development of plans to meet both short and long-term strategic needs; and to ensure the most efficient use of space.

State Surplus

The State Surplus Rate provides funding for assistance with the disposal of surplus state property. An agency has the following options when disposing of state surplus property:

- **Transfer** surplus property to another state agency when the receiving agency has a business use for the surplus property.
- **Sell** surplus property through the state's contracted vendor, GovDeals.
 - GovDeals is an online auction service designed to enable city, county and state governments or agencies the ability to sell surplus and vehicles, property and equipment over the Internet.
 - GovDeals supports the redistribution of excess assets within public institutions.
 - If the surplus property does not sell during an auction, it may be donated to a not-for-profit organization coordinated through DAS.

HUMAN RESOURCE ENTERPRISE (HRE)

SERVICE DESCRIPTION	SERVICE NUMBER	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES	FY19 PROPOSED RATES	FY20 APPROVED RATES	FY21 PROPOSED RATES	METHODOLOGY
<u>Benefits</u>	3961	\$37.72 / Filled Position	\$37.72 / Filled Position	\$37.72 / Filled Position	\$37.72 / Filled Position		\$37.72 / Filled Position	\$37.72 / Filled Position	Filled Positions 5 qtr. average.
<u>Personnel Officers</u>	3970	\$85.34 / Filled Position	\$85.34 / Filled Position	\$89.87 / Filled Position	\$89.87 / Filled Position		\$89.87 / Filled Position	\$89.87 / Filled Position	Filled Positions 5 qtr. average.
<u>Merit Only Employment Services</u>	3963	\$23.68 / Filled Position	\$23.68 / Filled Position	\$23.68 / Filled Position	\$23.68 / Filled Position		\$23.68 / Filled Position	\$23.68 / Filled Position	Filled Positions 5 qtr. average.
<u>Merit and Non-Merit Employment Services</u>	3964	\$65.41 / Filled Position	\$65.41 / Filled Position	\$65.41 / Filled Position	\$65.41 / Filled Position		\$65.41 / Filled Position	\$65.41 / Filled Position	Filled Positions 5 qtr. average.
<u>Health Insurance Surcharge</u>	3958	\$24.00 / participant	\$24.00 / participant	\$24.00 / participant	\$24.00 / participant		\$24.00 / participant	\$24.00 / participant	Legislatively set rate
<u>Unemployment*</u>	3960	\$.0.95 / headcount	\$.0.95 / headcount	\$.0.95 / headcount	\$.0.95 / headcount	\$.0.51 / headcount	Set on an annual bases	Set on an annual bases	Headcount 5 qtr. average
<u>Flexible Spending*</u>	3955, 3956, 3957	\$36.00 /participant	\$36.00 /participant	\$36.00 /participant	\$36.00 /participant	\$38.00 /participant	Set on an annual bases	Set on an annual basis	Charge for participants signed up for Health Care and/or Dependent Care
<u>Workers' Compensation</u>	3859	N/A	N/A	N/A	N/A		N/A	N/A	Allocation - Defined on page 5
<u>Employee Assistance Program (EAP)*</u>	4474	\$6.00 / Filled Position	\$6.00 / Filled Position	\$6.00 / Filled Position	\$6.00 / Filled Position		Set on annual basis	Set on an annual basis	Filled Positions 5 qtr. average.
<u>Family Medical Leave Act (FMLA)*</u>	4546	\$19.20 / Filled Position	\$19.20 / Filled Position	\$19.20 / Filled Position	\$19.20 / Filled Position		Set on an annual basis	Set on an annual basis	Filled Positions 5 qtr. average.
<u>Training</u>	4557	N/A	\$19.57 / Filled Position	\$19.57 / Filled Position	\$19.57 / Filled Position		\$19.57 / Filled Position	\$19.57 / Filled Position	Filled Positions 5 qtr. average.

*Tentative rate – DAS revisits these rates annually as third-party provider contracts are negotiated/amended.

SERVICE DESCRIPTION	SERVICE NUMBER	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES	FY19 PROPOSED RATES	FY20 APPROVED RATES	FY21 PROPOSED RATES	METHODOLOGY
<u>Labor & Legal Services</u>	3965	\$41.61 / Filled Position	\$41.61 / Filled Position	\$41.61 / Filled Position	\$41.61 / Filled Position		\$41.61 / Filled Position	\$41.61 / Filled Position	Filled Positions 5 qtr. average.

Benefits

The Benefit Rate funds two main areas.

- The first is the Pre-tax team, which administers the premium conversion program, the deferred compensation program, the flexible spending program, including staff, third-party consulting services, and operational costs.
- The second is the Group Insurance (non-Health) and leave programs. These programs include the Life, Long Term Disabilities (LTD), dental insurance, Family Medical Leave, Military Leave, and covers staff costs, third-party consulting services, and operational costs.

