DES Central Services

June 10, 2014
The Department of Enterprise Services

• Formed in October 2011 by consolidating all or parts of:
  – Office of Financial Management
  – Department of Personnel
  – Department of Information Services
  – Department of General Administration
  – Department of Printing

• Despite the challenge of merging 5 different agencies’ staff, charts of accounts, cultures, etc., DES has become one integrated agency.
Introduction

• Several rates for DES services are under review at this time.
• DES will continue to work toward these principles in our rates:
  – Easy to understand
  – Accurate
  – Fair
  – Predictable
  – Supportive of Enterprise Goals
• For this presentation, OFM approved 13-15 rate methodologies are used.
Central Service Billing Rates

Service Types

• **IT Services**
  – Access Washington
  – HRMS Production Support
  – Enterprise Systems Fee
  – Geospatial Portal Service

• **Risk Management**
  – Risk Management Admin

• **Personnel Services**

• **Facilities Services**
  – Capitol Campus Occupancy
  – Public and Historic
  – Finance Cost Recovery
  – Capital Project Surcharge
  – Real Estate Services (lease renewals)
  – Perry Street Daycare

• **Small Agency Services**
  – Small Agency HR
  – Small Agency Finance
Central Service Billing Rates

IT Services

- **Access Washington (access.wa.gov)**
  - The online portal to Washington state and local government services.
  - The costs of hosting and supporting this web portal are allocated to all state agencies based on budgeted FTE’s.
HRMS Production Support

- The debt service costs for the Human Resource Management System (HRMS).
- These debt service costs are allocated to state agencies based on budgeted FTE’s.
  - The costs for maintenance and support are covered under the Enterprise Systems Fee (next slide).
- The debt for HRMS is scheduled to be paid off in 2016!
Central Service Billing Rates

IT Services

- **Enterprise Systems Fee**
  - DES provides system hosting, maintenance, support, and other services for enterprise IT systems, such as:
    - Financial Systems (AFRS, etc.)
    - HR, Labor Relations, Payroll (HRMS, etc.)
    - Enterprise Reporting
    - Contract and Procurement (WEBS, etc.)
    - Budgeting Systems (BDS, etc.)
    - DES Usability Lab
  
  - The maintenance and support costs of these systems and services are allocated to all state agencies based on budgeted FTE's.
Central Service Billing Rates
IT Services

• Geospatial Portal Service
  – Provides a common platform and point of access, efficient data storage, and effective software licensing for geospatial data and associated services.
  – The costs for these services are allocated to state agencies using a 4-part index:

<table>
<thead>
<tr>
<th>Factor</th>
<th>As measured by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current use of the portal</td>
<td>Quantity Downloaded</td>
</tr>
<tr>
<td>Likelihood of use</td>
<td># of GIS staff in the agency</td>
</tr>
<tr>
<td>Investment in GIS</td>
<td>$ paid for software maintenance</td>
</tr>
<tr>
<td>Potential use</td>
<td>GIS activity and # of budgeted FTE’s</td>
</tr>
</tbody>
</table>
• Risk Management Administration
  – The DES Risk Management Program administers the Self Insurance Liability program. The operating costs (salaries, admin for insurance products, etc.) are distributed to agencies using a calculation that considers multiple factors.
  – The formula for this rate considers:
    • Claims administration services (80% of cost, based on 5 years claim history),
    • Commercial insurance services (10% of cost, considers the % of the overall commercial insurance premium is represented by each customer), and
    • Loss prevention services (10% of cost, based on budgeted FTE count).

*Potential change in 15-17 of the distribution methodology.
Personnel Services Fee

- Pays for enterprise human resource services to help state agencies recruit, develop, support and retain a skilled and engaged workforce.
- Services covered by this fee include:
  - Recruitment services
  - Some costs of Training
  - Employee Assistance Program (EAP) services
  - Layoff support
- The costs of these services are allocated to state executive branch agencies based on budgeted FTE’s.
Central Service Billing Rates

Facilities Services

• Capitol Campus Occupancy
  – Charged to tenants of the office buildings on the Capitol Campus.
  – This includes the costs of:
    • Maintenance and Operations
    • Utilities and Contracts
    • Parking Surcharge
  – These campus-wide costs are allocated to tenants based on their portion of the total rentable square footage (RSF).
  – Factors that could lead to changes in the rate include:
    • Utility cost increases
    • Elevator maintenance cost increases (vendor contracts)
    • Capitol Campus Enforcement
• Public and Historic Facilities Fee
  – Covers the building costs, visitor services, utilities and a basic level of custodial and maintenance services for the Public and Historical spaces and monuments around the Capitol Campus.
  – Costs are allocated to state agencies based on their budgeted FTE’s in Thurston County. The 13-15 allocation equals approx. $228 per FTE.
• Finance Cost Recovery
  – This charge covers both principle and interest for capital project improvements in DES-owned facilities.
  – The tenant agencies that occupy the space are charged.
  – Because the costs of the projects vary, the charges vary between buildings and agencies.
Central Service Billing Rates
Facilities Services

• Capital Project Surcharge
  – This charge is collected to cover the cost of capital improvements in DES-owned facilities, both On- and Off-Campus.
  – The costs are distributed to tenants of these facilities based on their assigned rentable square feet (RSF), although the charges vary by building.
    • $2.39/RSF for all except
      – $1/RSF Legislative Facilities
      – $2/RSF Highway/License Bldg and NRB
• Real Estate Services – Lease Renewals
  – This allocation covers the costs to perform lease renewals for agencies that occupy non-state-owned facilities.
  – Costs are distributed to customer agencies based on three factors:
    • Rentable square feet of the lease
    • Value of the lease
    • # of leases managed by DES Real Estate Services
Central Service Billing Rates
Facilities Services

- Perry Street Daycare
  - The facility costs (debt service, utilities, maintenance and operation, etc.) of the Perry St. Daycare building are allocated to state agencies.
  - The costs are allocated based on an adjusted # of Thurston County FTE’s.
**Other Rates**

**Risk Management**

- Self-Insurance Liability Account Premium
  - The liability account is used to pay tort claims, judgments, and settlements arising from general liability and vehicle accidents for which the state is found to be wholly or partially negligent.
  - Premiums are computed biennially for each state agency, board, and commission based on claim experience (six years of incurred costs).
• The DES Master Contracts and Consulting (MCC) program develops contracts for use by state agencies and local governments.

• For the 13-15 biennium, DES transitioned from a fee structure that involved 9 different fee types to 1 standard fee.

• The new fee is a 0.74% charge on the usage of state master contracts, paid for by contract vendors.
DES provides numerous other services with competitive rates. Following the presentation, DES staff will be available to describe many of these services and explain the fee structure used to charge for them.

These services include:

- Consolidated Mail Services
- Facility Services
  - Custodial
  - Refuse and Recycle
  - Various Trades (Carpentry, Painting, etc.)
- Fleet Services
- Printing and Imaging
- Production Services (Mainframe printing)
- Surplus Services
Thank you for your business!