

Report on Contracts

Department: Energy & Environment

Secretary: Becky Keogh

The purpose of this report is to prompt an analysis of contracts and contract expenditures within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency (cost savings) and effectiveness as it relates to this topic. An analysis of *contract management* should consider all relevant factors including the number of vendors, staffing, contract management process, approach to negotiation, and other barriers/challenges associated with the contracting. This analysis should take a holistic approach to developing plans to deliver efficiency and effectiveness improvements. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

<p>1. Project Title <u>Facilities (and related expenses) Consolidation</u> (Effective, Efficient, Cost Savings)</p> <p>1.1. Brief description of project, goal, and action plan.</p> <p>Department-wide facilities consolidation at the headquarters, regional, and satellite levels will effectively consolidate the facility-related expenses.</p> <p>1.2. Identify any additional resources required for the implementation and success of this plan.</p> <p>Collaborative assistance from Division of Information Systems (DIS) may be necessary to fully implement or consolidate Department-level Information Technology.</p> <p>1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?</p> <ul style="list-style-type: none">• Moving office furniture, equipment, and supplies will incur one-time costs for the Department.• There will be limited costs associated with the transition of Information Technology (IT) as certain regional and satellite offices are relocated.• The Department's current budget has sufficient funds to cover all anticipated costs. <p>1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.</p> <p>Success will be measured through progress reports detailing the actions taken to achieve the implementation of each opportunity. Progress reports will outline the status of implementation, completed actions, next steps, and any resources needed to finalize implementation. In addition, metrics will be identified to track realized efficiencies for each opportunity.</p> <p>1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?</p> <p>Phase I (0-3 months) –</p> <ul style="list-style-type: none">○ PC&EC relocation to LPGB○ DEQ Fort Smith relocation to OGC Fort Smith <p>Phase II (4-12 months) -</p> <ul style="list-style-type: none">○ OGC Little Rock relocation to E&E Northshore
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- AGS Little Rock Office relocation to E&E Northshore
- Phase III (13-36 months) -**
- DEQ El Dorado relocation to OGC El Dorado
- Relocation of DEQ Russellville Personnel
- Relocation of DEQ Whitehall Personnel
- Relocation of DEQ Hot Springs
- AGS Little Rock Warehouse relocation

1.6. Identify any obstacles to the implementation and success of this plan.

The Department currently possesses all of the personnel and assets needed to undertake the Facilities Consolidation.

1.7. How could Department of Transformation and Shared Services provide support to the Department?

It is undetermined at this time how the Department of Transformation and Shared Services can provide additional support on contracts or expenses. More information will be available to determine what support is needed once facility consolidation is under way.

ACTION PLAN FOR PROJECT 2:

2. Project Title **Optimization of E&E Expenses (Effective, Efficient, Cost Savings)**

2.1. Brief description of project, goal, and action plan.

An analysis of the current and future utilization of various goods and services by Department at the state-wide, regional, and local levels (i.e. comprehensive financial planning for the Department). Also, the energy efficiency efforts undertaken at DEQ Northshore should be evaluated for application across E&E facilities.

2.2. Identify any additional resources required for the implementation and success of this plan.

The Department may not be able to accurately project future needs and expenditures until office consolidation is complete.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

- Not at this time as Department personnel should be capable of the analysis, evaluation, and planning required.
- The Department's current budget has sufficient funds to cover all anticipated costs.

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

Success will be measured through progress reports detailing the actions taken to achieve the implementation of each opportunity. Progress reports will outline the status of implementation, completed actions, next steps, and any resources needed to finalize implementation. In addition, metrics will be identified to track realized efficiencies for each opportunity.

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

Phase I (0-3 months)

- Evaluation /analysis of actual long-term needs and expenditures of the Department

Phase II (4-12 months)

- Long-term planning of allocation expenses.
- Where possible, consolidation of provided services and vendors should occur at the Department level.

Phase III (13-36 months)

- Implementation and refinement of the expense optimization plan.

2.6. Identify any obstacles to the implementation and success of this plan.

The Department may not be able to accurately project future needs and expenditures until office consolidation is complete.

2.7. How could Department of Transformation and Shared Services provide support to the Department?

- Information Technology (IT) is of particular importance not only in Transformation, but also specifically in facility, and agency IT consolidation. Additional collaboration and consultation with the Department of Information Systems (DIS) can aid in a more seamless.
- It is undetermined at this time how the Department of Transformation and Shared Services can provide additional support on contracts or expenses. More information will be available to determine what support is needed once facility consolidation is under way.

ACTION PLAN FOR PROJECT 3:

3. Project Title **Cross-Department Coordination (Efficient, Cost Savings)**

3.1. Brief description of project, goal, and action plan.

The provision of goods or services across, or with, other state departments should be leveraged for overall cost savings.

3.2. Identify any additional resources required for the implementation and success of this plan.

The coordination of cross-department purchasing or expenditures will require assistance from TSS, and cannot be adequately analyzed at the Department level.

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

No additional costs are associated with this opportunity.

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

Continued long-term optimization of cross-department expenses will provide future cost savings, cannot be quantified at this time.

3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

It is anticipated that TSS will be required for the implementation of this opportunity. As such, TAT did not set a timeline for this opportunity.

3.6. Identify any obstacles to the implementation and success of this plan.

Coordination and cooperation across departments may not occur as quickly or as smoothly as hoped, as each department may have differing needs.

3.7. How could Department of Transformation and Shared Services provide support to the Department?

The coordination of cross-department purchasing or expenditures will require assistance from TSS and cannot be adequately analyzed at the Department level.

Additional thoughts/comments: