Admin MINNESOTA

Department of Administration

Biennial Performance Report

1997- 1998

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1997-1998 Biennial Performance Report
Department of Administration

INTRODUCTION

AGENCY MISSION

The Department of Administration's mission is to provide business management and administrative services that improve the productivity and quality of Minnesota government.

AGENCY GOALS

The Department of Administration (Admin) has adopted the following key goals, which reflect agency priorities, to provide clear direction and guide the department's operations:

- Provide quality goods and services in a timely, cost-effective manner to simplify government operations
- Satisfy the needs of customers for quality and services within the statutory framework
- Maximize the use of the state's financial resources for capital investments by providing long-term planning, construction oversight and facility management

Admin's mission and goals combined provide the essential foundation for the specific division goals and objectives. In turn, these become the basis for the performance measures contained in this report.

This report focuses only on the large, major programs of the department; specifically, those activities essential to and consistent with its mission. Accordingly, it does not include every Admin division, program or responsibility. (There are some 24 different operating units or divisions within the department.) Several functions are not considered for inclusion because in those cases the department's primary role is only to provide administrative support (e.g., Council on Developmental Disabilities, STAR Program). Others are excluded because they represent agency-wide administrative functions that support all department operations (e.g., Human Resources Division, Financial Management and Reporting Division). Finally, others are not represented here because they are of a temporary, short-term duration, report to an independent board, or represent the smallest of the agency's divisions (e.g., the Year 2000 Office, Intergovernmental Information Systems Advisory Council, Office of State Archaeologist).

AGENCY ORGANIZATION

The department is organized into five major units. Management activities – divisions – located within these units perform Admin's delegated responsibilities. The divisions included in this report are:

InterTechnologies Group

Operations Management Bureau
- Communications Media Division
- Materials Management Division
- Risk Management Division
- Travel Management Division

Facilities Management Bureau
- Building Construction Division
- Building Codes & Standards Division
- Plant Management Division
- Real Estate Management Division
- Employee Assistance Program

Information Policy Analysis Division

Management Analysis Division

GOALS, OBJECTIVES AND MEASURES

Division goals, objectives and measures included in this report provide a record of state government performance as delivered through Admin services. The report contains at least one useful, relevant performance measure for each program area. Again, the programs included represent key agency responsibilities, which, in addition to their conformance with the agency mission, typically correspond to areas within the department having significant budget authority and/or relatively greater numbers of personnel.

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ESCRIPTION OF SERVICES:

The InterTechnologies Group's services include computer processing, data storage, telecommunications and 9-1-1. Over 95% of these services are delivered on a fee-for-service basis. The two exceptions are the 9-1-1 activity (supported through a special revenue fund) and the telephone communications center, which receives a small general fund appropriation to support the staff responsible for answering and directing telephone calls made to the state's general information number. The services provided by InterTech help public sector organizations to:

- Automate new and existing business processes, improving government efficiency;
- Deliver public information to citizens by means of reliable electronic access;
- Leverage the state's purchasing power to buy commonly used, generic services in quantity; and
- Make the most of the federal funding received by some agencies to support their programs.

Goal 1: Operate quality, cost-effective information and telecommunications services, including management, consultation and design services

Objective: Hold flat or reduce aggregate rates each fiscal year

Measure: Percent aggregate rate reduction

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percent Reduction						
1996 Estimate			7%e	2%e		
Actual	13%	13%	4%	0%	5%e	2%e

EFINITION:

The percent reductions shown are based on InterTech's aggregate rates for transport, storage and processing services.

RATIONALE:

Rate reductions are indications of InterTech's competitive standing compared to alternate providers. Throughout the technology industry, rates decline as automation reaches new levels of sophistication and capability.

In managing the revolving fund, InterTech scrutinizes its rate structure because customers may take their business to other providers if a thorough comparison of costs and benefits indicates it is in the state's best interest. Such decisions should be made cautiously, because independent benchmarking services have pointed out the difficulty of comparing specific costs in computer processing and telecommunications environments. When conducting an analysis, benchmark service organizations ensure that costs are consistent.

DATA SOURCE:

InterTech publishes an annual rate package. Rates are recalculated each fiscal year using volume information from customers to establish resource requirements. The complete rate package is reviewed and approved by the commissioners of Administration and Finance before being incorporated into InterTech's billing system. Comparative industry figures are available from benchmarking sources such as Gartner Group and Compass.

DISCUSSION OF PAST PERFORMANCE:

InterTech develops rates in a two-step process. First, customer volume projections are evaluated. Then InterTech determines the resources (and associated costs) necessary to produce customer's projected workloads. If actual volumes exceed customer projections, there is a corresponding imbalance in the revolving fund. This is particularly likely to happen when new application systems are ıstalled for operation. As applications mature and stabilize, volume projections become more reliable. Increased cooperation between InterTech and its customers has improved the accuracy of volume projections and budgets, ensuring a more predictable fund flow and a stable service environment.

Goal 2: Manage the intertechnologies revolving fund such that agencies pay only for the cost of services used including reasonable overhead costs, and to maintain a competitive position with regard to alternative providers

Objective: Demonstrate cost-effective use of resources required for customer service delivery

Measure 1: Revolving fund revenue earned per employee

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Revolving Fund Revenue						
1996 Estimate			$65,068,278e	$69,364,656e		
Actual	$57,827,282	$59,693,196	$63,377,431	$70,528,879	$71,000,000 e	$72,995,000 e
Average Annual Employees						
1996 Estimate			258e	267e		
Actual	262	250	255	251	264 e	272 e
Revenue Per Employee						
1996 Estimate			$252,203e	$259,793e		
Actual	$220,715	$238,773	$248,539	$280,992	$268,939 e	$268,364 e

DEFINITION:

InterTech's revenue per employee figure is achieved by dividing the annual revolving fund revenue by the average number of employees who are on staff during that fiscal year. The measure illustrates how staff resources have been leveraged as revolving fund activity has increased.

RATIONALE:

The growth in the volume of business conducted at InterTech is measured by the increase in annual revenue. It must be noted that revenue has increased despite annual rate reductions. Put another way, the price per unit of service has decreased, the amount of units delivered has increased, and the number of employees producing the units of service has remained relatively constant.

In addition, InterTech's portfolio of services has expanded – and diversified – particularly since the advent of the state's leased network, which carries data and video telecommunications services. Effective management of staff resources and the utilization of technical tools where possible have allowed InterTech to keep the growth in staff levels to a minimum while producing a significantly greater volume of business.

DATA SOURCE:

Staffing levels are obtained from organization charts produced bimonthly by InterTech. Revenue figures are available from InterTech's monthly financial statements.

DISCUSSION OF PAST PERFORMANCE:

InterTech has effectively leveraged its staff resources while keeping pace with the information technology needs of customers. The number of employees has remained virtually constant during InterTech's implementation of such systems as MAXIS for DHS and MAPS/SEMA4 systems. More recently, InterTech has managed the implementation of the state's leased telecommunications network.

oal 2: Manage the intertechnologies revolving fund such that agencies pay only for the cost of services used, including reasonable overhead costs, and to maintain a competitive position with regard to alternative providers

Objective: Demonstrate cost-effective use of resources required for customer service delivery

Measure 2: Computer processing capacity (expressed in millions of instructions per second -- MIPS)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
MIPS						
1996 Estimate				1060e		
Actual	500	780	985	1204	1261e	1421e
Hardware & Software Investment						
1996 Estimate			$21,403,000e	$20,648,888e		
Actual	$15,419,016	$16,527,907	$11,821,312	$12,298,673	$15,350,000e	$14,000,000e
Average Cost per MIPS						
1996 Estimate			$23,914e	$19,480e		
Actual	$30,838	$21,190	$12,001	$10,215	$12,173e	$9,852e

DEFINITION:

The number of MIPS available is an indication of the amount of processing workload handled at InterTech's computer center. Dollars invested in hardware and software have remained relatively constant during the period. Cost per MIPS is a standard industry measure a data center's performance.

RATIONALE:

Acquisitions of additional processing capacity are matched to customers' estimated workload volumes; excess capacity is kept to a minimum. Processing capacity at InterTech has increased during the period. Hardware and software expenditures have been leveraged to keep up with the constant growth and maintain workload volumes, but remain relatively steady.

DATA SOURCE:

InterTech's internal reports and benchmark studies conducted by external sources.

DISCUSSION OF PAST PERFORMANCE:

To verify its performance, InterTech has conducted benchmark studies, using independent consulting firms.

- Using **1990-1991** data, Peat Marwick determined that InterTech's costs were above the Nolan/Norton benchmark.
- In **1994**, Waypoint Associates determined that InterTech's costs were as much as 15% below those of comparable data centers, using Nolan/Norton data.
- In **1996**, Compass America, Inc. studied InterTech's data center and network activities. This study identified savings to the state of $3.4 million annually, due to data center efficiencies, and another $1.2 million annually due to network efficiencies.
- The **1998** benchmark studies were conducted by Gartner Group. InterTech's cost-efficiency ratings placed among the top 15% (data center) and 10% (network) most efficient organizations in Gartner's database.

DESCRIPTION OF SERVICES:

The division provides products and services in support of the department's mission to assist state agencies in their daily operations.

- *PrintComm* provides a variety of cost-effective graphic services utilizing innovative technology and personalized customer service to Minnesota government. Services include convenient 'quick copying,' networked digital printing, color copying, high-end film output, design services, file manipulation, offset printing, finishing, mailing and delivery.
- *ReComm (Minnesota's Bookstore)* operates as a centralized publishing house for government and related products sold to the public. It also operates the state's Mailing List Service and publishes the *State Register* and *State Register Contracts Supplement.*
- *MailComm* provides mailing services including metering and processing of outgoing federal mail and inter-office mail services to state agencies located in St. Paul. It also provides addressing, inserting, pre-sorting and bulk mail service for state agencies.
- *DocuComm* provides document management services to state and local government. These services include conversion of documents to microfilm or compact disk, systems consulting and secure warehouse storage of files or electronic back-ups.

Goal 1: Provide quality, cost-effective central duplicating, printing and mail services for state agencies

Objective 1: Maintain pricing for printing jobs at least 5% below average private-sector pricing for comparable products

Measure: State rate compared to private sector of comparable products

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percentage Rate Differential						
Actual	(20%)	(13%)	(18%)	(18%)	(5%)e	(5%)e

DEFINITION:

PrintComm offers a variety of printing jobs. This measure compares the average pricing for jobs produced at PrintComm to the average pricing for jobs produced by private-sector printing companies.

RATIONALE:

To meet the program purpose, printing services must be cost-effective. Comparing in-house prices to those of private-sector companies demonstrates relative cost effectiveness.

DATA SOURCE:

Price comparisons are conducted with the assistance of an outside, objective entity. Comparisons are completed by creating a package of printing specifications for each job type, sending one or more of those specifications to representative private printing companies and asking those companies for a price quote. PrintComm also generates a price quote using its standard pricing policy and practices.

PAST PERFORMANCE:

A printing operation requires periodic investments in new equipment, processes and employee training in order to meet customer requirements for delivery and quality. In the mid-1990s, PrintComm began to implement its strategic plans for equipment replacement and technology investments.

PLAN TO ACHIEVE TARGETS:

Plans include continued implementation of equipment and technology strategies, close management of expenses, efforts to maximize the capacity of the operation through marketing and pricing incentives and ongoing improvements in processes and productivity.

OTHER FACTORS AFFECTING PERFORMANCE:

PrintComm prices depend on achieving work volume as projected by production capacity planning. If customers reduce the amount of work they choose to purchase from the operation, the pricing on jobs may increase to offset the reduction of jobs produced.

Goal 1: Provide quality, cost-effective central duplicating, printing and mail services for state agencies

Objective 2: At least 90 % of all paper purchased for printing jobs will be recycled and have a minimum of 10% post-consumer waste content

Measure: Percent of recycled paper purchased

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percentage Rate Differential						
1996 Estimate			94.0%	94.0%		
Actual	93.8%	94.1%	96.5%	97.9%	90%e	90%e

DEFINITION:

PrintComm purchases paper to be used in producing its printing jobs. In support of the environmental printing statutes (M.S. 16B.122), PrintComm has attempted to increase the number of jobs which are printed on recycled paper which has a minimum of 10% post-consumer waste.

RATIONALE:

This measure is an indication of PrintComm's success in supporting the environmental printing statute. Support for this statute is important to improving the quality of state operations.

DATA SOURCE:

Monthly reviews and annual statistics of PrintComm's paper purchase orders are utilized to measure this percentage.

DISCUSSION OF PAST PERFORMANCE:

PrintComm's continued efforts to educate customers about the environmental printing statute and customers' increased desires to support that statute have resulted in significant improvements in this measure. In addition, more recycled paper options are available to meet those customer requirements for appearance, price and quality. It is important to note that PrintComm has actually exceeded this performance objective in another critical way—for the past two years, all PrintComm house stock has contained 20% post-consumer waste. Beginning on November 23, 1998, all house stock contains 30% post-consumer waste.

PLAN TO ACHIEVE TARGETS:

The operation will continue its efforts to educate and influence customers to choose recycled paper.

OTHER FACTORS AFFECTING PERFORMANCE:

State agencies can justify exemption from the statute, which only requires compliance when "practicable."

Goal 1: Provide quality, cost-effective central duplicating, printing and mail services for state agencies.

Objective 3: Achieve annually a 95% or better same-day processing turnaround on first-class mail.

Measure: Percentage of first-class mail processed on the day received.

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percentage Rate Differential						
Actual	97.6%	97.8%	96.9%	97.2%	95%e	95%e

DEFINITION:

First class mail not processed the same day will be measured.

RATIONALE:

This measure was designed to monitor service and dependability.

DATA SOURCE:

The operation tracks on a daily basis the amount of mail that is not processed the same day.

DISCUSSION OF PAST PERFORMANCE:

This was not an activity that was measured prior to F.Y. 1994. Related to this measure is the handling of inter-office mail. During F.Y. 1997, MailComm conducted a labor intensive, three-month test to measure the handling of the state's inter-office mail. During this test period, 100% of all inter-office mail was sorted within 24 hours of being delivered to MailComm. Timely processing of inter-office mail continues to be a critical objective for MailComm's staff.

PLAN TO ACHIEVE TARGETS:

Processing the daily mail to achieve this target performance requires ongoing monitoring of workload throughout the day. As needed, the manager of the operation adjusts resources to ensure that the target is met. This requires teamwork and continued cross-training of MailComm employees.

OTHER FACTORS AFFECTING PERFORMANCE:

It is difficult for MailComm to project daily mail volume. Sudden increases of workload can occur at a time when it is not possible to have adequate resources to get the mail processed before day's end.

Goal 2: Provide quality, cost-effective document conversion services and products for state agencies, including the operation of a records center

Objective: Maintain pricing for document conversion products and services that is at least 5 percent below the average of private-sector pricing for comparable products and services

Measure: Comparison of private-sector rate to state rate

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percentage Rate Differential					
1996 Estimate		(8.0%) e	(5.0%) e		
Actual		(8.8%)	(5.3%)	(0.4%) e	5% e

DEFINITION:

DocuComm provides a variety of products and services relating to document conversion and management. This measure compares DocuComm pricing to the average pricing in the outside, private sector for comparable products and services.

RATIONALE:

This measure was designed to meet the program purpose and to ensure that the program is cost-effective. Comparing in-house prices to private-sector companies demonstrates relative cost-effectiveness.

DATA SOURCE:

Benchmarking has been conducted with the assistance of an outside, objective entity. These comparisons have been done by creating a package of specifications that represent typical products and services delivered by the operation. The specifications are provided to outside, private-sector companies to obtain price quotes. At the same time, DocuComm also generates a price quote using its standard pricing policy and practices.

DISCUSSION OF PAST PERFORMANCE:

DocuComm is currently completing a major operational transformation that began in F.Y. 1997. A key factor driving the need for this transformation was technology. In the past, DocuComm's main document conversion technology was microfilm. This is old technology, which no longer meets the needs of many customers who require electronic access to various types of information converted from a variety of hard-copy formats. As a result, DocuComm has implemented a strategic technology migration that has enabled it to meet the current and emerging needs of customers. These new formats include compact disks and computer-output microfilm. The operation has made key investments in equipment and employee training.

PLAN TO ACHIEVE TARGETS:

New technology is in place, and employees have been trained to utilize it in an effective and productive manner. This has positioned the operation to be more price competitive.

OTHER FACTORS AFFECTING PERFORMANCE:

Achieving and maintaining competitive pricing requires that certain volumes of work be sustained to match projected available capacity. If customers reduce the amount of work they choose to have done at this operation, prices may need to be increased to offset the work reduction.

Goal 3: Sell official, reports, documents and other products and publications at market rates

Objective: Increase by 5% annually the number of state agency products acquired for sale and distribution

Measure: Number of new state agency products acquired

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Percentage Rate Differential						
1996 Estimate			49e	51e		
Actual	44	47	50	52	55e	60e

DEFINITION:

The number of state agency products that are carried at Minnesota's Bookstore is tracked on an annual basis. Because the store's primary mission is to sell government products, it is important that new products be added each year so that the expanded inventory and new markets can support both production and administrative costs associated with the unit. Product expansion also supports the initiative of providing the public with cost-effective, 'one-stop shopping' for state products and information.

RATIONALE:

The number of state agency products carried at Minnesota's Bookstore is tracked on an annual basis. It is important that new products are added each year so that the expanded inventory and new markets can support production and administrative costs associated with the unit.

DATA SOURCE:

The number of new products is traced on an annual basis through sales reports.

DISCUSSION OF PAST PERFORMANCE:

Performance in past years on this measure has been good. Efforts by Minnesota's Bookstore to market their services to state agencies have been successful.

PLAN TO ACHIEVE TARGETS:

Marketing efforts will continue as will direct contact with state agency representatives to promote the bookstore's ability to effectively serve agency publishing, retail sales and distribution needs.

OTHER FACTORS AFFECTING PERFORMANCE:

Public agencies' ability to produce materials for distribution and sale to the public is a factor beyond the control of Minnesota's Bookstore staff.

MATERIALS MANAGEMENT DIVISION

DESCRIPTION OF SERVICES:

The Materials Management Division (MMD) provides responsible material and service acquisition and property disposition through professional and timely services to Minnesota government through four major units: Acquisitions, Business Management, Customer and Vendor Services, and Stores and Surplus Services. The division oversees more than $1.2 billion in state government purchases each year. The division's primary service activities include: purchasing; contracting; vendor management (recruitment, quality/performance management, certification of targeted group/economically disadvantaged small businesses, customer training and communications); Cooperative Purchasing Venture program for all political subdivisions (currently more than 350 members); environmental stewardship; procurement management through the Minnesota Accounting and Procurement System (MAPS); state and federal surplus property management; Central Stores (the state's office products retail distribution center); professional and technical services contract management; and pharmaceutical purchasing: (the Minnesota Multistate Contracting Alliance for Pharmacy generates $250 million in annual sales volume on behalf of 30 states).

PROGRAM DRIVERS:

MMD's role is to ensure that procurement needs of state agencies are met in a timely and cost-efficient manner through the establishment of state contracts, direct purchases under central or delegated authority, and the review and approval of professional/technical and other service contracts. The division strives to ensure that all state agency procurement meets the highest ethical standards, represents the best value to taxpayers, and demonstrates commitment to legislative policy priorities, including environmental stewardship, support for small businesses and access to technology and information by the disabled.

In 1998, MMD sponsored a major legislative initiative to reform the state's procurement process. The new law (Minn. Stat. §16C) streamlines and modernizes state purchasing. The reform effort included the participation and input of multiple agencies involved in a steering committee and the Department of Transportation, which took part in a pilot program to study alternative procurement methods. Changes that have been implemented as a result of this effort include:

- Expanding the delegation of purchasing authority to trained individuals within agencies;
- Making purchasing decisions based on an analysis of which product or service will provide the best value; and
- An ongoing effort to develop a market for the corrections industry's products without relying on a statutory monopoly.

Procurement reform has enabled MMD to redirect resources to improve its services and provide more authority to customers. Additional division improvements resulting from procurement reform include: 1) the establishment of a customer feedback process within the division's Customer and Vendor Services; and 2) a greater emphasis on training and monitoring state agencies as a result of the division's new ability to redirect resources. Providing increased training and monitoring allows for increased delegation to agencies of certain purchasing functions and other materials management responsibilities.

A disparity study, managed by MMD and conducted by outside consultants, was completed at the end of 1998. The study analyzes the state's utilization of minority and women-owned businesses in the construction industry and products, equipment and supplies industries as compared to the groups' availability. In 1999, an addendum to the report will be completed and will include an analysis of the services and highway construction industries. Implementation of the study recommendations is now underway beginning with the receipt of input from state agencies and other stakeholders.

Certain study recommendations, if implemented, will affect division performance. Specifically, the division expects that there may be an increase in turnaround time due to the study's recommendation to provide vendors more time to respond to solicitations. Another study recommendation is to increase the percentage of preference given to minority and women-owned businesses. If implemented by the legislature, this would affect division performance by decreasing cost savings in order to carry out this social objective.

Goal 1: Provide the greatest value to state and local government through efficient acquisition of products and services

Objective 1: Maintain annually a requisition to order placement time of under 19 days

Measure: Average requisition to order placement processing time (in working days)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Processing Time						
Actual	19.6	19	18.8	17.8		
Target	21.0	20	19	18.5	18.5	18.5

DEFINITION:

The "average processing time" is the total number of working days required to process the open market requisitions through the solicitation process and place an order with the awarded vendor, divided by the number of requisitions processed by MMD in the fiscal year. The time begins when the requisition is received by MMD electronically from the requesting agency through MAPS and ends the day MMD places the order with the vendor. The processing time includes checking the appropriateness of the requisition (the item requested may be available on contract, at Central Stores or Surplus Services, or may require a new contract), reviewing, revising, and finalizing the specifications for the product, determining the best way to acquire it, creating a solicitation document, selecting vendors for solicitation, allowing the normal solicitation response time of ten days, public opening, evaluating bids and proposals, selecting a vendor, awarding the bid or proposal, and preparing the purchase order.

RATIONALE:

This measure evaluates the efficiency and effectiveness of the Department of Administration's direct acquisition purchasing services. Quick turnaround of requisitions provides agencies with needed items in a timely manner and with predictable, reliable service.

DATA SOURCE:

The Minnesota Accounting and Procurement System (MAPS).

DISCUSSION OF PAST PERFORMANCE:

Average processing time from requisition to order placement decreased due to improvements from the procurement reform initiative.

PLAN TO ACHIEVE TARGETS:

The increase in the delegation of authority has allowed more purchasing at the agency level. The efforts to create more commodity contracts have further reduced the need for routine purchasing actions. Thus, MMD requisitions are larger, more complex and take more effort to process. Staff have more time to devote to complicated acquisitions, as well as training and auditing. Complicated bids and proposals may require extending the response time for vendors, negatively impacting average processing time.

OTHER FACTORS AFFECTING PERFORMANCE:

Purchase order processing time is affected by the number of requests and number of professional staff available. The division has delegated the authority for making purchases to state agencies in two levels of authority: 1) basic authority for local purchase upon completion of basic training, for purchases up to $5,000; and, 2) extended authority for local purchase with additional training for purchases up to $25,000. This will increase pressure to extend the processing time because the remaining purchases (those over $25,000) tend to be more complex and time-consuming. In the future we will examine how the dollar value and complexity of the commodity or service affect the actual processing time. Based on the data collected, we may propose a tiered measurement system.

Goal 1: Provide the greatest value to state and local government through efficient acquisition of products and services

Objective 2: Generate savings to agencies as a result of centralized acquisition services

Measure: Savings to agencies (in $ millions)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Direct Acquisition						
Actual	$ 5.0	$ 5.0	$ 3.4	$ 4.0		
Target	$ 4.7	$ 4.9	$ 5.0	$ 5.0	$ 3.0	$ 3.0
Contracts						
Actual	$50.0	$50.0	> $32.6	> $53.1		
Target	$50.0	$50.0	$50.0	$50.0	$60.0	$65.0

DEFINITION:

Direct acquisition savings are calculated by subtracting the actual amount of the purchase from the estimated amount, which is usually supplied by the customer agency. Contract savings are calculated by comparing the total estimated purchase from a contract with the estimated amount that would have been spent had the purchase not been made from a contract.

RATIONALE:

This is a direct measure of how central purchasing provides monetary value to customer agencies. Contracts add efficiency and economy to all levels of government. This use of contracts negates the need to bid items out (the bidding process is done in establishing the contract), thereby reducing the acquisition process from an average of 19 days down to minutes. Prices remain firm r fixed periods, which allows for more accurate budgeting and planning.

DATA SOURCE:

Compiled using a PC-based system.

DISCUSSION OF PAST PERFORMANCE:

With the increased use and levels of delegated purchasing authority, the total dollars (direct acquisition) purchased by MMD decreased each year from F.Y. 1996 to F.Y. 1998. As a result, the total savings realized in direct acquisition purchases did not meet goals and decreased substantially over the period. During this period the number and dollar value of contracts increased with a corresponding increase in savings and projected savings. Savings realized on direct acquisition by agency purchasing are not included in the purchasing figures. Until F.Y. 1996, it was difficult to measure performance. During the last two years, MMD developed a new PC tracking system, recently fine-tuned to capture ongoing revisions to actual contract savings.

PLAN TO ACHIEVE TARGETS:

Even though the direct acquisition target decreased by $2 million, the contract target increased by $10 million for F.Y. 1999 and $15 million for F.Y. 2000. The number of contracts established to meet the state's needs has increased. The improved reporting and tracking, with updates of ongoing contract usage and savings, will illustrate the greater total savings realized on contracts.

OTHER FACTORS AFFECTING PERFORMANCE:

The total volume of purchasing within a specified period may vary. There may be greater or lesser savings depending on the product mix in a specified period.

Goal 1: Provide the greatest value to state and local government through efficient acquisition of products and services

Objective 3: Increase percentage of on-time product delivery as requested by agencies

Measure: On-time product delivery percentage

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
On-Time Delivery						
Actual	84.0%	85.0%	80.1%	85.9%		
Target	82.0%	83.0%	87.0%	89.0%	89.0%	89.0%

DEFINITION:

"On-time delivery" is calculated as the number of orders placed at or before the time requested by the agency, divided by the total number of orders delivered.

RATIONALE:

This measure evaluates the efficiency and effectiveness of the Division's purchasing services. On-time delivery provides agencies with needed goods and services in a timely manner, allowing agencies to better manage their inventory and providing them with a consistent response on which to rely.

DATA SOURCE:

PC-based management report.

DISCUSSION OF PAST PERFORMANCE:

The major contributing factor to meeting delivery dates is that requesters do not state realistic need dates on the requisitions. In most cases, a 30-day time factor is stated even if the items are not needed in that time or the actual lead-time is longer. With more delegation to agencies, the complex bids are sent to MMD and the less complex, easier bids are done at the agency level.

A second factor is the delay in getting all approvals required by the agency prior to the requisition being sent to MMD.

PLAN TO ACHIEVE TARGETS:

Delegating authority for small dollar purchases to agencies allows MMD to concentrate on the larger, more complex direct purchases. This achieves greater savings potential, while getting the best value for the state by developing contracts that realize large savings and eliminating the costs of routine, recurring items. The delegation of purchasing authority and procurement reform will shift the time/dollar ratio more toward the higher dollar activities where MMD efforts can result in better value and greater savings to the state. MMD's local purchase authority training will place more emphasis on using realistic need dates with information furnished as to lead-time by the vendors, instead of entering an automatic 30-day period. In cases where the agency delays the requisition, a request will be made to correct the need date prior to forwarding the requisition to MMD.

OTHER FACTORS AFFECTING PERFORMANCE:

The complexity of the acquisition action determines how much time it takes to complete. In the future, MMD will examine how this complexity affects actual processing time, and may initiate a tiered measurement system that separates on-time delivery and processing time for simple acquisitions from complex ones.

Goal 1: Provide the greatest value to state and local government through efficient acquisition of products and services

Objective 4: Maintain annually a professional technical contract processing time of less than five working days

Measure: Average professional technical processing time (in working days)

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Processing Time					
Actual	6.92	5.65	4.74		
Target				< 5	< 5

DEFINITION:

The "average processing time" is the total number of working days required to process the professional/technical contracts through the review and approval process and furnish the agency with an approved contract, divided by the number of P/T contracts processed by MMD in the fiscal year. The time begins when the contract is received, subtracting any time if the contract is returned for rework or correction, and ends the day MMD approves and signs the contract.

RATIONALE:

This measure directly evaluates the efficiency of the Department of Administration's professional/technical review and oversight process. Timely processing of P/T contracts is a goal of MMD and is expected by the customer agencies. This measure is added due to recommendation by the Office of the Legislative Auditor.

DATA SOURCE:

Compiled using a PC-based system.

DISCUSSION OF PAST PERFORMANCE:

Professional/technical contract processing time has decreased as a result of improved processes from procurement reform.

PLAN TO ACHIEVE TARGETS:

Providing more training to customer agencies will allow them to prepare better contracts, reducing the number of routine questions and improving turnaround time.

OTHER FACTORS AFFECTING PERFORMANCE:

The number of contracts reviewed is generally higher in the first year of a biennium than in the second year.

Goal 2: Achieve social and environmental goals through acquisition of products/services for customer agencies

Objective 1: Maintain the number of dollars spent on environmentally responsible products and services

Measure: Agency spending on environmentally responsible products and services (in $ millions)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Direct Acquisition						
Actual	$15.0	$16.0	>$ 9.9	>$11.5		
Target	$13.0	$15.0	$17.0	$18.0	$12.0	$12.0
Contracts						
Actual	$22.0	$23.0	>$14.4	>$24.4		
Target	$ 9.0	$20.0	$24.0	$25.0	$35.0	$40.0

DEFINITION:

The amount spent by state agencies on products and services that meet certain criteria of environmental responsibility (e.g., recycled materials, remanufactured, rebuilt or reusable, waste reducing, recyclable, less or nontoxic, or more efficient when compared to a previously used product).

RATIONALE:

Environmentally responsible purchasing is required by Minn. Stat. §§ 15A.15, 16B.121, 16B.122 and 16B.123.

DATA SOURCE:

Data is compiled manually from Department of Administration records.

DISCUSSION OF PAST PERFORMANCE:

The targets were based on $1,500 maximum authority for local purchase (ALP) delegation. Since F.Y. 1996, ALP delegation limits have been raised four times, with a resulting decrease in direct acquisition dollars in MMD. Consequently, the targets were not attainable.

PLAN TO ACHIEVE TARGETS:

MMD has established an interagency environmentally responsible purchasing work group. The group will provide expertise to MMD during the development of contracts for environmentally responsible goods and services, and will advise MMD on available training resources. In addition, MMD will monitor agency compliance with mandated environmentally responsible purchasing and reporting requirements.

OTHER FACTORS AFFECTING PERFORMANCE:

The goal for direct acquisition purchasing is affected by the delegation to agencies for certain purchases.

MATERIALS MANAGEMENT DIVISION — ORDER FILL TURNAROUND TIME

Goal 3: Provide services that meet customer expectations

Objective 1: Decrease Central Stores' average order fill turnaround time

Measure: Central Stores average order fill turnaround time (in working days)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Working Days						
Actual	1.5	1.5	1.5	1.5		
Target	1.5	1.5	1.5	1.5	1.5 e	

DEFINITION:

Days are counted from the date the order is received to the date shipped.

RATIONALE:

This measure directly evaluates the efficiency and effectiveness of Central Stores' distribution services. Quick turnaround provides agencies with needed goods in a timely manner, allowing better management of their inventory and providing a consistent response time on which they can rely.

DATA SOURCE:

Management reports.

DISCUSSION OF PAST PERFORMANCE:

Electronic ordering with direct links to suppliers has allowed Central Stores to maintain order turnaround time.

PLAN TO ACHIEVE TARGETS:

The goal of this activity is to seek additional methods of efficiency.

OTHER FACTORS AFFECTING PERFORMANCE:

Product availability, timely delivery services, and sufficient staff to meet cyclical sales volume can affect average order fill turnaround time.

Goal 4: Provide customers with responsible and cost-effective surplus property disposition services

Objective 1: Increase by 5 percent the total return of revenue to customer agencies through surplus property sales

Measure: Revenues received by state agencies and local unit of government through surplus property sales (in $ thousands)

	C.Y. 1995	C.Y. 1996	C.Y. 1997	C.Y. 1998	C.Y. 1999	C.Y. 2000
Revenue Received						
Actual	$3,541	$3,073	$3,990	$3,469		
Target	$3,341	$3,718	$3,904	$4,099	$4,304	$4,519
Percent Increase						
Actual	11.3%	(13.2%)	11.2%	(12.7%)		
Target	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

DESCRIPTION:

Revenues equal annual auction revenue, minus a 7 percent administrative fee.

RATIONALE:

Auction revenue (less administrative cost) is returned to the customer agencies.

DATA SOURCE:

Surplus Services management report.

DISCUSSION OF PAST PERFORMANCE:

Increases are due to more participants, better advertising, and increased value of the property offered. This year's figure represents a decrease in revenue of approximately 13 percent. The reasons behind the decrease are a leveling-off of equipment from agencies (resulted in two cancelled auctions), and alternative measures by agencies: e.g., Travel Management Division vehicles went to a private auction as a pilot program, 135 State Patrol vehicles were refurbished, the General Motors strike caused agencies to wait before purchasing vehicles, and agencies used sealed bids in lieu of auction.

PLAN TO ACHIEVE TARGETS:

Continue actions mentioned above. Also, broaden participation by local government.

OTHER FACTORS AFFECTING PERFORMANCE:

The degree of public participation, the availability of property to be sold and the location of the auction affect performance.

DESCRIPTION OF SERVICES:

The Risk Management Division provides insurance and risk management services to state agencies. It is responsible for developing and operating the state's risk and insurance management program to minimize exposure to financial loss and provide the most economical funding alternatives. It operates the state's risk management fund, which provides self-insurance for state agencies for property and casualty coverages including property, boiler and machinery, inland marine, crime, general liability, automobile liability, automobile physical damage and other insurance requested by state agencies. The division also maintains the state's risk management information system, administers property-casualty programs for purchased insurance and works with all units of state government as a consultant on their risk and insurance management needs.

PROGRAM DRIVERS:

Economic and social factors have historically had an inflationary impact on the following costs associated with property-casualty losses: medical and health care costs, automobile repair costs and legal expenses. Property-casualty losses are random events that provide a challenge to the Division in maintaining the fiscal integrity of the risk management fund.

Goal: Develop and maintain the risk management fund as a low-cost alternative to the purchase of conventional insurance

Objective 1: Assure that one year after a policy year ends the reserves to pay claims in the risk management fund for that year are at least 90% of the actual amount required to pay claims for that year

Measure: Ratio of reserves one year after the end of the policy year to the reserves at the end of the most recent policy year

	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Department Ratio								
Actual	115%	109%	95%	111%	96%	---%	---%	---%

DEFINITION:

When a claim occurs an estimate is made as to what that claim will ultimately cost and this amount is reserved for the payment of that claim. As additional information is obtained, the reserve is revised with the new information. When the claim is settled and closed the actual cost of the claim becomes known. It may take several years for this to happen with some claims. Because actual reserves are not known until the policy period has closed, we report the reserves most recently available, which is June 30, 1998. Policy years less than two years old cannot be measured because not enough time has elapsed to differentiate the numerator and denominator.

RATIONALE:

Reserves are measures of liabilities against the risk management fund. These liabilities must be estimated as reliably as possible so the fund is not over-funded but maintains its capacity to pay claims. Reliable estimates are required to develop accurate rate packages.

DATA SOURCE:

Advisory Committee quarterly reports.

DISCUSION OF PAST PERFORMANCE:

Fiscal years 1992-95 reflect conservative reserve philosophy as the actual performance exceeds the desired performance in those years. Favorable claims settlements have resulted in a decrease in reserves in those years.

PLAN TO ACHIEVE TARGETS:

The claim reserves will continue to be audited on a quarterly basis to ensure that the objective will be met in the future.

RISK MANAGEMENT DIVISION

EXPENSE TO PREMIUM RATIO

Goal: Develop and maintain the risk management fund as a low-cost alternative to the purchase of conventional insurance

Objective 2: Maintain an annual operating expense ratio at least 15 percentage points less than the industry average

Measure: Ratio of annual operating expenses to earned premium

	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Industry Average Ratio Benchmark	30.1%	30.1%	30.0%	26.3%	27.1%	29.5%	29.0%e	29.0%e
Percentage <Industry Target	<15.2%	<15.2%	<15.1%	<15.1%	<13.5%	<14.7%	<14.5%e	<14.5%e
Department Ratio Actual	6.8%	11.8%	10.6%	5.2%	11.9%	9.1%		

DEFINITION:

This is the ratio that the industry terms as the total underwriting expense, which includes the following: Commissions, brokerage and operating expenses such as salary, rent and equipment. Best's Aggregates and Averages—Property/Casualty published an industry average underwriting expense ratio of 27.1 percent in 1997.

RATIONAL:

The industry average premium charged must include an allowance of approximately 30 percent for underwriting expenses. This measure indicates the effectiveness of the Division's management of its operating expenses compared to the industry average, which ultimately shows the cost savings in premiums charged by the risk management fund.

DATA SOURCE:

Risk management information system.

DISCUSSION OF PAST PERFORMANCE:

As illustrated above, the Division has achieved this goal each year. The reduction of cost reflected in the Division's actual performance ratio has been achieved through the elimination of costs such as commissions, brokerage profit, taxes and efficient management of other operating expenses.

PLAN TO ACHIEVE TARGETS:

The Division will continue this trend by maintaining or improving the current standard of management techniques relating to operating expenses.

DESCRIPTION OF SERVICES:

The Travel Management Division (TMD) provides a variety of transportation and travel-related services to state agencies. Services are provided directly through TMD fleet operations, management processes, or consultant and informational activities. Included as the primary function in TMD services is a motor pool with a fleet of passenger vehicles and light-duty trucks available for daily rental and long-term lease. The division's performance measures are based upon this primary function.