Merit Only Employment Services

The Merit Only Employment Services Rate provides funding for the posting of vacancies on the DAS website, managing application submissions in the applicant tracking system, monitoring and updating NeoGov system functionality, evaluating applications for eligibility, issuing eligible lists, handling disqualification notices and appeals, including placement services for applicants and agencies.

Merit and Non-Merit Employment Services

In addition to the service mentioned above, the Merit and Non-Merit Employment Services Rate provides funding for program areas which apply to all employees, both merit covered and merit exempt. This includes the creation, updating and maintenance of the job classification system and associated databases, conducting salary and market surveys, position classification appeals, and managing temporary staffing contracts. This rate also supports the administration of Affirmative Action/Equal Employment Opportunity programs.

Health Insurance Surcharge

The Health Insurance Surcharge Rate is a monthly per contract administrative charge for each health insurance contract held by an active state employee. The amount of the surcharge is authorized by Iowa Code chapter 8A and set annually in the Administration and Regulation Appropriations Act.

Unemployment Claims Administration

The Unemployment Claims Administration Rate is a pass through of the State's third party vendor for the administration of unemployment claims. The rate is determined by an annual certification of participation letter submitted by each agency. The actual amounts billed are based on third party vendor costs and the Headcount of the participating agencies.

Flexible Spending

The Flexible Spending Account (FSA) Rate is a pass through rate of the State's third party vendor costs for the administration of health care and dependent care pre-tax programs.

Workers' Compensation

The Workers' Compensation Rate provides funding for the financial and administrative management of state employee workers' compensation benefits including the State's third party administrator and DAS staff who administer the program. The amount assessed to each agency is a combination of the following:

- Actual claims history
- Pro-rata share of the administrative charges
- Pro-rata share of the attorney general expenses.

Employee Assistance Program (EAP)

The Employee Assistance Program Rate is a pass through rate of the State's third party vendor costs to provide counseling services, at no cost, to employees who experience personal issues that impact work.

Family Medical Leave Act (FMLA)

The Family Medical Leave Act Rate is a pass through rate of the State's third party vendor costs to provide FMLA claims administration. Services include intake, certification, designation, administration, and reporting, as well as communication with employees, supervisors, and internal agency contacts.

Training

The Training Rate provides funding for the resources for Performance and Development Solutions (PDS) to offer training and development opportunities for State of Iowa employees. Depending upon the class attended, additional per class charges may apply. The vendor conducting the training collects these charges via pass through.

Personnel Officers

The Personnel Officer Rate provides funding for advice, guidance and problem resolution to assigned executive branch agencies concerning all Human Resources program areas. This includes organizational development, employee relations, performance management, position classification, and training and development.

Labor and Legal Services

The Labor and Legal Services Rate provides funding for legal advice regarding personnel matters; collective bargaining with employee representatives; matters pending before PERB; preparing for and conducting grievances, arbitrations and administrative hearings; and classification appeals.

STATE ACCOUNTING ENTERPRISE (SAE)

SERVICE DESCRIPTION	SERVICE NUMBER	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES	FY20 APPROVED RATES	FY21 PROPOSED RATES	METHODOLOGY
Integrated Information for Iowa (I/3)	3999	N/A	N/A	N/A	N/A	N/A	N/A	Allocation - Defined on page 5

Integrated Information for Iowa

The Integrated Information for Iowa (I/3) Rate provides funding for the administration and maintenance of the state's accounting system. The allocation methodology is based on module costs and a combination of allocation methods for three modules:

- Finance & Procurement module is a combination of the agency's proportion of the statewide filled permanent full-time and part-time positions, expenditure dollars, and revenue dollars.
- Budget module is a combination of the agency's proportion of statewide expenditure dollars and revenue dollars.
- Human Resources module is the agency's proportion of the statewide filled permanent full-time and part-time positions.

The cost assessed is the proportionate share of the combined total calculated by module for each agency based on the Five Quarter Average filled permanent positions, and agency revenues and expenditures.

