



165 Capitol Avenue Hartford, CT 06106-1658

#### COMMISSION ON ENHANCING AGENCY OUTCOMES December 14, 2009

A number of the "Areas of Focus" presented by the Commission at its last meeting refer to services provided by the Department of Administrative Services ("DAS"). DAS offers the following comments on these items:

### 4. On-line applications system statewide – example: DMV.

DAS has already implemented online applications in several of its processes. For example, both the Contractor Prequalification certification program and the Supplier Diversity (set-aside) certification program have used automated application processes for several years. DAS has also created a Law Enforcement Recruitment website, through which individuals can apply for the Corrections Officer, Protective Services Trainee and State Police Trooper Trainee exams – three of the largest examinations run by DAS. We are also in the process of moving the P-card application online. DAS continuously explores the feasibility of transferring our processes to the web.

# 5. Master contracting. (a) business to state government; (b) internal within state government; (c) intergovernmental; (d) consumers to state government.

DAS needs further clarification about what the Committee means by the term "master contracting." All DAS-administered contracts that are open to multiple state agencies are considered "master contracts." Most of these master contracts are also available for use by municipalities and certain non-profits.

## 7. Move additional state agencies to DAS SMART unit for administrative functions.

DAS currently performs human resources, payroll, affirmative action and/or business functions to 21 other agencies, in addition to the four boards and commissions recently consolidated within DAS. DAS remains open to discussing whether it would be feasible to provide these services to additional agencies and what personnel and fiscal resources DAS would need to provide these services.

#### 9. Printing within state agencies.

#### a. Consolidate printing centers

DAS believes that efficiencies and cost savings may result from consolidating various agency-specific printing centers into a larger inter-agency printing center. However,

such consolidation would first require a current assessment of agencies' printing needs and usage. This assessment would provide the basis for determining the equipment, space and personnel needed to accomplish the consolidation.

Please note that the state's current office equipment (multifunction device) contract does include some assessment services. In other words, the vendor(s) on this contract, upon an agency's request, will to come into an agency, assess its printing needs and recommend streamlining, consolidation, and right-sizing of equipment.

#### **b.** Paperless processes

Most state agencies have already made great strides toward paperless publishing. With the exception of field materials, social service-oriented publications, and legislative documents, state printing has been drastically reduced over the last few years. Governor Rell has issued directives to Agency Heads to cease printing and to use paperless processes wherever possible.

10. Cooperative Purchasing Opportunities – create and/or join cooperative purchasing venture to allow certain eligible entities to purchase goods, certain services and utilities from state/multistate contracts.

DAS supports the principles of cooperative purchasing and is actively identifying and joining cooperative purchasing arrangements that benefit the State. DAS is already involved in four different cooperative contracts with other states: clothing and uniforms; postal equipment; EPP (environmentally preferable purchasing) cleaners; and baby formula/baby food for the WIC program. In addition to participating in the National Association of State Procurement Officials (NASPO), DAS actively participates in monthly conference calls with the NASPO Eastern States Contracting Alliance (NESCA) and in discussions regarding new cooperative opportunities.

DAS needs a legislative change in order to have the authority to purchase off of <u>existing</u> cooperative purchasing contracts, which DAS believes will enable the state to realize significant savings. The Governor's November 24, 2009 deficit mitigation plan includes this item to give DAS the necessary authority.

11. Join Multistate Contracting Alliance for Pharmacy purchases – (see Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP), created in 1985, a voluntary cooperative purchasing group that combines the purchasing power of its members to receive the best prices available for pharmaceuticals, hospital supplies, and related products. MMCAP contracts with over 160 pharmaceutical manufacturers, and also has contracts for distributors (to support the pharmaceutical contracts), hospital supplies, returned goods processing, flu vaccine, and vials and containers. MMCAP's niche is to provide, through volume contracting and careful contract management, the best value in pharmaceuticals and related products to its members - eligible governmental health care

facilities. Currently, MMCAP has membership agreements with 45 states and the Cities of Chicago and Los Angeles - 43 Participating Entities and over 5,000 eligible facilities.

DAS is currently analyzing the Minnesota Multistate Contracting Alliance for Pharmacy, particularly with regard to its pricing, for state agency use. In addition, pursuant to PA 09-206, DAS has been working with the Department of Social Services and the Office of State Comptroller to develop a cooperative purchasing plan for pharmaceutical purchases for other state assistance programs.

12. Create Eastern States Contracting Alliance modeled on Western state alliance created in 1998 by the State of New Mexico. The WSCA are four contracts with PC manufacturers to provide, through volume contracting and careful contract management, the best value in PC's to the participating entities in 41 states that currently use these contracts. In January, 2004, administration and management of these contracts was transferred to the Materials Management Division. Sixteen contracts, based on solicitations issued by Minnesota since February 2004, have become effective at various times since September 2004. All the contracts will expire on August 31, 2009.

The proposed contracting alliance already exists: the NASPO Eastern States Contracting Alliance Region of NASPO (NESCA) was established in 2006. As noted above, DAS is an active member of this Alliance.

13. Sharing services/purchasing with neighboring states (see Minnesota and Wisconsinsavings identified \$10m each state); see for example backing up each other's databases, investing together in communications systems for law enforcement and purchasing products from each other.

As a member of NESCA, DAS is actively involved in exploring possible cost savings that may be achieved through cooperative efforts with neighboring states.

#### 14. Enforce use of P-cards. (review audit findings)

DAS needs further clarification about what is meant by this suggestion. DAS supports and advocates for use of P-cards for essential purchases. DAS actively audits P-card usage and, in cooperation with the Office of State Comptroller, trains personnel and updates procedures related to the P-Card program as needed.

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