



# Department of Administration

## **FY2024 – FY2027 Strategic Plan**

*“Providing Business Solutions for Idaho  
State Government”*

July 1, 2023

**BRAD LITTLE, GOVERNOR**

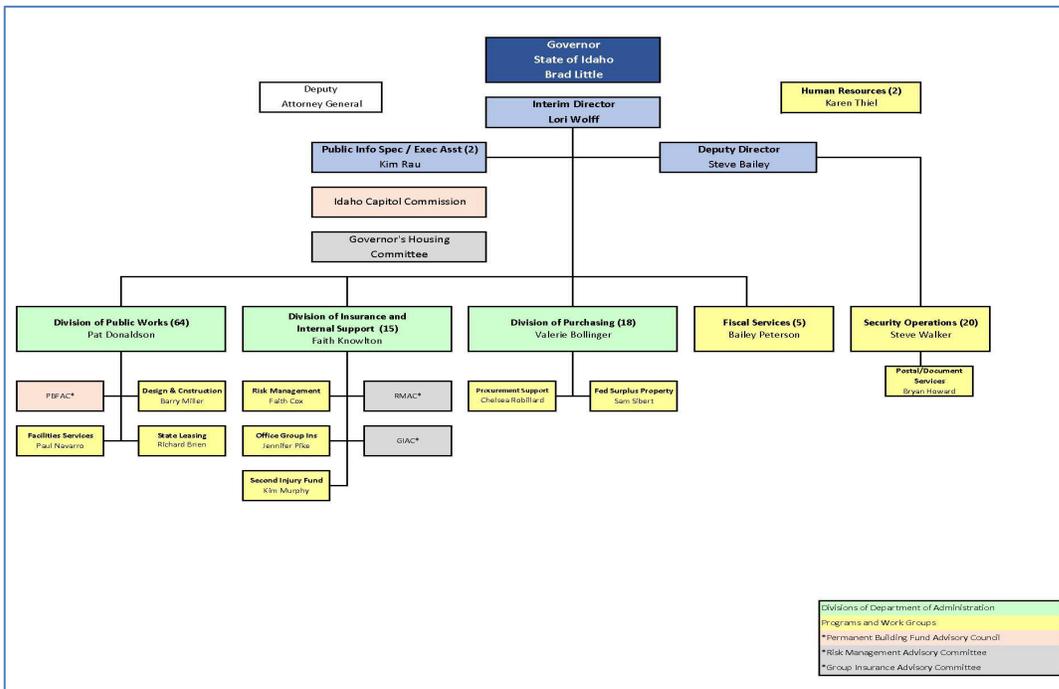
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# Department Overview



**Office of the Director:** Maps the strategic direction of the department. Provides internal financial support, controls/auditing services to all programs, supported committees, as well as the Idaho Commission on Hispanic Affairs.

The director serves as an ex-officio member for the following two entities:

**The Idaho State Capitol Commission:** Composed of 9 members—6 public members and 3 ex-officio voting members including the Executive Director of the Idaho State Historical Society, Director of the Legislative Services Office, and the Director of the Department of Administration, who serves as Commission Secretary. The commission is charged with the ongoing oversight of the capitol including overseeing all restoration work and additions to the building; approving all displays, artwork, and furnishings within the capitol; and promoting interest in the history of the capitol building. Department support for this commission includes accounting, clerical, and facility planning/management services. (Idaho Code Section 67-16)

**The Governor’s Housing Committee:** Composed of two members of the State Senate, two members of the House of Representatives, and the Director of the Department of Administration; oversees the Governor’s Residence Fund created to provide a governor’s housing allowance and/or the acquisition, construction, remodel, furnishing, equipping, and maintenance of a governor’s residence. Department support for this committee includes accounting, clerical, and facility planning/management services. (Idaho Code Section 67-455)

**Division of Insurance and Internal Support (DIIS):** The *Risk Management* program serves as the state’s property and liability insurance manager and adjudicates claims made against the state. The *Office of Group Insurance* contracts and administers medical, dental, life, flexible spending account, and disability benefit contracts for state employees and retirees. The *Industrial Special Indemnity Fund* manages a portion of the workers’ compensation system commonly referred to as the “Second Injury Fund,” which provides lifetime

benefits to workers who become totally and permanently disabled from a work injury. (Idaho Code Sections 67-5202; 67-5746; 67-5760–5778; 72-323–334 and 409)

**Group Insurance Advisory Committee (GIAC):** GIAC has been essential in the review of benefits currently offered through the Office of Group Insurance. It also provides consultation to the Director of the Department of Administration on possible changes to the current benefit package or benefit offerings that could improve access to healthcare for state employees. The committee has representation from the legislature, judicial branch, state agencies, and the retired community. It meets about three times annually; its authority and responsibilities can be found in I.C. 67-5761.