CENTRAL PROCUREMENT/FLEET SERVICES ENTERPRISE (CPFSE)

SERVICE DESCRIPTION	SERVICE NUMBER	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES	FY19 PROPOSED RATES	FY20 APPROVED RATES	FY21 PROPOSED RATES	METHODOLOGY
Blanket Bond* (Methodology & Annual Billing)	3903	\$0.81 / Filled Position	\$0.80 / Filled Position	\$0.80 / Filled Position	\$0.80 / Filled Position		Set on an annual basis	Set on an annual basis	FY18– Headcount ¹ Provided by IDOM Spring 2018
Purchasing	3905	N/A	N/A	N/A	N/A		N/A	N/A	<i>Allocation - Defined on page 5</i>
Fleet Management	3890	\$256.83 / vehicle	\$256.83 / vehicle	\$256.83 / vehicle	\$256.83 / vehicle		\$256.83 / vehicle	\$256.83 / vehicle	Number of vehicles assigned to each agency as of 4/30/2018
Fleet Purchase / Depreciation (Methodology)	3891	N/A	N/A	N/A	N/A		N/A	N/A	Rate based on vehicle class and est. months of service
Risk Management (Vehicle Self Insurance)**	3892	\$284.76 / vehicle	\$284.76 / vehicle	\$284.76 / vehicle	\$284.76 / vehicle	\$346.91 / vehicle	Set on an annual basis	Set on an annual basis	Number of vehicles assigned to each agency as of 4/30/2018
Motor Pool (Methodology)	3866	N/A	N/A	N/A	N/A		N/A	N/A	Daily or Per Mile Methodology by Vehicle Class (See Page 16)

*Tentative rate – DAS revisits these rates annually as third-party provider contracts are negotiated/amended.

** Reviewed annually. Rate is dependent on fleet size and claims experience.

1-Headcount – Number of filled positions from multiple payroll systems, plus Board & Commission Members.

Blanket Bond

The Blanket Bond Rate provides funding for protection against State employee embezzlement. The fee is based on the proportionate number of agency filled positions, including board and commission members and the Board of Regents institutions. It is a pass through from a third party vendor.

Purchasing

The Purchasing allocation supports the procurement of goods and services for state agencies. The allocation is based on that portion of Procurement's annual budget not funded by anticipated vendor rebates and agencies' use of master agreements from the most recent completed fiscal year.

Fleet Management

The Fleet Management Rate provides funding for the administration of the State's vehicle fleet to include the fuel card program, vehicle repairs administration, state and federal statutory compliance for alternative fuels and Corporate Average Fuel Economy (CAFÉ) requirements, and industry recalls/technical advisories.

Agencies are assessed a fee based on the Fleet Management budget and the number of in-service vehicles as a proportion of the total in-service fleet.

The rate is determined by dividing the annual budget for the Fleet Management service by the number of vehicles in service as of April 30.

Fleet Purchase / Depreciation / Methodology

The Depreciation Methodology and Rate provides funding for the systematic replacement of vehicles. The rate varies by vehicle type and is based upon 80% of the acquisition cost, divided by a useful life, in months. For a general use vehicle, the formula assumes a 72-month vehicle life cycle.

Risk Management (Vehicle Self Insurance)

The Risk Management Vehicle Self Insurance Rate provides funding for driver insurability assessment, state vehicle collision and accident liability coverage, mediation services to minimize state liability, and recovery for damages when the state is not at fault. The rate includes investigation, negotiation and settlement of all liability, collision and comprehensive claims coverage.

The rate is based on claims experience for the annual budget. The annual budget is divided by the number of vehicles in service on April 30. Agencies pay the annual per vehicle charge which is billed over twelve months.

Motor Pool Methodology

The Motor Pool Methodology is based on the cost to operate and maintain each vehicle class (compact, mid-size, full-size) on a per mile basis. The costs include fuel, maintenance, depreciation, etc.

For FY2019, a motor pool vehicle driven 50 or fewer miles per day will be charged at the daily rate. A motor pool vehicle driven more than 50 miles will be charged at the per mile rate.

SERVICE DESCRIPTION	FY15 APPROVED RATES	FY16 APPROVED RATES	FY17 APPROVED RATES	FY18 APPROVED RATES	FY19 APPROVED RATES *	FY20 APPROVED RATES	FY21 PROPOSED RATES
<u>Compact</u>							
Per mile	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34	Set on an annual basis	Set on an annual basis
Daily	\$17.00	\$17.00	\$17.00	\$17.00	\$17.00		
<u>Mid-Size</u>							
Per mile	\$0.36	\$0.36	\$0.36	\$0.36	\$0.36	Set on an annual basis	Set on an annual basis
Daily	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00		
<u>Full-Size</u>							
Per mile	\$0.37	\$0.37	\$0.37	\$0.37	\$0.37	Set on an annual basis	Set on an annual basis
Daily	\$18.50	\$18.50	\$18.50	\$18.50	\$18.50		
<u>Mini Van</u>							
Per mile	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	Set on an annual basis	Set on an annual basis
Daily	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00		

*Tentative rate – DAS revisits these rates annually as the costs for fuel, parts, and maintenance fluctuate

Combined Agency Impact Statement