Goal: Save the State money by providing employees with safe, efficient and cost-effective transportation and travel services to conduct official state business

Objective 1: Maintain monthly assigned vehicle lease rates at least 25% below those available from private leasing or vehicle management companies

Measure: Monthly vehicle rental rates compared to private vehicle reimbursement rates

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Department rate vs. private alternatives						
1996 Estimate			(59.6)% e	(60.2)% e		
Actual	(53.5)%	(62.8)%	(60.0)%	(47.5)%	(33.9)%	(33.9)% e

DEFINITION:

Effective with F.Y. 1999, the calculation for Objective 1 represents a comparison between TMD's monthly lease rates for an assigned intermediate class vehicle and the cost to lease and operate the same type vehicle from a leasing or vehicle management company. The calculations are based on traveling an average of 1,200 miles per month with both vehicles. Previously, F.Y. 1995 through F.Y. 1998, TMD rates were compared to private daily rental companies.

RATIONALE:

Comparisons for this performance measure before F.Y. 1999 have been made against the costs to rent a vehicle for a month from a private rental agency. Private vehicle management companies provide a better comparison to TMD fleet services, since over 90% of the fleet vehicles are assigned and supported on a long-term basis much like a full-service maintenance lease. Less than 10% of the fleet is used for daily rentals. The intermediate class of vehicle was the largest class of vehicles and comprised nearly 42% of the fleet when F.Y. 1999 rates were developed. Although F.Y. 1998 average monthly mileage for intermediate class vehicles was 1,387 miles, this comparison uses 1,200 miles per month to maintain consistency with prior year measurements vs. private rental companies.

DATA SOURCE:

The rate comparison percentage is calculated using TMD's annual rate packages approved by the Commissioner of Finance and rate surveys of private vendors conducted during each annual rate process. For F.Y. 1999, maintenance and fuel costs from The Car Book 1997 (Harper Collins) were imputed to the lease rates for those vendors whose rates did not include the cost of fuel and maintenance.

DISCUSSION OF PAST PERFORMANCE:

The percentage differences in prices do not indicate a decrease in performance, but rather better benchmarking with more comparable competitors beginning in F.Y. 1999. Additionally, after conducting an emergency relocation in F.Y. 1998 to make way for the new state office building at 610 North Robert Street, TMD incurred higher ongoing facilities costs at its new site at 296 Chester Street.

PLAN TO ACHIEVE TARGETS:

To achieve its objectives, TMD will strive to maintain stable lease rates and value through ongoing dialogue with customers, financial analysis, and process improvement initiatives. Current efforts include six committees working on implementation of the division's recently completed strategic plan and two-year strategies.

Goal: Save the state money by providing employees with safe, efficient and cost-effective transportation and travel services to conduct official state business.

Objective 2: Maintain monthly assigned vehicle lease rates at least 2% below private vehicle reimbursement for a vehicle driven 1,200 miles per month.

Measure: TMD assigned vehicle rates compared to private vehicle reimbursement rates

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Department rate vs. private reimbursement						
1996 Estimate			(0.6)% e	3.2% e		
Actual	(1.9)%	(8.3)%	(0.6)%	8.6%	(3.0)%	(3.0)% e

DEFINITION:

The calculation for Objective 2 represents a comparison between TMD monthly lease rates for an assigned intermediate class vehicle traveling 1,200 miles and the cost to compensate an employee at the highest private vehicle reimbursement rate (31 cents/mile) for 1,200 miles.

RATIONALE:

Reimbursement for use of a personal car remains the easiest and most readily available alternative for travelling by road. Yet, when enough miles are accumulated, this is no longer a financially sound option. This point has historically been close to 1,200 miles. The intermediate class of vehicle remains the largest and most popular class of vehicles in the fleet and comprised approximately 42% of the fleet when F.Y. 1999 rates were developed.

DATA SOURCE:

The rate comparison percentage is calculated using the private vehicle reimbursement published in collective bargaining agreements. TMD's rates are from annual rate packages approved by the Commissioner of Finance.

DISCUSSION OF PAST PERFORMANCE:

The large upward change in percentage between F.Y. 1997 and F.Y. 1998 primarily reflects the increased and ongoing operating costs associated with a new facility beginning in FY98. The downward trend in the percentages from F.Y. 1998 to F.Y. 1999 reflect TMD's modest rate decrease for F.Y. 1999 coupled with an increase in the reimbursement rate from 29 to 31 cents per mile.

PLAN TO ACHIEVE TARGETS:

To achieve its objectives, TMD will strive to maintain stable lease rates and value through ongoing dialogue with customers, financial analysis, and process improvement initiatives. Current efforts include six committees working on implementation of the division's recently completed strategic plan and two-year strategies.

Goal: Save the state money by providing employees with safe, efficient and cost-effective transportation and travel services to conduct official state business

Objective 3: Maintain monthly daily rental and assigned vehicle lease rates comparable to or less than those of similar government or private fleets

Measure 1: Daily rental rates compared UofM daily rental rates

	F.Y. 1999	F.Y. 2000
Department daily rental rates vs. UofM daily rental rates	(42.9)%	(42.9)% e

Measure 2: Monthly assigned lease rates compared to UofM lease rates

	F.Y. 1999	F.Y. 2000
Department assigned lease rates vs. UofM assigned lease rates	(26.9)%	(26.9)% e

Measure 3: Monthly assigned lease rates vs State of New York lease rates

	F.Y. 1999	F.Y. 2000
Department assigned lease rates vs. State of New York rates	(23.8%)	(23.8)% e

DEFINITION:

The calculation for Objective 3 began in F.Y. 1999 and represents a comparison of TMD's rates to those of the University of Minnesota (UofM) and the State of New York. Measure 1 is for a daily rental scenario assuming 150 miles traveled with an intermediate class vehicle and Measure 2 assumes 1,200 miles traveled during a month's lease of the same type vehicle. Measure 3 compares TMD's rates for an intermediate class vehicle driven 1,200 miles to those available to New York State Agencies through that state's contract with PHH Vehicle Management Services.

RATIONALE:

Comparisons for this performance measure are new beginning with F.Y. 1999 and have been added at the suggestion of the Office of the Legislative Auditor. The University of Minnesota Fleet Services is the most comparable fleet found to date, which also makes a distinction between daily rental rates and assigned vehicle lease rates. New York State also provides for long-term lease rates on a contract basis with PHH Vehicle Management Services. The intermediate class of vehicle is used in this comparison since it remains the largest and most popular class of vehicles in the fleet, which comprised approximately 42% of the fleet when F.Y. 1999 rates were developed. TMD also continues to look for additional public or private fleets organized and operated in a similar fashion with a distinction between daily rental and assigned lease rates. Additionally, TMD is considering additional future performance objectives for the sub-components of its full service rental and assigned lease programs.

DATA SOURCE:

The rate comparison percentage is calculated using TMD's annual rate packages approved by the Commissioner of Finance, rates published by the University of Minnesota's Fleet Services, and the rates published for the State of New York Office of General Services. Maintenance and fuel costs from The Car Book 1997 (Harper Collins Publishers) were imputed to the lease rates the State of New York, since those costs are included in TMD's fully bundled rates.

DISCUSSION OF PAST PERFORMANCE:

The spread in rates between TMD and the UofM largely reflect differences in financing and insurance alternatives available to each respective fleet. Another distinction is the inclusion of specialty vehicles within the UofM fleet, whereas TMD's fleet includes only passenger vehicles and light-trucks. The differences in rates with the State of New York reflect the benefit to TMD of financing rates available through the master lease program and the substantial government discounts available from vehicle manufacturers for the purchase of vehicles. These government discounts are typically not available through a leasing company, since the leasing company is purchasing the vehicle instead of a government entity.

PLAN TO ACHIEVE TARGETS:

To achieve its objectives, TMD will strive to maintain stable lease rates and value through ongoing dialogue with customers, financial analysis, and process improvement initiatives. Current efforts include six committees working on implementation of the division's recently completed strategic plan and two-year strategies.

TRAVEL MANAGEMENT DIVISION

PROGRAM DRIVERS:

Fuel prices and new vehicle expenses substantially impact the division's fleet operating expenses and rate structure. Also, federal mandates require annually increasing purchase percentages of vehicles powered by alternative fuels. These vehicles generally have higher acquisition and operating costs.

State agencies have the autonomy to purchase their own vehicles and exercise vehicle ownership to meet their respective transportation requirements. The division's services and rates, therefore, must reflect better value through responsive, flexible, and cost-effective business and operating processes.

The geographic dispersion of some state agency operations makes the use of TMD's daily rentals inefficient or cost prohibitive for short, daily trips.

Changes in state agency programs and/or budgets impact the demand for TMD vehicles and related services.

Technology continues to play a major role in vehicle maintenance with increasingly sophisticated onboard automotive computer systems. Continued cost-benefit analysis will direct the decisions of purchases of advanced diagnostic/repair equipment versus increased maintenance outsourcing.

BUILDING CONSTRUCTION DIVISION

DESCRIPTION OF SERVICES:

The Division of State Building Construction provides long-term statewide, comprehensive services in creating buildings that meet design and user requirements to house state agency programs and public activities. The division works in partnership with the Department of Finance and state agencies in accordance with the following principles:

- Identify long-term agency strategic goals and evaluate related capital budget plans;
- Plan (predesign), design and construct building solutions according to legislative and executive priorities matched against limited debt capacity; and
- Balance the need to maintain and reuse existing assets with the need for new facilities.

Building Construction also provides in-house consultant and design services that creates timely solutions to a wide array of building-related emergencies and conditions that frequently threaten life, safety, health, and the operational function of state programs. The Division employs a team of experienced architects, engineers, drafting technicians, and support staff who are well-versed in building operations, maintenance, remodeling, and repair. In order to sustain its workload, the Division has established a series of master professional and technical services contracts, which are available to all state agencies and local units of government for quick response to both emergency and other specific needs. Situations most frequently experienced include hazardous materials abatement, utility failures, indoor air quality, building accessibility (American with Disabilities Act), pollution control, boiler plant operations, electrical, structural roof and other building component failures.

The Division, in partnership with the Department of Finance, gained state recognition for its expertise in the 1998 General Accounting Office's "Executive Guide: Leading Practices in Capital Decision-Making."

PROGRAM DRIVERS:

The State's building infrastructure has grown from approximately 23 million square feet to approximately 70 million square feet in the last forty years. This represents approximately $15.6 billion in capital assets that must be operated and maintained to achieve maximum value from these investments and to provide healthy environments for state programs functions.

During the period of expansion that gave preference to new construction, a serious backlog of building deficiencies developed from revenue shortages and insistent maintenance programs. The state's deferred maintenance and renewal backlog is estimated to be approximately $1.5 billion and is referred to as the "capital iceberg." To combat this trend, the past three biennia the Legislature has supported the creation and development of a long-term capital asset management program. The program has been developed in partnership with the departments of Administration and Finance. It promotes a philosophy of stewardship in making informed investment decisions and effectively managing the state's capital assets. Key elements of the capital budget process include: Statewide building inventory and classification system of conditions and program suitability; agency strategic operations plan; predesign planning principles; renewal of existing assets; and alternatives to new construction.

The state's strong financial position has enabled the 1996, 1997 and 1998 Legislatures to pass sizable bonding bills. While these bills did include some new construction is has also greatly increased the number of smaller building renewal-type projects. The goals of the smaller projects has been to curtail the deferred maintenance of the state's building infrastructure and to also satisfy the demands for new construction to support expanding state programs.

Other drivers that have impacted the Division include federal and state legislation that places more regulatory controls for building accessibility, life safety, health, environmental protection, historic reservation, and energy conservation in public buildings. Major programs that are managed by DSBC include: ADA; hazardous materials abatement – asbestos, underground storage tank removal, lead; and indoor air quality.

Goal: Provide quality, cost effective professional architectural and engineering services that are frequently required by government agencies that operate and maintain buildings

Objective 1: Provide in-house professional/technical consulting services for hourly rates averaging at least 50% less than the private sector

Measure: Percentage difference of hourly rates between DSBC and private consultants

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Architect Actual	65%	66%	66%	66%	65% e	65% e
Engineer Actual	65%	64%	65%	65% e	65% e	65% e
Drafting Actual	49%	49%	49%	48% e	48% e	48% e

DEFINITION:

The percentage difference is the ratio of the private consultant's typical hourly rate less the corresponding DSBC hourly cost to the consultant's hourly rate.

RATIONALE:

An accurate cost comparison is based on factual data. The data available to DSBC are the hourly fees from consultants and DSBC's payroll costs. The payroll cost for the above calculation is the highest step of the state employee's range. The central source of institutional knowledge about state buildings and their components makes DSBC more proficient than private sector consultants in solving problems of a professional/technical nature.