**Risk Management Advisory Committee (RMAC):** RMAC includes members of the legislature, higher education, Department of Correction, Idaho Transportation Department, and the Division of Human Resources. It meets about three times annually in an advisory capacity to provide consultation to the Director of the Department of Administration. The authority and responsibilities for the RMAC can be found in I.C. 67-5773.

**Division of Public Works (DPW):** Administers the construction, alteration, and repair of public buildings for Idaho's state agencies. The division is also charged, through its Facilities Services, with the management (operations and maintenance) and space allocation of all facilities on the Capitol Mall, Chinden Campus and the state office buildings in Lewiston and Idaho Falls. Additionally, it is tasked with negotiating, approving, and making contractual lease agreements with the private sector for office space to be used by various state departments, agencies, and institutions. DPW coordinates activities of the Permanent Building Fund Advisory Council, comprised of five members, that oversees the state's ongoing revenue source for state facility construction—the Permanent Building Fund. (Idaho Code Sections 67-5705-5713)

**Permanent Building Fund Advisory Council:** The administrator of the Division of Public Works and the responsible heads of the agencies for which appropriations for construction, renovations, remodels, or repairs are made pursuant to chapter 11, title 57, Idaho Code, must consult, confer and advise with the Permanent Building Fund Advisory Council in connection with all decisions concerning the administration of these appropriations and the planning and construction or execution of work or works pursuant thereto. The approval of the permanent building fund advisory council is a condition precedent to the undertaking of planning or construction. The Council has representation from the legislature, business, and construction community as well as the public at-large.

**Division of Purchasing (DOP):** Manages purchasing policy and implementation for property acquisitions (goods and services) for state executive agencies, including solicitation, issuance, and administration of contracts and training for professional purchasing staff; and serves as clearinghouse for the federal government's surplus properties through its *Federal Surplus Properties* Program. (Idaho Code Sections 67-9201 et seq.; 67-5744)

**Division of Security Operations (DOSO):** This division was added to the department in January 2020 with the chief responsibility of administering the physical security program for state-owned buildings managed by the Department of Administration. Working closely with the Idaho State Police, the Idaho Legislature and executive leadership throughout state government, this division continually evaluates, develops, and implements effective physical security policies, procedures, and methods to mitigate risk to state assets, employees, and citizens seeking services. As of May 2023, the division provides document services through the *Copy Center* and mailing services through *Central Postal* for state agencies located in Ada County. (Idaho Code Sections 67-5708, 5709, 67-5749-5750,)

## Program Support of FY2023 Strategic Plan Goals

### Office of Group Insurance (OGI)

**Goal 1:** *Increase employee benefit communications. (This is a new goal)*

In FY23, the Group Insurance Program expanded its population by 26 school districts and 30% enrollment increase in medical and dental. This significant increase in the population, couple with the geographic diversity of the agencies/schools, makes communication about benefits is a critical element of the services OGI provides to ensure that members understand the services available and how to access them in the most cost-effective manner for themselves and the plan. While every employee receives benefit communication as new hires, and with changes made to the plans each Open Enrollment period, sharing brief but detailed information about specific programs and ways to maximize benefits should be done throughout the year. This is particularly important in FY24 and future years with the rollout of the Health Savings Account (HSA) option for employees as that program has potential to promote responsible consumership of the plan.

### Office of Risk Management (ORM)

**Goal 2:** *Address the state's loss expectancy (LE). (This is a new goal)*

A reduction in identified recommendations and LE will demonstrate the States commitment to a partnership with FM Global. The states willingness to invest in itself to help increase safety, property preservation, and help mitigate risk will allow the state to maintain its property coverage, stabilize insurance rates and minimize future rate increases.

### Division of Public Works (DPW)

**Goal 3:** *Increase efficiency in processes necessary to issue Notice to Proceed on construction projects.*

DPW has been working to reduce the average length of time between project bid date and issuing a "Notice to Proceed", authorizing construction. From the initial average of 45 days in FY16, DPW made steady improvements that resulted in an average of 38 days in FY20. As reported last year, the FY21 average increased significantly to 45 days. We believe this was due to pandemic related staffing shortages and inefficiencies related to working remotely.

