DAS ISF Responsibilities
Utah Code Section 63A-1-114 (2018)

• A DAS division that operates as an internal service fund (ISF) shall submit to the DAS rate committee a proposed rate and fee schedule for services rendered to an executive branch entity or an entity that subscribes to services rendered.

• DAS provides staff services to the committee.
DAS Rate Committee Responsibilities

Utah Code Section 63A-1-114 (2018)

• Conduct meetings in accordance with OPMA;
• Meet at least once each calendar year to:
  • discuss service performance;
  • review the proposed rate and fee schedules;
  • approve, increase, or decrease the rate and fee schedules; and
  • discuss any prior or potential adjustments to the service level received by state agencies that pay rates to an Internal Service Fund (ISF);
• Recommend ISF rates to GOMB and the Legislature, and
• Review and approve interim rates.
DAS Mission

Deliver support services of the highest quality and best value to government agencies and the public
DAS Vision

Be the preferred and most trusted provider of products, services, and innovative solutions to meet customer needs
Risk Management

Liability
Property
Auto
Workers Compensation
Learning Management System

Finance
Facilities Construction and Management
Fleet Operations
Purchasing and General Services
Risk Management

Utah Code Title 63A, Chapter 4, “Risk Management”

Mandates the appointment of a Risk Manager and establishes the Risk Management Fund

Requires economically and actuarially sound management and adequate reserves for the payment of reported, unpaid, and unreported claims
Insurance

Risk Management has some advantages over traditional insurance providers

- Broader coverage for less money
- Pool members share the impact of rate increases
Rates Can Change

Increased claims costs from the past year

When claims roll off an agency’s 5-year history

Insurance market changes
Liability Program
Liability Retained Earnings (Historical)

- FY2007: $7M
- FY2008: $5M
- FY2009: $3M
- FY2010: $1M
- FY2011: $1M
- FY2012: $3M
- FY2013: $5M
- FY2014: $7M
- FY2015: $9M
- FY2016: $5M
- FY2017: $3M
- FY2018* preliminary: $1M

Net Income
Retained Earnings
60 Days Operating Capital

Risk Management | Liability Insurance | Retained Earnings
Losses and Premiums

School District* Liability – per Pupil Count

Higher Education Liability – per Pupil Count

UDOT Liability – per 100 Lane Miles

Other Agencies Liability – per 1K in Population

*School Districts include Charter Schools.
Liability Reserve Status

Actuarial Projection
$54,407,000

Balance
$(5,126,517)

$49,280,483
How We Got Here

- Unprecedented increase in liability claims
- Lag time between actuarial projections and loss experience
- Conservative projections to keep rates low and stable to minimize retained earnings
Liability Rate Increase/Allocation

Liability premiums will increase by $6,895,101 in FY2020

Individual entities will have increases or decreases based on loss history and risk exposure
Liability Retained Earnings

Net Income | Retained Earnings | 60 Days Operating Capital


$M | $M | $M | $M | $M | $M | $M

Risk Management | Liability Insurance | Retained Earnings
# Liability Premiums by Risk Pool

Re-capturing Historical Losses

## Rate Recommendation

### Premium Projections

(Numbers in Thousands)

<table>
<thead>
<tr>
<th>Risk Pool</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Districts &amp; Charter Schools</td>
<td>$7,824</td>
<td>$11,216</td>
<td>$3,392</td>
<td>43.4%</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>$2,557</td>
<td>$3,494</td>
<td>$937</td>
<td>36.6%</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$3,103</td>
<td>$4,755</td>
<td>$1,652</td>
<td>53.2%</td>
</tr>
<tr>
<td>Other Agencies</td>
<td>$5,700</td>
<td>$6,613</td>
<td>$914</td>
<td>16.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$19,184</strong></td>
<td><strong>$26,078</strong></td>
<td><strong>$6,895</strong></td>
<td><strong>35.9%</strong></td>
</tr>
</tbody>
</table>
Property Premiums

Valuation, square footage, and CPI changes will affect the amount of premium collected for all agencies with property coverage.