DATA SOURCE:

The data source for consultant's hourly fee is an average taken from documents submitted by consultants in the current master professional/technical services contract file. DSBC's payroll is taken from the manual of the particular bargaining unit involved. In all cases, the highest range is selected.

oal: Provide quality, cost effective professional architectural and engineering services that are frequently required by government agencies that operate and maintain buildings

Objective 2: Provide in-house full project design services for less than 30% of that charged by the private sector

Measure: Compare private sector consultant and DSBC in-house small project consultant fee

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Private Consultant Fee						
Actual	12%	12%	12%	12%	12% e	12% e
DSBC In-house Fee						
Actual	3%	3%	3%	3%	3% e	3% e
Percent Difference						
Actual	75%	75%	75%	75%	75% e	75% e

DEFINITION:

Consultants are paid by wither hourly rates or by a percentage of the actual project construction costs. This data shows consultant fee payments as a percentage of total project construction cost. Small projects are defined as those projects that typically range in cost up to $350,000, or are typically categorized as preservation or renewal of an existing asset. These projects include re-roofing, boiler replacements, tuckpointing, window replacements, building demolition, hazardous materials abatement, new electrical generator, mechanical systems replacements, electrical distribution systems, parking lots and minor building remodeling.

ATIONALE:

The workload of the Division consists of a wide variety of projects and new services, many of which can be accomplished more efficiently and economically with in-house staff. Building Construction must hire consultants when workload exceeds staff hours to accomplish this work in order to meet the time requirements of the client/agency. Measure of hourly and percentage costs show that Building Construction costs are often less than the private sector. For private and in-house services, the quality of DSBC services compares favorably to private services. In part, this is evidenced by fewer changes during construction, which is due primarily to the knowledge accrued over time by DSBC staff about agencies, building systems, operations, and projects of a repetitive nature. This measure is relevant because it identifies the direct cost savings derived from in-house operations. The Legislature has increased its appropriation for preserving and renewing existing assets for the last two biennia. Cost effective services provided by DSBC yield more dollars for improving state buildings.

DATA SOURCE:

The data for this evaluation is collected from Division time records and consultant contracts on file. The data is updated annually.

DISCUSSION OF PAST PERFORMANCE:

One internal factor that has significantly affected the in-house professional services activity is the number of secondary responsibilities added to Division 's workload. They include removal of hazardous materials such as PCB's, asbestos and underground tanks, lead abatement, Americans with Disabilities Act, environmental permitting laws, and indoor clean air acts. These responsibilities reduce the amount of staff hours that had previously been available to prepare plans and specifications for capital renewal, repair, and replacements projects. Budget cuts and hiring freezes have also reduced staff hours available to apply to project development. Consequently, more consultants have been utilized to accomplish projects that may have been done in-house at less cost.

PLAN TO ACHIEVE TARGETS:

An on-going technology program has been increasing Building Construction's ability to provide operational efficiencies. A records management program has also increased efficiency be maintaining a cataloged listing of all documents on past and current projects. Efficiencies will continue to improve, as personnel become more knowledgeable with the full capabilities of the automated systems.

DSBC has undergone a strategic planning process conducted by the Management Analysis Division to refocus on the major occurrences that have impacted the division operations. A reorganization plan identifies the need to expand division personnel to respond to the changed work environment. Personnel increases are requested in the biennial budget over the next two biennia. The technology program has progressed significantly during the past biennium with data base improvements for statewide facility audits. Computer-aided design and drafting development has surged to new levels of proficiency and will provide time savings that will help to offset the increased work activities noted.

BUILDING CODES & STANDARDS DIVISION

DESCRIPTION OF SERVICES:

The division promulgates and administers a set of construction standards known as the State Building Code (SBC) which establishes minimum standards to assure health, safety, comfort and security of the building occupants.

The division adopts rules through the Administrative Procedure Act (APA) to incorporate the latest national model codes into the SBC with amendments addressing approved legislation and geographic needs in Minnesota.

Adoption of the latest model codes enables design professionals, contractors and building owners to use the latest recognized methods of construction, new materials, and latest technological equipment while maintaining safeguards to health and safety standards.

The division provides for the plan review, inspections and consumer complaints of all public buildings, state licensed facilities, elevators, manufactured homes and prefabricated buildings. The plan reviews and inspections are performed by division staff, contract inspectors or by municipalities who have contracted with the division to provide such services.

The division provides training, education, and assistance to building officials, design professionals, contractors and others associated with the construction industry to obtain uniform application of the SBC. Training seminars are conducted in various locations throughout the state. The division maintains uniform administration and enforcement of the SBC by monitoring jurisdictions who adopt the SBC. Monitoring visits verify adoption procedures, staffing, certifications and administrative procedures are followed.

PROGRAM DRIVERS:

As construction techniques, new materials and new methods of construction continue to change, the model codes change to address the new concepts. Interstate commerce and international trade agreements are moving codes to be more uniform on an international level, which lead to changes to the codes we adopt and enforce.

New model codes and federal legislation such as Americans with Disabilities Act (ADA) and Federal Fair Housing require more expertise, in more fields, for the division to meet the daily requests from the construction industry.

The property insurance industry has begun to rate municipalities throughout the nation on building code enforcement as a factor in setting property insurance rates. This will lead to more municipalities adopting the building code or seeking to improve existing processes.

Goal 1: Effectively promulgate and administer set of minimum construction standards known as the Minnesota State Building Code

Objective: Update Minnesota State Building Code to meet the needs of the building industry by adopting latest model building codes within 12 months of publication

Measure: Codes or rules are updated every three years

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Accessibility	1/23/96			3/ /99 e		
Building Code **Residential Code** **Certification Rules**	4/29/96			10/5/98		
Electric Code		7/1/96			7/13/99 e	
Elevator Code				3/ /99 e		3/ /01 e
Manufactured Homes				5/ /99 e		
Mechanical Code					10/ /99 e	
Plumbing Code				10/5/98		

DEFINITION:

Model building codes are updated and published on 3-year change cycle. The division sets up ad hoc committees to review model codes and recommend amendments to address federal and state legislation, state agency licensing requirements, and geographic needs in Minnesota. Adoption of latest model codes enables owners, design professionals, contractors, and general public to use latest methods of construction, new materials, and latest technological equipment and still maintain minimum safeguards to health and safety standards.

DISCUSSION OF PAST PERFORMANCE:

Division has maintained history of adoption of model codes enabling construction industry to meet minimum safety standards while creating affordable construction projects.

PLAN TO ACHIEVE TARGETS:

Division attends code change hearings and meets with ad hoc committees to review new changes to model codes as soon as they are available. Availability of a single model code in the year 2000 may affect the effective date of year 2000 adoption due to the number of required amendments and need for additional education.

OTHER FACTORS AFFECTING PERFORMANCE:

Currently three separate national model codes are joining to create one international code. This unification may delay the adoption cycle due to varying publication dates and approval by the merging groups.

Goal 2: To provide enforcement of the State Building Code (SBC) for plan review, inspections, and consumer complaints of all public buildings, state licensed facilities, elevators, manufactured structures and modular buildings

Objective 1: Complete 80% of projects reviewed for compliance to SBC within 30 days; 100% of projects inspected

Measure: Percent of project plan reviews completed within 30 days

	F.Y. 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Plans Reviewed						
1996 Estimate		310 e	320 e			
Actual	307	235	205	250e	270e	290e
Reviews w/i 30 Days						
1996 Estimate		248 e	256 e			
Actual	227	117	88	120e	230e	261e
Percent of Plans Reviewed w/i 30 Days						
1996 Estimate		80% e	80% e			
Actual	74%	50%	43%	80%	85%	90%

DEFINITION:

The Building Codes and Standards Division performs plans reviews and inspections or contracts to jurisdictions enforcing the SBC to sure building projects are designed and built to meet minimum safety standards.

RATIONALE:

Plan reviews of projects are completed in a timely manner to allow construction projects to start and complete on schedule.

DISCUSSION OF PAST PERFORMANCE:

The division has used in-house staff, contract inspectors and contracted to municipalities for inspections of public buildings and state licensed facilities.

PLAN TO ACHIEVE TARGETS:

Return to a special revenue fund and division reorganization, which has allowed us to fill two open plan review staff positions in F.Y. 1999, will help us meet statutory responsibilities.

OTHER FACTORS AFFECTING PERFORMANCE:

Project workload, increased state funding, construction industry surges in activity and severe weather may affect performance annually or seasonally. Review of contracts with municipalities will also cause a workload increase.

Goal 2: Provide enforcement of the State Building Code (SBC) for plan review, inspections, and consumer complaints for all public buildings, state licensed facilities, elevators, manufactured structures and modular buildings

Objective 2: Reduce response time for elevator inspection requests to three weeks or less by F.Y. 2000

Measure: Elevator inspection backlog (in weeks)

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Elevator Inspectors						
1996 Estimate		3 e	5.0 e			
Actual	3	3	3.5	4.0	5e	5e
Elevator Inspections						
1996 Estimate		900 e	1300 e			
Actual	874	988	933	950e	950e	950e
Elevator Permits						
1996 Estimate		500 e	500 e			
Actual	490	624	684	700e	700e	700e
Open Permits						
1996 Estimate		1600 e	1200 e			
Actual	1491	1008	1231	1250e	1250e	1250e
Inspection Backlog (weeks) on New Permits						
1996 Estimate		6 e	3 e			
Actual	6	6	4	4	3	3

DEFINITION:

The division performs inspections based on current staffing levels. Open permits are permits for installations for which a conditional operating permit has been issued or authorized. Final operating permits have not been issued because corrective actions taken by owner/contractor have not been verified by inspection staff.

DATA SOURCE:

Division records.

DISCUSSION OF PAST PERFORMANCE:

The division workload for elevators and other lift devices has continued to increase. Current elevator inspections require a 4-week lead time from the date of the request.

PLAN TO ACHIEVE TARGETS:

The division has been attempting to add two elevator inspector positions to reduce the backlog of inspections and keep current on future requests. To date, only one has been hired, due to the higher wages/benefits being paid in the private sector.

OTHER FACTORS AFFECTING PERFORMANCE:

The Americans with Disabilities Act has increased the number of new and remodeled elevator or lift devices, which has increased workload.

Goal 2: Provide enforcement of the State Building Code (SBC) for plan review, inspections, and consumer complaints, for all public buildings, state licensed facilities, elevators, manufactured structures and modular buildings

Objective 3: Close out 90% of manufactured (Mfd.) home consumer complaints received by division

Measure: Percentage of closed consumer complaints

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Complaints Filed						
1996 Estimate		110 e				
Actual	100	110	119	112	120e	125e
Complaints Closed						
1996 Estimate		90 e				
Actual	86	90	110	104	111e	115e
Percent of Complaints Closed Out						
1996 Estimate		90% e	90% e			
Actual	90%	90%	92%	93%	92%e	92%e

DEFINITIONS:

Percentage of closed written complaints of those filed with division, discussed with owner, manufacturer, dealer or installer, and orrections made.

DATA SOURCE:

The division maintains a complete file on all written complaints. Each file has complaint forms, phone correspondence, and corrective measures to resolve issues.

DISCUSSION OF PAST PERFORMANCE:

The division continues to maintain consumer complaint program, division maintains contacts with manufacturers, dealers and installers to ensure safe use of manufactured housing in state of Minnesota.

PLAN TO ACHIEVE TARGETS:

The division has upgraded computer system to assist staff in completing complaint program.

OTHER FACTORS AFFECTING PERFORMANCE:

Each year more manufactured homes are sited in Minnesota which will increase consumer complaints. Of the 86 Minnesota counties, 70 of the counties are not enforcing manufactured home rules. If counties were enforcing manufactured rules, complaints about installations would be increasing.

Goal 3: Ensure uniform application of the State Building Code by providing training, education, and assistance to building officials, design professionals, contractors, and others associated with the construction industry

Objective: Obtain a 90% or higher rating on approvals of seminar programs

Measure: Customer satisfaction percentage

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Seminar Attendees						
Actual	1147	1150	1200	1400	1400	1400
Attendees Submitting Evaluation Forms						
Actual	86%	90%	90%	90%e	90%e	90%e
Satisfactory Rating Percent						
Actual	92%	94%	94%	94%e	95%e	95%e
Target	90%	90%	90%	90%	90%	90%

DEFINITION:

Education and training programs provide avenue for division to update all persons involved in the construction industry with new safety codes, new materials and new technology..

DATA SOURCE:

Division seminars are prepared and presented two times each year at 11 different sites. Division staff receives written comments about performance.

DISCUSSION OF PAST PERFORMANCE:

Today's codes are becoming more and more technical. Continued education is a must if the division hopes to maintain uniform application.

PLAN TO ACHIEVE TARGETS:

Additional staff and computer system upgrades have been added to provide more training and education programs to building officials, design professionals and the construction industry.