The FY22 average declined to 42 days and so far in FY23, the average has been 41 days. In reviewing the trends, the average time for agencies to provide authorization for DPW to enter a contract remained high at 16 days. This was most likely due to the volatility of construction pricing, which resulted in numerous bids exceeding budgeted amounts. Agencies required additional time to seek supplemental funding prior to authorizing construction. Additionally, the amount of time for contractors to return contracts increased. This could be caused by the increase of new contractors bidding DPW projects and being unfamiliar with the required processes. DPW continues to work with these contractors to educate them on the processes, which should reduce the amount days in the next fiscal year.

**Goal 4:** *Address deferred maintenance and repair items.*

In FY22, a facilities condition assessment was completed by Gordian for the Capitol Mall and Chinden Campus, excluding the state office buildings in Lewiston and Idaho Falls. The facility condition assessment indicated the Capitol Mall has a deferred maintenance liability of approximately \$72 million with a combined FCI of 0.12 and the Chinden Campus has a deferred maintenance liability of approximately \$170 million with a combined FCI of 0.38.

In FY22/FY23, the Governor recommended, and the Legislature approved two significant appropriations of \$244 million and \$300 million to start addressing the State's deferred maintenance liability. Of that appropriation, approximately \$50 million was distributed to address projects at the Capitol Mall and Chinden Campus. DPW has executed a contract with a design-build team who are evaluating and developing estimates of the prioritized projects identified by DPW Facility Services. The equipment repairs and replacements will take place over the next two years.

Once the list of projects to be completed in FY23 has been identified, Facility Services will develop a 20-year plan to address the remaining deferred maintenance liability to reduce the FCI to a 'good' condition level.

**Division of Purchasing (DOP)**

**Goal 5:** *Promote and expand use of the Federal Surplus Property program.*

Over the past fiscal year, FSP has increased the number of qualified entities utilizing the Federal Surplus Program by 3.9%. In FY23 a total of 132 various organizations utilized FSP. Federal Surplus has strived to encourage qualifying entities within Idaho to sign up and utilize this program. One of our largest efforts over the past year has been through direct contact to the organizations. We have sent out 716 eligibility renewal notifications to various donees across the State that has yielded 38 new organizations signing up for the program. In addition, we continued to work with the Division of Purchasing to present the program during one of their Quarterly Workshops each year. FSP has also networked with the CEO of the Boy Scouts of America Mountain West Council to present the program at upcoming council or regional scout leader meetings as well as networking with the outreach coordinator for the Idaho Division of Career Technical Education. Federal Surplus once again sent out our annual survey this year and saw a 94% increase over the previous year with 62 donees responding. This information is utilized to improve the surplus donation program usefulness for donees.

**Goal 6:** *Create efficiencies for major procurement and contract administrative functions. (This is a new goal)*

It is important for DOP to be able to procure vital goods and services effectively and efficiently to support agencies in their effort to meet their missions and to set reasonable expectations for timelines.

**Postal Services and Copy Center**

**Goal 7:** *Create efficiencies in the state's Postal Services at the Chinden Campus.*

Central Postal has grown to the Postal Annex at the Chinden Campus. This location serves as the Shipping/Receiving location for all agencies on campus and is staffed by 2 full time employees. This location also performs all fulfillment operations for the Department of Commerce's Tourism Division, sending out 60,000-80,000 fulfillment orders annually. As each agency moves on campus, they are eliminating an extra stop in the Boise metro area. These stops have saved over 30 minutes per day in additional drive time, allowing for more time processing mail inside the mail room.

**Goal 8:** *Create efficiencies in Copy Center jobs for state agencies. (This is a new goal)*

The joint-document management system is functioning and allows agency users to perform a wide variety of services on their own. They will have the ability to upload their address lists and document templates to the system, create a document template, merge documents, and cleanse addresses for accuracy. They also have the option to email the document, have the document printed and mailed, or both. This system applies a 2D bar code placement on the printed pages that allows the inserting machines in Central Postal to track the inserting jobs, ensuring that the correct pages are inserted into the envelopes, and provide closed-loop verification of mailing in real time for the customer. Customers are able to view every step in the process in real time, from creating the document, printing the document, inserting the document, as well as the entire flow through the mail stream in the USPS system including delivery to the recipient's door. The division is continuing to grow this system through an increase of templates, onboarding of agency staff, and continued training and user support. This will increase output volume from the Copy Center and increase employee productivity at the customer agency level. This will be met by increased engagement and account reviews with all agencies.