Property premiums will increase by $961,400 in FY2020.
## Property Premiums by Risk Pool

### Rate Recommendation

#### Premium Projections
(Numbers in Thousands)

<table>
<thead>
<tr>
<th>Risk Pool</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Total</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>School Districts &amp; Charter Schools</td>
<td>$8,448</td>
<td>$8,393</td>
<td>$(55)</td>
<td>(0.7)%</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$5,307</td>
<td>$6,276</td>
<td>$969</td>
<td>18.3%</td>
</tr>
<tr>
<td>Other State Agencies</td>
<td>$3,540</td>
<td>$3,588</td>
<td>$48</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$17,295</td>
<td>$18,257</td>
<td>$962</td>
<td>5.6%</td>
</tr>
</tbody>
</table>
Auto Premiums

Individual entities will have increases or decreases based on loss history and risk exposure.

Auto premiums will increase slightly in FY2020. Rates will now be calculated by an actuary.
# Auto Physical Damage Rate Changes

## Current Schema

<table>
<thead>
<tr>
<th>Risk Pool</th>
<th>Value &lt; $35,000</th>
<th>Value &gt; $35,000 (per $100 of value)</th>
<th>School Bus</th>
<th>Other Vehicles or Related Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>$175</td>
<td>$0.80</td>
<td>$200</td>
<td>$75</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$125</td>
<td>$0.80</td>
<td>$200</td>
<td>$75</td>
</tr>
<tr>
<td>Other State Agencies</td>
<td>$150</td>
<td>$0.80</td>
<td>$200</td>
<td>$75</td>
</tr>
<tr>
<td>Charter / School Districts</td>
<td>$50</td>
<td>$0.80</td>
<td>$200</td>
<td>$75</td>
</tr>
</tbody>
</table>

## Proposed Schema

<table>
<thead>
<tr>
<th>Weight:</th>
<th>Car / Truck</th>
<th>Bus</th>
<th>Semi-Truck</th>
<th>Tractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight:</td>
<td>1.0</td>
<td>1.5</td>
<td>5.0</td>
<td>1.0</td>
</tr>
<tr>
<td>FY2020 Rate:</td>
<td>$116.25</td>
<td>$174.37</td>
<td>$581.25</td>
<td>$116.25</td>
</tr>
</tbody>
</table>
Auto Retained Earnings


Net Income | Retained Earnings

Risk Management | Automobile Insurance | Retained Earnings
## Rate Recommendation

### Premium Projections

(Numbers in Thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School Districts &amp; Charter Schools</td>
<td>$916</td>
<td>$1,008</td>
<td>$93</td>
<td>10.0%</td>
<td></td>
</tr>
<tr>
<td>Higher Education</td>
<td>$299</td>
<td>$328</td>
<td>$24</td>
<td>9.7%</td>
<td></td>
</tr>
<tr>
<td>Other State Agencies</td>
<td>$935</td>
<td>$1,078</td>
<td>$105</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,150</strong></td>
<td><strong>$2,414</strong></td>
<td><strong>$222</strong></td>
<td><strong>12.3%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Workers Compensation Retained Earnings

*$2.5 million was transferred to Liability ($2.4 million) and Auto ($100,000) to help reduce the impact of premium increases.
## Workers Compensation Premiums by Risk Pool

### Rate Recommendation

#### Premium Projections
(Numbers in Thousands)

<table>
<thead>
<tr>
<th>Risk Pool</th>
<th>Premiums FY2019</th>
<th>Premiums FY2020</th>
<th>Total Change</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>UDOT Worker</td>
<td>$1,139</td>
<td>$1,139</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other/State Agencies</td>
<td>$7,040</td>
<td>$5,845</td>
<td>$(1,195)</td>
<td>(17.0)%</td>
</tr>
<tr>
<td>Aviation</td>
<td>$7</td>
<td>$7</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,186</strong></td>
<td><strong>$6,991</strong></td>
<td><strong>$(1,195)</strong></td>
<td><strong>(14.6)%</strong></td>
</tr>
</tbody>
</table>
The Utah Learning Portal is a statewide Learning Management System.

A Risk Management employee provides assistance to other departments with implementation and system issues.
Learning Management System (LMS)

## Rate Recommendation

<table>
<thead>
<tr>
<th>Program</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Management System – Enterprise Rate</td>
<td>$55/hour</td>
<td>$55/hour (minimum of 50 hours)</td>
<td>$2,750 per participating entity</td>
</tr>
</tbody>
</table>
## Risk Management
### Rate Committee Action

<table>
<thead>
<tr>
<th>Action</th>
<th>Slide Number or Reference</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve liability premium increases</td>
<td>18</td>
<td>$6,895,101</td>
</tr>
<tr>
<td>Approve property premium increases</td>
<td>21</td>
<td>$961,400</td>
</tr>
<tr>
<td>Approve automobile premium increases</td>
<td>25</td>
<td>$221,600</td>
</tr>
<tr>
<td>Approve workers compensation premium decrease</td>
<td>27</td>
<td>($1,195,200)</td>
</tr>
<tr>
<td>for “Other State Agencies”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approve LMS rate impact</td>
<td>29</td>
<td>$30,250</td>
</tr>
<tr>
<td>Approve all other existing rates</td>
<td>H.B. 8 (2018)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lines 2149-2301</td>
<td></td>
</tr>
</tbody>
</table>
Risk Management
Finance
Purchasing Card
Finance
Facilities Construction and Management
Fleet Operations
Purchasing and General Services
The purchasing card provides an efficient, cost-effective method of purchasing and payment.

Total purchasing card usage was $31.77 million in CY2017 (17.67% increase).

The planned net rebate to State agencies and local governments is $344,802 and will be processed in August 2018 (16.8% increase).
Rebates to State Agencies (Net of Program Costs)

*Fiscal Year 2018 rebate will be distributed in early Fiscal Year 2019.
Purchasing Card Retained Earnings

Net Income and Retained Earnings are higher due to delayed distribution of rebate.
Rate Recommendation
No change to current rate structure
## Finance Rate Committee Action

### DAS Recommended Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Slide Number or Reference</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve existing rate</td>
<td>H.B. 8 (2018)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lines 2010-2012</td>
<td>--</td>
</tr>
</tbody>
</table>
Program Efficiencies

The Division of Facilities Construction and Management (DFCM) provides building management service to state agency subscribers. Service includes preventative and corrective maintenance, grounds care, energy management, contract management and accounting services.

- 160 Authorized FTEs
- 143.5 Current FTEs
- Provided maintenance and management services to over 200 state-owned and leased buildings
- $35 million FY2019 adjusted revenue
- Manage over 7.5 million square feet of space
DFCM is focused on efficient building operation

- Average operations and maintenance costs: 36% below local average, 52% below national average
- Statewide service through regionalized management groups
- Diverse portfolio including office space, courthouses, laboratories, retail, warehouse, and veterans assisted living
- Combination of internal staff and private sector resources to provide cost-effective services
Cost Per Square Foot

Based on BUILDING OWNERS AND MANAGERS ASSOCIATION (BOMA) Data
Calendar Year 2017 Information

$9.80  $11.49  $7.34  $4.67  $4.82

U S Private  U S Government  SLC Private  DFCM FY2018, projected  DFCM FY2020, projected
Facilities Management Retained Earnings (Days)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual Retained Earnings (in days)</th>
<th>Allowed Days of Retained Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>5</td>
<td>60</td>
</tr>
<tr>
<td>FY 2016</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>FY 2017</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>FY 2018 preliminary</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>FY 2019 projected</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>FY 2020 projected</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>FY 2021 projected</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>
# Facilities Management Rates

## Rate Recommendation

Rate adjustments for the following 7 programs:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount of Increase (Decrease)</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1310 Richfield DNR</td>
<td>$30,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1333 St. George Court</td>
<td>$50,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1357 Orem Court</td>
<td>$30,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1374 Price DPS</td>
<td>$25,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1383 Payson VA</td>
<td>$20,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1562 West Valley Court</td>
<td>$30,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td>1569 ABC Complex</td>
<td>$120,000</td>
<td>Deficit Reduction</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$305,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Facilities Management Rates

### Rate Recommendation

**FY2019 Authorized – New programs or scope changes:**

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount of Increase (Decrease)</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>1465 ABC Store - Herriman</td>
<td>$52,020.00</td>
<td>New store February, 2019</td>
</tr>
<tr>
<td>1706 ABC Store - Syracuse</td>
<td>$45,900.00</td>
<td>New store October, 2018</td>
</tr>
<tr>
<td>1347 Provo Juvenile Court</td>
<td>$(131,656.92)</td>
<td>Will only house Juvenile Work Crew after 1/1/2019</td>
</tr>
<tr>
<td>1354 Provo Court</td>
<td>$(124,750.00)</td>
<td>Transfer building to Mountainland Technical College 2/1/2019</td>
</tr>
<tr>
<td>1380 New Provo Courts/Terrace</td>
<td>$1,320,997.88</td>
<td>Court/Terrace 310,492 square feet Occupancy date 2/1/2019</td>
</tr>
<tr>
<td>1609 New DEQ Building</td>
<td>$62,788.63</td>
<td>21,139 square feet Occupancy date Spring 2019</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$1,225,299.59</strong></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** These facilities have been funded through another process.
## Rate Recommendation

FY2020 Request – Garage rate adjustments

<table>
<thead>
<tr>
<th>Labor</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprentice Maintenance</td>
<td>$42</td>
<td>$45</td>
<td>7%</td>
</tr>
<tr>
<td>Electronics Resource Group</td>
<td>$46</td>
<td>$48</td>
<td>4%</td>
</tr>
<tr>
<td>Facilities Manager / Coordinator II</td>
<td>$58</td>
<td>$65</td>
<td>12%</td>
</tr>
<tr>
<td>Grounds Manager</td>
<td>$40</td>
<td>$43</td>
<td>8%</td>
</tr>
<tr>
<td>Grounds Supervisor</td>
<td>$38</td>
<td>$40</td>
<td>5%</td>
</tr>
<tr>
<td>Groundskeeper</td>
<td>$36</td>
<td>$41</td>
<td>14%</td>
</tr>
<tr>
<td>Journey Boiler Operator</td>
<td>$55</td>
<td>$58</td>
<td>5%</td>
</tr>
<tr>
<td>Journey Carpenter</td>
<td>$50</td>
<td>$52</td>
<td>4%</td>
</tr>
<tr>
<td>Journey Electrician</td>
<td>$53</td>
<td>$56</td>
<td>6%</td>
</tr>
<tr>
<td>Journey HVAC</td>
<td>$51</td>
<td>$55</td>
<td>8%</td>
</tr>
<tr>
<td>Journey Maintenance</td>
<td>$47</td>
<td>$50</td>
<td>6%</td>
</tr>
<tr>
<td>Journey Plumber</td>
<td>$51</td>
<td>$54</td>
<td>6%</td>
</tr>
<tr>
<td>Maintenance Supervisor</td>
<td>$50</td>
<td>$51</td>
<td>2%</td>
</tr>
<tr>
<td>Mechanics</td>
<td>$40</td>
<td>$42</td>
<td>5%</td>
</tr>
<tr>
<td>Office Technician</td>
<td>$38</td>
<td>$40</td>
<td>5%</td>
</tr>
<tr>
<td>Temp Groundskeeper</td>
<td>$21</td>
<td>$26</td>
<td>24%</td>
</tr>
<tr>
<td>Action</td>
<td>Slide Number or Reference</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>----------------------------</td>
<td>---------------</td>
<td></td>
</tr>
<tr>
<td>Approve rate adjustments for seven programs</td>
<td>43</td>
<td>$305,000</td>
<td></td>
</tr>
<tr>
<td>Approve six new programs or scope changes</td>
<td>44</td>
<td>$1,225,300</td>
<td></td>
</tr>
<tr>
<td>Approve Labor (garage) rate adjustments</td>
<td>45</td>
<td>varies</td>
<td></td>
</tr>
<tr>
<td>Approve all other existing rates</td>
<td>H.B. 8 (2018)</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lines 1874-2005</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Risk Management  
Finance  
Facilities Construction and Management  
Fleet Operations  
Motor Pool  
Fuel Network  
State Travel  
Transactions Team  
Purchasing and General Services
Motor Pool

7,817 total vehicles in the State fleet

- 367 private sector vendors
- 4,621 Fleet Operations vehicles
- KeyValet key kiosk pilot
- Telematics pilot

Numbers current as of June 30, 2018
Motor Pool Debt to General Fund

- FY2013: $37.9M
- FY2014: $41.6M
- FY2015: $33.3M
- FY2016: $31.4M
- FY2017: $27.6M
- FY2018 preliminary: $21.8M
- FY2019 projected: $20.1M

Debt to General Fund
Previously Approved Motor Pool Monthly Lease Rate

Monthly Lease Rate = \frac{2013 \text{ Contract Price} - \text{Salvage Value}}{\text{Lifecycle}} + \text{Fees}

<table>
<thead>
<tr>
<th>Contract Price</th>
<th>2013 model year contract price for class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salvage Value</td>
<td>Light trucks: 21%</td>
</tr>
<tr>
<td></td>
<td>Select sedans: 18%</td>
</tr>
<tr>
<td></td>
<td>Select SUVs: 21%</td>
</tr>
<tr>
<td></td>
<td>All others: 17%</td>
</tr>
</tbody>
</table>

Salvage Value (estimated at 25% of contract price)

Lifecycle: Current lifecycle (in months) based on actual mileage

Fees: Admin fee and Management Information System (MIS) Alternative Fuel Vehicle (AFV) fees
Motor Pool Monthly Lease Rate

\[
\text{Monthly Lease Rate} = \frac{2013 \text{ Contract Price} - \text{Salvage Value}}{\text{Lifecycle}} + \text{Fees}
\]

<table>
<thead>
<tr>
<th>Contract Price</th>
<th>2013 model year contract price for class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salvage Value</td>
<td>Light trucks 21% Select sedans 18% Select SUVs 21% All others 17%</td>
</tr>
<tr>
<td>Lifecycle</td>
<td>Current lifecycle (in months) based on actual mileage</td>
</tr>
<tr>
<td>Fees</td>
<td>Admin fee and Management Information System (MIS) Alternative Fuel Vehicle (AFV) fees</td>
</tr>
</tbody>
</table>

Salvage Value (estimated at 25% of contract price) applied retroactively to all existing vehicles.
Motor Pool Retained Earnings

Fleet Operations | Motor Pool | Retained Earnings

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Earnings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 Days Operating Capital</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt to General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Motor Pool Rates

### Rate Recommendation

<table>
<thead>
<tr>
<th>FY2020 Request</th>
<th>Fee</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Lease Rate</td>
<td>Contract Price – Salvage / Years + Fees</td>
<td>Bring all vehicles less than 25% salvage up to 25%</td>
<td>-5.82%</td>
<td></td>
</tr>
</tbody>
</table>
Fuel Network

- 37,511 vehicles participate
- 18,270,211.42 million gallons dispensed
- 450 tanks state-wide
- 130 sites with card readers
- 6 CNG fuel sites

Numbers current as of June 30, 2018
Fuel Network Retained Earnings

Net Income
Retained Earnings
60 Days Operating Capital

- $2000K
- $1000K
$K
$1000K
$2000K
$3000K
$4000K
$5000K
$6000K

FY2015
FY2016
FY2017
FY2018 preliminary
FY2019 projected
FY2020 projected
FY2021 projected

Fleet Operations | Fuel Network | Retained Earnings
Fuel Network Rates

Rate Recommendation
No change to current rate structure
State Travel Office

- Booked 7,205 car reservations
- Made 11,571 hotel reservations
- Issued 19,870 airline tickets

Numbers current as of June 30, 2018
State Travel Office Rates

Rate Recommendation
No change to current rate structure
Transactions Team

13 Customers
9 Employees
116,975 Processed Transactions

Numbers current as of June 30, 2018
Transactions Team Rates

Rate Recommendation
No change to current rate structure
## Fleet Operations
### Rate Committee Action

**DAS Recommended Actions**

<table>
<thead>
<tr>
<th>Action</th>
<th>Slide Number or Reference</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve Lease rate modifications</td>
<td>53</td>
<td>($807,900)</td>
</tr>
</tbody>
</table>
Risk Management
Finance
Facilities Construction and Management
Fleet Operations
Purchasing and General Services

Cooperative Contracts
State/Federal Surplus Property
Print Services
Mail and Distribution Services
State Cooperative Contract Program

Benefits of State Cooperative Contracts

- Some of the best pricing in the nation
- Save public entities time in procurement of goods and services
- Better contractual terms for public entities
- Compliant with the Utah Procurement Code
- Save public entities administrative costs in managing contracts
Cooperative Contracts Total Spend