OTHER FACTORS AFFECTING PERFORMANCE:

Adoption of the new single model code being published in 2000 will require all parts of the construction industry to become knowledgeable of provisions which are different than they are used to. To assure uniformity, we need to be the source for this education.

Goal 4: Maintain uniform administration and enforcement of the State Building Code in jurisdictions adopting the code

Objective: Monitor municipalities enforcing the State Building Code or accessibility code twice each year

Measure: Staff visits to code enforcement municipalities

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Enforcement Municipalities						
Actual	436	428	430	440e	450e	460e
Monitor Visits						
Actual	852	856	860	900e	1000e	1220e
Target	872	920	1220	1220	1220	1220

RATIONALE:

The activity of monitoring code enforcement jurisdictions verifies uniform administration and application of SBC or accessibility code.

DATA SOURCE:

Division records.

DISCUSSION OF PAST PERFORMANCE:

The division staff monitor code enforcement jurisdictions and verify code adoption, fees, forms, procedures and staff to workload ratios.

PLAN TO ACHIEVE TARGETS:

Return to a special revenue fund and division reorganization has added five regional building officials and two investigators which will allow more consistent monitoring.

OTHER FACTORS AFFECTING PERFORMANCE:

Numbers of municipalities may vary if cities and counties join together for enforcement of SBC or accessibility code.

PLANT MANAGEMENT DIVISION

DESCRIPTION OF SERVICES:

Plant Management maintains 3.5 million gross square feet in 21 facilities, the surrounding grounds and parking areas under the custodial control of the Department of Administration, promotes energy conservation opportunities on a statewide basis and administers the state resource recovery program. Its mission is to deliver consistent quality services to ensure cost-effective, clean, safe and environmentally sound buildings, grounds and operations. To carry out its mission, Plant Management is organized into four areas: Complex Operations, Complex Services, Technical Services and Support Operations.

Complex Operations maintains and operates buildings under the custodial control of Plant Management through housekeeping, engineering, building management and project coordination services.

Complex Services provides grounds maintenance and snow removal services in the Capitol complex; operates the State Recycling Center; provides resource recovery assistance and education; and approves and coordinates special events occurring in areas under the division's custodial control. Also provides material transfer services including vehicle repair, refuse removal, moving and delivery services.

Technical Services provides traditional trade and repair services as part of the lease of space by Admin to other agencies. Minor repairs, remodeling, or other jobs outside of the scope of the lease agreement are performed by Plant Management on a fee-for-service basis. Also provided is the operation of the environmental, fire, life and safety systems. This area also focuses on statewide energy efficiency improvements, monitors and use of energy in all state-owned facilities, and completes energy retrofit projects.

Support Operations schedules and dispatches services in response to tenant/building issues or problems; schedules common space conference rooms and special events; manages contract and daily permit parking in the Capitol complex; manages the bus card program; and provides administrative; technological; and financial support to all other activities in the division. This area also provides transportation coordination services to increase the use of alternative forms of transportation in the Capitol complex and to reduce the number of single occupancy vehicles.

PROGRAM DRIVERS:

Energy Retrofit Work: The State of Minnesota and Northern States Power entered into an agreement to provide energy retrofit work in state facilities served by Northern States Power. Northern States Power provided the State of Minnesota $3,000,000 per year for five years, beginning in 1992, for program funding in the form of a no-interest loan to carry out this retrofit work. After retrofit projects are completed, energy savings are paid back into a loan pool maintained by Northern States Power. The funds in this pool are then used for additional retrofit work in state facilities served by Northern States Power. The State of Minnesota and Minnegasco have entered into a similar agreement, in the amount of $300,000 per year for two years, beginning in 1994, for state facilities served by Minnegasco.

Resource Recovery: In order for this program to be effective, maintenance staff and tenants need to participate in education and training opportunities and actively participate in collecting and sorting materials being generated. Participation allows recovery of materials for reuse and recycling before disposal.

Transportation Services: The Strategic Plan for Locating State Agencies focused on transportation demand in the Capitol area and the importance of the development of programs encouraging fewer single occupancy vehicles in the capitol area. Fewer single occupancy vehicles will reduce traffic congestion in the Capitol area, maximize available parking, encourage energy conservation, promote pollution prevention and reduce construction costs for new parking facilities.

Goal 1: Efficiently operate and maintain buildings and grounds under Plant Management's custodial control

Objective 1: Control projected operating cost increases at or below the rate of inflation

Measure: Projected increase in lease rates

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Actual Percentage Rate of Increase	1.9%	2.3%	5.2%	1.6%	9.3%	0.66%
Inflation Factor	3.5%	3.5%	3.0%	3.0%e	3.0%e	3.0%e

DEFINITION:
Lease rates are the square footage costs for space leased under the custodial control of Plant Management. They reflect the operation, maintenance, salaries, utilities, statewide indirect, insurance, bond interest and building depreciation expenses related to the buildings and grounds. These rates are approved by the Department of Finance and published as part of the biennial budget process. The percentage rate increase is the percentage increase/decrease in total lease revenues between the base year and the first year of the biennium and the first and second year of the biennium. The inflation factor is the rate of inflation established by the Department of Finance and is used for budget forecasting, rate-setting and calculation of building depreciation and bond interest.

RATIONALE:
As part of the biennial budget process, separate lease rates are established for the biennium for office, service and storage space in each of the buildings under Plant Management's custodial control. Rate matrices are developed for the office and service rates and a survey of competitive market rates are obtained by Real Estate Management Division for commercially leased storage spaces in the metropolitan area to assist Plant Management in establishing the storage rate for the Capitol complex. Plant Management has the capability to allocate and charge labor and other expenses within the Lease activity directly to the buildings under its custodial control through the centralized purchasing, accounting, and payroll/personnel system. Costs are estimated for each of the buildings based on past demand, anticipated usage and anticipated rate increase information provided by outside service providers such as utility companies and then are spread based on ratio of past experience. Other costs not directly charged to the buildings are allocated to the buildings based on square footage. Maintenance and Leasehold expenses for maintenance, repair or replacement projects are spread to the buildings where maintenance, repair or replacement projects are scheduled to occur. Any undedicated Maintenance and Leasehold funds are spread to all buildings based on square footage. Bond interest and building depreciation costs are spread to the affected buildings based on the building depreciation and bond interest depreciation schedules. With some exceptions, any positive or negative retained earnings balances at the end of the biennium are returned to customers or recovered over five years.

DATA SOURCE:
Lease rates are from Plant Management's rate matrices. The inflation factor is from the Department of Finance.

DISCUSSION OF PAST PERFORMANCE:
Historically, lease rate increases have been below the rate of inflation. However, for the first year of the F.Y. 98-99 and F.Y. 00-01 bienniums, the lease rates are above the rate of inflation due to the new or increased costs, such as catastrophic insurance, bond interest, building depreciation, and statewide indirect and the changing building configurations.

PLAN TO ACHIEVE TARGETS:

Plant Management plans to continue fully recovering operating, non-operating, bond interest and building depreciation with two month working capital to operate effectively and have adequate cash flow to timely meet its operational needs and obligations.

OTHER FACTORS AFFECTING PERFORMANCE:
Lease rates are affected whenever funds are bonded for new construction or capital improvements completed in facilities under Plant Management's custodial control. Lease rates are also affected by the increase in statewide indirect costs. In addition, lease rates are also affected by the changing building configurations such as the demolition of 610 North Robert Street Building (formerly the Central Stores/Travel Management site), the construction of the 600 North Robert Street Building, the closing of the Capitol Square Building, the acquisition of the 321 Grove Street Buildings, the acquisition of properties in the Rice Street-University Avenue area and the pending acquisition of the Labor Interpretive Center (the last four months of Fiscal Year 2001).

Goal 1: Efficiently operate and maintain buildings and grounds under Plant Management's custodial control

Objective 2: Provide measurable annual improvement in delivery of housekeeping, engineering and grounds services until performance standards reach 80 percent or higher

Measure: Annual percentage improvement in standardized grading

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Satisfaction Rating						
Actual	56%	60.1%	64%e	68%e	70%e	
Proposed Percent Increase		4.1%	3.9%e	4.0%e	2.0%e	

DEFINITION:

Standardized grading is a value/score ranging from 1 to 4 given by the division's evaluation team for each building standard being evaluated, with 1 being excellent and 4 being poor. An overall composite score is then calculated for each facility based on the results of all raters. This overall composite score is then divided by the total possible points to arrive at the percentage. This percentage is then compared to previous results to determine annual service delivery improvements.

RATIONALE:

Evaluation criteria have been developed to measure specific building standards related to housekeeping, maintenance, engineering, grounds and the delivery of services to meet customer needs. Measurable improvements in the quality of service delivery and building condition equate to customer service and improved asset preservation.

DATA SOURCE:

Facility tours are conducted semi-annually to establish standardized grading and develop an action plan to address areas needing improvement.

DISCUSSION OF PAST PERFORMANCE:

It is determined that the team tour method of developing a baseline for service satisfaction has been more reliable than tenant survey results and that improvements required in services can be more specifically and efficiently targeted. The regular tours provide an opportunity to follow up on identified deficiencies. Improvements in service provided have been made in accordance with F.Y. 1996 estimates and objectives.

PLAN TO ACHIEVE TARGETS:

Annual improvement in the delivery of service is expected to be 4 percent or greater per year until performance standards reach 65%; 2% or greater per year thereafter until performance standards reach 75 percent; and 1 percent or greater per year thereafter until performance standards reach 80% or higher. These continual improvements are expected to be accomplished by F.Y. 2009.

Plant Management has implemented a Quality Line as a single point of contact for timely response to tenant issues or concerns. An Asset Preservation program will continue to be updated and refined related to the operation, maintenance and preservation of state assets including buildings, grounds, monuments, memorials, statues, sidewalks, easements, parking garages, ramps, lots and state-owned streets. This is critical to the ongoing successful management of the division. Building Managers, with responsibility and accountability for the north and south Capitol Complex facilities respectively, will continue to work closely with tenants to ensure tenant satisfaction.

Operational areas needing improvement will be detailed and a plan of action/timetable developed for upgrading service delivery in each facility.

OTHER FACTORS AFFECTING PERFORMANCE:

Plant Management is responsible for maintaining buildings and grounds under this activity's custodial control. Responsibilities include maintaining and protecting the capital assets associated with these buildings and providing a healthy, comfortable, safe and environmentally sound space for tenants and visitors. Plant Management focuses its efforts on providing high quality services to building tenants.

Buildings and grounds under the custodial control of the Plant Management Division include: 321 Grove Street Buildings, 600 North Robert Street, 625 North Robert Street , 635 North Robert Street, 691 North Robert Street, 455 Rice Street, 461 Rice Street, Administration Building, Bureau of Criminal Apprehension Building, Capitol Building, Capitol Child Care, Capitol Square Building, Centennial Building, Duluth Government Service Center, Ford Building, Governor's Residence, Health Building, History Center, Judicial Center, Power House, State Office Building, Transportation Building, Various Vacated Buildings, Veterans Service Building

Goal 2: Improve waste reduction, reuse and recycling of recovered equipment and materials, and expand resource recovery opportunities for state offices and operations

Objective 1: Coordinate recycling training, technical assistance, collection and marketing to increase annual metropolitan area recycling rates by at least 1%.

Measure: Recycling recovery percentage rate for state agencies in the Capitol complex and the metropolitan area

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Capitol Complex						
Percent Recovered	66%	67%	64%	68%e	68%e	68%e
Percent Increase	(1)%	1%	(3)%	4%e	0%e	0%e
Metropolitan Area						
Percent Recovered	57%	64%	65%e	66%e	67%e	68%e
Percent Increase	1%	3%	1%	1%e	1%e	1%e

DEFINITION:

Recycling recovery percentage rate is the total amount of recovered materials as a percent of recovered materials and collected refuse. Capitol complex recycling recovery rates are actual through F.Y 1998 and metropolitan recycling rates are actual through F.Y. 1997.

RATIONALE:

The Resource Recovery Office calculates recycling rates and provides intergovernmental recycling coordination, training, collection, marketing and technical assistance to increase waste reduction, reuse and recycling. The State Recycling Center prepares state agency paper, cardboard, glass, cans and plastic for sale to industry. All Capitol complex and some metropolitan locations are served through the State Recycling Center. These activities and this program measure are conducted in accordance with M.S.section 115A.15.

DATA SOURCE:

Recycling recovery rates are reported annually for the Capitol complex and the total metropolitan area. Actual tonnages of recovered materials and refuse, managed by state operations, are used to calculate the recycling recovery rate of agencies in the Capitol complex. Throughout the metropolitan area, agencies use various recycling and refuse services and annually provide resulting data to the Resource Recovery Office for recycling recovery rate calculations.