### **Division of Security Operations (DOSO)**

**Goal 9:** *Improve the overall efficiency and effectiveness of the Security operation.*

A Security program must deliver consistent, qualified, and managed protection services to the organization at 100% effectiveness. Security programs and services should consistently be designed with legal requirements and best-known practices as a deliberate foundation. Effectiveness is a cumulative set of information designed to characterize a defensible posture which protects the organization from liability. When qualified, managed, and documented security programs are operating at high effectiveness, the people and assets of the organization are best protected.

## Strategic Planning FY2024– FY2027

The purpose of the measurable plan is designed to illustrate continuous improvement in productivity and quality of department operations, supporting Governor Little’s vision to instill citizen confidence in Idaho state government, and his statewide priorities and initiatives. Our mission statement, vision, and guiding values lay the foundation for the department’s strategic initiatives. A few of our department goals have been in place for several years illustrating progression over time. They were established to promote the enhancement of quality and/or cost efficiencies in the delivery of services representing each of Administration’s programs.

The success of Administration’s strategic goals and objectives are not only to be gauged by achievement of their timelines and performance measures, but also by how well our department employees understand and participate in their implementation.

### *Governor’s Statewide Priorities*

- Strong Public Education System
- Robust Economy
- Confidence in State Government

### *Governor’s Initiatives*

- Supporting Education
- Cutting Red Tape
- Leading Idaho
- Operation Esto Perpetua

### ***Mission Statement:***

***“We serve Idaho by promoting responsible government through expert customer support.”***

***Vision: Bring appropriate, innovative, and efficient operating practices to Idaho government.***

### ***Guiding Values***

- **Customer Service**  
Serve our customers to the fullest extent possible and treat them with respect and professionalism.
- **Integrity and Honesty**  
Be honest, dependable, fair, credible, and trustworthy. Acknowledge mistakes, seek to correct them, and learn from them.
- **Innovation**  
Demonstrate initiative and flexibility in promoting and responding to challenges and changes.
- **Communication**  
Believe that open, positive, and honest communication is critical to our employees, our customers, and the citizens of Idaho.

## Goals

### 1. Increase employee benefit communications.

#### Objectives:

1. Review previous communication strategies from OGI, carrier and specific programs
2. Use the historic communications strategies to make a plan for regular communications from OGI and document additional communication campaigns from the carrier(s) and specific programs
3. Identify and provide training to OGI staff who are responsible, or can assist with, website maintenance and communication distribution.
4. Conduct targeted communication campaigns to various agencies based on claims utilization for certain conditions (e.g., diabetes, COPD, etc.)

#### Performance Measure:

Number of communications to group insurance program participants.

#### Benchmark:

At least 12 communications throughout the fiscal year.

#### Rationale for Benchmark:

Idaho code 67-5761 (f) requires communication to all personnel about benefits, which is a critical element of the services OGI provides to ensure that members understand the services available and how to access them in the most cost-effective manner for themselves and the plan.

### 2. Address the state's loss expectancy (LE)

#### Objectives:

1. Complete the (8) Flood Emergency Response Plans requested buy FM Global for locations susceptible to flood and storm water intrusion.
  - i. Completing these will reduce the LE by \$9,090,000 in year 1 and help to strengthen the existing plans at the identified locations.
  - ii. Partner with the locations doing Flood Emergency Response Plans to ensure they are not only created but also communicated to location stakeholders and implemented to reduce actual risk.
2. Complete select human elements recommendations identified by FM Global Engineers that have a no or low cost to accomplish.
3. Complete Physical recommendations that have been approved and funded at the Agency level.
  - i. Completing these we will reduce the LE by \$10,000,000+ in years 1-5.

#### Performance Measure:

Reduce Loss Expectancy liability by a certain dollar amount each year.

#### Benchmark:

Reduce the states loss expectancy by \$10,000,000 each fiscal year.