- **Counties**: $42.3M spend (voluntary use)
- **Cities**: $83.6M spend (voluntary use)
- **State Agencies**: $166.7M spend (required use)
- **School Districts**: $129.8M spend (voluntary use)
- **Higher Ed**: $98.1M spend (voluntary use)
- **Service Districts & Non-profits**: $47.5M spend (voluntary use)

State Purchasing Cooperative Contracts $568.2M total spend
Public Entities Using State Purchasing’s Cooperative Contracts

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Number of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>450</td>
</tr>
<tr>
<td>FY2017</td>
<td>486</td>
</tr>
<tr>
<td>FY2018</td>
<td>547</td>
</tr>
</tbody>
</table>
Cooperative Contracts Approved Rate

FY2018 Rate Structure

- Maximum approved fee: 1%
- Average administrative fee: .35%

Note: National average for cooperative organizations, like State Purchasing, is a 1.63% administrative fee.
Cooperative Contracts Retained Earnings


Net Income | Retained Earnings | 60 Days Operating Capital

* $1 million was transferred to State Mail and Print Services to help lower debt.
A higher-than-normal retained earnings balance is needed to keep the cooperative contracting program functioning in the event of an economic downturn. Because so many state and non-state public entities are reliant on the use of state contracts, sufficient reserves must be maintained.
Cooperative Contracts Rates

Rate Recommendation
No change to current rate structure
State/Federal Surplus Property Programs

FY 2018

- $6,076,517 Returned to agencies through the state surplus program
- $536,000 Saved Utah law enforcement agencies through the 1033 program
- $785,650 Saved Utah governmental agencies through the Federal Donation Program
Federal Surplus Property Retained Earnings

Net Income | Retained Earnings | 360 Days Operating Capital


Net Income: $60K, $40K, $20K
Retained Earnings: $20K, $40K, $60K
360 Days Operating Capital: Preliminary, Projected
Future Considerations

State Surplus will need to relocate from its Draper facility in the next few years as the land by the State Prison is developed.

Currently, the Draper facility is on a 10 acre plot of land with a 25,000 square foot building to store surplus items. Vehicles and heavy equipment are stored outside of the building.

The revenue bond on the Draper facility will finish in FY2019.
State/Federal Surplus Property Rates

Rate Recommendation
No change to current rate structure
Print Services Program

Digital Print Services  (Copier Lease Program)

- 59,337,848 impressions
- 1,222 copiers in the program
- Average lifecycle is 2 years longer than national average

State Copy Center  (Xerox Contract)

- 1,267 print jobs
- 5,571,188 impressions
- 100% accuracy
- 100% on-time delivery

FY 2018
Print Services Retained Earnings

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Income</th>
<th>Retained Earnings</th>
<th>60 Days Operating Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>-$100K</td>
<td>-$200K</td>
<td></td>
</tr>
<tr>
<td>FY2016</td>
<td>-$100K</td>
<td>-$200K</td>
<td></td>
</tr>
<tr>
<td>FY2017</td>
<td>-$100K</td>
<td>-$200K</td>
<td></td>
</tr>
<tr>
<td>FY2018 preliminary</td>
<td>$300K</td>
<td>$400K</td>
<td></td>
</tr>
<tr>
<td>FY2019 projected</td>
<td>$500K</td>
<td>$600K</td>
<td></td>
</tr>
<tr>
<td>FY2020 projected</td>
<td>$700K</td>
<td>$800K</td>
<td></td>
</tr>
<tr>
<td>FY2021 projected</td>
<td>$900K</td>
<td>$1000K</td>
<td></td>
</tr>
</tbody>
</table>
Print Services Rates

**Rate Recommendation**
No change to current rate structure
Mail and Distribution Services Program

FY 2018

21,742,737 Pieces of mail processed

$1,323,626 Cost Avoidance by State Mail for processing mail for USPS

68,386,506 Billable Production Tasks Completed

99% of Production Tasks are completed on time
State Mail Retained Earnings

- Net Income
- Retained Earnings
- 60 Days Operating Capital


- $1.5M
- $2.0M
- $2.5M
Mail and Distribution Rates

Rate Recommendation
No change to current rate structure
Purchasing and General Services  
Rate Committee Action

DAS Recommended Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Slide Number or Reference</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve all existing rates</td>
<td>H.B. 8 (2018)</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Lines 2073-2148</td>
<td></td>
</tr>
</tbody>
</table>
Thank You