DISCUSSION OF PAST PERFORMANCE:

Actual Capitol complex F.Y. 1997 and F.Y. 1998 recycling recovery percentage rates were lower than projected while actual metropolitan area F.Y. 1997 recycling recovery percentage rates exceeded projections. During F.Y. 1997, Resource Recovery Office contacted the 185 metropolitan locations that did not achieve the statutory 60 percent recycling rate goal by December 31, 1996. In response to site-specific recycling difficulties at each location, interested agencies received technical assistance, recycling system upgrades, additional equipment and training to increase recycling recovery rates. In F.Y. 1998, the Resource Recovery Office expanded recycling services to new metropolitan locations, when many other recycling programs were unable to ship their recyclables due to low demand by recycling industry. Resource Recovery Office's emphasis on shipping high quality recyclables and on maintaining good relationships with industry facilitated program growth.

PLAN TO ACHIEVE TARGETS:
Continued Resource Recovery Office coordination and partnering will provide onsite technical assistance, training and services to reduce the amount and toxicity of waste being generated and provide for the recycling and reuse of materials in state agencies.

OTHER FACTORS AFFECTING PERFORMANCE:
Resource Recovery Office partnered with Great Printers Project participants, conducting training for state agencies to reduce their waste amount and toxicity. Planned expansion of confidential paper recycling services to customers outside the Capitol complex resulted in a 12 percent increase of confidential paper collected and recycled between F.Y. 1996 and F.Y. 1998.

Goal 3: Improve the use of energy in state-owned and wholly leased buildings

Objective 1: Reduce electric energy consumption in state-owned and wholly leased buildings by 2.50 KWH per square foot

Measure: Electric energy use reduction

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Sq. Footage	19,834,638	19,854,638	19,854,638	21,414,535e	23,974,535e	26,534,535e
Cumulative Electricity Use reduction (kwh)	77,830,004	77,852,478	77,852,478	82,566,497e	88,966,497e	95,366,497e
Kwh Reduction/sq ft	3.92	3.92	3.92	3.86e	3.71e	3.59e
Target	2.50	2.50	2.50	2.50	2.50	2.50

DEFINITION:

Cumulative electric energy reduction is the total annual savings for all projects completed to date. Watt-hour is a unit of electrical energy; kilowatt-hour is 1,000-watt hours. Data prior to F.Y. 1999 is actual and revised from prior performance reports. The data for F.Y. 1999 is based on anticipated results from projects currently planned and underway. Estimated data for F.Y. 2000 and F.Y. 2001 is contingent upon a 1999 legislative initiative.

RATIONALE:

Previous energy retrofit projects were completed through legislative authority with two major Minnesota utility companies, Northern States Power and Minnegasco. In addition to these projects, the Energy Management Section has been successful in implementing third party projects at the Stillwater Correctional Facility and Moorhead State University. The intent of the 1999 legislative initiative is to establish a funding source to continue these types of projects in facilities where large utility or third party providers would not typically be able to participate.

DATA SOURCE:

Detailed engineering estimates based on actual measurements conducted at selected project sites and final report information from the State of Minnesota/Northern States Power Energy Retrofit Program were used to develop reported data.

DISCUSSION OF PAST PERFORMANCE:

Past performance has resulted in $28.26 million in facility upgrades to state facilities and annual energy savings of more than $4.4 million. Projects provided needed facility upgrades for lighting, motors, pumping systems, and air handling systems that brought the facilities in line with current technology. (Energy savings are based on energy consumption baseline information established in 1991 or the amount of energy used in a facility the year prior to when the retrofit work is completed.)

PLAN TO ACHIEVE TARGETS:

The Energy Management Section will continue to try to develop partnerships with utility providers and third party vendors to complete energy retrofit projects in state facilities. Pending legislative approval of the 1999 legislative initiative, an additional 12.8 million square feet of state owned facility would be targeted for energy retrofit projects over a five-year period of time.

OTHER FACTORS AFFECTING PERFORMANCE:

Changes in weather conditions, facility energy load and facility operations impact energy consumption and actual facility savings.

Goal 3: Improve the use of energy in state-owned and wholly leased buildings

Objective 2: Reduce electrical energy demand in state-owned and wholly leased buildings by 0.00075 KW per square foot

Measure: Electric energy demand reduction

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Sq. Footage	19,834,638	19,854,638	19,854,638	21,414,535e	23,974,535e	26,534,535e
Cumulative Electricity Demand Reduction (kw)	20,479	20,486	20,486	21,589e	23,509e	25,429e
Kw Reduction/sq. ft.	0.001	0.001	0.001	0.001e	0.001e	0.001e
Target	0.000750	0.000750	0.000750	0.000750	0.000750	0.000750

DEFINITION:

Electric energy costs are comprised of two components: 1) usage, which the amount of electricity actually used; and 2) demand, which is a cost associated with the capacity requirements needed to deliver electric energy. Cumulative electric demand reductions are total annual savings for all projects completed to date. Watt is the unit of electric power. A kilowatt is 1,000 watts. Data prior to F.Y. 99 is actual and revised from prior performance reports. The data for F.Y. 1999 is based on anticipated results from projects currently planned and underway. Estimated data for F. Y. 2000 and F. Y. 2001 is contingent upon a 1999 legislative initiative.

RATIONALE:

Previous energy retrofit projects were completed through legislative authority with two major Minnesota utility companies, Northern States Power and Minnegasco. In addition to these projects, the Energy Management Section has been successful in implementing third party projects at the Stillwater Correctional Facility and Moorhead State University. The intent of the 1999 legislative initiative is to establish a funding source to continue these types of projects in facilities where large utility or third party providers would not typically be able to participate.

DATA SOURCE:

Detailed engineering estimates based on actual measurements conducted at selected project sites and final report information from the State of Minnesota/Northern States Power Energy Retrofit Program were used to develop reported data.

DISCUSSION OF PAST PERFORMANCE:

Past performance has resulted in $28.26 million in facility upgrades to state facilities and annual energy savings of more than $4.4 million. Projects provided needed facility upgrades for lighting, motors, pumping systems, and air handling systems that brought the facilities in line with current technology. (Energy savings are based on energy consumption baseline information established in 1991 or the amount of energy used in a facility the year prior to when retrofit work is completed.)

PLAN TO ACHIEVE TARGETS:

The Energy Management Section will continue to try to develop partnerships with utility providers and third party vendors to complete energy retrofit projects in state facilities. Pending legislative approval of the 1999 legislative initiative, an additional 12.8 million square feet of state owned facility would be targeted for energy retrofit projects over a five-year period of time.

OTHER FACTORS AFFECTING PERFORFORMANCE:

Changes in weather conditions, facility energy load and facility operations impact energy consumption and actual facility savings.

Goal 3: Improve the use of energy in state-owned and wholly leased buildings

Objective 3: Reduce natural gas, or alternate fuels, consumption in state-owned and wholly leased buildings by the equivalent of 0.00985 MCF per square foot

Measure: Natural gas use reduction

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Sq. Feet	9,099,100	9,235,983	9,235,983	10,271,445e	12,831,445e	15,391,445e
Actual Cumulative Energy Reduction (MCF)	214,060	216,780	216,780	257,555e	282,771e	307,987e
Actual MCF Reduction/Sq. Ft.	0.00235	0.0234	0.0234	0.0251e	0.0220e	0.0200e
Target	0.00985	0.00985	0.00985	0.00985	0.00985	0.00985

DEFINITION:

One MCF is equivalent to 1,000 cubic feet of natural gas or 1 million British Thermal Units (BTU) of energy. Data prior to F.Y. 1999 is actual and revised from prior performance reports. The data for F.Y. 1999 is based on anticipated results from projects currently planned and underway. Estimated data for F. Y. 2000 and F. Y. 2001 is contingent upon a 1999 legislative initiative.

RATIONALE:

Previous energy retrofit projects were completed through legislative authority with two major Minnesota utility companies, Northern States Power and Minnegasco. In addition to these projects, the Energy Management Section has been successful in implementing a third party project at the Stillwater Correctional Facility. The intent of the 1999 legislative initiative is to establish a funding source to continue these types of projects in facilities where large utility or third party providers would not typically be able to participate.

DATA SOURCE:

Detailed engineering estimates based on actual measurements conducted at selected project sites and final report information from the State of Minnesota/Northern States Power Energy Retrofit Program were used to develop reported data.

DISCUSSION OF PAST PERFORMANCE:

Past performance has resulted in $1.2 million in facility upgrades to state facilities and annual energy savings of more than $245 thousand. Projects provided needed facility upgrades that brought the facilities in line with current technology. (Energy savings are based on energy consumption baseline information established in 1991 or the amount of energy used in a facility the year prior to when retrofit work is completed.)

PLAN TO ACHIEVE TARGETS:

The Energy Management Section will continue to try to develop partnerships with utility providers and third party vendors to complete energy retrofit projects in state facilities. Pending legislative approval of the 1999 legislative initiative, an additional 12.8 million square feet of state owned facility would be targeted for energy retrofit projects over a five-year period of time.

OTHER FACTORS AFFECTING PERFORMANCE:

Changes in weather conditions, facility energy load and facility operations impact energy consumption and actual facility savings.

Goal 4: Increase the use of alternative forms of transportation in the Capitol complex and the number of high occupancy vehicles (HOV)

Objective 1: Increase the number of state employees using alternative forms of transportation whose work location is either Ramsey or Hennepin County

Measure: Number of individuals using alternative forms of transportation

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Individuals Using Alternative Forms of Transportation			1,050	1,254e	1,304e	1,356e
Proposed Percent of Increase				19%e	4%e	4%e

DEFINITION:
Individuals using alternative forms of transportation include registered car or van pool participants traveling to the Capitol complex who are registered with Metro Commuter Services and Plant Management as either a driver or passenger; state employees who are purchasing Metro Transit bus cards from Plant Management; and individuals who are participating in the state's commuter van pool program as either a driver or passenger.

RATIONALE:
Transportation coordination services increases the use of alternative forms of transportation and the number of HOVs in the Capitol complex, lessens the demand on existing parking facilities, provides maximum use of available parking, reduces the need for construction of new parking facilities, reduces traffic congestion, encourages energy conservation and reduces emission pollution. The shortage of parking in the Capitol complex was identified as an issue in the Capitol area visitor parking study.

DATA SOURCE:

The source of the data is the Metro Commuter Services program and Plant Management's computerized parking database; the bus card purchase log and payroll deduction report; and a report of Travel Management's state commuter van pool program's drivers and passengers.

DISCUSSION OF PAST PERFORMANCE:

A 25 percent parking surcharge is assessed to state employees parking in the Capitol complex area who are traveling to the Capitol complex in single-occupancy vehicles. Participation in alternative transportation programs such as car or vanpools provides an opportunity for state employees to avoid paying the parking surcharge. Plant Management, in conjunction with Metro Commuter Services, registers parking contract holders traveling to the Capitol complex in multiple-occupancy vehicles. In the travel demand management section of the Strategic Plan for Locating State Agencies, emphasis was placed on expanding alternative transportation. Plant Management provides potential parking contract holders with information on alternative transportation options such as car or vanpools, the state's commuter van pool program, and the State Metro Transit bus card program. This information is also provided to parking contract holders when they renew their parking contracts per a specified renewal schedule.

PLAN TO ACHIEVE TARGETS:

The division will focus on promoting alternative modes of transportation, increasing the number of HOVs traveling to the Capitol complex area, and implementing incentive or discount programs. These programs will make maximum use of available parking, encourage energy conservation, and reduce emission pollution. Parking rules and policies will be updated in the process.

OTHER FACTORS AFFECTING PERFORMANCE:

Performance is affected by an employee's preference to drive to work in a single-occupancy vehicle. Performance is also affected by the changing building configurations such as the demolition of 610 North Robert Street Building (formerly the Central Stores/Travel Management site), the construction of the 600 North Robert Street Building, the closing of the Capitol Square Building, the pending acquisition of the Labor Interpretive Center (the last four months of F.Y. 2001), and the relocation of state agencies out of the Capitol complex area such as Department of Public Safety. In addition, performance is affected by the repealing of Minnesota Statute, Section 16B.58, subdivision 8 during the 1997 legislative session which required state employees working in non-state owned, leased properties in the seven-county metropolitan area to pay their individual parking costs. With the repealing of this section of the statute, it became the determination of an agency or department located in a leased facility whether they would subsidize a portion or all of the parking costs of their employees. Subsidizing the parking costs of employees has served as a disincentive or barrier to promoting alternative modes of commuting. Other factors affecting performance include the current parking demands and shortage of convenient and affordable parking for state employees whose work location is in downtown St. Paul and the expansion and transfer of the management and operation of the State Metro Transit bus card program from Admin's Travel Management to Plant Management in November, 1997.