#### Rationale for Benchmark:

Idaho Code 67-5775 (5) supports means through which risks may be improved. A reduction in identified recommendations will demonstrate the States commitment to a partnership with FM Global. The states willingness to invest in itself to help increase safety, property preservation, and help mitigate risk will allow the state to maintain its property coverage, stabilize insurance rates and minimize future rate increases

### **3. Increase efficiency in processes necessary to issue Notice to Proceed on construction projects.**

#### Objectives:

1. Identify critical steps in the process that are causing delays between project bid date and issuing a Notice to Proceed, authorizing construction. This may be caused by postponed receipt of agency authorization or incomplete submission of documents by the contractor (external influences).
2. Analyze internal processes that could be modified to reduce the time.
3. Educate agencies and contractors on the required process and submission of documents.

#### Performance Measure:

Average number of days between project bid date and Notice to Proceed.

#### Benchmark:

Reduce the average number of days between project bid date and issuing Notice to Proceed by 5% per year.

#### Rationale for Benchmark:

Our client agencies have expressed concern about how long it takes to get construction actually started. Contractors have also voiced concern about price escalations and holding labor while contracts are put in place. DPW has reviewed its processes and determined this is an area where improvement is needed. Five percent is a reasonable expectation based on the efforts and time required to obtain bonds, secure subcontracts, arrange for insurance coverage, etc.

### **4. Address deferred maintenance and repair items.**

#### Objectives:

1. Reduce the back log of deferred maintenance and repair items for the Capitol Mall (including the Idaho Falls and Lewiston state office buildings) and the Chinden Campus.
2. Update the Facilities Condition Assessments (FCA's) for both campuses. Establish the current Facility Cost Index (FCI) for each building.
3. Utilize FCA's to develop and prioritize a current list of deferred maintenance items.
4. Prepare 20-year plan outlining areas of work and funding proposals.

#### Performance Measure:

Average Facility Cost Index (FCI).

#### Benchmark:

Reduce the average FCI for facilities by 5% per year to reach the desired FCI average of **0.00 to 0.05**.

#### Rationale for Benchmark:

Facility Condition Index (FCI) is calculated as Deferred Maintenance Costs divided by Asset Replacement Value. The FCI is a standard measure used throughout the facilities management industry to compare accumulated deferred maintenance to the current replacement value of a facility. The total value of needed repairs is divided by the building value, resulting in the FCI score. An FCI is considered EXCELLENT at 0.00 to 0.05, GOOD at 0.05 to 0.10, FAIR at 0.10 to 0.30, and POOR if greater than 0.30.

### **5. Promote and expand use of the Federal Surplus Property program.**

#### Objectives:

1. Conduct outreach to expand use of FSP by qualifying entities
2. Develop targeted marketing materials based on identified equipment and supply needs.

3. Conduct monthly outreach to donees that are nearing application expiration to renew their application.
4. Identify property that provides maximum benefit to active and potential donees.

Performance Measures:

1. Number of registered and/or active donees.
2. Number of donated items.
3. Savings (\$value and/or percentage) to donees.

Benchmark:

1. Increase number of registered and/or active donees by 5% over previous fiscal year.
2. Increase number of donated items by 5% over previous fiscal year.
3. Increase estimated cost savings (\$value and/or percentage) by 10% over previous fiscal year.

Rationale for Benchmark:

The DOP Administrator reviewed the data for identified performance measures for FY2021-2023. The benchmarks are slightly higher than the actual performance to challenge FSP and to reflect the anticipated impact of focused effort in these areas.

**6. Create efficiencies for major procurement and contract administrative functions.**

Objectives:

1. Implement process improvement and other efficiencies within the procurement and contract administration functions.
2. Create transparency and accountability within the procurement and contract administration processes.
3. Establish clear expectations regarding responsibilities and timelines within procurement and contract administration processes.

Performance Measures:

1. Percentage of common types of procurement and contract administration projects exceeding the following maximum acceptable cycle times:

Request for Quotes (RFQ): 10 weeks

Invitation to Bid (ITB): 18 weeks

Request for Proposals (RFP): 26 weeks

Contract Renewal: 12 weeks

Contract Amendment: 4 weeks

2. Percentage of solicitations (RFQs, ITBs, RFPs, and Invitations to Negotiate (ITNs)) completed after the agreed upon award date.

Benchmark:

Decrease percentage of common types of projects exceeding the maximum acceptable cycle time by 5% of each fiscal year.

Rationale for Benchmark:

Idaho Code 67-9205 Directs the Administrator of Division of Purchasing to enter into contracts and any modifications thereto for the acquisition of property on behalf of and in the name of state agencies; and shall, when economically feasible and practical, consolidate solicitations and acquire property in amounts as large as can be efficiently managed and controlled;

DOP has been measuring cycle time for solicitations for approximately four years and for contract administration tasks for approximately one year. Based on the available data, this benchmark is necessary to work on process improvements designed to improve cycle times.