DESCRIPTION OF SERVICES:

The Real Estate Management Division (REM) works with state agencies to develop their square footage requirements according to state space guidelines and standards. Other criteria such as location, public transportation and parking needs and budget parameters are also determined prior to investigating the market for available properties. REM then evaluates alternatives to ascertain which property best meets the agency's requirements and criteria most economically. REM facilitates space planning to verify improvements required to meet the agency's space needs and negotiates terms and conditions to draft a lease agreement. REM develops project schedules to assist agencies in completing occupancy of leased spaces.

Goal 1: Provide space for state agencies that best and most economically meets their needs

Objective: Negotiate leases to maintain 4% annual savings in division-negotiated rent compared to market rent

Measure: Percent savings ratio between market rent and negotiated rent

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Performance Actual	3.7%	4.25%	3.4%	4.7%	4.0%e	4.0%e

DEFINITION:

The percent savings ratio is a result of the total annual negotiated rent divided by the total annual market rent. Market rent is established by real estate market conditions and is an industry benchmark for evaluating real estate transactions. Market rent is typically the asking rent.

RATIONALE:

The Commissioner of Administration has the authority to lease non-state-owned property for state agencies to conduct their operations and deliver their programs and services. The division ensures compliance with state rules, regulations, statutes, and laws while meeting state agencies' needs within prescribed space guidelines and standards. The effect of negotiations is to obtain favorable lease terms, conditions and rent. The measure for this objective demonstrates the cost-effectiveness of negotiations.

DATA SOURCE:

The annual savings ratio is calculated from data maintained on market rent and negotiated rent amounts for commercial leases.

DISCUSSION OF PAST PERFORMANCE:

Although the state has been paying rates within or below market rental rates, data has not been kept documenting how much has been saved as a result of effective negotiations.

PLAN TO ACHIEVE TARGETS:

Existing market rates and real estate conditions will be documented and the information will be used by staff to negotiate lease rates. Team approaches will be used to develop negotiation strategies.

OTHER FACTORS AFFECTING PERFORMANCE:

Real estate negotiations and transactions have become more complex due to issues involving accessibility, code compliance, indoor air quality, hazardous materials and risk management. Due to the lack of availability of larger spaces in the market, negotiations have become exceedingly more difficult and time consuming. The lack of supply and the increased demand for space have affected the ability to obtain reductions in market rents.

Goal 2: Provide space for state agencies that best and most economically meets their needs

Objective: Maintain a 75% or better satisfaction rating for F.Y. 1995-96 and an 80% or better satisfaction rating for F.Y. 1997-98 and beyond

Measure: Customer survey to assess customer satisfaction

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Performance Actual	82%	82%	86%	88%	85%e	85%e

DEFINITION:

The measure is calculated by dividing the total number of survey responses indicating satisfaction with division services by the total number of survey responses, to obtain a percentage of satisfied customers.

RATIONALE:

The goal of the program is to provide space to meet state agency needs. A customer survey measures whether state agencies' space needs are being met.

DATA SOURCE:

The information to measure satisfaction with division services is obtained from customer surveys completed by agency individuals assigned to work with the division. The individuals are usually business managers for the agencies being served. Surveys are sent out on a monthly basis upon completion of a lease transaction for an agency. The survey contains questions asking the customer whether the services were beneficial, whether needs were met, whether the project was completed in a timely manner and whether there were budget savings realized from division services. The survey also asks for additional comments or suggestions on what the division can offer to better assist agencies. For each question, the customer has the option of responding "yes (satisfied)," "somewhat (satisfied)," or "no (not satisfied)." Additional space is provided for agency comments. If there is a dissatisfied response to a question, the entire survey response is rated dissatisfied.

DISCUSSION OF PAST PERFORMANCE:

Fiscal Year 1993 and 1994 customer surveys indicated the division was meeting customer needs. However, statistical data indicating the level of satisfaction was not calculated.

PLAN TO ACHIEVE TARGETS:

Information is obtained from surveys completed by customers as to their level of satisfaction with division leasing services. Survey responses including comments and suggestions are reviewed to determine ways to improve division services to meet customer needs.

DESCRIPTION OF SERVICES:

The State Employee Assistance Program (EAP) is a integral component of the state's human resource management function. Its services are sought throughout Minnesota by all branches of state government. State employees and agencies look to the state EAP for counseling and consultation regarding serious personal, family and workplace problems that negatively affect employee performance and organizational effectiveness. EAP's focus on behavioral health enables the state, as an employer, to respond effectively to the rapidly changing human and social issues of state employee work environments. EAP services include:

- In-person assessment and brief counseling (one to four sessions) for state employees and their dependents experiencing serious personal problems;
- In-person counseling and coaching for state employees experiencing work-related problems such as deteriorating performance, harassment, stress management problems, conflicts with coworkers or supervisors, critical incidents, and threats of violence; and
- Consultation to management and labor representatives regarding workplace issues such as organizational change, performance management problems, workplace communication, critical incidents, workplace violence, harassment, and work group problems.

Goal: Reduce the negative effect that state employees' personal, family and workplace problems have on job performance

Objective: Demonstrate a positive correlation between EAP utilization and improved work performance by maintaining a minimum of 75% of survey respondents indicating improvement in four target areas

Measure: Client response to EAP's Service Outcome Study indicating improved work performance

	F.Y. 1994	F.Y. 1996	F.Y. 1998
Improvement in Relationships with Coworkers:	89%	73%	80%
Improvement in Concentration:	87%	80%	80%
Improvement in General Attitude Regarding Work:	80%	79%	71%
Improvement in Overall Effectiveness on the Job:	91%	85%	76%

DEFINITION:

Improved work performance is defined as perceived improvement in the targeted areas of work relationships , concentration, general attitude toward work, and overall effectiveness on the job. EAP's Service Outcome Study is a self-assessment survey instrument completed by service recipients.

RATIONALE:

EAP's Service Outcome Study tracks the positive impact of EAP services to the individuals served and the concomitant benefits impacting his/her workplace. Through this survey process, EAP collects outcome data that identifies the correlation between improved job performance and the use of EAP services. A positive correlation between the use of program services and improved work performance demonstrates success in achieving EAP's stated goal of reducing the negative effect that employees' personal, family and workplace problems have on job performance.

PLAN TO ACHIEVE TARGET:

EAP's Service Outcome Study is distributed on a quarterly basis and responses are tabulated and reviewed by program staff. Additionally, summary data from the survey is presented to participants of the state's mandatory training for supervisors and managers to increase their awareness of EAP services and to elicit their input regarding possible program enhancements.

OTHER FACTORS AFFECTING PERFORMANCE:

The State EAP has experienced a significant budget shortfall since 1994, as the Program's general fund appropriation has not kept pace with the increase in utilization of program services. Inability to resolve this budget problem via an increase in the general fund appropriation or the creation of an alternative funding mechanism could compromise the ability of EAP to meet its program goals.

DESCRIPTION OF SERVICES:

The Division's mission is to advise and assist government agencies, the Legislature and citizens in the formulation, implementation, and use of public information policy. In its work and outreach, the Division endeavors to effectively balance the ability of the government and other institutions to collect, use, share, and preserve information with the privacy and other rights of individuals and with the right of the public to gain access to data and information.

Goal: Promote the understanding of, use of, and compliance with the "Minnesota Government Data Practices Act," the "Records Management Act," and other laws that regulate both governmental and non-governmental information

Objective: Assure that clients seeking answers to questions about information policy receive those answers in a timely fashion by returning 85% of calls received from clients no later than the end of the business day following receipt of the call

Measure: Percent of calls returned by the end of the next business day

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Phone Inquiries Received					
Actual	8460	8445	7728	7293	8000 e
Percent Calls Returned					
1996 Estimate				85% e	
Actual	N/A	N/A	N/A	85%	85% e

DEFINITION:

This measure began in F.Y. 1997, and reflects an attempt to find a statistically verifiable performance measure for the Division as a whole. It reflects attention to managing prompt provision of advice and information, which is critical to citizens and government units.

RATIONALE:

IPA is the major source of expertise on public policy requirements that regulate information. Most inquiries, from both citizens and government agencies, which seek to tap that expertise come to IPA by telephone. It is very common for those inquires to be time sensitive. A government agency, a private sector institution such as a health care facility or a citizen needs an answer to a question as soon as possible. A prompt answer may help government and private institutions avoid needless liability and help citizens clearly understand their rights so that they can effectively exercise those rights. Among the variety of functions performed by IPA, answering telephone inquiries is a common activity for all staff and therefore is a better measure of the overall performance of the Division. IPA heavily relies on voice mail because no one in the Division has the sole job of answering phone calls. Implementation and administration of this measure can help assure that clients receive a prompt response from a human being even though their first contact with the Division might be with a voice mail system.

DATA SOURCE:

All IPA staff currently use a uniform telephone contact form. This form has been modified to accommodate the requirement that staff record the time each call is received and returned. On a quarterly basis, a statistically verifiable sample of the telephone contact sheets will be reviewed by the Director and results reported to and discussed with staff. Records of each staff member's performance relative to the overall goal of the Division will be maintained.

DISCUSSION OF PAST PERFORMANCE:

This performance objective has been expected of all staff for quite some period of time although that expectation has not been formally monitored. Criticism by the Legislative Auditor of our previous performance measure led IPA to seek an alternative. A variety of possible performance measures were reviewed with staff and this measure was adopted because it provides a mechanism to monitor performance of both the staff and the Division overall and (hopefully) avoids criticism by the Legislative Auditor.

IPA has also completed the processing of all back logged data challenge appeals. From 1996 through 1998, IPA had processed a tota' of 36 appeals.

PLAN TO ACHIEVE TARGETS:

See "Data Source" above.

OTHER FACTORS AFFECTING PERFORMANCE:

This measure assumes that current IPA staff support levels will continue. In F.Y. 1998 the Division acquired full-time clerical support.

BACKGROUND INFORMATION:

The measure described above replaces the former IPA measure whose objective was described as follows in the 1994 annual report: To provide education on public information policy requirements maintaining at least a 90% satisfaction level from attendees.

After several months of experience with this objective, the measurement of the objective was reviewed by staff of the Office of the Legislative Auditor. The staff determined that the method being used by IPA to measure the 90% satisfaction level was not statistically verifiable. Acceptable methods of assuring statistical verifiability which were suggested by the Legislative Auditor's staff involve a data collection effort that IPA is not able to achieve. Therefore, we searched for an alternative measure and established the measure described above.

MANAGEMENT ANALYSIS DIVISION — CLIENT SATISFACTION

DESCRIPTION OF SERVICES:

The Management Analysis Division (MAD) is state government's in-house management consulting organization. The mission of the division is to increase the quality and productivity of government and public institutions, through improved resource management and creation and implementation of effective operational strategies. The division provides consulting services to state agencies, the governor, the legislature, public institutions, and local units of government. The division charges fees for work requested by state agencies, public institutions, and local units of government. Work in support of statewide productivity/quality improvement efforts is funded by the general fund.

Goal: Provide effective consultation services to state agencies and other units of government

Objective: To maintain annually a 70% satisfied or very-satisfied rating by clients

Measure: Interviews and/or surveys of clients to assess response to services

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Client Satisfaction					
1996 Estimate		70% e	70% e		
Actual	90%	**	**	70% e	70% e

** see rationale section below

DEFINITION:

The satisfaction rating is determined by the number of survey respondents indicating that they were satisfied or very satisfied, and by responses to written or oral interview questions provided to clients at the end of the consulting engagement. In addition, each summer the division has conducted a series of client focus groups to gather data about the division's services. Data was collected from client surveys, interviews and focus groups, and compiled for this report.

RATIONALE:

MAD conducted a survey of state managers in summer, 1997, to determine satisfaction with MAD services. The scope included all state managers who had some contact with MAD services in the two years prior to the survey and, therefore, was broader than the clients of MAD services. The overall satisfaction rating from these managers was 69 percent. MAD supplemented the survey with responses to evaluation forms filled out by clients at the end of consulting engagements. The response was uniformly positive (100 percent indicated satisfaction). The division also conducts client focus groups to gather data on client expectations and satisfaction. In the most recent series of focus groups of 12 clients, 100 percent reported satisfaction. Finally, all participants of division courses completed evaluation forms of those courses. Of those attending performance measurement courses, 91.6 percent rated the courses excellent or good. Of those attending effective leadership courses, approximately 85 percent rated the courses excellent or good.

The lowest indicator - 69 percent satisfaction among state managers who had some contact with MAD consulting engagements in the previous two years, but were not necessarily clients of MAD - provides a conservative lower boundary for client satisfaction with MAD services. Measures of satisfaction limited to clients- and course participants-only were consistently higher. Because we used several different approaches to gather data, we do not have a definitive satisfaction measure. However, we believe that actual client satisfaction with MAD services would be greater than 69 percent.

PLAN TO ACHIEVE TARGETS:

Information from each data collection activity is used to build or revise our service offerings. Feedback is provided when appropriate to individual consultants based upon client data. Follow-up on projects is anticipated to be the only way to gather effective data for continual improvement.