## **7. Create efficiencies in the state's Postal Services at the Chinden Campus.**

### Objectives:

Implement a new package processing platform.

### Performance Measures:

Average number of minutes to deliver mail.

### Benchmark:

Annual reduction of 70 minutes.

### Rationale for Benchmark:

Current mail delivery on routes takes an average and combined 33 hours per day. As state agencies move to the Chinden Campus, the benchmark is necessary to reduce the average amount of daily driving time spent on delivery routes. In doing so, Postal Services follow the Governor's Statewide Priority of providing confidence in state government.

## **8. Create efficiencies in Copy Center jobs for state agencies.**

### Objectives:

1. Increase marketing to departments statewide. Provide high level information to entities and more detailed information to certain departments that produce the largest volume.
2. Implement more technology-friendly platforms that will bridge the gap from paper to electronic.

### Performance Measures:

1. Average processing time between order received and delivered.
2. Percentage of jobs printed during non-business hours.

### Benchmark:

1. Average of one day to deliver jobs by FY27.
2. An increase of 20% of all copy jobs completed during non-business hours by FY27.

### Rationale for Benchmark:

1. Average delivery time in FY23 to perform jobs is 2 ½ days, which is too long. Implementing new copiers with enhanced technology will decrease job output to an average of one day to deliver jobs by end of FY2027.
2. Standard jobs can be done during non-business hours when no one is on the clock, freeing up staff to focus on more technical jobs during regular business hours.

## **9. Improve the overall efficiency and effectiveness of the Security operation.**

### Objectives:

1. Prioritize for evaluation security services and programs that have legal requirements.
2. Continue to improve data collection on security events to establish best known practice security mitigations.
3. Establish employee education program which describes security processes and activities.

### Performance Measure:

Improve the overall efficiency and effectiveness of the Security operation by reducing emergency response times each year until benchmark has been attained.

### Benchmark:

Response time not to exceed 10 minutes.

### Rationale for Benchmark:

Security programs and services should consistently be designed with legal requirements and best-known practices as a deliberate foundation. Effectiveness is a cumulative set of information designed to characterize a defensible posture which protects the organization from liability. When qualified, managed, and documented security programs are operating at high effectiveness, the people and assets of the organization are best protected.

## **Key External Factors**

A number of external factors influence the goals set by the Department of Administration. Federal and state legislation particularly with regard to health care, changes in technology, and budget constraints have all played a factor in the completion of established goals.

### **Federal / State Laws and Directive Changes**

Statutory changes often threaten business as usual. As a result, additional responsibilities can be placed on programs as well as increased expenditures. Increased scope of responsibilities can affect program goals, and increased costs to the program are often passed on to the agencies. Changes mandated in the Patient Protection and Affordable Care Act (PPACA) impacts the cost and design of the medical insurance plans available to state employees now and in the future.

### **Economic**

The Statewide Leasing Program continues to face challenges in retaining affordable facility costs for state agencies that are currently in leased facilities. Economic recovery and increased construction costs are forcing lease rates to new levels. The purchase of the Chinden Campus is providing opportunities to house state agencies in more affordable space.

The thriving economy is also affecting construction costs for projects undertaken by DPW. When work is plentiful, fewer contractors bid on the state projects. Costs rise due to the demand in the private sector. Adjustments may need to be made to the scope of some projects to meet budgetary constraints.

### **Seasonal Elements**

Weather conditions can influence whether the department successfully meets goals in a timely manner. For example, severe weather has a direct correlation to claims frequency in our Risk Management program. Weather is also a factor in the construction industry and can cause delays in the completion of our public works projects within construction timetables.

### **Personnel Changes**

One external influence that is an issue for all of state government is the upturn in the economy and the ability of the private sector to offer higher salaries. This trend can lead to difficulty filling vacant department positions and may continue to result in the loss of knowledgeable and skilled employees and loss of tremendous institutional knowledge. As the economy continues to improve, not only is the department faced with the potential exit of key employees, but also the challenge of hiring qualified applicants to replace them.

To compound this concern, Administration currently has 26.2% of its workforce eligible to retire as of July 1. Of those, 7.2% are eligible for full retirement with no reduction in benefit. The other 19.0% are eligible for "Early Retirement" with a reduced benefit.